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Review

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Sectoral transformations in employment in Latin America

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The purpose of this article is to analyse the available statistical data in order to contribute to the interpretation of the process of absorption of labour in Latin America over the last 30 years.

In view of the size of the topic, the author has limited his treatment to the search for answers to a few specific questions about the evolution of employment in each sector. With regard to agriculture, some evidence is offered concerning the changes in the relationships of production which accompanied the sharp decline in agriculture's relative share of the total labour force. In considering the transformations in industry, the author examines the view that maintains that this sector is incapable of absorbing labour at a rate that can cope with the magnitude of the growth of the non-agricultural active population and, in his analysis of the tertiary sector, he helps to throw light on the nature of the sector's remarkable expansion from 1950.

The fact that the questions are directed at each sector does not mean that the author has lost sight of the interaction between them. On the contrary, one of the ideas that guided his interpretation of the data is the existence of a process of modernization which is gradually penetrating the various sectors in response to pressures which usually, but not necessarily, come from the industrial sector and whose degree and sequence of penetration depend on the modalities of development adopted in each country.

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Introduction

The demographic expansion and the accelerated process of urbanization in the Latin American countries in recent decades were accompanied by profound changes in the sectoral distribution of the labour force. There has been a continuous decline in the share of agricultural manpower in the total labour force and, at the same time, an increase in the relative importance of industry and of services as activities that absorb labour.

Although there is considerable agreement about these trends in the literature, opinions differ more when it comes to the meaning of the trends and the effect of each of them with respect to changes in the internal composition of the sectors. Thus, the strong and continuous decline of the relative share of agriculture in the labour force is recognized, but there is disagreement as to whether the decline has been mainly among unwaged agricultural workers or among small farmers.

Where industry is concerned, there has been agreement on the importance of the expansion of its workforce in recent decades, but this agreement has been associated with divergent thinking as to whether the growth rate is sufficient to meet the demands for employment generated by the massive shift of agricultural labour to non-agricultural activities. There have also been disagreements about the dynamism and the pulling power of the process of industrialization as a means of raising the overall productivity of the economy by instituting, strengthening and expanding modern activities, both in the sector itself and in the other sectors of production.

With regard to the tertiary sector, it is already a commonplace to point out that the greater part of the growth of the urban labour force was in services. However, opinions diverge considerably as to whether this growth should be characterized as perverse or non-perverse.

In considering these divergent views from the historical standpoint it is not easy to decide how many of the disagreements are due to substantive differences in the analytical frameworks within which the general trends in the sectoral transformations in employment are interpreted, how many to conceptual ambiguities and how many to data problems. Only in recent years have the terms of the debate begun to be defined with precision, owing, on the one hand, to the development of classifications in which activities are

grouped according to theoretically meaningful criteria—for example, the distinction between productive, distributive, social and personal services (Browning and Singelmann, 1975) and, on the other, to the compilation of data bases on sectoral employment which incorporate adjustments and corrections to improve their synchronic and diachronic comparability¹ and which, facilitate the formulation and testing of various hypotheses concerning the characteristics of the evolution of employment in each sector, as well as the analysis of the sectoral transformations in each country within the framework of what has happened in all the

countries of the region.

It should be noted that the information available for 1980 for some countries probably does not reflect the most important implications of the recent economic crisis for the characteristics of the distribution of employment by occupational branch and category. Although it may be assumed, in principle, that this impact will exacerbate the problems of labour absorption, it is difficult to know exactly what the time-lag will be between the crisis situation and its effects on the structure of the labour force, given that the initial impact tends to be mainly on the unemployment and underemployment rates.

I

The agricultural sector

The dimensions of the transfer of labour from agriculture to the other sectors can be seen from the fact that, while total EAP grew by 2.1% annually between 1950 and 1960, and by 2.3% between 1960 and 1970, agricultural EAP grew by 0.9% in the first period and by 0.7% in the second. These figures meant that, whereas in 1950 54% of the region's total labour force was agricultural, in 1970 the figure was barely 41.3%² (table 1).

To judge by the little information available, the declining trend in agricultural EAP seems to have grown steeper in the decade 1970-1980. In fact, in all of the eight countries for which information was obtained³ employment in agriculture declined in this period from 37.2% to 26.6% of the total labour force.

¹ The methodology followed to improve the historical comparability of data on sectoral employment appeared in ECLA (1979b). It was subsequently revised to render the information uniform among countries and make synchronic comparison possible.

² In assessing the significance of this decline, it should be borne in mind that the natural growth rates of the rural population are usually greater than the urban rates (United Nations, 1974).

³ Argentina, Brazil, Costa Rica, Cuba, Chile, Panama, Peru and Venezuela. In 1970 the agricultural labour force in these countries accounted for more than half of the total for the whole region.

As a framework for evaluating the significance of these changes it is useful to consider the evolution of agricultural employment in the developed capitalist countries. In those countries the decline in agricultural EAP is a process that has been going on for a long time since its beginnings in the second half of the last century, but it accelerated from 1950—just as it did throughout Latin America—with the result that in the 20 years from 1950 to 1970 the fall was greater than in the 60 years from 1890 to 1950 (Bairoch and Limbor, 1968). The downward movement continued between 1970 and 1980, so that at the end of that period only two countries, Spain and Italy, had percentages above 10%, even though they too experienced large reductions in their agricultural EAP during the decade. These small labour forces were sufficient to produce the food required by high-consumption industrial societies and in some cases—most notable the United States, Canada and Australia—to generate large exportable surpluses.

In 1970 some Latin American countries did have agricultural employment figures similar to those of the developed countries, but the majority remained predominantly agricultural or had agricultural EAP figures of over 40%. The subsequent reductions that can be seen in the data available for 1980 show how the gap between the

Table 1
LATIN AMERICA: CHARACTERISTICS OF THE EVOLUTION
OF AGRICULTURAL EMPLOYMENT
1950-1980

Countries	$\left(\frac{\text{Agricultural EAP}}{\text{Total EAP}} \right) (\%)$				$\left(\frac{\text{Waged agricultural EAP}}{\text{Agricultural EAP}} \right) (\%)$			
	1950	1960	1970	1980	1950	1960	1970	1980
Argentina	26.74	19.92	16.23	12.90	59.3	50.9	54.0	52.7
Bolivia ^a	72.49	63.76 ^b	46.94	...	24.4	...	12.9	...
Brazil	60.06	54.46	45.29	30.55	34.2	26.4	25.6	38.4
Colombia	55.86	48.67	43.46	...	43.1	42.7	48.4	...
Costa Rica	56.41	49.79	38.34	27.22 ^b	59.8	54.4	60.1	63.4 ^b
Cuba	41.71	36.65 ^b	30.22	19.00	62.6	...	65.3	...
Chile	31.53	30.45	23.11	15.83 ^b	69.6	69.7	63.3	51.0 ^b
Ecuador	65.46 ^a	56.18	48.37	...	42.4	40.3	37.0	...
El Salvador	64.59	60.43	59.10	...	50.0	63.9	51.2	...
Guatemala	68.43	65.74	58.04	...	...	54.7	36.4	...
Haiti	84.53	78.89 ^b	71.46	...	6.0	...	11.5	...
Honduras	80.60	68.39	61.42	...	34.8	27.6	31.1	...
Mexico	58.30	49.43	40.85	...	30.3	43.7	48.2	...
Nicaragua	67.70	57.46	47.67	...	...	48.3	48.7	...
Panama ^a	59.21	56.77	43.36	30.88	10.2	17.5	20.6	29.6
Paraguay ^a	55.36	57.11	51.09	...	...	...	...	...
Peru	58.16 ^b	51.35	42.86	37.44 ^a	...	31.6	24.4	20.2
Dominican Rep.	66.88	66.18	54.20	...	...	24.9	36.7	...
Uruguay	21.29 ^b	19.40	17.51	...	...	54.3	50.0	...
Venezuela	43.95 ^a	32.20	24.17	14.58 ^b	35.2	35.0	28.3	35.1 ^b
	54.03	48.18	41.29					

Source: Prepared on the basis of national population censuses.

