TERRITORIAL PLANNING AND LA PLATA BASIN BORDERS

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IV TERRITORIAL DYNAMICS ON THE BRAZILIAN URUGUAYAN CROSS-BORDER: CASE STUDY OF THE TWIN CITIES (JAGUARÃO, BR-RIO BRANCO, UR)

Heleniza Ávila Campos & Andressa Lopes Ribeiro

ABSTRACT

This article shows the results of a research project developed since 2013. It aims to discuss the socio-spatial relationship between twin cities on the Brazilian-Uruguayan border, based on their strategic functions: centers of defense and important nodes of commerce and capital. The cities of Jaguarão (BR) and Rio Branco (UR) were used in this case study. Consideration was given to their important role as nodes in the regional capital circuit. We seek to analyze the territorial configuration of these cities, recognizing an integrated urban and dynamic culture, which, to a lesser extent, has been influenced by the national policies of their particular countries. The role of upper and lower circuits of the economy in these cities is also highlighted, with trade expansion (formal and informal) encouraged by a “free shops” policy in the region.

KEYWORDS Twin cities, urban form, Brazilian-Uruguayan border.

INTRODUCTION

This article aims to discuss the relationship between cities in the border regions between Brazil and Uruguay, which are contemporaneously influenced by internationally established economic dynamics but gain little support from binational policies at a local level. The selected case study is the urban space configured by the twin cities of Jaguarão (BR) and Rio Branco (UR). Located on the border between the Brazilian state of Rio Grande do Sul and the Department of Cerro Largo in Uruguay, Jaguarão has a population of 28,271 inhabitants (Brazilian Demographic Census IBGE, 2010) and Rio Branco, of 14,604 inhabitants (Uruguayan Demographic Census, INE, 2011). The two cities unite across Barão de Mauá International Bridge over Jaguarão River, as small urban settlements situated in the plain of Pampas of the Platine Basin (Figure 1).

In the article, we seek to analyze the territorial configuration of these cities, considering two significant aspects: the recognition of the changes that occur historically by virtue of the defense conditions and, at the same time, the commercialization present in the corrugation that persists there and that reveals historical interactions between the cities. This aspect reinforces an integrated urban culture and its own dynamics, somewhat removed from the policies of Brazilian and Uruguayan national governments. Nevertheless, contemporary defense strategies have changed, adapting their structure and use of technology relative to the trafficking of people and goods, and altering the territorial and economic logic of these localities. A second aspect concerns the current participation of the upper and lower circuits of the urban economy in this border region and the expansion of international trade through the policy of free shops; aspects which have implanted a new economic and social order in these places, as well as the economic character linked to their defense aspect.

Through a morphological analysis of this set of cities, we see more than just urban development strategies. The relationship between old and new political processes of this Platine border is also demonstrated. On the one hand, the historical differences in layout obey the precepts of Portuguese/Spanish military engineering; on the other hand, the great spatial fragmentation of the Uruguayan settlement relative to the sector that concentrates import trade, compared with the urban cohesion of Jaguarão. Such incongruities infer specificities characteristic of a permanently contested Platine region, albeit culturally sound.

Figure 1. Location of Jaguarão and Rio Branco on the Brazilian-Uruguayan border.

The article developed from a bibliographical and documentary research about the cities and their regional context, to highlighting the fieldwork carried out in 2016. The experience of direct contact with the border reality, the urban structure of both twin cities and the dynamics of flows generated by commercial activities at different scales allowed us to reflect on the different relationships that exist between cities and the particularities of cross-border everyday life.

The article is organized in four parts, and includes also an introduction and final considerations. Firstly, an understanding of border regions considering the difference between defense and security (peculiar to these regions) and, secondly, the contextual particularity of these twin cities. Next, the main characteristics of the border region are analyzed and finally, the results of the fieldwork carried out, including the presentation of maps showing the defense dynamics and productive activities of the twin cities of Jaguarão and Rio Branco.

URBANIZATION IN BORDER REGIONS: THE SPECIFICITY OF TWIN CITIES

The concept of a cross-border region includes in its conception the idea of defense space and, not infrequently, its status as a trading post. However, these regions are also important strategic components in the circuit of capital, revealing conflict between local and global territorial dynamics. Meanwhile, there is an economic dynamic that increasingly allows for commercial flow linked to the international market. There is also local reality of space, that has been confronted and permanently adapted by these external forces, but which still retains its peculiar characteristics.

