

area handbook series

Uruguay

a country study



Uruguay a country study

Federal Research Division
Library of Congress

Edited by
Rex A. Hudson and

December 1990



On the cover: A gaucho displays an ornamental saddle and harness at a festival.

Second Edition, First Printing, 1992.

Library of Congress Cataloging-in-Publication Data

Uruguay : a country study / Federal Research Division, Library of Congress ; edited by Rex A. Hudson and Sandra W. Meditz. — 2nd ed.

p. cm. — (Area handbook series, ISSN 1057-5294) (DA pam ; 550-97)

“Supersedes the 1971 edition of Area handbook for Uruguay written by Thomas E. Weil, et al.”—T.p. verso.

“Research completed December 1990.”

Includes bibliographical references (pp. 249-272) and index.

ISBN 0-8444-0737-2

-----Copy 3. Z663.275 . U78 1992

1. Uruguay. I. Hudson, Rex A., 1947- . II. Meditz, Sandra W., 1950- . III. Library of Congress. Federal Research Division. IV. Area handbook for Uruguay. V. Series. VI. Series: DA pam ; 550-97.

F2708.U855 1992
989.5—dc20

92-6702
CIP

Headquarters, Department of the Army
DA Pam 550-97

Foreword

This volume is one in a continuing series of books prepared by the Federal Research Division of the Library of Congress under the Country Studies/Area Handbook Program sponsored by the Department of the Army. The last page of this book lists the other published studies.

Most books in the series deal with a particular foreign country, describing and analyzing its political, economic, social, and national security systems and institutions, and examining the interrelationships of those systems and the ways they are shaped by cultural factors. Each study is written by a multidisciplinary team of social scientists. The authors seek to provide a basic understanding of the observed society, striving for a dynamic rather than a static portrayal. Particular attention is devoted to the people who make up the society, their origins, dominant beliefs and values, their common interests and the issues on which they are divided, the nature and extent of their involvement with national institutions, and their attitudes toward each other and toward their social system and political order.

The books represent the analysis of the authors and should not be construed as an expression of an official United States government position, policy, or decision. The authors have sought to adhere to accepted standards of scholarly objectivity. Corrections, additions, and suggestions for changes from readers will be welcomed for use in future editions.

Louis R. Mortimer
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Washington, D.C. 20540

Acknowledgments

The authors would like to acknowledge the contributions of Thomas E. Weil, Jan Knippers Black, Kenneth W. Martindale, David S. McMorris, Sally Engle Merry, and Frederick P. Munson, who wrote the 1971 first edition of *Uruguay: A Country Study*. The present volume incorporates portions of their work.

The authors are grateful to individuals in various agencies of the United States government, private institutions, and Uruguayan diplomatic offices, particularly the Uruguayan Mission to the Organization of American States, who gave their time, research materials, and special knowledge to provide information and perspective. These individuals include Ralph K. Benesch, who oversees the Country Studies/Area Handbook Program for the Department of the Army. None of these individuals, however, is in any way responsible for the work of the authors.

The authors also would like to thank those who contributed directly to the preparation of the manuscript. These include Lynne Shaner, who edited the chapters; Marilyn L. Majeska, who managed the editing; Andrea T. Merrill, who performed the final prepublication editorial review and managed production; Barbara Edgerton, Janie L. Gilchrist, and Izella Watson, who did the word processing; and Tim L. Merrill, who provided geographical assistance. In addition, Joan C. Cook compiled the index, and Malinda B. Neale and Linda Peterson of the Library of Congress Printing and Processing Section performed the phototypesetting, under the supervision of Peggy Pixley.

David P. Cabitto, assisted by Sandra K. Ferrell and Kimberly A. Lord, provided invaluable graphics support. Sandra K. Ferrell prepared the ranks and insignia charts; Kimberly A. Lord prepared the illustrations and all the maps except for the topography and drainage map, which was prepared by Harriett R. Blood.

Finally, the authors acknowledge the generosity of the individuals and the public and private agencies who allowed their photographs to be used in this study.

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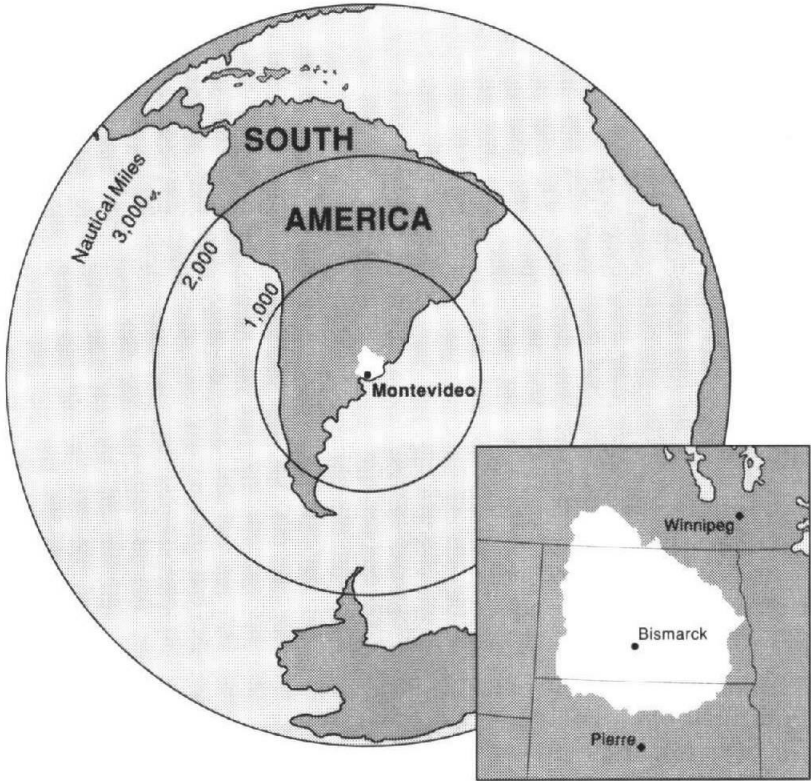
Preface

Like its predecessor, this study is an attempt to examine objectively and concisely the dominant historical, social, economic, political, and military aspects of contemporary Uruguay. Sources of information included scholarly books, journals, monographs, official reports of governments and international organizations, and numerous periodicals. Chapter bibliographies appear at the end of the book; brief comments on sources recommended for further reading appear at the end of each chapter. To the extent possible, place-names follow the system adopted by the United States Board on Geographic Names. Measurements are given in the metric system; a conversion table is provided to assist readers unfamiliar with metric measurements (see table 1, Appendix). A glossary is also included.

Although there are numerous variations, Spanish surnames generally are composed of both the father's and the mother's family names, in that order. In the instance of José Batlle y Ordóñez, for example, Batlle is his patronymic, and Ordóñez is his mother's maiden name. In informal use, the matronymic is often dropped, a practice that has usually been followed in this book, except in cases where the individual could easily be confused with a relative.

The body of the text reflects information available as of December 1990. Certain other portions of the text, however, have been updated. The Introduction discusses significant events that have occurred since the completion of research; the Country Profile includes updated information as available; and the Bibliography lists recently published sources thought to be particularly helpful to the reader.

Country Profile



Country

Formal Name: Oriental Republic of Uruguay (República Oriental del Uruguay).

Short Form: Uruguay.

Term for Citizens: Uruguayan(s).

Capital: Montevideo.

Date of Independence: August 27, 1828. August 25 celebrated as a national holiday (Independence Day).

NOTE—The Country Profile contains updated information as available.

Geography

Size: 176,220 square kilometers.

Topography: Country consists mostly (75 percent) of gently rolling plateau, interrupted at two points by low hilly ridges (*cuchillas*). Remainder fertile coastal lowlands, including narrow coastal plain—sandy and marshy, occasionally broken by lagoons—and somewhat broader littorals of Río de la Plata and Río Uruguay.

Climate: Country situated in temperate zone (only Latin American country lying wholly outside tropics). Climate mild and fairly uniform nationwide, although northwestern area farther inland has warmer summers and drier winters than rest of country. Seasonal variations pronounced, but freezing temperatures almost unknown. High humidity, high winds, and fog common. Winter warm spells can be abruptly broken by a strong *pampero*, a chilly and occasionally violent wind from Argentine pampas.

Society

Population: In 1991 estimated at 3.1 million; annual rate of growth averaged 0.7 percent during 1981–88 period but fell to 0.6 percent in 1990–91. Relatively low birth rate (17 per 1,000 population in 1991). According to 1985 census, 87 percent of population lived in urban areas, Latin America's highest percentage.

Literacy and Education: In 1990 literacy rate 96 percent (highest in Latin America). System of universal, free, and secular education required total of nine years of compulsory school attendance, from ages six to fourteen. By 1985 an estimated 70 percent of secondary school-age children enrolled in secondary school (also highest rate in Latin America). Despite inadequate teaching resources, quality of education generally high.

Health: In 1984 total health care spending represented 8.1 percent of gross domestic product (GDP—see Glossary). In 1985 number of inhabitants per physician 466 (proportion similar to developed countries). In 1987 Montevideo had over sixty public health facilities, including seven major public hospitals. Total mortality rate just below 10 per 1,000 population in 1980s. In 1990 infant mortality 22 deaths per 1,000 population. Average life expectancy at birth in 1991 sixty-nine years for men and seventy-six years for women.

Language: Spanish.

Ethnic Groups: Largely homogeneous society. In 1990 about 88 percent of population white and of European descent; 8 percent mestizo; and 4 percent black.

Religion: In 1990 about 66 percent were professed Roman Catholics; 2 percent Protestants; and 2 percent Jews. Remainder non-professing or other (less than half of adult population attended church regularly).

Economy

Gross Domestic Product (GDP): Approximately US\$9.2 billion in 1990, or US\$2,970 per capita, making it one of highest-income countries in Latin America. As result of severe recession, real GDP declined by almost 17 percent during 1981–84 but increased after 1985. Led by growth in agriculture and fishing sectors, GDP grew by 6.6 percent in 1986 and 4.9 percent in 1987 but slowed to 0.5 percent in 1988, 1.5 percent in 1989, and 0.9 percent in 1990.

Agriculture: Self-sufficient in most basic foodstuffs. About 90 percent of country, including 8 percent arable land, can be used for some kind of agriculture, mainly for extensive livestock grazing, wheat, rice, corn, and sorghum. In 1988 agricultural activity, including fishing, directly generated 13 percent of GDP and provided over half of value of exports. Although sector's growth rate in 1989 was low (1 percent), its output increased an estimated 3.5 percent in 1990.

Industry: Accounted for 33 percent of GDP in 1988. Industrial sector geared mostly to small domestic market. Industries included meat processing, wool and hides, sugar, textiles, footwear, leather apparel, tires, cement, fishing, petroleum refining, and wine making. Industrial production growth rate in 1988 about -2.9 percent.

Mining and Energy: Exports granite and marble. Semiprecious stones also have been found in quantity. Primary sources of energy hydroelectricity and imported petroleum (mostly crude oil).

Services: Accounted for 42 percent of GDP in 1988, including 6 percent for transportation, storage, and communications and 15 percent for banking and commerce.

Currency and Exchange Rate: Uruguayan new peso. In 1990 average exchange rate was US\$1 = N\$Ur1,171. On December 31, 1990, buying and selling interbank rates were N\$Ur1,573 and N\$Ur1,594, respectively, per US\$1. On March 2, 1992, average exchange rate was US\$1 = N\$Ur2,674.

Trade: Exports wool, meat, hides, manufactured goods, and rice (total about US\$1.6 billion in 1989). Imports fuels and lubricants, metals, machinery, transportation equipment, and industrial

chemicals (total about US\$1.1 billion in 1989). Main export markets and sources of imports Brazil, Argentina, United States, and European Community.

Balance of Payments: Trade balance positive and steadily improving during most of 1980s. Current account balance negative until mid-1980s, owing to burden of debt service (reduced from US\$613 million in 1988 to US\$449 million in 1989). Foreign debt to United States in 1989 about US\$6.2 billion of total US\$6.7 billion foreign debt (one of developing world's highest per capita). Capital account balance positive for most of 1980s.

Fiscal Year: Calendar year.

Fiscal Policy: Stabilization plan of Julio María Sanguinetti (president, 1985-90)—designed to reduce deficit and inflation and improve balance of payments—had mixed results. Public-sector deficit declined, but inflation continued unabated, reaching at least 85 percent by 1989, owing to monetary and exchange-rate policies. Luis Alberto Lacalle de Herrera (president, 1990-) attempted to further cut fiscal deficit and tighten monetary policy by introducing new taxes on wages and increasing value-added tax (VAT—see Glossary) rate, gasoline prices, and public-sector tariffs. Nevertheless, inflation rose to 129 percent in 1990 but then dropped to 106 percent in 1991.

Transportation and Communications

Roads: One of best highway systems in Latin America. In 1989 about 50,000 kilometers total, including 6,800 kilometers paved roads, 3,000 kilometers gravel roads, and over 40,200 kilometers dirt roads.

Railroads: One of best rail systems in Latin America (but passenger service discontinued in 1988 because of declining ridership). In 1989 about 3,000 kilometers total, all 1.435-meter standard gauge and government owned.

Ports: Montevideo, Punta del Este, Colonia, Fray Bentos, Paysandú, and Salto principal ports.

Airports: Two international airports (Montevideo and Punte del Este) and fourteen other primarily commercial airports with permanent-surface runways.

Telecommunications: Most modern facilities concentrated in Montevideo. New nationwide radio-relay network. Total telephones in 1990 over 345,000 (highest per capita in South America). In

1990 ninety-nine AM (ten of them shortwave) radio stations, twenty-six television stations, and two satellite earth stations.

Government and Politics

Government: Republic with three separate branches of government. Constitution of 1967 institutionalized strong presidency, subject to legislative and judicial checks. Executive power exercised by president (elected for five-year term by simple majority of the people through unique voting system), vice president (who served as president of bicameral General Assembly), and Council of Ministers. General Assembly consisted of thirty-member Senate and ninety-nine-member Chamber of Representatives; members of both chambers elected to five-year terms through proportional representation system. Independent judicial branch headed by Supreme Court of Justice. Country's administrative subdivisions consisted of nineteen departments, each headed by a governor, subordinate to central government and responsible for local administration. Unusual electoral system combined primaries and a general election in one event characterized by a "double simultaneous vote," allowing each party's factions to run rival lists of candidates.

Politics: Civilian government restored in 1985 after twelve years of military rule. Lacalle of conservative National Party (Partido Nacional, usually referred to as Blancos)—elected president in November 1989 in country's first free election since 1971—succeeded Sanguinetti of liberal Colorado Party (Partido Colorado) on March 1, 1990. Two-party system of these rival parties had dominated since nineteenth century but was dealt strong challenge in November 1989 elections by win of mayorship of Montevideo by Broad Front (Frente Amplio), a leftist coalition. Other parties in 1989 elections included various factions of Colorado Party and National Party and new left-of-center, social democratic coalition, New Sector (Nuevo Espacio).

International Relations: Guided historically by principles of non-intervention, respect for national sovereignty, and reliance on rule of law to settle disputes. Traditionally an active participant in international and regional organizations. During 1973–85 period of military rule, "military diplomacy" focused on national and regional subversion and geopolitical concerns. Sanguinetti renewed relations with Cuba, Nicaragua, and China and strengthened relations with Soviet Union. Excellent bilateral relations with United States during 1985–90 period. Lacalle continued traditional guidelines

of Uruguayan foreign policy and placed emphasis on regional integration, especially with Argentina and Brazil. Although somewhat ambivalent toward United States policy on drug trafficking, Lacalle strongly endorsed President George H.W. Bush's free-trade Enterprise for the Americas Initiative of June 1990.

International Agreements and Memberships: Member of at least thirty-two international organizations, including Organization of American States, United Nations and most of its specialized agencies, World Bank (see Glossary), International Monetary Fund (IMF—see Glossary), General Agreement on Tariffs and Trade, International Telecommunications Satellite Organization, Latin American Economic System, and Latin American Integration Association. Signatory of Inter-American Treaty of Reciprocal Assistance (Rio Treaty), Treaty for the Prohibition of Nuclear Weapons in Latin America (Tlatelolco Treaty), and Río de la Plata Basin Treaty.

National Security

Armed Forces: Total strength in 1991 estimated at 22,900: army, 16,000; navy, 3,500; and air force, 3,400.

Organization: Country divided into four military regions headquartered in Montevideo (I), San José (II), Paso de los Toros (III), and Maldonado (IV). Each military region headquarters hosted one of four administrative army corps headquarters. Montevideo's First Corps traditionally most powerful of army's main command elements. Army had one independent infantry brigade, fifteen infantry battalions, six engineer battalions, six artillery battalions, and ten cavalry battalions. Navy organized into one fleet command divided into one escort division and one patrol division. Navy also commanded naval air, coast guard, marines, and National Maritime Police. Air force organized into tactical, training, and matériel commands, principally Tactical Air Command.

Equipment: Services had mostly obsolete United States equipment in 1991. Army had sixty-seven United States-made light tanks; armored vehicles from Belgium, Brazil, United States, and Federal Republic of Germany (West Germany); and Swedish-, Argentine-, and United States-made artillery pieces. Navy's former United States equipment included one frigate, one destroyer escort, one corvette, and two large patrol craft. French-made equipment included three frigates and three large patrol craft. Fleet included one minesweeper, five amphibious landing craft, and one training vessel. Air force had thirty-three combat aircraft (seven of them trainers).

Police: Total strength in 1990 estimated at 17,500. About 40 percent of police assigned to urban areas (with at least 20 percent in Montevideo). National Police subordinate to Ministry of the Interior and organized into four operating agencies: Montevideo Police, Interior Police, National Traffic Police, and National Corps of Firemen. Two police paramilitary organizations—Republican Guard and Metropolitan Guard—assigned to capital area for ceremonial and guard or riot-control duties, respectively.



Figure 1. Administrative Divisions of Uruguay, 1990

Introduction

URUGUAY USED TO BE KNOWN as the “Switzerland of South America,” but clearly not because of any geographical similarity. Although it is the second smallest republic in South America (after Suriname), Uruguay is more than four times larger than landlocked Switzerland, and its highest peak is only 501 meters. Rather, the analogy was made because Uruguay enjoyed other Swiss-like attributes. It was a peaceful, conservative country with a bountiful, livestock-based economy. It was also home to South America’s first social democracy; a cradle-to-grave welfare system; and a largely urban, homogeneous, and relatively well-educated population. A political slogan of the 1940s proudly boasted, “There’s no place like Uruguay.”

Beginning with the prolonged stagnation of their country’s industrial and livestock sectors in the mid-1950s, however, Uruguayans began losing their economic well-being, civility, and tranquillity. By the late 1960s, Uruguay was suffering from high inflation and public deficits and was governed by an authoritarian president, instead of by the former revolving collegial executive (*colegiado*) that had been modeled on the Swiss system and designed to avoid a concentration of power. In 1973 Uruguayans also lost their cherished freedom and their democratic system when the country was plunged into one of Latin America’s most repressive military dictatorships (1973–85). The country’s democratic system was not fully restored until 1990.

Having fallen far behind many countries economically, Uruguayans could only reminisce about their former welfare state. In a discussion of Uruguay’s global ranking, the late political scientist and Uruguay specialist Charles Guy Gillespie noted that “Uruguayan society in 1990 presented a rather contradictory picture of advanced social indicators and declining economic status.” Since Gillespie’s research was completed, Uruguay has risen to be the highest ranking country in South America and Central America on the United Nations Development Programme’s 1991 Human Development Index (HDI), a measure that combines per capita gross domestic product (GDP—see Glossary) with such factors as longevity and access to education. In world HDI ranking, however, Uruguay slipped from twenty-ninth place in 1990 to thirty-first place in the 1991 report.

The assumption of the presidency by Luis Alberto Lacalle de Herrera in 1990 improved the country’s political development index

by marking the success of Uruguay's five-year transition back to democracy. Undeterred by their nation's serious economic problems, tens of thousands of the Uruguayans who had fled the country during the military regime returned home. Instead of the old Uruguay, however, they found their traditionally statist society undergoing privatization and sharp cutbacks in social services under the Lacalle government's plan to turn the nation into a South American "Singapore."

Yet, unlike the Swiss, for whom modernization and traditionalism were mutually compatible, Uruguayans in general were stubbornly resistant to Lacalle's vision of a free-market economy, which had been much talked about during the previous administration of Julio María Sanguinetti Cairolo (1985-90), and to changing their old ways, which still included horse-and-buggy milk deliveries in Montevideo. This predilection for traditionalism over modernism was explained in part by the fact that Uruguay, a country with a low birth rate and long life expectancy, had Latin America's oldest population. With a work force of 1.4 million in 1990, Uruguay had 650,000 people receiving pensions. Another explanation was a general uncertainty as to whether modernization offered a better future. As Jorge Batlle Ibáñez, a 1989 presidential candidate, explained in the weekly news magazine *Búsqueda*:

Uruguay is the most difficult country in Latin America to change because, being the smallest [sic] country, it lacks masses that could switch rapidly or violently from one side to the other, and it has a relatively prosperous middle class that feels there are few opportunities for easily finding another destiny without losing what they already have.

Nevertheless, the new destiny as a regional free-trade and financial center envisioned for the nation by Lacalle seemed designed to make better use of the country's existing geographic and economic advantages, as well as its historical role as gatekeeper to the Río de la Plata Basin trade region.

Although not a maritime nation, Uruguay is surrounded on three sides by water. Three rivers (the Río de la Plata, one of the widest rivers in the world; the Río Uruguay; and the Río Yaguarón), a lake (Laguna Merín), and the Atlantic Ocean border the country. The main port and capital city of Montevideo, founded in 1726, is situated on strategic trade routes.

Even the name of Uruguay, first applied to the Río Uruguay, has river-related origins. Its etymology derives from either *urugua*, a Guaraní Indian word meaning a species of mussel, thus Río

Uruguay, “the river of shellfish”; or the Guaraní word components *uru* (a kind of bird that lived near the river); *gua* (“to proceed from”); and *y* (“water”).

Uruguay also has long been associated with cattle and sheep and the gauchos who have herded them, as well as with verdant grasslands. The country’s traditional beef and wool exports have been well known in world markets. A land of gentle hills and rolling plateau covered by tall prairie grass, Uruguay has been often referred to in travel books as “the purple land” since the publication in 1885 of a book by British naturalist and travel writer W.H. Hudson. In addition to the purple verbena wildflowers (*margaritas*) that populate the grasslands from December through March, the red sandstone in the northern area has a faint purplish hue.

When discovered by Spanish conquistador Juan Díaz de Solís in 1516, the Río de la Plata region was inhabited only by fierce Charrúa and Guaraní Indians and an enormous wildlife population, including ostrich-like birds called rheas. The region disappointed Spaniards in search of gold and silver riches. As a consequence, the first Spanish settlement, in Soriano at the mouth of the Río Negro in the southwest, was not established until 1624, after the gold fever had cooled. Unlike elsewhere in Latin America, the native population, which remained hostile to settlers, was left relatively undisturbed, at least until the beginning of the seventeenth century.

Jesuit and Franciscan missionaries proselytized among the Indians, but with limited success. Most of the Indians in fact remained hostile and eventually perished in battles with Spanish and Portuguese forces (but not, as in other places in the Americas, in working the land or mines as serfs). Because the native population was relatively small and so few Indians survived (the last Charrúa Indian died in 1948), present-day Uruguay, unlike most Latin American countries, has only an 8 percent mestizo presence.

With the separation of their thrones in the mid-seventeenth century after sixty years of joint rule, Spain and Portugal began an intense rivalry for control of the Río de la Plata region, mainly because of its strategic trade location. From 1680, when the Portuguese established their first settlement at Colonia del Sacramento, to 1827, the forces of Spain and Portugal fought over the region known as the Banda Oriental (eastern side, or bank), the fertile plain east of the Río Uruguay that would later become known as Uruguay.

Much of Uruguay’s nineteenth-century history featured an endless succession of invasions, coups, dictatorships, and civil wars. However, the half-year-long occupation of Montevideo by British

forces in 1807, followed by an invasion of British merchants, left the city with an enduring cultural legacy. It included the country's first printing press and an English/Spanish weekly newspaper, *The Southern Star/La Estrella del Sur*, which introduced Montevideans to British democracy and strengthened a desire among them for self-government and independence from Spain. Accordingly, their resentment of being subordinate to the viceroyalty capital of Buenos Aires grew.

The nine-year campaign (1811–20) by José Gervasio Artigas to take control of Montevideo successively from the Spanish, the Argentines, and the Portuguese engendered a new sense of nationality among the residents of the Banda Oriental. The announcement by the Portuguese in 1821 that Brazil was annexing the Banda Oriental and renaming it the Cisplatine Province prompted Juan Antonio Lavalleja to launch a guerrilla war against Brazilian forces. Lavalleja and his fellow revolutionaries (later called the Thirty-Three Heroes), assisted by Argentine troops, sparked a countrywide insurgency that escalated into a war between Argentina and Brazil (1825–28). Aided by Britain's mediation, both Argentina and Brazil renounced their claims to the Banda Oriental, at least in theory, and the Oriental Republic of Uruguay (República Oriental del Uruguay) became officially independent on August 27, 1828. Uruguay was the last nation in South America to be created from the Spanish colonies.

The new nation's first constitution, a liberal document, was adopted on July 18, 1830, and would remain unchanged for eighty-seven years. Shortly after its adoption, Uruguay's two main political parties—the Colorado Party (Partido Colorado) and the National Party (Partido Nacional, usually referred to as the Blancos)—emerged from armed clashes. The Colorado Party was composed of Montevideo-based middle-class liberals, whereas the National Party was made up of rural-based conservative landowners and merchants. Their mutual hostility erupted into the Great War (Guerra Grande, 1843–52), in which Colorado-held Montevideo was once again besieged in another nine-year war, this time involving Uruguayan, Argentine, Brazilian, French, British, and Italian forces (including Italian patriot Giuseppe Garibaldi). Following the war, which was economically disastrous for Uruguay, a policy of fusion (*fusión*), in which the Colorado and National parties agreed to cooperate, created the political framework and stability that were conducive to economic recovery and growth.

The fusion policy was cast aside with the onset of the War of the Triple Alliance (1865–70), in which Colorado-ruled Uruguay was, ironically, an ally of Argentina and Brazil against hopelessly

outmatched Paraguay. The war ended armed foreign intervention in Uruguayan affairs, but fighting between the gaucho forces of the ruling Colorados and the opposition Blancos resumed. In 1872, however, the two parties reached an accord under which the National Party was given control of four of the country's departments, but the Colorado Party remained in power. This new policy of coparticipation (*coparticipación*) represented a compromise between the two parties and was a policy that would continue in Uruguayan politics. A political watershed in Uruguay's struggle for stability was another interparty accord reached in 1897, following a civil war, under which all citizens were guaranteed political rights and the National Party increased the number of departments under its control to six.

In the last quarter of the nineteenth century, heavy immigration from Europe, either directly or by way of Argentina or Brazil, propelled social and political changes, and Uruguay made progress toward becoming a more stable and peaceful state. By 1872 one-fourth of the population was foreign born and by 1900, one-third. The European immigration produced an urban and secular society that was largely middle class, with European values. The northern European immigrants tended to be of middle-class origin, whereas the predominant Spaniards and Italians were more often of working-class origin.

