

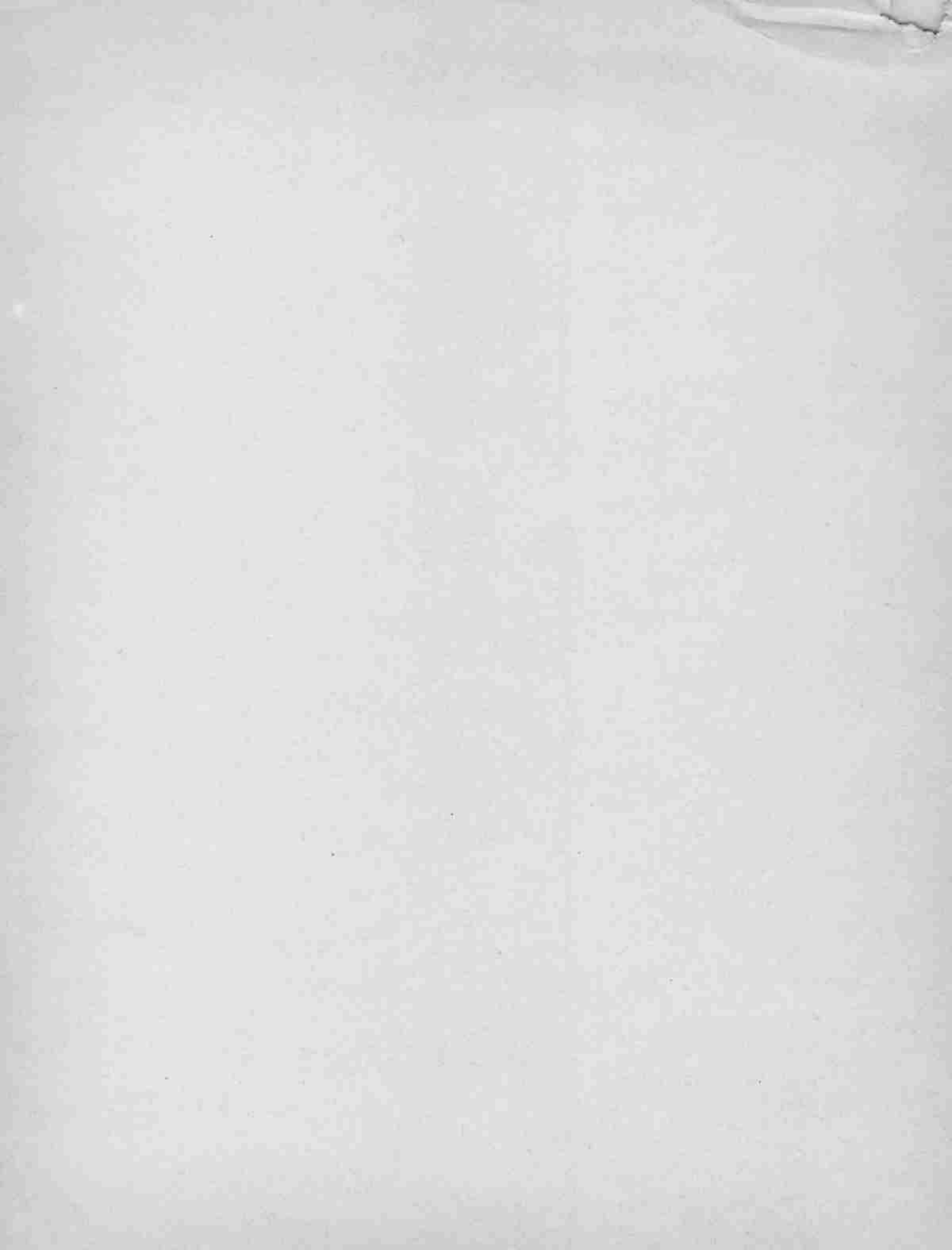
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THE STRUCTURAL BACKGROUND OF DEVELOPMENT PROBLEMS IN LATIN AMERICA

by

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By Osvaldo Sunkel *

I. Some preliminary remarks

"The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist". The concluding remarks of Keynes's General Theory find frequent confirmation in the opinions about Latin America voiced by businessmen, government officials, financial authorities, journalists and other "practical men", both native and foreign. Even some social scientists will attribute our problems in the final analyses to questions related to race, religion, the tropical climate, the Latin heritage, estatism, lack of vigorous free enterprise, imperialist exploitation and the like. If they happen to be economists, these deep-rooted convictions will be camouflaged behind a screen of economic jargon: low investments and savings, inefficient allocation of resources, artificial interference with the free operation of the market and price mechanisms, financial instability, unsound economic policies, etc.. But these are question-begging "explanations", which will again lead to some "simple fundamental reason" extracted from the intellectual heritage of Adam Smith, J. S. Mill, Malthus, Marshall, Comte, Marx, Weber, Spengler, Lenin, Freud and many others, and applied dogmatically rather than as methods of analyses and interpretation.

This cannot be a sound basis for explaining the development problems of Latin America and for prescribing the medicine. Underdevelopment and development are historical processes. Development problems and policies

* The ideas and opinions expressed in this paper are personal and should not be ascribed in any way to the institutions with which the author is connected. The author is indebted to Pedro Paz and Octavio Rodríguez for helpful suggestions, and to Patricio Orellana and Julieta Kirkwood for help in preparing the statistical material.

cannot be understood unless they are analysed in the full context of their historical setting. This means that they have roots that go back to events that took place in the recent past and also many decades back, but the consequences of which are still being felt. It also means that it is rather useless to approach questions of development policy with highly simplified, formalistic and mechanical economic models. History and policy-making cannot be forced into a preconceived strait-jacket.

In this paper I cannot even attempt to give the full story of the process by which Latin America - and each individual country in the region - became underdeveloped, and of the problems being faced now when trying to overcome that situation. Fortunately, there is a growing literature on the subject, which is for the first time looking systematically at Latin America from the angle of its own process of historical change.

There exists among Latin American economists and intellectuals a growing impatience with the attempt to use foreign models to interpret the regions' situations. And this extends to other areas of the social sciences as well. The editor of the papers presented at a recent conference on Latin America synthesizes this feeling as follows: "the discussions among Latin American scholars, who came from different countries, worked in different disciplines, and started from different premises, showed a most remarkable coincidence of views These views may very well mark the end of the sincerely held belief that the changes which preceded and followed the Industrial Revolution in Europe would automatically accompany the industrialization of Latin America The concensus of opinion seems to be that the "classical" Marxist or liberal models of development based on the experience of the more advanced countries of Europe are not applicable to Latin American conditions. The principal task in Latin America at present seems to be the construction of a theoretical model based on the experience of the last decades which can be used effectively to understand, interpret and direct the processes of social and economic change" (1).

This paper does not pretend to give a full account of such views. It is aimed at the more restricted purpose of suggesting some of the underlying factors of present day problems and policies, in the hope of

/stimulating interest

stimulating interest in the kind of analyses and interpretations that are currently being favored by a substantial group of Latin American economists and social scientists*. The emphasis will not be on elaborate and sophisticated proof of the hypothesis that will be advanced, but rather on the description of the interdependency between the problems faced today and the peculiar institutional and structural characteristics inherited from previous periods.

II. The Basic Problems

Since problems can only be defined in terms of objectives, it will be necessary to begin by stating the aims of development policy in Latin America. Though the situation may vary from country to country, and from period to period, it is safe to assume that the long term objectives of development policy everywhere are the following: to maximize the rate of growth of the economy; to improve the distribution of income; to increase employment opportunities; and to achieve and maintain a reasonable degree of financial stability. Let us examine briefly the performance of Latin American countries as measured by these yardsticks.

