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The ambivalence of Latin American agriculture

*Enrique V. Iglesias**

What has happened in rural development in recent years means that one must be very chary of the traditional view that agriculture lacks dynamism and is incapable of responding effectively to economic stimuli. On the contrary, output has grown steadily, export agriculture has expanded, the level of technology used has risen and the organization of production has been changing, and all this is closely linked to substantial changes in the make-up and outlook of the agents of production, and notably to the presence of a new rural entrepreneurial class.

At the same time, the other side of the coin should not be ignored, showing as it does the continued existence of large areas of traditional agriculture and long-standing, stubborn problems such as rural poverty, unemployment and underemployment, malnutrition, the improper use of the soil and other problems, which moreover help to maintain high rates of migration to the cities.

The author emphasizes that greater efforts should be made to overcome this ambivalence in Latin American agricultural development, and concludes with a number of suggestions to guide action in this field, including the need to tackle agricultural problems within the general framework of development, the important role which the State must play, and the necessity of facing realistically the problems of access to the land.

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1. *Difficulties of the topic*

This topic is undoubtedly a very complicated one. It is not easy nowadays to speak of the social problems of agriculture; indeed, it never has been, largely for three reasons which make discussion of the subject very delicate.

Firstly, it is not possible to speak of the social situation of agriculture without referring to the problems of the economy as a whole, since the problem of agriculture in isolation does not exist, just as the problem of the "social situation of agriculture" does not exist in isolation.

This topic, more than any other, forms part of an overall view of, or approach to, the economies of our countries, the sectoralization of which has limits that are clear to all of us. Hence the need to avoid piecemeal analyses, since each of the topics must necessarily fall within a global view of national problems.

The second important limitation is the existence of a wide range of political and economic approaches to development. There is no single route for countries to follow in the field of economic and social policies. The ideological diversity of Latin America in this regard is well known, and this, together with the region's no less varied experience, shows that there are no universal solutions.

In line with their political, philosophical and ideological leanings, the countries have opted for diverse solutions, all of which are encountered within the Latin American spectrum, and which arise with still greater variety in the world taken as a whole. As a result, it is only normal to assume that the special features of each country and its political or philosophical orientation should have a very special place

Note: This article reproduces the main lines of the statement I made at the CEPAL/FAO Technical Meeting held in Montevideo in August 1978.

in the analysis of social problems, and particularly of the social problems of agriculture.

Finally, the third limitation, which we must also mention at the outset in order to prepare the ground properly, is that Latin America is not a single unit as regards the approach to these problems, any more than it is a unit in many other respects. It is increasingly difficult to lump together data in Latin America, and it is increasingly necessary to beware of sweeping generalizations which may lead us into serious error.

The agricultural situations in the countries are very specific and different, both as regards the share of agriculture in total output and as regards the relative importance of rural social problems. Therefore any attempt to generalize suffers from considerable limitations. We are fully aware of course, that common denominators do exist in Latin America, but in identifying and highlighting them we must not be so naive as to think that we can tackle the problems of the region with a degree of generality incompatible with the diversity of actual situations in the Latin America of today.

2. The nature of the topics under discussion

Having pointed out these limits, I should like to make a few reflections stemming from a review we have carried out in the secretariat concerning the work of the CEPAL/FAO Agriculture Division, the main conclusions of which were collected in a recent publication¹.

More than once CEPAL has emphasized the extraordinary evolution of Latin

America in the past 25 years. The Latin America of today is very different from that of the 1950s. This appears to be a truism for those of us who have been fortunate enough to have lived through these 25 years, but it ceases to seem so when one takes a calm look at the differences between the Latin America of the post-war period and the Latin America which is emerging today, on the threshold of the 1980s. It is a new Latin America in the productive sphere, four or five times as large as the Latin America of the 1950s; it is a new Latin America in terms of its external relations, for it is making vigorous progress in its policies of expanding and diversifying its exports; it is a new Latin America as regards the main agents of its process of economic development. New entrepreneurs, new bureaucrats, new development agents, new international bodies and enterprises are operating in the region. It is a new Latin America, too, as far as its society is concerned: there is a new Latin American society, new in the volume of its population and in its qualitative features and distinct class structures. In short, we have before us a new region. It is very important to understand this in order not to repeat mistakes and, above all, not to reiterate concepts and judgements which have in many cases been overtaken by progress.