^aRefers to employed population.

^bEstimated.

two groups of countries is closing, but the same effect has probably not been produced in productivity per man employed in agriculture for in the European countries in 1970 it was four to six times higher than in Latin America (ILO, 1980).

Although the rationalization of Latin American agriculture entailed a remarkable reduction in the relative size of the agricultural workforce in all the countries, the transformations set in motion by the massive shift of labour to other sectors affected different categories of agricultural workers differently, depending on the characteristics of the national systems of production. In an historical analysis of the growth of the occupational categories most affected by this process three groups of countries stand out (table 1). In the first, agricultural development seems to have entailed a proletarianization of the labour force. Haiti, Mexico, Panama and the

Dominican Republic belong in this group, which can also include Costa Rica in the period from 1960 to 1980 and Brazil, which in the decade 1970-1980 shows a remarkable increase in the relative proportion of waged agricultural workers in the sector's workforce.

The second group is made up of countries—most of them in the Andean area—in which there is a trend towards small farming, by which is meant an increase in the number of family farming units within the agricultural sector. This is the case for Bolivia, Chile, Ecuador, Guatemala and Peru, between 1960 and 1970.

The other countries do not show a clear pattern of trends towards proletarianization or small farming among agricultural workers. The majority of them—Argentina, Colombia, Cuba, Nicaragua and Venezuela—show changes of little significance in the structure of the rela-

tionships of production in the period under consideration. In Uruguay there was a slight drop in the number of waged workers. Honduras and El Salvador underwent major changes between 1950 and 1960 but in 1970 their numbers of waged agricultural workers were similar to those of 1950.

All this leads to the conclusion that, at least since 1950, the changes in the social structures of the countries of the region resulting from the processes of rationalization of agriculture have not followed a uniform pattern.⁴

This finding calls into question any attempt to make generalizations about Latin America on the basis of a supposed similarity with regard to the possible effects of the process of agricultural modernization on the composition of the labour force. It also points to the need to approach the analysis of these problems by grouping countries separately according to a series of relevant variables in order to explore the evolution of the relationships of production in agriculture. I refer, for example, to the principal types of production, the technologies used therein and the extent, depth and other central features of the agrarian-reform programmes adopted in the countries.⁵

In considering the forms which the rationalization of agriculture has been taking, attention must also be given to certain relatively recent changes in the relationships of production which up to now have been poorly reflected in the data collected in population and housing censuses and national surveys of households. I am referring to the replacement of permanent by temporary workers, and, among these temporary workers, to those who are taken on directly by the producer and those who agree to terms on

which they will provide their labour with a contractor who in turn negotiates with the producer. Although it is clear that in some regions this phenomenon has been known for decades (as in Argentine Patagonia and the south of Chile), with the process of modernization this form of contracting has spread to many regions, especially in Brazil, where it is estimated that approximately 40% of the agricultural workforce operates under this system (Saint, 1981). This phenomenon has accompanied the partial introduction of labour-saving techniques in certain phases of the production cycle of each crop (Roitman, 1982) and it has also been associated with the labour surplus (Miró and Rodríguez, 1982).

The low quality and infrequent collection of the data and the inadequate analytical coverage that characterize the available sources of information constitute one of the main obstacles to the advancement of research in this field. In particular, it has been repeatedly stated that the problems of the measurement of agricultural employment lie both in the classification of women and children in rural areas according to their occupational status and in the correct identification of the occupational categories of workers who increasingly combine during the year waged work with own-account activities typical of small-farmer production units.

One solution to this latter problem would seem to lie in the detailed exploration of the characteristics of the occupational cycles of the agricultural labour force in each country and to use this as a basis for the construction of categories of workers that reflect the sequences of changes—with regard to occupational status branch, occupation, occupational category, area of residence and place of work—which are typical for each country or region (ECLA, PREALC, STPS, 1982). One example of this is the inclusion in Brazil of a category designed to identify migratory workers (*volantes*) and, among them, those directly involved in exploitation and those who operate through intermediaries.

Something else which is necessary, with a view to the advancement of research into the characteristics of agricultural employment, is a revision and amendment of the occupational classification. The changes should be designed to

⁴ The diversity of trends in the transformation of the relationships of production in Latin America agriculture has already been noticed in other papers (for example, Klein, 1981).

⁵ The relationships of production were changed by agrarian reforms in Mexico (1952-1954), Bolivia (1952-1970), Venezuela (1959-1970), Colombia (1961-1972), Chile (1962-1973) and Peru (1963-1976). They were affected by a variety of arrangements between small producers and landowning enterprises which tended to maximize the latter's overall control of production (ECLA, 1979; Miró and Rodríguez, 1982).

facilitate the study of the developments that have taken place in the requirements of labour classification as a result of transformations in

technology and the relationships of production in the agriculture and livestock sector (ECLA, PRE-ALC, STPS, 1982; IPEA, 1977).

II

The industrial sector

Many of the studies of the characteristics of the process of industrialization in Latin America carried out in the 1970s stressed that the success achieved by the middle sector in terms of the growth of its product—which between 1940 and 1970 increased from one-sixth to one-quarter of the total regional product—had outpaced its capacity to generate employment. This result contrasted with the situation in the developed countries, where the share of the industrial product in the total product was equal to or slightly higher than the share of industrial EAP in total EAP.

It was also pointed out that, in the light of the remarkable increase in the urban labour force, this presumed slowness of the fundamental manpower constituted one of the fundamental imbalances afflicting the development of Latin America.⁶

More recent analyses paint a more optimistic picture of the part played by industry in employ-

ment (García, 1982).⁷ These analyses assert that between 1950 and 1980 industrial employment—and particularly modern—grew in many countries of Latin America at rates very close to—and at times higher than—the employment rates in the whole of the non-agricultural sector. Viewed against the backdrop of the rapid process of urbanization in the region during this period, this fact gives the impression that industrialization had a much greater impact on the labour market than had been recognized up to now. Reference is also made to a series of factors which helped to determine the function of Latin American industry as a generator of job opportunities. These factors include the important multiplier effect of industrial employment, and it is stressed that the stimulus provided by many industrial branches, under the protection of the models of economic policy prevailing during the process of import substitution on which a large part of the region's industrial development was based, represented a major indirect contribution by industry to the growth of employment in other activities.

