SOCIAL CHANGE IN LATIN AMERICA IN THE EARLY 1970'S

1. The economic context, the international conjuncture, and implications for national styles of development

Explorations of the patterns of growth and change in Latin America have long focussed on the gap between what is really happening and what should be happening according to the values and theoretical preconceptions of the explorers. They have generally concluded, for many different combinations of reasons, that the identifiable real trends are neither acceptable nor viable over the long term, but have managed to find grounds for expecting major positive changes in the trends, whether by means of enlightened policies to be embarked on by the dominant forces in the societies or by means of a transformation of these forces emerging from the trends themselves. Variations on these themes, in fact, predominate in the series of chapters on Latin America in the Reports on the World Social Situation.

1/ The present chapter is the sixth in a series going back to 1952, and touches only briefly on various topics that have been discussed in previous chapters and that do not manifest important new features. See also Social Change and Social Development Policy in Latin America (United Nations Publication, Sales No. E.70.II.G.3), and "Human Development and Social Change in Latin America", Chapter I in Latin America and the International Development Strategy: First Regional Appraisal (E/CN.12/47/Rev.1, 10 June 1973).

2/ Gunnar Myrdal, however, has combined a negative evaluation, in terms of human values, with a conclusion that "perhaps the most likely possibility would be the continuation of the present trends", with "neither evolution nor revolution". ("The Latin American Powder Keg", Appendix to The Challenge of World Poverty: A World Anti-Poverty Programme in Outline (Allen Lane The Penguin Press 1970).)

NOTE: Tables 1 and 2 will contain the same categories of information as tables 1 and 7 in E/CN.12/47/Rev. 1. They will be brought up to date as new data becomes available.

/Nevertheless, the
Nevertheless, the patterns of growth and change that have so often been described and deplored have persisted, changing quantitatively and in the relative prominence of certain features more than qualitatively, showing a great deal of resilience and adaptability beneath apparent instability and precariousness. They have brought Latin America, or at least the larger countries comprising most of its population, to situations that can be labelled "semi-development" accompanied by pronounced and persistent structural heterogeneity.²/ That is, per capita income levels are now midway between those characteristic of Europe and those characteristic of Africa and Asia, with a few countries within the lower part of the European income range. Sizable and growing proportions of the national populations, except in a few of the smaller and more predominantly rural countries, are participating in "modern" productive and service activities and "modern" patterns of consumption. By 1972 the share of agriculture in gross domestic product, for the region as a whole, had fallen to 15.4 per cent and the share of manufacturing had risen to 25.4 per cent.⁴/ The State, in most of the countries, manages to support an increasingly varied range of "modern" public services and infrastructural investments that are important to the livelihood and the expectations of the greater part of the population. At the same time, the majority in almost all the countries continues to engage in activities of relatively low productivity and low bargaining power, ranging from technologically intermediate labour-intensive activities

²/ The term "structural heterogeneity" refers to situations of wide differences in productivity or "modernity" between as well as within sectors of economic activity, but accompanied by complex ties of interchanges, dominance and dependence within a national socio-economic "structure", as opposed to presumed "dualistic" situations in which two socio-economic structures - "modern" and "traditional" or "primitive" - co-exist in a national territory with only limited interchanges and little influence on each other.

⁴/ See Tables 4 and 5 in Chapter II, "Economic Growth", E/CN.12/947/Rev.1, op. cit. Details concerning recent economic trends summarized later in this section can be found in the same chapter.
fully integrated, however disadvantageously, with the more highly capitalized "modern" activities, down to the manifold forms of ill-paid personal services, subsistence activities, and concealed or open unemployment. The groups at the lowest levels of productivity, bargaining power and incomes continue to be concentrated in agriculture, as the contrast between its share of employment - still over 40 per cent for the region as a whole - and its share of the product demonstrates, but similarly disadvantaged groups persist or even grow in size in the urban activities, notoriously in the services, but also in manufacturing and construction.

The differential expansion of the more "modern", relatively high-productivity activities, with their present characteristics, at foreseeable rates of growth and with foreseeable technological and capital inputs, does not promise appreciable progress toward the overcoming of structural heterogeneity by incorporating the greater part of the population now subsisting outside them. In fact, structural heterogeneity seems to be self-reinforcing economically and politically. The further growth of "modern" consumer goods industries, housing construction and services comes to depend on the size and purchasing power of the upper-income minorities rather than on the scanty purchasing power of the rest of the population. The structure of production derives from, and demands for its continued functioning, a highly uneven income distribution, but this income concentration, by the logic of the system, cannot generate a high rate of capital accumulation. Price policies (particularly for domestically-produced foods), the functioning of the tax system (if not its intention) and weak bargaining power reinforce the disadvantages of the groups in the lower reaches of the economic structure and compel them to subsidize the consumption levels of the "modern" groups, so that their incomes may be even lower than their productivity would justify - although the urban low-income groups can counteract this to some extent by eliciting compensatory subsidies and services from the State. Once the industrial sector acquires sufficient importance so that national policy can set out to promote exports of manufactures an additional reason for income concentration appears, since labour costs must be kept competitively low.
Arguments such as the above, here presented in a very simplified fashion, are by now well-known. The reality of structural heterogeneity is clear enough. Some diagnoses continue to place their main emphasis on insufficient dynamism of economic growth and insufficient accumulation; others on over-rapid population growth and insufficient investment in raising of the quality of "human resources"; still others on the pervasive dependency of Latin American development patterns on controls and stimuli from the world centres. The following questions have come to the fore:

First, does economic growth with structural heterogeneity lead inevitably to a developmental impasse or societal breakdown because of increasing polarization of incomes and life-styles, increasing impoverishment of large masses of the population, inability to offer productive employment to an increasing part of the labour force or vulnerability to changes in the international conjuncture? In other terms, is it non-viable over the long term as well as unacceptable in terms of values?

Second, can structural heterogeneity be overcome or kept within manageable dimensions without the achievement of radically different styles of development, supported by different distributions of power and participation in the societies, incorporating new priorities and mechanisms for production, distribution and consumption?  

Third, are styles of development capable of overcoming structural heterogeneity achievable at the national level, in view of the places of the Latin American countries in the world order, national endowments of human and natural resources, and internal structures of power and consumer demand, except at prohibitive costs?

Fourth, if alternative styles of development are not within reach and if the non-viability of economic growth with structural heterogeneity cannot be conclusively demonstrated, can one realistically envisage policies within the confines of prevailing styles of development that will gradually reduce the dimensions of structural heterogeneity and alleviate the extremes of poverty and misuse of the human potential associated with it?

During the late 1960's and early 1970's, more national regimes than previously moved toward endorsement of the diagnoses that have answered the first question in the affirmative and the second in the negative. At the regional level, this trend found expression in inter-governmental declarations that judged the record of the 1960's with considerable harshness, despite the undoubted gains in the product per capita, and called for a bold rethinking of the meaning of development and how it might be achieved. 6/ Recent experience, however, have not provided encouraging answers to the third question. In most countries, despite the declarations, public action continued along conventional lines, with the expansion of certain social services responding more to the momentum of what had previously been done than to any overall development strategy. Certain regimes formally endorsed innovatory attacks on structural heterogeneity through a broad combination of employment policies, but did not act decisively to apply the combination as envisaged. A few national attempts at more radical changes in the styles of development failed to manage the contradictory pressures and resistances thus generated, while other attempts continue to cope with their problems with a reasonable degree of success, but without an incontrovertible breakthrough to the human-oriented development aimed at.

For the very recent past, while the debate has continued and a good deal of ambivalence or vacillation can be detected in national objectives as well as actions, the predominant trend in governing circles has seemed to move in the direction of renewed confidence in the viability of the prevailing style of development, or resignation to the absence of a politically and economically viable alternative. This trend leads logically, on the one hand, to a preoccupation with means of bringing the whole range of economic and social policies into closer correspondence with the efficient functioning of the style and of repressing or diverting incompatible demands from within the societies, and, on the other, to a secondary preoccupation with initiatives aimed at an affirmative answer to the fourth question posed above, through compensatory social services and redistributory mechanisms compatible with the style.

The achievement of relatively favourable economic growth rates, over 6 per cent annually for the region as a whole, since the late 1960's has provided an objective basis for the policy trend, and the achievement of remarkably high rates of growth in value of exports since 1971, has further bolstered confidence. Previously unfavourable terms of trade for raw material exports — agricultural product as well as minerals — were reversed, and some countries also made appreciable gains in exports of manufactures. The "internationalization" of the economies came to be looked on with more complacency than previously and previous emphasis on import substitution and economic nationalism began to fall into disfavour. National experiences, of course, have continued to differ widely, not all countries have shared in the favourable growth rates, and the regional average is heavily influenced by the exceptionally rapid growth of the largest country, Brazil, where confidence in the viability of a renovated and dynamic version of the prevailing style has been strongest. (Rates of growth in the English-speaking Caribbean countries deteriorated during the early 1970's, so that per capita incomes have stagnated or even declined.)

The partial renewal of confidence in the viability of continued economic growth with structural heterogeneity and greater international openness has confronted a formidable array of external and internal reasons for insecurity other than the phenomena of social polarization and poverty, but up to late 1973 it was arguable that these factors really affected the acceptability of
acceptability of the prevailing style, in terms of national autonomy and
the quality of life, more than its viability. Then a new challenge, the
energy crisis, appeared rather suddenly to join them, in a manner calculated
to upset previous expectations, enhance the potentialities of a few countries,
and bring the viability of the prevailing style once more acutely into
question for many others. The shock has been worldwide, but the Latin
American situation of "semi-development" means that its implications differ
in important respects from those in the high-income industrialized countries
as well as from those in the poorer predominantly rural parts of the
Third World. The factors of somewhat longer duration can be summed up thus:

1) The squeeze between the inflow of external resources (loans and
grants to Governments, private investments) and the outflow of debt
amortization and remittance of profits, with the associated balance of
payments difficulties, has chronically threatened to bring economic growth
to a halt. The Latin American countries have contracted public debts on
relatively unfavourable terms; in 1970 the coefficient of debt servicing
to total indebtedness was around 15 per cent for Latin America as a whole,
compared to slightly over 6 per cent for the remainder of the Third World.
In 12 countries of the region external public debt servicing in 1970
amounted to more 10 per cent of the values of exports, and in 3 countries
(Argentina, Mexico, Uruguay) it was over 20 per cent. 2/ At the same time,
withdrawals of profits from private investments produced a rising negative
balance on private capital flows throughout the 1960's: - 4,100 million
U.S. dollars in 1960-64 and - 5,264 millions in 1965-69. This squeeze,
however, has affected the individual countries to quite different degrees,
being most severe in those with sluggish export expansion. Some of
the most dynamically growing countries - Brazil, in particular - have sharply
reduced the ratio of debt servicing to total exports, while others
- e.g., Mexico - have reconciled a consistently high ratio with a creditable
rate of economic growth over a long period. In a few countries - Venezuela,
in particular - the ratio is much too low to amount to a serious problem.

2) The trends of external private investment, dominated by multi-national corporations and now containing a relatively small component of resource transfer from abroad, have set in motion a well-known process of denationalization of national industries. (Only 17 per cent of total private investment by the United States in Latin America in the period 1957-65 was financed out of resources originating in the United States.) This process, however, is not radically incompatible with the prevailing style, as long as national economic autonomy is not an over-riding objective, and in most of the larger countries, the State has deliberately exerted a countervailing power, assuming control of key industries, sources of energy, and transport.

3) The series of world monetary crises and the tactics of the world centres in trying to protect their currencies and improve their balances of payments have naturally been prominent among the motives for alarm concerning the future, but in view of the favourable export trends they do not seem to have interfered seriously with the prevailing style of development through 1973. The industrialized countries have presumably exported inflationary pressures to Latin America along with the rest of the world, but one finds that the countries experiencing relatively rapid inflation since the early 1960's or before have continued to do so, with

\[\ldots\] por lo menos la mitad de la gran industria, que usa técnicas avanzadas y presenta alta productividad - energía eléctrica, extracción y refinamiento de petróleo, siderurgia, petroquímica, etc. - es dominada en Brasil por el capital estatal. La tendencia es que estas empresas se expandan por lo menos a la misma velocidad que la otra, dominada por el capital extranjero. No coinciden, por tanto, las actividades 'modernas' con el dominio del capital extranjero al menos en uno de los grandes países latinoamericanos, siendo probable que lo mismo se aplique también por lo menos a México, Argentina y Perú (a partir de 1968). Además, la presencia del capital estatal en el 'sector hegemónico' no es casual. Se debe a una política, puesta en práctica por numerosos países de América Latina, que tiene por objeto no permitir al capital extranjero la conducción exclusiva del proceso de la industrialización. (Paul Singer, "Urbanización, dependencia y marginalidad en América Latina", Martha Schteingart, Comps., Urbanización y dependencia en América Latina (Buenos Aires, Ediciones SIAP, 1973).

/deceleration in
deceleration in Brazil and acceleration in Argentina, Chile, and Uruguay deriving more from domestic policies and problems than from the international conjunctures. In most other countries price rises have accelerated and this has exacerbated internal social tensions, but rates of inflation continue much lower than in the countries mentioned above, and have not demonstrably interfered with economic growth.