This concept is not recent and has been reformulated as a result of social changes, to its current technical-scientific-informational environment. Rückert & Dietz (2013) argue that the concept of borders, cross-border regions and cross-transnationalism is still under construction, especially when linked to a multiscale perspective.

The importance of the border region in the specific context of the urban network demonstrates the feasibility of re-reading and pondering socio-spatial values in the urban and regional planning process, linked to actions, both vertical and horizontal

(Santos, 2006), with which these territories interact. Notice here one perspective of cross-border linking that still persists, even with the challenges of urban and regional planning in the contemporary world (Rückert & Dietz, 2013).

The condition of multiple influences to which the border territory is subject leads local and regional economic agents to create better conditions for exchange and interaction. In this situation, the more accessible the spaces for the goods, services and people circulation, the greater the condition of viability and intensity of trade and services. Thus, economic organizations lead the population to experience multiple interactions, generating and intensifying horizontal relations. In this context, we find cities, which represent material (systems of objects) and functional (systems of actions) places that influence the interests of various agents in the border region. In these cities, the singular relationship between society and nature becomes a strategic point of the urban network.

Twin cities are two or more urban spaces limited by administrative policies and located in a specific situation in border regions: the border. Machado (2010) emphasizes the importance of developmental policies for these peculiar realities, either in the creating of a system of bi or multinational cooperation, or as strategic centers of border geopolitics, in the control of illegal trafficking and smuggling networks.

In Brazil, we find ‘twin cities’ legally defined by *Portaria n° 125/2014*, as cities with more than 2.000 inhabitants within the Brazilian border¹. According to the diversity of its physical characteristics, the Ministry of National Integration published the “Proposal for Restructuring of the Border Range Development Program” in this context (Brasil, 2005), identifying five types of cross-border interaction, as shown below:

- Margin: interaction in which the border population on each side of the international boundary maintains little contact with each other, except for family visiting or ordinary trade. This interaction is characterized by the absence of physical infrastructure and little State investment;

¹ The Border Belt is a territorial area 150 km wide within the Brazilian territory from the border line. This Belt is defined by Federal Law 6,634/1979, regulated by Decree No. 85,064 of August 26, 1980. Its content was ratified by the Federal Constitution of 1988, (Article 20). Its definition aims to identify the Brazilian political-administrative units that are the target of specific national security rules and public civil engineering works.

- Buffer zone: areas where State restricts or prohibits access to the belt/ border zone, creating national parks, protected areas or Reserves, such as indigenous lands;
- Fronts: interaction characterized by settlement fronts in which there is a strong presence of State through military action. Cultural (selective affinities), indigenous and military influences are also denoted;
- Capillary: more open and spontaneous interaction that occurs only at local level, for example, in the case of fairs. There are strong exchange relationships between neighbors with limited communication networks, almost always resulting from unstrained integration, with little State intervention or investment;
- Synapse: refers to the presence of a high degree of exchange among border populations supported by contiguous States. The existing physical connections, like bridges, favor this type of interaction, encouraging agents linked to border trade either in upper (free trade zones, free shops, hotels and chain stores, for example) or in lower (money changers, cross-border bikers, street vendors) circuits of urban economy.

On the Brazilian South Region, there are synaptic and capillary interactions predominant on the unequal territories of the twin cities, supporting opening spaces for market flow and physical-military control of National defense. In the following section, we will discuss some defense and security aspects on the Brazilian border that interfere directly with twin cities.

DEFENSE AND SECURITY IN THE SOUTHERN BRAZILIAN BORDER

Security and defense are different concepts, although they are often understood as synonyms. In Brazil, PND (*Política Nacional de Defesa* – National Defense Policy) is constituted in a document published by the Ministry of Defense, according to Decree No. 5,484, June 30, 2005, updated in 2012 (Brasil, 2012). In this document, security is understood as the “condition in which the State, society or individuals feel free of risks, pressures or threats, including extreme needs.” Therefore, specific aspects provide the society’s feeling and collective perception relative to its territory.