The Rate of Growth

The data shown in Table 1 largely gives the story away. The economy of Latin America expanded at an increasing rate until the early fifties, benefitting from the expansionary trends of the world economy due to the recovery from the World Depression, the Second World War and the post-war boom. In the decade between 1945 and 1955, rather high rates of growth were achieved, particularly when the GDP figures are adjusted by the effect of variations in the terms of trade. This trend has been sharply reversed again in the last decade, when terms of trade have once more turned against primary exporters in Latin America. The negative impact of this tendency on per capita income has meanwhile been aggravated by a substantial

* An appendix has been added to this paper in order to help the reader familiarize himself with some of the Latin American sources and authors which follow this general line of approach.

/acceleration of

acceleration of population growth. As the comparison of the GDP series with the terms of trade index suggests, the long-term tendencies in Latin American economic development as well as the jump of GDP in 1964 are an indication of the decisive influence of world markets for the primary products exported by Latin America on the long and short term conditions of the economy of the region. This becomes particularly striking when it is appreciated that the rate of growth begins to decline precisely when the volume of exports starts expanding so rapidly that by 1964 it is 66 percent above the 1950/55 average (2).

It may be argued that it is not justified to speak of the region as a whole. As will be suggested later on, in spite of great differences among the countries of Latin America, it is nevertheless legitimate to do so at this level of generality, because of similarities in some important structural characteristics. As some of these are to be found precisely in the structure of foreign trade, it is not surprising that Table 2, which presents data for most of the countries, rather confirms the general trend. Large and small countries, producers of tropical or temperate agricultural goods as well as mineral exporters, fast growing and relatively stagnant economies, higher and lower per capita income nations, countries of highly homogeneous ethnic characteristics as well as countries with a large segment of Indian population, almost all of them show a long-term post-war tendency to reduce the rate of development. Moreover, most have reached a point where the rate of increase in the average living standard of the population - as measured by GDP per capita - is at levels which offer little hope of substantial improvements within a reasonable span of time. In the period 1955-61 only three countries - Brazil, Peru and Venezuela - exceeded the Latin American average rate of growth of GDP per capita. This was only 1.4 percent in that period, was reduced still further in 1962 and even became negative in 1963.

On the other hand, with the exception of Brazil (a third of the population of Latin America!) all countries also show a remarkable increase in GDP in 1964. This may be the beginning of another period of rapid expansion, but the boom may as well die off in the next year if world

markets for primary products come back to "normality". In some countries like Argentina, Chile and Mexico the considerable increment in GDP in 1964 is mainly the consequence of the resumption of expansionary policies after some years of stabilization or restrictive policies. Therefore this cannot be taken as an indication of the initiation of another period of high long-term growth trends.

Incidentally, it is worth noting that while the rate of development has been clearly associated to external conditions - something on which modern conventional economic and development theory puts little emphasis - the rate of capital formation, which is usually assumed to be the main determinant of growth, does not appear to be associated with growth rates in any clear-cut fashion. The Argentina, for instance, which has a very high and growing rate of capital formation, has become an almost stagnant economy in recent years; Mexico has been increasing its investment rate, but the growth rate has been falling until the last two years; Brazil, which shows a lower rate of investment than Argentina, Colombia and Central America, has nevertheless had higher rates of growth than these countries (compare Tables 2 and 3). This is not intended to deny the importance of capital formation to economic development; the period of observation is probably too short to draw any conclusion. But it does suggest that the relationship is far more complex than what is normally assumed in macro-dynamic theory, which, it may be worth recalling, is behind every development plan.

Summing up, it seems fair to conclude that: the rate of economic development - as measured by GDP - has been falling during the last fifteen years; that it has reached rather low levels in most countries; and, that despite substantial industrialization and development efforts in most nations, it apparently continues to depend heavily on foreign trade, and particularly on terms of trade, both in the long and in the short term.

The Distribution of Income

The characteristics of the distribution of income in Latin America will be analysed later, in connection with the description of the historical and structural factors which have had such a large influence in determining

/its shape.

its shape. In this section the interest is rather on the changes in the distribution of income which have occurred over the last decades. As in almost every part of the world, statistics on the distribution of income are in Latin America also rather scanty and of doubtful reliability. It is particularly difficult to find comparable data for different years. Nevertheless, some surveys have been made, and data on the share of wage payments in National Income may also give some indication of the trend, though it is readily acknowledged that they do not constitute an appropriate index.

Table 4 shows the available data. The only countries which have experienced important changes are Argentina and Brazil. In the case of Argentina there has been a substantial decline in the share of wages from around 47 percent in the early fifties to 40 percent in 1959-61. Brazil shows an important increase, but the figures are significant only for the urban population since agricultural wages are not included; rural population in Brazil still amounts to over half of the population. The other countries show a constant or slightly rising proportion. If phenomena like urbanization, monetization of labour remunerations and substitution of domestic for commercial services are taken into account, which tend to increase the money wage share without a corresponding increase in real wages, those trends cannot be interpreted as an improvement of income distribution. They may even be too moderate as even to compensate for these structural changes.

If the problem of surplus labour and insufficient employment opportunities for the unskilled worker - which is mentioned in the next paragraph - is taken into account, the presumption is that there may be two diverging movements taking place within the wage earning population. The better organized, urban, semiskilled and skilled labour employed in the modern sectors of the economy - which are included under item "compensation of employees" - are probably increasing their wage rate. On the other hand, rural small holders, small family businesses, petty trade and services, handicrafts and other low income and redundant activities, as well as urban unskilled and unorganized labour and other

/temporarily employed

temporarily employed labour - which come largely under item "income from unincorporated enterprises" - may continue at a near subsistence level or have increased their income only very slowly. In fact, the increase of the share of wages in national income was obtained largely at the expense of the latter category in all countries as shown in Table 4, except Argentina.

This hypothesis is partly confirmed by data shown in Table 5, which summarizes the few available statistics on income distribution by size. Both, Argentina and Mexico, particularly the latter, show a decline in the proportion of income earned by the poorer 60 percent of the population. In Argentina it is the upper 10 percent that has gained, while in Mexico the upper group also contributed to the large increase in the middle group. In Chile income distribution improved between the early and the mid 1950's, but then seems to have deteriorated again due to a shift from the middle to the upper group, while the lower group's share remained constant.

Whether the hypothesis corresponds to reality in most countries of the region is difficult to say, but there are many indications in almost every country which point to this kind of duality in the trends of the income distribution of workers.

A safe conclusion, in any case, is the lack of any significant sign of a substantial improvement in income distribution during the decade of 1950. The picture might look differently if comparisons could be made with earlier periods.

Employment Opportunities

One of the salient features of underdeveloped countries in Latin America is the coexistence in all sectors of economic activity of highly advanced and very primitive production methods. Heavy construction equipment is found side by side with picks and shovels; cost accounting, linear programming, computers and PERT are used in the decision making processes in some enterprises and government departments while the rule of thumb still prevails in others; highly intensive modern agriculture is seen along with grazing on natural pastures; airplanes and conveyors are used for transport alongside the oxcart, automatized textile plants coexist with artisan and cottage textile production. Since the volume of employment per unit of

/output tends

output tends to be much lower at the modern than at the primitive level of technology, and an ever greater share of economic activity tends to be performed at the modern level, employment opportunities - particularly for unskilled labour - tend to grow very slowly. This being especially the case when modern activities do not constitute net additions to productive capacity but replace to some extent output produced by the highly labour intensive traditional activities. Given this situation, and a rapidly expanding labour force, the labour surplus may well be in the process of being enlarged rather than absorbed.