These analyses apply a different focus from the one used in traditional studies of the sectoral changes in employment based on the pioneering work of Fisher (1935) and Clark (1940). Such studies seek to explain the changes in the absolute and relative volume of employment in each sector either in terms of factors operating within the limits of each sector, viewing them as separate entities (for example, technological progress), or of factors that operate outside the limits of the

⁶ It must be made clear what is meant by an adequate growth rate of the industrial sector. The term "dynamic insufficiency" entered ECLA's thinking, especially following the work done by Prebisch in the 1960s, to indicate, in a general way, a certain incapacity on the part of economic growth to absorb productively the expansion of the labour force and, in particular, the inability of the process of industrialization to generate employment in industry and stimulate employment in other sectors so as to enable the large numbers of workers who moved from agriculture to the big urban centres, as well as the existing labour force already engaged in low-productivity urban activities, gradually to be incorporated into high-productivity activities. In this sense, the notion of "dynamic insufficiency" seems to point to a theoretical parameter that implicitly defines a desirable goal, in the long term, for the industrialization process and allows an analysis to be made against this background, of the present status of the process in a given country and at a given time. In other words, "dynamic insufficiency" would constitute a definition of development in terms of the capacity for productive absorption of the labour force.

⁷ Some writers have stressed the improvement in the quality of industrial employment rather than its numerical increase, in order to paint an optimistic picture of the role played by industry in employment; from this standpoint, industry would indicate the direction to be taken by the other branches of production (Ramos, 1968).

sectors and influence all of them (for example, changes in patterns of consumption, in the structures of labour markets or in State policies). In any event, no attention is given to changes in the interdependent relationships among the phases of activities that contribute to the production of specific goods (Momigliano and Siniscalco, 1982). The later analyses, on the other hand, take particular account of these changes and offer an integrated view of the structure of sectoral employment which directs the researcher's attention towards the repercussions that the generation of employment in one sector may have on the others and which provides a more complete picture of the dynamics of employment resulting from the various kinds and the intensity of growth in a sector. In a recent application of this approach, García and Marfán (1982) conclude that for each direct job created in the manufacturing industry pressures are generated that create one or more additional jobs in other activities. As these writers put it, the results of the studies "endorse the need to take into account the degree of integration and the role of an activity within the productive structure in order to explain its capacity to affect the generation of productive employment" (*op. cit.*, p. 12).

The figures in table 3 enable us to test the generating is based on three kinds of argument: the first stresses that industry lags behind with respect to growth in non-agricultural EAP. The second underlines the slowness with which the modern sector of industry absorbs the sector's "informal" activities. The third points to the small increase in industrial employment in comparison to the increase in the industrial product. These arguments are usually brandished about in a comparison of the results of the performance of industrial employment in Latin America with the performance of the countries which industrialized early.

The figures in table 3 enable us to test the first kind of argument. The table compares the growth of industrial EAP with the growth of non-agricultural EAP. It can be seen that the figures for the period 1950-1960 justify a pessimistic view of the capacity of industry to generate jobs, for in only three out of 15 countries does the growth of industrial EAP exceed that of non-agricultural EAP. In the following decade the picture is different: relative absorption by industry

improves in 10 of the 15 countries considered with respect to the previous period and the growth rate is faster than that of non-agricultural EAP in eight out of 17 countries.

For the period 1970-1980, three out of the six countries for which information is available show values higher than unity, which indicates an increase in industrial employment at a faster rate than in non-agricultural EAP. Furthermore, the trend towards relative growth of industrial EAP persisted in Brazil and Panama. On the other hand, the nature of the trend changed in Costa Rica and Venezuela and in Chile, a country in which the growth of industrial employment was much lower than the growth of non-agricultural employment. Finally, the comparison of the data for the period 1970-1980 for Peru with those for the previous decade reveals a trend towards faster relative growth of industrial EAP, but still at levels much lower than the growth of the whole of the non-agricultural sector.

As inadequate generation of industrial employment has traditionally been attributed to factors related to the intensive use that modern industrialization makes of capital, I have made a rough estimate of employment in this type of industry, excluding from the total industrial EAP own-account workers and unpaid family members.⁸ An examination of the values of the index that compares the growth of "modern" industrial EAP with that of non-agricultural EAP leads to the conclusion that in all the countries considered modern industry has generated more employment than industry as a whole and that in countries such as Argentina, Mexico, Venezuela and Chile the growth of modern industrial employment has been clearly higher than the growth of non-agricultural employment (table 2).

As in the two previous decades, in the period 1979-1980 the relative growth of the workforce

⁸ To facilitate the comparison between countries and between different periods in one country, the figures for active population in industry have been made homogeneous and consistent with Revision 1 of the International Standard Classification of Occupations, with workers in repair shops being considered as belonging to manufacturing industry. The exclusion of own-account workers and unpaid family members from the industrial labour force tends to reduce the share of workers in repair shops, as well as those employed in small artisan industries, in the total industrial EAP.

Table 2
LATIN AMERICA: PERCENTAGE OF EAP IN INDUSTRY, RELATIONSHIP OF
THE GROWTH OF EAP IN INDUSTRY AS A WHOLE AND IN MODERN
INDUSTRY TO THE GROWTH OF NON-AGRICULTURAL
EAP, BY COUNTRY, 1950-1980

Country ^a	Percentage EAP in industry				Industrial EAP growth Non-agricultural EAP growth				EAP growth in modern industry Non-agricultural EAP growth	
	1950	1960	1970	1980	1950-1960	1960-1970	1950-1970	1970-1980	1950-1970	1970-1980
Haiti	4.9	6.3 ^b	7.8	...	...	...	0.83	...	...	...
Honduras	11.5	7.9	10.5	...	-0.05	1.45	0.62	...	...	...
Guatemala	10.9	10.5	12.9	...	0.64	1.11	0.93	...	...	...
El Salvador	11.9	12.9	11.3	...	0.91	0.43	0.62	...	0.74	...
Dominican Rep.	8.5	8.6	13.4	...	0.55	1.21	1.04	...	...	...
Bolivia	8.2	9.8 ^b	11.3	...	...	...	0.58	...	0.68	...
Paraguay	15.5	15.3	16.0	...	0.96	0.87	0.91	...	...	...
Ecuador	10.1	13.9	15.6	...	1.54	0.91	1.18	...	...	...
Nicaragua	11.4	11.5	14.6	...	1.00	0.88	0.93	...	...	...
Peru	14.9 ^b	13.7	11.6	11.4 ^{cd}	...	0.01	...	0.38 ^{cd}	...	0.66 ^e
Brazil	12.9	13.7	14.8	17.7	0.74	0.87	0.80	1.27	0.90	1.27
Mexico	12.2	13.7	18.5	...	0.93	1.22	1.08	...	1.21	...
Costa Rica	11.2	11.5	13.7	16.1	0.72	0.99	0.89	0.89	1.00	0.94
Panama	8.7	8.6	9.9	10.5 ^{cd}	0.61	0.93	0.80	1.18 ^{cd}	0.96	1.69 ^e
Colombia	12.5	13.0	17.3	...	0.75	1.08	0.95	...	...	...
Venezuela	11.2	13.0	15.6	16.3 ^e	0.99	1.17	1.08	1.13 ^e	1.22	1.28 ^e
Chile	19.4	19.1	21.8	16.8 ^e	0.58	1.19	0.98	0.66 ^e	1.26	0.83 ^e
Uruguay	21.7 ^b	23.4	23.0	...	...	0.76	...	...	...	...
Argentina	25.3	27.7	24.0	...	1.12	-0.04	0.55	...	5.15	...

Source: Prepared from national census figures.

^aPlaced in descending order according to agricultural EAP percentages in 1970.