Defense means the “effective action to obtain or maintain the desired degree of security”. In other words, it is the concrete and material gesture, generally carried out by the State, to establish the control of its internal limits. Thus, the assumption of security is maintained. Being so close, the meanings of these concepts are misunderstood: sometimes there are security policies that are more defense perspectives than otherwise. Hector Saint-Pierre (2011, p. 408) points out that this conceptual confusion generates imbalance and conflict in the treatment of international relations.

With this uncritical incorporation of concepts, it has been admitted, for example, that migration constitutes a threat to sovereignty and that poverty “could jeopardize the security of the State and democracy”. In fact, the deficiencies of the State offer the economic, political and social conditions, which, in part, are the reason for some of these migrations.

In international relations, the political units, understood as territorially defined countries establish spatial boundaries among themselves, each trying to preserve the political, cultural and economic values of their regions. This presupposes, therefore, the recognition of values as well as methods of management among the States involved. These relationships are almost always legally established through laws or, in their absence, through agreements or negotiations for the recognition of the sovereignty of each country, without which it is not possible to establish the political relations that arise at an international level.

The Declaration on Security in the Americas, published in 2003 (OEA, 2003), claims that security must be multidimensional, recognizing that the context of globalization and transnationalism interferes with and extends the list of security “threats” in international relations, such as:

- terrorism, transnational organized crime, the world drug problem, corruption, money laundering, illicit arms trafficking and its connections;
- extreme poverty and social exclusion of large sectors of the population which also affect stability and democracy;
- natural and man-made disasters, HIV/AIDS and other diseases, health risks and environment deterioration;

- trafficking of human beings;
- attacks on cybersecurity;
- possible or eventual damage in case of accident during the maritime transport of potentially dangerous materials, including oil, radioactive material and toxic waste;
- possible access, possession and use of weapons of mass destruction as well as their transport by terrorists.

The same Declaration strongly emphasizes the need for commitment to international cooperation in dealing with social and political dilemmas and conflicts and enabling economic projects of an international character. In this context, a security regime has been established in Latin America linked to mechanisms of mutual agreement, even if the use of force between National States is possible. Fagundes (2015, p. 2) also points out the following:

According to the Comparative Atlas “*Comparativo de La Defensa en América Latina y Caribe da Red de Seguridad y Defensa de la América Latina*” (2014) 94% of Latin American countries regularly carried out some activity or operation linked to public security: combating drug trafficking, urban patrolling, permanent border control.

So, the action of the Armed Forces has a direct and crucial participation in several cities of cross-border regions, especially those strategically situated. Indeed, the accessibility to national territory calls into question the understanding of risk to national security, from a military and administrative territorial perspective.

In the Brazilian Southern region, there is a growing search to facilitate the flow of capital and commodities since the creation of MERCOSUR (1991). Multilateral economic interests in this region have a direct impact on the implementation of defense strategies and, although fragile, bilateral agreements between Brazil and Uruguay demonstrate close political initiatives on cross-border integration (New Agenda for Border Cooperation and Development, 2002). It is up to the National States to adjust their defense policies to border dynamics in their different upper and lower urban circuits.

UPPER AND LOWER CIRCUITS OF ECONOMY IN CITIES OF BORDER REGIONS

The integration and cooperation process between Brazil and Uruguay, although still politically slow, echoes a tertiary sector development in the South Brazilian border relative to the different scales of social labor division. In this sense, it is important to highlight the theory of the upper and lower circuits of urban economy as a contribution to the discussion of these border regions. This theory was developed in late 1970s by Milton Santos, who considered the upper circuit as activity systems in the tertiary sector linked to the great capital circulation present in the cities (banks and headquarters of multinational companies) and to the national and international systems that make it real, such as transport systems and financial market.

On the other hand, the lower circuit consists of the activity system linked to intensive work in more horizontal and small-scale coverage and centered in the retail trade within popular reach. The lower circuit meets demands not explored by the upper one, reinforcing its prominent position relative to conditions and differences in production and consumption patterns (Silva, 2007).

In border regions, the presence of free shops in twin cities intensified these circuit connections since the creation of Law No. 12,723/2012, which governs the customs trading regime. In fact, some free shops had already been installed in the 1980s, but the Federal Law of 2012 expanded the investments in this type of business on a large scale. Conceived as a project to boost local border economies by Uruguay, this kind of big store stimulated local economies linked to the tertiary sector, but also implemented a system of financial movement linked to international capital flow and, therefore, susceptible to oscillations. This intensification of commercial activities increased the existing differences between the neighboring cities that have generated new social and spatial dynamics.