There are some indications that this is likely. One is the sheer size of the increase of total and particularly urban labour force which has occurred since the 1920's. In 1925 Latin America had an active population of about 32 million people, which increased to 68 million in 1960. This increase was associated with a profound structural shift: rural labour force increased only from 20 to 32 millions while non-agricultural employment increased from 12.5 to 36 million people, that is, an increase of 23.5 million. Of this, only 5.3 million people were absorbed into industrial employment, which means that about 18 million have had to be employed in other urban activities. The structure of urban employment - where the great increase has taken place - shows signs of the impossibility of accommodating such large quantities of labour in reasonably productive activities; the participation of industrial in total urban employment has declined from about 35 percent in 1925 to only 27 percent in 1960. This figure, which refers to the region as a whole, truly reflects the trend of all major individual countries (3). The consequence has been a large expansion of employment in the service sectors. Table 6 shows the extent of this expansion and its effect upon productivity in the labour surplus activities (4).

There are other indications of the insufficient creation of employment opportunities in most Latin American countries. The most notorious is the growth and substantial size of the shanty towns, slums or marginal urban areas characteristic of the large and medium sized cities of the region.

/It is estimated

It is estimated, for example, in some studies, that the population of the favelas in Rio de Janeiro, which had amounted to some 400,000 inhabitants in 1947, numbered 650,000 ten years later, and by 1961 had reached 900,000, representing approximately 38 percent of the city's total population. All sources agree that favelas spread considerably during the fifties in the Rio de Janeiro area. At the same time, the occupants of favelas in Recife accounted for about 50 percent of the total population of the town. According to another source, the 159,000 inhabitants of the State of Guanabara living in 58 favelas in 1950 had increased by 1960 to 337,000, occupying 147 favelas. Information from the same source indicates that the proportion they represented of the total population of the State rose from 7.1 percent to 10.2 percent in the period in question.

In Colombia, the four cities most affected by the expansion of tugurios would seem to be Barranquilla, Buenaventura, Cali and Cartagena, and it is estimated that in Buenaventura 80 percent of the population lives in such areas.

In Chile the proportion of the population living in conventillo rooms, ranchos, rucas, huts and the like apparently increased from 10 percent in 1952 to 14 percent in 1960, according to the censuses taken in those years.

In Peru, the population of the barriadas of Lima, which in 1940 had represented about 10 percent of that of the whole city, would seem to have constituted 21 percent by 1961. In some of the other cities of Peru, the corresponding proportion is even higher, reaching 70 percent - the peak figure - in Chimbote, and 40 percent in Arequipa.

In Mexico, D.F., 14 percent of the population lived in colonias proletarias in 1952; and in the case of Uruguay, on the basis of a nationwide housing sample, it is estimated that conventillos, cantigriles and rancherios accounted for about 30,000 urban housing units, accommodating approximately 100,000 inhabitants, at the beginning of 1963.

Lastly, the 1950 census classified 17.4 percent of the housing units in Caracas as ranchos, improvised units, and so forth (5) (6).

Another indicator, not referred to unskilled labour, but to technical and professional manpower, is the large "brain-drain" of educated Latin

Americans, particularly from the less dynamic countries of the region, precisely those nations with relatively high standards of living and of academic activity. According to some estimates, based largely on Argentina's experience, about 8 percent of the annual number of graduates in scientific careers emigrate (7) (8).

To sum up, the record of development policy in Latin America with respect to the creation of employment opportunities, is very poor indeed and the long-term perspective is frightening (9).

An examination of the general question of growth and employment in Puerto Rico, which is a kind of laboratory test case because redundant labour can easily emigrate to the United States, shows that employment actually fell between 1950 and 1960 while the economy had been expanding at one of the fastest rates in the world: per capita income increased from US\$ 269 in 1940 to US\$ 673 in 1961 (10) (11).

Stability

This is the best known of Latin American economic problems. The record shown by price indexes is not only very bad for most countries, but as indicated in Table 7, it has also become worse in some places in recent years. As an answer to increasing inflation many Latin American countries have tried during the last ten years a number of stabilization efforts and programmes, but none seems to have succeeded so far. A strong controversy has been raging over the continent on this issue between the so-called "monetarists" and "structuralists". The monetarist position is based on a diagnosis of demand inflation and policy has been directed mainly at eliminating the causes of monetary expansion as well as freeing the economic system of controls and other institutional obstacles to the free operation of the market mechanism. The failures of these policies have been attributed to the fact that they have not been strong and persistent enough. The structuralists have argued that the monetarist cure would kill development, because instability is in fact nothing but one aspect of the development problems of the region. In other words, the structuralists would argue that the same factors which have led to a decline of the rate of growth, to an aggravation of the problem of employment opportunities and which have prevented a significant improvement in

income distribution, are also in association with so-called "propagation mechanisms", the fundamental determinants of inflation and of the intractable nature of this problem (12 through 19).

It is not the purpose of this paper to go into this question, but in order to prevent easy conclusions it might be interesting to consider the following, which suggests that inflation and growth are not clearly associated: Argentina, Uruguay and Chile are relatively stagnant economies with strong inflation; Brazil, Colombia and to some extent Peru have been highly dynamic economies with serious inflationary troubles; Mexico, Venezuela and Ecuador are growing rapidly with very moderate price increases; Cuba was once a showcase of monetary soundness but also of stagnation; the smaller and less developed economies are on the whole stable and at least in the case of Central America quite dynamic (compare Tables 7 and 2).

Development Objectives and Problems

A superficial examination of the record of development policy in Latin America is quite revealing. The rate of growth of GDP per capita did achieve rather high levels for a short period in the early fifties, but has been declining substantially ever since in almost all countries, including those few, like Brazil, Mexico, Venezuela and Ecuador, which have had very dynamic economies. Moreover, the overwhelming influence of external factors on long-term trends and short-term fluctuations sheds some doubt as to the true effectiveness of development policy, both when growth accelerated in the early 1950's and also later when it declined again. The distribution of income shows some signs of an improvement of the higher middle class sectors (the middle 20 percent of the population), at the expense of the lower income groups (60 percent of population) and in some cases of the top 10 percent income earners. The policy of income redistribution seems therefore to have had some queer consequences, since a large part of the improvement of the relatively well off has been at the expense of that 60 percent of the population which only receives between 1/4 and 1/3 of National Income. The question of employment opportunities appears as one of the most formidable and intractable problems of our economies, and in this case the situation seems not only to be deteriorating but at the same time no positive policy is being applied or even being

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considered. The monetary troubles have been subjected to repeated programmes of stabilization policy. In the cases where inflation is most serious, these policies have failed systematically and have frequently contributed to further spurts of inflationary pressures as well as to short-term recessions. Argentina, Chile, Brazil and some other countries have been trying their own "stop-go" financial policy (20) (21) (40).

Before concluding that the record for fulfilment of the objectives of development has been very poor in Latin America, it might be useful to recall the record of the developed nations of today for the period when they started their industrialization and development process. Except in the case of the "empty" lands of the temperate zone countries (United States of America, Canada, Australia, New Zealand), where external and internal conditions for development were entirely exceptional (22), it might be useful to remember that the older developed countries grew by spurts and lags, ran frequently into financial crises, produced great labour surpluses and concentrated income and wealth for long periods. Today's underdeveloped countries are expected to grow much faster, improve income distribution simultaneously, offer ample employment opportunities to a vastly faster growing labour force, and all this under conditions of strict financial stability. It may be somewhat too much to ask of countries which lack most of the conditions for an efficient functioning of the economic system and for the formulation and application of an efficacious development policy!