4) Rapid population growth and urban concentration, combined with the spatial concentration of industrial growth and urban "modernization" under the increasing dominance of the automobile have enormously increased the scale of certain problems that have been repeatedly described during the past two decades: the high costs and insufficiencies of urban infrastructure, the growth of "marginal" settlements, crime and delinquency, pollution of air and water. However, these trends have not had the catastrophic consequences sometimes predicted. The huge urban agglomerations of today function badly, with manifold tensions, crises and assaults on the well-being of their people, but it is not demonstrable that they function worse or have more unmanageable crises than did the smaller agglomerations of twenty or thirty years ago. The costs of concentrated urban growth to the State are undoubtedly very heavy, but it is not clear whether such costs would be more bearable with different patterns of distribution of population and economic activities. As will be discussed below, present evidence casts doubt on the forecasts of differentially rapid growth of low-income under-employed "marginal" strata overwhelming the cities, although the proportion of urban population living in the various types of ecologically "marginal" sub-standard shelter is certainly growing. It remains an open question how far present urban growth trends can continue, or whether they can continue indefinitely without becoming non-viable for economic, political and environmental reasons. The volume of growth of localities with 20,000 or more inhabitants was 65 per cent greater in the 1960's than in the 1950's, will be at least 65 per cent greater in the 1970's than in the 1960's, and will continue on an ever larger scale during the 1980's, as the population base expands, even if the rate changes and urban
growth is distributed over a wider network of cities. During the 1970's the cities will grow by about 75 millions, 40 millions of whom will be absorbed by cities that will have passed the one million mark by 1980. In any case, the patterns of concentrated urban growth seem to be compatible with indefinite continuation of the prevailing style of development, or even contributory to its functioning. Their negative aspects could be considered costs to be kept within bearable limits by planning but not to be evaded. A readiness to accept still higher costs of this kind in the interest of economic growth has been evident in the receptivity of governing circles to the potential transfer of highly polluting industries from countries unable to tolerate their further growth.

5) The energy crisis, while it is too early to assess its eventual impact with any confidence, promises to change radically the conditions for continuation of the prevailing style of development, both through its consequences for the world economic order and through its direct repercussions within the countries. A few countries with an export surplus of petroleum (including some of the poorer "relatively less-developed" countries) should find themselves in a better position than before, whether to continue along the path of economic growth with structural heterogeneity or to mobilize resources for innovative value-oriented styles of development without unmanageable conflicts or unenforceable austerity. Other countries in which production and consumption can be brought into balance with a reasonable effort will have to give more attention than hitherto to priorities for energy use and exploitation of additional sources, but need not confront drastic immediate changes in the combination of factors affecting their style of development, other than the changes in the world economic order. Still other countries with dynamic industrial growth and a wide gap between domestic production and consumption may find drastic changes in the style of development unavoidable, in a context of stubborn societal resistances to such changes and declining capacity to finance compensatory measures. Many of the smaller countries of the region, producing little or no petroleum, face a more difficult future even if prices for their main agricultural exports remain favourable.

/The present
The present chapter cannot go farther into this complex question with its many incognitas, but one aspect must be singled out for its multiple repercussions on the patterns of social change. In the larger countries in which structural heterogeneity is most pronounced and the "modern" urban sectors most important, the automobile has become increasingly dominant as the most dynamic sector of industry, as the supporter of a wide range of ancillary economic activities, as the focus of the consumption aspirations of the growing middle- and upper-income strata, and as the main determinant of spatial patterns of city growth and infrastructural investment. It is symptomatic that the very rapid population growth of the largest cities has not been accompanied by any general increase in the density of human occupation of space; in a good many cities density has diminished. The automobile, along with urban land speculation and other factors, has encouraged the cities to sprawl over the countryside, transforming within a few years their previously compact and centralized settlement patterns, changing upper-class residential preferences from central locations to suburbia. Any serious threat to continuing increase in automobile ownership and use thus not only affects the livelihood of an important part of the urban labour force and the consumption aspirations of the strata in which purchasing power is concentrated, but also places a major additional strain on the capacity of the cities to continue to function and grow.

9/ Average monthly production (including assembly) of automobiles between 1936 and 1972 increased from 11 thousand to nearly 17 thousand in Argentina; from 11 thousand to more than 36 thousand in Brazil; and from 7 thousand to 14 thousand in Mexico. (Table 45 in United Nations Monthly Bulletin of Statistics, January 1974.)

10/ According to a recent study, four national capitals for which data are available have grown as follows:

<table>
<thead>
<tr>
<th>City</th>
<th>Area in km²</th>
<th>Density (population per km²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bogotá</td>
<td>421.1</td>
<td>73.6</td>
</tr>
<tr>
<td>Lima</td>
<td>198.7</td>
<td>342.1</td>
</tr>
<tr>
<td>Mexico City</td>
<td>175.7</td>
<td>411.7</td>
</tr>
<tr>
<td>Santiago</td>
<td>155.7</td>
<td>288.8</td>
</tr>
</tbody>
</table>

Source: Ligia Herrera, "Los sitios de ubicación y el crecimiento de las ciudades", Notas de Población, CELADE, 1, Abril 1973.
2. The political context and the role of the State

The gap between the prevailing real styles of development and the value-oriented images of what development should provide have accentuated two political contradictions that have long been present in the region: a) The contradiction between the roles assigned to the State as defender of national sovereignty, definer of the national purpose, arbiter between interest-groups and dispenser of services, and the precarious policy-making, planning, administrative and financial capacities of the State. b) The contradiction between political forms emphasizing equal rights and democratic procedures, and the very uneven distribution of opportunities for political participation.

In most Latin American countries, reliance on the State to "solve problems" of whatever nature is more widely diffused throughout the population than in most other parts of the Third World, and is much more pronounced than in the countries now industrialized at the earlier stages of their development. This leading role of the State derives from historical traditions going back to the colonial period, and is paradoxically associated with chronic distrust or condemnation of the real State for its inability to accomplish what is expected of the ideal State. In practice, the State has generally represented an unstable compromise or implicit pact between interest-groups or social classes able to exert a claim to a share of power, circumscribed in varying ways by relationships to the world centres. With urbanization, the formation of national markets, societal differentiation, the introduction of modern mass communications media, and the expansion of education, the size and

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11/ One observer, emphasizing the differences between the evolution of the "patrimonialist State" in Latin America and the legitimation in Europe of the State as a necessary evil to regulate relationships between individuals has summed up: "En América Latina se le exigen al individuo credenciales para existir, no al Estado". (Fernando Henrique Cardoso, "La ciudad y la política", in Martha Schteingart, Comp., op. cit.)
diversity of the groups able to exert such a claim has increased, without embracing the whole population. In the course of trying to reconcile dynamic national development within the bounds of the prevailing style with the more particularistic claims of the groups on whose support it has depended, the State, to varying degrees in different countries, has managed to modernize some elements of its administrative apparatus, to capture an increasing share of the national income, to give employment to a major part of the urban labour force, and to create or take under its control a wide range of productive and infrastructural activities. The quantitative growth and uneven modernization of State activities have probably proceeded more rapidly than the societal processes of growth and change with which they are associated. At the same time, the State has found itself inextricably enmeshed in the incompatibility of the demands made on it (with each other as well as with its overall resources); in the unavoidability of continual bargaining for support, evasion of issues endangering the political compromise, and adjustments to the changing conditions of trade, aid, and investment; and in the complications of legislation expected simultaneously to safeguard the interests of the different groups and to commit the State to assume new responsibilities. The persistent hope of rationalizing these struggles and arriving at clear priorities for allocation of resources through neutral techniques of planning has been disappointed, although planning initiatives can claim some secondary achievements in clarification of the issues.

Under these conditions, the political compromises between groups and the systems of parties and electoral-legislative procedures through which the groups have tested their relative strength and conducted bargaining have periodically confronted impasses bringing about their replacement by more narrowly-based systems of domination, frequently under military tutelage. Such changes have in the past been largely cyclical, with the latter systems eventually giving way to renewed open political competition and compromises, whether because of inability to "manage" the complexities of the societies and economies or because of accomplishment
of the limited objective of restoring order. At present, strains between the prevailing style of development and the changing social structures (to be discussed below) and the aspiration to original value-oriented styles (placing still heavier responsibilities on the State and generating formidable resistances) simultaneously encourage the assertion of claims by the State (or rather the institutions or groups controlling it) to an autonomous role, representing the interest of the nation as a whole, assuming the right and duty to determine a strategy of development and to exclude organized group defense of interests incompatible with the strategy.

Questions of channels and objectives of participation by the masses of the population are perplexing but inescapable for regimes that have assumed such an autonomous role as well as for regimes based on bargaining and compromise. A style of development featuring economic growth with structural heterogeneity combined with open political processes does not permit general mobilization of the masses in its support, since it cannot incorporate most of them in satisfactorily productive activities nor offer them major improvements in their levels of living, but it does permit - for the urban masses, rarely for the rural - a limited participation in the political struggle for resources focussed on the State, through the vote and other weapons. The resulting concessions, small as they may be, place a strain on the existing distribution of power and the patterns of production, distribution, and consumption, commonly with inflationary consequences. The regimes claiming an autonomous role for the State can exclude this kind of participation, but since they justify themselves in terms of the need for greater national dynamism and unity, they cannot afford to leave the masses to vegetate in apathetic poverty until economic growth permits their incorporation.12 Moreover, all kinds of regimes

12/ Cardoso warns that "la tendencia actual hacia el gobierno tecnoburocrático intensifica la apatía de las 'mayorías silenciosas'... Si la sociedad no es revitalizada por medio de fuertes movimientos sociales... existe el peligro de crear un mundo nuevo horrible en la cual la ciudad - el foro de la libertad en la antigüedad - será sustituida por Alphaville, plenamente equipada, a través de la tecnología de las comunicaciones de masas y la apatía, para propagar una especie de 'sociedad congelada'." (Ibid).
recognize their inability to manage through central controls and finance from public revenues the cumulative responsibilities that the State has assumed. All of them aspire to decentralize and de-bureaucratize. Thus, the regimes that evaluate "politics" negatively also seek "positive" participation featuring organized local initiatives to solve local problems and raise productivity and levels of living. Interest in the techniques of community development, co-operativism and workers' self-management continually reappears in spite of the disappointing experience over the past two decades of most programmes claiming to apply these principles. It can be concluded that such initiatives are directed to problems so persistent and so insoluble by other means that most regimes will continue to experiment with them whatever their overall strategy. The experiences of the resulting programmes in their confrontations with national realities have been discussed many times, and only a few points need to be made here.

First, in recent years principles and techniques for "conscientization" of the disadvantaged strata of the populations to the nature of their problems within the social order, stimulating them to think and act autonomously, gained currency within the more open national societies, as against the previous "community development" supposition concerning the feasibility of incorporating the disadvantaged strata into the social order through aided self-help and appeals to community consensus. These principles gained appreciable influence among teachers, social workers, and members of religious bodies. However, the combined dependence of "conscientization" on prolonged educational dialogues guided by persons imbued with its principles and on the tolerance of the power structures it calls into question have, in most national settings, rendered the attempts to apply is restricted in scope and quite vulnerable. The organized initiatives and the persons engaged in them have fared badly in the trend toward assumption of more autonomous roles by the State.

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12/ For a presentation of these principles by their main originator, see Paulo Freire, The Pedagogy of the Oppressed (New York, Herder and Herder, 1972).
Second, the nature of the "modern" State as it has emerged in Latin America - a complex of administrative and legal systems geared to standardized procedures, controls, and channels for provision of services - means that attempts to decentralize and leave local problems to local initiative run counter to its inherent logic. The State cannot avoid seeking to enhance its own power and formulating development problems in terms that are compatible with generic, routinized solutions. The objectives of economic efficiency, administrative consistency and social equity all seem to demand this. Such a predisposition encounters, on the part of the groups that are capable of organized action, an equally strong predisposition to focus such action on the obtaining of differential services, subsidies, and protection from the State, combined with a predisposition to use any gains to respond to "modern" consumption appeals rather than investment. It has often been pointed out that local power structures are even less likely than the central authorities to rest on consensus or to welcome the participation of the disadvantaged strata. The attempts to promote decentralization and local initiative are thus very likely to terminate in new forms of bureaucratized relationships between the centre and the local group.

Systematic rejection of the prevailing style of economic growth with structural heterogeneity has been most pronounced in intellectual and academic circles and in part of the educated youth. Intellectuals and academic researchers, particularly sociologists, have been prone to assess the prevailing style as neither acceptable nor viable. An extensive literature has accumulated, mainly within the past decade, analyzing the inter-relations of external dependency and internal power structures in generating the prevailing style, and examining the potentialities of different social classes, interest-groups, and institutions as gravediggers of this style and architects of a different future. The theoretical and valorative premises for rejection of the prevailing style have, of course been extremely varied, and the proposals for action have included predominantly technocratic and nationalistic approaches as well as revolutionary. For present purposes, the following points deserve emphasis:

/First, the
First, the dependence of social scientists and educated youth on employment in planning and other organisms of the State has resulted in a certain ambivalence in their rejection of the prevailing style and a predisposition to seek means of changing it through indoctrination of the groups controlling the State and manipulation of the State machinery, along with obvious discrepancies between the boldness of the diagnoses and recommendations emanating from certain State agencies and the realities of State action. The failure of the social classes adversely affected by the prevailing style to challenge it as vigourously as was expected, and the evident capacity of the style in the larger countries to maintain itself and support continuing economic growth, has presumably strengthened the inclination to work for incremental changes from within the system. At the same time, the theoretical and valorative premises of the persons in such positions has probably hampered them from calculating objectively the viability of specific policy combinations within specific national political and economic realities and acting accordingly. 14/

Second, the strongly critical tone predominating in academic research and teaching in regard to the prevailing style and its supporters, combined with student militancy, has placed social scientists and institutions in a precarious position or worse in an increasing number of countries in which groups controlling the State have decided to enforce national unity behind their own strategy for development.