The local analysis from the perspective of complementarity between upper and lower circuits allows us to understand the economic and spatial interaction between formal and informal activities (often also illegal). In Rio Branco, for example, free shops have promoted new employment opportunities, either in their own stores or in informal commerce and exchange offices, all located very close. In Jaguarão, we notice that there is a greater concentration of enterprises linked to upper circuit

(financial agencies, carriers, hotels) and that support commercial activities. Twin cities, therefore, create conditions for adapting their realities through their spatial practices, as will be shown below.

THE STUDY AREA ON THE BRAZILIAN URUGUAYAN BORDER

The twin cities studied are located on the Brazilian Uruguayan border and form a hub between these two countries. They form part of a relatively well-integrated South American regional urban network, if compared to other border regions in Brazil. There are six sets of main urban spaces, as shown in Table 1, with their respective twins.

Table 1

Area and total population of municipalities of twin cities Brazil-Uruguay

Municipality Twin city (Brazil)	Total Pop. (inhab.) 2010	Municipality Twin city (Uruguay)	Total Pop. (inhab.) 2011
Barra do Quaraí	3,669	Bella Unión (Mun.)	12,200
Quaraí	22,624	Artigas (Capital)	40,658
S. do Livramento	83,320	Rivera (Capital)	64,485
Aceguá	4,611	Acegua	1,511
Jaguarão	28,271	Rio Branco (Mun.)	14,604
Chuí	5,797	Chuy	9,675

Source: Demographic Census (IBGE, 2010; INE, 2011).

In general, we observe that municipalities have low population rates. On the Brazilian side, we highlight Santana do Livramento, Jaguarão and Quaraí. In a less integrated form, these urban spaces participate in the urban network of the regional border, taking into account their distance from the nearest cities. It is a sparse urban network that articulates small cities with few services or dynamic economic activities. In some situations, the distance between these cities in the network is more than 200km.

Chuí (BR) is the city furthest away from the others because of its physical-territorial situation, historically marked by conflict. Rio Grande do Sul's relief is mostly low and flat, with seventy percent of its territory at less than 300m altitude. Much of its southern half is dominated by fields. If, on the one hand, these support cattle creation, on the other hand, they allow the occupation of this territory by more regular urban structures. In fact, on the southern Brazilian border, territorial disputes, commerce (mainly *charqueadas*) and smuggling are always present, in contrast to other Brazilian border regions.

SITUATION AND EVOLUTION OF THE TWIN CITIES

Here is a brief description of the twin cities' main physical aspects, especially regarding their site. The urban space of Rio Branco stretches some distance from the banks of the river, following two main axis: the railroad tracks (still in operation) and Av. Saravia. The railroad acts as the boundary of the city's oldest occupation, where there are the most recent settlements, located to the southeast. However, it also links the city with the International Bridge of Barão de Mauá.

Rio Branco's actual urban design is the result of a long adaption period, when the city was susceptible to Portuguese and Brazilian domination. Its creation represented a way of resistance to invasions, which may justify the apparent absence of planning in its general, clearly fragmented morphology. Rio Branco was founded by a Spanish Order in 1792 and named, at that time, Guardia de Arredondo, this being the more prosperous garrison of the three established at that time. In 1801, however, the territory was transferred to Brazilian command, remaining this way until 1851, when it was renamed Villa Artigas (1852). The name of Rio Branco appears only in 1915, after the definitive Treaty of Lands of 1910.

Across the river, there is Jaguarão, presenting a more compact configuration as it follows Jaguarão river bank in orthogonal urban design. The main street in Uruguay connects the bridge with BR-116, which gives access to the Brazilian road network. In the city's oldest square, Alcides Marques, there is the main church, the public market and the pier.

Even in the 17th century, Jaguarão was occupied by a Spanish military garrison at a place known as Cerro da Pólvora, conquered afterwards by Brazilian troops

in 1802. This remained there, justifying the urban area planning according to Portuguese military engineering rules (IPHAN, 2017). The city's formation was based on its highest limits, defined by Lagões River, Jaguarão River and Cerro da Pólvora (or Cerro da Enfermaria) in a town called Guarda do Serrito. This site offers tactic advantages for military installation (Figure 2). The current quarter was installed at the beginning of the 20th century in the area around the river.

