



# Latin American Economies in Transition during the 20<sup>th</sup> Century



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## Background

Latin American economies were in a period of transition and crisis during the majority of the 20<sup>th</sup> century. With interventions by developed nations and the onset of globalization, Latin America struggled to keep its external economic relations and internal economic conditions stable.



Figure 1: Two babassu nut breakers in Caxias, Maranhão, Brazil

- **Extractivism** emerged to boost economic performance. Specifically in Brazil, babassu is a type of palm that the government experimented with as an alternative fuel source; however, it moreover serves as an essential element of the economy in Northeast Brazil.
- Economic experiments were not only applied to extractivism, but also to **deflation efforts and economic stabilization programs**. Argentina and Chile both underwent coups (post-Juan Peron and post-Salvador Allende, respectively) that affected the economic conditions and social dynamics within these nations.
- In this research project, I explore the intersection between economic conditions and political instability, along with how its effects trickle down to the working class and how the government approaches policymaking in its wake. I also analyze how the press portrayed such economic policies.

## Findings

**In Chile, Argentina, and Brazil, poor economic conditions were exacerbated by political instability and policymaking experiments; as a result, mobilizations by the working class and the press created divides within the population.**

- Babassu oil extraction for alternative fuel has dwindled in recent years as the government pursued different biodiesel options. There is still, however, a substantial population in NE Brazil that depends on babassu oil for their livelihood; their occupation is threatened by landowners barring access to babassu palms and expanding agribusinesses. This dispute evolved into a mobilization of babassu nut breakers, resulting in the passing of the Free Babassu Law, which granted access and protections for palms on private land.
- Similarly, hyperinflation in Chile led to the March of Empty Pots and Pans, as housewives protested the rapidly increasing cost of living. Declining economic conditions prompted interventions by Western nations and the UN Economic Commission for Latin America and the Caribbean (CEPAL).

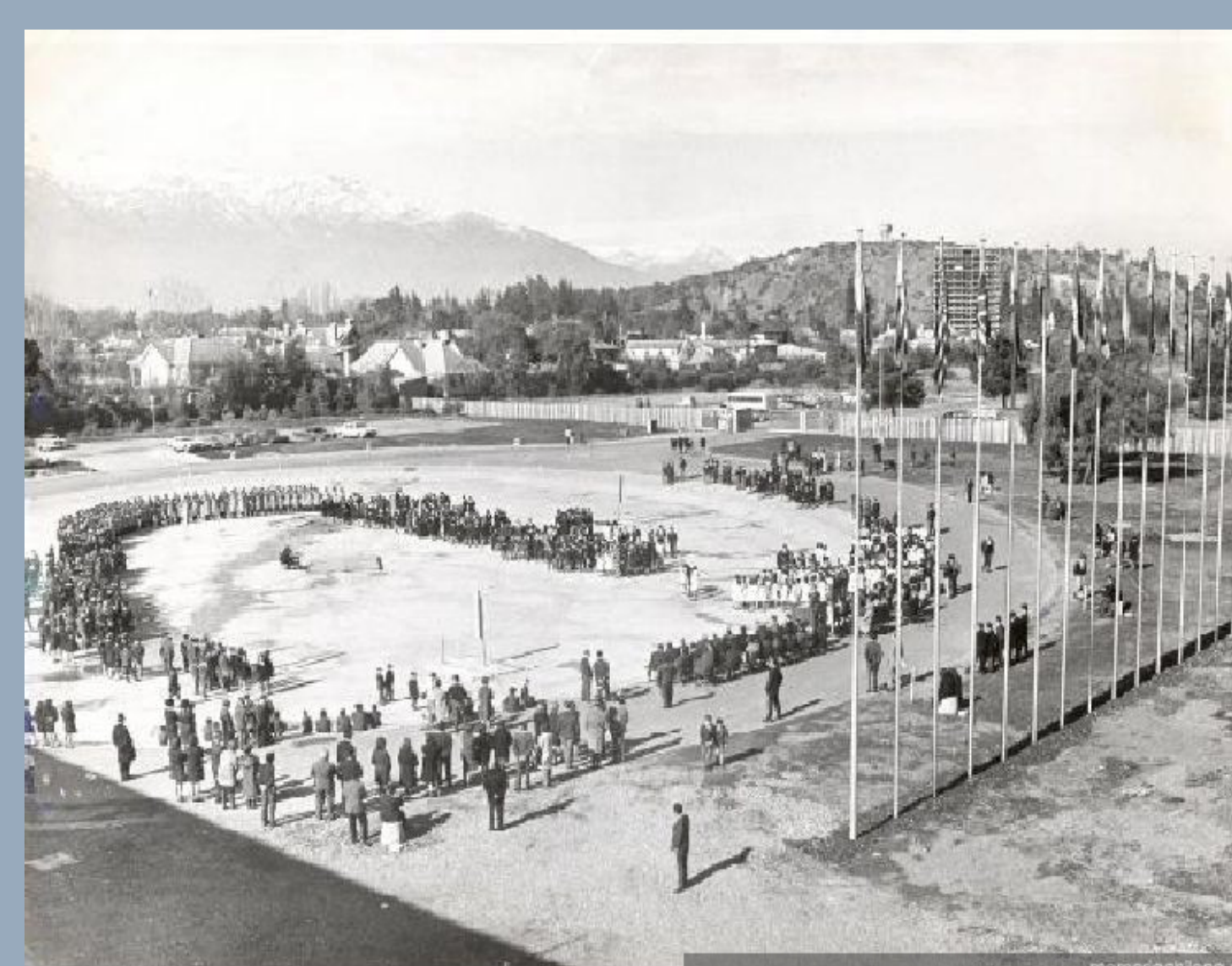


Figure 2: The opening ceremony of the CEPAL building in Chile in 1966

- Economic instability led to extreme polarization; the press supported certain presidential candidates or furthered external agendas, including the US'. The press also advanced similar economic ideas in different nations, as articles put the blame for hyperinflation on wage boosts before Brazil's 1964 coup and Argentina's 1966 coup.

