

# CEPAL

## REVIEW

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UNITED NATIONS

39

# CEPAL

## Review

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#### Notes and explanation of symbols

The following symbols are used in tables in the *Review*:

Three dots (...) indicate that data are not available or are not separately reported.

A dash (—) indicates that the amount is nil or negligible.

A blank space in a table means that the item in question is not applicable.

A minus sign (-) indicates a deficit or decrease, unless otherwise specified.

A point (.) is used to indicate decimals.

A slash (/) indicates a crop year or fiscal year, e.g., 1970/1971.

Use of a hyphen (-) between years, e.g., 1971-1973, indicates reference to the complete number of calendar years involved, including the beginning and end years.

Reference to "tons" mean metric tons, and to "dollars", United States dollars, unless otherwise stated.

Unless otherwise stated, references to annual rates of growth or variation signify compound annual rates.

Individual figures and percentages in tables do not necessarily add up to corresponding totals, because of rounding.

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# Comments on the paper by Professor Olof Ruin

*Adolfo Gurrieri\**

The paper presented by Olof Ruin invites comment on very diverse aspects of Swedish and Latin American political development. I would like to concentrate on the question of the initial political conditions which made the transformation of the Swedish economy and society possible. This transformation, which began in the 1920s, is of special interest in that it managed to combine economic development, equity and democracy right from the start, without sacrificing any one of these objectives in favour of the other.

From this point of view, the overriding questions are: what were the initial political conditions which made it possible to realize the Swedish model? What conditions explain how the balance of power in Swedish society in those years could have brought such a transformation about and how could it have taken place without violent upheavals?

I will attempt to suggest some replies to these questions, as a way to stimulate additional comments from Olof Ruin and, of course, to raise some political issues which are of special interest to Latin Americans.

The *first condition* warranting examination is one which explains why the Swedish economic élite accepted this transformation, which did not coincide with its doctrinal outlook, or with its immediate interests. Doubtless the political lucidity of some of its leaders had an influence on their acceptance, but I think it would be erroneous to suppose that this was the main factor. Instead, I suspect that there were other factors which had a decisive impact.

First, this acceptance was spurred by a feeling of being under threat from popular pressure

from within Swedish society and from what was happening in some nearby countries in those years; the events in the Soviet Union and Germany must have convinced the economic élite that there was much to lose if it did not adopt a flexible position.

Second, the armed forces did not seem willing to repress this popular pressure on any large scale and to wreck democratic institutions.

Third, the economic élite did not have the possibility in those years of evaluating its interests and manoeuvring within the broad framework of the international economy, but instead saw itself obliged to decide its destiny within the confines of its national society.

A fourth contributing factor was a weakening of the electoral power of the parties of the Right and the élite's lack of confidence in its own proposals for coping with the crisis of those years.

Finally, the alternative proposal offered by the Social Democrats did not imply the elimination of the economic élite, but rather a restructuring, in which the élite would occupy an important position.

The *second decisive political condition*, second on my list but not in importance, was the existence of forces capable of serving as a social support for the transformation proposal. Three features of the two main social forces (the Social Democratic Party and the trade unions) should be highlighted:

- a) their political strength;
- b) their capacity to propose and promote a proposal which covered the whole of society, i.e., which was neither a sectoral nor a corporative proposal, but a national one;
- c) their pragmatism which allowed them successfully to perceive where the point of intersection lay between the maximum that their opponents were willing to concede and the minimum that they themselves were willing to demand.

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Presentation made at the seminar "Development, democracy and equity: the experiences of Sweden and Latin America", jointly organized by the ECLAC Social Development Division and the International Centre of the Swedish Workers' Movement and held in Santiago, Chile, from 29 to 31 May 1989.

The *third decisive political condition* was the prior existence of democratic institutions. Naturally, it was not just a matter of the democratic institutions providing a forum for negotiation and agreement, but rather, and primarily, of the existence of a democratic attitude among all the actors; this attitude implies a respect for one's political adversary and the conviction that inevitable conflicts of interest should be resolved through negotiation between the parties. This democratic attitude benefitted from the existence of solid national unity rooted in a homogenous population in which there were no major ethnic or religious antagonisms.