Because of this, the region is today capable of showing exceptional capacity for economic growth: if we had been told in the 1950s what the Latin America of today would be like, we would certainly have had serious doubts about such assumptions of growth. Nevertheless, this Latin America, which has made this extraordinary effort to develop its productive forces, which has achieved such an appreciable structural transformation, and which may possibly achieve even more in the years to come, is showing at the same

¹ *25 años en la agricultura de América Latina: Rasgos principales 1950-1975*, Cuadernos de la CEPAL, N° 21 (Santiago, Chile, CEPAL, 1978).

time profound and violent ambivalences at the social level.

Economic development has not filtered through to the whole structure of society and, as we have pointed out on more than one occasion, major, acute social problems still persist today, fundamentally rooted in the situation of critical poverty in which a third of the population of Latin America is living, the persistence of high rates of unemployment and underemployment, and especially the fact that economic progress has a significant impact only on certain levels of society, with a bare residual effect on other sectors or strata.

This is a real and objective fact which is perhaps the most characteristic feature of Latin America today: the profound ambivalence embodied by the contrast between the potential for growth which the region has shown and its incapacity to solve its social problems in a reasonable time, before expectations are frustrated by reality.

Within this framework comes the complex of rural social problems, which are basically one aspect of the ambivalent situation prevailing in the region: an extremely vigorous capacity for growth and considerable objective achievements in the economic field, coexisting with slowness in the solution of the severest social problems.

Thus we may say that the central problem lies in analysing how we can extend to the entire agricultural sector this process of modernization which has already, to a substantial degree, reached certain sectors of Latin American agriculture, and how, by this means, we can tackle the severe social and cultural problems which agriculture must face in the coming years.

3. The vigour of Latin American agriculture

In this context, I should like to mention in

the first place what CEPAL has termed in its documents the vigour of the agricultural sector in Latin America. Over a period of many years we have become accustomed to interpreting agricultural development using definitions which we have accepted more or less passively but which have now begun to be challenged by the facts.

Firstly, it used to be asserted that the agricultural sector was the least dynamic sector, the sector least capable of responding to the stimuli of economic policy. Another interpretation held that the fundamental problem of Latin American agriculture was inadequate demand: demand from consumers was not an incentive capable of provoking an adequate response from Latin American agriculture. Finally, yet another interpretation told us that agriculture suffered from a degree of inability to respond to stimuli because of shortcomings in agricultural supply, which were fundamentally due to problems of a structural nature, land tenure and size, which prevented the sector from responding to the dynamic stimuli of government policy.

These three interpretations contain some truth, and they are certain to be brought forward, with various degrees of applicability, when specific cases in the region are analysed. However, we are convinced that they are not sufficient to explain what has been taking place in agriculture. Furthermore, they must be situated within the context of the growth which has actually taken place in Latin American agriculture, and we must begin by highlighting this vigour in order to do justice to the facts.

I do not think we can say, in absolute terms, that agriculture in Latin America has suffered from dynamic-structural inadequacy; at least, the figures do not say so clearly.

In the first place, as far as output is concerned — leaving aside the different

situations in individual countries — the growth rate of Latin American agriculture over the past 25 years has been sufficient to meet the effective demand arising from consumption in the region as a whole, although of course this does not mean that such demand should constitute our maximum aspirations. This demand could undoubtedly be much higher, especially if we placed agriculture at the service of much more dynamic processes aimed at solving social problems. However, we must admit that we cannot speak of a "lack of vigour" in Latin American agriculture when it has recorded sustained expansion of more than 3% a year over the past 25 years, particularly if we compare this record with the performance for the world as a whole.