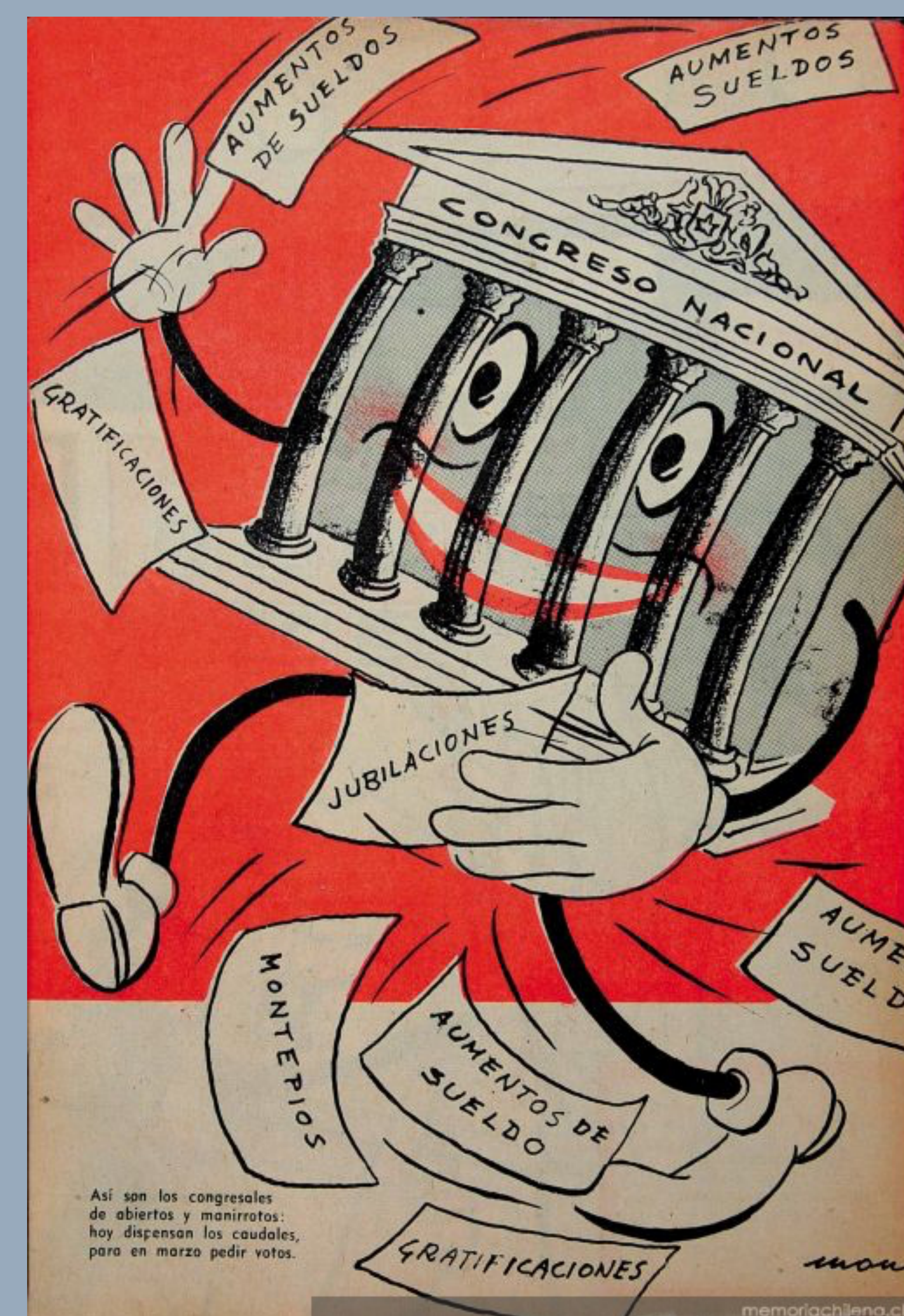


Figure 3: A Chilean political cartoon mocking the expansive fiscal policies the government adopted in 1945

## Research Questions

- How has babassu extractivism affected the nut breakers in Northeast Brazil?
- Is babassu oil currently being pursued as an alternative fuel source in Brazil?
- How did inflation and cost of living fluctuate around Chilean, Argentine, and Brazilian coups in the 1960s/70s?
- How did changing economic conditions influence social movements and dynamics within Latin America?

## Methods and Research Skills

- I engaged in historical research methods for this project, delving into databases including Franklin Libraries, government websites (e.g., IBGE, or the Brazilian Institute of Geography and Statistics), national archives, national library websites, and other document databases (e.g., Memoria Chilena).
- I analyzed a variety of sources, such as newspaper articles, scholarly publications, images, data tables, and other primary sources from the 20<sup>th</sup> century.
- I read across disciplines, engaging in sources relating to science, energy, policy, social movements, and statistics.
- Skills include filter out relevant sources from a multitude of search results, exercise my language skills (Spanish and Portuguese), read quantitative data, and navigate government databases.

## Future Directions

- How does extractivism emerge in other nations with robust palm oil industries? How does it affect the working class? Do other nations have more/less protections for palm oil workers?
- Why did the press identify wage increases as the causer of inflation? Was this a trend across other Latin American countries during this time period?
- How did IMF, US, and CEPAL intervention in Latin American economies during the 20<sup>th</sup> century influence short and long-term economic conditions?