
CEPAL

REVIEW



UNITED NATIONS

SECOND HALF OF 1978

CEPAL

Review

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UNITED NATIONS
ECONOMIC COMMISSION FOR LATIN AMERICA
SANTIAGO, CHILE / SECOND HALF OF 1978

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Economic trends in Central America

*Gert Rosenthal**

Development in the Central American countries in the past quarter-century has shown positive features, which are brought out by the author: an annual average rate of economic growth of more than 5%, a near-doubling of real income per capita, expansion and diversification of exports, a surge forward in industrialization, the extension and improvement of communications and social services, and so on. Nevertheless, long-standing problems have remained, and new ones have arisen: external dependence, a tendency towards external disequilibrium, uneven distribution of the benefits of economic growth, with its consequences of poverty, unemployment, underemployment and marginal status, growing difficulties encountered by the political systems in coping with the divergent pressures of a rapidly diversifying society, and inconsistencies and conflicts between the public and private sectors. To this has been added, in recent years, the problems caused by the rise in the price of oil, inflation and growing external indebtedness.

After considering these aspects, the author rapidly reviews the development of the Central American Common Market and the economic and political obstacles which it has had to face in the past decade. He concludes with a few realistic and pragmatic ideas for revitalizing CACM.

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Economic trends in Central America

Last week I had the opportunity to discuss with Alan Riding his excellent statement delivered here during the first meeting of the Discussion Group on Central America. During our conversation, Alan asked me what kind of future I thought was in store for the Central American countries, and I must say that I was hard pressed to reply. The steady drift towards political polarization and the presence in three countries of terrorist groups and increased repression to combat them raises serious doubt as to the viability of reasonably stable, free societies with at least a minimum amount of public participation in the conduct of public affairs. As Alan correctly stated in his presentation, changes are occurring in practically all countries. There was a routine — and, by Latin American standards, unusual — change of command last week in Costa Rica, but it is hard to say what direction events in Guatemala and Nicaragua will take, nor what the ultimate consequences of the deadlock in El Salvador will be, nor whether the Honduran grand strategy of a shift to “guided democracy” will be successful. To all these difficulties, furthermore, we must add serious doubts as to the economic viability of the Central American countries, at least taken individually, and I would like to address myself to this general topic today.

I

Although I was originally asked to talk about “the current economic situation in Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica, the current state of the Central American Common Market, and the prospects for both” this is a tall order for a statement of from 25 to 30 minutes, and I would therefore prefer to share

some thoughts with you on what the Central American economies have been doing over the long term. This will automatically lead me to the topic of the Central American Common Market (CACM), and I will end with some reflections about the present and the future. For obvious reasons, I will not burden you with figures and statistics—these are readily available in numerous publications—and I will only allude to specific countries when general statements about Central America clearly do not apply to them. This over-simplification, of course, hides the fact that Central America is not an economic unit, and that even when certain trends in all five countries point in the same direction, they usually evolve at differing rates and with different characteristics.

II

To begin, then, it can be said that the economic evolution of the five Central American countries since the end of World War II has been characterized by what we could describe as six dilemmas: (1) economic growth without economic justice; (2) expansion of production, but with insufficiencies; (3) increasing complexity of the countries' economies and societies without the corresponding political reforms; (4) growth and diversification of exports, but with continuing external vulnerability; (5) the deaf men's dialogue between the public and private sectors regarding their respective roles in promoting economic development, and (6) the stimuli and constraints of economic integration in Central America. All of these so-called dilemmas share a common trait threading through them: the pitfalls of making absolute statements about what is happening in Central America, due precisely to the increasing complexity of the countries' economies and societies. Let us explore further.

1. *Economic growth without economic justice*

As a case in point of what I have just said, it would be just as wrong to state that the Central American countries have experienced a dramatic process of economic development in the past quarter-century as it would be to state—as is often done—that nothing has happened since 1950. In point of fact, all five countries have experienced substantial economic expansion since that time, with an average rate of growth of the GDP of 5.3% in real terms over the 27 year period (the most dynamic economies were Nicaragua and Costa Rica, the least dynamic, Honduras). Even taking account of the high rate of population growth, per capita real income almost doubled during this period, which is an impressive long-run performance for countries that are not particularly well endowed with natural resources.