Uruguay adopted free, compulsory, and secular education in 1876, thanks to the efforts of educator José Pedro Varela (president, 1875–76), who was influenced by Horace Mann of the United States. Varela lived only thirty-five years, but his basic principles of education, which were incorporated into the 1877 Law of Common Education, have endured, allowing Uruguay to become one of the most literate of Latin American nations.

The foundations of the modern state and of the governmental institutions and political traditions were laid in the first two decades of the twentieth century, but particularly during the second presidential term of the Colorado Party's José Batlle y Ordóñez (1903–07, 1911–15). Under Batlle y Ordóñez's influence, Uruguay implemented even more profound social reforms—becoming Latin America's first country to adopt a minimum wage scale for its agricultural workers, obligatory voting, and women's suffrage—and became a stable social democracy modeled on the Swiss system, which Batlle y Ordóñez had studied in Switzerland between terms. Batlle y Ordóñez also instituted a Swiss-style presidency designed to prevent dictatorships. Under it, the nine members of the National Council of Administration (*Consejo Nacional de Administración*), or collegial executive (*colegiado*), rotated the

presidency for one-year terms. Batlle y Ordóñez's new executive system and social reforms were adopted in the 1917 constitution.

With revenue generated from their country's vast wool and beef exports, Uruguayans enjoyed Latin America's highest standard of living, which included free public education through the university level, expanded public-sector employment, and a generous social welfare system that permitted people (with the exception of the rural poor) to retire in middle age. Uruguay was so prosperous that in 1920 it forgave France a US\$100 million debt.

The "welfare state" system limited the appeal of revolutionary ideologies and parties by co-opting their programs, minimizing social and economic stratification, and giving the majority of the population a stake in the existing order. These and other factors, such as racial and ethnic homogeneity and the high level of mobility within the predominantly middle-class social structure, all contributed to the relative stability of the country's democratic system. Uruguay ranked with Chile and Costa Rica as one of the most stable democracies in Latin America, although it, like most countries, suffered from the Great Depression. Uruguay was subjected to dictatorial rule only once during the first half of the twentieth century (1933–38). Even then, the ad hoc regime was headed by a civilian, Gabriel Terra, who had been elected president, at least initially. Moreover, Terra preserved the country's social reforms.

Uruguay enjoyed a boom in wool and meat exports during World War II and the Korean War. Unlike Argentina, it sided with the Allies during World War II and hosted United States air and naval bases. Economic stagnation and decline, however, followed the post-Korean War drop in world demand for livestock products. Pressures created by those developments—combined with growing political lethargy, sectarianism, and governmental inefficiency and corruption—unraveled the nation's delicate social fabric and precipitated rising levels of class conflict. In the second half of the 1960s, Uruguay was racked by continual labor militancy and urban terrorism by the National Liberation Movement-Tupamaros (Movimiento de Liberación Nacional-Tupamaros—MLN-T) that propelled the military increasingly into the political arena.

Jorge Pacheco Areco (1967–72) and Juan María Bordaberry Arocena (1972–76), both members of the Colorado Party, governed under increasingly frequent states of siege and allowed the military to pursue its national security goals without regard for constitutional safeguards or laws. Put in charge of fighting the Tupamaros in late 1971, the armed forces defeated the urban guerrillas within six months. Nevertheless, repression continued, and the military assumed a greater political role, in effect making

Bordaberry little more than a figurehead president. Opposing these Colorado Party regimes were the National Party and the newly formed Broad Front (*Frente Amplio*), a coalition of disaffected Colorados, socialists, communists, and other left-of-center parties.

When the General Assembly (the legislature) resisted final approval of draconian national security measures imposed by the military, Bordaberry abolished the General Assembly on June 27, 1973, thereby commencing the dictatorship. The regime prohibited all political party activity, suppressed the opposition press, disbanded the National Convention of Workers (*Convención Nacional de Trabajadores—CNT*) as well as all parties in the Broad Front, arrested left-of-center political and union leaders, and prohibited all labor union activities. In June 1976, after forcing Bordaberry to resign, the military assumed total control of the country.

According to Amnesty International, a private human rights organization, under the military regime Uruguay had the world's highest per capita ratio of political prisoners: one in every 500 citizens. By 1980 many citizens had been detained and tortured at some point, and one in every 500 had received a sentence of six years or longer. Between 300,000 and 400,000 Uruguayans went into exile.

Fortunately for Uruguayan democracy, the military's attempt to institutionalize its rule by submitting its proposed constitutional reform to a national referendum in November 1980 backfired. By a vote of 57 percent to 43 percent, Uruguayans rejected the proposed national security state. As a result, Lieutenant General (retired) Gregorio Alvarez Armelino (1981–85) was obliged to transfer power to an elected civilian, Julio María Sanguinetti.

During the first half of the Sanguinetti administration, Uruguay became an atypical island of economic stability and, thanks to a deregulated financial system, a refuge for capital fleeing Argentina and Brazil. Although Uruguay bore a heavy foreign debt load, it never stopped paying on its debt. Uruguay also had important gold reserves, one of the largest in proportion to its indebtedness and economic potential. During the final two years of Sanguinetti's administration, however, the economy suffered a downturn. In 1989 inflation had increased to 85 percent, the foreign debt to US\$6.7 billion, and the fiscal deficit to 8.5 percent of GDP, and the purchasing power of salaries had fallen.

During Sanguinetti's administration, Uruguay, like other Latin American countries undergoing a transition from military dictatorship to democracy, found itself confronted with the dilemma of having to decide between prosecuting military officers for crimes committed during the period of military rule, and thereby risk

antagonizing civil-military relations, or granting them a blanket amnesty. Sanguinetti had noted that every conflict in Uruguayan history was followed by a generous amnesty law. Nevertheless, a 1986 law granting amnesty to the military was so controversial that a national referendum on the issue had to be held. In a 1989 referendum, a majority of the population upheld the law exempting military officers from human rights prosecutions.

Thus, Lacalle was spared from having to contend with the amnesty issue after assuming office as Uruguay's president. Yet, he quickly caused grumbling within the armed forces by asserting his presidential prerogative and naming two trusted officers to head the navy and air force, thereby sidestepping the order of military seniority. The military was already unhappy with its shrinking size and the reduction in the military budget during the Sanguinetti administration.

Although the military reaffirmed its subservience to the nation's democracy, Lacalle ordered the Ministry of National Defense in May 1990 to formulate a new armed forces doctrine "within the framework of the Constitution and current laws." The guidelines were to restrict its scope of action by excluding the military from responding to ordinary internal conflicts that came within the sphere of the police. Nevertheless, Army Commander Lieutenant General Guillermo de Nava raised concerns among Uruguayan politicians because of his public endorsement of a retired general's statements in April 1991 warning of a comeback by the Tupamaros and the Communist Party of Uruguay and calling for Uruguayan society to be placed on a "red alert."

Lacalle also embarked on an austere economic adjustment program that had two main components: a reduction in public spending and the inflation rate, as well as an increase in certain taxes. He succeeded in his first year in office in cutting spending by 10 percent and increasing revenue by 9 percent. Nevertheless, real wages in the public sector fell by 9 percent and in the private sector, by 6 percent; GDP growth in 1990 was negligible; and inflation reached 129 percent by year's end.

The popularity of the Blancos plummeted from about 38 percent at the time of the 1989 election to 21 percent in December 1990, according to a public opinion poll published by *Búsqueda*. Lacalle at least shared company with the Marxist mayor of Montevideo, the Broad Front's Tabaré Vázquez, whose popularity fell from 35 to 30 percent; national support for the Broad Front slipped from 26 to 24 percent. Essentially, in the wake of the 1989 elections the two traditional parties no longer dominated Uruguay, and Montevideo in particular. (Vázquez even assumed a diplomatic

role by paying a five-day visit to Cuba in June 1991 and signing a five-year agreement of intent for bilateral cooperation with Havana.)

Lacking a parliamentary majority, Lacalle formed a governing coalition, National Coincidence (Coincidencia Nacional), with the Colorados but encountered strong resistance to his proposed austerity and privatization programs. Labor union opposition to these plans and support of wage claims increased during 1991, taking the form of work stoppages, slowdowns, and, in May, a one-day general strike (the third since Lacalle took office). Instead of using the unpopular term *privatization* to describe his economic policy agenda, Lacalle called instead for a redefinition of the role of the state, deregulation, and elimination of monopolies.

In the first of a number of proposed privatizations (which included the telephone company, the state airline, and state monopolies on insurance, port services, and production of alcohol), the government sold the state-owned Commercial Bank (Banco Comercial) in July 1990 to a group of international investors. They and other multinational investors regarded Uruguay as an increasingly important regional financial market because of its liberal foreign investment exchange and banking regulations, strategic location, stable political climate, and relatively predictable economic policies.

Like Switzerland, Uruguay in 1990 continued to serve as an international meeting place and a banking center. Uruguay has long been known as a location for international economic conferences. The eleven-member Latin American Integration Association (Asociación Latinoamericana de Integración—ALADI; see Glossary) has been headquartered in Montevideo since its inception in 1980. For many of the West's economists, in the early 1990s the word *Uruguay* was synonymous with the Uruguay Round of negotiations of the General Agreement on Tariffs and Trade (GATT—see Glossary). International meetings often have been held in Punta del Este, a popular resort city.

Aided by its bank secrecy laws first implemented by the military regime in the early 1980s, Uruguay built up its offshore banking system beginning in 1989. A negative outgrowth of this was the nation's growing reputation as a center for money laundering; such activity increased dramatically in Uruguay after Colombian drug traffickers abandoned Panama following the United States military intervention in December 1989. According to a document issued by the United States Department of State in April 1991, Uruguay continued to be a "significant" center for money laundering because of its free-trade system, the large number of currency

exchange houses (more than seventy in Montevideo), and the absence of government regulation of the operation and movement of funds. In May 1991, Uruguay and the United States signed an agreement, which was similar to one signed between Switzerland and the United States that year, to facilitate joint action against money laundering operations by drug smugglers. The accord had not yet gone into effect as of mid-July 1991, pending ratification by the legislatures of both countries.

Most Uruguayans were more concerned with their own bank accounts than with those of foreign drug traffickers. Lacalle did not improve his standing in the popularity polls by introducing “unpleasant” economic measures in his speech on his first anniversary in office. He also warned the General Assembly that unless it reformed the social security system by curbing its generous benefits (already cut by 17.4 percent in 1990), his savings in controlling public expenditures would be lost. Although Uruguay supported the world embargo against Iraq, its effects were, in Lacalle’s words, “particularly painful” for Uruguay because of lost mutton exports to Iraq and higher oil import costs.

On March 26, 1991, Uruguay sought to revive its export sector by signing, along with Argentina, Brazil, and Paraguay, the Treaty of Asunción, a pact that created the Southern Cone Common Market (Mercado Común del Sur—Mercosur). Mercosur, which was scheduled to go into effect on January 1, 1995 (a member, however, could decide to drop out before then), was the goal of various regional integration agreements, such as the River Transport System, consisting of the Río Paraguay-Río Paraná-Río Uruguay waterway.

Mercosur was formed in part in response to President George H. W. Bush’s June 1990 Enterprise for the Americas Initiative (see Glossary). The Mercosur nations and the United States signed a letter of intent on June 19, 1991, that could eventually lead to a free-trade pact modeled on the Mexico-United States accord. However, serious obstacles to a free-trade pact between the United States and the Mercosur nations remained, such as a collective US\$200 billion foreign debt and persistent regional trade barriers.

Although Uruguay’s Senate ratified the country’s participation in Mercosur, the nation’s initial enthusiasm soon waned. Uruguayan business and agricultural organizations were concerned that neighboring giants, particularly Brazil, would only take advantage of lower Uruguayan tariffs to increase competition. In an interview with the Buenos Aires daily *El Clarín* in late June 1991, Lacalle said, somewhat optimistically, that Uruguayan businessmen were

viewing Mercosur not with resistance but with feelings of “caution, a reasonable expectation, a desire for a smooth transition period.”

Of course, the emergence of Mercosur and the prospect of a free-trade agreement with the United States were anathema to the Uruguayan left. The Broad Front also feared proposed military cooperation within Mercosur, arguing that Uruguay could become a pawn of Argentina and Brazil. In any event, Montevideo, in its growing capacity as a regional financial and banking services center and potential hub of free trade—despite its Marxist mayor—seemed in July 1991 to be moving closer, if reluctantly, to becoming what Lacalle envisioned as the “gateway” to Mercosur.

July 16, 1991

* * *

In 1992 Mercosur continued to be President Lacalle’s main instrument for ensuring that competition came to his country. Aided by events in Eastern Europe, Lacalle’s tariff-free trading vision of Uruguay’s future found greater receptivity among Uruguayans to free-market reforms and smaller government. Nevertheless, resistance to the Lacalle government’s attempts to restructure the state sector remained substantial. Uruguayan businessmen worried that Argentine and Brazilian industries would devour them. According to a poll taken in February 1992, about 54 percent of the Uruguayans who were queried opposed the privatization policy.

With only thirty-nine seats in the Chamber of Representatives, the Lacalle government was forced to negotiate support for each of its initiatives with the Colorado Party (thirty seats), Broad Front (twenty-one seats), and New Sector (Nuevo Espacio; nine seats). Consequently, it was not until September 1991, by which time Lacalle’s popularity had fallen to 11 percent, that the General Assembly narrowly approved his privatization law (the Public Companies Law), after eighteen months of drafting it and four months of debating it. This law allowed private entrepreneurs to compete in a bidding system for the right to privatize public services.

Reflecting growing opposition to his economic policy of austerity and privatization, Lacalle’s National Coincidence alliance and his narrow parliamentary majority collapsed by early 1992. At the end of January 1992, Lacalle had to call for the resignation of his cabinet ministers, who were then “provisionally ratified.” By that April, dissent had emerged even within the ruling National Party, with two factions opposing the strong tightening of workers’ salaries, which had particularly affected state workers. One of these

factions, calling itself the Progressive Pole (Polo Progresista) and supported by several prominent Blancos, including Senator Alberto Sáenz de Zumarán, launched itself as a new party on May 10.

Opposition to Lacalle's new law focused on the major privatizations planned for Uruguayan National Airlines (Primeras Líneas Uruguayas de Navegación Aérea—PLUNA), the National Administration for the Generation and Transmission of Electricity (Administración Nacional de Usinas y Transmisiones Eléctricas—UTE), and the National Administration of Fuels, Alcohol, and Portland Cement (Administración Nacional de Combustibles, Alcohol, y Portland—ANCAP). So-called peripheral divestments included the National Printing Press (Imprensa Nacional), hospital services, administration of air terminals and three port terminals, and agricultural development facilities. Confrontations were imminent within these and other state enterprises, which operated as autonomous entities (autonomous agencies or state enterprises; see Glossary) run by five-member executive boards in which three were progovernment party members and two were opposition party members. The opposition Colorado Party members were expected to ally themselves with the National Party members opposed to the government's economic policy.

The government's salary measure, which prompted the sixth general strike against the government, was implemented as a result of an agreement with the International Monetary Fund (IMF—see Glossary) to unfreeze some US\$300 million in credits to be used for repaying the US\$7.4 billion foreign debt, which grew by US\$405 million in the Lacalle administration's first two years.

In a few other areas, Uruguay made some good economic progress in 1991. Buoyed by 850,000 tourists plus internal demand (both consumption and investment), the country enjoyed robust growth during the year. Inflation was at least 90 percent, as compared with 129 percent in 1990.

However, other economic and social problems worsened. In addition to the increase in trade union conflicts, unemployment rose from 8.4 percent in January 1991 to 9.2 percent at the end of 1991, and GDP grew by at best 0.5 percent in 1991, as compared with 0.9 percent in 1990. Moreover, according to a report by the General Directorate of Statistics and Census based on a household survey, 15.8 percent of all Uruguayan families were living in a state of "critical poverty" in 1991 (as compared with 11 percent in 1981), while 22.3 percent lacked one or more basic needs, such as housing, water supply, sanitation, education, or a living wage.

Meanwhile, middle-class Uruguayans and the political system were resisting Lacalle's proposals to restructure the old welfare

system, such as a proposal to raise the qualifying age for retirement pensions—fifty-five years of age for women and sixty for men—by five years. In his speech to the nation on May 26, 1992, Lacalle pointed out that the country's social security bill had risen from US\$718 million in 1985 to US\$1.1 billion in 1991, creating an ever-widening deficit.

Ironically, the country was enjoying a bout of euphoria over the startling discovery of a gold-laden Spanish galleon, *El Preciado*, that sank eight kilometers from the Montevideo harbor in June 1792. Many Uruguayans, including some politicians and government officials, anticipated a windfall that could be used for social services from the treasure and from as many as seven other sunken ships known to be in the area with large amounts of gold. Based on the amount of gold already recovered, the *El Preciado* booty was estimated to be worth from US\$300 million to US\$3 billion.

In contrast to the plunging popularity of Lacalle and his National Party, the popularity rating of Montevideo's leftist mayor, Tabaré Vázquez, soared to 53 percent in September 1991, increasing the Broad Front's confidence of victory in the 1994 elections. By November 1991, the Broad Front's popularity had risen to 24 percent, making it the second most popular party after the Colorado Party, which had a 41 percent popularity rating (the National Party was supported by only 19 percent of those surveyed in an April 1992 poll). Taking a cue from events in the former Soviet Union, the Broad Front officially abandoned its commitment to Marxist-Leninist principles.

In April 1992, however, the Broad Front's most radical member, the Uruguayan Revolutionary Movement (Movimiento Revolucionario Oriental—MRO), stepped back into an earlier, dark era by endorsing “an armed struggle strategy.” That approach was also adopted by a self-styled right-wing paramilitary group linked to military officers and called the Juan Antonio Lavalleja Command (Comando Juan Antonio Lavalleja), which launched a series of bombings, including one against Sanguinetti's office, and bomb threats in May. The resulting climate of fear and restlessness, which had characterized the early 1970s, seemed anachronistic in the Uruguay of the 1990s, where democracy supposedly had been consolidated. The military-linked terrorism and the public remarks made by some retired military officers revealing sentiment in favor of a coup also seemed to reflect growing military uneasiness over the prospects of a Broad Front electoral victory in 1994.

Chapter 1. Historical Setting



José Gervasio Artigas, leader of the independence movement

WHEN SPANIARDS DISCOVERED the territory of present-day Uruguay in 1516, they found only a rolling prairie populated by groups of Indians living in primitive conditions. When confronted by the Spaniards, the Indians fiercely defended their freedom and their independent way of life. Their continued ferocious resistance to Spanish conquest, combined with the absence of gold and silver, discouraged settlement in this region during the sixteenth and early seventeenth centuries. Colonization by Spain began to increase, however, when Portugal showed an interest in expanding Brazil's frontiers to the Río de la Plata Estuary in the late seventeenth century (see fig. 1). Indeed, the early history of Uruguay is dominated by the struggle between Spain and Portugal and then between Brazil and Argentina for control of the Banda Oriental (as Uruguay was then known), the eastern side, or bank, so called because the territory lies to the east of the Río Uruguay, which forms the border with Argentina and flows into the Río de la Plata.

The conquistadors imported cattle, which were well suited to the region, with its abundant pastureland, temperate climate, and ample water supply. Cattle soon became the main source of wealth and consequently the main attraction of the region, and the territory was opened up by hardy pioneers and gauchos, or cowboys, whose wide-ranging way of life contributed in no small part to the spirit of independence that has long characterized Uruguay. Montevideo was founded by the Spanish in the early eighteenth century as a military stronghold. The Spanish fleet used its natural harbor, which soon developed into a commercial center competing with Buenos Aires, the Argentine capital established on the opposite shore of the Río de la Plata.

The move to independence began, as elsewhere in Latin America, in the early nineteenth century. Uruguay's revolt against Spain was initiated in 1811 by José Gervasio Artigas, a gaucho chieftain who became a hero of the independence movement. Artigas is known to Uruguayans as the father of Uruguayan independence, although his attempt to gain autonomy for the country within the boundaries of a regional federation was unsuccessful. Independence was not finally and formally achieved until 1828, following a war between Brazil and Uruguayan patriots supported by Argentina. British diplomatic mediation ended the conflict and resulted in the recognition of the Oriental Republic of Uruguay (República Oriental del Uruguay) as an independent state. Nevertheless, civil

wars, invasions, and foreign intervention continued to disrupt the nation's development until the end of the nineteenth century.

The two political parties that have dominated Uruguayan political life since independence were born in these early years of instability, although at that time they were little more than feuding bands of gauchos. The issue that provoked the initial major confrontation was federalism versus unitary rule. In 1838 the federalist sympathies of General Manuel Oribe (president, 1835-38) led to a revolt by the forces of General José Fructoso Rivera (president, 1830-35), who again became president following the defeat of Oribe and his followers. Oribe's forces, supported by merchants, landowners, and the high clergy, became known as Blancos in reference to the white (*blanco*) hatbands they wore to distinguish their own men from the enemy on the field of battle. Rivera's forces, representing more liberal urban elements, were distinguished by red (*colorado*) hatbands and thus were designated Colorados. The political lines drawn in the 1830s evolved into two rival parties: the Colorado Party (Partido Colorado), which identified itself as the defender of Uruguayan sovereignty and as the champion of the common man and liberalism, and the National Party (Partido Nacional, usually referred to as the Blancos), which stood for order and conservatism and declared itself protector of the faith.

During the last three decades of the nineteenth century, a period that included fifteen years of military rule, there were frequent confrontations and clashes between the Colorados and the Blancos and among competing rival factions of the Colorados. A growing gulf between the capital city and the interior contributed to a solidification of the previously somewhat amorphous ideologies of the two parties as the Colorados recruited urban immigrant groups, especially laborers, and the Blancos represented more conservative rural elements.

Political stability came about in the first two decades of the twentieth century largely through the efforts of the dominant figure in the Colorado Party. José Batlle y Ordóñez (president, 1903-07, 1911-15) brilliantly promoted the social, economic, and political modernization of the country until his death in 1929, guiding a social transformation that reordered virtually every aspect of national life. His programs included the establishment of a comprehensive social welfare program, the encouragement of domestic industry, the improvement of working conditions, the expansion of education, and the separation of church and state.

Batlle y Ordóñez's Colorado successors did not uniformly or consistently share his commitment to economic and social reform, but progress toward political, social, and economic modernization

nevertheless continued. Between 1946 and 1956, Luis Batlle Berres (president, 1947–51), a nephew of Batlle y Ordóñez, was the leading political figure. Espousing neo-Batllism, he attempted to further industrialize the economy, develop its agricultural sector, and expand the state apparatus, as well as to renew social progress. But the process came to a halt in the mid-1950s as a result of economic difficulties and ended with the triumph of the National Party (the Blancos) in 1958, after more than ninety years of Colorado government.

During the eight Blanco administrations (1958–67), instruments of state-directed economic policy were dismantled, relations with the International Monetary Fund (IMF—see Glossary) became closer, and the livestock sector became increasingly important. Nevertheless, the economic crisis continued, and political and social turbulence increased. Unions formed a centralized organization in which the left had a dominant influence, and an urban guerrilla group, the National Liberation Movement-Tupamaros (Movimiento de Liberación Nacional-Tupamaros—MLN-T) was formed.

In 1967 the Colorados regained power, but President Jorge Pacheco Areco (1967–72) enforced a limited state of siege throughout most of his tenure. He applied a price- and wage-freeze policy to fight inflation, banned leftist groups, and called in the military to repress the Tupamaros, whose acts of urban terrorism posed a major national security threat. In 1972 Pacheco's successor, President Juan María Bordaberry Arocena (1972–76), supported by the military, declared a state of "internal war," closed the General Assembly, persecuted the opposition, banned unions and leftist parties, and curtailed civil liberties. The military dictatorship that he instituted also implemented a neoliberal, monetarist, economic policy that sought to reverse years of capital flight and economic stagnation by increasing exports and controlling inflation. Although it scored some economic successes, the military suffered a defeat in 1980 after submitting an authoritarian constitution to a plebiscite. From then on, civilian political leaders returned to the political scene, and in 1984 the majority of the political parties and the military agreed to call for elections in November 1985, thus allowing for a transition to democracy.

From Pre-Columbian Times to the Conquest

In contrast to most Latin American countries, no significant vestiges of civilizations existing prior to the arrival of European settlers were found in the territory of present-day Uruguay. Lithic remains dating back 10,000 years have been found in the north

of the country. They belonged to the Catalan and Cuareim cultures, whose members were presumably hunters and gatherers.

Other peoples arrived in the region 4,000 years ago. They belonged to two groups, the Charrúa and the Tupí-Guaraní, classified according to the linguistic family to which they belonged. Neither group evolved past the middle or upper Paleolithic level, which is characterized by an economy based on hunting, fishing, and gathering. Other, lesser indigenous groups in Uruguay included the Yaro, Chaná, and Bohane. Presumably, the Chaná reached lower Neolithic levels with agriculture and ceramics.

In the early sixteenth century, Spanish seamen searched for the strait linking the Atlantic and the Pacific oceans. Juan Díaz de Solís entered the Río de la Plata by mistake in 1516 and thus discovered the region. Charrúa Indians allegedly attacked the ship as soon as it arrived and killed everyone in the party except for one boy (who was rescued a dozen years later by Sebastian Cabot, an Englishman in the service of Spain). Although historians currently believe that Díaz de Solís was actually killed by the Guaraní, the "Charrúa legend" has survived, and Uruguay has found in it a mythical past of bravery and rebellion in the face of oppression. The fierce Charrúa would plague the Spanish settlers for the next 300 years.

In 1520 the Portuguese captain Ferdinand Magellan cast anchor in a bay of the Río de la Plata at the site that would become Montevideo. Other expeditions reconnoitered the territory and its rivers. It was not until 1603 that Hernando Arias de Saavedra, the first Spanish governor of the Río de la Plata region, discovered the rich pastures and introduced the first cattle and horses. Early colonizers were disappointed to find no gold or silver, but well-irrigated pastures in the area contributed to the quick reproduction of cattle—a different kind of wealth. English and Portuguese inhabitants of the region, however, initiated an indiscriminate slaughter of cattle to obtain leather.

During the sixteenth and early seventeenth centuries, the Charrúa learned the art of horsemanship from the Spaniards in adjacent areas, strengthening their ability to resist subjugation. The Indians were eventually subdued by the large influx of Argentines and Brazilians pursuing the herds of cattle and horses. Never exceeding 10,000 in number in eighteenth-century Uruguay, the Indians also lacked any economic significance to the Europeans because they usually did not produce for trade. As a result of genocide, imported disease, and even intermarriage, the number of Indians rapidly diminished, and by 1850 the pureblooded Indian had virtually ceased to exist.