Third, the critics, particularly among the youth, who have continued to find the prevailing style radically unacceptable, have hardened their intransigence and have demonstrated a disposition to resort to any tactics, including terrorism, likely to cripple the ability of the style to function, even in circumstances in which they have no apparent likelihood of being able to replace it by an alternative order.

14/ A framework for doing so systematically has been proposed and tested in Alfredo Eric Calcagno, Pedro Sáinz and Juan de Barbieri, Estilos Políticos Latinoamericanos, (Santiago de Chile - Buenos Aires, Ediciones Placso, 1972).

/3. The
3. The demographic context

The main features of demographic change in Latin America are well known and have been more reliably documented than most other questions with which this chapter is concerned. A glance at table I confirms their persistence on an ever larger scale. They can be summed up as follows:

1) The overall population growth rate rose slowly during the 1960's to reach a peak of about 2.9 per cent annually. This rate will probably persist through the 1970's with a slight decline by the end of the decade; a steeper decline during the later 1970's is at least possible. The growth rate is determined by high fertility, beginning to fall slightly in a good many countries but significantly in only a few, and by mortality that has reached quite low levels - partly because of the youthfulness of the population - but that also continues to decline slowly. For the region as a whole, the crude birth rate declined from 40 per 1,000 population in 1960 to about 38 in 1970, while the crude death rate fell from 11 to 9.

Migration across national boundaries now makes practically no net contribution to population growth in the region as a whole, although migration between some Latin American countries is gaining in importance, and out-migration


16/ Migration across national boundaries within the region has until recently consisted mainly of persons from the poorer rural zones of certain countries seeking a better livelihood in countries with more favourable labour markets or empty land near the frontiers. Such migrations seem to be increasing in scale, but their partly temporary and partly clandestine character prevents reliable estimates of their importance. In the last few years, exoduses of members of the middle and upper strata, including professionals, entrepreneurs, and students, originating in various political and economic conjunctures, have become quantitatively important for a few countries.

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from the region of persons possessing skills amounts to a significant qualitative loss. In absolute terms, the population of Latin America increased by 50 millions during the 1950's and by 69 millions during the 1960's. It will increase by more than 90 millions during the 1970's, giving a regional population of 210 millions in 1960, 279 millions in 1970, and more than 370 millions in 1980.

2) The predominant youthfulness of the population has become even more accentuated. More than 42 per cent of the regional population in 1970 was in the "dependent" group 0-14 years of age; in 13 countries the percentage was 45 or more. Less than 4 per cent of the regional population was 65 years of age or over. The 54 per cent of the population between 15 and 64 years of age, moreover, is heavily concentrated in the younger age groups. This pattern will not change appreciably during the 1970's, with the national exceptions to be noted below.

3) The concentration of population in urban centres continues unabated without, however, being sufficiently rapid to bring rural population growth to a halt except in a few countries. The percentage of total population living in centres with 20,000 or more inhabitants rose from 32.9 in 1960 to 41.4 in 1970, while the percentage of this urban group living in cities with more than 500,000 inhabitants also rose, from 52 per cent to 56 per cent. The remainder of the population is not by any means exclusively rural-agricultural; if one includes the smaller towns, a majority of the population is already urban; by 1980 a majority will be living in centres above the 20,000 mark.

For present purposes, it is unnecessary to enter into further detail on overall demographic trends that have been often described. The predominant trend is one of enormous increases in the scale of well-known phenomena without, as was noted above, qualitative changes of equal importance. At this point it will be sufficient to distinguish between demographic trends in different types of countries within Latin America, to single out the indications of and potentialities for significant shifts in these trends in some individual countries, and to try to relate national economic and social patterns and public policies to these actual or potential shifts.
potential shifts. A grouping of countries by demographic traits coincides, by and large, with groupings based on other societal characteristics: 17

1) Four countries (Argentina, Uruguay, Chile and Cuba), with about 16 per cent of the regional population, have either completed a demographic transition to moderate rates of population increase based on moderate fertility and low mortality or are in the midst of such a transition. In these countries the youthful "dependent" population is much smaller than the regional average, ranging from 39.0 to 28.2. The aged population is larger, ranging from 4.5 to 8.6. The intermediate "working age" population is also larger, ranging from 56.4 to 63.4. During the 1970's, the youthful proportion will continue to shrink and the aged proportion to grow, with the intermediate group remaining more or less stable. In three of these countries, population growth rates remain a good deal higher than the European norm. In Uruguay, however, there is reason to believe that in the more recent years out-migration of young adults, stimulated largely by economic stagnation and unemployment of educated youth, although not taken into account in the demographic calculations, has brought real population growth to a halt. In Chile, age distribution is now closer to the regional average than in the other countries of this group, but the changes during the 1970's will be particularly pronounced, since a steady fall in fertility since the early 1960's is bringing it into closer correspondence with the patterns of the other highly urbanized countries.

In Cuba, the birth rate declined more slowly since 1960, from a level already lower than that of any other Latin American country except Argentina and Uruguay. In Cuba, however, the most significant demographic trend has been the very modest rise in the level of urbanization - from 45.8 per cent in 1960 to 47.5 per cent in 1970 living in centres with 20,000 or more inhabitants. The rate of urbanization is thus lower than in any other country of the region except a few small countries in which

17/ For presentation of a typology of national situations on which the grouping used here is based, see Social Change and Social Development Policy in Latin America, op. cit., Chapters III and IV, and the chapter on Latin America in the 1970 Report on the World Social Situation.
urbanization is only incipient, and reflects a deliberate policy as well as the whole process of economic and social transformation and the emigration during the 1960's of a part of the urban middle class. 18/

2) Five countries (Brazil, Colombia, Mexico, Peru and Venezuela), with the largest national populations of the region except for Argentina, account for 67 per cent of the regional population, and thus dominate the averages, while their demographic patterns resemble each other more closely than they resemble those of the remaining countries. All of them have rates of population growth at or above the regional average. While their present official population policies differ, all of them have at least a reasonable expectation that by the end of the 1970's declines in fertility, now incipient, will be pronounced enough to outweigh declining mortality and reduce growth rates to some extent. Growth rates are bound to remain quite high, however, and the predominantly youthful character of their populations will persist. The expectations of significant change in demographic patterns are based mainly on the relatively rapid, although highly uneven, urbanization and modernization of their societies. The urban population in these countries grew at an average annual rate of 6 per cent between 1960 and 1970, and the rate has certainly not slackened since. Urban growth accounted for nearly 70 per cent of total population increase. In four countries, however, rural population also continued to grow at about 1.5 per cent annually, and the population in centres with 20,000 or more inhabitants remained a minority. Only in Venezuela did urbanization proceed rapidly enough to bring rural population growth to a halt and produce an urban majority of 56.4 per cent in 1970. Venezuela thus now resembles the first group of countries in spatial concentration of population, while differing in the rapidity with which it has attained this concentration and in the continuing high rate of overall population growth, which has thus far declined only slightly, from 3.6 per cent in 1960 to 3.3 in 1970. Official policy has for some time concerned itself

18/ The growth of the main metropolis, Habana, seems to have been practically brought to a halt, while secondary urban centres have been allowed to grow more rapidly and some new ones have been created. See Maruja Acosta León and Jorge Hardoy, "La urbanización en Cuba", in Martha Schteingart, Comp., Op. cit.
with the problem of concentration, mainly through the formulation of regional development programmes, but has not addressed itself to influencing the rate of growth.

The two most populous countries of Latin America are Brazil and Mexico and their demographic trends are thus of particular interest. The internal regions of Brazil have quite different demographic as well as social and economic traits - traits similar to the first group of countries in the south and southeast, traits similar to the third group to be discussed below in the north and northeast - resulting in an overall rate of increase somewhat lower than in the other large countries and declining slowly, from just over 3.0 per cent in 1960 to about 2.8 per cent at present. Official opinion has thus far looked on this rate of increase as positive for development, but expects the course of development eventually to bring it down.\(^{19}\) In Brazil, the demographic consequences expected of urbanization, modernization and industrialization are in fact beginning to become visible, although partially obscured by the very uneven development of internal regions. In Mexico, they are curiously lacking in spite of economic and social change processes that have been profound and of long duration. The Mexican birth rate has continued practically unchanged since 1960, at a level exceeded only by a few of the small predominantly rural countries: the rate of population increase, at 3.5 per cent annually, is now probably the highest in Latin America. This continuing trend has resulted in a sharp reversal of official opinion, previously complacent concerning the high rate of growth. In September 1973, the President presented to Congress a General Population Law with the objective of "regulating the phenomena that affect the volume of the population, its structure, dynamics and distribution in the national

\(^{19}\) "The Brazilian Government does not take any measures that might influence the rate of population growth. It is expected, however, that the increasing process of urbanization and economic development, coupled with constant concern to raise the level of education of the whole population, will inevitably lead to a reduction in the future rate of population growth." (Translated from "Estrategia da Segunda Década para o Desenvolvimento. Informações sobre o Brasil", Ministry of Foreign Relations, Brasilia, 30 October 1972.)
territory so that it can participate justly and equitably in the benefits of economic and social development. The law provides not only for the promotion of family planning programmes, but also for reforms in settlement patterns, directed against excessive concentration as well as excessive dispersal of population. In view of the relatively high demonstrated capacity of the Mexican State for stimulating and controlling economic growth, its envisaged intervention in demographic trends deserves close attention.

The Colombian situation is quite similar to that of Mexico. Here too urbanization and economic growth have not appreciably affected high fertility, and the impact of modernization has been more limited and recent than in either Mexico or Brazil. The Government has included criteria and objectives for population policy, including use of family planning to reduce fertility, in its development plan since 1969.

The fifth country in this group, Peru, is really in an intermediate position, closer to the third group next to be discussed. Accelerated urbanization began somewhat later than in the other large countries, and in 1970 only 32.3 per cent of the population lived in centres with more than 20,000 inhabitants. Since 1960, declining mortality has more than compensated for a slight fall in the birth rate, and population increase, at 3.1 per cent annually, is somewhat faster than the Latin American average, although well below the rates of Colombia and Mexico.

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20/ "Su objeto es regular los fenómenos que afectan al volumen de la población, su estructura, dinámica y distribución en el territorio nacional con el fin de lograr que participe justa y equitativamente de los beneficios del desarrollo económico y social". (Initiative de Ley General de Población, Artículo 1°) For the text of the Law and statements introducing it, see El Mercado de Valores, Seminario de Nacional Financiera, S.A., XXIII, 43, 22 October 1973.

21/ According to a recent interview with the director of the Departamento Administrativo Nacional de Estadísticas (DANE), the preliminary results of the 1973 census and other sources show a fall in the birth rate from 44 per 1,000 population in 1970 to 38 in 1973, resulting in a drop in the population growth rate from 3.2 to 2.95. (El Tiempo, Bogotá, 25 January 1974.)

/As in
As in the case of Brazil, official opinion considers the rate of increase on the whole positive and is more preoccupied with the finding of means to influence spatial distribution, occupy unexploited parts of the national territory, and counteract concentration in the one metropolitan centre, Lima.

3) The eleven remaining Spanish-speaking countries are much smaller in population size than all the countries in the first two groups except for Uruguay. Altogether, they comprise about 15 per cent of the regional population. Eight of them have population growth rates above the regional average, and in most cases these rates rose during the 1960's. (The Guatemalan rate of increase corresponds to the regional average, and the rates of Bolivia and Haiti are well below it (around 2.3 per cent), because relatively high mortality has continued to offset high fertility.) All of these countries except three are much more predominantly rural than the countries in the first two groups, and their rates of urbanization have been more modest. (Panama, Ecuador, and Costa Rica, with between 32 and 40 per cent of their populations in centres over the 20,000 line, are at the lower edge of the range for the countries in the second group.)

In 1970, slightly less than one fourth of the combined populations of these countries lived in centres with 20,000 or more inhabitants.

Between 1960 and 1970, their combined rate of urban growth was over 5 per cent, but the rest of the population increased at a rate over 3 per cent, and the urban localities absorbed only 37 per cent of total population growth. During the 1970's the rates of population growth of several of these countries may continue to rise somewhat. In Bolivia and Haiti, the potentialities for acceleration of the rate are quite substantial if the mortality rates, still well above the regional average, continue to fall. The continuing predominance of the rural population and the slowness of urbanization suggest that a spontaneous demographic transition is unlikely to attain significant momentum in the foreseeable future, and their continuing high rates of population increase and low per capita income levels will accentuate their vulnerability in the international economic conjuncture. Official opinion in these countries has been readier than in the larger ones to look to family planning programmes /to alleviate
to alleviate their problems, and several of their Governments have
defined targets for reductions in birth rates. However, the capacity
of their public health services to undertake family planning on the scale
called for such a purpose has not yet been demonstrated.

The probable exceptions among the small countries are Panama,
Ecuador, and Costa Rica, for differing reasons. Panama, a relatively
urbanized country with a specialized economy, is experiencing a small
but significant decline in fertility. Ecuador may be on the brink
of a major economic transformation, accompanied by rapid urbanization
and the emergence of demographic patterns similar to those of Venezuela.

