

## **International Trade and Regional Inequality in South America: A Study Applied to Brazil and Argentina**

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**Abstract :** South America shows increasing decline in regional export values in the last years, after a strong growth of trade flows especially with China up to 2013. This change is due to the end of the commodity price boom, the slowing of the Chinese economy and the effects of the 2008 economic crisis. This paper examines the integration of regional economies in this context, particularly the situation in Brazil and Argentina. Based on transformations over the last two decades, the analysis is focused on the spatial circuits of production linked to foreign markets, contributing to the understanding of the different uses of territory and the within-country inequality. The South American regional exports, consisting basically of raw materials, are concentrated in a few companies. Large areas are intended for the production of agriculture and mining commodities, under the command of major economic groups, both domestic and foreign, relegating the local population to less productive places or, in most cases, forcing them to change their activity and to migrate to other regions in search of some source of income. On the other hand, the dynamics of these commodities' spatial circuits of production print requirements in territories in terms of infrastructure and regulation. Capturing this movement requires understanding businesses and government's role in territorial regulation, and consequently how regional systems are changing - for instance, economic specialisation, growing role of services, investment in roads, railways, ports, and airports. This paper aims to highlight topics for discussion on regional economic dynamics and their different degrees of internationalisation. The intention is to contribute to the debate about the relations between trade, globalization, and development.

**Keywords :** regional inequality, international trade, developing world, South America

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