*Two gauchos in Tacuarembó Department
Courtesy Inter-American Development Bank*

In 1680 the Portuguese, seeking to expand Brazil's frontier, founded Colonia del Sacramento on the Río de la Plata, across from Buenos Aires. Forty years later, the Spanish monarch ordered the construction of Fuerte de San José, a military fort at present-day Montevideo, to resist this expansion. With the founding of San Felipe de Montevideo at this site in 1726, Montevideo became the port and station of the Spanish fleet in the South Atlantic. The new settlement included families from Buenos Aires and the Canary Islands to whom the Spanish crown distributed plots and farms and subsequently large haciendas in the interior. Authorities were appointed, and a *cabildo* (town council) was formed.

Montevideo was on a bay with a natural harbor suitable for large oceangoing vessels, and this geographic advantage over Buenos Aires was at the base of the future rivalry between the two cities. The establishment of the Viceroyalty of the Río de la Plata in 1776, with Buenos Aires as its capital, aggravated this rivalry (see fig. 2). Montevideo was authorized to trade directly with Spain instead of through Buenos Aires.

Montevideo's role as a commercial center was bolstered when salted beef began to be used to feed ship crews and later slaves in Cuba. The city's commercial activity was expanded by the introduction of the slave trade to the southern part of the continent because

Montevideo was a major port of entry for slaves. Thousands of slaves were brought into Uruguay between the mid-eighteenth and the early nineteenth century, but the number was relatively low because the major economic activity—livestock raising—was not labor intensive and because labor requirements were met by increasing immigration from Europe.

Throughout the eighteenth century, new settlements were established to consolidate the occupation of the territory, which constituted a natural buffer region separating Spanish from Portuguese possessions. To combat smuggling, protect ranchers, and contain Indians, the Spanish formed a rural patrol force called the Blandengues Corps.

In late 1806, Britain, at war with Spain, invaded the Río de la Plata Estuary to avenge Spain's recapture of Buenos Aires from the British. The 10,000-member British force captured Montevideo in early 1807 and occupied it until that July, when it left and moved against Buenos Aires, where it was soundly defeated.

In 1808 Spanish prestige was weakened when Napoleon invaded Spain and installed his brother Joseph on the throne. The *cabildo* of Montevideo, however, created an autonomous junta that remained nominally loyal to Ferdinand VII as the king of Spain. Montevideo's military commander, Javier Elío, eventually persuaded the Spanish central junta to accept his control at Montevideo as independent of Buenos Aires. In 1810 criollos (those born in America of Spanish parents) from Buenos Aires took the reins of government in that city and unseated the Spanish viceroy. The population of the Banda Oriental was politically divided. The countryside favored recognizing Elío's junta in Buenos Aires; the authorities in Montevideo wanted to retain a nominal allegiance to the Spanish king.

The Struggle for Independence, 1811–30

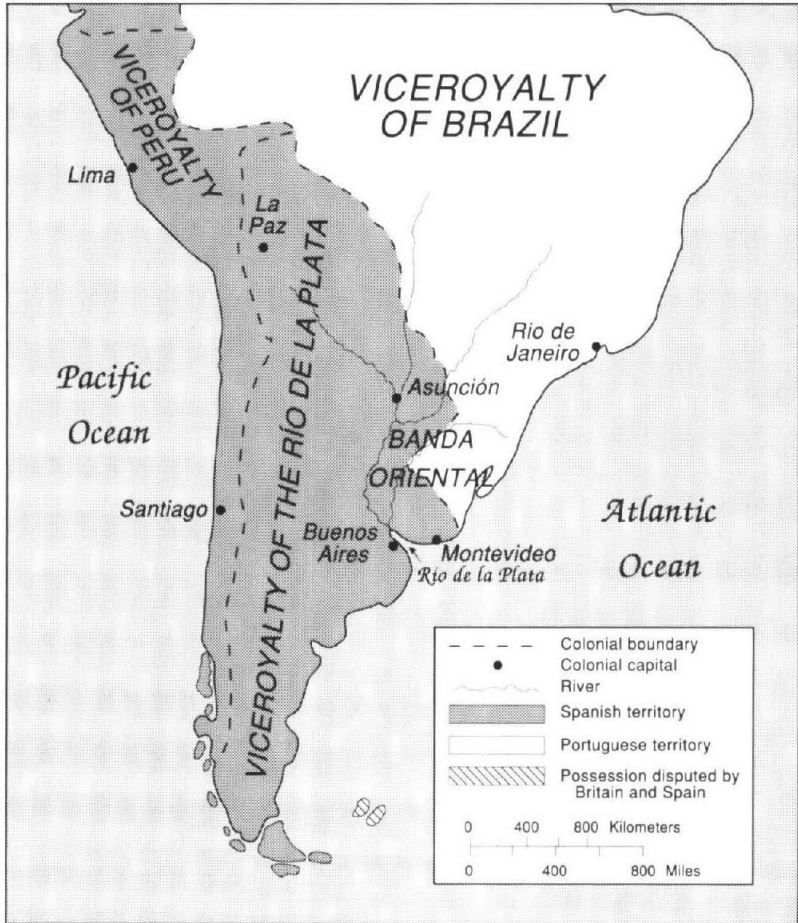
Artigas's Revolution, 1811–20

In February 1811, when Elío prepared to take the offensive against Buenos Aires, the interior of the Banda Oriental, led by José Gervasio Artigas, captain of the Blandengues Corps, rose in opposition to Elío, and Artigas offered his services to Buenos Aires. Artigas, then forty-six years old, was the scion of a family that had settled in Montevideo in 1726. Influenced by federalism, Artigas had been dissatisfied with the administration of the former colonial government in Buenos Aires, particularly with its discrimination against Montevideo in commercial affairs. Artigas's army won its most important victory against the Spaniards in the Battle of

Las Piedras on May 18, 1811. He then besieged Montevideo from May to October 1811. Elío saved Montevideo only by inviting in the Portuguese forces from Brazil, which poured into Uruguay and dominated most of the country by July 1811. That October Elío concluded a peace treaty with Buenos Aires that provided for the lifting of the siege of Montevideo and the withdrawal of all the troops of Artigas, Portugal, and Spain from Uruguay. Artigas, his 3,000 troops, and 13,000 civilians evacuated Salto, on the Río Uruguay, and crossed the river to the Argentine town of Ayuí, where they camped for several months. This trek is considered the first step in the formation of the Uruguayan nation. The Portuguese and Spanish troops did not withdraw until 1812.

At the beginning of 1813, after Artigas had returned to the Banda Oriental, having emerged as a champion of federalism against the unitary centralism of Buenos Aires, the new government in Buenos Aires convened a constituent assembly. The Banda Oriental's delegates to elect assembly representatives gathered and, under instructions issued by Artigas, proposed a series of political directives. Later known as the "Instructions of the Year Thirteen," these directives included the declaration of the colonies' independence and the formation of a confederation of the provinces (the United Provinces of the Río de la Plata) from the former Viceroyalty of the Río de la Plata (dissolved in 1810 when independence was declared). This formula, inspired by the Constitution of the United States, would have guaranteed political and economic autonomy for each area, particularly that of the Banda Oriental with respect to Buenos Aires. However, the assembly refused to seat the delegates from the Banda Oriental, and Buenos Aires pursued a system based on unitary centralism. Consequently, Artigas broke with Buenos Aires and again besieged Montevideo.

Artigas lifted his siege of Montevideo at the beginning of 1814, but warfare continued among the Uruguayans, Spaniards, and Argentines. In June 1814, Montevideo surrendered to the troops of Buenos Aires. Artigas controlled the countryside, however, and his army retook the city in early 1815. Once the troops from Buenos Aires had withdrawn, the Banda Oriental appointed its first autonomous government. Artigas established the administrative center in the northwest of the country, where in 1815 he organized the Federal League under his protection. It consisted of six provinces—including four present-day Argentine provinces—demarcated by the Río Paraná, Río Uruguay, and Río de la Plata—with Montevideo as the overseas port. The basis for political union was customs unification and free internal trade. To regulate external trade,



Source: Based on information from A. Curtis Wilgus, *Historical Atlas of Latin America*, New York, 1967, 112.

Figure 2. Three South American Viceroyalties, ca. 1800

the protectionist Customs Regulations Act (1815) was adopted. That same year, Artigas also attempted to implement agrarian reform in the Banda Oriental by distributing land confiscated from his enemies to supporters of the revolution, including Indians and mestizos (people of mixed Indian and European ancestry).

In 1816 a force of 10,000 Portuguese troops invaded the Banda Oriental from Brazil and took Montevideo in January 1817. After nearly four more years of struggle, a defeated Artigas fled into exile in Paraguay in September 1820 and remained there until his death in 1850. After routing Artigas, Portuguese Brazil annexed the Banda Oriental as its southernmost Cisplatine Province.

From Insurrection to State Organization, 1820–30

Following its independence from Portugal in 1822, Brazil was confronted by unrest in the Banda Oriental. On April 19, 1825, a group of Uruguayan revolutionaries (the famous Thirty-Three Heroes) led by Juan Antonio Lavalleja, reinforced by Argentine troops, crossed the Río de la Plata from Buenos Aires and organized an insurrection that succeeded in gaining control over the countryside. On August 25, 1825, in a town in the liberated area, representatives from the Banda Oriental declared the territory's independence from Brazil and its incorporation into the United Provinces of the Río de la Plata. Brazil declared war on them. The ensuing conflict lasted from December 1825 to August 1828.

In 1828 Lord John Ponsonby, envoy of the British Foreign Office, proposed making the Banda Oriental an independent state. Britain was anxious to create a buffer state between Argentina and Brazil to ensure its trade interests in the region. With British mediation, Brazil and Argentina signed the Treaty of Montevideo at Rio de Janeiro on August 27, 1828, whereby Argentina and Brazil renounced their claims to the territories that would become integral parts of the newly independent state on October 3. However, Argentina and Brazil retained the right to intervene in the event of a civil war and to approve the constitution of the new nation.

Argentine and Brazilian troops began their withdrawal, while a constituent assembly drew up the constitution of the new country, created its flag and coat of arms, and enacted legislation. The constitution was approved officially on July 18, 1830, after having been ratified by Argentina and Brazil. It established a representative unitary republic—the República Oriental del Uruguay (Oriental Republic of Uruguay), the word *oriental* (eastern) representing the legacy of the original designation of the territory as the Banda Oriental. The constitution restricted voting, made Roman Catholicism the official religion, and divided the territory into nine administrative jurisdictions known as departments (see Constitutional Background, ch. 4).

Beginnings of Independent Life, 1830–52

The First Presidents, 1830–38

At the time of independence, Uruguay had an estimated population of just under 75,000, of which less than 20 percent resided in Montevideo, the capital. Indeed, the new nation was born with most of its population scattered throughout the countryside. Political power centered on local leaders, or caudillos, who attracted followers because of their power, bravery, or wealth. There were

three major caudillos at the time of independence: Rivera, Oribe, and Lavalleja. The first two were later elected presidents, Rivera from 1830 to 1835 and from 1838 to 1843 and Oribe from 1835 to 1838. Their rivalry, which turned violent, led to the formation of the first political groups, known as Colorados and Blancos because of the red and white hatbands, respectively, worn during armed clashes beginning in 1836. The groups would subsequently become the Colorado Party and the National Party (the Blancos).

During the 1830-38 period, the economy came to depend increasingly on cattle, on the proliferation of *saladeros* (meat-salting establishments), and on the export of salted beef and leather. But political instability was the most significant feature of this period. Caudillos and their followers were mobilized because of disputes arising from deficient land demarcation between absentee landowners and squatters and between rightful owners and Artigas's followers who were granted land seized by Artigas. Rivera remained in the countryside for most of his presidency, during which Lavalleja organized three unsuccessful rebellions. Rivera was followed as president by Oribe, one of the Thirty-Three Heroes, but they began to quarrel after Oribe permitted Lavalleja and his followers to return from Brazil. Rivera initiated a revolutionary movement against President Oribe, who, aided by Argentine troops, defeated Rivera's forces at the Battle of Carpintería on September 19, 1836. In June 1838, however, the Colorados, led by Rivera, defeated Oribe's Blanco forces; Oribe then went into exile in Buenos Aires.

Internationally, the new territory was at the mercy of the influence of its neighbors. This resulted from its lack of clearly defined borders, as well as from Rivera's ties with Brazil and Oribe's with Argentina.

Rivera again became the elected president in March 1838. In 1839 President Rivera, with the support of the French and of Argentine émigrés, issued a declaration of war against Argentina's dictator, Juan Manuel de Rosas, and drove Rosas's forces from Uruguay. The French, however, reached an agreement with Rosas and withdrew their troops from the Río de la Plata region in 1840, leaving Montevideo vulnerable to Oribe's Argentine-backed forces. For three years, the locus of the struggle was on Argentine territory. Oribe and the Blancos allied themselves with Argentina's federalists, while Rivera and the Colorados sided with Argentina's rival unitary forces, who favored the centralization of the Argentine state. In 1842 Oribe defeated Rivera and later, on



*Montevideo's Thirty-Three Heroes Obelisk
Courtesy Inter-American Development Bank*

February 16, 1843, laid siege to Montevideo, then governed by the Colorados.

The Great War, 1843-52

Oribe's siege of Montevideo marked the beginning of the Great War (Guerra Grande, 1843-52). The Great War centered on the nine-year-long siege of Montevideo, described by Alexandre Dumas as a "new Troy," although the city itself suffered relatively little from the war. Britain had saved Montevideo at the outset by allowing the city to receive supplies. During the Great War, there were two governments in Uruguay: the Colorados at Montevideo (the so-called government of the "defense") and the Blancos at Cerrito (Little Hill), a promontory near Montevideo.

The intervention first of France (1838-42) and then of Britain and France (1843-50) transformed the conflict into an international war. First, British and French naval forces temporarily blockaded the port of Buenos Aires in December 1845. Then, the British and French fleets protected Montevideo at sea. French and Italian legionnaires (the latter led by Giuseppe Garibaldi) participated, along with the Colorados, in the defense of the city.

Historians believe that the reason for the French and British intervention in the conflict was to restore normalcy to commerce in the

region and to ensure free navigation along the Río Paraná and Río Uruguay, thus guaranteeing access to provincial markets without Buenos Aires's interference. Their efforts were ineffective, however, and by 1849 the two European powers had tired of the war. In 1850 both withdrew after signing a treaty that represented a triumph for Rosas of Argentina.

It appeared that Montevideo would finally fall. But an uprising against Rosas led by Justo José de Urquiza, governor of Argentina's Entre Ríos Province, with the assistance of a small Uruguayan force, changed the situation. They defeated Oribe in 1851, thereby ending the armed conflict in Uruguayan territory and leaving the Colorados in full control of the country. Brazil then intervened in Uruguay in May 1851 on behalf of the besieged Colorados, supporting them with money and naval forces. With Rosas's fall from power in Argentina in February 1852, the siege of Montevideo was lifted by Urquiza's pro-Colorado forces.

Montevideo rewarded Brazil's vital financial and military support by signing five treaties in 1851 that provided for perpetual alliance between the two countries, confirming Brazil's right to intervene in Uruguay's internal affairs; extradition of runaway slaves and criminals from Uruguay (during the war, both the Blancos and the Colorados had abolished slavery in Uruguay in order to mobilize the former slaves to reinforce their respective military forces); joint navigation on the Río Uruguay and its tributaries; tax exemption on cattle and salted meat exports (the cattle industry was devastated by the war); acknowledgment of debt to Brazil for aid against the Blancos; and Brazil's commitment to granting an additional loan. Borders were also recognized, whereby Uruguay renounced its territorial claims north of the Río Cuareim (thereby reducing its boundaries to about 176,000 kilometers) and recognized Brazil's exclusive right of navigation in the Laguna Merín and the Río Yaguarón, the natural border between the countries.

The Struggle for Survival, 1852–75

Intervention by Neighboring Countries

After Rosas went into exile in Britain in 1852, internal strife in Argentina continued until 1861, when the country was finally unified. Uruguay was affected because each Uruguayan faction expressed solidarity with various contenders in Argentina or was, in turn, supported by them.

Brazil's intervention in Uruguay was intensified both because of Argentina's temporary weakness and because of Brazil's desire to expand its frontiers to the Río de la Plata. Brazil intervened



Montevideo's Old City, ca. 1900
Courtesy Prints and Photographs Division, Library of Congress

militarily in Uruguay as often as it deemed necessary, in accordance with the 1851 treaties. In 1865 the Triple Alliance—formed by the emperor of Brazil, the president of Argentina, and General Venancio Flores (1854–55, 1865–66), the Uruguayan head of government whom they both had helped to gain power—declared war on Paraguay. Francisco Solano López, Paraguay's megalomaniac dictator, had been verbally rattling his saber against Argentina and Brazil. The conflict lasted five years (1865–70) and ended with the invasion of Paraguay and its defeat by the armies of the three countries. Montevideo, which was used as a supply station by the Brazilian navy, experienced a period of prosperity and relative calm during the war.

After the war with Paraguay, the balance of power was restored between Argentina and Brazil, the guarantors of Uruguayan independence. Thus, Uruguay was able to internalize its political struggles, an indispensable condition for consolidation of its independence.

Evolution of the Economy and Society

After the Great War, immigration increased, primarily from Spain and Italy. Brazilians and Britons also flocked to Uruguay to snap up hundreds of *estancias* (ranches). The proportion of the

immigrant population in Uruguay rose from 48 percent in 1860 to 68 percent in 1868. Many were Basques of Spanish or French nationality. In the 1870s, another 100,000 Europeans settled in Uruguay. By 1879 the total population of the country was over 438,000. Montevideo, where approximately one-fourth of the population lived, expanded and improved its services. Gas services were initiated in 1853, the first bank in 1857, sewage works in 1860, a telegraph in 1866, railroads to the interior in 1869, and running water in 1871. The creation in 1870 of the typographers' union, the first permanent workers' organization, was soon followed by the establishment of other unions. Montevideo remained mainly a commercial center. Thanks to its natural harbor, it was able to serve as a trade center for goods moving to and from Argentina, Brazil, and Paraguay. The cities of Paysandú and Salto, on the Río Uruguay, complemented this role.

After the Great War, livestock raising recovered and prospered. Improvements in breeding techniques and fencing were introduced, and between 1860 and 1868 sheep breeding, stimulated by European demand, expanded from 3 million head to 17 million head. A group of modernizing hacendados (landowners), a large number of whom were foreigners, was responsible for this change. In 1871 they established the Rural Association (Asociación Rural) to improve livestock-raising techniques. The association developed a reputation for defending rural traditions and exerting considerable influence on policy makers.

Meat-salting enterprises were the main stimulus for the industrialization of livestock products. In 1865 the Liebig Meat Extract Company of London opened a meat-extract factory at Fray Bentos on the Río Uruguay to supply the European armies, thus initiating diversification in the sector. This type of meat processing, however, was dependent on cheap cattle. As the price of cattle increased, the meat-extract industry declined, along with the *saladeros*, which prepared salted and sun-dried meat. Cuba and Brazil were the main purchasers of salted meat; Europe, of meat extract; and the United States and Europe, of leather and wool.

Caudillos and Political Stability

Until 1865 the prevailing political idea was fusion (*fusión*), meaning unity among Uruguayans, the putting aside of the colors and banners that divided them in the past. This idea inspired the administrations of Juan Francisco Giró (1852–53), Gabriel Pereira (1856–60), and Bernardo Berro (1860–64). Hatred and rivalry flared up, however, preventing harmony. Giró was forced to resign. Pereira suppressed almost six coup attempts, and Berro, the last

Blanco president until 1958, confronted a revolution led by Colorado Venancio Flores, who took power with the support of Brazil and Buenos Aires. However, General Flores, who had been commanding the armed forces instead of governing the country since that March, was assassinated in Montevideo in 1868, on the same day that Berro was assassinated.

During the period preceding the Great War, the long conflict between church and state also began. It involved Freemasons in government circles and resulted in the expulsion of the Jesuits in 1859 (they were allowed to return in 1865) and the secularization of cemeteries in 1861. Until then the church had almost exclusive control over the cemeteries.

The constitutional government of General Lorenzo Batlle y Grau (1868-72) was forced to suppress an insurrection led by the National Party. After two years of struggle, a peace agreement was signed in 1872 that gave the Blancos a share in the emoluments and functions of government, through control of four of the country's departments. This establishment of the policy of coparticipation (*coparticipación*) represented the search for a new formula of compromise, based on the coexistence of the party in power and the party in opposition.

A permanent break in the cycle of near anarchy and repression was anticipated when José Ellauri (1872-75) was elected president. His administration was characterized by the predominance of university men over caudillos. A number of them, known as the "Girondists of 73," were sent to the General Assembly. Unfortunately, however, the ensuing economic crisis and the weakness of civil power paved the way for a period of militarism.

Modern Uruguay, 1875-1903

Militarism, 1875-90

Between 1875 and 1886, political parties headed by caudillos or university men declined, and the military became the center of power. A transition period (1886-90) followed, during which politicians began recovering lost ground, and there was some civilian participation in government. Nevertheless, political parties during this period were not parties in the modern sense of the term. Nor, however, was the army a professional institution despite its successful foreign and domestic campaigns.

Because of serious disturbances, Ellauri was forced to resign in 1875. His successor, José Pedro Varela (1875-76), curtailed liberties, arrested opposition leaders and deported the most notable among

them to Cuba, and successfully quelled an armed rebellion. At the beginning of 1876, Colonel Lorenzo Latorre (1876–80) assumed power; he was appointed constitutional president in 1879, but the following year he resigned, after declaring that Uruguayans were “ungovernable,” and moved to Argentina.

Colonel Máximo Santos (1882–86) was appointed president in 1882 by a General Assembly elected under his pressure, and his political entourage named him leader of the Colorado Party. In 1886 Santos, who had been promoted to general, suppressed an insurrection led by the opposition. After an attempt against his life, however, he too resigned and went to live in Europe.

During this authoritarian period (1875–86), the government took steps toward the organization of the country as a modern state and encouraged its economic and social transformation. Pressure groups, particularly businessmen, hacendados, and industrialists, were organized and had a strong influence on government, as demonstrated by their support of numerous measures taken by the state.

In the international realm, the country improved its ties with Britain. Loans increased significantly after the 1870s, when the first one was granted. In 1876 British investors acquired the national railroad company, the North Tramway and Railway Company. They later dominated construction of railroads and continued their policy of ensuring control over, and concessions to, some essential services in Montevideo, such as gas (1872) and running water (1879). Uruguay's adoption of the gold standard facilitated commercial transactions between the two countries.

Under Latorre's administration, order was restored in the countryside. His government vigorously repressed delinquency and unemployment (those without jobs were considered “vagrants”) to protect farmers and ranchers. Fencing of the countryside stimulated modernization of the system. Barbed wired was such an indispensable element for livestock improvement and for the establishment of accurate property boundaries that an 1875 law exempted imports of barbed wire from customs duties. This measure was accompanied by the approval of the Rural Code (1875), drawn up with the participation of the Rural Association. The code ensured land and livestock ownership and thus social order.

The government adopted a number of measures to promote national industrial development. Most important was a series of customs laws in 1875, 1886, and 1888 raising import duties on products that could be manufactured in the country, thus protecting indigenous industry. The Latorre government also improved the means of transportation and communications, giving tax and

other concessions for the construction of railroads, whose network doubled in size in ten years. The state also reorganized and took over the postal service and connected all departmental capitals by telegraph.

Education reform authored by Varela and implemented in 1877 under the Latorre administration established free compulsory primary education. Reform also reached the University of the Republic (also known as the University of Montevideo—established in 1849 and the country's only university until 1984), where the medical and the mathematics faculties were created in 1876 and 1877, respectively.

The secularization process also continued during this period. Under the pretext of needing to deal with the chaos in parochial archives, Latorre created the Civil Register (1876), which transferred to the state the registration of births, deaths, and marriages. Under the Santos administration, the Law of Mandatory Civil Marriage (1885) established that only marriages performed in accordance with this law would be considered valid.

The Return of Civilians

General Máximo Tajes (1886–90), who was appointed president by the General Assembly, tried to restore the constitution and remove the military chiefs who had supported Santos. During the Tajes administration, civilian political activity resumed. At the end of the Tajes term, Julio Herrera y Obes was elected president (1890–94). Herrera y Obes belonged to the Colorado Party, had been an adviser to his predecessor, and was instrumental in the transition process that displaced the military from power. He selected his aides from among a small group of friends and was convinced that the executive had to play a leading role in elections and the makeup of the General Assembly. This policy, called the “directing influence,” was resisted by a sector of the Colorado Party led by José Batlle y Ordóñez, son of the former president, Lorenzo Batlle y Grau.

In 1894, after much internal debate, the General Assembly appointed Juan Idiarte Borda (1894–97), a member of the inner circle of the departing administration, as the new president. But Herrera y Obes and Borda had succeeded in irritating the National Party, when the latter was granted control of only three of the four departments agreed on in the 1872 pact between the two rival parties.

In 1897 discontent led to an armed uprising by Blanco forces. The insurrection was led by Aparicio Saravia, a caudillo from a ranching family originally from the Brazilian state of Rio Grande

do Sul who was involved in military and political affairs on both sides of the border. The Saravia revolution raised the flag of electoral guarantees, the secret ballot, and proportional representation. Military action had not yet decided the situation when President Borda was assassinated. The president of the Senate (the upper house of the General Assembly), Juan Lindolfo Cuestas (1897–1903), served as provisional president until 1899, when he was elected constitutional president. Cuestas quickly signed a peace agreement with the National Party, giving it control over six of Uruguay's departments and promising all citizens their political rights. An anticlericalist, Cuestas placed restrictions on the exercise of Roman Catholicism and tried to prevent admission to the country of friars and priests.

A majority of the members of the General Assembly, who had ties to the Herrera y Obes faction, submitted another presidential candidate in 1898 for the scheduled election. Cuestas, unwilling to give up power, led a coup d'état. He included members of the opposition in his government in a rudimentary attempt at proportional representation. Late that same year, the Cuestas regime promulgated the Permanent Civil Register Law, dealing with electoral matters, and the Elections Law, formally establishing the principle of minority representation. Through this legislation, the opposition gained access to one-third of the seats if it obtained one-fourth of the total votes.

The political consensus achieved by Cuestas resulted in the unanimous support by the General Assembly for his candidacy and appointment as constitutional president in 1899. In fact, however, political peace was an illusion. There were, in effect, two countries, one Blanco and one Colorado. President Cuestas had to send an envoy to caudillo Saravia, near the border with Brazil, in order to coordinate government action. This precarious balance would break down in 1903 when Batlle y Ordóñez took power.

In spite of political and economic fluctuations, the flow of immigrants continued. From the 1870s to the 1910s, Uruguay's population doubled to just over 1 million inhabitants, 30 percent of whom lived in Montevideo. Montevideo also continued to experience modernization, including the installation of a telephone system (1878) and public lighting (1886). At the same time, the euphoria and speculation of the 1870s and 1880s saw a proliferation of banks and corporations and a stimulation of land sales, as well as the construction of multifamily dwellings.

The economic crisis of 1890 was a traumatic event for Uruguayan society. Bankruptcies followed one after another, and the banking system saw the collapse of a key banking institution, created by

a Spanish financier, which had served the needs of the state and promoted production and construction.