Even in the 1970s, a period in which the region confronted particularly severe problems—the increase in oil prices, the turbulence in international monetary and financial markets, the food and raw material shortages of 1974/1975, several droughts and, to boot, three major natural disasters (in Nicaragua, Honduras and Guatemala)—the average rate of growth exceeded 5.6% in real terms.

This period of expansion of the productive capacity of the five countries was accompanied by changes. There was a notable shift towards urbanization, the supply of certain basic services improved, communications were greatly developed, and the relative shares of secondary and tertiary activities increased in importance *vis-à-vis* primary activities. However, one of the crucial questions that must be raised is whether the benefits of growth and change in Central America have had a lasting effect on the majority of the region's inhabitants.

There are two alternative extreme scenarios in reply to this question. On the one hand, some persons would argue that there has indeed been a "trickle-down" effect, and in support of their position they point to the growing "middle class", especially in urban centres; to declining rates of illiteracy and mortality — especially infant mortality — and to rising life expectancy at birth; to the vastly improved communications and telecommunications networks in each country and, in general, to the process of "modernization"; and to the impressive increase in the consumption of non-durable consumer goods. On the other hand, others argue that for the majority of the population there has been no perceptible change in the standard of living during the past quarter-century. The defenders of this latter thesis argue that the Central American countries' model of development tends to concentrate income in the hands of a very few; that while it may be true that some socio-economic indicators show improvement, it is equally true that in absolute terms, for example, there are many more illiterates today than there were twenty years ago; that the expansion of physical infrastructure has only benefited a minority, and that the real income of the "poorest of the poor" may very well have declined due to the combined effects of the land tenure system and inflation.

Probably the truth lies somewhere in between these two extreme positions, but one fact is undeniable: economic growth in Central America has by no means benefited all groups in the same manner, and a significant segment of the population — possibly over 50% — lives in what would be described as extreme poverty by any reasonable criteria.

The highly inequitable income distribution in most of the countries — Costa Rica's situation is less acute than that in the others, but only relatively so — makes for

some striking contrasts, since the upper and middle income groups emulate the consumption patterns of more developed societies, especially the United States. It is therefore common, mostly in the capital cities, to see the most wretched slums located within blocks of spanking new shopping centres, stocked with the most exotic of consumer goods, and with parking lots overflowing with late-model Mercedes Benz and other luxury automobiles.

2. Expansion of production, but with insufficiencies

This brings us to the second dilemma. Maybe there is something to be said for Raúl Prebisch's theory about the "dynamic insufficiency" of most Latin American countries. As already noted, 27 years of impressive economic growth have brought scarcely any improvement in the material welfare of a significant proportion of Central America's population, and the economies have not grown at a rapid enough rate even to begin to offer full employment. On the average, open unemployment is anything between 8 and 15% of the economically active population, while it is estimated that underemployment probably ranges between 40 and 50%.

Possibly the demographic panorama is partly to blame for this situation. The Central American countries have some of the highest population growth rates in the world and, except for Costa Rica, there has been no clear decline in these rates during the past quarter-century. Thus, the region's population grew from 8.3 million inhabitants in 1950 to 19 million at the end of 1977, and it is estimated that it will reach 39 million by the year 2000. In addition, it is by and large a young population, with a high ratio of dependency on the economically active population.

But there is another aspect to the so-called insufficiencies. Like the boy who cried "wolf" once too often, economists have periodically predicted that the region's capacity for growth was exhausted, and that only profound transformations in the economic structure could get the engine of growth moving again. After all, how much more coffee, cotton, and bananas can the world consume? So far, these apocalyptic predictions have not been borne out and in the long run the countries have managed a fairly respectable performance as far as growth is concerned. However, two things can be said. In the first place, this economic expansion has obviously been uneven, and all countries have experienced periodical profound recessions, mostly coinciding with cyclical fluctuations in the prices of the basic commodities they export (or, in some instances, with crop failures). In the second place, during the past few years there have been some disturbing signs that the prophets of doom may yet have their day, and these signs have not been read clearly only because the extraordinarily high prices of coffee provoked a short-lived boom in 1976 and 1977. The industrialization rate has remained stagnant during the past seven years, after spectacular growth in the early 1960s, and imports of agricultural commodities—especially basic foodstuffs—have been increasing dramatically. More important, prospects on the international markets for most of the commodities the region exports are not good. With all these adverse signs, can the Central American countries maintain their past economic growth performance in the future? Only time will tell.