^bNo census taken. Estimates by interpolation between 1940 and 1960.

^cISCO Rev. 2: excluding repair shops.

^dEquivalent to employed population.

in modern industry was higher than that of total EAP in the six countries considered, and in three of them it was higher than the growth of non-agricultural EAP. Moreover, in Brazil, Panama and Venezuela the share of modern industry in non-agricultural employment grew at a faster rate than in the past. The opposite happened in Chile, while there was no great change in this respect in Costa Rica.

There are few studies that compare the history of the growth of industrial employment in Latin America with the experience of today's industrialized countries in the period when—like the Latin American countries analysed here—they were transferring the bulk of their agri-

cultural labour force to non-agricultural activities. Norberto García (1982) compares the industrialization of the countries of the region with that of the United States between 1870 and 1910, when there was a massive shift of manpower in that country to non-agricultural areas of employment that had growth rates which mirrored those of the industrialized countries of Europe at that time. Except in the case of Argentina, García was able to conclude from this comparison that the changes in the proportion of manufacturing EAP in total EAP were very similar; that the growth rate of manufacturing employment in the United States between 1870 and 1910 was lower than the rate registered in Latin

America between 1950 and 1980; that in the same periods the decline in the share of manufacturing EAP in non-agricultural EAP was sharper in the United States than in Latin America; and that despite the higher growth of non-agricultural EAP, the share of the industrial workforce remained almost constant at about 23%, while in the United States it had fallen from 23.8 to 21.6%.

Tokman (1981) draws similar conclusions from his analysis of the changes in the share of industry in non-agricultural EAP between 1950 and 1980 in Latin America and his comparison of them with the changes in the United States, Sweden and Japan in similar periods in the past, with respect to the size of the shift of agricultural labour to other sectors.

However, Tokman finds that, unlike the United States, Latin America has a level of employment in the informal segment of industry (using own-account workers as a proxy) which is relatively high and close to the average for other sectors. But, even more importantly, his data reveal that whereas in the United States informal industrial workers are quickly absorbed by the more modern sector, in Latin America their numbers remain almost unchanged. This fact—the second argument referred to above—enables him to underline the magnitude of the effort that the industrial sector of Latin America must make if it is to resolve the employment problem.

The composition of the industrial workforce by occupational category in the developed countries in about 1980 supports Tokman in attributing little importance to unwaged workers in industry. In fact, the values range between 1% (Canada, United States) and 7% (Denmark). Countries which industrialized more recently or which still have fairly large segments of the labour force in agriculture show values ranging between 12% (Portugal, Spain, Italy) and 16% (Japan) (ILO, 1980 and 1982). These figures are not too far distant from the ones for Panama and Brazil in 1980 (11.5 and 14.3%, respectively).

But, contrary to Tokman's assertion, unwaged workers in industry appear to be absorbed (or displaced) fairly quickly in Latin America; this is significant if it is remembered that, owing to the type of technology used, it is now much more costly than in the past to incorporate new

workers in the modern sector of industry (table 3).

Of the countries for which comparable estimates are available for the period 1950-1980, Chile shows a decline in the proportion of unwaged workers from 30 to 21%, Venezuela (1960-1980) from 31 to 20%, Panama from 40 to 11%, Brazil from 14.8 to 14.3% and Peru (1960-1980) from 46 to 29%.⁹ In general it can be seen that, without reaching the very low levels typical of the countries which industrialized early, the dominant trend in Latin America from 1950 has been towards a reduction in the number of unwaged (informal) workers in industry—slow in some cases and fast in at least eight of the 18 countries considered.¹⁰ This indicates a reduction in the industry's internal homogeneity with respect to the composition of its labour force by employment category.

With regard to the third argument—industrial EAP lags behind the sector's product—table 4 and figure I show the trends between 1950 and 1970 in the index that relates these two factors and they present a comparison of the situation of the Latin American countries in 1970 with that of some developed countries, taken as a framework of reference. The index relating the percentage of industrial product in the total product to the percentage of industrial EAP in the total EAP also measures the relative productivity of the industrial sector with respect to all sectors. In figure I the countries are arranged according to the value of the index and according to their percentage of agricultural EAP in the total EAP.

There appear to be two trends in the evolution of relative industrial productivity (figure I). In the first, led by Nicaragua, Guatemala, El Salvador, Panama, Peru and Brazil—which are

⁹ Although the 1980 data were originally calculated on the basis of ISCO Rev. 2, which excludes repair shops, the figures given here were estimated in order to make them comparable with those for earlier years.

¹⁰ The exceptions are Ecuador, Honduras and Haiti; it is probable that in these countries the urbanization which took place between 1950 and 1970 led to an increase in the workforce of the artisan sector of industry and in the tertiary branches. Note, moreover, the atypical case of Brazil which at no time in the period under consideration seems to have faced the need to absorb an informal industrial sector, for its percentage of unwaged workers in industry in 1950 was similar to the figure for Japan 30 years later.

Table 3
 PERCENTAGE OF EAP IN INDUSTRY AND TRADE 1970, PERCENTAGE OF UNWAGED EAP IN
 INDUSTRY AND TRADE FOR LATIN AMERICAN COUNTRIES 1950-1980 AND
 OTHER COUNTRIES IN ABOUT 1970^a

Country	EAP in industry					EAP in trade				
	%	Unwaged				%	Unwaged			
	Total	(% for all industry)				Total	(% for all trade)			
	1970	1950	1960	1970	1980	1970	1950	1960	1970	1980
<i>Latin America</i>										
Argentina	24.0	22.0	22.7	19.7	...	14.8	43.0	47.5	48.5	...
Uruguay	23.0	...	25.1	22.5	...	13.8	...	35.7	46.1	...
Chile	19.9	30.3	23.2	24.6	21.0	11.6	52.3	54.1	49.1	44.5
Venezuela	15.6	...	30.9	22.4	19.6	14.8	...	48.4	47.8	46.7
Colombia	17.3	42.1	33.2	...	...	...	62.3	56.3	...	...
Panama	9.9	40.3	31.1	26.7	11.5	11.8	41.5	33.2	27.5	23.4
Costa Rica	13.7	27.6	26.5	16.5	17.8	11.1	47.5	39.8	33.4	34.6
Mexico	18.5	26.9	16.9	23.2	...	10.8	71.8	61.9	49.7	...
Brazil	14.8	14.8	12.3	14.4	14.3	7.8	52.8	49.2	45.9	37.8
Peru	11.6	...	45.8	34.4	29.0	9.8	...	63.2	56.4	67.5
Nicaragua	14.6	...	40.0	38.6	...	10.0	...	59.9	59.3	...
Ecuador	15.6	36.5	56.9	44.3	...	9.8	52.2	72.0	63.7	...
Bolivia	11.3	53.0	...	49.9	...	7.5	82.9	...	80.4	...
Dominican Rep.	13.4	...	34.8	30.2	...	8.2	...	62.0	63.2	...
El Salvador	11.3	42.2	32.8	29.7	...	8.4	65.3	58.6	57.5	...
Guatemala	12.9	...	48.2	47.3	...	7.6	...	66.2	65.7	...
Honduras	10.5	42.0	43.0	43.4	...	7.9	70.1	58.5	52.9	...
Haiti	7.8	60.2	...	70.8	...	9.4	87.5	...	94.7	...
<i>Other countries</i>										
United States	27.0			1.5		20.3			10.0	
Belgium	32.7			5.7		8.0			46.8	
Canada	22.3			1.7		17.7			11.5	
Sweden	27.6			2.3		14.5			9.8	
Denmark	24.9			8.2		14.9			27.4	
France	27.8			4.8		15.2			27.6	
Norway	26.7			5.3		15.7			15.8	
Japan	27.0			15.2		21.4			36.0	
Italy	...			...		14.3			67.4	
Spain	27.1			9.5		12.9			41.1	
Greece	17.2			32.4		11.3			61.2	

Source: Prepared from national population-census figures and OECD and ILO data.