III. Some structural Characteristics of the Latin American Economy

The functioning of the economies of the region and the peculiarities of their development processes, policies and problems are difficult to understand if no reference is made to some historical developments which are responsible for some of the main structural and institutional characteristics of these economies.

It should, of course, be clearly recognized that each country of Latin America has its own particular characteristics and mix of problems due to differences in size, natural resource endowment, ethnic characteristics, location, and to the level of industrialization and development achieved.

But in spite of these circumstances and of the different dynamic impulse of the various economies as well as the differential levels of economic development that can be found among the Latin American countries, some of the basic economic and social characteristics and problems are to a large extent alike. There is a difference in the degree of importance of these similar problems in correspondence with the varying levels of economic and social development, but there are also essential elements of similarity. The roots of these common characteristics are to be found mainly in the common Spanish and Portuguese colonial background, in the characteristic way in which the Latin American economies were incorporated into the international economy of the late XIX and early XX century, and in the process of industrialization and diversification of the economy that was set in motion in some countries about three or four decades ago and is now present in practically all the region. The following refers mainly to the heritage of the two former periods, while section IV attempts to interpret the more recent process.

The Ownership of Land and Natural Resources

The original factors explaining the high concentration of land ownership in a few hands are to be found far back in the history of the Spanish and Portuguese colonial regimes of Latin America and in the systems of land appropriation used by the conquistadores. During the nineteenth century, an additional factor appeared in the form of public concessions of land and natural resources for the organization of large plantations, cattle farms and mining activities for export. Some of the large land holdings, especially in Central America and the Caribbean area, and most of the mining activities became foreign property. These export sectors became highly productive, sharing in the advanced technology of the international economy of which they were an outpost and in which they became fully integrated. The traditional activities of the national economy were hardly affected and only activities related directly or indirectly to foreign trade were reorganized and influenced by it. As a consequence of these historical factors a very high concentration of the ownership of land is still now one of the general characteristics of all Latin American countries, except those like Mexico, Cuba and Bolivia, which have experienced revolutionary

changes in land tenure (see Table 9) (23) (24) (25).

Dependence on Foreign Trade and Instability

One of the best-known characteristics of the Latin American economies is their heavy dependence on only a few exports of primary products. Most of the countries derive a very large proportion of their foreign exchange receipts from the export of only one or two commodities, but there are countries like Argentina, Mexico and Peru where the range of exports is considerably greater, although always in the field of primary production (see Table 10)*. World markets for primary products, as is well known, are highly unstable and therefore the exchange earnings forthcoming from their exports also fluctuate widely (see Table 11). The impact on the Latin American economies probably tends to be greater in those countries that depend on a limited number of export commodities (though some of them, like bananas and petroleum, have relatively stable markets due to the organizational characteristics of their production and marketing), in countries where government revenues proceed largely from export taxes, import duties, and or exchange differentials, and in economies where investment depends on the importation of capital goods, current manufacturing production depends on the importation of fuel, raw materials and intermediate goods, and popular consumption is highly dependent on the importation of basic foodstuffs. As will be seen later, the essential element in this problem of vulnerability to foreign trade fluctuations is not the relative size of the foreign sector - which is much larger in most industrialized countries of Western Europe than in the Latin American economies - but the structure of both exports and imports (26).

The Shortage and Orientation of Social Overhead Capital

The specialization of the Latin American economies around their export activities and the dynamic expansion of the corresponding world markets during the late XIX century until 1929 did allow a substantial

* The development of tourism in the post-war years has been a new and relatively stable source of foreign exchange for Mexico.

increase in the standards of living of the exporters and the urban populations of these countries, their increasing and diversifying needs being satisfied largely through growing imports. As world markets broke down or became stagnant during and after the World Crisis, and wars prevented the normal flow of imports, Latin American countries started to diversify the structure of production. At this point, the lack of integration of the national economy became clearly apparent, as hardly any condition for the establishment of new factories and other economic activities had been created previously. Such means of transportation and communication as did exist were mainly meant to sustain the flow of foreign trade, and the expansion of the supply of energy was geared to the growth of urban consumption and production for export. The "centrifugal" character of the Latin American economy will be readily appreciated by a glance at maps of concentration of population density, location of larger cities, transportation and communication networks, geographical concentration of industrial activity, etc.. Therefore, the development of manufacturing, agricultural and mining production for the domestic market and the growth of internal trade brought about the need for large investments in roads, irrigation and drainage systems and public works in general, in the means of communication and transportation and in the supply of energy. In spite of the heavy investments in this type of social overhead capital that has taken place in most countries of the region during the last decades, there are still very large needs left unsatisfied, as can be seen by comparison with more developed economies in Table 12. The financial system was also largely organized to serve the needs of foreign trade, and a local capital market either did not exist or was of negligible importance.

The Skills and General Education of the People

The fractured nature of the specialized export economies of Latin America has left a large segment of the population outside the modern and dynamic parts of the economy, largely in self-sufficient or very primitive commercial agriculture. This is one of the main reasons that account for the fact that primary education has been limited to around half the children aged 5 to 14 years in Latin America as a whole. Secondary education is even more deficient, specially vocational and technical training, since

opportunities for this type of employment and the need for skilled manpower appeared only when the structure of production of the various economies of Latin America started its process of change. The situation in this respect varies widely from country to country, but while the degree of economic development is clearly a decisive factor in the educational situation, the educational policies of the different countries have also greatly affected the picture (see Table 13).

The Distribution of Income

The distribution of income in Latin American countries, be it by factor shares, by income ranges or even by areas within each country, is extremely unequal. On the basis of the studies made for some countries ECLA prepared an estimate of the probable distribution for the region as a whole. The results are presented in Table 14. Table 15 contrasts the former estimates with estimates for developed countries. According to the study quoted, "the differences would be essentially the following:

(a) In the Latin American countries there is a greater concentration of income in a small percentage of the population, which is the social sector that has the highest levels of income. Whereas in Latin America a third of all income is concentrated in the hands of 5 percent of the population, in the industrialized countries of western Europe and in the United States the social sectors in the top income brackets, representing the same proportion of the total population, receive a much lower proportion of all income (22 and 20 percent, respectively).

(b) In Latin America the social sectors in the lowest brackets, representing half the population, receive only 16 percent of all income. In the European countries and in the United States, on the other hand, the sectors at the same level, representing a similar proportion of the population, receive a decidedly higher share of total income (22 and 23 percent, respectively).

(c) Comparison of the levels in the highest brackets with the average also reveals substantial differences. In Latin America the index in question is six and a half times the average for the community as a whole, whereas in industrial western Europe and the United States it is 4.4 and 4 times the average, respectively.

/(d) Comparison

(d) Comparison of the lowest income brackets with the average for the region gives an index of 32 percent in Latin America, 44 percent in the European countries and slightly more (46 percent) in the United States.

(e) The nature of this income distribution is even clearer if we note the differences between the average incomes at the two extremes: in Latin America the high average is twenty times the low average, whereas in the economically developed countries of Europe this difference is only half as great, and in the United States it is even less".