3. Increasing complexity of the countries' economies and societies without the corresponding political reforms

The process of growth and change described above has brought about increasing com-

plexity of the countries' societies and the establishment of new forms of organization. For example, the industrial development and urbanization stimulated by the Central American Common Market has created a small urban proletariat, while the increasing diversification of the agricultural sector—for example, the emergence of sugar as an important export crop—has also led to the strengthening of rural trade unions. At the same time, the agricultural co-operative movement has experienced an important expansion in some countries. The relatively new phenomenon (for Central America) of significant inflationary pressures in the 1970s certainly helped to make these movements more vociferous in their demands. Their emergence as new pressure groups over the past quarter-century has been viewed with mixed emotions by the so-called "establishment" or dominant groups of society. The labour movement has generally been regarded with great apprehension and has frequently been resisted, sometimes with extreme repressive measures. In other instances, efforts have been made to co-opt the union leadership in order to ensure a "tame" labour movement. Somewhat similar reactions have been observed *vis-à-vis* the co-operative movement, especially in the rural areas.

However, in spite of the efforts to suppress or at any rate control the emergence and growth of popular movements, and in spite of the hostile attitude that exists in at least three countries to any such developments, the dynamics of economic growth and the increasing complexity of the economies and societies—aided, as I have stated by inflation—have spawned numerous such movements. Is the political structure, still geared to the traditional power groups, ready to adapt to this new and potentially explosive development? Is further repression in store and, if so, will it be able to reverse the trend? Will these new pressure groups alter the power

structure in the long run? It is too early to tell, but those who argue that nothing has changed in Central America in the past 25 years would be well advised to examine the implications of the co-operative movement in Guatemala, the labour movement in Honduras, and the peasant/Catholic-action movement in El Salvador before coming in with their final verdicts.

4. Growth and diversification of exports, but with continuing external vulnerability

Economic growth in Central America has traditionally been a function of exports, aided, since the early 1960s, by industrial development resulting from the establishment of the Central American Common Market.

The days of monoculture in Central America—one of the prime characteristics of the region for centuries—are now more or less over, since in no country does the single most important export commodity account for more than 50% of exports (as against 80% to 90% in 1950), nor does any single import market absorb more than 50% of that product. The diversification and expansion of total exports is reflected eloquently in the figures: the value of exports increased from 325 million dollars in 1950 to 500 million in 1960, 1.3 billion in 1970, and 4.7 billion in 1977. This last figure is admittedly somewhat inflated due to the price of coffee prevailing at the time, but this more than fourteen-fold increase in the value of exports over a 27 year period is nevertheless impressive.

At the same time, considerable progress was made in import substitution, especially of manufactured consumer goods, as the integration process gave this sector a powerful boost. The relative share of industry in the GDP rose from 12.9% in 1960 to 15.6% in 1970, while the relative share of

consumer goods in the make-up of total imports declined. However—and here is my main point—in absolute terms imports of consumer goods continued to grow, while imports of intermediate and capital goods took the place of consumer goods as the main import commodities. In total, imports grew even quicker than exports, and in spite of diversification and growth of exports the region's balance-of-payments gap was not closed but on the contrary, grew. As a matter of fact, with the above-described growth and diversification, the region's dependence on imports increased markedly: in 1950, imports accounted for 15% of the GDP, a proportion which increased to around 20% in 1960 and remained there throughout the 1960s, but then gradually increased again in the 1970s until it reached the astounding level of 32% in 1977, due, in part, to the region's extreme dependence on imported oil.

The almost constant growth of the current account deficit has been financed by increasing capital inflows, consisting of both direct foreign investment and public and private borrowing. The book value of foreign investments in the region approximately doubled between 1960 and 1970, and doubled again between 1970 and 1976, to surpass the billion dollar mark. This gives rise to all the well-known polemics about the relative positive and adverse effects of the transnational corporations operating in the region. The public external debt has also risen markedly, although it is still within prudent limits, at least for three of the region's countries. The balance of the public external debt rose from practically zero in 1950 to almost 2.5 billion dollars at the end of 1977, and this trend will no doubt continue, raising the spectre of eventual debt-capacity problems.

In sum, in spite of impressive accomplishments on the export side and in imports substitution, Central America's external sector is more vulnerable today than ever,

due to its extreme dependence on: (1) export markets; (2) imports, especially of strategic items such as raw materials, petroleum, and capital goods, and (3) ever-increasing net capital inflows.