The case of Costa Rica is particularly interesting. Here the level
of urbanization remains relatively low, but the cultural-economic gap
between urban and rural population is narrower than elsewhere. The per
capita income is close to the regional average, but is probably less
unevenly distributed than in most of the other countries, and the level
of education has long been far above the regional average. Up to 1960,
Costa Rica had rates of fertility and population increase among the
highest in the world. Since then, it has been the only Spanish-speaking
country aside from Chile - which started from a much lower fertility
level - to show a really rapid decline in fertility. The crude birth
rate fell from 48.0 in 1960 to 34.5 in 1970 and 31.6 in
1972. The rate of population increase fell from 3.9 per cent
in 1960 to 2.9 per cent in 1970, in spite of a simultaneous steady fall
in mortality. The fertility decline derives from consistent changes in
the reproductive behaviour of women throughout the childbearing span,
rural as well as urban, and must be attributed mainly to a spontaneous
change of values concerning family size. While family planning activities
have received public support since the mid-1960's, the downward trend in
fertility gained momentum before these could have had an appreciable impact.\footnote{22}{A recent investigation concludes that "it does not appear that the
program could have played a major role in the decline of fertility
between 1959-1969". The same source cites estimates that by 1971
70 per cent of urban women and 25-54 per cent of rural women were
using contraceptives; the rural percentage must be higher than in any
other Latin American country, reflecting the uniqueness of the Costa
Rican rural social structure and the close ties between urban and rural
groups. (Jack Reynolds, "Costa Rica: Measuring the Demographic
Impact of Family Planning Programmes", Studies in Family Planning,
4, 11, November 1973.)}
Although the Costa Rican population is too small to weigh significantly in the regional averages, the trend supports two important hypotheses: (a) that fertility transitions much more rapid than those of the past are quite possible in other parts of Latin America; (b) that levels and patterns of consumption, education, and other facets of modernization are more important prerequisites for such transitions than urbanization per se, or public family planning measures, although the latter can no doubt speed up the transition once it is under way.

4) The Caribbean countries and territories (excluding Cuba, Dominican Republic, Haiti, and Puerto Rico) comprise less than 2 per cent of the regional population, but include a wide range of localized demographic as well as economic, cultural and political patterns. They can be divided into two groups: (a) mainland countries with sparse populations concentrated in a small part of the national territory, with high fertility and rates of population increase similar to the Latin American average (Belize, Guyana and Surinam). (b) Island units with relatively high population densities, in which emigration densities, in which emigration was for a time an important safety-valve for population pressures. In the English-speaking Caribbean countries and territories between 1960 and 1970, average annual net emigration amounted to 52 per cent of natural increase, while emigration of males represented fully 80 per cent of total accessions to the male labour force. This safety-valve was increasingly blocked during the 1960's by restrictive measures in the main receiving countries, United Kingdom, Canada, and United States, while the nature of the restrictions acted as a screen to accentuate the differential outflow of professionals and skilled workers. During the same period, birth rates have declined to levels well below the Latin American average, although the fall has been much more pronounced in some countries (Barbados and Trinidad and Tobago) than in others (Guyana and Jamaica). This trend can be attributed to varying combinations of emigration of women of child-bearing age, cultural change, and family planning programmes, which have been officially supported and have had fertility reduction objectives since the 1960's (in Barbados since 1956). Rates of population increase are now between one and two percent, except in the

/mainland countries.
mainland countries. Even these rates are commonly judged excessively high, in view of the smallness of the national territories and the inadequate capacity of the economies to absorb a growing labour force. It is arguable, however, that the main problem at present does not lie in population increase per se, but in the specialized character of the economies, and the widening gap between the urban-oriented aspirations of the labour force and the opportunities offered by the economies. Under these conditions, even the attainment of stationary population might not relieve the difficulties appreciably.23/

23/ These questions were discussed in more detail in the Latin American chapter of the 1970 Report on the World Social Situation.
4. **Social stratification and income distribution in the context of structural heterogeneity, dependent modernization, population growth, and urbanization**

Discussions of social stratification and mobility in Latin America have long been dominated by two preoccupations: a) to distinguish classes or key groups comparable to those associated with the development of the countries now industrialized and to define for them roles and strategies within determined conceptions of development; b) to assess the patterns of stratification and mobility that can be deduced from existing information in relation to standards for social justice, for the achievement of political participation and stability, and for the carrying out of essential societal functions.

Both preoccupations have struggled with the fragmentariness and ambiguity of the relevant information. They have had to depend on occupational and income distribution data, mainly from national censuses and a certain number of sample surveys, that were not designed to answer stratification questions, that lump together widely differing phenomena inherent in the situations of structural heterogeneity, that present many problems of comparability between countries and between time periods, and that generally become available after long delays. At best, such data throw only a dim light on the degree of validity of concepts such as "middle class", "proletariat", "marginal mass", etc. In 1974, information bearing on stratification from the 1970 round of censuses is only beginning to become available.

24/ The only large-scale sample surveys focussed on social mobility continue to be those carried out in three cities at the "modern" end of the regional spectrum - Buenos Aires, Montevideo and Sao Paulo - in 1959 and 1960. (See *Social Change and Social Development Policy in Latin America*, op.cit., pp. 67-68) Field investigations bearing on questions of social stratification and movility, after a period of increase during the 1950's and early 1960's have fallen off again, partly because of reactions against the external auspices and methodologies with which they were associated, partly because of the precarious situations of many social research institutions and the political sensitiveness of the questions being explored.

/Plausible generalizations
Plausible generalizations have thus been handed down in the absence of new evidence, or refuted under the same conditions, possibly because of the later analysts' need to demonstrate originality. Behind this unsatisfactory situation, there seems to be a great deal of ambiguity inherent in the trends themselves, and a diversity of local situations great enough to permit the finding of some evidence to support almost any generalization. For the most part, social classes have not emerged in a clearcut way to play the roles allocated to them in various interpretations, and the transitory character of certain mobilizations suggests that, at least in some national settings, an illusory reality has been conferred on the "classes" by elites or counter-elites seeking mass backing for their own strategies. Changes in social stratification forecast a few years ago must have taken place, at least in part, without having the transforming impact on the economies and societies expected of them.

It is now possible to make certain tentative statements concerning recent changes in stratification on the basis of comparative occupational data from censuses and household surveys (carried out by the Atlantida project) made around 1960 and 1970, and the overall trends shown can be checked against income distribution data. The occupational data usable at present refer to six countries. Two of these (Chile and Uruguay) belong to the first demographic group distinguished above: the longer-urbanized countries with relatively high educational and income levels. Two (Brazil and Venezuela) belong to the second group of large countries with rapid population growth and urbanization, and with particularly pronounced structural heterogeneity. One (Costa Rica) is a small country with a combination of traits unique in the region: predominantly rural but with relatively high educational and income levels. The last (Ecuador) is more typical of the predominantly rural small countries. During 1974, comparative data for more countries should become available, and the hypotheses here presented can then be explored more deeply.
Information for the six countries appears in percentage form in table 3. The percentages for Costa Rica and Ecuador cover the urban population alone and those for Uruguay Montevideo alone, while data for the other three countries are national. It should be kept in mind that because of large increases in the size of the employed population during the 1960's in all countries except Uruguay declining percentages do not, except in extreme cases, mean declining absolute numbers in an occupational grouping, while rising percentages mean very large increases in absolute numbers.

The character of the information does not permit a distinction between "upper" and "middle" strata, and it is not worthwhile for present purposes to divide these strata between "secondary" and "tertiary" occupations. In the case of employers, for example, the data do not indicate number of persons employed nor volume of capital; the category thus includes situations not much different from self-employment as well as the largest entrepreneurs. At the other extreme of the "middle and upper" grouping, the category of "employees, salesmen, and assistants" comprises very heterogeneous situations, and in regard to the bulk of its members is classified thus because of the social status of "white-collar" occupations rather than because of any clearcut income differentiation from the wage workers in the second and third main groupings.

In the three countries with nationwide data, the relative importance of the lower strata employed in the primary sector (mainly agriculture) has declined sharply, as might have been expected, with a particularly spectacular drop in Venezuela, from 32.7 per cent to 19.1 per cent of the employed population. In Brazil and Venezuela, rural wage-workers and self-employed small cultivators have declined at similar rates; in Chile the relative stability of the latter group (meaning a growth in absolute terms) reflects the land reform effort. In Costa Rica and Ecuador, the sharp decline in primary occupations in zones classified as urban must mean that the smaller cities are losing a previous semi-rural link with agriculture.

/Tabla 3
### Table 3

**Occupational Strata, 1960-1970**

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</thead>
<tbody>
<tr>
<td>I. Middle and upper strata (other than primary occupations)</td>
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<tr>
<td>a) Employers</td>
<td>35.0</td>
<td>23.3</td>
<td>29.6</td>
<td>16.2</td>
<td>26.3</td>
<td>27.8</td>
<td>27.0</td>
<td>29.0</td>
<td>56.2</td>
<td>45.8</td>
<td>23.2</td>
<td>36.8</td>
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<tr>
<td>b) Self-employed with own commercial establishment</td>
<td>1.9</td>
<td>4.1</td>
<td>3.0</td>
<td>6.0</td>
<td>1.5</td>
<td>2.4</td>
<td>1.7</td>
<td>4.1</td>
<td>1.4</td>
<td>5.6</td>
<td>1.8</td>
<td>3.6</td>
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<tr>
<td>c) Independent professionals and semi-professionals</td>
<td>0.2</td>
<td>1.6</td>
<td>4.4</td>
<td>3.1</td>
<td>3.7</td>
<td>1.9</td>
<td>9.1</td>
<td>12.1</td>
<td>3.0</td>
<td>3.8</td>
<td>5.2</td>
<td>7.0</td>
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<tr>
<td>d) Dependent professionals</td>
<td>0.7</td>
<td>0.5</td>
<td>0.5</td>
<td>0.3</td>
<td>0.6</td>
<td>0.6</td>
<td>0.7</td>
<td>1.3</td>
<td>2.5</td>
<td>1.5</td>
<td>0.4</td>
<td>0.6</td>
</tr>
<tr>
<td>e) Managerial personnel</td>
<td>2.6</td>
<td>4.3</td>
<td>4.1</td>
<td>11.0</td>
<td>4.0</td>
<td>6.2</td>
<td>5.3</td>
<td>7.2</td>
<td>7.5</td>
<td>7.3</td>
<td>4.8</td>
<td>8.2</td>
</tr>
<tr>
<td>f) Employees, sales personnel, auxiliaries</td>
<td>2.6</td>
<td>12.8</td>
<td>12.4</td>
<td>22.4</td>
<td>9.2</td>
<td>15.5</td>
<td>7.8</td>
<td>14.0</td>
<td>26.2</td>
<td>26.8</td>
<td>10.5</td>
<td>16.1</td>
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<td>II. Lower strata in secondary sector</td>
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<tr>
<td>a) Wage workers</td>
<td>15.2</td>
<td>14.0</td>
<td>25.1</td>
<td>26.1</td>
<td>21.2</td>
<td>23.5</td>
<td>28.0</td>
<td>29.5</td>
<td>13.3</td>
<td>22.5</td>
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<tr>
<td>b) Own-account workers and unpaid family workers</td>
<td>7.1</td>
<td>5.5</td>
<td>7.5</td>
<td>5.2</td>
<td>6.3</td>
<td>6.1</td>
<td>15.0</td>
<td>12.2</td>
<td>5.1</td>
<td>6.6</td>
<td>6.7</td>
<td>7.7</td>
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<tr>
<td>III. Lower strata in tertiary sector</td>
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<tr>
<td>a) Wage workers in services</td>
<td>6.9</td>
<td>6.5</td>
<td>15.2</td>
<td>15.0</td>
<td>12.3</td>
<td>10.9</td>
<td>12.8</td>
<td>13.9</td>
<td>13.9</td>
<td>12.7</td>
<td>10.0</td>
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<tr>
<td>b) Own-account workers and unpaid family workers in services</td>
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<td>1.4</td>
<td>1.3</td>
<td>0.7</td>
<td>1.1</td>
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<td>4.0</td>
<td>1.5</td>
<td>1.4</td>
<td>1.9</td>
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<td>IV. Middle and upper strata in primary sector</td>
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<tr>
<td>a) Employees in agriculture and extractive industries</td>
<td>0.0</td>
<td>0.1</td>
<td>1.3</td>
<td>1.1</td>
<td>0.5</td>
<td>0.8</td>
<td>1.2</td>
<td>1.0</td>
<td>6.2</td>
<td>0.6</td>
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<td>1.0</td>
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<tr>
<td>b) Owners in agriculture and extractive industries</td>
<td>0.0</td>
<td>0.1</td>
<td>1.3</td>
<td>1.1</td>
<td>0.5</td>
<td>0.8</td>
<td>1.2</td>
<td>1.0</td>
<td>6.3</td>
<td>0.6</td>
<td>0.9</td>
<td>1.0</td>
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<tr>
<td>V. Lower strata in primary sector</td>
<td></td>
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<tr>
<td>a) Rural wage workers</td>
<td>50.0</td>
<td>40.2</td>
<td>12.6</td>
<td>4.8</td>
<td>25.0</td>
<td>24.4</td>
<td>18.9</td>
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<td>22.7</td>
<td>19.1</td>
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<tr>
<td>b) Own-account workers and unpaid family workers</td>
<td>24.2</td>
<td>11.8</td>
<td>8.3</td>
<td>3.9</td>
<td>21.7</td>
<td>16.5</td>
<td>12.4</td>
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</tr>
<tr>
<td>VI. Other (unclassified residual, probably mainly in primary sector)</td>
<td>4.2</td>
<td>8.4</td>
<td>8.6</td>
<td>4.2</td>
<td>3.2</td>
<td>3.7</td>
<td>1.2</td>
<td>0.7</td>
<td>0.2</td>
<td>0.9</td>
<td>5.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
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</tbody>
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**Sources and coverages:**
- Brazil: 1960 - Sample from census for whole country; 1972 - Sample surveys in 6 regions.
- Chile: 1960 - Sample from census; 1970 - Census, whole country in both years.
- Ecuador: 1962 and 1968 - Sample surveys covering urban zones.
- Uruguay: 1963 - Sample from census; 1970 - Sample surveys, Montevideo only in both years.
- Venezuela: 1960 - Census; 1973 - Sample surveys, whole country in both years.
The urban lower strata in secondary and tertiary occupations have remained unexpectedly stable in their relative importance, rising significantly only in Venezuela, with its exceptionally rapid urbanization, and in Uruguay for quite different reasons to be discussed below. It is particularly striking that these strata have lost ground in relative terms in Brazil, in a period of rapid urban growth and even more rapid economic growth in the secondary and tertiary sectors. A significant shift from artisanal self-employment to wage labour in the secondary sector has taken place in most of the countries, but not enough to reduce the absolute size of the artisanal group. Contrary to what might have been expected from previous discussions of under-employment and marginality, there are no significant relative increases of the lower strata in tertiary occupations, and the importance of the self-employed tertiary group, supposed to represent the most precarious low-income occupations, remains quite small. The meaning of the percentages for lower-strata salaried employment in the tertiary sector is not entirely clear, since this category includes relatively stable employment in public services, police, military, etc., as well as poorly paid and precarious personal services, but it can be assumed that the greater part of this category together with the self-employed in the secondary sector are in relatively disadvantaged or marginal positions.