The ECLA study also shows the extreme inequalities in functional and regional distribution and in the material and cultural levels of living (4). The great disparities in income are easily explained if the following factors are taken into consideration: the ownership of land and mineral resources is highly concentrated; the export sector has a much higher level of productivity, wages and profits than the domestic sector; the industrialization process has added another aggravating factor, because relatively small and highly protected markets have tended to favor a monopolistic industrial structure that has facilitated the concentration of industrial wealth and income; the plentiful supply of unskilled labour has kept its wage rate at low levels; there are large sectors of rural population living under conditions of subsistence agriculture since the concentration of land ownership entails at the opposite end the existence of minifundia which permit only very low living conditions; the scarcity of professionals and skilled workers tends to favor high incomes in small groups of well-organized people; the tax system does not work in the direction of reducing the differences in income and wealth: inheritance taxes - the main instrument of distribution of wealth - are virtually non-existent or do not operate, while the principal instrument of income redistribution - the progressive income tax - has an extremely low incidence and very secondary importance in the fiscal system.

General Social Conditions

As in the previous sections, it must again be made very clear that levels of nutrition, health, housing and other social conditions vary enormously from country to country, and that non-economic factors like climate and main crops are very important. In the case of nutrition, the

type of production in which a country has specialized is of paramount importance, so that Argentina and Uruguay cannot be compared in this respect with other countries. But conditions are in many aspects also dependent on the level of economic development of the countries. Argentina, Chile and Uruguay, for instance, where income per capita was already relatively high in the late 1920's and where the proportion of agricultural population is now less than one third, present higher absolute levels and standards than countries which are still at less advanced stages of development. Nevertheless, the largely similar institutional and structural economic background of the Latin American countries which explain the common characteristics of inequality of wealth and income distribution within each country, are also very important for understanding the extreme inequalities of social conditions that can be found within each of the countries of the region. Given the generally low levels of income per capita, a highly unequal distribution of income means that in each country a few are far above this average, while the large majority of the people - largely consisting of subsistence farmers or the urban underemployed - is considerably below the already low average levels shown in Table 16. It will easily be seen that in these circumstances the standards of nutrition, health and housing and other social indicators must necessarily be very deficient for that large low-income majority. For instance: "The level of calories available to broad sectors of the population of Latin America barely exceeds half the national average, and various surveys made in some countries of the region show that the prevailing situation is one of undernourishment and malnutrition. A survey made of a sample of 277 Chilean families in the middle and lower classes led to the conclusion that 37 percent of them received less than 2,000 calories daily. In Santiago 54 percent of families consumed less than 85 percent of the calories required, and 42 percent obtained less than that percentage of the proteins needed. In Mexico, consumption of meat in 1957 in the states with the highest and lowest average income was 28.6 and 0.8 kg, respectively. A survey carried out in the main cities of Colombia in 1954-55 revealed that the consumption of milk in the workers' families of Bogotá was three times higher than in families living in Manizales. Lastly a similar survey made in 1952 in Sao

Paulo, Porto Alegre, Fortaleza and Recife on the basis of representative samples of the industrial workers in those cities indicated that only 33 percent of the families surveyed consumed milk in Recife and that no more than 45 percent of the families of Fortaleza ate eggs" (4) (28). The more significant phenomenon, however, is that even in countries that have made significant progress in their economies over the last decades, and that have developed social security and other welfare policies which have come to account for a large share of public expenditure, social conditions do not seem to have improved correspondingly for the lower-income groups. This is largely due to the same factors indicated earlier in relation to the inequality of income distribution and the insufficient employment opportunities. There are institutional and structural forces at work in the economies of Latin America which tend to perpetuate or maybe even to aggravate the maldistribution of wealth and income, while the most elementary instrument of income redistribution - the fiscal system - is at best inoperant and sometimes even works as an aggravating factor.

IV. Some Long-term Trends of the Process of Development in Latin America

In an economy that has become specialized in the production of primary goods for exports and where the domestic economy has remained in a rather primitive state, the increasing variety of goods and services associated with higher living standards is largely supplied through imports.

If the export market of such a country deteriorates or keeps stagnant the long-term policy alternatives are to adhere to the objective of maintaining balance of payments equilibrium and to reduce the level of activity and or keep it stationary, or if this proves intolerable, to start developing the production of manufactured goods, i.e., to transform the structure of production of the economy.

In Latin America, the decisive test as to what alternative was followed seems to have been the World Crisis of 1929-33. The smaller and less developed economies, essentially the Central American and Caribbean countries, had no choice but to accept the shock and continue their traditional pattern of growth once the international market came back to a more normal situation. After the war these countries diversified somewhat

/their exports

their exports of primary goods and started some efforts to change the internal structure of production through industrialization.

Countries like Argentina, Brazil, Mexico, Chile, Uruguay, which by the end of the 20's had already reached a relatively high level of per capita income (at least in urban sectors), where population was already concentrated in big cities, where unemployment was substantial as a consequence of the crisis, and where some start had already been made in the development of manufacturing, were too severely affected by the depression and social and political pressures made it impossible to impose a downward adjustment process. Instead, they isolated their domestic economy through various protective devices (tariffs, devaluations, import controls, etc.) and tried to maintain the level of income, by means of a policy of deficit financing brought about by government purchases of export surpluses and or by measures to cope with unemployment. An "import gap" was therefore created which was supposed to be closed by the development of internal production, mainly manufacturing. But since the pre-crisis level of exports was not restored in these countries until after the war, while income levels were kept high and expanding, and industrial production could not increase substantially in the short run, the adjustment between total demand and supply necessarily involved not only strong increases in the price level but also a major change of relative prices in favour of manufactures. The industrial sector got in this way another stimulus on top of the above mentioned protection and it started growing very rapidly, producing mainly substitutes for imports.

The instability and lack of expansion of foreign markets during the 1930's, and the restriction on imports imposed by the World War has therefore induced policies to develop domestic sources of supply of such goods and services and has at the same time created highly favourable conditions for the establishment and growth of the manufacturing industry. This process began already in the first decades of the century in some specific areas of Latin America, but it received a large and sustained boost during the World Crisis of 1929 and the second World War in the countries which followed anticiclical policies. Today most countries of the region have started the industrialization process. Some, like Paraguay, Bolivia,

Ecuador and the countries of Central America, are still in the initial phases while others - the ones that started the process three or four decades ago - like Argentina, Brazil, Mexico and Chile have advanced considerably (see Table 17) (3) (29) (30) (31) (32).

The installation of industries manufacturing consumer goods in economies producing mainly primary products means that the capital goods and intermediate products needed for the establishment and operation of the factories have to be imported. The importation of finished manufactured products has therefore been gradually replaced by the importation of the capital goods and intermediate products needed to produce such manufactures internally. This change in the composition of imports is simply one side of the picture of industrialization, which on the other side shows the process of transformation of the structure of production of the economy. But a growing and expanding industrial sector increases the needs for fuels, raw materials, energy, transportation, communications and financial, trade and commercial services. It requires as well, skilled workers, trained administrators and entrepreneurs. On the other hand, in view of the fact that industries tend to become concentrated geographically and on the whole near the consumer markets provided by big cities, this process strongly stimulates urban concentration. This was especially the case in Latin America, given the nature of industries first established - consumer goods - and the fact that inland transportation and communication facilities were very scarce. The large masses of people attracted to the cities increased the needs - and revealed the insufficiency - of all sorts of urban services, from housing, schooling, water supply, electric energy and drainage systems, to the channels of distribution of foodstuffs.