5. The deaf men's dialogue between the public and private sectors regarding their respective roles in promoting economic development

The direct involvement of the public sector in the Central American economies is very modest, and has only grown somewhat in the past few years. Public expenditure only represented between 13 and 14% of the GDP between 1950 and 1970, while in 1977 it has increased to 16.8%, partly on account of the abnormally high capital cost of reconstruction in Guatemala and Nicaragua. In addition to this very low ratio of public expenditure, the public sector is rarely involved in productive activities, and it was only during the 1960s that it took over most utilities.

The private sector, for its part, seems to have been nurtured by cold-war ideology, and it has never quite outgrown the consequences. Representative entrepreneurial groups, organized in Chambers of Commerce, Industry and Agriculture, defend the principles of free enterprise with religious fervour, extoll the virtues of capitalism, and rail against State intervention. The public sector, for its part, does not act as a monolithic unit. However, certain groups within this sector, which could be characterized as a Central American technocracy, have managed to influence governments to the point where they take a more reformist stance. As a consequence, there has been a deaf men's dialogue in the region — more intensive in some countries than others — on the relative merits and shortcomings of "intervencionismo" (which, in the eyes of some, is just a hair's breadth from com-

munist) and "liberalismo". In the shouting, what is generally not perceived is that neither the public nor the private sectors do a reasonably efficient job in fulfilling roles that each implicitly assumes for itself. The rate of capital formation in the region, for example — both public and private —, has been slow. The ratio of private investment to GDP barely changed between 1950 and 1970, and it has only increased slightly in the past few years, probably as a result of the vast accumulation of surpluses in the export sector. Thus, the ratio of total capital formation to GDP grew from 13.5% in 1950 to 15.1% in 1970 and 19.5% in 1977; still very low even for developing countries.

Furthermore, the private sector has a marked proclivity to invest in high-yield, short-risk ventures, especially real estate and commerce, which are not precisely the highest-priority areas for economic development. Nor are the economic agents quick to respond to the signals of the market economy, due to the natural imperfections of the functioning of capitalism in its underdeveloped form (what the Economic Commission for Latin America calls "capitalismo periférico"). Enterprises are usually organized at the family level, and efficiency is undoubtedly low.

As for the public sector, when it does get involved in nudging the economy along the path of some pre-conceived "strategy", it more often than not makes a mess of it. The frequent accusations of the private sector that the State is a "poor administrator" are unfortunately borne out with unbelievable persistency. The performance of public utilities is sometimes adequate, but usually sub-standard; the delivery of public services such as education and health is usually poor, and many State-run institutions such as port authorities, development banks, airlines and national lotteries seem to have a special bent for losing money.

In short, "messiness", by certain

standards, seems to be a characteristic of the Central American societies and neither the public nor the private sector perform very efficiently in making important contributions to the development process. Possibly if the deaf men's dialogue were replaced by a more constructive one, this general state of affairs could be gradually overcome.

6. *The stimuli and constraints of economic integration in Central America*

I would like to extend myself a bit on this topic —which is close to my heart and may

be of more than passing interest to you— so I will take it up again later. For now, I will limit myself to pointing out that the formation of the Central American Common Market gave industrial growth a very powerful stimulus during most of the 1960s, but that somewhere between 1967 and 1969 it apparently touched its ceiling. The process still exhibits great vitality, measured in terms of intra-regional trade and the survival of the CACM even after an armed conflict between two of its member States. Nevertheless, the question of how to continue the very dynamic progress observed, say, between 1960 and 1967 poses the sixth dilemma that I referred to.

III

At present, Central America seems to be marking time once again, at a quantitative and qualitative level very different from that of 1950, but with a number of constant problems —balance of payments, unemployment, low capital formation, extreme inequalities in income distribution— which have all continued to be present throughout this long period. As we have seen, the region now contains relatively stronger, more complex societies, whose economic importance, at least within the Latin American context, should by no means be minimized (after all, total imports of this small region are not very much lower than Mexico's). The many problems that are implicit in what I have said so far have been joined in the present decade by at least three new potential obstacles to development which were either not present or not of significant importance previously. These are: (1) the region's high dependence on imported fuel; (2) the new problem of inflation, and (3) potential debt burden problems. Just a few words on each of these topics.