^aPlaced in descending order according to agricultural EAP percentages.

shown in the figure as broken lines—the movement of labour from agriculture to the other sectors takes place in circumstances of large increases in relative industrial productivity. Owing to the fact that the process of industrialization in these countries is being completed without solving the agricultural problem and with a high proportion of the labour force remaining in agri-

culture, heterogeneous production structures are established in which industries that have advanced by adopting the technology of their time coexist with traditional forms of agricultural production on which broad segments of the population depend for their livelihood.

The remaining countries, on the other hand, seem to follow an inverted-U trend. On the

Table 4
LATIN AMERICA AND OTHER COUNTRIES: DIFFERENCES IN
INDUSTRIAL PRODUCTIVITY AND PERCENTAGES OF
AGRICULTURAL EAP BY COUNTRY, 1950 AND 1970

Country	Difference in productivity		Percentage of agricultural EAP	
	$\left(\frac{\text{Industrial produc-tivity}}{\text{Total productivity}} \right)$			
	1950	1970	1950	1970
Argentina	0.94	1.26	25.34	16.41
Bolivia	1.51	1.14	72.50	53.67
Brazil	1.64	1.92	59.70	45.60
Colombia	1.18	1.01	56.80	37.90
Costa Rica	1.04	1.10	56.84	42.01
Chile	1.19	1.37	32.60	23.80
Ecuador	1.58	1.12	64.42	51.03
El Salvador	1.08	1.56	65.60	56.10
Guatemala	1.02	1.13	68.70	61.00
Haiti	1.67	1.25	84.53	71.46
Honduras	1.94 ^a	1.33	70.20 ^a	66.50
Mexico	1.53	1.25	61.20	45.20
Nicaragua	0.95	1.32	62.39	50.00
Panama	0.94	1.67	56.30	41.60
Paraguay	1.03	1.08	56.00	52.60
Peru	0.95	1.78	58.16	46.22
Dominican Rep.	1.45	1.25	69.90	54.20
Uruguay	0.94	1.05	21.29	18.22
Venezuela	1.00	0.96	43.04	25.64
West Germany		1.17		8.6
Australia		1.10		8.0
Belgium		1.07		4.7
Canada		1.35		7.6
Denmark		1.16		11.5
Spain		1.07		29.5
France		1.12		13.9
Greece		1.10		38.9
Netherlands		1.22		7.2
Japan		1.41		17.4
United States		1.11		4.5

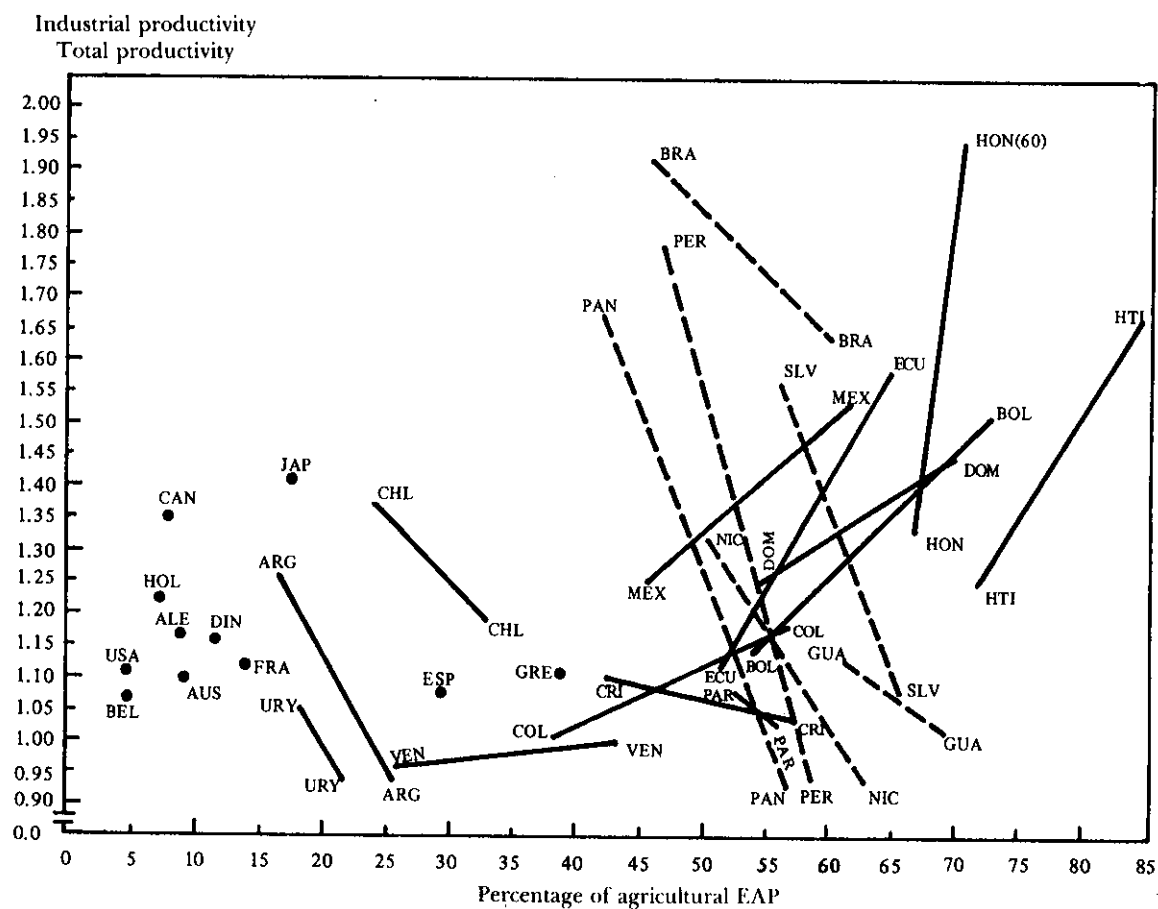
Source: OECD (1981) for the percentages of industrial EAP in total EAP. United Nations (1980) for the percentages of industrial product in total product. The figures for Latin America are own estimates on the basis of censuses and ECLA archive data on national accounts.