The ruling elite felt the impact, and some of its more progressive sectors directed their efforts to the creation of a development model for the country. They were aware of both the need to encourage agricultural and industrial development and the need to redefine the limits of the state. The growing importance of British investment had stimulated the rise of economic nationalism and had, by 1898, provoked more active state intervention.

State intervention in the economy continued in 1896 when the electric utility company was transferred to the municipality of Montevideo and the Bank of Uruguay (Banco de la República Oriental del Uruguay—BROU) was created as an autonomous entity (autonomous agency or state enterprise; see Glossary). Moreover, under Cuestas's administration, the state undertook construction of the modern harbor of Montevideo, in reaction to the new facility in Buenos Aires, which had absorbed part of the river traffic with Paraguay and the Argentine littoral. Nevertheless, the nationalization of economic activities and the creation of state enterprises did not fully gather momentum until the administration of Batlle y Ordóñez.

The New Country, 1903–33

Batlle y Ordóñez and the Modern State

The election of José Batlle y Ordóñez as the first Uruguayan president in the twentieth century (1903–07, 1911–15) marked the beginning of a period of extraordinary change in the country. The son of former President Lorenzo Batlle y Grau, Batlle y Ordóñez was a member of the Colorado Party, founder of the newspaper *El Día* (in 1886), and an active opponent of militarism.

The dominant political event during the first administration of Batlle y Ordóñez was another National Party insurrection in 1904, led by Saravia. After nine months of fierce fighting and Saravia's death, it ended with the Treaty of Aceguá (1904). The civil war triumph of Batlle y Ordóñez and the Colorados meant the end of the coparticipation politics that began in 1872, the political and administrative unification of the country, the consolidation of the state, and, most profoundly, the end of the cycle of civil wars that had persisted throughout the nineteenth century.

The period's most significant economic change occurred in meat processing. In 1905 the first shipment of frozen beef, produced by a refrigeration plant (*frigorífico*) established by local investors two years before, was exported to London in a refrigerated ship.

Uruguay now entered the age of refrigeration, making possible the diversification of one of its main export items and giving the country access to new markets. With the inauguration of the modernized port of Montevideo in 1909, Uruguay could compete with Buenos Aires as a regional trade center.

Claudio Williman (1907–11), the president's handpicked candidate, succeeded Batlle y Ordóñez, who sailed for Europe, where he spent the next four years studying governmental systems. In some respects, Williman's administration was considered more conservative than that of Batlle y Ordóñez, although Batllists maintained their political influence. Williman tried to ensure political peace by enacting electoral laws in 1907 and 1910 that increased political representation of minority opposition parties. Williman also ensured peace with Uruguay's northern neighbor by signing a border treaty with Brazil, thereby putting an end to pending litigation and disputes dating back half a century.

The National Party, disappointed with Williman's electoral laws and with the announcement that Batlle y Ordóñez would once again run for president, did not participate in the elections held in 1910. This helped foster the emergence of two new political parties: the Catholic-oriented Civic Union of Uruguay (Unión Cívica del Uruguay—UCU) and the Marxist-inspired Socialist Party of Uruguay (Partido Socialista del Uruguay—PSU). Church and state relations also underwent changes. The government passed a divorce law in 1907, and in 1909 it eliminated religious education in public schools.

In 1911 Batlle y Ordóñez reassumed the presidency. A non-Marxist social democrat, he set about modernizing the country, taking into account the aspirations of emerging social groups, including industrialists, workers, and the middle class. Writing and promoting progressive social legislation, Batlle y Ordóñez fought for the eight-hour workday (enacted in 1915 under the administration of his successor), unemployment compensation (1914), and numerous pieces of social legislation. Some of these would be approved years later, such as retirement pensions (1919) and occupational safety (1920) (see Batllism, ch. 3).

Batlle y Ordóñez firmly believed that the principal public services had to be in the hands of the state to avoid foreign remittances that weakened the balance of payments and to facilitate domestic capital accumulation. In a relatively short period of time, his administration established a significant number of autonomous entities. In 1911 it nationalized BROU, a savings and loan institution that monopolized the printing of money. In 1912 the government created the State Electric Power Company, monopolizing



*Contrasting buildings in Montevideo's Old City
Courtesy Edmundo Flores*

electric power generation and distribution in the country; it nationalized the Mortgage Bank of Uruguay; and it founded three industrial institutes for geology and drilling (coal and hydrocarbon explorations), industrial chemistry, and fisheries. In 1914 it purchased the North Tramway and Railway Company, later to become the State Railways Administration.

Attempts to change the agrarian productive structure were not as successful. Influenced by United States economist Henry George, Batlle y Ordóñez thought that he could combat extensive landholdings by applying a progressive tax on land use and a surcharge on inheritance taxes. The agrarian reform plan also contemplated promoting colonization and farming. Very little was accomplished in this regard, however, partly because of the opposition of large landowners who created a pressure group, the Rural Federation (*Federación Rural*), to fight Batlle y Ordóñez's policies. The government did make one important accomplishment with regard to agriculture, namely, the creation of a series of government institutes dedicated to technological research and development in the fields of livestock raising, dairying, horticulture, forestation, seeds, and fodder.

The government adopted a protectionist policy for industry, imposing tariffs on foreign products, favoring machinery and raw materials imports, and granting exclusive licensing privileges to those who started a new industry. Indigenous companies sprang up, but foreign capital—especially from the United States and Britain—also took advantage of the legislation and came to control the meat industry. The growth of the *frigorífico* meat-processing industry also stimulated the interbreeding of livestock, Uruguay's main source of wealth.

Education policy was designed to take into account the continuous inflow of European migrants. Although it fluctuated, immigration was significant until 1930. Furthermore, education was a key to mobility for the middle classes. The state actively sought to expand education to the greatest number of people by approving free high school education in 1916 and creating departmental high schools throughout the country in 1912. A "feminine section" was created to foster mass attendance of women at the University of the Republic, where the number of departments continued to expand.

The secularization process, initiated during the second half of the nineteenth century, was accelerated by Batlle y Ordóñez's anticlericalism. Uruguay banned crucifixes in state hospitals by 1906 and eliminated references to God and the Gospel in public oaths in 1907. Divorce laws caused a confrontation between church and

state. In addition to the 1907 and 1910 laws (divorce with cause and by mutual agreement), a law was passed in 1912 allowing women to file for divorce without a specific cause, simply because they wanted to.

Batlle y Ordóñez also proposed the institutional reorganization of government in 1913. Essentially, he wanted to replace the presidency with a nine-member collegial executive (*colegiado*) inspired by the Swiss model (see Constitutional Background, ch. 4). This proposal caused an immediate split in the Colorado Party. One sector opposed the political reform and also feared some of Batlle y Ordóñez's economic and social changes. Subsequently, these dissidents, led by Carlos Manini Ríos, founded a faction known as the Colorado Party-General Rivera (Riverism). The National Party, under Luis Alberto de Herrera, the leading opposition figure from 1920 to his death in 1959, did not back Batlle y Ordóñez's proposal either.

Feliciano Viera (1915-19), a Colorado who was more conservative than Batlle y Ordóñez, became president at the time of the debate between "collegialists" and "anticollegialists." During his mandate, elections were held for a constituent assembly (July 30, 1916). The rules for this election enabled the National Party to ensure incorporation of many of the principles it advocated, such as the secret ballot, partial proportional representation, and universal male suffrage.

Batlle y Ordóñez and his political faction of the Colorados lost these first popular elections, but the Colorados continued to be the majority party, and the 1917 constitution, the country's second, reflected many of the changes that had taken place under Batlle y Ordóñez. It separated church and state, expanded citizens' rights, established the secret ballot and proportional representation, and banned the death penalty. It also created autonomous state enterprises in the areas of industry, education, and health. But in a bitter compromise for Batlle y Ordóñez, the executive was divided between the president, who appointed the ministers of foreign affairs, war, and interior, and the nine-member *colegiado*, the National Council of Administration (Consejo Nacional de Administración). The latter, which included representatives from the party that received the second highest number of votes, the Blancos, was placed in charge of the ministries dealing with economic, educational, and social policy.

President Viera, like many of Batlle y Ordóñez's followers, interpreted the 1916 electoral defeat as a direct consequence of previous policy. He thus announced a halt to economic and social reforms. Some of the old projects as well as some new proposals

were approved, however, such as restrictions on night work in 1918 and the creation in 1916 of a new autonomous entity, the Montevideo Port Authority, also known as the National Administration of Ports (Administración Nacional de Puertos—ANP). Workers' strikes, however, were repressed severely. Finally, in 1919 Viera, in disagreement with Batlle y Ordóñez, founded a dissident Colorado Party faction known as Vierism.

The Consolidation of Political Democracy

The 1920s witnessed electoral struggles in which the various parties sought to consolidate the political peace achieved in 1904. The National Party participated actively in political life, and although the Colorado Party was dominant, its electoral advantage was slight. Relative electoral parity and the still recent memory of the last armed uprising compelled participants to preserve electoral purity and to improve the corresponding legislation. In 1924 the Electoral Court was created to prepare and control national elections. The 1917 constitution eliminated restrictions on male suffrage and required elections almost every year to renew the various governmental bodies.

Each political party was internally divided because of ideological, economic, and social differences. To the existing Colorado factions—Riverism and Vierism—were added the Colorado Party for Tradition (also known as Sosism), founded by Julio María Sosa in 1925, and the Advance Grouping (Agrupación Avanzar), founded by Julio César Grauert in 1929. Splinter groups of the National Party included the Radical Blanco Party, founded by Lorenzo Carnelli in 1924, and Social Democracy, founded by Carlos Quijano in 1928. The small PSU also split in 1920, and one of its factions formed the Communist Party of Uruguay (Partido Comunista del Uruguay—PCU). The parties were divided into “traditional” (Colorado Party and National Party) and “minor,” or “ideological,” parties (UCU, PSU, and PCU). The former, by means of a 1910 law that allowed a double simultaneous vote for a party and a faction of the party (*sub-lema*), became “federations” of parties with different agendas and were thus able to attract followers from all sectors of society.

These contradictions forced Batlle y Ordóñez to make electoral arrangements with his opponents within the Colorado Party to prevent the victory of the National Party. The resultant “politics of compromise” diluted his reformist agenda. Baltasar Brum (1919–23), one of Batlle y Ordóñez's followers and a former foreign minister, was succeeded as president by a “neutral” Colorado, José Serrato (1923–27), who turned over the office to a Riverist, Juan Campisteguy (1927–31).

It was difficult for adherents of Batllism to implement their agenda despite having the occasional support of other political sectors. Nevertheless, additional social reforms were enacted. In 1920 compensation for accidents in the workplace and a six-day work week were made law. In 1923 a minimum rural wage was passed, although it was never enforced. A social security system was created in 1919 for public-sector employees, and the program was extended to the private sector in 1928. Despite the reforms, a union movement, weak in numbers, was organized in several umbrella organizations: the Uruguayan Syndicalist Union, encompassing anarcho-syndicalists and communists, in 1923; and the communist General Confederation of Uruguayan Workers, in 1929.

The only state enterprise created during these years reflected the difficulties in expanding state control over industry because of opposition from the conservatives. Ranchers complained that foreign refrigeration plants, which had established quotas for shipments and for access of meat to the London market, did not pay a fair price for cattle. In 1928 the government created National Refrigerating (Frigorífico Nacional—Frigonal) as a ranchers' cooperative supported by the state and governed by a board made up of representatives from the government, the Rural Association, and the Rural Federation.

Although the country had suffered the immediate consequences of the post-World War I crisis, a period of recovery had quickly followed. It was characterized by growing prosperity sustained mainly by United States loans. A continued increase in population accompanied economic prosperity. The 1920s saw the arrival of the last great wave of immigrants, consisting mainly of Syrians, Lebanese, and East Europeans. Between 1908 and 1930, Montevideo's population doubled.

In 1930 Uruguay celebrated the centennial of the promulgation of its first constitution and won its first World Cup in soccer. Elections were held that year, the results of which were to presage difficulties, however. Batlle y Ordóñez died in 1929, leaving no successor for his political group. The Blanco leader, Herrera, was defeated by a wide margin of votes for the first time. The electoral balance between the parties had been broken. By a few votes, the conservative Colorado Manini, a Riverist leader and newspaper publisher, failed to become president.

The Conservative Adjustment, 1931–43

The Terra Era, 1931–38

Gabriel Terra (1931–38), a “heterodox” Batllist who had differed with Batlle y Ordóñez and who would soon distance himself from

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the latter's sons and followers, became president in March 1931. For the first time, the Batllist wing of the Colorados had a strong representation in the *colegiado*.

Terra's inauguration coincided with the effects of the Great Depression and a worsening of Uruguay's economic and social situation. Prices of agricultural products plunged. In 1932 Britain, traditionally the major purchaser of Uruguayan exports, began restricting purchases of meat. Uruguay's currency was devalued, and unemployment grew rapidly.

Batllists tried to implement their program from the *colegiado*. In 1931 BROU was authorized to control purchases and sales of foreign exchange and to set exchange rates, a measure that initially jeopardized cattle ranchers, exporters, and private banks. In the face of foreign-exchange scarcity, foreign companies were forced to suspend remittances abroad. Limits on imports were imposed to try to reduce the balance of payments deficit and to stimulate industrialization. Furthermore, attempts were made to reduce the fiscal deficit. At the same time, a political agreement known as the Pork Barrel Pact (Pacto del Chinchulín) between the Batllists and an emerging sector of the National Party opposing Herrera made possible the expansion of state control over industry. The pact resulted in the creation of the National Administration of Fuels, Alcohol, and Portland Cement (Administración Nacional de Combustibles, Alcohol, y Portland—ANCAP), a state enterprise with a monopoly over oil refining and alcohol production, and the power to begin producing portland cement. Unfortunately, it quickly became a source of patronage for the party faithful. The State Electric Power Company was granted a monopoly over the telephone system, becoming the State Electric Power and Telephone Company (Usinas Eléctricas y Teléfonos del Estado).

Social reform measures, such as the adoption of the forty-four-hour work week, and the growing economic crisis alarmed the most conservative sectors and affected the interests of large cattle ranchers, import merchants, foreign capital, and the population at large. The social climate became tense as a result of the lack of jobs. There were confrontations in which police and leftists died.

Terra distanced himself from his followers and began a campaign to reform the constitution and eliminate the *colegiado*, which was responsible for making economic and social policy and which Terra accused of inefficiency and lack of vision to overcome the crisis. He was supported by the National Economic Inspection Committee, which was created in 1929 and encompassed most business organizations. This committee proposed restricting statism, ending

implementation of social legislation, and suspending the application of new taxes.

During the first months of 1933, when it became evident that Uruguay would have serious difficulties in paying the interest on its foreign debt, Terra obtained the support of Herrera and of Manini to organize a coup d'état. On March 31, 1933, Terra dissolved the General Assembly and the *colegiado* and governed by decree. Former President Brum (a Batllist) committed suicide one day after the fall of the liberal democratic regime. Another Batllist leader, Grauert, was assassinated. The Terra regime deported numerous opposition leaders and imposed press censorship.

In June 1933, elections were held for a constituent assembly that would be responsible for reforming the constitution. In 1934 the new constitution was submitted to a plebiscite, and although re-election of the president was unconstitutional, Terra was elected to a new term. More than half of the electorate participated in these elections, distributing their preferences between parties supporting the coup and those opposing it. The constitution promulgated in 1934 formally eliminated the *colegiado* and transferred its powers to the president. The new constitution restricted the creation of autonomous entities by requiring approval by a two-thirds majority in each chamber of the General Assembly. It banned usury, recognized certain social rights (e.g., housing and the right to work), and established women's suffrage. The cabinet ministers and heads of autonomous enterprises were to be distributed between the two parties obtaining the most votes, in a two-thirds to one-third ratio. The Senate was to be divided in half between the two parties winning the most votes, thus ensuring control by the coup factions. The Chamber of Representatives was to be elected by proportional representation.

In the mid-1930s, the opposition tried, unsuccessfully, to organize itself and resist the regime in the face of persecution. Military and armed civil uprisings were suppressed. In 1935 a political opponent unsuccessfully tried to assassinate Terra. An attempt to form a "popular front," including the left and dissident Colorados and Blancos, was also unsuccessful. To prevent this coalition, as well as a coalition of sectors from the traditional parties, from opposing the regime's social and economic policies, a series of electoral laws was promulgated beginning in 1934. The new Political Parties Law granted control of the Colorado and Blanco slogans, or party titles, to those who had participated in the elections and therefore supported the dictatorship.

Support from ranchers, one of the sectors most affected by the crisis, seemed to indicate a return to the traditional agro-exporting

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model. However, neither the “machete dictatorship” (an ironic name given to the regime by the socialist leader and writer Emilio Frugoni, referring to Terra’s use of the police during the coup) nor the “March Revolution” (as it was solemnly called by its organizers) stressed an agrarian alternative because unemployment seemed to call for a diversification of the job market. Moreover, Uruguay was already an urban country with budding industrialization.

Terra’s economic policies supported both livestock raising and industry, if unevenly. Livestock had stagnated—the 1930 livestock census showed fewer animals than the 1908 census. The problem of increasing livestock productivity remained unsolved, despite advances in breeding. Cattle ranchers were granted premiums in order to improve the quality of herds. Other benefits accorded them included tax rebates, debt-servicing alternatives, preferential exchange privileges, and the effects of the 1935 devaluation. At the same time, import limitations adopted in 1931 continued in effect, and in 1935 an industrial franchise law was passed. Industrial activities were further protected by currency depreciation and the fall in salaries caused by an abundance of labor.

The Terra government also attempted to regulate foreign trade. BROU maintained control over the price and sale of foreign currency. In 1934 the government created the Honorary Commission for Imports and Exchange to control the allotment of import quotas and foreign exchange. The government used pesos (for value of the peso—see Glossary) to pay the reduced interest rates on the foreign debt. It also carried out, in 1937, satisfactory negotiations for a new payment schedule with the United States and, in 1939, with Britain.

In general, the Terra government weakened or neutralized economic nationalism and social reform, the most controversial facets of the Batllist model. British public-service industries (railroads, water, gas, and tramways) and United States industries (oil, cement, refrigeration plants, and automobiles) that were established in the early 1900s received additional concessions. The government did not privatize existing state enterprises, as would have been expected from the antistatism espoused by Herrerists and Riverists. State enterprises were, however, affected in 1936 by a law that eliminated provisions granting some autonomous state enterprises the power to establish monopolies. ANCAP began constructing an oil refinery, and in 1938 it guaranteed private oil companies participation in Uruguay’s market.

Nevertheless, although the government abolished certain redistributive policies fostered by social legislation, it reinforced the

public assistance role of the state. It created “emergency jobs” for the unemployed through the National Affordable Housing Institute (1937) and the Institute for the Scientific Nutrition of the People (1937). In 1934 legislation was passed that regulated child labor for minors over twelve years of age, allowed maternity leave, and extended pensions to all commercial and industrial sectors, including employers.

The government also revamped the education system. The University of the Republic, whose structure had been transformed by the creation of new faculties (for example, engineering and architecture in 1915, chemistry and dentistry in 1929, and economics in 1932), no longer administered secondary education, which in 1935 was handed over to an autonomous agency.

The foreign policy of the regime resulted in a substantial improvement of relations with the United States (Franklin D. Roosevelt visited Uruguay in 1936) and with Britain. Under a 1935 pact with Britain, Uruguay agreed to pay its foreign debt, to purchase British coal, and to treat British companies generously in exchange for ensuring placement of Uruguayan products. In 1935 Uruguay severed relations with the Soviet Union and in the next year, with Republican Spain. At the same time, however, it established closer relations with Benito Mussolini’s Italy and Adolf Hitler’s Germany. Construction of a hydroelectric dam at Paso de los Toros on the Río Negro was begun in 1937 with German capital, creating the Embalse del Río Negro, the largest artificial lake in South America.

In 1938 general elections were held—the first in which women were allowed to vote. Terra divided his support between his son-in-law’s father, Eduardo Blanco Acevedo, and his brother-in-law, General Alfredo Baldomir. These candidacies reflected a split in Terra’s political faction within the Colorado Party. The PSU and PCU joined forces to vote for a common candidate, but the Colorado Party won. Baldomir (1938–43) was elected president. Once again, Batllists, Independent Nationalists, and Radical Blancos abstained from voting.

Baldomir and the End of Dictatorship

After his inauguration, and after suppressing a coup attempt, Baldomir announced his intention to reform the 1934 constitution but then procrastinated on carrying out the project. Several months later, the opposition led one of the most important political demonstrations in the history of the country, demanding a new constitution and a return to democracy. Under pressure from organized

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labor and the National Party, Baldomir advocated free elections, freedom of the press, and a new constitution.

Baldomir's administration could not avoid the consequences of World War II or the pressures and interests of the Allied forces. Although he declared Uruguay's neutrality in 1939, that December the Battle of the Río de la Plata took place. The badly damaged German battleship *Graf Spee*, cornered by a British naval force and required by the Uruguayan government to leave its refuge in the port of Montevideo, was blown up and scuttled by its own crew just outside the harbor. After this, Uruguay assumed a pro-Allied stance. In 1940 it began an investigation of Nazi sympathizers and finally, in 1942, broke relations with the Axis.

The Blancos persistently attempted to obstruct legislation introduced by Baldomir and criticized the Colorados' policy of cooperation with the United States in hemispheric defense. Baldomir's Blanco ally, Herrera, fought for neutrality, and in 1940 Herrera opposed the installation of United States bases in Uruguay. In 1941 Baldomir forced his three Herrerist ministers to resign; they had been appointed to his cabinet in accordance with provisions of the 1934 constitution. Baldomir subsequently appointed a board, without the participation of Herrerists, to study a constitutional reform. Finally, in February 1942 Baldomir dissolved the General Assembly and replaced it with the Council of State (Consejo de Estado), composed of Batllists and other Colorados. This quasi-coup was carried out without arrests, deportations, or the closing of newspapers. It was an in-house agreement to overcome the institutional crisis initiated on March 31, 1933, and to avoid enforcement of the existing constitution. Batllists and Communists welcomed the new situation, but the Socialists argued that Baldomir had been one of the protagonists of the 1933 coup. Independent Nationalists remained on the sidelines. Herrerism, freely accused of being pro-Nazi, pro-Franco, and pro-Argentine, was the big loser.

In November 1942, national elections were held. Although an electoral law had been passed in 1939 to avoid the formation of coalitions that would endanger the two-party system (Blancos and Colorados), Independent Nationalists were allowed to participate as a new political party, separate from Herrerism. Thus, the National Party divided into two splinter parties and continued as such until 1958. Socialists and Communists were also split, a situation that continued until 1971, when the Broad Front (Frente Amplio) coalition was created. Batllists supported the Colorado candidate, Juan José Amézaga (1943-47), who won the election.

At the same time, a new constitution was submitted to plebiscite and was approved by 77 percent of the electorate. As amended



*A rural highway near Punta del Este
Courtesy Inter-American Development Bank*

on November 19, 1942, the constitution retained the presidency, restored the General Assembly, implemented strict proportional representation in the Senate, and abolished the mandatory co-participation imposed by the 1934 constitution for ministries and boards of autonomous entities.

“There’s No Place Like Uruguay,” 1943–58

The Administration of Amézaga, 1943–47

After Amézaga reinstitutionalized and restored civil liberties, Uruguay entered a new historical era, characterized by the increasing importance of industrialization and significant gains for virtually all sectors of society. No other phrase expresses as eloquently perceptions about this period by the average citizen as the slogan proclaimed by a politician: “Como el Uruguay no hay” (There’s no place like Uruguay). During the Amézaga administration, the state reorganized its interventionist and welfare role and strongly pushed social legislation. In 1943 the government implemented a system of wage councils (including representatives from the state, workers, and employers) to set salaries, and it established a family assistance program. In 1945 the General Assembly passed legislation requiring paid leave for all work activities, as well as other legislation that addressed the needs of rural workers, one of

Uruguay's poorest sectors. In 1943 the rural workers were incorporated into the pension system, and in 1946 the Rural Worker Statute set forth their rights and also put women's civil rights on a par with men's.

Neo-Batllism, 1947-51

From the beginning of the 1940s, and especially after creation of the wage councils, real wages increased, which meant an improvement in the living standards of the working class and dynamism in the internal market. The period of increased industrial development lasted from 1945 to 1955; total production practically doubled during this time. Agriculture also experienced a boom. Social legislation was improved, the pension system was expanded, and the state bureaucracy grew. Resorts near Montevideo were developed through the sale of lots on the installment plan, and Punta del Este became an international tourist attraction. Gold reserves in BROU reached their highest level ever. In 1950, when Uruguay again won the World Cup in soccer, it was already known as the "Switzerland of South America."

Batllism returned to power with the victory of the presidential ticket of Tomás Berreta (1947) and Luis Batlle Berres (1947-51) in the 1946 elections. Berreta's administration was brief; he died six months after taking office and was succeeded by his vice president, Batlle Berres.

Batlle Berres, a nephew of José Batlle y Ordóñez, represented the most popular faction of Batllism, later to be known as Unity and Reform (Unidad y Reforma), or List 15 because of the list number under which it would participate in successive elections. He gradually became estranged from his cousins—Lorenzo and César, Batlle y Ordóñez's sons—who promoted a more conservative vision from their newspaper, *El Día*, and who would later form a new Colorado Party faction, List 14. Batlle Berres founded his own newspaper (*Acción*) in 1948, bought a radio station, and surrounded himself with young politicians. His ideological-political agenda, adapted to the changes in his country and the world, became known as neo-Batllism. He rejected the communist and populist-authoritarian experiences of other Latin American countries, especially that of Juan Domingo Perón in Argentina. Batlle Berres formed a multiclass movement that promoted compromise and conciliation. He believed the state's role was to safeguard social peace and to correct, through adequate measures, the "unfair differences" created by the socioeconomic structure. In contrast to Peronism, neo-Batllism respected the political autonomy of the workers' movement, accepted social cooperation, and rejected

the kind of corporative structure that characterized Mexico's governing party.

Battle Berres was an enthusiastic supporter of economic development based on import-substitution industrialization (see Glossary) and agricultural expansion. He applied interventionist and statist economic measures to promote such development and did not abide by the IMF's austerity recommendations. He supported agriculture and industry through credits and subsidies, as well as control over the nation's currency, a fact that brought him into conflict with ranchers. BROU, which controlled sales of foreign currency, paid less for foreign currency earned from livestock raising to favor industrial requirements for raw materials and machinery. This differential exchange-rate policy stimulated the development of light industry, more than 90 percent of which was directed toward the internal market. Nevertheless, the state guaranteed profitable prices for agriculture and stimulated imports of agricultural machinery. New crops were developed to supply industry with raw materials, and surpluses were exported. By contrast, livestock raising continued to stagnate.

An earlier agreement with Britain obliged the government to acquire some British enterprises to cancel its outstanding debt to Britain. The state's economic role was thus increased through the creation of new public service enterprises, including Montevideo's tramways, railroads, and water system.