Unfortunately for Central America, the low price and abundance of petroleum before 1972 meant that, a very significant part of the region's generating capacity is based on thermal power. Thus, the bill for imported petroleum, which was only 60 million dollars in 1970, rose to 430 million dollars in 1977. The only commercial find of petroleum in Central America has been in Guatemala, and it is too early to tell just how important this find is. The considerable hydroelectric potential of the region will therefore have to be developed, but the capital costs that this involves are staggering, and will no doubt skim away resources from other high-priority requirements. This poses at least another "mini-dilemma" for the countries of the region.

Inflation is a problem the countries are barely beginning to learn to cope with. Price stability was exemplary in the post-war period; between 1950 and 1970, the average price index only rose about 13% in

20 years. Between 1970 and 1977, however, the average price index increased 74%. Given the relative weakness of labour unions—in spite of their growing strength—and the dynamics of economic growth in Central America and almost everywhere else, the first important impact of inflation will no doubt be to aggravate the already inequitable structure of income. How to avoid this is an additional “mini-dilemma”.

Finally, the increased foreign debt of

most Central American countries comes at a time when access to international capital markets, and especially access to concessionary funds, is becoming increasingly difficult for so-called “middle-class countries”. Therefore, the final “mini-dilemma” I want to raise is how the Central American countries are going to continue to finance the level of imports required to maintain an acceptable level of growth.

IV

I would now like to return to the topic of the Central American Common Market. As most of you know, in the early and mid 1960s it was viewed both by Central Americans and by the international community as a highly successful programme of economic integration between developing countries; part of this success was reflected in the considerable increase in intra-regional trade, which passed from 32 million dollars in 1960 to 260 million in 1968. This spectacular growth in trade is a further reflection of the rapid expansion of productive capacity in the manufacturing sector, spurred on by the expanded regional market and by deliberate industrial development policies, including, of course, a uniform protective tariff. In the short span of five years an almost perfect common market was established and the institutional framework to promote integration was consolidated. There was further progress in aspects essential to free trade, such as the establishment of the Central American Clearing House to expedite the payment of intra-regional transactions and the construction of a regional highway network on which goods could be transported rapidly and at reasonable cost. In addition, there was an

aura of good will—even a kind of mystique—in the negotiations between governments on regional affairs, and a most important feature was that economic integration was successfully separated from political issues (hence the presence of the Ministers of Economy instead of the Ministers of Foreign Affairs in the inter-governmental bodies that took decisions at the regional level).

However, once the initial decisive measures had been taken, the process failed to expand in scope and in level: in other words, once the common market was formed and consolidated, the feeble efforts to subject an ever-widening number of economic activities to regional approaches did not produce significant results, nor were the governments willing to entrust greater executive responsibilities to the regional institutions.

Those of us schooled in neo-functional thinking were conditioned to look forward to the proverbial “spill-over effects” and the gradual evolution of the integration process along its pre-conceived path. When this did not happen, we began to suspect that something was amiss, and soon the word “crisis” crept into the lexicon of Central

American integration. To be sure, the process had serious problems: the unequal distribution of costs and benefits among member countries, the natural conflicts between national development policies and regional objectives, the very limited body of supporters that existed in the region in favour of integration, and the difficulties that retarded decision-making at the regional level. However, these problems could — and can — be coped with, and in fact it would be naive to think that economic integration between countries can evolve without this type of obstacles. The only real “crisis” afoot was one of *expectations*, since the process was not evolving as anticipated, but evolving it was, and in a quite satisfactory manner. Without denying that the process confronted obstacles by 1967-1968, I feel that the magnitude of them was often exaggerated and that somehow we had lost sight of the considerable degree of economic interdependence that had already been achieved at that time, in spite of those obstacles.

Then in 1969 a very significant event took place: for reasons we need not discuss here, an armed conflict broke out between two of the member countries of the CACM, with two major consequences. In the first place, and as a testimony to the degree of economic interdependence already achieved, the Common Market survived, albeit with some mutations (trade between El Salvador and Honduras was suspended, and Honduras withdrew from some of the inter-governmental regional organs). In the second place, the relative isolation of economic integration from political phenomena had ended; from now on, economic and political considerations would be indissolubly interrelated.

