

## LATIN AMERICA DOSSIER

### PRESENTATION

The countries of Latin America went through a favorable period from the point of view of growth and income distribution since the mid-2000s. A period that brings virtuous aspects in the economic trajectory of the region. Inequality, persistent phenomenon of this trajectory, for the first time gave signs of decline. Economic expansion from 2002 generated increases in formal employment, and the external relief and made it possible to implement distributional policies with significant impacts on poverty. However, there are important challenges to overcome to sustain this trend in the future. This special issue of the *Revista Paranaense de Desenvolvimento* analyzes some of these challenges.

The first article focuses on structural change. With the current conjuncture, the continuation of the positive trends of growth and distribution is vulnerable to shocks in the international context. In particular, in the long term, sustainable growth with quality jobs requires changes in the productive structure. This is the focus of the analysis of the first article. Additionally, it presents an economic model inspired by the traditional structuralist analysis, in which technology and structural change co-evolve and condition each other. Reducing productivity gaps and changes in product composition move together.

The second article approaches a dimension of inequality that did not receive the necessary attention in most countries, which is gender inequality. The theme of information and communication technologies (ICT) is used as a study case in which the technical progress generates benefits (in competitiveness, employment opportunities and increased revenues) that are distributed equitably under the gender perspective. While the access to information technologies increased significantly in the region, gender differences remained high. This relates to the persistence of forms of discrimination in relation to the place of women in the social division of labor. The study of the impact of the acceleration of technical progress on the gender difference is particularly important, because of the role that ICT technologies have in any development project.

The following articles approach the dynamics of growth, the distribution and structural change in two economies that have followed very different trajectories - Argentina and Uruguay.

In the case of Argentina, the study focuses on the period of the Governments Néstor and Cristina Kirchner, pointing out progress and setbacks in different fronts. Among the progress, accounts the recovery and the rapid growth after the crisis that affected the Argentina's economy that started with the convertibility policy adopted in the 90s. From 2004, important advances have been achieved in the distributive areas and in aspects related to structural shift, as in the case of manufacturing production. Among the setbacks, there is the rapid advance of inflation and the increasing intensity of external imbalances, which feed the need to depreciate the currency and threaten to generate a vicious cycle wages/exchange rate very difficult to break in a context of intense social

conflict. The Argentine case is an example of the limits that distributive policies face in a context of foreign exchange constraint, when the productive structure still dependent on a few commodities.

The Uruguayan case study focuses on the transformations in the agricultural sector and on the role of policies in the promotion of such transformations. The article shows the dynamism of inversion and productivity in the Uruguayan agro since 2004, with effects that reach the social dimension – such as poverty reduction on enlarged countryside, which includes the dispersed rural population and the urban cores of less than 5 thousand inhabitants. In addition, the article discusses some concrete examples in the production area: traceability in the beef cattle chain, rational use of soil resource in agriculture and adaptation of the family's cattle production systems to climate change. The article highlights that even in areas where supposedly only the comparative advantages of the country suffice to sustain production increases, advances in the technological field were driven by active public policies – in particular by the provision of public goods that would not be available otherwise.

To sum up, the texts analyses problems where growth, technical change and the elusive goal of equality in Latin America crosses. All of them show the importance of the advances achieved and the magnitude of the challenge to sustain them. The articles also point out pending issues: learning, increased productivity and equitable access to new technologies. These issues will be key to overcoming the “*casillero vacio*” that Fernando Fajnzylber has been talking about for a quarter of a century.

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