The overall stability in the relative size of the urban lower strata reflects the well-known incapacity of industry, whatever the rate of growth in production, to absorb a significantly larger part of the urban labour force under present technological trends. It must also indicate, however, that the urban societies have more effective mechanisms than was previously believed for upward mobility into the lower reaches of the middle strata, offsetting the continual flow of rural and small-town migration. The result is that neither the "proletariat" (the workers employed in the more "modern" and productive occupations, assumed to be essential to the functioning of the productive system

/and particularly
and particularly capable of organized action) nor the "sub-proletariat" or "urban marginal strata" (the groups whose poverty and precarious access to employment seem to make their interests particularly incompatible with the prevailing style of development) are increasing their relative weight within the societies.

The most striking change shown by the occupational statistics is the rise in relative importance of the urban middle and upper strata. Their growth practically compensates for the decline of the lower strata in primary occupations. All the occupational categories within these strata share in the gains except for the independent professionals and semi-professionals. The trend is similar in countries with very diverse economic structures and levels of urbanization, being most pronounced in Venezuela, where the urban middle and upper strata have increased from less than a quarter to more than a third of a very rapidly growing national population.

The only exception is Uruguay, and it is a very significant exception. Here the urban middle strata have for a long time constituted a higher proportion of the population than in any other country, save possibly Argentina, with a particularly important representation of public employees. Prolonged economic stagnation, to which the occupational structure presumably contributed, made continued occupational distribution of this kind increasingly precarious. It is likely that the fall in the middle and upper strata between 1953 and 1970 and the compensatory rise in lower-strata secondary-sector employment derives mainly from differential emigration of professionals, small entrepreneurs, and persons educationally qualified for white-collar employment.

Increases of such magnitude in the relative importance of the urban upper and middle occupational strata during the short space of a decade suggest a number of questions. Can trends of this kind continue much longer, and up to what maxima in the different types of national society in the region? How does this enormous mass of persons, most of whom presumably enjoy above-average incomes and contribute only indirectly, if at all, to production, affect the functioning of the economic systems? What are their preferences
their preferences or images concerning the future of their societies and how does their political participation influence the prevailing style of development? Does Uruguay foreshadow similar crises in the evolution of the upper and middle strata elsewhere? What have been the causes of such rapid growth?

Available information, limited to internally heterogeneous occupational aggregates, permits only tentative answers to such questions. The growth of the strata under observation has already proceeded farther than might have been thought economically viable a few years ago, and the patterns of economic growth have been shaped to an important extent by their demands as consumers. In the larger countries with rapidly growing and diversifying economies, or with public sectors able to count on expanding oil revenues, considerable increases may still be in the cards. In the smaller countries dependent on agricultural exports or on minerals less in demand than oil, the economic limit must be less flexible.

The category of employers in the secondary and tertiary sectors - the group presumably most relevant to the productive capacity of the economies - has increased more rapidly than any of the others, doubling its share of the national active populations, but remains a quite small fraction of the total. Meanwhile, the upper and middle strata in the primary sector, consisting in large part of agricultural employers, have remained insignificant in numbers. The data do not demonstrate that broadening of property ownership or the emergence of medium and small entrepreneurs has had more than a minor role in the increase of the upper and middle strata. In spite of declared policies in a good many countries, the concentration of control of productive activities is probably as great as ever.

The burden on the economies of the unproductive or dubiously productive parts of these strata must be considerable. The professionals and semi-professionals dependent on salaries show particularly high rates of growth, from bases considerably larger than the category of employers except in Brazil. Sub-groups in this category have particularly strong organized /capacities to
capacities to insist that the society make use of their services and remunerate them at their own valuation. The category in Venezuela has nearly doubled its representation and now constitutes one in twelve of the occupied population; in Chile it is one in sixteen, and in Brazil nearly one in twenty. While the category undoubtedly includes essential developmental specializations that are still in short supply, its rate of increase and its internal composition have been determined more by the unbalanced growth of the educational systems, to be discussed below, than by societal needs that might be deduced from the style of development.

The category of white-collar employees, sales personnel, and auxiliaries now comprises one out of six active persons in Venezuela, one out of eight in Chile, and one out of ten in Brazil. In Costa Rica and Uruguay the same category accounts for a quarter of the urban active population. Such proportions of employees and salesmen in the urban populations presumably indicate both a great deal of low-productivity intermediary activity in urban commerce, and the continuing expansion of the lower levels of the public administration, at a well-known price of self-defeating complexity and make-work procedures.

In brief, the most significant factor among those contributing to the growth in relative importance of the urban upper and middle occupational strata seems to have been the assumption of a special role by the State, capturing considerable resources from the economic system - or from foreign credits - and applying them to the creation of employment for professionals, technicians, and miscellaneous white-collar personnel. The process has functioned with least difficulty in the presence of concentrated high-productivity economic activities from which a surplus could be extracted without affecting production. This process, with the associated expansion in public social services, has been a fairly effective safety-valve for the pressures and discontents associated with urbanization, and has also stimulated consumer-goods industrialization and urban private service activities through the broadening of consumer demand. At some point, however, the combination of rising consumption aspirations and
rising numbers trying to enter the privileged strata through the channels of education and political participation must endanger the capacity of the economic system to maintain a minimum level of capitalization, and threaten the capacity of the economically and politically dominant groups (internal or external) to control it. At that point, a reversal of the process can be expected, under conditions of extreme tension, and probably with the lower strata forced to pay the greater part of the cost through compression of wage levels and job opportunities. It has been suggested that the expansion of the middle strata up to the limits of economic capacity, followed by a painful reversal and then by a resumption of the trend under improved economic conditions can be cyclical; that something of the kind occurred in the 1930's when the economies were more specialized and export-oriented and the proportions of national population affected were much smaller.

Income distribution data throw a somewhat different light on the trends, suggesting a higher degree of concentration of the fruits of economic growth than do the occupational data, but confirming a significant broadening of the strata that benefit. National inquiries into income distribution have become more abundant in recent years, although they leave a good deal to be desired in regard to comparability and coverage.  

Even the most systematic inquiries have inherent limitations in obtaining reliable data on incomes at the top and bottom of the scale, since the upper strata in typical national situations have good reasons for concealing

25/ The ECLA Secretariat has been engaged in studies of income distribution for several years. For earlier findings and methodological explanations see Economic Survey of Latin America 1969 and "Comparative distribution of incomes in some cities of Latin America and in the respective countries", Economic Bulletin for Latin America, XVIII, 1 and 2, 1973. The present section summarizes some recent findings of this continuing research programme. Some of the questions dealt with here are discussed in more detail in Chapter 1 of E/CN.12/947/Rev.1, op. cit.
part of their incomes, while the strata at the bottom, dependent on
various intermittent sources of livelihood and on income in kind, are
unable to give precise information on theirs. The available data have
been tabulated by deciles, which may obscure the real dividing lines
between groups with different levels and rates of increase, and cannot
be related directly to the occupational categories. It can be assumed
that the lower categories of the "middle" occupational strata overlap
to an important extent in incomes with the "lower" (manually-employed)
workers in the secondary sector; the gains of the former have been in
social status more than in income.

The proposition that incomes and consumption in most Latin American
countries are more unevenly distributed than in most other parts of the
world has been generally accepted for some time, and can be confirmed by
casual observation.26/ This does not mean that the gap between the highest
and the lowest incomes is necessarily wider than elsewhere. The striking
feature is the juxtaposition of majorities at very low income levels with
sizable minorities at income levels enabling them to participate in
"modern" consumption patterns—although this participatory capacity
may not correspond to their aspirations. The percentage of personal
income received by the lowest 20 per cent of the population is not very
different from that found in France and the United States, although the
absolute level of this poorest group is naturally much lower. In France

26/ A recent classification of countries by income level and inequality of
distribution prepared by the Development Research Center, World Bank,
distinguishes three per capita income levels (low—up to US$ 300;
middle—US$ 300—750; and high—over US$ 750) and three groupings
by degree of inequality (high, medium and low). Out of 15 Latin
American and Caribbean countries listed, 7 are in the low-income
group, 8 in the middle-income group. Nine of these countries have
high inequality (5 in the low-income, 4 in the middle-income group);
6 have moderate inequality; none has low inequality. Among the low-
income countries listed for the rest of the world, 5 have high
inequality, 8 moderate, 10 low. Among the middle-income countries,
the numbers are 2, 0, and 7; among high-income countries 8, 6, and 9.

/and the
and the United States, however, incomes climb steadily in succeeding deciles. In typical Latin American countries the rise is much slower up to the eight or ninth decile. The 30 per cent of income receivers immediately below the median and the 20 or 30 per cent immediately above (depending on the country) thus receive much smaller proportions of total personal income than their counterparts in the high-income countries. In the next highest 15 to 25 per cent - the group immediately below the top - income levels rise rapidly; the share received by this group is quite similar in Latin America, France and the United States. Finally the top 5 per cent of income receivers get a much larger share of the total than do their counterparts elsewhere. This means that the income level of the majority is far below the national average per capita. The bottom 20 per cent received only 2.5 per cent of personal income, according to a calculation based on data from 11 countries for years ranging between 1967 and 1970. The next 50 per cent (3rd to 7th deciles) received only 25.3 per cent. Between the 7th and 8th decile a sharp break appears. The 8th decile is the first that receives a share of income greater than its share of population (11.2 per cent). The 9th decile receives 16.8 per cent of income, the lower half of the 10th decile 14.3 per cent, and the upper half (top 5 per cent of income receivers) 29.9 per cent. The break between the 7th and 8th deciles appears in most of the individual countries, although in three (Brazil, Chile, and Ecuador) the first decile to receive more than its proportional share of income is the 9th. Since several of the national inquiries on which these averages are based cover earned incomes only, excluding profits, rents, and interest, the degree of concentration at the top must be considerably understated.

Comparisons between 1960 and 1970 data can be made for three of the largest countries (Brazil, Colombia and Mexico). While their comparability is too questionable to justify reproduction here of the calculations, they support the hypothesis that the upper-middle income receivers improved their relative position substantially. In two of the countries, the income share of the top decile declined to some extent,
while remaining in all cases above 40 per cent of total income. The absolute per capita income increases in this decile, of course, are much larger than in those below it. In all three countries, the 20 per cent of income receivers just below the top decile, starting with shares of 21 - 25 per cent of total income, gained from 2 to 3 percentage points. Their income levels (at constant prices) rose by 56, 32, and 60 per cent during the decade. The following 20 per cent of income receivers (the two deciles just above the median) kept their relative positions in two countries and lost ground in the third. The 50 per cent below the median lost ground in two countries and gained slightly in the third. The poorest 20 per cent dropped sharply in share of income in two countries and held its own in the third.

Altogether, the data indicate that inequality has increased in terms of the spread between the highest 20 to 30 per cent and the groups below the median, but that concentration at the top has decreased somewhat. In some of the larger countries with relatively high overall growth rates all groups have gained in absolute terms, although the gains become scantier as one moves down the income ladder and become insignificant in the bottom 20 per cent. It is probable that the poorest groups have lost ground absolutely in some of the countries with slower growth rates, but this cannot be demonstrated statistically.

Such distribution trends, as far as the shaky evidence goes, might be expected to give the prevailing style of development a reasonable degree of political stability. The groups that have gained something greatly outnumber those that have not, and the highest gains are naturally found among the better educated and better organized upper-middle groups whose support should be particularly essential. It can be assumed that the 20 - 25 per cent just below the top coincides very largely with the
middle occupational strata discussed above, with the majority of employers and many of the professionals and managers in the top decile, with the employees and sales personnel spread widely over the deciles between the top and the median, and with some skilled or strongly organized workers classified in the "lower" strata of the secondary sector fairly high in the income scale.