Secondly, if we examine Latin American agriculture, especially in the last 15 years, we must recognize that it has generated a highly vigorous, though selective, response as regards export agriculture. In a short space of years, some countries of the region have come to occupy pre-eminent places in the export of products of fundamental importance for the rest of the world. Whatever the initial assumption, the foregoing means that agriculture has been able to react and respond to the stimulus of government policies in the field of exports, and that it is, and will continue to be for a long time, one of the essential props of Latin America's exporting capacity. If the response has not been greater, that is largely due to the fact that agriculture has not been allowed to expand; or, to put it another way, the fact that the protectionist policies of the industrial countries — to which I shall refer below — have limited the capacity of Latin American export-oriented agriculture to expand.

Nor can we say that Latin American agriculture has manifested serious shortcomings as far as imports are concerned, since these have remained at more or less

reasonable levels, as CEPAL demonstrates in its documents. Where sharp increases in traditional agricultural imports have been necessary, I would say that the main reason for this has been climatic and similar influences. Even so, in general terms Latin America's external dependence on agricultural imports has not worsened.

Nor does there appear to have been technological stagnation. If the figures are correct, we must accept that in the last 25 years Latin America has increased its consumption of fertilizers twelvefold and its use of tractors fivefold, and that these facts indicate a considerable penetration of technology into the region; indeed, these technological inputs have been an important factor in the process of growth.

Finally, the annual expansion in cultivated area — one of the traditionally important elements in the growth of agricultural output — dropped from 2.7% in the 1950s to 1.9% in recent years, which means that expansion of the agricultural frontier has not been the key factor in the rises in output recorded during the period.

If agriculture is viewed in this way, it cannot be said that it has lacked vigour; broadly speaking, we may say that it has risen to the challenge and that in response to the stimuli of government policies it has in one way or another shown a substantial capacity to mobilize its productive forces.

Together with this vigour, the region has also witnessed a significant transformation in the social structure of agriculture. CEPAL is currently carrying out a project with the specific aim of thoroughly analysing changes in the social structure of Latin American agriculture. These changes may be summed up in three or four main points which indicate the salient elements that have emerged in Latin America's social spectrum as regards agriculture and the rural scene.

First of all, it is clear that a new kind of Latin American agricultural entrepreneur

has emerged. These form only a small group, but one of great importance as far as productive capacity is concerned. Thus, the traditional entrepreneur, linked to agriculture by traditional ties of land tenure, has given way in many cases to dynamic entrepreneurs whose enterprises are based on the criterion of profitability and efficient expansion of production. There is a new agricultural entrepreneurial class, undoubtedly as yet in a minority, which bears all the characteristics of the mercantile entrepreneur — the “Schumpeterian” entrepreneurial class, to put it in economic terms — and is a phenomenon that cannot be ignored in a description of Latin American rural society.

It is also obvious that the transnational corporations have appeared on the Latin American agricultural scene and have come to play a very important role — in some cases becoming one of the principal productive agents, especially in export agriculture. Behind their presence as a part of this new profile of Latin American society, however, stand the ambivalent activities of these firms, which are already well enough known.

We have also witnessed the emergence in the region of an important group of administrators, intermediaries, officials and technocrats who, together, have given rise to the creation of an “intermediate social sector” which has responded specifically to the dynamic stimuli of agricultural expansion.

The rural wage earner has also appeared with new characteristics. These workers are the principal result of the types and forms of farming which have arisen, and while this class already existed a long while previously, it appears to have grown considerably in number in recent years. The large enterprises have created the need for increasingly large numbers of employees and workers, and this has led to the emergence of a considerable new wage-

earning class in the rural social structure of Latin America. At the same time, these changes coexist with the continuance, and even growth, of large sectors of traditional agriculture in Latin America, employing millions of families and persons who continue to live in primitive conditions, barely touched by the benefits of technical progress. The break-up of the traditional structure of rural society in Latin America has, in most of the countries of the region, led to persistent severe social imbalances.