^a1960.

downward side of the curve are found countries such as Haiti, Honduras, Bolivia, the Dominican Republic, Ecuador and Mexico. The rural-urban migrations bring about a reduction in the relative share of the labour force in agriculture which fosters an increase in its productivity, an increase which may also have been encouraged by the

agrarian-reform programmes and technological advances that influenced several of these countries. Colombia and Venezuela are located at the bottom of the U. At the top of the upward curve are found Argentina, Chile, Uruguay and, to a certain extent, Costa Rica. In these countries industrial productivity takes the lead over pro-

Figure 1
DIFFERENTIAL PRODUCTIVITY OF INDUSTRY ACCORDING
TO PERCENTAGE OF AGRICULTURAL EAP, 1950-80



Latin American countries (1950-70)

ARG: Argentina
BOL: Bolivia
BRA: Brazil
COL: Colombia
CRI: Costa Rica
CHL: Chile
ECU: Ecuador
SLV: El Salvador
GUA: Guatemala

HTI: Haiti
HON: Honduras
MEX: Mexico
NIC: Nicaragua
PAN: Panama
PAR: Paraguay
PER: Peru
DOM: Dominican Rep.
URY: Uruguay
VEN: Venezuela

Other countries (c. 1970)

ALE: West Germany
AUS: Australia
BEL: Belgium
CAN: Canada
DIN: Denmark
ESP: Spain
FRA: France
GRE: Greece
HOL: Netherlands
JAP: Japan
USA: United States

ductivity in the other sectors once there has been—in relative Latin American terms—significant progress in the solution of the agricultural problem, with smaller proportions of the labour force remaining in that sector.

Finally, in the integrated economies of the developed countries the pulling effect of the process of industrialization on the other sectors stimulates the growth of overall productivity, gradually narrowing the gap between sectors.

To sum up, the data analysed does not pro-

vide statistical support to justify the pessimism with which the capacity of Latin American industry to generate jobs in recent decades has been evaluated. Rather, the data suggest that this sector has performed dynamically, no matter what pattern it is judged by, and especially when it is considered in the light of the exceptional pressures brought to bear on the urban labour market by the massive shifts of agricultural workers to non-agricultural activities.

III

The tertiary sector

On the basis of the classic assertions of Fisher and Clark on the evolution of sectoral transformations in employment—which were assumed to reflect the historical experience of the majority of the developed countries—a series of studies was carried out to test for the existence of certain unilinear patterns in the changes in the structure of employment. For the purposes of this section it is important to stress two aspects of the changes noted in these studies. The first is the order of the sectors with regard to the transfer of labour from one to another. The second concerns the significance that should be attributed to the tertiary sector.

With respect to the order of the differential increases in the sectors, we know that Clark maintained that the expansion of industrial activities came before the expansion of services. In fact, however, there is sufficient evidence that this pattern of intersectoral growth seems to have been followed in only a few countries which industrialized early (Singelmann, 1978; Bairoch and Limbor, 1968). Moreover, the data presented by Clark in his original work (1940) show that this order was not found in countries such as the United States, Japan and Canada, whose industrial development took place later than in the majority of the European countries. More recent research has tended to recognize that the capacity of the secondary sector to absorb the manpower displaced from agriculture depends to a large extent on the technological level attained in

the period when industrialization takes place. The relative progress in the expansion of the services workforce in the countries which industrialized late is attributable, in this view, to the greater difficulty in incorporating technological advances in the activities of this sector, which causes a closer relationship between the growth of the sector's product and its capacity to absorb labour (Berry, 1978; Browning and Singelmann, 1978; Muñoz and Oliveira, 1979).

The significance to be attributed to the expansion of services is closely linked to one's views on the sequences followed by sectors in their growth. For Clark, the relative size of the tertiary sector (and in particular that of commerce and finance) was a good indicator of the degree of development of the social division of employment and, at the same time, a good measure of the level of economic progress achieved by a country. On the other hand, those who maintained that the expansion of the tertiary sector preceded the expansion of industry were inclined to emphasize the marginal role of service activities and their function as a refuge for the surplus of urban labour which could not find a place in industry.

The subsequent discussion produced at least two important methodological developments. The first of them, pointed out by Bauer and Yamey (1951) in the first criticism of the Clark model, stresses the intrinsically heterogeneous nature of the tertiary sector, which means that

changes in the sector cannot be treated as if they were a single phenomenon. Accordingly, hypotheses that would be rejected with respect to the sector as a whole might be accepted for specific branches. One result of this position was the gradual abandonment of research and the substitution of analyses based on various attempts at disaggregation. (Singer, 1971; Singelmann, 1978; Browning and Singelmann, 1975). The second methodological innovation stresses that, if the nature of the growth of service activities is to be understood, an analysis must be made of the way in which they are incorporated in the modern system of production and, in particular, the way in which they are related to the process of industrialization. The exact extent to which the growth of services is determined by demands derived from the productive process may be established by studying the interrelationships between the sectors on the bases of input product matrices (Momigliano and Siniscalco, *op.cit.*).

The information was not available for an attempt to be made in this paper to apply the second methodological line. Instead, an attempt has been made to aggregate, for some of the countries of the region, the groups and subgroups of tertiary-sector activities in accordance with a typology proposed by Browning and Singelmann (1975). These writers classify services into distributive, production, social and personal. Owing to the limitations of the data available, some of the categories do not include all of the activities referred to by Browning and Singelmann.¹¹

The purpose of the analysis of table 5, which presents data on the annual growth rates of each of the four types of service activity mentioned above for Brazil, Costa Rica, Guatemala and Venezuela, and for Peru from 1970 to 1980, is to

ascertain whether the growth of the services labour force was due fundamentally to an expansion of so-called informal activities (associated with the growth of what are here called personal and distributive services) or of activities more closely connected with the process of economic and social modernization (which are here classified as productive and community). A first examination of the table reveals certain similarities with respect to the sequence of the growth rate in each country. Thus, in the five countries the largest increases are in activities connected with production services, such as banking, credit agencies, financial institutions, insurance, real estate, warehousing and general business services (employment agencies, accountants, economic information and personal credit agencies, consultants, reproduction services, etc.).

The process of industrialization contributes directly or indirectly to the remarkable expansion of these services in the form of the demands that result from the creation of new industries or the growth of existing ones or the demands generated in other sectors and among the population in general by the modernization induced by industrialization.

Despite the great growth of these activities, their share in all services is less than 7% and they generally represent proportions similar to those of the developed countries in about 1920 (table 6). In the five countries in question second place in the order of growth rates belongs to social and community services, which include the activities of the government and the armed forces, health, education, religious, social-welfare and cultural bodies, communications, urban public health, etc., designed to meet the requirements of collective consumption and control of the population and which are usually carried out as part of the apparatus of State. Although the expansion of these activities is also affected by the requirements of the industrialization process (manpower training, for example), their growth is probably influenced more by the expectations instilled in the population by the "demonstration effect" of the developed countries. The types of services created in the developed countries, and the proportion of the population that has access to them, gradually become patterns that stimulate awareness of the need for such services in the minds of the peoples of the developing countries,

¹¹ Repair services (which Browning and Singelmann propose should be classified under personal services) have not been taken into account. The practical reason for their exclusion is that for the majority of the countries the disaggregated data needed for separation of these services from the rest of industrial activities (ISCO Revision 1) or from service activities (ISCO Revision 2) were not available for every one of the years compared. It is important to note that, even though they are concerned with personal consumption, the repair services which have shown most growth, such as repair shops for automobiles and electrical domestic appliances, are closely connected with manufacturing production.