The processes of urbanization, dependent modernization, and monetarization of consumption affect the meaning of the income gains for the income receivers at all levels. In the upper-middle strata consumption aspirations have undoubtedly risen faster than incomes, in particular through the manifold repercussions of the automobile and television on ways of life. For the most part, the upper-middle strata and the groups hoping to enter them do not seem to have coherent positions regarding national needs and future lines of development so much as strong defensive reactions focussed on the income and consumption levels to which they feel themselves entitled and the educational means of access to these levels.

In the lower-middle strata, and to some extent down to the lowest strata, aspirations for "modern" consumer goods and other expenditure needs

27/ Calculations of income distribution by socio-economic category indicate that employers receive from 1.7 to 3.5 times the national average personal income in different countries; that the incomes of salaried employees are 20 to 65 per cent above the national average; and that wage workers and self-employed or own-account workers have incomes as low as two-thirds the national average. At first glance it seems surprising that the discrepancies are not wider. The internal heterogeneity of the Latin American economies, combined with the vagaries of statistical classification, however, means that all of these broad categories are internally very varied, so that their members are represented at all income levels and the national average has little meaning. The patterns differ markedly between countries, depending on such factors as the relative importance of modern industry and small-scale artisanal industry, the relative importance of low-wage workers in agriculture and small industries, and in high-wage enclave enterprises such as copper and petroleum production, the relative importance of small-reach professionals and under-employed marginal workers among the self-employed, salary scales in the civil service, etc.
In terms of professed values as well as the disastrous implications for the future of child malnutrition and ill-health, the elimination of acute physiological deprivation deserves a very high priority, but it would leave intact the wider problem of poverty as a relative phenomenon within the context of widening income gaps between the upper-middle and the lower strata, changing consumption standards, and changing opportunities for livelihood. In the urban population and increasingly in the rural population, even if the statistics indicate income gains, these gains are accompanied by pervasive insecurity, continual struggles of different groups to keep incomes in line with rising prices, a widening gap between qualifications and the labour market, difficulties of shelter and transport in continually expanding cities.

Almost by definition, the combatting of relative poverty would require measures affecting the upper and middle strata more drastically than would the financing of programmes for relief of extreme deprivation. Such an objective implies far-reaching changes in patterns of production and consumption and in the whole web of urban and rural social relationships - in other words, the achievement of a different style of development.

Diagnoses of the characteristics and causes of poverty in Latin America have commonly focussed on conceptions of marginality and have tried to weigh the relative importance of exclusion from productive activity (open and concealed unemployment) and of low productive capacity in the fully employed poor. The reality of a phenomenon labelled "marginality" was deduced from two different kinds of observations: (a) The emergence and differentially rapid growth during the 1950's and 1960's of irregular settlements, not conforming to "modern" norms of urban housing and infrastructure, on the periphery of practically all the larger cities and many smaller towns. (b) The statistical evidence that industry and basic services were not absorbing more than a small fraction of the increase in the labour force, that rural-agricultural occupations were absorbing a declining proportion, and that the urban tertiary sector was growing rapidly. It was plausibly deduced that /large increases
large increases in various forms of low-productivity employment and open and concealed unemployment were being ecologically concentrated in the peripheral settlements.

Field investigations aimed at the urban marginal population have been fairly numerous in relation to the overall paucity of data on stratification, but the real existence of a "marginal mass" remains elusive. The population of the ecologically "marginal" settlements, as well as the older slums, turns out to be quite heterogeneous, determined more by the incapacity of the cities to offer "normal" housing within the reach of the low-income strata than by generalized "marginalization" from urban norms of employment and consumption.\(^{30}\)

The inadequate absorptive capacity of the labour market in the "modern" branches of production, under conditions of rapid growth in the urban labour force and labour-saving technological changes in agriculture, obviously has a great deal to do with the dimensions of poverty, but the central features of the "employment problem" in Latin America are still far from clear. As was indicated above, comparative occupational statistics do not support the hypothesis of a disproportionate relative increase in the forms of self-employment and tertiary-sector wage labour most likely to combine disguised unemployment and poverty, although they do suggest a considerable relative increase in middle-stratum employment of dubious productivity. Attempts to assess the employment situation statistically against requirements for healthy development have commonly lumped together quite different phenomena—open unemployment, underemployment, employment at "primitive" technological levels, and employment in occupations judged superfluous or unproductive—to reach very high estimates of "unemployment equivalent" in the active population.

\(^{30}\) The inquiries referred to above in Guayaquil and Santiago, carried out in zones selected for the presumably "marginal" status of their populations, distinguished four broad occupational groupings: industry, construction and transport, "low" services and commerce, and "infra" services, the last constituting the most incontrovertibly "marginal" group. In Guayaquil, 39 per cent of the male active population and 53 per cent of the female fell into the "infra" category, in Santiago 23 and 41 per cent.

/In most
In most national settings the dimensions of unemployment and underemployment in terms of abnormally short working periods seem to be much smaller than the dimensions of full-time employment at very low remuneration. 31/

The structural heterogeneity described at the beginning of this chapter governs this facet of the employment problem and its consequences for incomes. In practically all the branches of gainful activity enterprises able to combine satisfactory wages and profits coexist with enterprises able to survive only by paying their workers very little. The conclusion that substantial redistribution of income to the lower strata cannot be achieved without raising of the productivity of the ways of livelihood now at primitive technological levels and shifting of part of the labour force to higher-productivity occupations is valid up to a point, but needs several important qualifications and lends itself over-easily to justification of the existing distribution. The measurements of relative productivity that back up the arguments over structural heterogeneity are not exclusively technical or neutral, that is, based on the productive processes themselves, but rely on the incomes afforded. Price policies and bargaining power influence the calculations. Thus, the low productivity of the agricultural sector, while real enough, is

31/ Local and national situations differ widely, with recorded open unemployment most prominent in some metropolitan centres and in the Caribbean sub-region. In the latter, it has been chronic, even during periods of satisfactory economic growth, and reached phenomenally high levels during the early 1970's, owing to economic stagnation and restrictions on emigration: In Jamaica long-term open unemployment of 23.4 per cent of the labour force has been recorded, in Barbados, 19.5 per cent, in Trinidad and Tobago 15.6 per cent, with similar rates in the smaller English-speaking island territories. For other recent data see Henry Kirsch, "Employment and Utilization of Human Resources in Latin America", Economic Bulletin for Latin America, XVIII, 1 and 2, 1973. While most analyses have concluded that the overall employment situation is worsening, one observer argues plausibly on the basis of the same fragmentary data that "the increase in open unemployment has been accompanied by an even faster decrease in disguised unemployment or underemployment so that the net effect has been a reduction in the abundance of labour in most Latin American countries" and "policy preoccupations should be reoriented from merely creating employment to creating more productive employment". (Joseph Ramos, An Heterodoxical Interpretation of the Employment Problem in Latin America, Programa Regional del Empleo para América Latina y el Caribe, OIT, Santiago, August 1973.)

/exaggerated by
exaggerated by anti-inflationary measures keeping food prices down, by the high proportion of agricultural proceeds captured by intermediaries, and by the considerable losses of agricultural products by decay or pests between producer and consumer. The high productivity of "modern" industry is exaggerated by the impact on prices of tariffs and other industrial incentive measures. The productivity of urban artisanal and service activities can hardly be assessed objectively; their remuneration is kept low by the weak bargaining power of the persons engaged in them, but if labour were to become less abundant and their costs were to rise very much they would be priced out of the middle-income market that now enjoys them. At all levels, incomes depend as much on ability to monopolize entry to certain occupations, to bargain collectively, and to make use of the regulatory powers of the State as on contributions to production.

Up-grading of productivity and shifts to higher-productivity occupations would have obvious limits as remedies for the deficiencies of employment and income, even assuming a successful reconciliation of productive efficiency with labour-intensive techniques and a strengthening of bargaining power commensurate with increases in productivity. Production, income distribution and consumer demand would have to shift simultaneously in a balanced way so as to provide higher relative incentives for production of food and basic consumer goods. The very few recent attempts to combine these objectives have had discouraging results in terms of accelerated inflation and inability to maintain the changed income distribution. Consumer demand is now so conditioned by the demonstration effect and the mass media that raising of the lower incomes does not automatically
bring about more adequate satisfaction of basic needs. Moreover, to the extent that the low productivity of part of the labour force is conditioned by malnutrition, ill-health, lack of education, and inappropriate motivations, the raising of productivity depends on long-term improvements in these factors, affecting the quality of the entrants into the labour force more than the older employed population.

This last consideration points to one of the most crucial but perplexing questions for a survey of social and occupational stratification: the implications of the predominant youthfulness of the populations and the high proportions of new entrants to the labour force at all occupational levels, with the partial exceptions of countries in the first demographic grouping. How can economic growth with structural heterogeneity incorporate the flood of young people, occupationally and otherwise? To what extent are the youth evolving distinct socio-cultural patterns that affect their readiness to incorporate themselves on the terms that the style of development can offer? In practice, the reactions of youth seem to be no more uniform than those of other population groups, and while the prevailing style of development has not demonstrably been able to win their active allegiance, the predominant youthfulness of the populations has not as yet seriously threatened its viability.

22/ "... no puede desprenderse de las consideraciones precedentes, que con la sola distribución del ingreso se va a alcanzar una modificación en la demanda y en la estructura productiva del país. Tanto tiempo y recursos empleados en orientar no sólo al consumo sino un conjunto de valores de la población, podrían conducir a que los ingresos incrementados de los grupos sociales en beneficio de quienes operan la redistribución, pudiera traducirse en un incremento considerable en el consumo de bienes suntuarios en desmedro del consumo de bienes y servicios básicos ..." "... una política destinada a redistribuir el ingreso, no complementada con otras que puedan referirse, por ejemplo, a establecer un severo grado de control estatal de los canales de comercialización, hasta la intervención directa y/o control también de los medios de publicidad, puede degenerar en una tendencia consumista imitativa de los grupos de altos ingresos, con lo cual la demanda incrementada podría no traducirse en mayores empleos y, más bien, acentuar la dependencia externa." (José Moncada Sánchez, El Desarrollo Económico y la Distribución del Ingreso en el Caso Ecuatoriano (Quito, noviembre 1973.)

/The contradictory
The contradictory situation of the urban youth in the middle and higher levels of the educational systems is fairly well documented. The most radical challenges to the style of development have come from minorities within their ranks, and from time to time these challenges mobilize much wider groups. The educated youth are also particularly exposed to the continually shifting impact of dependent modernization on cultural traits and values. At the same time, they cannot avoid using the educational systems to improve their relative positions within the existing social order and then striving to find room in the existing middle- and upper-status occupations.

The situations and reactions of the more numerous youth of the urban and rural lower strata have been much less studied, and the question has been posed whether they constitute a generational group with identifiable problems and attitudes, because their transition from childhood to full adult responsibilities is so brief and early.  

It must be kept in mind, however, that very high proportions of the young people from rural-agricultural families are shifting to urban settings and occupations. Along with urban youth from the lower as well as middle strata they face prolonged difficulties in obtaining steady employment, whether or not they are able to continue in school. In four countries (Colombia, Mexico, Peru, and Venezuela) out of five for which recent data are available, young people were in the majority among the open unemployed and in the fifth country (Chile, where the relative size of the age group is smaller than in the others) they were nearly half. This is not simply a question of inability of teen-agers to find jobs for some

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23/ See Aldo E. Solari, Algunas reflexiones sobre la juventud latinoamericana (Cuadernos del ILPES, Serie II, 14, Santiago 1971), and A. Currieri, E. Torres-Kivas, J. González, Elio de la Vega, Estudios sobre la juventud marginal latinoamericana (Editorial Siglo XXI, Mexico 1971). ECLA in collaboration with FAO has recently undertaken field inquiries focussed on the participation in development of a few groups of rural and urban working-class youth, but findings are not yet available. According to the inquiries in Guayaquil and Santiago referred to above, 50.2 per cent of the male active population in the Guayaquil sample and 31.3 per cent of the female had entered the labour force before reaching 15 years of age. In Santiago the percentages were 64.1 and 42.2.

/time after
time after entering the labour market, since a majority of the youthful unemployed are in their twenties; nor of exclusion of the most disadvantaged strata from the labour market, since the youthful unemployed are not predominantly uneducated; unemployment rates seem to be highest among youth with four or more years of primary schooling and among those with some secondary schooling; the duration of unemployment is also greater in this latter group.\textsuperscript{24}

It would seem that the incorporation of youth into the labour force is becoming more difficult, partly because of the insufficient overall increase in demand for labour, partly because the present educational systems from the primary level upward, promote higher occupational aspirations without imparting specific qualifications. A wide gap persists between the labour market for youth from the middle strata, with at least a complete secondary education, and youth from the lower strata, and there is not much mobility from one market to the other, but in both markets supply exceeds demand. The first category of youth may well continue to present the more unmanageable challenges to the style of development, but the generational problem is likely to emerge with increasing clarity in the second group also.

\textsuperscript{24} See Henry Kirsch, \textit{op. cit.}. Presumably, as the Guayaquil and Santiago findings also suggest, unemployment is lower among the least educated because they are also least selective in the jobs they will accept and least able to depend on family maintenance while seeking more acceptable means of livelihood.
5. Levels of living and sectoral social action

Two apparently contradictory but complexly inter-related consequences for levels of living and the public services bearing on levels of living emerge from the demographic and societal trends described above. Like the trends themselves, these consequences can be presented here only schematically, rather than explored in their full complexity and ambiguity. It goes without saying that other interactions between societal trends, levels of living and social services are also identifiable within specific national and local situations, and that the shortcomings of the information justify no more than provisional acceptance of any generalization.