Figure 2. Serrito Guard (Jaguarão), 1916.

Source: Military History Archive, Lisbon, Cartography.

In particular, the city experienced the peak of its economic development between the seventeenth and nineteenth centuries via rural production in plots of land distributed in colonial Brazil (*sesmarias*). This made possible the increase of services and commercial activities into the city, as well as investments in its historic urban nucleus (actually preserved by IPHAN—*Instituto do Patrimônio Histórico e Artístico Nacional*—Institute of National Historical and Artistic Heritage). Unlike other cities

in Rio Grande do Sul, however, Jaguarão did not specialize in *incharque* (jerked beef) production, maintaining minimal diversified production, essentially focused on grazing (Martins, 2002).

According to historical literature, the Brazilian-Uruguayan border oscillated its position until the early 20th century, justifying military presence in both countries. The International Bridge and the railroad construction allowed the connection between Southern Brazil and Montevideo's harbor in the 1930s. However, the trade rise, as well as cargo transportation relations between countries –allied to a more stable political condition –assured the institutional focus for migratory and customs installations instead of military defense.

The socioeconomic relationship between the twin cities, investigated here, dates back to a time when the first settlements were formed in the southern region, and their roots were still apparent in the 17th century. In the case of Jaguarão and Rio Branco, both the planning and the morphological development of these cities were determined by the military processes in what was a strategically important zone to the subjects of national sovereignty. Its morphology is still adapted today according to the institutional perspective of interest. In this case: migration, trade and customs supervision.

CRITERIA AND METHODOLOGICAL APPROACH

The following analysis results from field work developed in December 2016 and seeks to present the local territorial dynamics of the twin cities of Jaguarão and Rio Branco. In order to do so, we consider the idea that, in these realities, the defense and security systems are linked to productive activities of the tertiary sector, both in the lower and the upper circuits. These sets of systems are territory structuring factors and allow the identification of dynamics in the integration of these cities. The analyses are based on the following criteria:

- Defense and security: this is the most specific criterion in border city analysis, in particular, twin cities. The relevance of this criterion is based on the historical records of the formation of these settlements, mainly from Jaguarão, as a Brazilian military base. At the same time, the permanence of

this activity is verified essentially through defensive and protective facilities, whether in the economic or geopolitical field;

- Productive activities: condition of existing cities; tertiary production of each locality which clarifies their functionality, as well as suggesting evidence of their historical, economic and social formation.

Based on these criteria, we discuss the forms of city organization located on border lines. Methodologically, the information contained in the thematic maps was produced according to fieldwork observations made in December 2016. In order to produce thematic maps we used, as cartographic base, Brazilian and Uruguayan road shape files, available on the Open Street Maps site. We also considered, as geopolitical limits, IBGE's (*Instituto Brasileiro de Economia e Estatística*—Brazilian Institute of Economics and Statistics) criteria.

The analysis of defense structures in this research is based on three types of installations, according to legal attributions constitutionally granted by the Brazilian Constitution of 1988 (Brasil, 1988). They are, as follows:

- Essentially defensive: areas and military stations. These are structures made for national sovereignty maintenance. On the Brazilian side, there is the 12th Mechanized Cavalry Regiment; on the Uruguayan side, the 2nd Cavalry Brigade, from Cerro Largo;
- Control and civil administration (public security): police stations (civil, military and federal, for Brazil, and *Jefaturade Policía*, for Uruguay). In the case of Brazil, the jurisprudence goes beyond national civil interests and affects federal interests as well (National Government, Federal police);
- Economic control and management: customs, dry ports and Federal Tax Inspection Stations. As Dorfman (2013) notes: there is a shifting of military political focus to a restraint dialogue on cross-border crime, notably those involving trade practices of legal and illegal products. From this perspective, the inspection and taxation institutions are increasing, as well as facilities that support the flow of international cargoes – dry ports.

DISTRIBUTION AND TERRITORIAL IMPLICATIONS OF DEFENSE STATION

Fieldwork observations indicate distinct territorial strategies between military installations and contemporary security and tribute structures. While military installations tend to be located in strategic territorial points for site control, notably near the border, customs facilities are located in the main accesses (or exits) of both cities, in order to facilitate the vicinal traffic among urban centers. Such a change in strategy may be explained by a brief review of the institutions of customs, a more detailed analysis of the Brazilian case, in view of the greater complexity of the agencies, and an analysis of the agreements of border cooperation in MERCOSUR².