The rapid advance of the industrial sector, both in absolute terms and in relation to the other sectors of the economy, originates therefore great stresses and tensions throughout the economy. It requires that all sectors, activities and the utilization of economic resources change in certain directions and rates in order to meet its growing requirements of manpower, natural resources, capital, and a variety of goods and services, both domestic and imported. If some activities do not react readily to the requirements imposed on them, it will not be possible to maintain the

dynamic equilibrium of the economy, and if the bottlenecks are serious enough, they may stop the growth process altogether. Given the characteristic process of economic development and structural transformation followed by countries which in a first stage have become specialized exporters of primary products, it will be seen that a number of very difficult conditions must be fulfilled in order to obtain sufficient equilibrium for sustained growth.

The intensity of the transformation process depends very largely on the level and rate of growth of exports. If the exchange availabilities are relatively large and its rate of expansion is fast, the growing diversification of needs can be progressively taken over by a gradually expanding manufacturing sector without great stress being put on the economy as a whole. But if external conditions are very stringent, or if foreign exchange receipts have even diminished, as was the case of various Latin American countries over the 1930's and recently again, then, if the economy is to continue its expansion, the process of structural transformation has to proceed very rapidly, while at the same time the capacity of the country to import the investment goods, raw materials, fuels and intermediate products necessary for this process may be very limited. For this reason, it can be concluded that a large and growing volume of imports in relation to GDP means the most favourable conditions for achieving a smooth process of economic development, while a small and contracting proportion of imports means that the industrialization process will encounter great difficulties and have strong disequilibrating effects. These difficulties have been postponed for some years in certain countries by compensating lower export prices with large increases in foreign indebtedness, but as prices have been declining for almost a decade, while a large part of the foreign debt has been short-term, the burden of amortization and interest payments has reduced foreign exchange availabilities even more (30).

As far as internal conditions are concerned, the first and foremost is obviously the size of the domestic market for the manufacturing industries that are being established. It is not only that incomes per head are relatively low in Latin American countries, but that a very unequal income

/distribution considerably

distribution considerably reduces the possibilities of developing mass markets for most manufactures. On the other hand, modern technology has largely been created for mass markets, so that relatively small markets may mean the uneconomic use of technically up-to-date equipment, or alternatively the use of uneconomical, inefficient techniques or worn out equipment. This question is of fundamental importance, since it establishes a limit to the industrialization possibilities of some or maybe all of the countries of the region, if only national markets are considered. All countries of the region can obviously support economically some industrial activities, but the size of the national market will certainly determine the stage of diversification of industry which each country can economically reach. It is mainly for this reason that the economic integration of the region has a decisive role to play in the further process of economic development of the countries of Latin America (34) (35). From the point of view of the equilibrium of the process of growth, the size of the market is therefore a decisive and primary element, since it largely defines the possibilities of the industrialization process.

Once the process is under way and imposes strong demands on other sectors of the economy, the reaction of these sectors becomes the crucial element in the development process. The requirements of agricultural raw materials and foodstuff for industry and for the growing urban population earning higher incomes may not be followed, for example by an adequate response on the part of the agricultural producers. In countries where agricultural land has on the whole been brought into private ownership, large parts of it are not being used at all or are used in wasteful ways, sometimes even destroying the productive potential of the land. The existence of an anti-economic structure of land distribution - minifundia and latifundia prevails - and the absence, in general, of agricultural farmers with an entrepreneurial attitude, prevents the introduction of modern technology and the full utilization of agricultural resources. It is, therefore, very difficult to raise the yields and productivity of land and labor, and achieve the expansion of agricultural production necessary to achieve growth (23) (24) (36) (37). In the cases of countries exporting agricultural goods, this situation may lead to a fall in exports,

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therefore putting pressure on the balance of payments. In other countries, the increased demand may be supplied through imports, but this would reduce the possibilities of importing the equipment and other goods needed for industrialization. Given this situation, the gap between demand and supply of agricultural products will be filled by price increases, since the demand for such goods is highly inelastic. This would mean a fall in the real income of the urban wage earners, since food takes a large share of their budgets, and would also cause a fall in their demand for manufactures, since it would mean a regressive shift in income distribution. The increase in agricultural income would not be compensatory since it would be highly concentrated in the hands of a few landlords. Whether the urban wage earners obtain compensatory wage increases or not, a disequilibrating factor is introduced in the economic system and it will either start an inflationary process, lead to balance of payments difficulties or, by limiting the size of the market for manufactures, contribute to the stagnation of industry and the growth process.

The industrialization process has been shown to mean largely a process of integration of a domestic market economy of a "fractured" nature (38). It requires therefore a network of roads, railways, energy and communication systems and other forms of basic social capital which is largely non-existent, or as far as it exists, was conceived to serve the external rather than the internal market. As industrialization proceeds, bottlenecks may develop in these sectors and the flow of production will be obstaculized and inputs may become more expensive. Similarly, the financial and banking systems, as well as the government services, will on the whole not be prepared to fulfill the new dynamic tasks that are called for. This picture of rigid and outdated economic and institutional structures incapable of responding to the demands of a dynamic industrial sector and a growing urban population is probably the main explanatory element of the sectorial distortions, inflationary pressures, balance of payments and government deficits and social tensions that tend to appear along the process of transformation of the economy.

In order to balance this process it is necessary to achieve an expansion of productive capacity in all sectors of the economy, and this naturally

means a large investment effort, both public and private. However, the expansion of production does not always depend only, or even mainly, on the expansion of productive capacity by means of new investment. It is often the case in Latin America, that existing productive capacity is not being used adequately. This happens frequently with the large land holdings and as a consequence of monopolistic conditions in industry and the export sector. In this case, economic policy will have to consider institutional changes and reforms.

As far as the necessary expansion of productive capacity is concerned, most of the new investment effort will have to be public, since the more immediate needs conditioning the incentive for private investments are the expansion of the social overhead facilities previously mentioned, and also the provision of schools and training centers as well as research institutions. Housing facilities, sanitation, medical services and other social needs must also be met in order not only to increase living standards but also to improve the productivity and promote the abilities and positive attitudes of the people in general and especially of the active population. In large sectors of the population - mostly rural - the potential talents and qualities of the people are presently lost through lack of education, bad health, excessively hard working conditions, isolation and rigidly hierarchical social stratification.

It has been shown in the previous paragraphs that a large and carefully directed investment effort has to be undertaken in order to achieve dynamic equilibrium in the development process, and that this effort has to rest mainly on an increase of public investments if social needs are to be given sufficient emphasis and private investments are to be stimulated. Such has been largely the case in those Latin American countries that have already advanced further in the process of economic development. Nevertheless, governments have generally not been able to obtain sufficient current financing in order to meet the expenditures involved in making larger investments and sustaining expanded public services, and this problem is also presenting itself to the countries that have started their development process more recently.

There are two main elements to consider in this situation. On the

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one hand, some governments have clearly spent wastefully and unwisely, this being mainly the case with respect to military expenditures and transfer payments. On the other hand, the fiscal system of almost all Latin American countries has been incapable of providing the revenue needed to finance higher government spending. This is due to various causes, most of these inherent in the tax structure. In most of the countries a large part of tax revenues originates in the foreign sector, either through taxes on exports or exporters or by means of import duties. But the foreign sector has tended to shrink in relation to the GDP as a result of lagging exports, while the government sector has tended to expand its relative importance in GDP as a result of the expansion of expenditures on current and capital account. Therefore, apart from being as unstable as foreign trade itself, revenues derived from the foreign sector have been shrinking in relative importance as sources of fiscal revenues in spite of important increases in rates and duties. This process has usually been aggravated by two factors: i) many import duties or even export taxes are of the specific type therefore losing its real incidence with devaluations and international price increases; and ii) the changing structure of imports has gradually reduced the volume of imports of high-duty final consumer goods, replacing them by low-duty or even duty-free imports of raw materials and capital goods.