First, while consumption has diversified in most settings and in most social strata, there is no general evidence of significant improvement for the lower-income majority in the two most basic components of the level of living—food and shelter. In both of these areas, the role of public services and subsidies, while increasingly important, remains subordinate to the interplay between family incomes, family decisions on distribution of expenditures, and capacity of the economies to supply the relevant goods at prices matching purchasing power. With regard to both food and housing, low effective demand determined by inadequate incomes, inefficient production and distribution systems, certain well-known consequences of rapid urbanization, certain well-known consequences of the dependent modernization of consumption patterns, and vacillating or self-defeating public policies add up to the continuation, or possibly deterioration, of a chronically unsatisfactory situation.

Second, the range and coverage of publicly-financed social services have greatly increased. The distribution of these services has continued to be very uneven, corresponding roughly to the differences between types of national situation, between internal regions, between urban and rural settings, and between occupational and income groups, but the expansion has affected practically every country, region, and group to a significant extent. The lines of expansion have depended more on the relative strength of pressures from within the societies and on the availability of earmarked external aid than on any coherent conception of the place of social
of social services in a strategy for development. The efficiency of most services has been low in relation to their claims on public resources. In spite of these qualifications, the social services are undoubtedly making real contributions to human welfare, are changing the quality of the human element for the better, and are generating new opportunities as well as constraints for development policy. For the middle strata, the services now constitute a very important part of their preferred job market, their values dominate the content, and they are able to capture a disproportionate share of the benefits. Nevertheless, however ambivalently, their role in the services brings them into confrontation with the negative byproducts of the prevailing style of development and involves them in the quest for different solutions in ways that would not be present if their livelihood derived more exclusively from private activities. At the same time, the contours of poverty change when the most disadvantaged strata begin to have some access to schools and health services, some consciousness that the State has assumed responsibilities for their protection, although prevailing social relationships tend to distort this consciousness into dependence and unrealistic appreciations of the capacity and intentions of the State.

In the expansion of the social services education has had the leading role, both in proportion of resources absorbed and in the importance and complexity of its impact on the societies. The expansion of health services has also been important in practically all countries, as the general declines in infant mortality and rises in life expectancies, in the absence of demonstrable improvements in food consumption and housing, indicate. Social security has broadened its coverage although in most of the countries the rural population and the more marginal urban strata remain outside de facto, whether or not the law calls for their incorporation, and the discrimination in benefits between occupational strata remains wide. In these and other areas of public social action, present trends do not diverge greatly from what has been described in previous reports. The last part of this chapter will therefore concentrate on certain problems of food supply, housing, and educational expansion.

/(s) Food
(a) **Food supply and nutrition.** FAO data (table 2) show that availability of calories per capita, availability of proteins, and availability of animal proteins remains below international norms in a good many countries, that gains in the early 1970's over the 1960's are small, and that the improvements up to 1980 that can be projected from past trends or national objectives will not entirely erase the deficit. The most urbanized countries with high income levels and low rates of population growth also have the more adequate food supplies; in these countries faltering agricultural-pastoral production means a declining export surplus rather than a deficient national diet. The large countries, along with Chile and Cuba, are at middle levels in per capita food supply, while most of the smaller, more rural countries are well below the regional average. When the national average is inadequate or barely adequate in settings of extreme inequality in income distribution it can be assumed that the diet of the lower-income groups and depressed regions is far below an acceptable minimum, while the more prosperous groups consume a good deal more than they need. Recent calculations made in the Central American countries, where dietary deficiencies are particularly pronounced, show what this means in practice; although the quality of the information hardly justifies the apparent exactness of the figures (table 4).

Urbanization changes the nature of the food supply problem and the policy implications, without necessarily affecting the statistical adequacy of food supplies for better or worse. Until recently, most of the population with inadequate diets lived in the rural areas, where the deficiencies were chronic and did not generate pressures for remedial action. This is still true in most of the Central American countries and in the smaller countries elsewhere. To the extent that the low-income population congregates in the cities and urban consumption patterns penetrate the rural areas, however, demands change, and the family gains some degree of choice in expenditures. The basic diet probably remains monotonous, confined to a few staples, and there may be a nutritional loss as regards home-produced vegetables, etc., while family expenditures are diverted in part to bottled beverages and

*/Table 4*
### Table 4

**Estimated Daily Consumption of Calories and Proteins per Capita by Income Status in 1970**

<table>
<thead>
<tr>
<th></th>
<th>Low  (50 per cent)</th>
<th>Medium (30 per cent)</th>
<th>High  (15 per cent)</th>
<th>Very High (5 per cent)</th>
<th>Average for Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Calories (grams)</td>
<td>Proteins (grams)</td>
<td>Calories (grams)</td>
<td>Proteins (grams)</td>
<td>Calories (grams)</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>1,990</td>
<td>47.2</td>
<td>2,632</td>
<td>69.6</td>
<td>3,107</td>
</tr>
<tr>
<td>El Salvador</td>
<td>1,315</td>
<td>30.0</td>
<td>2,128</td>
<td>50.1</td>
<td>2,697</td>
</tr>
<tr>
<td>Guatemala</td>
<td>1,326</td>
<td>30.7</td>
<td>2,362</td>
<td>56.9</td>
<td>2,919</td>
</tr>
<tr>
<td>Honduras</td>
<td>1,465</td>
<td>33.3</td>
<td>2,661</td>
<td>65.0</td>
<td>3,268</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>1,767</td>
<td>46.6</td>
<td>2,764</td>
<td>72.5</td>
<td>3,255</td>
</tr>
</tbody>
</table>

*Average for eight countries in South America (all except Argentina and Uruguay)*

2,089 2,849 3,313 4,238 2,581

**Sources:**
For the Central American countries GAPICA/INCAP (Grupo asesor de la FAO para la Integración Económica Centroamericana/Instituto de Nutrición para Centro América y Panamá).
packaged foods of relatively low nutritional content. At the same time, urban low-income families can force the State to try to keep the prices of staple foods low, and a good many of them gain access to free or subsidized foods distributed under various international aid programmes. Meanwhile, the State is assuming wider responsibilities for maintenance of standards, prevention of adulteration and contamination, requirement of the incorporation of nutritional additives in flour and other staples, etc. In countries where increases in the domestic food supply are sluggish, agrarian unrest pronounced, distribution systems costly and inefficient, and urban incomes low, the State is at a loss to reconcile the problems of production incentives, welfare, and political stability within a coherent policy. The strains become all the more severe insofar as income redistribution is seriously attacked, in view of the relatively high income elasticity of demand for food and the low responsiveness of the production and distribution systems. Within the past few years various countries have thus found their food imports growing unmanageably, at a time when the world sources of cheap food exports are drying up. High agricultural export prices threaten national diets from another direction; domestic producers shift to the export market.  

The resultant policies that are now coming to the fore in a piecemeal way include: (i) curtailment of the consumption of the foods most costly to produce (mainly beef) through prohibition of their sale during certain periods (this policy is resorted to by both countries trying to increase the supplies available for export and countries trying to restrict the costs of imports); (ii) incentives to the production and consumption of other foods of high nutritive value that can be more cheaply produced

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35/ Cattle production for the export market has increased very rapidly in Central America, for example. An increase of 75 per cent in meat production in Nicaragua is said to have been accompanied by an increase of only 3 per cent in per capita consumption; in Guatemala production increased 40 per cent and per capita consumption declined 6 per cent; in Costa Rica production increased 92 per cent and consumption declined 26 per cent. (Alan Berg, The Nutrition Factor: Its Role in National Development (Brookings Institution, 1973), abridged in Boletín de Población, Bogotá, IV,2, 1973.)
domestically (fish, chickens, pork, etc); (iii) price controls on and subsidized imports of staple foods; (iv) purchases and distribution of such foods through State agencies, co-operatives, and various consumer-protection organizations, so as to cut middleman costs and insure adequate supplies at official prices to urban low-income groups; (v) special channels for distribution (through schools, clinics, community organizations, mothers' associations, etc.) of milk and other protective foods to insure that they reach young children. During the 1970's these and related measures are sure to increase in scope in spite of the formidable problems of organization and equitable functioning they have encountered.

The deficient nutrition of children under five years of age has emerged as the most alarming and intractable facet of the problem, in view of the longterm implications for quality of the population and the difficulties of getting the right foods in adequate quantities where they are most needed. Sample surveys carried out in 13 Latin American countries and 3 English-speaking Caribbean countries in different years between 1965 and 1970 indicate percentages of under-nourished children (defined by body weight 10 per cent or more below theoretical normal weight) ranging between 37 and 80. In all countries more than half the sample group was undernourished, and in 7 countries two-thirds or more. Second-degree undernourishment (weight 25 per cent or more below the norm) affected 20 per cent or more of the sample in 5 countries.36/ The samples are not fully comparable, but they indicate that the highest rates of child undernourishment are found in Central America and the Caribbean. Serious undernourishment among young children results in a permanent stunting of physical growth and in reduced adult working capacity, but in the past few years irreversible brain damage caused by insufficient protein in the diet of very young children, previously unsuspected, has emerged as probably the main threat. The dimensions of this evil and the nutritional threshold at which permanent damage can be expected are still not entirely clear, since research has been limited to small groups of children in a few settings,

36/ Pan American Health Organization, "Four-year projections of Ministries of Health for the period 1972-1975".
but several troubling questions must be confronted. First, what are the implications for education, considered as an instrument for equalization of opportunities; for raising of labour force productivity; and for democratic participation in the social order, if an important part of the population is handicapped mentally as well as by poverty and discrimination? To what extent does the former handicap, transmitted from generation to generation, explain the static poverty at the bottom of the income distribution ladder? The findings on child malnutrition, in the sweeping terms in which they are beginning to be disseminated, can support elitist views of the social order as well as arouse the public conscience to the threat to human well-being and the national future. Second, how can the societal mechanisms for allocation of resources give adequate priority to a need that is of enormously greater importance than most of the other demands on public resources, but that cannot exert pre pressures of comparable force for satisfaction? Improving the adequacy of food supplies to the lowest-income families is essential but insufficient, since protein malnutrition of very young children derives partly from culturally determined patterns of distribution of food within the family.

(b) Housing. Problems of shelter and human settlement continue to differ according to three main types of setting. In the strictly rural areas standards of shelter almost everywhere have been very low, corresponding to prevailing poverty, family building capacity limited by locally available materials and traditional building techniques, and disincentives to housing investment associated with prevailing systems

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37/ "Numerosos estudios ... han evidenciado claramente que la cantidad de alumnos básicos que no están capacitados para seguir normalmente sus estudios es sorprendentemente mayor que la imaginada, subiendo a porcentajes del 40 o 45 por ciento del total del alumnado básico. ... Si los aspectos nutricionales de los últimos 3-4 años han sido deficientes o inadecuados ... habrá que reconocer que existe una herencia potencial negativa que hará que en los próximos años el porcentaje de retrasados suba del 50 por ciento. ... Dadas las características cercanas a la irrecuperabilidad para estudios medios por parte de los componentes de la Educación Básica Especial, ella debe considerar grandes dosis de capacitación laboral en el contenido de sus programas." (Directiva del Gobierno para la Educación, Santiago de Chile, 19 diciembre de 1973.)
of land tenure. For most of Latin America there is no reason to believe that overall rural housing levels have improved or deteriorated very much, since the previous constraints have continued, while the rural population has grown slowly enough to permit reproduction of the previous types of housing without much difficulty. Rural housing deficiencies are naturally a larger part of the overall housing problem, and the likelihood of deterioration greater, in the third group of countries previously distinguished, in which the rural population is still growing rapidly. In the small towns and slowly growing provincial cities, traditional housing standards have been relatively satisfactory. Here too there has probably been little overall change for better or worse in housing proper, but gains in electrification, water supply and sewerage have been much more pronounced than in the strictly rural localities.

During the past two decades attention has naturally centred on the more dramatic deficiencies of the larger and more rapidly growing urban centres where conventional mechanisms for the organization of house-building have manifestly been unable to prevent deterioration. Attempts at quantification have taken two main approaches, associated with differing diagnoses of the nature of the problem: calculation of housing deficits and calculations of numbers of families living in urban "marginal" or "uncontrolled" settlements.

Calculations of housing deficits compare the stock of housing meeting certain defined minimum standards with the number of families needing shelter. Most national authorities made calculations of this kind during the early 1960's and came to alarming conclusions, particularly when rates of increase in the urban housing deficit were forecast from rates of formation of new families and rates of deterioration of the existing housing stock. The calculation of deficits was associated with the preparation of housing plans calling for construction of given numbers of new units per year, and with availability of substantial external funds, particularly in the form of low-interest loans, for financing housing construction and associated infrastructure. Such housing plans had various attractions to Governments in addition to their primary purpose: the simple quantitative targets attracted the urban voters, the construction
and building material industries were powerful advocates, and the housing plans offered a promising means of absorbing unemployed unskilled labour. However, it rarely proved possible to attain the planned objectives for more than a year or two at a time, or to recover a substantial part of the costs from the families receiving new housing. The effective demand for housing, at prevailing unit costs, even with subsidies and generous terms of payment, had narrower limits than was expected. Even the middle strata that received most of the new housing were struggling with many competing demands on their budgets and commonly managed to evade part of the housing costs through inflation or otherwise. The urban population has continued to increase more rapidly than the stock of "normal" housing, and the size of the deficit should have increased considerably during the 1960's and early 1970's. Nevertheless, one finds few recent estimates of housing deficits bearing this out, and the symptoms of urban overcrowding seem less acute than might have been expected. In practice, a good deal of the pressure has been relieved

38/ The typical housing programmes have required from applicants a minimum income permitting regular amortization payments. The poorer applicants were thus motivated to falsify their incomes to acquire eligibility, and later were unable to keep up payments, even with excessive sacrifices in other areas of consumption. See, for example, Fanny Tabak, "Vivienda y política de desarrollo urbano en el Brasil", Revista Interamericana de Planificación, 7, 27, septiembre de 1973.