Table 5
AVERAGE ANNUAL GROWTH RATES BY COUNTRY, ACCORDING TO TYPE OF SERVICE

Services	Brazil		Costa Rica		Guatemala		Peru		Venezuela	
	(1950 to 1970)		(1950 to 1970)		(1950 to 1970)		(1970 to 1970)		(1950 to 1970)	
<i>Distributive</i>	3.8		5.2		3.8		5.2		4.2	
Transport		2.8		5.3		4.1		2.8		3.7
Trade		4.4		5.1		3.7		6.2		4.4
<i>Productive</i>	7.1		13.9		7.6		10.5		6.0	
Banking and finance		8.3		9.4		9.0		10.7		8.9
Insurance		2.3		11.2		12.8		10.7		11.2
Real estate		7.2		27.0		7.1		10.7		11.2
Business services		...		...		6.8		10.7		3.2
Warehousing		4.2		...		6.2		2.8		...
<i>Social</i>	5.2		7.1		4.0		7.5		5.5	
Health and sanitation		4.9		7.1		6.3		7.6		6.9
Education		7.5		7.1		5.0		7.6		9.0
Welfare and religion		4.5		7.1		10.4		7.6		...
Government		4.1		7.8		2.8		7.6		4.3
Communications		4.1		2.8		3.5		2.8		8.9
Other social		...		...		...		...		5.5
<i>Personal</i>	4.8		4.2		3.0		0.9		2.6	
Domestic		4.9		4.2		2.7		1.9		0.4
Restaurant and hotels		4.2		4.2		1.1		-0.6		1.9
Laundry and dyeing		4.3		4.2		-3.1		0.5		...
Hairdressing, etc.		4.3		4.2		3.3		0.5		...
Entertainment		4.9		4.2		3.8		0.5		7.0
Other personal		11.2		...		11.4				11.1

Source: Prepared on the basis of national population and housing censuses.

and this in turn brings increasing pressure to bear on governments to make such services available to segments of the population previously excluded from them. Paul Singer (1978) argues that part of the expansion of the social services should be attributed to the "control services" which come into being as a response to the social tensions generated by the rate of industrialization.

Both the share of social services in total services and the changes that took place in 1950 and 1970 are similar in Latin American and developed countries alike (table 6).

With the exception of Brazil, the distributive services—transport and trade—occupy third place with respect to growth levels. In the majority of the countries, EAP in these services constitutes the bulk of the tertiary labour force, although its relative share seems to be declining in favour of the productive and social services. Part of this decline must be attributed to the fact

that the expansion of the transport workforce has been held back by the gradual replacement of public transport by private, which is associated with the enormous increase in automobile parking.

Finally, the lowest growth is in personal services, where domestic workers form the largest segment of the total labour force. These services are designed for personal and household consumption and, in the words of Browning and Singelmann (1975, p. 9), "they are most sensitive to supply and demand factors and the size of establishments is smaller than in the case of social services".¹²

¹² In a study which distinguishes personal services from government and community, business, and recreational services, in six countries of the region between 1950 and 1960 Miller (1972) also finds that employment in personal services loses its predominance in the tertiary sector, while community, business and recreational services increase their relative share in the sector as a whole.

Table 6
SERVICES: PERCENTAGE OF EAP ACCORDING TO TYPE
OF SERVICE, BY COUNTRY, 1920-1970

Country	Year	Type of service			
		Distributive	Productive	Social	Personal
Italy	1920	46.2	7.0	22.0	24.7
	1950	42.2	7.6	31.5	18.7
	1970	...	...	...	...
Japan	1920	52.3	3.3	20.5	23.8
	1950	50.9	5.3	25.3	18.6
	1970	49.8	11.2	22.4	16.7
France	1920	53.5	5.9	19.7	20.8
	1950	42.5	8.0	27.7	21.8
	1970	35.5	12.6	33.9	18.1
United Kingdom	1920	44.2	5.9	20.4	29.5
	1950	41.9	7.0	26.4	24.7
	1970	34.5	10.8	37.4	17.3
United States	1920	48.7	7.3	22.7	21.4
	1950	43.3	9.3	24.0	23.4
	1970	35.9	15.1	35.0	14.0
Brazil	1950	43.4	3.0	27.3	26.3
	1970	37.3	4.9	30.4	27.4
Costa Rica	1950	40.1	2.4	25.7	31.8
	1970	34.7	6.1	32.1	27.2
Guatemala	1950	40.9	1.9	23.8	34.4
	1970	41.8	4.0	25.0	29.2
Venezuela	1950	32.5	4.4	29.0	34.1
	1970	32.3	6.0	36.9	24.9
Peru	1970	36.8	3.7	27.1	32.5
	1980	37.9	6.2	34.3	21.5

Source: Latin American countries: prepared on the basis of national population and housing censuses.
Other countries: Browning and Singelmann (1978).

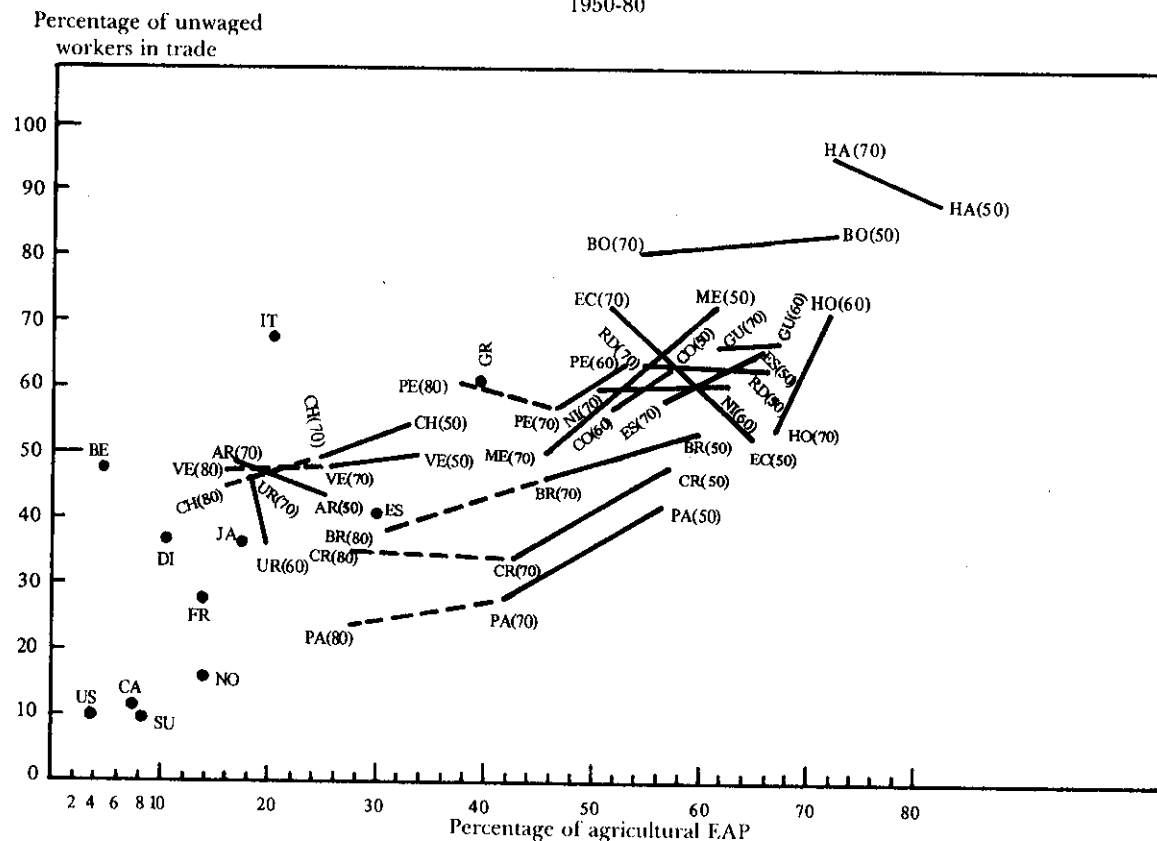
The foregoing analysis throws some light on the process of tertiarization in the countries of Latin America in recent decades. Basically, the data do not appear to support the view of a growing share of "informal" or "marginal" activities in the tertiary sector concentrated in the distributive and personal services. This view is based on the assumption that a considerable part has been played in the sector's expansion by low-productivity activities of relatively easy accesses which operate on a small scale and in under-institutionalized markets.¹³ The segment of the

labour force in question include a significant proportion, but one that varies from country to country, of persons working on their own account, independently or in small family enterprises or in personal services with very low productivity. The bulk of this segment of the labour force is made up of unwaged workers in industry and trade and waged domestic staff.¹⁴ The evolution of these groups must therefore be analysed if the characteristics of tertiarization are to be defined accurately.