Since 1969, two major opposing tendencies have been at work. On the hand, the negative factors present before 1969 have continued manifesting themselves, together with some additional problems

that we need not go into now, thus giving the impression of a certain *impasse* in the integration process. On the other hand, notwithstanding the disturbance of its normal functioning the Common Market has shown a measure of vitality that is often ignored, especially outside of Central America. Intra-regional trade continues to expand every year and it has more than doubled in value in the present decade, moving from 300 million dollars in 1970 to over 700 million dollars in 1977: a respectable sum in anybody's book, and equivalent to almost 20% of the region's total foreign trade. Most of the regional institutions continue to operate with a semblance of normality, and with the participation of all five countries. The Central American Bank for Economic Integration has increased its level of lending activities year after year, and both El Salvador and Honduras signed an agreement to further monetary integration in Central America only weeks after the armed conflict. These two countervailing forces — *impasse* and vitality — have created certain tensions that could be productively exploited to provoke a new impetus in the integration process, but this possibility has so far come up against an insurmountable political barrier: the still unresolved conflict between El Salvador and Honduras.

Hence my statement about the interrelations between economic and political phenomena at the regional level. The first step required to resolve the tensions described above and tilt the balance in favour of the dynamic aspects of integration is to resolve the differences between these two countries, and fortunately a mediation process is already underway which hopefully will culminate in the signing of a treaty that would, in effect, bury those differences. Once this considerable hurdle is cleared, the second step would be to seek solutions to the main problems that integration has faced, rejecting any pre-conceived theoretical framework and approaching these prob-

lems with a large measure of realism and pragmatism. For example, we should recognize that integration is a complement to national development policies and that not all activities have to be subjected to common treatment; that the process will not necessarily culminate in the formation of an economic unit, so that we should abandon commitments that involve the fulfilling of time-tables or stages; and that the conceptual framework that might have been adequate for the 1950s is not necessarily suitable for tackling the different problems we face in the 1970s and in the future. The accent should be put on those areas of economic activity where integration makes sense, and where it becomes relevant to the national development effort of each country. I personally feel that much more emphasis should be placed on specific integration projects—in industry, energy and agriculture, for example—since these projects, in addition to increasing the level of economic interdependence between

countries, have an intrinsic value which is easily measurable for the participating countries.

In sum, maybe the Central American Common Market is not alive and well, but it most certainly is alive, and we should be able to make it well. In fact, the integration process has shown remarkable vitality. I do not share the opinion held by some that the CACM is and will remain stagnant: on the contrary, the type of difficulties that each of the countries will face in its economic development up to, say, the end of this century, makes integration more relevant than ever. In view of the efforts of the Governments of El Salvador and Honduras to settle their differences, I feel that we may be about to turn the corner on this matter, and that it is not excessive optimism on my part to believe that the possibilities that economic integration offers to further development in the region have barely begun to be explored.

V

To conclude, I should like to say a few words about the economic prospects of Central America in order to come full-circle back to the original query as to the viability of these countries, or at least their economic viability.

I am very reluctant to speak like an oracle, because every time I have done so in the past, when the future has looked very bleak, some unforeseen phenomenon—like a frost in Brazil which provoked price increases in coffee, to the benefit of Central American producers—has come along to alter the picture. In addition, as pointed out previously, the Central American economies have shown a greater capacity for diversification, growth and accommodation to changing international economic

conditions than one could normally expect. Having said all that, however, when one views the future one nevertheless cannot avoid harbouring serious doubts as to the prospects of small, “middle-income” underdeveloped countries, whose economies are so dependent on the export of basic commodities. It is really difficult to imagine how Central America can maintain the dynamism exhibited by its exports in the past 27 years, given world market conditions and the increasingly difficult access to external financing. It is also difficult to see how the persistent problems alluded to earlier can be overcome without a massive mobilization of resources.

One thing can be categorically stated, however. The ability of the Central

American countries to navigate the rather turbulent waters of the international economy in the future, as well as their ability to cope with many of the domestic problems I have enumerated, would improve markedly if the economic integration process were given new impetus. There is something to be said for the old proverb "in unity there is strength", and I feel that it is unnecessary to elaborate on the

many ways in which a regional approach would improve the viability of the Central American economies.

So, I finish my statement by really begging the issue, because I do not have an answer, but I do suggest that there is at least some hope for the economic future of these five small countries if they exploit the possibilities that common action holds out for them.