



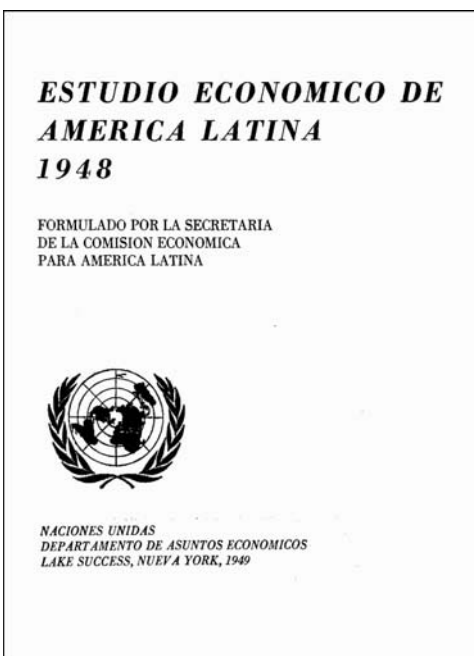
UNITED NATIONS



SIXTY YEARS WITH LATIN AMERICA AND THE CARIBBEAN

## FACT SHEET

### SIXTY YEARS OF THE ECONOMIC SURVEY OF LATIN AMERICA AND THE CARIBBEAN



(27 August 2008) The *Economic Survey of Latin America and the Caribbean* is ECLAC's oldest and most renowned annual report. This year marks its 60 year anniversary.

The publication was requested at ECLAC's first session in 1948 as the new United Nations Economic Commission's contribution to an understanding of the region's development. The same year of its foundation, ECLAC responded in this way to one of the goals for which it was created: to undertake or sponsor "the collection, evaluation and dissemination of economic, technical and statistical information" from the region.

The former Director of the Central Bank of Argentina, **Raúl Prebisch**, arrived in Santiago to contribute to the first edition of the *Economic Survey*, which set the foundations of ECLAC's original conceptual matrix. ECLAC's first publications covered a time period stretching from the Great Depression to the post-Second World War era, and sought to formulate a "reasoned history" of the economic and social trends the region had undergone, while developing a "focus" that could help understand the causes and consequences of those processes.

Since 1948, the *Survey* has been published every year without interruption, serving as a permanent witness of the vicissitudes of the region's economic development. ECLAC's flagship publication is today one of the most frequently quoted and consulted reports of its kind. Over 480,000 files of the 2006-2007 edition, in Spanish and English, have been downloaded from the ECLAC site.

Historically, the *Survey* has combined the analysis of the current economic situation with research on relevant issues and reflections extending beyond the mere examination of the moment. This hopes to contribute to the economic debate as a way to promote high and sustainable growth, capable of creating conditions conducive to improving the living conditions of the Latin American and Caribbean population.

Throughout its first 60 years, the *Economic Survey* has contributed to developing a body of thought on and from the region.

#### 60 years identifying opportunities and risks

In the 1940's and 1950's, the *Economic Survey* analyzed Latin America's development process in the context of a world shaped in the aftermath of the Second World War. In light of the persistent difficulties in provision after war's end, its first editions promoted rapid industrial growth.



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In the 1960's, as the region was undergoing a still unequaled period of economic growth, **ECLAC** warned about the limitations of the import substitution strategy. Early on, it was clear that the model could bring heavy pressure on the balance of payments and create extremely rigid and economically inefficient situations. Already, **ECLAC** understood that an indiscriminate import substitution policy required prolonged protectionist measures, and was therefore unadvisable. **ECLAC** proposed a development strategy to strengthen national markets and expand manufactured exports, with which industry could lower its high costs and increase productive efficiency.

In the 1970's, **ECLAC** suggested converting manufactured exports into the motor of growth, with greater openness to world markets, but at the same time warned of the difficulties that the massive indebtedness at the time could lead to. The enormous surpluses of oil producing nations due to the high price of oil were funneled through loans, and abundant financial resources were readily available at the time. Countries sustained their import capacity through loans, and thus, economic growth did not falter. But what it did produce was an explosive increase in the current account deficit of the balance of payments. This was the kind of problem derived from the over indebtedness **ECLAC** had warned about.

The 1980's was the "lost decade" in the region's development process, according to **ECLAC**. After the debt crisis, the regional commission pointed to the costs of structural adjustment programmes in terms of restricting the maneuvering capacity of the region's young democracies to apply public policies. In effect, the crisis led countries in the region to undergo difficult negotiations to avoid a moratorium on their debts. Many were forced to implement intense macroeconomic adjustment programmes and structural reforms aimed at reducing the scope of action of the State and heighten the role of the market in resource allocation.

In the 1990's and until 2002, **ECLAC** stressed the importance of recuperating macroeconomic balance and alerted about the impact of reforms on social inequality. It was a period of extreme vulnerability to foreign markets, and the volatility of capital flows became a powerful exogenous source of macroeconomic instability. In addition, in many cases, the "structural reforms" aimed at recovering investor confidence exacerbated old problems and created new ones.

The 2003-2007 period enjoyed a context of international bonanza, with improved terms of trade, more resources from remittances, and greater external liquidity. This situation poses certain dilemmas, and to address them, **ECLAC** has stressed the need to diversify and add knowledge to Latin America and the Caribbean's productive structure, broaden the region's export markets, and promote the development of skilled human resources. This is all necessary for the region to successfully insert in the world economy and consolidate a sustainable process of growth.

Today, in 2008, the *Economic Survey* emphasizes the need for policies and institutions that may contribute to consolidate growth in Latin America and the Caribbean, reducing the high degree of volatility which characterizes the region. Addressing the problem of volatility is a priority, given that it conditions investment, and therefore, economic growth, but above all, because it affects the most impoverished, who are the ones with the least means and instruments to protect themselves from its consequences.

The latest editions of the [Economic Survey of Latin America and the Caribbean](#) are available on the **ECLAC** website following the link. For further information, contact **ECLAC's** Information Services. Email: [dpisantiago@cepal.org](mailto:dpisantiago@cepal.org); telephones: (56-2) 210-2380/2149.