Another potentially significant event in the socioeconomic realm was the creation of the National Land Settlement Institute in 1948. It was designed to stimulate land subdivision and agricultural and livestock settlements and was authorized to purchase and expropriate land. But action was limited because of a lack of funds, and significant agrarian reform never took place. However, in order to favor lower-income groups, subsidies were set for various basic food items, and in 1947 the National Subsistence Council was created to control the price of basic items.

The traditional parties maintained their differences, which were reflected in the significant variations in their platforms. The Political Parties Law, which allowed party factions to accumulate votes, guaranteed the predominance of the Colorado Party. Together, the Colorados and Blancos continued to capture almost 90 percent of the votes. But because of the splits in his own party, Battle Berres was forced to seek political support from other factions. Paradoxically, he sought a "patriotic coincidence" with Herrera and gave cabinet posts to some leading figures of Terrism, past enemies within his own party.

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Conservative sectors, particularly landowners, opposed or distrusted the growing bureaucracy, the expansion of social legislation, and the policy of income redistribution that favored the industrial sector to the detriment of the rural sector. In 1950 Benito Nardone—an anticommunist radio personality supported by Juan Domingo R. Bordaberry, one of the directors of the Rural Federation (and father of Juan María Bordaberry Arocena; president, 1972–76)—created the Federal League for Rural Action (Liga Federal de Acción Rural—LFAR). The Ruralist faction thus created attempted to unite the disenchanted rural middle-class constituencies, especially wool producers, from both traditional parties. He proposed a free-market economic model in contrast to Luis Batlle Berres's statist model.

Unity and Reform won the 1950 elections. Its presidential candidate was a Batllist, Andrés Martínez Trueba (1951–55), who quickly put forward a new constitutional amendment, this time to make good on Batlle y Ordóñez's dream of a purely plural executive, the *colegiado*. He was supported by Herrera, who was seeking to enhance both his personal power and Blanco political power and to recover the ground lost in the 1942 coup. He was also supported by conservative Colorado factions who feared Batlle Berres's becoming president again.

The new constitution was approved by plebiscite in 1951 and went into effect in 1952. It reestablished the *colegiado* as the National Council of Government (Consejo Nacional de Gobierno). The council had nine members, six from the dominant faction of the majority party and three from the party receiving the second highest number of votes (two from its leading faction and one from its second-ranking faction). The presidency was to rotate each year among the six members of the majority party. The constitution mandated coparticipation in directing autonomous entities and ministries, using a three-and-two system (three members appointed by the majority party on the council and two by the minority party). Uruguay enjoyed unprecedented prosperity at this time, and the establishment of a purely collegial, Swiss-style executive reinforced the country's title as the "Switzerland of South America."

Decline of the Economy and the Colorado Party, 1951–58

The Martínez administration in the first half of the 1950s, however, was one of economic decline. At the end of the Korean War (1950–53), during which Uruguay had exported wool for cold-weather uniforms, Uruguay experienced a reduction in exports, a drop in the price of agricultural and livestock products, labor unrest, and unemployment. Livestock production, which had

basically stagnated since the 1920s, was not capable of providing the foreign exchange needed to further implement the import-substitution industrialization model. Starting in 1955, the industrial sector stagnated and inflation rose. At the same time, Uruguay had difficulties with the United States regarding wool exports and suffered the negative effects of both restrictive United States trade policies and competition from the foreign sales of United States agricultural surpluses.

In 1951 a faction opposing the more radical leadership of the General Union of Workers (Unión General de Trabajadores—UGT; established in 1942) founded the General Confederation of Labor. Nevertheless, strikes and stoppages continued. In 1952, in the face of labor unrest, the National Council of Government invoked the emergency provision of the constitution known as the *medidas prontas de seguridad* (prompt security measures). From 1956 to 1972, the gross national product (GNP—see Glossary) fell 12 percent, and in the decade from 1957 to 1967 real wages for public employees fell 40 percent. In 1958 the General Assembly approved strike insurance and maternity leave. In addition, worker and student mobilization pressured the General Assembly into approving the Organic University Law, whereby the government recognized the autonomy of the University of the Republic and the right of professors, alumni, and students to govern it. Nevertheless, labor unrest increased.

At first, dramatic political events masked the economic crisis. In the 1958 elections, the Independent Nationalists, who had joined the Democratic Blanco Union (Unión Blanca Democrática—UBD), agreed to include their votes under the traditional National Party of the Herrerists. Thus, for the first time in decades, the National Party voted as one party. In addition, Herrera joined forces with Nardone and his LFAR, transforming it from a union into a political movement. Aided by the LFAR and a weakening economy, the National Party won, and the Colorado Party lost control of the executive for the first time in ninety-four years.

Economic Crisis and Decline

The Blanco Administrations, 1959–67

From March 1959 to February 1967, eight National Party governments ruled Uruguay. The death of Herrera (1959) aggravated divisions in the National Party and demonstrated the fragility of the electoral accords that had led to its victory. The economic crisis and social unrest that had beset Uruguay from the mid-1950s continued, and the 1960s opened with gloom and sadness for the

country. At the time of the 1962 elections, inflation was running at a historically high 35 percent. The Colorado Party was defeated once again, although by a much smaller margin of votes (24,000 as compared with 120,000 in 1958). The National Party split. The UBD joined a splinter faction of Herrerism, the Orthodox faction, led by Eduardo Víctor Haedo. Another faction of Herrerism, led by Martín R. Echegoyen (1959–60), kept its alliance with Nardone's Ruralists. At the same time, divisions between the List 14 faction and Unity and Reform were intensified in the Colorado Party.

Important changes also took place in the minor parties. Catholics formed the Christian Democratic Party (Partido Demócrata Cristiano—PDC). Communists formed a coalition with other minor parties, the Leftist Liberty Front (Frente Izquierda de Libertad—Fidel). The PSU joined with intellectuals and dissidents from traditional parties and formed the Popular Union (Unión Popular).

The thin majority of the governing party, as well as its internal divisions, hindered the administration of the National Council of Government during the 1963–67 period. In 1964 the political scene was further affected by the death of two important leaders: Batlle Berres and Nardone. That same year, the workers' movement formed a single centralized union, the National Convention of Workers (Convención Nacional de Trabajadores—CNT). In addition, a new political protagonist appeared. In 1962 Raúl Antonaccio Sendic, head of the sugarcane workers from the north of the country, formed, together with other leftist leaders, the National Liberation Movement-Tupamaros (Movimiento de Liberación Nacional-Tupamaros—MLN-T), a clandestine urban guerrilla movement.

Economically, the 1958 Blanco victory brought ranching and agricultural forces to power. This led to the implementation of liberal (free-market) economic policies aimed at eliminating the protectionist-interventionist model that had fostered industrial development. In 1960 Uruguay agreed to sign its first letter of intent with the IMF. The Blanco government devalued the currency and established a single, free monetary exchange market (while maintaining the interventionist role of BROU), as well as the free import and export of goods and services. The reorientation of economic policy tended to favor the agro-exporting sector. However, the model could not be applied fully, nor in an orthodox manner. Inflation increased to more than 50 percent per year between 1963 and 1967, and in 1965 an overstretched financial system and massive speculation produced a banking crisis. Labor and social conflict increased as well, and a state of siege was imposed in 1965.

To try to solve the problem of economic stagnation, the government complied with one of the principal recommendations of the

Alliance for Progress (a United States program to help develop and modernize Latin American states) by preparing a ten-year development plan. However, virtually none of the plan's recommendations were ever put into practice.

During the Blanco era, sectors from both traditional parties had begun blaming the country's difficulties on the collegial constitutional arrangement of executive power. In the 1966 elections, three constitutional amendments were submitted. The approved changes, supported by Blancos and Colorados, were incorporated in the 1967 constitution, which put an end to the collegial executive, thereby returning the country to a presidential regime; granted increased powers to the executive; and extended the presidential term to five years. They also eliminated the three-and-two (coparticipation) system for appointing heads of autonomous entities and ministries and created new state agencies to modernize government: the Office of Planning and Budget, the Social Welfare Bank, and the Central Bank of Uruguay. High school education became compulsory.

Pachequism, 1967-72

Given the growing economic and social crisis, it was not surprising that the Colorado Party won the November 1966 elections. In March 1967, General Oscar Gestido (1967), a retired army general who had earned a reputation as an able and honest administrator when he ran the State Railways Administration, became president. He was supported by the Colorado and Batllist Union (Unión Colorada y Batllista—UCB), comprising List 14 and other conservative Colorados.

Between June and November of 1967, the government, with the influence of some Batllists, attempted to reverse economic and social policies implemented since 1959 and to return to the old developmentalist model. But in November, César Charlone, responsible for economic policies under Terra, became head of the Ministry of Economy and Finance. He agreed to the IMF's suggestions, again establishing a unified exchange market and drastically devaluing the currency. Inflation exceeded 100 percent in 1967, the highest in the country's history.

In December President Gestido died and was succeeded by his vice president, Jorge Pacheco Areco (1967-72). A little-known politician and former director of the newspaper *El Día*, Pacheco would leave an indelible mark on Uruguay. Within one week of taking office, Pacheco issued a decree banning the PSU and other leftist groups and their press, which he accused of subverting the constitutional order and advocating armed struggle. To implement the new monetarist policy adopted in 1968, Pacheco appointed Alejandro

Végh Villegas as director of the Office of Planning and Budget. In a sharp policy change, Pacheco decreed a wage and price freeze in June 1968 to try to control inflation. He also created the Productivity, Prices, and Income Commission (Comisión de Productividad, Precios, e Ingresos—Coprin) to control the price of basic food items. In 1968 real wages were the lowest in the decade, and inflation reached a maximum annual rate of 183 percent that June.

The newly created umbrella labor organization, the CNT, resisted these economic policies, and student and other social conflict intensified. The government responded by repressing strikes, work stoppages, and student demonstrations. The death of a student, *Liber Arce*, during a protest paralyzed Montevideo, and relations between the University of the Republic and the government further deteriorated. "Prompt security measures," a limited form of a state of siege, which had been included in the constitution to deal with extraordinary disturbances of domestic order and applied in 1952 and 1965, were enforced during almost all of Pacheco's time in office. He justified his actions, which included drafting striking bank and government employees to active military service, on the basis of the growing urban guerrilla threat from the Tupamaros.

During this period, the Tupamaros had grown in strength, and their actions—robberies, denunciations, kidnappings, and, eventually, killings—shook the country and became known worldwide. The General Assembly acquiesced twice in the suspension of all civil liberties, once for twenty days following the assassination in August 1970 of Dan A. Mitrione, a United States security official, and then for forty days following the kidnapping of British ambassador Geoffrey Jackson in January 1971—both by the Tupamaros. On September 9, 1971, after the escape from prison of more than 100 Tupamaros, Pacheco put the army in charge of all counter guerrilla activity.

The November 1971 national elections were held in a relatively quiet atmosphere because of a truce declared by the Tupamaros. Uruguayan society had become polarized. Political sectors supporting Pacheco promoted his reelection to a new presidential term, as well as the corresponding constitutional amendment to legitimize it. The left was able to unite and draw supporters from traditional parties, such as the Colorado Party's List 99. The new coalition was named the Broad Front (*Frente Amplio*). In the National Party, a faction of *Herrerists* chose General Mario Aguerrondo, considered a hard-liner, as its presidential candidate. Liberal *Blancos* supported the reformist program of a new movement, *For the Fatherland* (*Por la Patria—PLP*), led by Senator Wilson Ferreira Aldunate.

The constitutional amendment did not succeed, but Pacheco's handpicked successor, Juan María Bordaberry Arocena of the Colorado Party, won the controversial elections by some 10,000 votes, after a mysterious halt in the vote count. It was noteworthy, however, that Ferreira obtained a large number of votes (he was actually the candidate receiving the most votes—26 percent of the total to Bordaberry's 24 percent), and the left increased its following, receiving about 18 percent of the votes. Bipartisan politics had come to an end, replaced by a multiparty system bitterly divided by political, social, economic, and ideological differences. In economic terms, the stabilization measures taken between 1969 and 1971 by the Pacheco administration to increase wages and reduce inflation had been moderately successful. But by 1972, the situation was out of control again. Another free-market, monetarist experiment would have to await the imposition of an authoritarian regime.

The Emergence of Militarism, 1972–73

In March 1972, Bordaberry was sworn in as president (1972–76). He ran as a Colorado, but he had been active in Nardone's Ruralist movement and had been elected to the Senate as a representative of the National Party. Bordaberry's narrow victory forced him to seek the support of other political parties. He found it in Mario Aguerrondo's Herrerist faction of the National Party and in the Colorado Party's Unity and Reform, led by Jorge Batlle Ibáñez, a son of Luis Batlle Berres, who had founded the faction.

Bordaberry appointed Julio María Sanguinetti Cairolo, who headed a faction of Unity and Reform, as minister of education and culture. Sanguinetti promoted education reform that brought together primary, secondary, and vocational education under the National Council for Education (Consejo Nacional de Educación—Conae) and established secret and mandatory voting for the election of university authorities. Unity and Reform also took charge of economic policy by implementing a five-year development plan inspired by neoliberal (free-market) and monetarist principles, which would slowly open the economy to greater influence from financial and commercial groups, as well as to foreign investment.

The Bordaberry administration, however, continued its predecessor's policies, giving greater budgetary priority to the military than to education and other social areas. Bordaberry also proposed legislation to eliminate university autonomy and enhance the powers of the army and police.

When the Tupamaros finally renewed their armed activities following their six-month electoral truce from October 1971 to April

1972, they faced a firmly entrenched administration backed by an increasingly well-equipped and adequately prepared military, which had a blank check to defeat them. In April 1972, after a bloody shoot-out with the Tupamaros, Bordaberry declared a state of "internal war." All civil liberties were suspended, initially for thirty days but later extended by the General Assembly until 1973. On July 10, 1972, the government enacted the draconian State Security Law. By the end of the year, the army had decisively defeated the Tupamaros, whose surviving members either were imprisoned or fled into exile. Despite their victory over the Tupamaros, the military had grown impatient with civilian rule. It was now time for the armed forces' final assault on the Uruguayan polity.

The Military Government, 1973-85

The New Situation, 1973-80

In February 1973, a deep conflict emerged among the president, the General Assembly, and the armed forces. The army and air force rebelled against Bordaberry's selection of a civilian as minister of national defense. On February 9 and 10, the army issued two communiqués proposing a series of political, social, and economic measures. Initially, the navy maintained its loyalty to the president but subsequently joined the other military services. Bordaberry made an agreement with the military, known as the Boisso Lanza Pact, that guaranteed their advisory role and their participation in political decision making. In effect, the pact constituted a quasi-coup. The National Security Council (Consejo de Seguridad Nacional—Cosena) was created as an advisory body to the executive. Its members included the commanders of the army, navy, and air force, plus an additional senior military officer, and the ministers of national defense, interior, and foreign affairs.

The military then pushed for the final approval and implementation of the State Security Law. However, differences with the General Assembly, which was investigating charges of torture committed by the military and felt that the military had exceeded its powers, continued until June 27, 1973. On that date, with the backing of the armed forces, Bordaberry dissolved the General Assembly and replaced it with the Council of State, and he empowered the armed forces and police to take whatever measures were necessary to ensure normal public services. In essence, a *de facto* dictatorship had been announced. The new situation was supported by some Colorados (the Pachequist faction) and some Blancos (Aguerrondo's Herrerists). But the CNT called for the occupation of factories and a general strike that lasted almost two weeks. When

the civil-military dictatorship was consolidated, it banned the CNT, the PCU, and other existing and alleged Marxist-Leninist organizations, and it intervened in the university to quell dissident activities by the students.

The military's "Doctrine of National Security" was a pseudo-scientific analysis of society grounded in geopolitics. It posited that sovereignty no longer resided in the people but derived instead from the requirements of state survival. This was basically the same ideology made famous by the Brazilian generals after their takeover in 1964. The core of the doctrine was articulated by Brazil's General Artur Golbery do Couto e Silva in his book *Geopolítica do Brasil*. Essentially, the book described a world divided into two opposing blocs—the capitalist and Christian West and the communist and "atheistic" East—each with its own values that were considered irreconcilable. The Brazilian and Uruguayan generals saw themselves as part of the Western bloc and were therefore engaged in an unrelenting global struggle with the opposition. This struggle called for a war in which there was no room for hesitation or uncertainty against a cunning and ruthless enemy. Thus, it was necessary to sacrifice some secular freedoms in order to protect and preserve the state.

"Preventive" repression by the Uruguayan military regime was intense. To the dead and disappeared were added thousands of persons who went to jail because they were accused of politically motivated crimes. Many were tortured. Others were fired from their government jobs for political reasons. The regime restricted freedom of the press and association, as well as party political activity. Amnesty International calculated that in 1976 Uruguay had more political prisoners per capita than any other nation on earth. During these years, approximately 10 percent of Uruguay's population emigrated for political or economic reasons.

In June 1976, Bordaberry was forced to resign after submitting a proposal to the military calling for the elimination of political parties and the creation of a permanent dictatorship with himself as president. National elections were to be held that year, although politicians could hardly be sanguine after the assassinations in Argentina of Uruguayan political leaders Héctor Gutiérrez Ruiz (National Party) and Zelmar Michelini (Broad Front). Bordaberry was replaced by Alberto Demichelli Lizaso, president of the Council of State, who, through Institutional Act No. 1, decreed the suspension of elections. Three months later, Demichelli was succeeded by Aparicio Méndez (1976–81), who essentially decreed the political prohibition of all individuals who had participated in the 1966 and 1971 elections. Political life thus came to a halt.

In 1977 the military government made public its political plans. Over the next few years, the National Party and the Colorado Party would be purged, a new constitution would be submitted to a plebiscite, and national elections would be held with a single candidate agreed on by both parties. A charter that gave the military virtual veto power over all government policy was drawn up. In 1980 the armed forces decided to legitimize themselves by submitting this constitution to a plebiscite.

Opposing the constitutional project were Batlle Ibáñez, Ferreira, Carlos Julio Pereyra, a Herrerist faction led by Luis Alberto Lacalle de Herrera, Pachequist dissidents, and the Broad Front, who considered it authoritarian and in conflict with Uruguay's democratic tradition. When Uruguay's citizens went to the polls, they dealt the military regime a tremendous blow and rejected the proposed new constitution by 57 to 43 percent.

The Military's Economic Record

When the military took power in 1973, they did so in the face of a decade and a half of economic stagnation, high inflation, and increased social unrest. Massive repression brought the social unrest under control and eliminated the urban guerrilla threat. Economic policy and performance soon became the regime's ultimate claim to legitimacy and justification for its harsh rule. The military and their civilian technocrats hoped to reverse Uruguay's economic stagnation, which had led to an absence of capital accumulation and investment, as well as to capital flight. The dissolution of the General Assembly and the banning of union organizations eliminated any possibilities for action by the opposition and thus made possible a new economic model. The long-term model sought by the military involved a profound change in the traditional roles of the public and private sectors and the response of the public sector to the influence of the external market.

The military's economic program sought to transform Uruguay into an international financial center by lifting restrictions on the exchange rate; ensuring the free convertibility of the peso and foreign remittances, thus further "dollarizing" the economy; facilitating the opening of branches of foreign banks; and enacting a law to promote foreign investment. More attention was paid to the international market. The reduction of import duties, promotion of nontraditional exports, integration of trade with Argentina and Brazil, and liberalization of the agricultural and livestock markets were key goals. Although proposals were made to reduce state interventionism, the state participated actively in the preparation of the new program.

The principal architect of the program was Harvard-trained Alejandro Véggh Villegas, who had served as minister of economy and finance from 1974 to 1976. Véggh hoped to dismantle the protectionist structure of the economy; free the banking and financial communities from the restraints under which they operated; cut the budget, especially social spending; reduce state employment; and sell off most of the state enterprises. However, some of the nationalist and populist military leaders opposed his plan for mass reductions in government employment and divestiture of state enterprises such as ANCAP. Véggh succeeded somewhat in his budgetary and monetary objectives and managed to reduce some tariffs. Between 1975 and 1980, his strict monetary policy reduced inflation from 100 percent in 1972 to 40 to 67 percent in 1980, and by 1982 it was only 20 percent. He managed this by strict control of the social service side of the budget and by a policy of depressed real wages, which fell by 50 percent during the 1970s.

Between 1974 and 1980, the gross domestic product (GDP—see Glossary) grew, although unevenly. Beginning in 1980, however, the situation changed as the military's economic program began to unravel. High interest rates and recession in the United States did not help matters. Between 1981 and 1983, GDP fell some 20 percent, and unemployment rose to 17 percent. The foreign debt burden, exacerbated by the quadrupling of oil prices in 1974, grew exponentially and stood at about US\$3 billion by 1984.

Industry and agriculture, whose accumulation of debt in dollars had been encouraged by official policies, were adversely affected by the government's elimination in November 1982 of its "crawling peg" system (a minidevaluation monetary policy) in effect since 1978. The progressively overvalued currency had limited the ability of domestic producers to raise prices to compete with cheaper imports. The resulting collapse of the Uruguayan new peso (for value of the Uruguayan new peso—see Glossary) bankrupted thousands of individuals and businesses. Industry was in better shape, although it had unused capacity and no substantial diversification had taken place. The financial sector, which was largely foreign owned, was consolidated and expanded at the same time. As the situation deteriorated, the state, in order to save the banking system, purchased noncollectible debt portfolios of ranchers, industrialists, and importers, which were held by private banks. This adversely affected the fiscal deficit and increased the foreign debt, which grew sevenfold between 1973 and 1984 (see Restructuring under the Military Regime, 1973–85, ch. 3).

The failure of the regime's economic model, combined with its stifling of political opposition, prompted thousands of Uruguay's

best professionals to go into exile. By late 1983, Végh returned from an ambassadorship in the United States to once again become minister of economy and finance. As the most important technocrat to serve the military regime, he had returned to help smooth out the expected transition to civilian rule. He failed, however, to turn over a revived economy to a democratic government. The lack of success of the military's economic policies and their failure to achieve legitimacy or consensus led to a watering down of their own plan to reinstitute a civilian government under military tutelage.

The Opposition and the Reemergence of Parties, 1980–84

After the electoral defeat of the military's constitution, retired Lieutenant General Gregorio Alvarez Armelino (1981–85), one of the leaders of the coup, became president, and political dialogue was slowly restored. The 1982 Political Parties Law was enacted to regulate the election of political leaders, the functioning of political conventions, and the preparation of political platforms. Its aim was the controlled regeneration and democratization of the political system, but it excluded the left to avoid a return to the situation prior to 1973. In 1982 the officials of the National Party, the Colorado Party, and the Civic Union (Unión Cívica—UC; created in 1971), a small conservative Catholic party, were elected. Once again, election results were a blow to the military. Sectors opposing the dictatorship won overwhelmingly in both traditional parties. A divided left, although officially banned, also participated: some cast blank ballots, while others believed it would be more useful to back the democratic sectors of traditional parties.

The dialogue between politicians and the military gathered momentum but was marked by advances and setbacks and accompanied by increasing civil resistance. Uruguay was now experiencing its worst economic crisis since the Great Depression. In 1983 the Interunion Workers' Assembly (or Plenum) (Plenario Inter-sindical de Trabajadores—PIT) reclaimed the banner of the CNT and was authorized to hold a public demonstration on May 1; it later assumed the name PIT–CNT to show its link with the earlier organization. Students—united under the Students' Social and Cultural Association for Public Education (Asociación Social y Cultural de Estudiantes de la Enseñanza Pública—ASCEEP), heir to the banned student organizations—were allowed to march through the streets of Montevideo. In November all opposition parties including the left staged a massive political rally, demanding elections with full restoration of democratic norms and without political proscriptions.

The Transition to Democracy, 1984–85

In March 1984, the PIT–CNT organized a civil strike and freed General Líber Seregni Mosquera, leader of the Broad Front, whom the military had imprisoned since January 11, 1976. By mid-1984 yet another civil strike took place, this time organized by political parties and social groups. Blanco Senator Ferreira returned from exile. His subsequent imprisonment essentially deprived the National Party of the opportunity to participate in the meetings between politicians and the military that ended with the Naval Club Pact. Signed by the armed forces and representatives from the Colorado Party, UC, and Broad Front, this pact called for national elections to be held that same year on the traditional last Sunday in November.

The discussions at the Naval Club saw the military give up its long-sought goal of a Cosena dominated by the military and with virtual veto power over all civilian government decisions. The military now settled for an advisory board that would be controlled by the president and the cabinet. Some transitional features were agreed to by the civilian leadership, mostly relating to the ability of the armed forces to maintain its seniority system in the naming of the commanders of the various military services. The military also agreed to review the cases of all political prisoners who had served at least half of their sentences. Moreover, the military acquiesced to the relegalization of the left, although the PCU remained officially banned (until March 1985). The Communists were nonetheless able to run stand-in candidates under their own list within the leftist coalition. Nothing was said about the question of human rights violations by the dictatorship.

The election results were no great surprise. With Ferreira prohibited from heading the Blanco ticket and a similar fate for Seregni of the Broad Front, and with effective use of young newcomers and a savvy media campaign, the Colorado Party won. The Colorados received 41 percent of the vote; the Blancos, 34 percent; and the Broad Front, 21 percent. The UC received 2.5 percent of the vote. Within the Broad Front's leftist coalition, social democratic Senator Hugo Batalla, who headed List 99, a faction started by Zelmari Michelini in 1971, was the big winner, garnering over 40 percent of the alliance's vote. For the victorious Colorados, former President Pacheco brought the party 25 percent of its vote. However, the Colorado presidential ticket receiving the most votes (in a system that allowed multiple candidacies for president in each party) was headed by Sanguinetti. After being sworn in as president on March 1, 1985, Sanguinetti led the transition to democracy.

He did so with dignity and fairness, although the legacy of human rights violations under the dictatorship proved a troublesome problem (see *Democratic Consolidation, 1985–90*, ch. 4).

* * *

Eduardo Acevedo's voluminous work *Anales históricos del Uruguay*, which starts in the sixteenth century and ends in 1930, provides a solid bibliographical background for both political and socio-economic changes. A more modern version, restricted to the 1851–1914 period, may be found in José Pedro Barrán and Benjamín Nahum's *Historia rural del Uruguay moderno*. This seven-volume work contains an analysis of Uruguay's main sources of wealth, as well as a review of political events and social change.

Historiographical production on Uruguay slowed down beginning in 1930, a fact demonstrated by a decrease in contemporary historical research. There are, however, short works covering the period from 1930 to the present: Raúl Jacob's *El Uruguay de Terra, 1931–1938*; Ana Frega, Mónica Maronna, and Yvette Trochon's *Baldomir y la restauración democrática, 1938–1946*; Germán D'Elía's *El Uruguay neo-Batllista, 1946–1958*; Rosa Alonso Eloy and Carlos Demassi's *Uruguay, 1958–1968*; Oscar Bruschera's *Las décadas infames, 1967–1985*; and Gerardo Caetano and José Pedro Rilla's *Breve historia de la dictadura, 1973–1985*. An excellent economic history of Uruguay is M.H.J. Finch's *A Political Economy of Uruguay since 1870*. Useful English-language sources on contemporary Uruguay include Martin Weinstein's *Uruguay: The Politics of Failure* and *Uruguay: Democracy at the Crossroads*. Although somewhat dated, Marvin Alisky's *Uruguay: A Contemporary Survey* and Russell H. Fitzgibbon's *Uruguay: Portrait of a Democracy* also contain useful background information. (For further information and complete citations, see Bibliography.)