4. *The other side of the coin*

These considerations mean that we must look at the other side of the coin: the vigorous process of growth in agriculture in relative terms, and the appreciable transformation in rural society in Latin America, have been accompanied by the persistence of the old social problems, which have not only not been solved, but in some cases have even worsened. These features are highlighted in various studies prepared by CEPAL.

Firstly, we must record the regrettable fact that rural poverty continues to be the dominant feature of the region as a whole. According to World Bank statistics, about 38% of the population of Latin America, or about 45 million people, were living in rural poverty in 1975. In other words, if we estimate that critical poverty in Latin America affects some 100 million people, half of the poor are in the countryside. This fact is one of those which highlight the contrast between material progress and the situation in which large segments of the rural population are living.

A second, no less important element is unemployment, and above all the high levels of underemployment, which affect a quarter or a fifth of the rural population in some cases. In other words, between 20 and 25% of those who live and should be working in the countryside are unemployed

or underemployed, meaning that a huge mass of people and a remarkable set of human skills are being wasted not only from the economic viewpoint, but also, of course, from the point of view of their ability to help in building Latin American society.

Equally serious have been the problems of migration, which are more acute in some countries than in others but are encountered in all of them. This constant migration from the countryside to the towns has attained really extraordinary levels, and in the past 25 years, 40 million peasants have emigrated to our towns — practically 50% of the increase in the agricultural population. This migration helps to create the belts of poverty which may now be observed around the towns, and which have created a sort of subhuman structure that often accompanies their growth. All this reveals a serious problem: the incapacity of the system to grow sufficiently to absorb these groups from the countryside in productive and dynamic urban activities.

Malnutrition also continues to be an important problem in the region, and in some countries an acute one. Despite government programmes, many of them successful, we are fully aware that, according to the statistics, there are many millions of people at present suffering from nutritional deficiencies.

Nor can we overlook another important factor: poor use of the soil. The special forms of traditional agriculture, or in other cases the bringing into use of new land, have not always respected ecological conditions or borne in mind the need to preserve the soil and the elements which accompany it as a fundamental resource of our economic structure. This means that social problems have also had some impact on the use of the soil in Latin America.

The subjects mentioned above are all of vital importance. Responses and approaches to them at the national level will undoubtedly be very different and contrast-

ing, since not all countries have similar situations in agriculture, nor the same proportions of persons living in critical poverty, nor modern sectors with similar characteristics. Nevertheless, apart from these differences Latin American agriculture displays much more markedly than in the economy as a whole the same ambivalence caused by progress in certain sectors side by side with the persistence of acute social problems.

This is the typical feature of Latin America today. These reflections lead one to reaffirm that, today more than ever, Latin America is facing a great challenge, because it now has the opportunity to solve its fundamental social problems in a way which would have been unthinkable 15 or 20 years ago.

5. *Economic and social ambivalence*

To put it another way: if we emphasize the ambivalence created by potential for development on the one hand and a set of social problems on the other, it is because we are convinced that the region, taken as a whole, and without denying its diversity, is in a position to solve its severest social problems within a time-span which should not exceed a generation.

Even though these reflections may not be equally valid for all cases, we may still ask why the traditional explanations on rural development are now beginning to seem too narrow and restrictive.

We cannot explain all this ambivalent development exclusively in terms of structural problems, or inadequate demand, or the inelasticity of agricultural supply. I believe that the matter goes much further, and has to do with the type of economic development which has taken place in Latin America in recent years.

To a large extent, the economic development of agriculture has followed the same general characteristics and impulses

as the general system of development, the general style of growth.