Because of Federal Police jurisprudence in acts of international crime repression, customs practice and immigration control generally occur in an integrated border manner. However, the Federal Tax Inspection Station function is to administer the duties of the Union, as well as to prevent and combat illegal international trade acts.

In the twin cities under study, border control has taken place under ACI (Área de Controle Integrado—Integrated Control Area) regiment of Jaguarão since 2005. Customs and dry ports are part of this complex. ACI is the result of negotiations within MERCOSUR and aims to promote the so called simplified customs transit among its member States, which has generated a secondary transit zone (free zone) on the Jaguarão-Rio Branco border, without any ostensive supervision. There is a partial ACI station in this territory although only the part relating to the modality of loads has been installed. This seems to reinforce the theory of a change in protective axis on border zones between military field and capital.

From the point of view of people control, however, there is no effective immigration control, only the voluntary register of migrants. While on the Brazilian side, the Federal Police station is located far from the ACI, in Uruguay the immigration control is made at its customs post (Figure 3). Neither site, however, performs ostensive surveillance. The development of cities based on military camps in the past has facilitated the current international trade monitoring. Both cities are established as urban settlements without many interurban or regional road

² Customs is understood as an official office that controls the flow of goods, as well as their taxation. There are big differences between customs and border Police that should be observed. With regards to the function performance of the latter, the Brazilian Constitution of 1988 defines Federal Police as a permanent body with a career structure in its 144th article.

Figure 3.: Military defense equipment location in Rio Branco-Jaguarão

Source: Fieldwork, December 2016.

connections, even with their different strategies of planning and development. It seems that this situation tends to facilitate the control in matters of traffic and smuggling (despite the existence of different escape routes with the flow of goods).

It is also worth mentioning that there is a main circulation axis between the two countries, at each extremity of which is the customs station under public institutions management. In these spaces, the federal sphere is represented in local territory, with police agencies and army representations from both countries.

WHERE AND HOW CAPITAL CIRCULATES IN TWIN CITIES

This research chose the structures with the greatest capital flow that participate in the upper circuit of urban economy and are present in the twin cities to show the territorial impacts of its investments and implantation.

In the scope of productive activities, although Jaguarão and Rio Branco still maintain their economic base linked to cattle and agrarian activities, both have changed since the installation of the free shops sector in Rio Branco. According to Dorfman (2007), the first free-zone stores in this region were established in Rivera and Chuy in 1986. This followed the creation of a border free zone regime defined by a Uruguayan government law and spread to other border cities, particularly since the year 2000, as was the case of Rio Branco (2002). The implementation of these stores has promoted the increase of urban land value, besides altering the economic dynamics of the territories and the flow of people. The main result was the expulsion of former local residents as well as morphological changes in the cities, especially Rio Branco, through use and building substitution.

The franchises installation close to the International Bridge is spatially based on historical factors, but also reflects the fragmentation of its use with the surrounding community. The urban material of Rio Branco is divided between the free-trade region and the densest settlement region, where most of the local population lives. As previously seen, the explanation for this fragmented space was the floodplain of Jaguarão River, which directly affects the lands near its banks, as in the region of free shops. Although this area has historically been destined to trade activities, today it is subject to intense land valuation and population transfer. According to Mazzei (2012, p. 63):

esos cambios se procesan en el contexto más amplio de despoblamiento residencial en la zona comercial cuyas viviendas particulares son vendidas a precios elevados y sustituidas por los comercios de free shops.

This perspective is consistent with what has been verified in the fieldwork mappings, in which it is noted that formal and informal trade areas coexist together in the two cities. However, it should be noted that there are different repercussions in each country. Although Jaguarão has already been approved by municipal law for the installation of free shops, the city still does not have any tax free stores³. Its link with Uruguay has been to support tourist activities, especially in hotel and gastronomy sectors.

Similar to intraurban relations, the presence of free shops changes the relationship between rural and urban populations. Migrations experienced mainly in the Uruguayan territory are due to free shops offering a new job opportunity for young people with low qualification in the region. These tertiary activities represent an alternative income and city dynamization, even though the distant economic situation between Brazil and Uruguay confers a fairly marked degree of dependence on economic stability and on fluctuations in the exchange rate of the dollar, the currency of imported product commercialization. All these things confer economic distance between Brazilian and Uruguayan realities (Mazzei, 2012).