¹³For an analysis of the concept of informality see Tokman (1979) and Peattie (1980).

¹⁴Unwaged service workers make up about 1% of the total services EAP and this figure also includes large segments of the liberal professions.

Figure II
PERCENTAGE OF UNWAGED WORKERS IN TRADE
ACCORDING TO PERCENTAGE OF EAP IN AGRICULTURE,
1950-80



Latin American countries (1950-80)

Other countries (c. 1970)

AR:	Argentina	HA:	Haiti	JA:	Japan	IT:	Italy
BO:	Bolivia	HO:	Honduras	CA:	Canada	US:	United States
BR:	Brazil	ME:	Mexico	BE:	Belgium		
CO:	Colombia	NI:	Nicaragua	GR:	Greece		
CR:	Costa Rica	PA:	Panama	NO:	Norway		
CH:	Chile	PE:	Peru	ES:	Spain		
EC:	Ecuador	RD:	Dominican Rep.	FR:	France		
ES:	El Salvador	UR:	Uruguay	DI:	Denmark		
GU:	Guatemala	VE:	Venezuela	SU:	Sweden		

In the previous section we saw that between 1950 and 1970 the relative proportion of unwaged industrial workers in the industrial labour force declines rapidly and that this downward trend continues in the following decade. Table 3 showed the evolution of unwaged workers in trade and figure II relates this to the percentage of EAP in agriculture. It can be seen that, as in the case of industry, there is a general downward trend of the relative proportion of these workers in the total labour force in trade, but unlike industry, in 1970 this sector tends still to

have a large percentage of unwaged workers, even in countries in which agricultural EAP shows a decline. The fall in the proportion of unwaged workers in the trade labour force is probably connected with the static or slow absorption by other sectors of the economy of informal trade units which, depending on the country, can constitute a large part of the total of trade units operating with unwaged labour.

With a view to expanding the frame of reference and throwing a little more light on the relationship between unwaged workers in trade

and informal activities, it is useful to examine the data for the developed countries presented in table 3 and figure II. The table shows that while there seems to be a generalized pattern in the development of industry of incorporating almost the whole of the sector's workforce as waged workers, this does not happen in trade, where the proportions of unwaged workers show a very broad range of variation, which in the case of the developed countries runs from 10% (Sweden and the United States) to 67% (Italy). The existence and persistence of family enterprises in trade seem to be connected in some European countries with the forms of urban settlement that took place in the past, the average size of towns and the relationship between them, and the cultural patterns that developed from the relationships between consumers and distributors of goods.

If this is true, the moment in history at which urban and trade expansion takes place is an important date for understanding the likelihood of small business enterprises coming into being and maintaining themselves as integrated units in the general cycle of production and distribution of goods. This argument has useful methodological implications for the determination of the "informal" sector, in that consideration of the historical evolution of urbanization in each country should make it possible to define more accurately the contexts in which a greater or lesser correspondence between "informality" and types of business units may be expected. For example,

in the Latin American countries which underwent urbanization relatively early, such as Argentina and Uruguay, the expansion of trade occurred at a time when the sector's technology favoured the establishment of businesses based in families. Furthermore, the large-scale immigration from the countries of southern Europe brought with it the forms of business organization which predominated in the countries of origin. The infrastructure of the network of inputs necessary for the operation of these organizations and the cultural patterns that guided consumer attitudes had an opportunity to mature and strengthen before having to face the competition from new forms of organization associated with the technology of modern businesses. In such a context there may not be any association, or only a weak one, between own-account workers in trade and the characteristics attributed to "informal" activities. Instead, in the countries which underwent urbanization recently, such as, for example, the countries of Central America, part of the trade expansion which fuels urbanization adopts current business technology, and both the input network and the patterns of public consumption are structured primarily around the dominant type of business, and this becomes a limiting factor on the development possibilities of family-based enterprises. In this kind of context, it is very probable that the characteristics attributed to "informal" activities have more in common with those of family businesses.

IV

Conclusions

Historical experience and international comparisons of countries with different levels of development all predict that the countries of Latin America will continue to undergo massive shifts of labour from agriculture to other sectors of activity. The modernization of production together with the gradual establishment in the countryside of enterprises of a clearly capitalist cut will contribute to this process, as will the increasing expectations of the rural population for access to services which are still mainly con-

centrated in the urban centres. A variant of this process, on which separate information is at present available although not in sufficient quantity for evaluation of its relative importance at the national level, is the increase in segments of the population living in the town which combine over the year agricultural activities with work in industry or services in response to the demand generated by the replacement of permanent by temporary agricultural workers.

The impact of the rationalization of agricul-

ture on changes in the relationships of production has differed according to the principal agricultural products, the existence and effectiveness of agrarian-reform programmes, the strength of the cultural roots that bind communities to the land, the rate of introduction of agricultural technology, etc. The partial evidence offered in this article points to the existence of this diversity and, conversely, to the lack of a uniform pattern of proletarianization or movement towards small farming in the countries of the region.

With regard to the non-agricultural sectors, the data examined do not support the picture of an industrialization process that has only a weak capacity to generate employment, especially in view of the enormous numbers of workers that are incorporated in urban activities and the types of technology that may exist at the time when industrialization takes place.

Although the first impact of the transfer of agricultural labour to the towns would have produced a growth of services poorly integrated into the process of industrialization, this would still have permitted the formation of an urban labour market and a concentrated consumer demand which would have promoted industrial expansion. This process would be reflected in the speed-up in some countries in the growth of the

industrial labour force relative to the growth of non-agricultural EAP from 1960. At the same time, there would have been a gradual incorporation of services into the industrialization process which would have led to a new upswing in tertiary growth, but this time of a different kind and closely associated with the inputs required by industrial development and with increased access to services resulting from the greater productivity generated by industrialization.

Given the standpoints from which structural transformations are at present analysed, it is not possible to explore the degree of integration and, in general the interactions between industrial growth and the growth of services. In order to trace intersectoral connections, it is necessary to formulate methodologies, possibly on the basis of input-product matrices, for studying the repercussions on the sectors of employment created in one of them.

To the extent that "informality" is reflected in greater or smaller numbers of unwaged workers, the information presented does not support the picture of an advance in these activities in either industry or trade; the fact is rather that they are gradually absorbed by the modern sector of the economy.

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