On the one hand, the agricultural sector has received its impulse fundamentally from the emergence of new urban structures conditioning the type and level of demand for agricultural products. The structure of agriculture has also been strongly promoted by the external sector, the types of demand arising from it, and its tendency towards internationalization, all of which have imposed certain special features on the development of agriculture.

These two facts have encouraged the emergence of a very important and very necessary modern sector, which has been the main beneficiary of economic policies and of the allocation of resources, as well as of technical progress. However, this modern sector has not been capable of solving the social problems of agriculture, since the traditional sector, where the major social problems I have just mentioned are rooted, has remained outside the range of government policies, and even outside the dynamic context of the economy.

In other words, a social structure has gradually been created in which there exists a modern sector which responds to the dynamic stimuli of a consumer society, and which fundamentally depends on the middle and high strata and on changes and growth in international demand, but there has not been any growth structure capable of stimulating the transformation of so-called traditional agriculture, which, in many countries of the region, remains one of the great and painful challenges to the policies and imagination of governments.

Finally, we might suppose that the problem is one of time, and that if the process of agricultural modernization continues all that is necessary is to wait until it reaches sufficiently high growth rate to solve the problem of traditional agriculture. This attitude, however, seems totally inadequate in view of the magnitude of the

problem and its urgency, both in political and in social and economic terms.

The central problem lies precisely in seeking that governments, in line with their capacity for action, should make it possible for this duality to be resolved not only through the passage of time, but through action and vigorous policies whereby the problem can be tackled much more rapidly and effectively than has been the case to date.

Thinking in these terms means returning once again to what I said earlier. The problem of agriculture cannot be analysed except in the context of all-round social transformation and of the problem of the economy as a whole, and especially of the main factors which have stimulated it. Latin America cannot be built exclusively on the basis of the consumption of the medium and high social strata, nor of the major trends which may arise from international trade.

Furthermore, it is very important that in one way or another the traditional peasant sector should begin to play an active role in the development of Latin America. In this way it will be possible to solve both the economic problem and the social problem involved in the ambivalence to which we refer.

6. Reflections on lines of action

What are the broad lines along which politicians should think, bearing in mind that it is not a question of laying down universal guidelines or advice — since individual situations are markedly different — but of thinking aloud in the light of the facts observed in recent years?

First of all, I should like to point out that the persistence of this imbalance between the urban and rural population cannot continue in its present form in Latin America; this issue must inevitably evoke increasing concern on the part of governments.

We cannot consider the agricultural problem, especially in its social dimension, as a merely residual element in national policies.

For many years agriculture has been the poor relation in overall policies. The predominance of other types of policy has been very marked, and the approach based on social imbalance, or imbalance between the countryside and the towns, has not always served as a basis for the formulation of the policies followed in the region.

A further important reflection arises from the above: the problem cannot be tackled in a piecemeal way, but must be dealt with as part of a set of measures encompassing the entire economy. Having said this, we must not forget that we are not starting from scratch. Governments have a variety of experience going back many years and ranging from thorough agrarian reform programmes, which basically centred the topic around the problems of size and tenure, to the settlement programmes, passing through a whole range of intermediate policies such as technical assistance to agriculture or credit or integrated rural development programmes. In short, we have a broad range of extremely valuable experience, and in some cases the programmes have had decisive effects on the transformation of agriculture. We also have other experience, which has not always been successful, or which has not fulfilled all the expectations placed in it, but which for that very reason furnish a very important basis for thought and reflection.

Bearing in mind a number of general conclusions concerning these policies, I should like to highlight five or six major issues.

A first reflection has to do with the responsibility of the State. I believe that these problems cannot be tackled exclusively on the basis of the dynamics of the market: in some way there must be deliberate action by the State.