Chapter 2. The Society and Its Environment



Street of Sighs, a seventeenth-century historical site in Colonia del Sacramento

URUGUAY WAS ONCE KNOWN as the “Switzerland of South America” as a result of its relative governmental stability, advanced level of economic development, and social peace. Indeed, in the creation of a welfare state, it was far ahead of Switzerland during the first half of the twentieth century. Starting in the 1950s, however, Uruguay’s economy began to stagnate, and the once-vaunted welfare state became increasingly poor. Commentators talked of the “Latin Americanization” of Uruguay as it descended from the ranks of the developed nations to the level of the developing nations. Political and social unrest eventually culminated in the military coup of 1973; by then the case for seeing Uruguay as very different from the rest of Latin America was largely undermined.

During the sixty-year period from 1870 to 1930, foreign immigrants flooded into Uruguay, mainly from Spain and Italy, to improve their standard of living. A historical study of social and economic development ranked Uruguay fourth among all independent nations in the world in the 1880s. In 1990 Uruguay’s levels of education and nutrition were still among the highest in Latin America, as well as its per capita ownership of radios, televisions, and telephones and its newspaper readership.

However, four decades of economic stagnation had seriously eroded Uruguay’s lead in terms of per capita gross domestic product (GDP—see Glossary). Historically, only Argentina rivaled it in Latin America in terms of this crucial economic indicator. By the middle of the twentieth century, Uruguay had been overtaken by Venezuela in terms of per capita GDP, and in 1970 Chile had almost caught up. By 1980 so had Brazil, Costa Rica, Panama, and Mexico.

A study published by the United Nations Development Programme (UNDP) in 1990 attempted to rank 130 countries of the world by their level of social (rather than purely economic) development. Switzerland was the richest nation as measured by per capita GDP, adjusted for purchasing power parities. Using the same indicator, Uruguay was ranked forty-fifth, underlining how far it had fallen economically. Nevertheless, Uruguay ranked far higher on a composite indicator of social progress dubbed by the UNDP the “Human Development Index.” The index took into account life expectancy and level of literacy, as well as adjusted per capita GDP. By this measure, Uruguay ranked twenty-ninth, immediately above Hungary. Only two Latin American countries scored

higher on this index: Costa Rica (ranking twenty-eighth) and Chile (ranking twenty-fourth). In comparison, the United States ranked nineteenth. Japan had the highest Human Development Index of all.

In sum, Uruguayan society in 1990 presented a contradictory picture of advanced social indicators and declining economic status. In many ways, it remained unlike other Latin American and developing countries.

Geography

Uruguay is located in the Southern Hemisphere on the Atlantic seaboard of South America between 53° and 58° west longitude and 30° and 35° south latitude (see fig. 1). It is bounded on the west by Argentina, on the north and northeast by Brazil, and on the southeast by the Atlantic Ocean. To the south, it fronts the Río de la Plata, a broad estuary that opens out into the South Atlantic. Montevideo, the capital and major port, sits on the banks of the Río de la Plata and is on approximately the same latitude as Capetown and Sydney. Uruguay is the smallest Spanish-speaking nation in South America with a land area of 176,220 square kilometers, slightly smaller than North Dakota.

Topography and Hydrography

Most of Uruguay is a gently rolling plain that represents a transition from the almost featureless Argentine pampas to the hilly uplands of southern Brazil. The country itself has flat plains on its eastern, southern, and western edges. The narrow Atlantic coastal plain is sandy and marshy, occasionally broken by shallow lagoons. The littorals of the Río de la Plata and the Río Uruguay are somewhat broader and merge more gradually into the hilly interior (see fig. 3).

The remaining three-quarters of the country is a rolling plateau marked by ranges of low hills that become more prominent in the north as they merge into the highlands of southern Brazil. Even these hilly areas are remarkably featureless, however, and elevations seldom exceed 200 meters.

Uruguay is a water-rich land. Prominent bodies of water mark its limits on the east, south, and west, and even most of the boundary with Brazil follows small rivers. Lakes and lagoons are numerous, and a high water table makes digging wells easy.

Three systems of rivers drain the land: rivers flow westward to the Río Uruguay, eastward to the Atlantic or tidal lagoons bordering the ocean, and south to the Río de la Plata. The Río Uruguay, which forms the border with Argentina, is flanked by low



Figure 3. Topography and Drainage

banks, and disastrous floods sometimes inundate large areas. The longest and most important of the rivers draining westward is the Río Negro, which crosses the entire country from northeast to west before emptying into the Río Uruguay. A dam on the Río Negro at Paso de los Toros has created a reservoir—the Embalse del Río Negro—that is the largest artificial lake in South America. The Río Negro's principal tributary and the country's second most important river is the Río Yí.

The rivers flowing east to the Atlantic are generally shallower and have more variable flow than the other rivers. Many empty into lagoons in the coastal plain. The largest coastal lagoon, Laguna Merín, forms part of the border with Brazil. A half-dozen smaller lagoons, some freshwater and some brackish, line the coast farther south.

Climate

Located entirely within the temperate zone, Uruguay has a climate that is fairly uniform nationwide. Seasonal variations are pronounced, but extremes in temperature are rare. As would be expected by its abundance of water, high humidity and fog are common. The absence of mountains, which act as weather barriers, makes all locations vulnerable to high winds and rapid changes in weather as fronts or storms sweep across the country.

Seasons are fairly well defined, and in most of Uruguay spring is usually damp, cool, and windy; summers are warm; autumns are mild; and winters are chilly and uncomfortably damp. Northwestern Uruguay, however, is farther from large bodies of water and therefore has warmer summers and milder and drier winters than the rest of the country. Average highs and lows in summer (January) in Montevideo are 28°C and 17°C, respectively, with an absolute maximum of 43°C; comparable numbers for Artigas in the northwest are 33°C and 18°C, with the highest temperature ever recorded 42°C. Winter (July) average highs and lows in Montevideo are 14°C and 6°C, respectively, although the high humidity makes the temperatures feel colder; the lowest temperature registered in Montevideo is -4°C. Averages in July of a high of 18°C and a low of 7°C in Artigas confirm the milder winters in northwestern Uruguay, but even here temperatures have dropped to a subfreezing -4°C.

Rainfall is fairly evenly distributed throughout the year, and annual amounts increase from southeast to northwest. Montevideo averages 950 millimeters annually, and Artigas receives 1,235 millimeters in an average year. As in most temperate climates, rainfall results from the passage of cold fronts in winter, falling in overcast drizzly spells, and summer thunderstorms are frequent.

High winds are a disagreeable characteristic of the weather, particularly during the winter and spring, and wind shifts are sudden and pronounced. A winter warm spell can be abruptly broken by a strong *pampero*, a chilly and occasionally violent wind blowing north from the Argentine pampas. Summer winds off the ocean, however, have the salutary effect of tempering warm daytime temperatures.

Land Use and Settlement Patterns

Uruguay may be divided into four regions, based on social, economic, and geographical factors. The regions include the interior, the littoral, Greater Montevideo, and the coast.

The Interior

This largest region includes the departments of Artigas, Cerro Largo, Durazno, Flores, Florida, Lavalleja, Rivera, Salto, Tacuarembó, and Treinta y Tres and the eastern halves of Paysandú, Río Negro, and Soriano. The topsoil is thin and unsuited to intensive agriculture, but it nourishes abundant natural pasture.

Only 2 to 3 percent of Uruguay's land is forested. An estimated 3 to 4 million hectares (17 to 23 percent of the total land) are arable, but only one-third of this (about 7 percent of the total productive land) was cultivated in 1990. Almost all of the interior consisted of cattle and sheep ranches; pasture accounted for 89 percent of the country's productive land.

Sheep rearing was typically undertaken on medium-sized farms concentrated in the west and south. It began to boom as an export industry in the last quarter of the nineteenth century, particularly following the invention of barbed wire, which allowed the easy enclosure of properties. Uruguayan wool is of moderate quality, not quite up to Australian standards (see *Livestock Ranching*, ch. 3).

Cattle ranches, or *estancias*, for beef and hides were typically quite large (over 1,000 hectares) and were concentrated in the north and east. (Dairying was concentrated in the department of Colonia.) Because ranching required little labor, merely a few gauchos, the interior lacked a peasantry and large towns. Despite being sparsely populated, however, the interior was relatively urbanized in that the capital of each department usually contained about half the inhabitants. Social and economic development indicators were lowest for the departments along the Brazilian border to the northeast. Government attempts to encourage agricultural colonization by means of land reform in the interior had largely failed in economic terms, as had the promotion of wheat production. One exception, rice, most of which was produced in the east, had become

a major nontraditional export in recent years (see Crop Production, ch. 3).

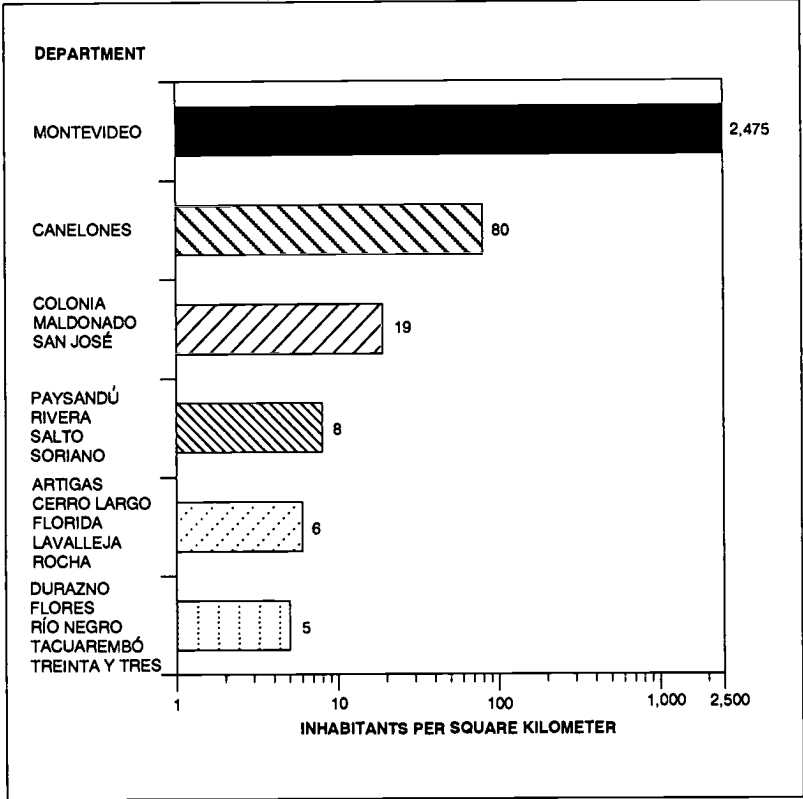
The Littoral

Stretching west along the Río de la Plata from Montevideo are the agricultural and dairying departments of San José and Colonia. To the north along the Río Uruguay lie the departments of Soriano, Río Negro, and Paysandú. Their western halves form part of the littoral, a region that is somewhat more developed than the interior. Here soils are alluvial and more fertile, favoring crop production and farms of more modest size than in the interior. Citrus cultivation for export has increased in the departments along the Río Uruguay. The department of Colonia, some of which was settled by the Swiss, was famous for the production of milk, butter, cheese, and *dulce de leche* (a dessert made from concentrated milk and sugar). Most wheat (in which Uruguay was self-sufficient) also was produced in this region.

Construction with Argentina of the Salto Grande Dam across the Río Uruguay north of Salto was a major boost to the development of the northern littoral in the 1970s. By contrast, the closure of the famous meat-packing plant at Fray Bentos in the department of Río Negro transformed it into a virtual ghost town. Farther south, the littoral economy had benefited from completion of the General Artigas Bridge across the Río Uruguay from Paysandú to the Argentine province of Entre Ríos. However, the advent of a convenient (if circuitous) land route from Montevideo to Buenos Aires via the new bridge reduced freight and passenger traffic through the small port of Colonia on the Río de la Plata just opposite the Argentine capital. To compensate, the Uruguayan government encouraged the architectural restoration of Colonia, which was originally built by the Portuguese in colonial times. By 1990 Colonia had become one of Uruguay's most historic tourist attractions, and many of its houses had been bought by vacationers from Buenos Aires.

Greater Montevideo

According to the 1985 census, the population of the department of Montevideo was 1,311,976, and that of the neighboring department of Canelones was 364,248, out of a total population of 2,955,241. Thus, these departments and the eastern portion of San José, which together constituted the Greater Montevideo region, held over one-half of Uruguay's population. This monocephalic pattern of settlement was more pronounced in Uruguay than in any other nation of the world, barring city-states. The 1985 census



Source: Based on information from Uruguay, Dirección General de Estadística y Censos, *Anuario estadístico, 1988*, Montevideo, 1989.

Figure 4. Average Population Density by Department, 1985

indicated a population density of about 2,475 inhabitants per square kilometer in the department of Montevideo and about 80 inhabitants per square kilometer in the department of Canelones. Densities elsewhere in the country were dramatically lower (see fig. 4; table 2, Appendix).

Montevideo was originally founded on a promontory beside a large bay that forms a perfect natural harbor. In the nineteenth century, the British promoted it as a rival port to Buenos Aires. The city has expanded to such an extent that by 1990 it covered most of the department. The original area of settlement, known as the Old City, lies adjacent to the port, but the central business district and the middle-class residential areas have moved eastward. The only exception to this pattern of eastward expansion is that banking and finance continued to cluster in the Old City around

the Stock Exchange, the Bank of Uruguay (Banco de la República Oriental del Uruguay—BROU), and the Central Bank of Uruguay.

Since the 1950s, Montevideo's prosperous middle classes have tended to abandon the formerly fashionable downtown areas for the more modern high-rise apartment buildings of Pocitos, a beach-front neighborhood east of the center. Still farther east lies the expensive area of Carrasco, a zone of modern luxury villas that has come to replace the old neighborhood of El Prado in the north of the city as home to the country's wealthy elite. Its beaches were less polluted than those closer to the center. Montevideo's Carrasco International Airport is located there. The capital's principal artery, 18th of July Avenue, was long the principal shopping street of Montevideo, but it has been hurt since the mid-1980s by the construction of a modern shopping mall strategically located between Pocitos and Carrasco.

Montevideo's poorer neighborhoods tended to be located in the north of the city and around the bay in the areas of industrial activity. However, the degree of spatial separation of social classes was moderate by the standards of other cities in South America. Starting in the 1970s, the city began to acquire a belt of shantytowns around its outskirts, but in 1990 these remained small compared with Rio de Janeiro or Guayaquil, for example. About 60,000 families lived in such shantytowns, known in Uruguay as *cantegriles*. An intensive program of public housing construction was undertaken in the 1970s and 1980s, but it had not solved the problem by 1990.

In 1990 Greater Montevideo was by far the most developed region of Uruguay and dominated the nation economically and culturally. It was home to the country's two universities, its principal hospitals, and most of its communications media (television stations, radio stations, newspapers, and magazines). Attempts by the military governments from 1973 to 1985 to promote the development of the north of the country (partly for strategic reasons) failed to change this pattern of extreme centralization. In one way, however, they achieved a major success: the introduction of direct dialing revolutionized the country's long-distance telephone system. By contrast, the local telephone network in Montevideo remained so hopelessly antiquated and unreliable that many firms relied on courier services to get messages to other downtown businesses.

Until the construction boom of the late 1970s, relatively few modern buildings had been constructed. In many parts of the center, elegant nineteenth-century houses built around a central patio were still to be seen in 1990. In some cases, the patio was open to the air, but in most cases it was covered by a skylight, some of which

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were made of elaborate stained glass. Few of these houses were used for single-family occupancy, however, and many had been converted into low-cost apartments.

The middle classes preferred to live in more modern apartments near the city center or the University of the Republic. Alternatively, they might purchase a single-family villa with a small yard at the back. Many of these were close to the beaches running east from the downtown along the avenue known as the Rambla. In Pocitos, however, high-rise apartments had replaced the single-family homes on those streets closest to the beach.

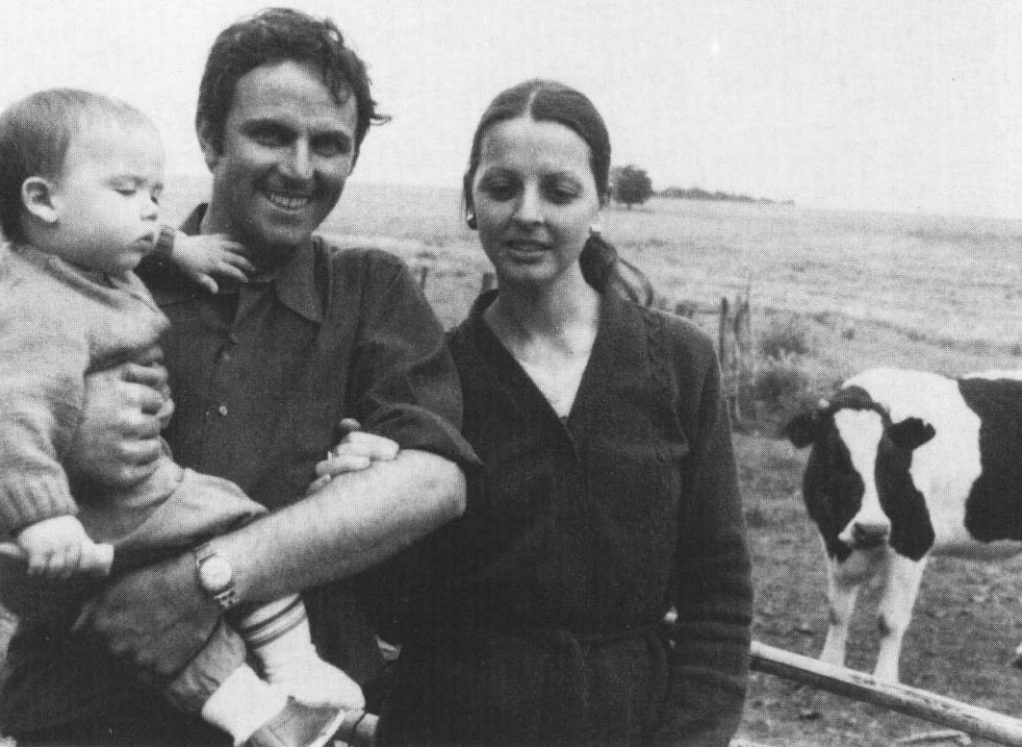
The Coast

Stretching east from Montevideo along the Río de la Plata are the departments of Canelones, Maldonado, and Rocha. The inland portion of Canelones is an area of small farms and truck gardens, which produce vegetables for the capital. It was relatively poor in 1990. Many inhabitants of the department's small towns also commuted to jobs in Montevideo by express bus. Along the coast lie a string of small seaside towns (*balnearios*), from which more prosperous employees had also begun to commute. Farther east in the highly developed department of Maldonado lies the major resort of Punta del Este. This has been developed as a fashionable playground more for Argentines than for average Uruguayans, who found it too expensive. With its hotels, restaurants, casino, and nightclubs, Punta del Este was a major export earner, and it dominated Uruguay's tourism industry (see *Tourism*, ch. 3).

Vacationing Uruguayans of more modest means were concentrated in smaller resorts such as Piriápolis and Atlántida, which are closer to Montevideo. Beyond Punta del Este in the still mostly undeveloped department of Rocha, a number of communities had sprouted along the unspoiled Atlantic coast with its miles of sandy beaches and huge breakers. These small vacation communities—such as Aguas Dulces and Cabo Polonio, both in Rocha Department—were entirely unplanned and lacked essential services. In many cases, simple holiday chalets had been built on public property adjoining the seashore without any legal title to the land. In 1990 the authorities in Rocha Department announced plans to regulate and improve this development in hopes of encouraging visits by higher-spending tourists.

Regional Development

Uruguay's regions differed markedly not only in population size and density but also in their indexes of social and economic development, including education, health care, communications,



*Dairy farm families near
Treinta y Tres
Courtesy Inter-American
Development Bank*



energy consumption, and industrialization. Least developed were the northern ranching departments along the Brazilian border—Artigas, Rivera, and Cerro Largo—and also Tacuarembó. Somewhat more developed was a band of six departments stretching across the center of the country, from west to east: Río Negro, Flores, Florida, Durazno, Treinta y Tres, and Rocha. More industrialized and urbanized, but still quite poor, were the departments of Soriano and Salto, which, as noted previously, benefited from the construction of a bridge and a dam, respectively, across the Río Uruguay in the late 1970s and early 1980s. The two remaining western departments—Colonia and Paysandú—were the most developed of the littoral.

Three departments close to Montevideo—San José, Canelones, and Lavalleja—presented a contradictory picture of relatively advanced economic development combined with low indexes of social modernization. Finally, Montevideo and the department of Maldonado (which is strongly affected by the tourism industry in Punta del Este) had the highest indexes of social and economic development in the country (see table 3, Appendix).

Population

In 1988 Uruguay's population was estimated at 3,081,000, up somewhat from the 2,955,241 inhabitants recorded in the 1985 census. From 1981 to 1988, the population growth rate averaged about 0.7 percent per year. In South America, only Guyana and Suriname had a lower growth rate. According to projections, the growth rate would continue in the 0.6 to 0.7 range through the year 2020, resulting in an estimated total population of 3,152,000 in 1995, 3,264,000 in 2000, and 3,679,000 in 2020 (see table 4, Appendix).

A major factor in Uruguay's low population growth rate was its relatively low birth rate. The average birth rate for 1990 was the lowest in Latin America at just 17 per 1,000 inhabitants. Significant levels of emigration also inhibited the growth of the population. At the same time, the average life expectancy of Uruguayans (seventy years for men and seventy-six years for women in 1990) was relatively high. Together, the comparatively low birth rate, net emigration, and long life expectancy gave Uruguay an aging population with a pyramidal structure more typical of a developed country than of a developing country (see fig. 5).

In addition to its remarkably low population growth rate, low birth rate, high life expectancy, and aging population, Uruguay also was notable for its extremely high level of urbanization. According to the 1985 census, 87 percent of Uruguay's population

could be classified as urban. Moreover, this trend was expected to continue because the urban population was continuing to grow at a faster rate than the population as a whole, while the rural population growth rate was well under that for the total population. In the 1981-88 period, Uruguay's urban population grew at a rate of 0.9 percent, while its rural population grew at a rate of only 0.3 percent (as compared with a total population growth rate of 0.7 percent).

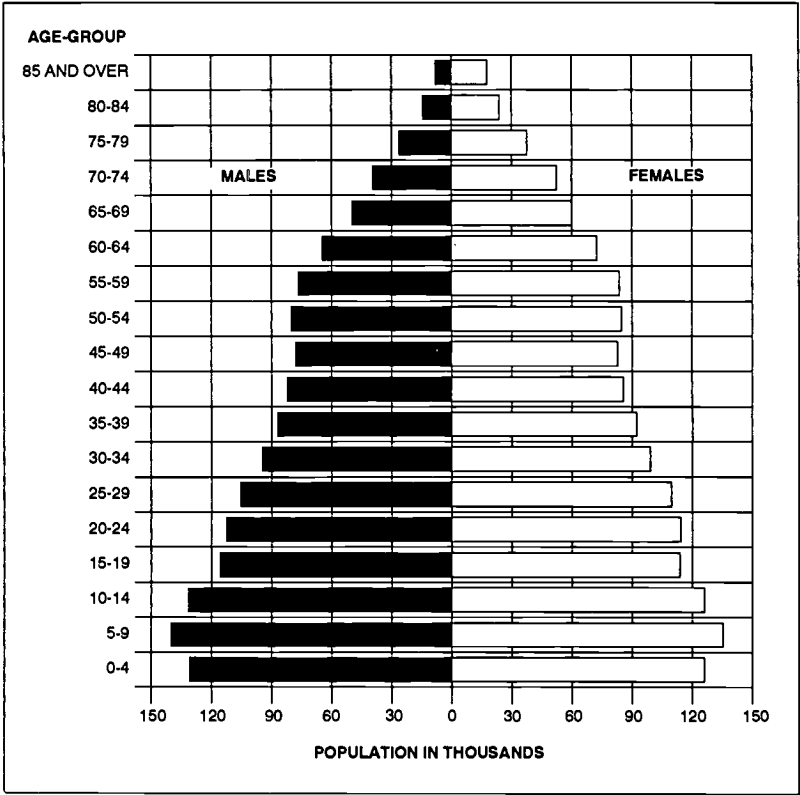
Ethnically, Uruguay enjoyed a high level of homogeneity. Its population was estimated to be nearly 90 percent white, having descended from the original Spanish colonists as well as from the many European immigrants, chiefly from Spain and Italy, who flocked to Uruguay in the late nineteenth and early twentieth centuries. (The remainder were primarily black and mestizo, or people of mixed Indian and European ancestry.)

Historical Patterns of Settlement

First administered from Buenos Aires, Uruguay came into being as an independent nation in 1828 when the British intervened to create a buffer (and client) state between Argentina and Brazil. The fact that Uruguay was scarcely settled beyond a thin coastal strip during the colonial period meant that unlike many other areas of Latin America, little of its colonial heritage survived. The British dominated the country's economic and commercial development until World War I. In marked distinction to Chile's or Peru's minerals, however, Uruguay's prime productive asset (land) remained in the hands of Uruguayans, or at least settlers who wanted to become Uruguayans.

Shortly after independence, civil war broke out between the two political factions that came to form Uruguay's traditional parties, the Colorado Party (Partido Colorado) and the National Party (Partido Nacional, usually referred to as the Blancos). Military conflicts between caudillos on both sides were to recur frequently until 1904. The main cause of conflict was the rivalry between center and periphery: in Montevideo the Colorados predominated, but in the interior the Blancos wished to preserve their control. A dictatorship by a Colorado caudillo, Lorenzo Latorre (1876-80), imposed strict order in the countryside. Concurrently, Uruguay's exports of beef products and wool to Europe began to boom.

After 1911 massive growth of frozen meat exports revived the profitability of the large cattle ranches that had been somewhat eclipsed after the 1860s by medium-sized sheep farms. By World War I, two-fifths of the nation's farmland was in the hands of large landowners (the 3 to 4 percent of proprietors who had over 2,000



Source: Based on information from Uruguay, Dirección General de Estadística y Censos, *Anuario estadístico, 1988*, Montevideo, 1989.

Figure 5. Population by Age and Sex, 1985

hectares). However, historians have argued that Uruguay’s rural society was “pluralist” in character. Thus, along with the big land-owners (*latifundistas*) and smallholders (*minifundistas*), a middle sector had arisen, constituting 40 percent of the proprietors and accounting for 55 percent of the land.

Contemporary Ethnic Composition

In 1990 about 88 percent of Uruguay’s population was white and descended from Europeans, and the nation has always looked to Europe for its cultural cues. Eight percent of the population was mestizo, and 4 percent was black. Although in 1990 Uruguay had an aging population, it was once a young nation of immigrants. According to the 1908 census, over two-fifths of the population was foreign born. While the descendants of the original Spanish colonists

(known as criollos) predominated in the interior, the origins of the population were varied in the densely populated areas of Montevideo and the coast. In these areas, citizens of Italian descent were particularly numerous, constituting as much as one-third of the population.