Relatively stagnating revenues from foreign trade have confronted governments with increasing expenditure commitments with the need of shifting the tax burden from external to domestic economic activity. Income and property taxes could hardly be expected to play a significant role as new important sources of revenue since the groups that approved the budget in Congress represented precisely the owners of most of the productive resources and real estate to which most of the income from this sources accrues; they could hardly be expected to commit tax-harakiri if other alternatives were available. Therefore, indirect sales or production taxes, easily shifted to the consumer, have become, in most countries, the largest source of fiscal revenue derived from domestic sources. In view of the relative stagnation of foreign trade revenues, the existence of many specific taxes, the time lag between the assessment of the tax and the collection of the revenue,

/the inefficiency

the inefficiency and corruption of the tax administration, the regressiveness of the tax system and other factors, the total sum of revenues tends to fall consistently short of government expenditure requirements. This inelasticity of the tax system tends to gradually accentuate its regressiveness, since governments have to take refuge in successive increases in the rates of indirect taxes. The perverse nature of this process takes its worse form when the economy is stagnating, because in an expanding economy there is at least one positive element present, a growing tax base.

The hypothesis advanced so far about the nature of the development process in Latin America offer some interesting insights into the development problems of the region.

The lag in agricultural production and productivity, for instance, has a decisive influence on the rate of growth of GDP, both because agriculture still represents a large proportion of GDP and because rural stagnation tends to limit industrial expansion; it is a basic cause of inflationary pressure and balance of payments difficulties; it obstaculizes the improvement of urban income distribution because of the tendency of relative agricultural prices to increase and because concentration of property in agriculture tends to maintain a high concentration of income in this activity.

The tasks of the public sector, on the other hand, are rather formidable. It has to participate actively in the creation and reorganization of the productive facilities and overhead social capital which will induce the private entrepreneur to enter into and expand new lines of activity; it is under heavy political pressure to improve the highly unequal living standards of a population that is growing at increasing rates, and moving into the cities at an even faster pace; it has to absorb some of the redundant labour due to the insufficient dynamism of the economy to create new jobs; in performing all these tasks it has to face the fact that it is an outmoded administrative apparatus which was created in times when none of these activities were supposed to be government responsibility; moreover, its financial basis has become outdated and the political structure of the countries prevent a thorough tax reform and the establishment of an

efficient tax administration.

The development of industry also presents some important characteristics. Having been born and developed in almost absolutely protected markets of relatively small size, concentration of wealth and income in the hands of entrepreneurs has tended to compensate the favourable impact of high industrial wages on income distribution; on the other hand, as import substitution and industrialization advanced, increasingly complex and capital-intensive activities have been developed, but since these plants usually have minimum economic sizes which exceed the size of the market, and for this reason, or because of monopolistic market structures, operate below capacity, industrialization reaches a point of decreasing returns to additional capital investment and the process tends to lose momentum; moreover, the increasingly capital-intensive nature of the industrial sector - because of new additional lines of production, because of replacement of obsolete equipment in existing plants or as a result of the replacement of handicraft by manufacturing - has limited the contribution of the industrial sector to the opening of employment opportunities.

V. Concluding Remarks

The interpretation of the main trends and problems of development in Latin America given above should be carried further in order to analyze the real nature of questions such as the weakness of the private sector, the attitudes of the entrepreneurs (39), the conditions of the capital market, and other areas conventionally within the province of economics. But it must also be extended in new directions in order to analyze social and political processes and problems, without which very little can be said about development policy (40). There is a great research task open in all these fields, and fortunately Latin American social scientists are starting to tackle it, with a comprehensive approach and due attention being given to the historical, institutional and structural background of the Latin American societies (1) (41) (42) (43).

But it is not the purpose of this paper to exhaust the analysis of the development problems of the region. The interpretation given has above all had the purpose of illustrating the highly complex and interrelated

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nature of the day to day problems faced by development policy, and particularly to look at the relationship of so-called short-term problems like inflation, budget deficits, devaluations, food shortages, etc., to some deep-rooted institutional and structural factors. I hope to have made it clear that without taking these elements into consideration it is quite impossible to understand the extraordinary persistence of these problems and their recurrent nature in most countries of the region. It is not difficult to see that they are also very important factors in the long-term decline in the rate of growth, in the persistence of a highly unequal income distribution, in the growing problem of employment opportunities and in the instability which characterizes the Latin American economies. In other words, these characteristics constitute some of the fundamental obstacles to the achievement of the objectives of development policy in Latin America.

It is hard to see, therefore, how development policy or, for that matter, so-called short-term policy, can be effective if these questions are not seriously tackled.

APPENDIX.

Some References to Latin American Economic Thought

The last fifteen years have witnessed a remarkable expansion of economic research in Latin America. The confrontation of modern anglo-saxon economics, in which most latin american economists have been trained, with the institutional and structural realities of the latin american economies, have produced a critical reaction and stimulated original thought. A leading role in the critical and autocritical re-interpretation of the economic development of the region has been played by ECLA.

Since 1948 the United Nations Economic Commission for Latin America has produced an impressive amount of descriptive, analitical and interpretative material dealing with general development problems of the region as a whole and of most of its individual countries. It has also studied problems of particular sectors of activity like industry, agriculture, education, etc., and of foreign trade and investment, fiscal policy, planning, public administration and so on. Some of the more important recent publications are quoted in the paper; see: (2) (3) (4) (12) (13) (29) (33) (41) (42).

Individual authors - many of them associated at sometime or other with ECLA - have increasingly been opening up new areas of research and proposing stimulating interpretations of the development problems of the region. Raul Prebisch and Aldo Ferrer (Argentina), Celso Furtado (Brasil), Victor Urquidi, Juan F. Noyola, Horacio Flores de la Peña, Edmundo Flores (Mexico), José A. Mayobre (Venezuela), C.M. Castillo (Costa Rica), Jorge Ahumada, Aníbal Pinto, Gonzalo Martner, Jacques Chonchol, Felipe Herrera, Osvaldo Sunkel (Chile), are some of the more productive authors. Their writings can be found in academic journals like El Trimestre Económico (Mexico), Desarrollo Económico (Argentina), Económica Brasileira (Brasil), Revista Economía (Chile), Revista de Economía Latinoamericana (Venezuela), Boletín Económico de América Latina (ECLA).

Some books by these authors are quoted in the paper: (9) (30) (31) (32) (35). Other important books are: C. Furtado: Desenvolvimento e Subdesenvolvimento (1961) and Dialética do Desenvolvimento (1964). R. Prebisch: Nueva política comercial para el desarrollo, 1964. V. Urquidi: Viabilidad económica de América Latina, 1962.