Lastly, I would like to mention a *fourth condition*, which is directly linked to the way in which Sweden dealt with its peasant problem. A very important role in the Swedish political process, has been played by the significant group of small and middle-sized peasant landowners, with a concomitantly weak aristocracy or agrarian oligarchy. As Professor Ruin points out, the alliance between the Social Democratic Party and the Peasant Party in the 1930s constituted one of the bases of the transformation.

But, in addition, when the expansion of commercial farming in the nineteenth century created a rural proletariat in Sweden, international emigration provided a safety valve; between 1860 and 1910 around 20% of Sweden's population emigrated to the United States, easing rural poverty and the economic and political problems it would have caused. The way in which the Swedish peasant problem was resolved doubtless had an influence on both the content of the transformation and the non-violent nature of its evolution.

A comparison of these initial political conditions of the Swedish experience with those currently existing in Latin America provides some interesting material for debate; but it is always dangerous to generalize about a region such as Latin America which contains very different national situations.

*First*, it is my impression that the predominant economic élites in Latin America today are much less inclined to accept a deep transformation combining development, equity and democracy. There is no doubt that, in general terms, they feel threatened by mass pressure and political violence, but at the same time they feel they

are in a good position to defend themselves against this pressure. On the one hand, there is the possibility of repressing it by force; military coups that restore the *status quo* are an ever-present threat in Latin American politics. Furthermore, they are convinced that they know the only way out of the current economic crisis (the neoliberal proposal). Lastly, their transnational nature and their ample access to the international economy give them much greater room for manoeuvre than they would have if they had to decide their destiny within the narrow confines of a national State. Under these circumstances the economic élites of Latin America tend to adopt a rigid stance unfavourable for transformation on the basis of consensus.

*Second*, Latin America has traditional political parties with popular roots which could provide the political support for transformation, but their performance in recent years has been quite disappointing. In some cases they are already so enmeshed in the *status quo* that they cannot serve as the instrument of its transformation; in other cases, when they wished to transform their situation —and could have done so, at least at certain strategic moments— they did not know which way to turn.

The latter point seems to me of utmost importance: there is no viable transformation proposal articulated as an alternative to the neoliberal one and serving as a reference point for parties and movements struggling to bring about the transformation; this doctrinal vacuum has contributed to the failure in recent years to seize some decisive historical opportunities.

In addition, unfortunately, the trade-union movement in Latin America is very much weaker than it was in Sweden. Of course, there are structural factors connected with the heterogeneity of the labour force in our countries which have hindered the movement's development, but in recent years the disruptive force power of unemployment caused by the crisis and the repression by authoritarian governments have aggravated these factors. In the few cases in which the trade-union movement has been able to consolidate itself as a stable political force, it has tended to adopt corporative attitudes which weaken its influence at the national level.

*Third*, the Latin American peasant problem has not been resolved or has been poorly

resolved, with the expulsion of population from the countryside to the cities. Unlike in Sweden, land-ownership is heavily concentrated, and there is considerable rural poverty in many countries, as well as urban poverty which already affects the majority and is increasing.

As is known, owing to the combined effect of population growth, trends in the age structure and changes in participation rates, the economically active population will continue to grow substantially in Latin America in coming decades, creating a tremendous problem with regard to its absorption in a productive manner. Some countries have had recourse on a growing scale to international emigration, but it is obvious that Latin America will not have the same safety valve as Sweden had in the latter part of the last century.

*Fourth*, the existence of very unequal societies, in which there is greater rigidity at the top combined with an increasingly dissatisfied and mobile base, does not provide a suitable foundation for consolidating the institutional mechanisms and democratic attitudes which favour consensus action for transformation; moreover, several of our societies have marked ethnic and cultural inequality in addition to this deep socio-economic gulf, in contrast to the homogeneity and national unity seen in Sweden.

For all these reasons it is my opinion that difficult times lie ahead for those in Latin America who attempt to implement strategies which combine economic development, equity and democracy; and I would not be surprised if the prolongation of the crisis caused the sacrifice of equity and democracy in favour of economic growth and political order.