In 1990 estimates of the number of Uruguayans of African descent ranged from as low as 40,000 to as high as 130,000 (about 4 percent). In Montevideo, many of them traditionally made a living as musicians or entertainers. Few had been allowed to achieve high social status. As many as three-quarters of black women aged eighteen to forty were employed in domestic service. In the interior, citizens of African or mixed descent were concentrated along the Brazilian border. Early in the twentieth century, the traditional folkways of Afro-Uruguayans were captured in the impressionist paintings of Pedro Figari. Although vestiges of African culture survived in the annual carnival celebrations known as the Llamadas, Uruguay's black population was relatively assimilated in 1990.

Uruguay's Indian population had virtually disappeared and was no longer in evidence in 1990. Even the mestizo, or mixed-race, population was small—8 percent—by Latin American standards. In 1990 signs of intermarriage between whites and Indians were common only in the interior. The slightly derogatory term *chino* was still applied by the inhabitants of Montevideo to the somewhat darker-skinned migrants from the interior.

Montevideo also had a highly assimilated Jewish population of some importance. Estimated at 40,000 in 1970, the Jewish community had fallen to about 25,000 by the late 1980s as a result of emigration, particularly to Israel. Anti-Semitism was not uncommon, but it was less virulent than, for example, in Argentina.

Fertility, Mortality, and Population Growth

Uruguay's population has grown slowly throughout its history, reaching the 1 million mark early in the twentieth century. In the twentieth century, the rate of population growth declined steadily, however, despite significant amounts of immigration and virtually halted in the 1950s. Registered at over 2 percent in 1916, the annual growth rate had dropped to 1.4 percent by 1937. It continued in the 1.2 to 1.5 percent range until 1960, but in the 1960s population growth averaged only 1 percent annually. In the 1970s, the average annual growth rate was even lower, at 0.4 percent. In the 1981–88 period, annual population growth was 0.7 percent, but in 1990 it was 0.6 percent.

A major contributor to the slow population growth rate was Uruguay's low, and declining, crude birth rate. It fell steadily

throughout the first half of the twentieth century, from 38.9 per 1,000 population in the 1900-04 period to 21.1 per 1,000 in the 1945-49 period, where it more or less stabilized through the mid-1960s. In the 1980-85 period, the birth rate was 19.5 per 1,000. In 1987 it was estimated at 17.5, and in 1990 it was estimated at 17 per 1,000. (In comparison, the birth rates for Argentina, Brazil, and the United States in 1990 were 20 per 1,000, 26 per 1,000, and 15 per 1,000, respectively.) This relatively low birth rate was usually ascribed to Uruguay's prosperity and the widespread availability of contraception. Given the secularization of Uruguayan society at the beginning of the twentieth century, the influence of the Roman Catholic Church was minor (see Religion, this ch.). The total fertility rate in 1990 was 2.4 children born per woman.

The crude death rate, which had averaged 14 to 15 per 1,000 since the 1895-99 period, began to decline significantly starting in the 1920s. In the 1940s, it reached 10 per 1,000, and it has stayed at approximately this level ever since. In 1987 the crude death rate was estimated at 9.5 per 1,000 and in 1990 at 10 per 1,000.

Advances in medicine resulted in longer life expectancy. Uruguay's General Directorate of Statistics and Census noted that overall life expectancy in the 1984-86 period was 71.6 years (68.4 years for men and 74.9 years for women). Estimates in 1990 placed life expectancy for males at seventy years and that for females at seventy-six years. Because Uruguayans were living longer, the population began to age. By the census year of 1963, demographers already were beginning to worry that the rising proportion of the population in retirement might overstrain the country's social security system (see Social Security Pensions, this ch.). The 1975 and 1985 censuses confirmed the acceleration of this aging trend. The trend was aggravated as net immigration, which had characterized Uruguay in the early twentieth century, gave way to net emigration and the exodus in particular of young, well-educated Uruguayans.

Urbanization

In the nineteenth century, Uruguay was already highly urbanized. But in the twentieth century, it has been one of the world's most urbanized states. According to the 1985 census, 87 percent of Uruguayans lived in urban areas, the highest percentage in Latin America. The department of Montevideo alone accounted for 44 percent of the country's population; the department of Canelones accounted for another 12 percent. Furthermore, the interior of Uruguay, although sparsely populated, was also quite urban. Census figures from 1985 indicate that even outside Montevideo over 80



*A flea market in Montevideo
Courtesy Edmundo Flores*

percent of the country's inhabitants could be classified as "urban," i.e., living in towns of 2,000 inhabitants or more. Most of these townspeople lived in the departmental capitals.

Uruguay's level of urbanization seemed likely to continue to rise, based on estimates of the growth rate of the urban population vis-à-vis that of the population as a whole and that of the rural population. During the 1960s, the urban population grew at an annual rate of 1.7 percent, while the overall population growth rate was only 1.0 percent. In the 1970s, the growth rates were 0.6 and 0.4 percent, respectively. For the 1981-88 period, the overall population growth rate was 0.7 percent, while the urban population grew by 0.9 percent and the rural population by only 0.3 percent.

Migration

Rural depopulation has been a striking trend in Uruguay during the twentieth century. According to the 1975 census, one-fifth of those citizens born in the eighteen interior, littoral, and coastal departments lived in Montevideo. The departments that produced the highest flow of outward migration between the 1963 and 1975 censuses were in the interior of the country. In the littoral and coastal departments (except the department of Rocha), the greater net retention of population correlated with the growth of the local

urban population. This showed that people tended to stay in the department where they were born if there were local towns to which they could move. Otherwise, they moved farther afield.

Migration in Uruguay thus appeared to follow the classic pattern by which those born in isolated rural areas moved to the nearest towns, whereas those born in interior towns headed for Montevideo. Montevideans, in turn, sought to migrate to large cities in Latin America, notably Buenos Aires, where their accents and customs blended successfully and where wages were much higher on average.

Emigration

Since the 1950s, Uruguay's traditional pattern of net immigration has given way to a severe pattern of emigration, which has been of concern to the authorities. This was particularly worrisome because those most likely to leave were the youngest and best-educated citizens. The emigration of youth and the country's aging population had created a very high dependency ratio and serious difficulties for Uruguay's social security system. A famous piece of black-humored graffiti in the port of Montevideo in the early 1970s read: "Last one to leave, please turn off the lights!" Estimates of emigration as high as one-third of the population have, however, been wildly exaggerated.

Economics motivated emigration in the 1960s, but political repression became a major factor during the 1973-85 military regime. Official figures suggest that 180,000 people left Uruguay from 1963 to 1975. In 1973 about 30,000 left, in 1974 nearly 60,000, and in 1975 nearly 40,000. According to the General Directorate of Statistics and Census, 150,000 Uruguayans left the country between 1975 and 1985. By 1989 only 16,500 of them had returned. If the 180,000 who left between 1963 and 1975 are added, the proportion of the population that emigrated from 1963 to 1985 can be estimated at about one-tenth. Along with the low birth rate, this is the major explanation for the country's low population growth rate.

Most of the emigrants were young. Of those who emigrated between 1963 and 1975, 17.7 percent were aged fourteen or younger, 68 percent were between the ages of fifteen and thirty-nine, and only 14.3 percent were forty years or older. Those leaving were on average also better educated than the total population. Only 1.5 percent were uneducated, 52.1 percent had completed primary school, 33.6 percent had attended secondary school or teachers' training colleges, and 12.8 percent had attended university or technical college.

In the late 1980s, the lack of jobs for young people was again a fundamental factor contributing to emigration. Those people

leaving Uruguay were not only younger and better educated than the population as a whole but also tended to have more job skills. Among those aged fourteen and older who emigrated from 1963 to 1975 and who were economically active, the relative proportions of different occupations were as follows: professionals, technicians, managers, and administrators made up 12.8 percent, 2.9 percentage points higher than in the economically active population (EAP) as a whole in 1975; office employees constituted 16 percent of those emigrating, 4.3 points above their share of the EAP; salespeople made up 12.4 percent of emigrants, 2 points above the EAP; and drivers, skilled and unskilled workers, and day laborers constituted 34.2 percent of the EAP in 1975, but 47.6 percent of those emigrating.

On the one hand, the proportion of emigrants who had worked as domestic servants was 10.4 percent, close to their share of the EAP. On the other hand, whereas 18.2 percent of the EAP was classified as farmers and fishermen in 1975, these made up only 0.8 percent of those leaving the country in the previous twelve years.

By far the most popular destination for Uruguayan emigrants was Argentina, which in the first half of the 1970s took over one-half of the emigrants. Also important were the United States and Australia, followed by Spain, Brazil, and Venezuela. Small numbers of artists, intellectuals, and politicians experiencing persecution emigrated to Western Europe, notably to the Netherlands and Spain. Many of these political exiles, however, chose to return to Uruguay after 1984.

The Uruguayan community in Argentina was officially given as 58,000 in 1970 but was actually much larger. Many Uruguayans in Argentina returned to Montevideo at election time to vote. Political exiles were allowed to return to Uruguay after 1984, but many of them found it difficult to make a living. This was even true in those cases where they had the right to return to former government posts, for example in education. Often they expressed shock at the decay of public services and the dilapidated state of buildings compared with their memories of Montevideo.

Social Classes

By Latin American standards, Uruguay is a relatively egalitarian society with a large middle class. One factor that historically helped the country avoid social polarization was the broad provision of free public education by the state starting in the 1870s. Economic stagnation since the 1950s has reduced the opportunities for upward social mobility, but the incidence of extreme wealth and poverty still approximated the pattern of developed countries rather than that of developing countries.

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Uruguay's upper classes consisted of ranchers, businessmen, and politicians. The middle classes included professionals, white-collar workers, small businessmen, and medium-sized farmers. The lower classes consisted of blue-collar workers, domestic workers, a small number of peasants, and those forced to survive precariously in the informal sector of the economy.

Estimates of the proportion of different sectors of the population in each class are by definition arbitrary. The upper classes are conventionally held to constitute 5 percent of the citizenry, but the relative sizes of the middle and lower classes have been much debated. In the 1950s, mainstream sociologists estimated that the middle classes constituted as much as two-thirds of the population. More radical writers in the 1960s suggested a figure as low as one-third. A reasonable figure, however, would be 45 percent, a proportion broadly consistent with the occupational structure revealed by census data. This left half the population in the lower-class category, although it must be stressed that class differences in Uruguay were far less pronounced than in much of Latin America.

The Ranching Elite

Compared with their counterparts on the Argentine pampas, Uruguay's *latifundistas* (large landholders) never achieved the same level of social and political preeminence. Constituting a tiny fraction of the population, they nevertheless controlled the bulk of the nation's land, which they typically used for cattle and sheep ranching (see Land Use and Tenure, ch. 3). Inter-marriage with newer urban commercial elites was common, but many of the ranchers descended from colonial Spanish settlers. Those who could afford it ran their ranches as absentee landlords, spending as much of the year as possible in Montevideo. Their children were traditionally educated in private schools, which were either Roman Catholic or English-speaking schools. Originally founded for the children of expatriates, the latter institutions continued to model themselves on Britain's elite private schools.

For the ranchers, the social event of the year was the annual agricultural show at the Prado, a park in Montevideo, where prizes were awarded for the best breeds of cattle and sheep and where the latest farm machinery was displayed. Politically, the ranchers were organized in the Rural Federation (Federación Rural), which acted as a pressure group for their interests. Because the incomes of the ranchers varied with the profitability of beef and wool exports, they were constantly lobbying the government for favorable tax and exchange-rate policies. Under military rule from 1973 to 1985, they were deprived of much of their influence, and thus many

of them turned against the government. Historically, the majority of ranchers voted for the National Party rather than the Colorado Party. However, the distinction has tended to break down. One factor in this breakdown was the emergence in the 1950s of a non-party Ruralist movement called the Federal League for Rural Action (Liga Federal de Acción Rural—LFAR), which allied with different parties in successive elections.

Uruguay's rural society remained much more rigidly hierarchical than its urban society, and status differences were pronounced. This was also true of towns outside the Montevideo region, where the majority of the interior population lived.

Business Elites

Uruguay's commercial, financial, and industrial elites were more cosmopolitan than the big ranchers. However, the high number of basic industries and utilities run by the state meant that large private entrepreneurs were less numerous than would otherwise be the case. The urban-rural divide was no longer very pronounced: traditional landowning families had diversified into food processing and other businesses, while the sons and daughters of businessmen were ensured a private education. Until 1984 there was only one university in the country, the University of the Republic (also known as the University of Montevideo); it served as a major force for miscegenation among elites and even among the middle classes.

Foreign multinational corporations were less active in Uruguay than in many other Latin American countries because of the small size of its domestic market. One exception to this, however, was the banking system, which was heavily taken over by European and North American conglomerates in the 1970s and 1980s. A pattern of close cooperation between domestic and foreign business interests had emerged on the basis of joint ventures and licensing agreements.

Urban business interests were organized in two rival associations: the Chamber of Industry, which was dominated by industrial manufacturers, and the Chamber of Commerce, which was more oriented toward services and retail trades. The Chamber of Commerce was enthusiastic about the liberalization of imports and the maintenance of a strong currency from 1977 to 1982. By contrast, foreign competition hit industry hard, accustomed as it was to the high rates of protection given by the previous model of import-substitution industrialization (see Glossary).

Political Elites

Uruguay's party leaders were sometimes viewed as forming a "political class." Many of the surnames of those active in politics

in the 1980s would have been familiar to Uruguayans a century earlier. Blanco leaders were more likely than Colorados to have attended private secondary schools and to describe themselves as practicing Catholics, although this distinction was breaking down. With the exception of an apparent increase in the late 1960s, these politicians only rarely had business careers, apart from ranchers in the National Party. Rather, most made their living as lawyers and as public servants.

The leaders of Uruguay's leftist parties were drawn from a somewhat wider spectrum of backgrounds than the Colorados and Blancos. Among the leaders of the former were many white-collar workers, especially educators, and a few labor union leaders.

The power of traditional political bosses, or caudillos, has resided in their ability to mobilize voters by means of patronage machines. This system of doling out favors, such as public-sector jobs and pensions, through local political clubs had, nevertheless, declined by 1990. Young voters were more motivated by ideology than their parents, which is one reason that the membership of Uruguay's leftist parties was growing, whereas that of the traditional National and Colorado parties was declining.

The Middle Class

Uruguay has often been described as the most middle-class nation in Latin America. In this social category were to be found civil servants, teachers, white-collar workers, small businessmen, officers in the military, and medium-sized farmers. Economic crises since the 1960s have, nevertheless, squeezed this sector of the population hard. One reason for the rise of women in the labor force was the struggle of middle-class families to maintain their standard of living. Moreover, it was very common for middle-class Uruguayans to have two (or even more) jobs.

For much of the twentieth century, Uruguay's middle classes benefited from the provision of excellent public education at no cost up through university. Public schools began to decline in quality in the 1970s, however, and few members of the middle class could afford the requisite fees to have their children educated privately. A similar pattern of deterioration in public health care and the value of state pensions occurred, adding to the difficulties of the middle classes. Public-sector wages were severely squeezed under military rule (from 1973 to 1985), as were private-sector wages, but to a slightly lesser degree. A major factor was the virtual suspension of wage bargaining under a climate of systematic repression of labor unions. Previously, white-collar unionization had been high (see *The Labor Movement*, ch. 3).

The middle classes were typically employed as civil servants or white-collar workers. Many worked in small businesses, but some of these businesses were hurt by the market-oriented economic reforms of the 1970s, which led to the liberalization of manufactured imports (see Restructuring under the Military Regime, 1973–85, ch. 3). From 1978 until 1982, the middle classes benefited from a boom in imported durable consumer goods, such as automobiles, appliances, and electronics. The subsequent economic slump left many families heavily in debt and unable to meet their obligations. Particularly hard hit were individuals who had taken out mortgages denominated in dollars. When the Uruguayan new peso (for value of the Uruguayan new peso—see Glossary) collapsed in 1982, many of them found their house and apartment payments had tripled overnight. A similar debt crunch hit many medium-sized firms that had expanded by borrowing.

The Uruguayan middle classes were avid joiners of interest groups and professional associations. Among these were the professional associations of lawyers, civil servants, notaries, accountants, bankers, and physicians. Some white-collar labor unions, although less prestigious than the professional associations, were home to the middle classes. For instance, workers in health care had the Federation of Uruguayan Sanitation Workers, with 13,400 members.

High school teachers (*profesores*) were organized in the National Federation of Secondary Teachers, which had nearly 2,400 members. Grade school teachers (*maestros*) had the Uruguayan Federation of Elementary Teachers, with nearly 7,100 members. University professors (*docentes*) belonged to the Association of Professors of the University of the Republic, which had 2,000 affiliates. The Uruguayan Association of Bank Employees (Asociación de Empleados Bancarios del Uruguay—AEBU) was much larger, with 15,344 members, as was the Confederation of State Civil Service Organizations, with 25,508 members. Many of these associations ran cooperative stores and social clubs. For example, the AEBU had a large modern headquarters in downtown Montevideo containing meeting rooms and a theater.

The importance of education to the middle classes was underlined by the widespread use of professional titles. Lawyers were formally addressed as *doctor*, accountants as *contador*, engineers as *ingeniero*, and so forth. However, the rapid expansion of higher education began to lead to graduate unemployment and underemployment in the 1960s, a further source of strain on the middle classes.

Small Farmers and Rural Workers

Although they accounted for only about 5 percent of Uruguay's total land, small farms were common in the littoral and the south. Owners of medium-sized farms were able to approximate the living standards of the urban middle class, but for tenant farmers and proprietors of smaller areas, life was a constant struggle. Particularly poor were the small producers of Canelones Department who grew vegetables for the capital.

Because the rural economy was not at all labor intensive, Uruguay had very few rural workers. One exception was the department of Artigas, where large sugarcane plantations had grown up. The very low wages of the cane cutters caused them to form a union in the 1960s and to bring their protests to the streets of the capital. Apart from this, however, Uruguay's few rural workers and small farmers had not managed to form organizations to defend their economic interests. In particular, the Ruralist movement of the 1950s and 1960s, which began as a protest by the small farmers against government taxes, soon fell under the leadership of large landowners. In the late 1980s, a rural workers' union claimed a membership of only 4,000 (see *The Labor Movement; Land Use and Tenure*, ch. 3).

Blue-Collar Workers

Uruguay lacked a large industrial labor force by the standards of the developed world. Indeed, urban employment was dominated by the service industries. Only 23 percent of the total labor force was employed in industry in 1988. Skilled manual workers nevertheless had tended to form unions quite successfully and hence maintained a relatively comfortable standard of living, at least until the military takeover in 1973. Since 1985 they have fought to restore the former level of their wages in real terms, but statistics suggest that in 1990 these were still lower than in 1980.

Many workers made only the official minimum wage, which fluctuated according to inflation, the exchange rate, and government policy. In the 1980s, it was under the equivalent of US\$100 per month. As of June 1990, it stood at US\$76, although it must be remembered that the cost of living in Uruguay was on the whole much lower than in the United States. Overall, the economic position of urban blue-collar workers was far superior to, and much more stable than, that of workers in the informal sector, which was variously defined to include domestic service, street vending (particularly of contraband goods from Brazil), home-based piecework, sewing, laundering, recycling, begging, and even prostitution and crime.



*Plowing in Los Arenales, Canelones Department
Courtesy Inter-American Development Bank*

In 1964 Uruguay's labor unions came together to form a single federation known as the National Convention of Workers (Convención Nacional de Trabajadores—CNT). In 1973 the military declared the CNT illegal; labor union activity virtually ceased during the following decade. In 1983, however, a new labor federation, known as the Interunion Workers' Assembly (or Plenum) (Plenario Intersindical de Trabajadores—PIT), was formed. The PIT later changed its name to PIT-CNT to emphasize its historical links to the pre-1973 labor movement (see Political Forces and Interest Groups, ch. 4).

About 15 percent of the economically active population was employed as domestic servants, most of them women. In terms of status and income, their class position was between that of blue-collar workers and the poor.

The Urban Poor

The urban poor were concentrated among the unemployed, those working in the informal sector of the economy, unskilled laborers, and retired persons. Official unemployment figures for Montevideo fluctuated from around 8 percent to 15 percent in the 1980s. Estimates of the proportion of the labor force in the informal sector were, by definition, hard to find. But the proportion has certainly been rising since the 1960s. At the height of the building boom of the late 1970s and early 1980s, about 6 percent of the labor force was employed in construction, a highly cyclical (and thus unstable) source of jobs. In addition, the real value of state pensions was severely eroded in the 1960s and 1970s, leading to widespread misery among the elderly.

Since 1985 the level of unemployment has remained below 10 percent in Montevideo, and the government has made modest efforts to restore some of the erosion in the real value of pensions (see The Sanguinetti Government, ch. 3). However, the informal sector of the economy has continued to grow.

Income Distribution and Living Standards

Uruguay's pattern of income distribution remained the most egalitarian in Latin America, although it apparently worsened under military rule from 1973 to 1985. In 1976 the poorest fifth of Uruguayan households received 4.8 percent of total household income, the top 10 percent of households took in 30.1 percent of total household income, and the top 20 percent of households took in 46.4 percent of income. Although unequal, this pattern was closer to that of the developed world than to the rest of Latin America.

Despite erosion of the minimum wage, the net impact of the recovery of real wages and pensions in the first year after the return to democracy in March 1985 appears to have slightly improved the distribution of incomes. Both in Montevideo and elsewhere in Uruguay, the highest 10 percent of households were reported to take in just under 30 percent of household income in 1986, while the lowest 20 percent of households garnered just under 6 percent of income (see table 5, Appendix).

During the first half of the twentieth century, living standards in Uruguay approximated those of the developed world. Since the 1950s, however, economic stagnation and even decline have meant severe falls in real wages (see table 6, Appendix). This process became particularly marked starting in 1968, the year in which the government imposed a wage and price freeze and abolished the so-called wage councils, in which government representatives, employers, and unions negotiated salaries. (The councils were revived in 1985.)

Real wages grew particularly fast from 1985 to 1987 (see table 7, Appendix). However, this was less true in the public sector, where in 1989 they remained below their 1980 level. The Colorado government also allowed the real value of the legal minimum wage to continue to fall (see table 8, Appendix).

Although the Colorado government made only cautious attempts to redistribute income to the most needy, the revival of economic growth helped to produce some improvement in various indicators of income distribution. The wage share of national income grew from 30.3 percent to 31.4 percent between 1985 and 1987, while the income share of the self-employed grew from 10 percent to 12.7 percent. According to the household survey of the General Directorate of Statistics and Census, the proportion of families below the poverty line in Montevideo fell from 27 percent in 1984 to 16 percent in 1987.

Reliable data on rural wages were hard to collect. Clearly, they were much lower than in interior towns or Montevideo, but official statistics suggested that they did not fall as far or as fast as wages in the rest of the economy in the 1970s.

Family Life

By the beginning of the twentieth century, the traditional pattern of patriarchy was breaking down in Uruguay. The relative emancipation of women put Uruguay far ahead of the rest of Latin America in terms of legal rights and social custom. Civil marriage became legally required in 1885, and the influence of the church declined. Divorce on the grounds of cruelty by the husband was

legalized in 1907, and in 1912 women were given the right to file for divorce without a specific cause. Married women were allowed to maintain separate bank accounts as early as 1919. Women also were provided with equal access to educational opportunities at all levels early in the twentieth century, and they began to enter the professions in increasing numbers. In 1938 women voted for the first time in national elections. Nevertheless, there was a paternalistic flavor to many of the reforms, which were often seen as protecting women rather than guaranteeing their inalienable rights.

One factor that made it easier for middle-class women to go out of the home to work was the widespread availability of domestic servants willing to undertake cooking, cleaning, and taking care of children for comparatively low wages. By the 1960s, one-quarter of all adult women worked. This proportion continued to rise steadily, reaching over 45 percent in Montevideo by 1985. In 1975 one-fifth of all households were headed by women. Nuclear families made up 61.2 percent of all households, while there were almost as many single-person households (14.6 percent) as traditional extended families (17.6 percent). The average number of persons in each household was 3.4.

The small size of Uruguayan families by Latin American standards was related to the widespread practice of birth control and the middle-class aspiration to provide the best possible education for children. Families tended to be larger in rural areas, where the birth rate was much higher. In rural areas, however, there was an imbalance in the sex ratio because women had a much higher propensity to migrate to the towns in search of work, particularly as domestic servants. Poor families in rural areas were often unstable; common-law marriage and illegitimacy were widespread. Although abortion was illegal, there was no legal distinction between children born in and out of wedlock.

In rural areas, the maintenance of symbolic kinship ties remained common. When babies were baptized, they often were given a godfather (*compadre*) chosen from among the members of the local elite. This practice, known as *compadrazgo*, was intended to provide the children with useful connections in later life. It formed an important link in the pattern of interaction between rural elites and subordinate classes. Reciprocal obligations ranged from help from the godparent in finding employment to the requirement of loyalty in voting on the part of the godchild.

Relations between husbands and wives in Uruguay were relatively equal by Latin American standards. The divorce rate had grown steadily from 1 per 10,000 population in 1915 to 14 per 1,000 in 1985. In 1927 the compulsory civil marriage ceremony was

amended so that the bride no longer promised obedience, but both man and woman vowed to treat each other with respect. It was not uncommon for women to keep their surnames after marriage. Often, they simply added the husband's name to theirs. Children had their father's surname followed by their mother's.

Uruguayan children, and especially girls, had a relatively high degree of freedom compared with their counterparts in many other Latin American countries. Chaperonage was rare. It was expected that women would have careers, and by 1970 almost half the total school population was female.

During the 1960s, the phenomenon known as the "generation gap" began to be acutely felt in Uruguay. Young people rebelled against their parents and adopted permissive life-styles. In many cases, they were drawn into radical politics; in fact, in 1990 youth was still one of the strongest predictors of left-voting in Uruguay.

Family ties remained strong in Uruguay despite the rebelliousness of youth. Children frequently lived in the parental home well into their thirties, in some cases even after marriage. The usual reason for staying at home was economic necessity; many couples found affordable housing hard to come by.

Despite the relative freedom of women, attitudes toward gender roles and sexuality remained traditionally stereotypical. The pattern of machismo was less pronounced than in much of Latin America, but males were expected to show "masculine" traits; "feminine" characteristics were seen as inferior. At social gatherings, women tended to congregate with other women, and men with men.

Upper-middle-class Uruguayans usually tried to escape Montevideo for the beach resorts on weekends and during the long December to January summer holidays. Family gatherings typically centered on outdoor barbecues (*asados*), in which large quantities of meat were consumed. Another typical custom, symbolic of family and friendship ties, was the sharing of yerba maté, a form of green tea. A hollowed-out gourd (the *maté*) or sometimes a china cup is packed almost full with the green tea. A metal straw (*bombilla*) is then inserted into the tea, and boiling water is poured on top. The *maté* is then passed around in a circle, each person adding a little more hot water. This custom was particularly significant under the military regime of 1973 to 1985, when citizens were often afraid to congregate in public squares for fear their gossip might be seen as political. An innocent *maté* ceremony could hardly arouse suspicions.