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Despite the wide interest in Latin America aroused in recent years, very little attention has been paid in other regions, particularly in academic circles, to this autoctonous latin american economic thought, which is quite without precedent in the region. There are some notable exceptions of foreign economists who have studied the region and its intellectual production, and who have clearly been influenced by it:

Albert Hirschman, Latin American Issues, 1961 and Journeys Toward Progress, Studies of Economic Policy-Making in Latin America; Joseph Grunwald and David Felix's papers in the former book; Dudley Seers, Normal Growth and Distortions: Some Techniques of Structural Analysis, Oxford Economic Papers, March 1964, The Limitations of the Special Case, Bulletin of the Institute of Economics and Statistics, May, 1963, A Theory of Inflation and Growth in Under-developed Economies Based on the Experience of Latin America, Oxford Economic Papers, June, 1962, (Seers has greatly contributed to a systematization and formalization of the ideas of the so-called Latin American "structuralists" and is to be congratulated by his honest and generous acknowledgement of his latin american sources, see especially the Appendix to the last paper); Pierre Uri, Une Politique Monétaire Pour L'Amérique Latine (avec la collaboration de N. Kaldor, R. Ruggles, R. Triffin); Bruno Knall, Zur Programmierung von Erschliessungs-plänen in Eutwicklungs-ländern, Weltwirtschaftliches Archiv, Band 81, Heft 2, 1958.

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Table 1. Estimated values of the parameters of the model

(Values are given in % unless otherwise stated)

Parameter	Value	Unit	Source	Notes
α	0.1	-	Assumed	
β	0.2	-	Assumed	
γ	0.3	-	Assumed	
δ	0.4	-	Assumed	
ϵ	0.5	-	Assumed	
ζ	0.6	-	Assumed	
η	0.7	-	Assumed	
θ	0.8	-	Assumed	
ι	0.9	-	Assumed	
κ	1.0	-	Assumed	

Source: Author's calculations based on data from the World Bank.

Note: All values are given in % unless otherwise stated.

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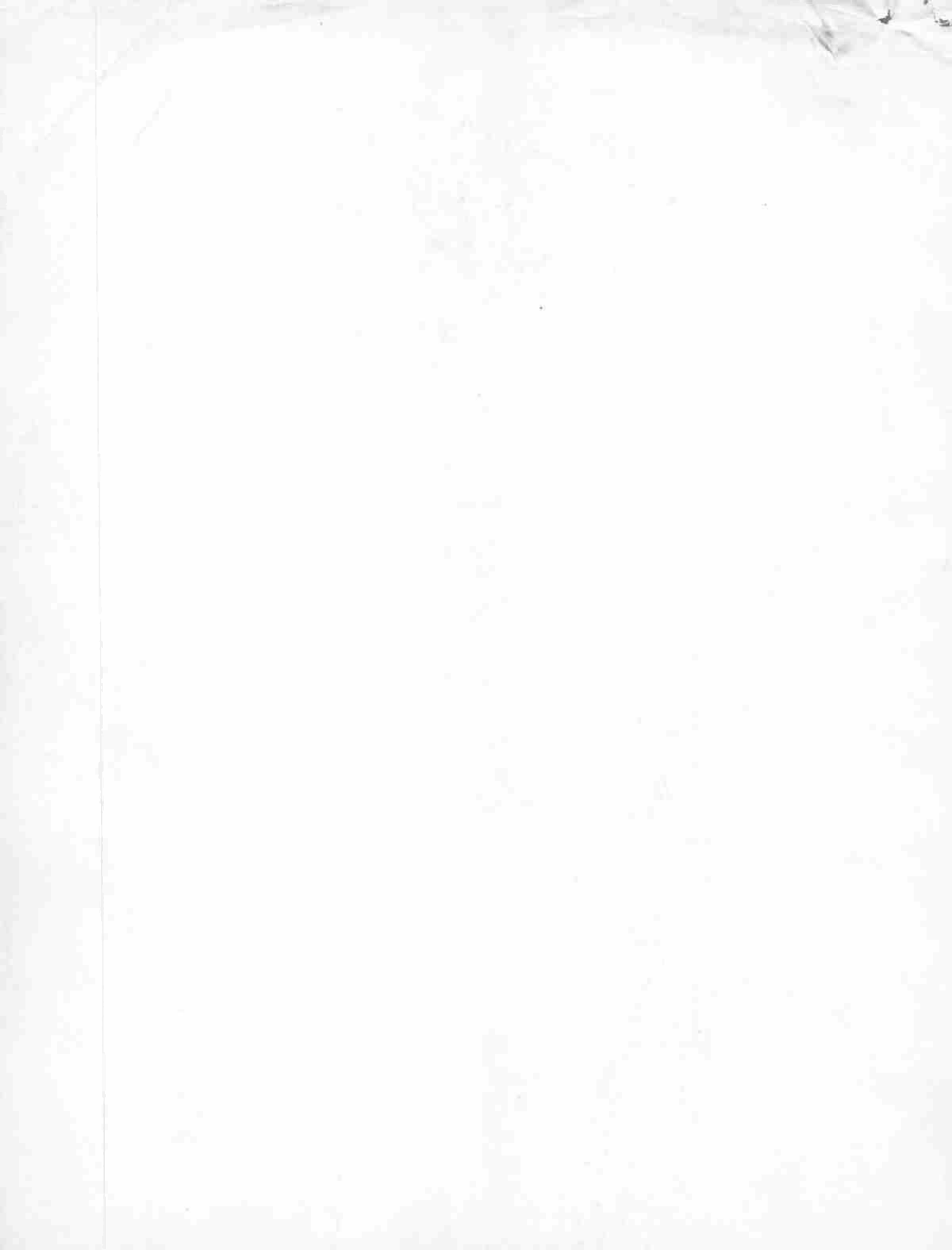
1	10/10/2017	10/10/2017	10/10/2017
2	10/10/2017	10/10/2017	10/10/2017
3	10/10/2017	10/10/2017	10/10/2017
4	10/10/2017	10/10/2017	10/10/2017

5	10/10/2017	10/10/2017	10/10/2017
6	10/10/2017	10/10/2017	10/10/2017
7	10/10/2017	10/10/2017	10/10/2017
8	10/10/2017	10/10/2017	10/10/2017

9	10/10/2017	10/10/2017	10/10/2017
10	10/10/2017	10/10/2017	10/10/2017
11	10/10/2017	10/10/2017	10/10/2017
12	10/10/2017	10/10/2017	10/10/2017

13	10/10/2017	10/10/2017	10/10/2017
14	10/10/2017	10/10/2017	10/10/2017
15	10/10/2017	10/10/2017	10/10/2017
16	10/10/2017	10/10/2017	10/10/2017

Table 10: Summary of data for the first 16 rows.







Date	Particulars	Debit	Credit	Balance
1911	Jan 1			
	Jan 31			
	Feb 28			
	Mar 31			
	Apr 30			
	May 31			
	Jun 30			
	Jul 31			
	Aug 31			
	Sep 30			
	Oct 31			
	Nov 30			
	Dec 31			





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Table 1

Year	Population		Age	Sex	
	Male	Female		Male	Female
1950	100	100	20	20	
1951	105	105	21	21	
1952	110	110	22	22	
1953	115	115	23	23	
1954	120	120	24	24	
1955	125	125	25	25	
1956	130	130	26	26	
1957	135	135	27	27	
1958	140	140	28	28	
1959	145	145	29	29	
1960	150	150	30	30	
1961	155	155	31	31	
1962	160	160	32	32	
1963	165	165	33	33	
1964	170	170	34	34	
1965	175	175	35	35	
1966	180	180	36	36	
1967	185	185	37	37	
1968	190	190	38	38	
1969	195	195	39	39	
1970	200	200	40	40	
1971	205	205	41	41	
1972	210	210	42	42	
1973	215	215	43	43	
1974	220	220	44	44	
1975	225	225	45	45	
1976	230	230	46	46	
1977	235	235	47	47	
1978	240	240	48	48	
1979	245	245	49	49	
1980	250	250	50	50	

Table 1. (Continued)