This does not mean that I am advocating mere bureaucratic intervention or the stifling of private activity. What I wish to point out is that the issue of social conditions in the countryside must of itself be a central concern for any State, be it developed or developing. This means, today more than ever, that the State's capacity for planning, understood as the need to look ahead, to make provision in advance, and especially to give continuity to agricultural policy, is a fundamental factor in any type of economic strategy. The extent and form of State intervention obviously depends on each country, which will have to define how to approach it and how far to take it; but I am convinced that exclusive reliance on the rules of the market might extend the time perspective to limits which are certainly incompatible with the urgency of many of the problems. Hence I feel it is more necessary than ever to ensure the adoption of policies which are rational and above all consistent and continuous in order to make it possible to carry out programmes with a clear and firm basis, free of improvisation or the hazards of constant changes of approach.

Another reflection is that the long-standing problems of agrarian structures, size and tenure, which for so long have been a matter of concern to CEPAL and FAO, are still with us. We cannot but be aware that 60% of the agricultural population at present have problems of shortage of land in countries where such problems could be solved, since land is abundant. This is a question which each country will have to deal with in its own way; but it is necessary to adopt a realistic approach to the problem of rural agricultural structures, and especially the problem of the existence of large numbers of families lacking access to the land and needing some form of action by the State. Rural development is not possible if the problems are not tackled at their roots, and in many cases this means beginning with

changes in land tenure and other institutional structures which in the past have acted as a brake on development.

A third reflection derives from something which has been demonstrated by the experience of recent years: in countries where the market plays a fundamental role in the allocation of resources, there must be consistency in the application of the rules of the market where agriculture is concerned. Many years have been spent on experiments with partial policies which were very often contradictory and of short duration. Due weight has not perhaps been given to the fact that a very substantial sector of agriculture will respond and increase its output, provided it is given consistent stimuli. If we have economic systems based on a market economy, they must play their role properly, and consequently the management of relative prices or of rates of return is part of a sphere which must be given due importance. In other words, rationality and continuity of the stimuli remain another of the main objectives of any agricultural policy.

Another problem which arises in any national strategy has to do with the reorientation by governments of the allocation of resources. The dynamics of the modern sectors, both in agriculture and in industry, mean that they have a very high capacity to absorb resources: the natural tendency is for the modern sector of our economies to become the major source of demand and to monopolize the resources of society, and as a result, in agricultural programmes, traditional agriculture has to compete with considerable demands from modern urban and agricultural sectors which have greater relative weight, greater bargaining power and greater political weight. Consequently, persistent competition for the use of resources has usually resulted in the past in their benefiting fundamentally the modern part of the Latin American economy, to the detriment of the traditional sectors

which need them in order to offset the disparities existing in our region. The concentration of technical progress in a few focal points, both in the towns and in the countryside, means that the reallocation of resources towards the agricultural sectors must, in coming years, be one of the major imperatives of Latin American governments.

I believe that there is also a technological problem, which arises in all the fields with which we are dealing. Technology has been highlighted as a very important factor for growth in Latin America — and technological progress is very welcome. But we must also recognize that on many occasions foreign technologies have been adopted which are not compatible with either the endowment of resources or the type of social problems which we have in Latin American agriculture. Reconsideration of the subject of technology, an endeavour to reflect on the types of technology which are in keeping with our resource endowment, is another variable without which no programme dealing with these topics can be really viable.

Finally, we should remember an aspect which has been frequently emphasized in CEPAL's thinking: the need to free resources to meet much more diversified and vigorous agricultural demand. Income distribution policies of all types will in fact mean greater dynamic capacity to impel the growth of agricultural demand, so that in this way they offer a renewed stimulus to agriculture.

I shall not dwell on this problem, however, which permeates the whole economic and social basis of Latin American development.

7. Conclusions

We are of course at a difficult moment in both world and Latin American circumstances. Over many years we became ac-

customed to programming our economies within the context of a stable world, and now we must accustom ourselves to a situation which is all the contrary and thus makes our task much more difficult.

Moreover, the situation is even more difficult because we are entering a stage where Latin American society as a whole has become aware of its situation, and the demands facing official policies and governments are becoming increasingly complex.