As in other countries, the advent of television has reduced movie and theater attendance precipitously, causing more leisure hours

to be spent in the home. Uruguayans remained enthusiastic in their participation in competitive sports, however. Amateur soccer continued to thrive among the middle and lower classes, whereas the upper-middle classes preferred tennis, golf, and sailing. For the elite, membership in a country club was an important focus of leisure activity and a symbol of social status.

Health and Welfare

Uruguay has been described as South America's "first welfare state" as a result of its pioneering efforts in the fields of public education, health care, and social security. The steady rise in public employment, often by the creation of jobs that fulfilled no particular function, served to keep the unemployment level down, particularly in election years. However, the stagnation of the economy starting in the 1950s put increasing strains on this system. In particular, declining tax revenues and increased spending produced large government deficits and accelerating rates of inflation. Foreign advisers began to recommend severe budget cuts as the only solution to the chronic fiscal crisis.

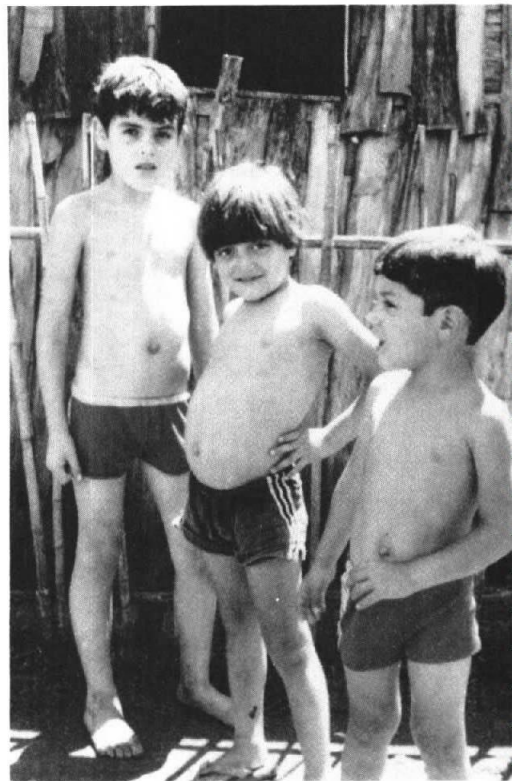
During the first half of the twentieth century, Uruguay, along with Argentina, led Latin America in its advanced standards of medical care. Even in 1990, the University of the Republic's medical school had a high international reputation and continued to attract students from other countries in South America. Starting with the progressive reforms of the early part of the twentieth century, the state has taken a leading role in the provision of health care, particularly for the lower classes. Private medicine remained the preferred option of the middle and upper classes, however. Under military rule from 1973 to 1985, standards of care in public hospitals and clinics were adversely affected by budget restrictions.

By the 1970s, Uruguay's welfare state had declined sharply in the standards of protection that it afforded to the mass of the population. The government bureaucracy, however, continued to swell. Total health care spending in 1984 represented 8.1 percent of GDP, a proportion similar to that of the developed world. In the same year, about 7.5 percent of household spending went to health care, but 400,000 Uruguayans were without state or private health care coverage.

Under the civilian administration inaugurated in 1985, progress was made in redirecting the budget away from spending on the military and toward social welfare. Defense spending fell from 13.0 percent of government outlays in 1984 to 11.8 percent in 1986. Over the same period, social security decreased from 31.5 percent to 27.6 percent, but education grew from 7.4 percent to 10.1 percent



*Water line at an
elementary school in a barrio
of Colonia
Courtesy Inter-American
Development Bank*



*Children playing
in a barrio of Artigas
Courtesy Charles Guy Gillespie*

and sanitation from 4.3 percent to 6.7 percent of public expenditure.

In 1987 Montevideo had over sixty public health facilities, including seven major public hospitals. About half the interior departments had their own hospital; the rest had only a *centro auxiliar* (auxiliary center). Altogether, Uruguay's public health system had about 9,505 hospital rooms available.

In 1985 the number of inhabitants per physician was 466, about the same rate as in the developed world. However, the distribution of health care services was highly skewed. Outside Montevideo the ratio was a much less favorable 1,234 citizens per physician; by contrast, there were only 262 inhabitants of Montevideo for every doctor.

Infant Mortality and Life Expectancy

The infant mortality rate was 48.6 per 1,000 live births in 1975. In the first half of the 1980s, it fell to 37.6 per 1,000—low by Latin American standards but still almost twice the rate of Chile and Costa Rica. In the second half of the decade, however, infant mortality began to decline to levels close to those of the latter two countries: in 1986 it was 27.7; in 1987, 23.8; in 1988, 20.3; and in 1990, 22. The increasing share of government spending devoted to infant health care and nutrition programs appeared to have been one reason for this sharp improvement.

The average life expectancy at birth in 1990 was seventy years for men and seventy-six years for women, only slightly behind Chile, Costa Rica, and Argentina. The mortality rate remained just below 10 per 1,000 population in the 1980s. The leading causes of death in 1985 included circulatory disease (40.2 percent), tumors (22.6 percent), trauma (4.1 percent), respiratory disorders and infections (3.8 percent), perinatal complications (2.4 percent), infectious diseases and parasites (2.4 percent), suicide (1.0 percent), and cirrhosis of the liver (0.9 percent).

In the late 1980s, Uruguay did not remain exempt from the worldwide epidemics of acquired immune deficiency syndrome (AIDS) and drug addiction among youth. Although the total number of cases of AIDS has not reached the numbers recorded in the United States, Europe, or Brazil, AIDS has become a greater concern. According to the Ministry of Public Health, by the end of June 1990 there had been 129 cases of AIDS in Uruguay since 1983, when it was first detected. Of those cases, 100 were from Montevideo and 29 from the rest of the country. Fifty-nine of the cases were contracted inside Uruguay, whereas seventy of the victims

caught the virus outside the country. One hundred and seventeen of the cases were men; twelve were women. An additional 627 individuals were found to be carrying the virus, without having yet shown symptoms of the disease. In the 1983–89 period, sixty-five people were known to have died of complications resulting from the human immunodeficiency virus (HIV).

In 1990 Uruguay still enjoyed the image of a “clean” country insofar as drugs were concerned. In response to some significant negative signs, however, the government formed the National Board for the Control of Drug Trafficking and Narcotics Abuse in January 1988. The board included representatives from the office of the president and the ministries of public health, education and culture, and interior. It found that drug addiction grew continuously in Uruguay in 1988. The number of adult drug addicts had more than doubled from 321 in 1983 to 697 in 1987; the number of children addicted to drugs had quintupled from 62 in 1983 to 292 in 1987. According to the Ministry of Public Health, the drug consumer was predominantly single, with good family relations, and the majority had attended secondary school; half of the total were employed. The most commonly abused drug was marijuana, followed by amphetamines and industrial-use inhalants; cocaine and lysergic acid diethylamide (LSD) were also included on the list, but to a lesser extent.

State and Private Health Care

In 1971 about 82 percent of hospital beds were provided in establishments run by the Ministry of Public Health. The same public hospitals accounted for 69.5 percent of hospitalizations. About 61 percent of visits to general practitioners were covered by private health plans known as *mutuales* (mutuals). In the same year, 58.9 percent of the inhabitants of Montevideo were covered by these private associations. About 11.8 percent had the official health card of the Ministry of Public Health, entitling them to free health care. A further 6.8 percent had other health plans, usually through their place of work. This left 5.8 percent with multiple forms of coverage and 16.6 percent with no coverage at all.

In 1980 there were 9,089 public hospital beds, about three-fifths in the capital and the remainder in the rest of the country. During the period of military rule from 1973 to 1985, the government had shifted health care spending toward military hospitals, which were, however, open only to relatives of the members of the armed forces. After 1985 the government made a sustained effort to increase health care coverage. From 1985 to 1988, public health cardholders

increased from 566,000 to 692,000 in the interior but decreased slightly from 323,000 to 310,000 in Montevideo.

At the end of 1984, there were 918,000 members of private health plans in Montevideo and 325,000 in the rest of the country. By 1988 the numbers had risen to 963,000 and 488,000, respectively. Overall, this represented a 17 percent increase in the membership of the *mutuales* from 1984 to 1988. As with the state health provision, the greatest increase in coverage occurred in the interior, where it was most needed.

A concurrent effort was made to increase the proportion of infants receiving inoculations. In 1985 there were 503 cases of whooping cough, and in 1986 there were 1,117; but in the first nine months of 1988, there were only 21. Over the same period, the number of cases of measles first rose from 160 in 1985 to 1,190 in 1987 but then fell sharply to just 73 in the first nine months of 1988. The proportion of infants immunized before age one rose from 61 to 79 percent in 1985 to 80 to 88 percent in 1987, depending on the particular vaccination.

Government investment in health care equipment rose dramatically after the return to democracy, climbing from US\$564,000 in 1985 to US\$2.2 million in 1987. Over the same period, expenditures on construction of health care facilities rose from US\$772,000 to US\$2.7 million. Total spending by the Ministry of Public Health rose 34 percent in real terms, while spending on medications doubled. Grandiose plans for new hospitals to be financed by foreign development loans were announced in 1989, but their realization remained a distant prospect.

Social Security Pensions

Uruguay pioneered social security pension programs, starting as early as 1896 with a fund for teachers. The plans were subsequently extended piecemeal to different sectors of the labor force and soon grew extremely complex and bureaucratic. A system of family allowances (based on the number of dependent children) was introduced in 1943 and consolidated in 1950. Unfortunately, the provision of welfare benefits became politicized as politicians from rival parties would intercede on behalf of voters to speed up the endless delays.

Ultimately, the system of benefits began to be abused by politicians in order to "buy" votes. The most notorious example was the case of the seamstresses: far more pensions were handed out to alleged garment workers than there were garment workers. Criticism of the various programs became vociferous by the 1960s, and the programs were reorganized in the single Social Welfare Bank



*Delivering milk in Treinta y Tres
Courtesy Inter-American Development Bank*

under the 1967 constitution. During the military regime of 1973–85, further efforts at rationalization were undertaken, including the consolidation of most funds under the General Directorate of Social Security (Dirección General de Seguridad Social—DGSS). The number of claimants continued to rise rapidly, however, reaching 629,077 in July 1984.

Social security transfers were not all paid out in the form of pensions, although in 1983 these accounted for 78.3 percent of total outlays. Other categories included family allowances for households with young children (6.4 percent in 1983) and benefits for sickness (4.8 percent) and for unemployment (3.0 percent). However, these had suffered similar declines. In 1983 the total outlays of the DGSS were financed as follows: employers' contributions, 28.1 percent; workers' contributions, 28.1 percent; and state contributions, 43.8 percent.

Uruguay's population has continued to age since 1963, as the censuses of 1963, 1975, and 1985 show. In 1985 the average age of the population was 30.3 years. The percentage of the population over age sixty rose from 11.6 in 1963, to 14.3 in 1975, and to 15.7 in 1985. Those over age sixty-five accounted for 7.6 percent, 9.8 percent, and 11.1 percent, respectively, in the same years. This long-term aging trend, similar to that of developed countries,

worried social planners because of the projected strain on social security programs. It was compounded by the high life expectancy of Uruguayans after retirement: ten years for men and twenty-one years for women.

The population's aging trend also made the impact of the decline in the real value of pensions even more serious because it affected an increasingly large share of the population. However, with the return to democracy in 1985, efforts were made by the Colorado administration of Julio María Sanguinetti Cairolo (1985-90) to restore some of their real value. Although the opposition parties severely criticized the Colorados for not increasing social security payments faster, these at least grew 20 percent from 1984 to 1987 in real terms. The greatest increases were awarded to those receiving the smallest pensions.

Education

Uruguay had the highest literacy rate in Latin America, at 96 percent in 1985. There was no appreciable difference in literacy rates between males and females, but there were discrepancies between urban and rural rates (rural rates being demonstrably lower). Uruguay's system of universal, free, and secular education required a total of nine years of compulsory school attendance, from ages six to fourteen. The proportion of children of primary school age enrolled in school had long been virtually 100 percent. Furthermore, from 1965 to 1985 the proportion of children of secondary school age enrolled in some form of secondary school grew from 44 to 70 percent, also the highest rate in Latin America. The postsecondary education enrollment rate was about 20 percent. Coeducation was the norm, and females and males attended school in near-equal numbers at all levels. As is typical of any country, however, rates of schooling were higher in urban areas than in rural areas.

The quality of education in Uruguay was rated as high. Teaching was a socially respected profession and one that paid relatively well. Most teachers, trained in teachers' training colleges, were deemed well qualified. The main problem confronting the education system was the inadequacy of facilities, instructional materials, and teachers' aides. Rural areas often suffered from woefully insufficient facilities and supplies. Urban schools often were seriously overcrowded and were forced to resort to holding classes in multiple shifts. In addition, drop-out and repetition rates, although moderate by Latin American standards, were still considered high.

The Education System

Primary education in Uruguay was free and compulsory; it encompassed six years of instruction. The number of primary schools

in 1987 was 2,382, including 240 private schools. There were 16,568 primary school teachers and 354,177 primary school students. This resulted in a pupil-teacher ratio of approximately twenty-one to one in 1987, compared with about thirty to one in 1970. Boys and girls were enrolled in almost equal numbers.

General education in secondary schools encompassed six years of instruction divided into two three-year cycles. The first, or basic, cycle was compulsory; the second cycle was geared to university preparation. In addition to the academic track, public technical education schools provided secondary school education that was technical and vocational in nature. The two systems were parallel in structure, and there was little provision for transfer between the two. All sectors of society traditionally tended to prefer the academic course of study, which was regarded as more prestigious. As a result, academic secondary education had expanded more rapidly than technical education in the second half of the twentieth century. In 1987 there were 276 general secondary schools in Uruguay, including 118 private schools. However, the public high schools were much larger, so that in 1987 they actually contained 145,083 of the country's 175,710 secondary school students enrolled in both day classes and night classes. In addition, ninety-four technical education schools had a total enrollment of 52,766 students in 1987. Male and female enrollment at the secondary level was roughly equal, but females slightly outnumbered males overall (constituting, for example, 53 percent of the secondary school student body in 1982). It appeared that females were in the majority in the basic cycle but were very slightly outnumbered by males in the university preparatory cycle.

Uruguay had only one public university, the University of the Republic (also known as the University of Montevideo), founded in 1849, and only one private university, the Catholic University of Uruguay, established in 1984 and also in Montevideo. Education at the University of the Republic was free and, in general, open to all those possessing a *bachillerato*, or certificate awarded for completion of both cycles of general secondary education. Despite the free tuition, however, access to a university education tended to be limited to children of middle- and upper-income families because the need to supplement the family income by working, coupled with the expense of books and other fees, placed a university education out of the reach of many. Moreover, the fact that the only public university was in Montevideo severely limited the ability of those in the interior to attend university unless their families were relatively well off financially. In 1988 about 69 percent of university students were from Montevideo.

The number of university students continued to grow rapidly, from nearly 22,000 in 1970 to over 61,000 in 1988. Of that total, women accounted for about 58 percent. Most courses of study were intended to last from four to six years, but the average time spent at university by a successful student was usually considerably longer. As in the rest of Latin America, maintaining the status of student had various advantages, such as reduced fares on buses and subsidized canteens. This was one reason that the student population was so large yet the number of graduates relatively low. In 1986 only 3,654 students (2,188 women and 1,455 men) graduated from university, whereas 16,878 entered that year. Uruguayans exhibited a strong preference for the disciplines and professions they deemed prestigious, such as law, social science, engineering, medicine, economics, and administration.

Observers continued to note the discrepancy between university training and job opportunities, particularly in the prestigious fields. This gap contributed to the substantial level of emigration of the best-educated young Uruguayan professionals (see *Emigration*, this ch.).

Historical Origins and Evolution of Education

Uruguay pioneered universal, free, and compulsory primary education in the Americas under the influence of José Pedro Varela (president, 1875–76), whose writings convinced the government to pass the 1877 Law of Common Education. The model adopted for public schools was taken from the French system, and a centralized, nationwide system was established. A rigid separation into three branches of education grew up—primary, secondary, and university. Teacher training for grade school teachers was connected to the primary school system. The National Institute of Technical Education (Instituto Nacional de Educación Técnica—INET) grew up as an extension of the secondary school system. By the late 1950s, all three branches of the education system had established administrative autonomy, including complete control over their budgets. The Organic University Law of 1958 provided that the governing bodies of the University of the Republic would be elected by the members of the faculty, alumni, and students.

By the late 1960s, Uruguayan secondary schools and the various faculties of the University of the Republic had become extremely politicized. Student sit-ins, demonstrations, and even riots were commonplace. Classes and examinations were frequently disrupted. After 1973 the authorities vowed to put an end to this situation, and political purges in the education system became widespread. Some teachers were able to find work in private schools, but others

either left the profession or emigrated. Entire branches of the university, such as the Institute of Social Sciences, were closed for a time. Academic standards suffered across the board as some of the best teachers and professors were fired and replaced by people with only mediocre qualifications.

Educational Reforms under Military Rule, 1973–85

In 1973, the year in which Uruguay descended into authoritarian rule, major changes were decreed in the education system. The National Council for Education (Consejo Nacional de Educación—Conae) was set up to oversee all three branches of education under the supervision of the executive branch of government. At the same time, the compulsory length of schooling was raised from six to nine years. The secondary curriculum was completely reorganized, as was the pattern of teacher training. Finally, the INET saw its status and budget upgraded. However, overall spending on education fell from 12.2 percent of the central government budget in 1974 to 7.3 percent in 1982.

Enrollments in primary education (both state and private) fell 6 percent from 1968 to 1981. From 1968 to 1982, secondary school enrollments grew 6 percent; however, about half the secondary school students in Montevideo (and 70 percent in the interior) dropped out before receiving any certification. Over the same period, there was a boom in technical schools; enrollments increased 66 percent in the interior and 27 percent in Montevideo. The major cause of this increase was the new *ciclo básico* (basic cycle), which added three years of compulsory secondary education to the six years of compulsory primary schooling. However, the drop-out rate remained about 50 percent. Enrollments in the University of the Republic doubled from 1968 to 1982, but the proportion of students graduating fell to just 8 percent.

In 1984, as something of a parting shot, Uruguay's military government formally granted university status to a Catholic college that had been expanding over the previous decade. This ended the University of the Republic's monopoly, which had lasted since its foundation in 1849. The new Catholic University of Uruguay remained extremely small, however, compared with its rival.

Education under the Colorados, 1985–88

Shortly after entering office in March 1985, Sanguinetti passed a decree aimed at restoring greater autonomy to the education system. Conae was replaced by the National Administration of Public Education, which oversaw three decentralized councils—one for primary, one for secondary, and one for technical education. Full

autonomy was restored to the University of the Republic. Whereas total spending on education represented 7.4 percent of the national budget in 1984, by 1987 this had risen to 10.9 percent, equivalent to US\$175 million.

From 1985 to 1988, the government agreed to rehire all teachers and professors who had lost their jobs during the political purges after 1973 (3,241 accepted the offer of returning to their old jobs, but 1,520 took retirement instead). In many cases, the rehiring of former teachers led to unnecessary numbers of staff, as the government undertook not to fire any of the replacement teachers that had been taken on under the military, although in some cases they lacked qualifications.

Clashes between the education authorities and the government were common after 1985, given the existence of a relatively conservative government and far more liberal teachers. Nevertheless, an element of balance between centralized control and decentralized initiative was successfully restored. Relations between the government and the University of the Republic were surprisingly smooth, and the latter's share of the national budget grew from 2.5 percent in 1984 to 4.3 percent (US\$59 million) in 1988.

During the period of military rule, another phenomenon began to emerge—the establishment of private research institutes. These relied entirely on funds from foreign development foundations, such as the Inter-American Foundation (a United States agency), the International Development Agency (a Canadian agency), and various West European equivalents (see *Political Forces and Interest Groups*, ch. 4). The new institutes were comparatively small, usually only hiring a dozen or so full-time staff, but they constituted an important haven for academics who had lost their jobs for political reasons. Without these private centers, even more academics would have been forced into exile.

Among the new private research centers was the Latin American Center of Human Economy (Centro Latinoamericano de Economía Humana—CLAEH). By far the largest of the centers, the CLAEH was closely linked to the Christian Democrats. Apart from carrying out a broad range of sociological and economic research, it also conducted courses for university-level students and published what was for a time Uruguay's only social science journal. Somewhat more to the left was the Economic Research Center (Centro de Investigaciones Económicas—CINVE), which specialized in research on the economy, particularly that of the rural sector and the impact of the economic liberalization pursued under the military. Two other institutes with a more sociological agenda of research were the Center of Information and Studies of Uruguay

(Centro de Informaciones y Estudios del Uruguay—CIESU) and the Interdisciplinary Center of Development Studies, Uruguay (Centro Interdisciplinario de Estudios del Desarrollo, Uruguay—CIEDUR).

With the return to democracy in 1985, many of these centers found it hard to continue to win foreign grants to undertake their research, and most of their personnel attempted to return to their former jobs in higher education. Where possible, however, the teachers tried to retain both positions.

Religion

Roman Catholicism was the dominant religion in Uruguay, but Uruguay had long been a secular society. In 1981 the nation was divided into 221 parishes and had 204 diocesan priests. In addition, there were 374 monks and 1,580 nuns. About three-quarters of all babies were baptized in the church. In the 1963 census, 62 percent of Uruguayans had declared themselves Catholics. However, according to data compiled by the Uruguayan Bishops Conference in 1978, only 105,248 citizens regularly attended mass. This figure represented less than 4 percent of the population. Attendance at mass was, however, slightly higher in the interior of the country and substantially higher among women. There was also evidence that religious observance was higher among the upper classes than among the middle and lower strata of society. In the late 1980s, an estimated 66 percent of Uruguayans were professed Roman Catholics, but less than half of the adult population attended church regularly.

Uruguay's secularization began with the relatively minor role of the church in the colonial era, compared with other parts of the Spanish Empire. The small numbers of Uruguay's Indians, and their fierce resistance to proselytization, reduced the influence of the ecclesiastical authorities. After independence, anticlerical ideas spread to Uruguay, particularly from France, further eroding the influence of the church. In 1837 civil marriage was recognized, and in 1861 the state took over public cemeteries. In 1907 divorce was legalized, and in 1909 all religious instruction was banned from state schools. Under the influence of the radical Colorado reformer José Batlle y Ordóñez (1903–07, 1911–15), complete separation of church and state was introduced with the new constitution of 1917. Batlle y Ordóñez went as far as to have religious holidays legally renamed. Even as of 1990, Uruguayans referred to Holy Week as "Tourism Week."

Nevertheless, the separation of church and state ended religious conflict in Uruguay, and since that time Catholic schools have been

allowed to flourish. A Catholic party, the Civic Union of Uruguay (Unión Cívica del Uruguay—UCU), was founded in 1912 but never won more than a low percentage of the national vote. By the 1960s, the progressive trend in the worldwide church was strongly felt in Uruguay under the influence of Pope John XXIII and Pope Paul VI. Particularly influential was the 1968 Latin American Bishops Conference in Medellín, Colombia, at which the concept of “structural sin” was put forward. By this doctrine, evil was seen as existing not only in the actions of individuals but also in the unequal organization of entire societies. The second Latin American Bishops Conference, held in Mexico in 1979, also had an important dynamizing and radicalizing impact in Uruguay. This time, the bishops called for a “preferential option for the poor.” Sections of the Uruguayan church in fact became quite radical: when members of the National Liberation Movement-Tupamaros (Movimiento de Liberación Nacional-Tupamaros—MLN-T) were given amnesty in 1985, for a time they were housed in a Montevideo monastery while they readjusted to normal life.

One symptom of the growing progressive trend in the Uruguayan Catholic movement was the decision of the UCU to adopt the name Christian Democratic Party (Partido Demócrata Cristiano—PDC) in 1962. The new-found social conscience was strongly influenced by French Catholic philosophers—first Jacques Maritain and later Father Lebreton. During the 1960s, the PDC moved further and further left, eventually espousing a form of “communitarian socialism” under its brilliant young leader, Juan Pablo Terra. In 1971 the PDC allied with the Communist Party of Uruguay and the Socialist Party of Uruguay to form the so-called Broad Front alliance. That caused conservative Catholics to form the Civic Union (Unión Cívica—UC) to offer religious voters a nonradical alternative, but the UC scarcely achieved any influence (see Political Parties, ch. 4).

During the twentieth century, Protestant sects began to grow in importance. Estimates put the Protestant proportion of the population at 2 percent or a little higher in the late 1980s. From 1960 to 1985, the number of Protestants is estimated to have increased by 60 percent. Over the same period, the number of Protestants grew 500 percent or more in many Latin American countries. Uruguay was thus considered a “disappointment” by evangelical crusaders.

Jews constituted a small proportion of the population (about 2 percent), with most living in Montevideo. The size of the Jewish community had dwindled since 1970, primarily because of emigration.

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Very little has been published in English on Uruguayan society in recent years. Simon Gabriel Hanson's *Utopia in Uruguay*, published in 1938, provides a detailed history of social and economic reforms in the first three decades of the twentieth century. Russell H. Fitzgibbon's *Uruguay: Portrait of a Democracy* paints a rosy picture of Uruguay in the golden years of prosperity and social peace prior to the mid-1950s. George Pendle's *Uruguay: South America's First Welfare State* examines this period more concisely. English-language works discussing the crisis of Uruguay's welfare state in the 1960s include Marvin Alisky's *Uruguay: A Contemporary Survey* and M.H.J. Finch's more detailed and scholarly *A Political Economy of Uruguay since 1870*. Martin Weinstein's 1975 book on the rise of authoritarianism, *Uruguay: The Politics of Failure*, and his more recent volume on the return to democracy, *Uruguay: Democracy at the Crossroads*, provide ample information on the social situation.

Many of the most useful recent sources are journal articles or chapters in edited volumes. Arturo C. Porzecanski contributed a chapter on the problems of the Uruguayan welfare state to Carmelo Mesa-Lago's *Social Security in Latin America*. Lauren Benton discusses the evolution of housing and planning in Montevideo under military rule in "Reshaping the Urban Core." Alejandro Portes, Silvia Blitzer, and John Curtis examine the growth of the informal economy in Montevideo households in "The Urban Informal Sector in Uruguay." Graciela Taglioretti traces the increasing participation rate of women in the labor force in *Women and Work in Uruguay*. Among many important works, distinguished Uruguayan sociologist Aldo Solari and young colleague Rolando Franco have published an article on higher education, "Equality of Opportunities and Elitism in the Uruguayan University." The same authors contributed a chapter on "The Family in Uruguay" to Man Singh Das and Clinton J. Jesser's *The Family in Latin America*.

An extremely valuable source is Finch's *Uruguay*. Statistical data are available in various editions of the Uruguayan government publication *Anuario estadístico*. (For further information and complete citations, see Bibliography.)