39/ In the early 1960's, United Nations and Inter-American Development Bank reports estimated the overall housing deficit of Latin America at 15 to 20 million dwelling units. It is significant that the same estimates are still being repeated as applicable to the early 1970's, although a comparison of population growth and "regular" construction levels indicates that, by constant standards, the overall deficit must by now be very much larger. For a recent calculation arriving at an urban deficit of 8.9 million units and a rural deficit of 9.9 million units for 1970, see Jorge E. Hardoy, "Un ensayo de interpretación del proceso de urbanización en América Latina", Revista Interamericana de Planificación, 7, 27, septiembre de 1973.
by unconventional housing "solutions" that initially were viewed as the most alarming aspect of the "problem".

The growth of settlements built by their occupants around the fringes of the cities first attracted attention during the 1950's. It soon became obvious that the population of these settlements was growing more rapidly than that of the cities proper, and a long series of national and international studies have repeated estimates of their size, recited their picturesque local names, and called for remedial action. As investigation proceeded and the settlements continued to grow it became evident that the phenomenon was more complex than originally supposed and by no means so one-sidedly negative. For the most part, the settlements proved to represent determined efforts by low-income families already established in the cities to meet their own needs for shelter and security, rather than camps of rural migrants or foci of delinquency and discontent. The organized efforts of the occupants to defend their immediate interests and obtain services from the State seemed to offer channels for their integration into the urban order - if the order itself was capable of finding a place for them. As the conventional national housing programmes demonstrated their incapacity to relieve housing shortages beyond the limits of the middle-income strata, governmental attention increasingly turned to cheaper and less conventional techniques involving overt or tacit recognition of the legitimacy of the irregular settlements - provision of water, electricity, sewerage, paved streets, playgrounds and shopping centres; relocation of settlements from radically unsuitable land; supply of building lots, minimum services, cheap materials and technical advice for self-help construction; promotion of community organization.

Within the prevailing style of development, with the associated patterns of social stratification and income distribution, such measures constitute unavoidable expedients rather than acceptable solutions to the housing needs of the low-income groups. They are compatible with continuing evasion of the need for comprehensive planning of urban growth and controls.

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/on land
on land use and costs, since they usually seek cheap or publicly-owned lands remote from the urban centres, and require long journeys to and from work for the settlers. For environmental reasons and eventual infrastructural costs, there must be some limit to the urban sprawl associated with this kind of settlement as well as the suburban preferences of the upper and middle strata. The newer policies of aid to the peripheral settlements are also compatible with continuing allocation of the lion's share of public housing subsidies and incentives to the middle-income market.

(c) Education. Formal education has expanded more rapidly and generally than any other form of public social action during the 1960's and early 1970's. Practically all countries now devote more than 15 per cent of central government expenditures to education, and in some of them state, municipal, and private financing add appreciably to the total commitment. In at least four countries, education accounts for more than 25 per cent of central government expenditure; in such cases the proportion cannot rise much higher and further increases in educational resources will have to depend on overall expansion of public sector resources.

The expansion has affected all educational levels. Primary enrolment in most countries has grown at rates well above the average annual 3 per cent increase in numbers of children in the relevant age group. \(^{41}\)

\(^{41}\) The most remarkable achievement at this level is probably that of Costa Rica, which during the whole period 1950-1972 outpaced an average annual increase of 4.3 per cent in the number of children 6 - 13 with an annual increase in primary enrolment of 5.6 per cent and an annual increase in primary graduates of 10.6 per cent, indicating steady improvement in school retention of pupils. During these 22 years the number of primary pupils more than tripled and the annual number of graduates increased by more than seven times. (Universidad de Costa Rica, Diagnóstico del sistema de educación científica y tecnológica de Costa Rica y basea para su planificación a largo plazo (Ciudad Universitaria "Rodrigo Facio", 1974).)
The proportion of children receiving no schooling is now relatively small, except in some of the poorest countries and the most disadvantaged internal regions of others. Illiteracy rates have continued their long-term downward trend, as far as can be judged from the few 1970 census tabulations as yet available. Since adult education has received only fitful attention (although sometimes a good deal of publicity) in most educational programmes, this downward trend affects mainly young people, that is, the age groups 15-29.

Nevertheless, primary education continues to suffer from the shortcomings that have been documented during the past years when overall dimensions and coverage were much smaller. Except in the most educationally advanced countries only a minority (sometimes a very small minority) of children complete the primary course (usually of six grades). The gap in quality between urban and rural primary education continues to be very wide. Many children do not their schooling at the "normal" age of 6 or 7, but at 8 to 10, and drop out after two or three years. Even if one leaves out of account the supposed mental consequences of protein deficiency in the pre-school years, the general setting of poverty leaves them in no position to gain significantly from the brief and low-quality schooling they receive. The objective of universalizing a minimum education as a requisite for national integration and social justice, proclaimed since the 19th century, is thus still far from accomplishment. It is now evident that equalization of the educational opportunities of the poor would require fairly expensive supplementary measures beginning long before the children reach primary school age - particularly nutritional and health care, nursery schools and kindergartens. Programmes of the latter kind are by now found in most urban settings,

42/ In Brazil, the illiteracy rate of the population 15 years of age and over dropped from 39.5 per cent in 1960 to 33.0 per cent in 1970, but the absolute number of illiterates increased by more than 2 millions. 1970 illiteracy rates by region ranged from 60.0 in the Northeast to 25.0 in the South. (Eliñvar Lamounier, "Educação", in Comoresoe de População Brasileira, Centro Brasileiro de Análise e Planejamento, São Paulo, 1973.

/but their
but their resources and coverage are small. It is significant that enrolment in pre-school institutions, in practically all countries for which data are available, ranges between 2 per cent and 5 per cent of primary enrolment.

Meanwhile, enrolment at the middle and higher educational levels has been increasing faster than primary enrolment in most countries, and the higher level has shown an extraordinary acceleration in very recent years. The most recent statistics for Brazil show a particularly marked trend: 43/

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary Enrolment</th>
<th>Rate of Increase</th>
<th>Middle Enrolment</th>
<th>Rate of Increase</th>
<th>Higher Enrolment</th>
<th>Rate of Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>12 612 000</td>
<td>4.2</td>
<td>4 083 600</td>
<td>12.5</td>
<td>425 500</td>
<td>24.0</td>
</tr>
<tr>
<td>1971</td>
<td>13 682 600</td>
<td>6.8</td>
<td>4 578 000</td>
<td>12.1</td>
<td>561 400</td>
<td>31.9</td>
</tr>
<tr>
<td>1972 (est.)</td>
<td>14 523 500</td>
<td>6.1</td>
<td>5 273 600</td>
<td>15.2</td>
<td>694 100</td>
<td>23.6</td>
</tr>
</tbody>
</table>

Differential rates of increase are to be expected in countries that are approaching universality in primary enrolment, but very few Latin American countries are really in this position, while even the countries that are lagging farthest behind in primary enrolment are raising middle and higher enrolment quite rapidly. Enrolment levels and rates of increase are closer to uniformity in the different types of countries at the latter levels than at the former. In a good many Latin American countries the proportions of the relevant age groups enrolled in middle and higher education are now higher than in the average European country, and vastly superior to the proportions in the European countries at a time in the past when the latter had already attained universal complete primary education. 44/

43/ "Estratégia da Segunda Década para o Desenvolvimento. Informações sobre o Brasil", op. cit.

44/ For detailed discussion of these questions, see "Secondary Education, Social Structure and Development in Latin America" (E/CH.12/924), document presented jointly by ECLA and the Latin American Institute for Economic and Social Planning at the Conference of Ministers of Education and those responsible for the promotion of science and technology in relation to development in Latin America and the Caribbean, convened by Unesco, Venezuela, December 1971.
In the early 1960's, diagnoses of education in Latin America commonly insisted on the inadequate output of the specialized skills needed for development and on the excessive proportions of persons revealed by statistics to be holding posts for which they were educationally unqualified. It followed that rapid and carefully planned expansion of professional and technical education was called for. The shortages are undoubtedly still present in a good many specializations, particularly those for which the international market is so strong that the "brain drain" nullifies the contribution of the educational systems, but for the most part a quite different diagnosis now seems appropriate. The lines of educational expansion at the middle and higher levels have been linked with the tactics of the middle strata for upward mobility and with the greater real opportunities for social ascent offered by some professions and by general education as against technical education. Educational requirements for the better-paid and more prestigious jobs have been continually raised as a means of restricting entry irrespective of the relevance of the qualification to the functions performed. Almost everywhere, expansion at the middle level has been aimed at preparation for university entry rather than at technical-vocational specialization. In at least a few countries, overall output at the middle and higher educational levels already markedly exceeds absorptive capacity in the

45/ See, in particular, Education, Human Resources and Development in Latin America (United Nations publication, Sales No.: E.68.II. G.7).

/appropriate occupations
appropriate occupations, and the present rates of increase and distribution of enrolment suggest that this situation is bound to spread to other countries.\textsuperscript{46/}

The consequences of present patterns of educational expansion also include claims on the public resources allocated to education that can hardly be reconciled with the needs indicated above for upgrading of primary education;\textsuperscript{47/} a general deterioration of quality as the middle and higher institutions are unable to find teachers and complementary services to deal with the flood of poorly prepared students; chronic unrest and demands for revolutionary educational change combined with resistance to all proposals for specific reforms; and increasing pressure from graduates, unable to find satisfactory jobs elsewhere, for employment within the educational systems.

\textsuperscript{46/} In Chile, according to estimates by the Planning Office of the University of Chile, the stock of professionals will increase by 55 per cent during the period 1970-1975. The ideal absorptive capacity for graduates of middle-level education during this period would vary from 13 thousand to 18 thousand persons annually, as against enrolment in the last year of middle education of 64,400 in 1972 and 104,100 in 1975. The ideal absorptive capacity for graduates of higher education would vary between 6 thousand and 8 thousand persons, while university graduates will number nearly 11 thousand in 1972 and 17 thousand in 1975. (Rolando Sánchez Araya and Juan Manuel Cruz, Perspectivas de Desarrollo de la Universidad de Chile (Oficina de Planificación, Universidad de Chile, Santiago, Agosto 1973).)

\textsuperscript{47/} In Chile, which may be an extreme case, the percentage distribution of the budget of the Ministry of Education has evolved as follows:

<table>
<thead>
<tr>
<th></th>
<th>1965</th>
<th>1970</th>
<th>1972</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic education</td>
<td>40.1</td>
<td>37.7</td>
<td>32.8</td>
</tr>
<tr>
<td>Middle education</td>
<td>20.3</td>
<td>20.2</td>
<td>17.3</td>
</tr>
<tr>
<td>Higher education</td>
<td>26.6</td>
<td>28.1</td>
<td>37.1</td>
</tr>
<tr>
<td>Other</td>
<td>13.0</td>
<td>12.0</td>
<td>12.8</td>
</tr>
<tr>
<td></td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The items in the "other" category were also, in practice, devoted largely to higher education. In 1971 the ratio of costs per pupil enrolled at the three levels was 1:4:15. (Universidad de Chile, Oficina de Planificación, Antecedentes e Informaciones, No. 4, Santiago, agosto de 1973).

/A projection/
A projection of rising costs and demands for admission suggests that the educational crisis will become increasingly serious during the 1970's unless different priorities and expectations come to the fore. Two alternative strategies for educational reform can be envisaged: a) A systematic equalization of educational opportunities accompanied by de-emphasis on the schools and the formal educational ladder as an instrument of social mobility and differentiation. That is, pre-school programmes, schools, mass communication media, and adult education would jointly help the family and the individual cope with life in society, leaving a maximum of free choice in use of educational resources made available by the State. Such a strategy, which has been proposed in a number of variations by educators, would require a far-reaching redistribution and transformation of the resources applied to education, and an even more difficult transformation of the expectations of all the social strata now struggling to gain specific advantages from schooling. b) A systematic subordination of educational content and output to the requirements of the prevailing style of development and the distribution of power in the societies. This would imply limits on the further expansion of most lines of higher education and of university-preparatory secondary education, greater selectivity in admissions, planned expansion of technical-vocational education in accordance with demand for specialized manpower, and universalization of terminal primary education for the majority, with content adapted to expected work experience and roles in the society. Such a strategy would also encounter powerful resistances, since it would clash with professed values, and since the groups whose expectations would be frustrated - at the middle as well as the lower levels - would be much larger than the groups gaining. Accordingly, it seems probable in most countries the internally contradictory growth of education will continue for some time, with successive proposals for reform unable to mobilize sufficiently coherent support, and with a series of expedients relieving the most urgent pressures on resources. As in the case of quantitative increases in other developmental "problems", the capacity of the systems to continue indefinitely without breakdown is likely to prove greater than might be expected from the conspicuousness of present strains and conflicts.