It was also observed that the formal and informal trade zone locations in both cities formed part of the lower circuit. This strong presence of small commerce and street vendors in the sector reveals the significant interaction between upper and lower circuits of the economy, located at the bridge base, near the free shops sector. These facilities tend to focus on Uruguay Street (connection between the BR-116 and the International Bridge) and around the Public Market. It means these areas are clearly defined as mixed use and easily accessible to tourists. From this perspective, the increase in new activities in Jaguarão is much more integrated and urban planned than in Rio Branco.

The industrial sector is another important area in the two cities (mainly focused on agricultural production). In the first analysis (Figure 4), the industrial and

³ Brazil approved Law 12,723 in 2012, regulating the installation of stores in its border cities. Its effectiveness also depends on the approval of municipal legislation specific to each locality, in addition to releases from the Federal Revenue Service.

Figure 4. Location of main economic activities, with commercial center limits between Jaguarão and Rio Branco

Source: Fieldwork, December 2016.

agricultural enterprises are situated within the limits of urban areas, moving the industrial production away from commercial centers, but close enough to use their infrastructure. In Jaguarão, however, the concentration of industries was verified as being on the limit of their urban area. In both cases there is a clear proximity to the main road and rail routes.

The first industrial structures in Jaguarão were concentrated near the port, located on the banks of Jaguarão river to facilitate transportation. They were also close to the commercial center of the old city, near the public market, the fairground and several official services. In fact, this central implantation was not only in close proximity to the urban nucleus, but also to the centrality of the activities performed there. It was also close to superficial urbanistic regulation that, at the time, provided only controls against noise and gas (Martins, 2002).

Fieldwork observations, however, reveal that these old structures now play a different role, mainly designed for a small third sector. This change in Jaguarão industrial site may have occurred because of processes of soil valorization, as well as the intensification of relations with Uruguay through the International Bridge, by the middle of the 20th century. More rigorous urbanistic regulations such as the activities regime also contributed to this. High investments made by the Brazilian Federal Government in its road network, increasingly in the 1950s, encouraged the substitution of other transportation modes, such as waterways and railways.

The changes of use and occupation on the river banks enabled the development of new economic activities, linked to either the upper or lower circuits of the economy. As Jaguarão limits its expansion and mixed renewal area, it also reassures its territory facing recent commercial pressures, whether formal or informal. The same cannot be said for Rio Branco, where there has even been a lack of support for structures of social and community assistance.

FINAL CONSIDERATIONS

The morphological constitution of the twin cities on the Brazilian-Uruguayan border confers specificities based on Rio de la Plata Basin culture, present in the Region, especially where social and economic interactions are dynamized by the presence of free shops.

Historical references demonstrate: a) the relation between site and situation that each city establishes with the river: Jaguarão extends along the edges of the river, while Rio Branco is set back in a situation of central preservation; b) the urban orthogonal layout, which obeys the precepts of the Portuguese military defense engineering (in Jaguarão) and Spanish (in Rio Branco) from the time they were created. This urban space organization tells the story of former confrontations between Brazil and Uruguay, in which these former occupations passed from military camps to cities in the 19th century.

There is also a spatial fragmentation between the two occupations, caused not only by the presence of the river, but also by the historically marked differences caused by the need for defense between the Uruguayan settlement, the free trade sector and the more spatially dynamic Brazilian side. This fragmentation is attenuated by the synaptic connections obtained through the bridge implantation and the road that reaches the city of Rio Branco.

From the point of view of military defense, there is no clear understanding of any rigorous institutional surveillance in the regional secondary and tertiary activities, even though there are cultural and economic links between the countries. In relation to productive activities, the network flow becomes more concentrated and intense near the bridge, where, in addition to free shops, informal commerce is found. There is no difficulty in accessing cities or free shops at this point, as control spaces are located just outside the cities. There are also the defense and security facilities which are much more attentive to goods circulation than to people.

The twin cities in this research prove more than ever that objects of interscalar articulation participate in complex processes of economic integration, although with little visibility in their national territories. They are areas that not only inherit their own local histories, but act as testimonies of daily disputes between global capital.

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