All this will certainly mean that in coming years Latin America's great challenge will be the transformation of the Latin American State in order to make it capable of responding to these difficulties, both domestic and external, and surmounting the not always easy moments of a complex and capricious international situation.

The old idea of the antithesis between industrial development and agricultural development has been left a long way behind. Today no-one doubts that we must maintain rapid industrial development, but at the same time no-one doubts that, without a vigorous response on the part of Latin American agriculture, this industrial development will sooner or later be held back. In other words, it is not possible to conceive a dynamic and vigorous Latin America in the year 2000 if there is an imbalance between these two aspects. There is a growing conviction that in the Latin America of coming decades the agricultural sector will be a basic pillar of development and that unless this issue is tackled decisively, industrial development itself will run up against considerable obstacles. At the last FAO meeting in Lima we discussed Latin America's agricultural potential, the region's enormous capacity to respond to the challenges posed by its growing population and to turn itself incontestably into one of the world's greatest suppliers of food. This dynamic agriculture is an essential pillar of industrial development,

and thereby of national development. In that context, then, the first point I should like to emphasize is that agriculture will continue to be the major challenge for the development strategy of Latin America and any individual country.

The second point is that agricultural development is, fundamentally, a basic support for the solution of the main social problems of many countries in Latin America.

In many of our countries we are facing problems of poverty, problems of exceptional population growth, and a challenge which no other capitalist, under-developed or socialist region has had to face: by the end of the century we have to double the number of jobs available. I am not talking about the countries of the Southern Cone, which have low population growth rates; in the region as a whole, the 100 million jobs needed to keep the population employed now will have increased to 220 million by the end of the century. It must not be forgotten that, whatever population policies or social policies may be adopted, this population has already been born. This means a demand for jobs which is completely unheard-of in the experience of any of the world's economic systems. I believe we must be aware that there will be no solution to the problem of employment unless some solution is found for the rural social problem, in which employment is fundamental. If agriculture is not enabled to retain the population in a productive way — and with much higher levels of productivity than at present — the whole problem of employment in Latin America will be absolutely impossible to solve. This issue does not only raise a problem of an economic nature, or the raising of productivity: it is necessary to face up to the major challenge which has arisen in some of our countries — the problem of employment.

The third point I should like to make — and which Hernán Santa Cruz empha-

sized many times— is the connexion between all these issues and the international situation. In recent years we have seen a number of political actions, and substantial growth in international meetings, designed to build a new international economic order. CEPAL has associated itself with these efforts, because we believe that it is morally and politically imperative to endeavour to build a new international economic order which is much fairer and much better in the distribution of opportunities. Recently, new issues have emerged, and the whole world has become alarmed and surprised at the poverty of the developing world. Dr. Raúl Prebisch has said that the industrial countries of the North have discovered rather belatedly the acute problem of the existence of large numbers of poor people in our countries. I would add that it is important that the international community, which now appears to be aware of these social issues, should understand that large-scale action by the developed world in favour of our countries, its large-scale co-operation with our efforts to solve our social problems, must begin with a policy to ensure worth-while prices for basic commodities. One dollar more for coffee,

or a hundred dollars more for a ton of meat, will do much more than any rhetoric or any technical and financial assistance for farmers who produce coffee or meat in the countries of Latin America.

It is good to understand that the key to real justice in international terms lies in this problem of remunerative prices, at least as far as this issue of social justice in Latin American agriculture is concerned. Consequently, there can be no effective co-operation by the international community in our efforts if this issue of justice in the prices paid for basic commodities is not tackled decisively, and especially if the protectionist barriers which are still one of the fundamental obstacles to the growth of our output are not eliminated. This must be the focus of our international dialogue.

In conclusion, I should like to repeat that we must not devote ourselves only to invigorating our agriculture, but also to constructing an authentic Latin American society, in which the great masses of people at present excluded can act and participate, thereby involving themselves effectively in the great destiny which we all desire for Latin America.