

**ALVAREZ GIL, María José; BURGOS JIMENEZ, Jerónimo de;
and CESPEDES LORENTE, José, J.**

Interest Groups and Spanish Hotel Environmental Strategies

Abstract: The present paper addresses the environmental questions facing companies from the standpoint of interest group theory. Four aspects that may influence environmental management by businesses are introduced, empirically contrasted and discussed, namely: the importance of environmental questions for interest groups, interest group power over businesses and the economic and social legitimacy of environmental claims. The size of the organisation is used as the control variable. The results show that the two dimensions of environmental management detected bear a relationship, to one degree or another, to three of the above issues; the exception is social legitimacy, which appears not to be significantly related to the adoption of environmental management measures.

Key words: environment economics, interest groups, hotel industry, hotels.

JEL Classification: L83, Q23, Q26

BARCENA, Alicia

**Urbanisation Trends in Latin America and the Caribbean in the Nineties:
Challenges and Opportunities**

Abstract: Latin America has a larger urban population, percentage-wise, than any other region in the world: 75 per cent of its inhabitants live in cities. Although migration to urban areas slowed down in the nineties no remedies were implemented to correct the serious urban problems afflicting the region: paucity of utilities, environmental degeneration, poverty, overcrowding, social segmentation and delinquency. The author believes that the future lies in medium-sized cities as new, more humanised urban centres as well as in participation of society in its entirety in the urbanisation process and interregional co-operation.

Key words: urban economy, urban population, rural population, urban development, city size, Latin America, 1991-2000.

JEL Classification: R00, O50

BENGOA CALVO, Marta and SANCHEZ-ROBLES RUTE, Blanca

Economic Growth and Inequality in Latin American Countries

Abstract: This article presents a theoretical model for endogenous growth that reveals the relationship between real per capita GDP and social spending. The model predicts a quadratic relationship between public spending – earmarked for both infrastructures and

social services – and the economy's growth rate. It is empirically contrasted using a representative sample of Latin American economies in the period 1975-1995. The results corroborate the existence of a quadratic relationship between inequalities in income distribution (measured by the Gini index) and the economic growth rate. The need to make a substantial investment in infrastructures in the least developed countries is likewise stressed, as they are an essential factor for obtaining the necessary «social capacity» to spur income growth.

Key words: economic inequality, social inequality, economic growth, public spending, infrastructures, Latin America, 1975-1995.

JEL Classification: O40, O54

CUENCA GARCIA, Eduardo

Spanish Trade and Investment in Latin America

Abstract: Spain's economic and commercial relations with Latin American countries have changed profoundly in the last ten years. Encouraged by expectations for the area, Spain has intensified its trade with and investment in these countries to an enormous extent. The present article analyses these relations, focusing in particular on the cases of Argentina and Brazil (in Mercosur), Mexico and Cuba.

Key words: foreign trade, direct investments, Spain, Argentina, Brazil, Cuba.

JEL Classification: F14, F21, F23, O54

DIEZ DE LOS RIOS GONZALEZ, Antonio and ORTIZ VIDAL-ABARCA, Alvaro

Exchange Rate Crises in Latin America: Specific and International Factors

Abstract: This paper studies the effect of both factors specific to each country and international conditions on the probability of an exchange rate crisis in Latin America. The estimated likelihood of a country being confronted by a crisis within one year's time increases with the existence of an over-valued currency, a drop in international reserves compared to the money supply, a decline in exports, the collapse of national securities exchanges and increases in world-wide interest rates. The impact of Asian markets on the situation in Latin American countries is significant, although minor. An advance warning system based on the above suite of signals would help identify situations of financial vulnerability.

Key words: exchange rate, financial markets, financial crisis, interest rate, discreet election model, Latin America.

JEL Classification: F31, F47

FFRENCH-DAVIS, Ricardo

Economic Reforms in Latin America: Tasks Outstanding

Abstract: Far-reaching economic reforms in Latin America has been followed by what is regarded as very modest growth for emerging economies: the region's GDP barely rose by 3 per cent per year throughout the nineties. Moreover, the lack of equity continues to be one of the most characteristic features of the area. This article first discusses the achievements made and then goes on to explain where reforms have failed. Particular attention is lent to shortcomings in the implementation of macroeconomic policies, which have been unable, with a few exceptions, to handle the impact of the fluctuations of international financial markets or the transmission of price instability in regional trade. Also discussed the existence of incomplete or lack of markets of skilled labour, dissemination of technology and long-term segments on national money markets. These are all determining factors for systemic competitiveness, the basis for equitable development.

Key words: economic growth, structural reform, economic policy, Latin America.

JEL Classification: O54

MARTINEZ ZARZOSO, Inmaculada and VALENCIA PARRILLA, Susana

Structure and Foreign Trade Trends in Mercosur

Abstract: The present article analyses the structure and evolution of foreign trade between the «Mercado Común del Sur» (Mercosur) and its major commercial partners in the period 1961-1998. The main objective is to evaluate Mercosur's international competitiveness from a sectoral approach, based on the analysis of the dynamic comparative advantage for the various industries and the calculation of different intra-industrial trade indices to measure the importance of this type of trade in the total commercial exchange with the European Union, the United States, Canada and Japan. Mercosur is found to specialise very clearly in basic commodities and to be largely dependent on foreign trade for high technology products. Finally, intra-industrial trade levels are much lower than in the European Union or among developed countries in general.

Key words: foreign trade, exchange specialization, competitive advantage, regional integration, Mercosur, 1961-1998.

JEL Classification: F14

OCAMPO, José Antonio

The Challenges to Latin American and Caribbean Development at the Dawn of the Twenty-first Century

Abstract: Latin America and the Caribbean are entering the twenty-first century amidst obvious contrasts. Their renewed access to foreign financing has concurred with very

volatile capital flows. At the domestic level, in turn, the progress made on various fronts in terms of macroeconomic stability contrasts starkly with the weakness of productive restructuring processes and even more with the fragility of social indicators. Finally, business support for reforms meets with weariness while reform processes are even expressly rejected by a number of social and political spheres. These contrasts have reopened the debate on the region's development model. The present article presents a succinct overview of economic and social trends in Latin America and the Caribbean over the last ten years and the agenda proposed by ECLAC to enable the region to successfully rise to the development challenges facing it in the new century.

Key words: economic growth, economic unbalance, structural reform, inflation, interest rate, Latin America, 1991-2000.

JEL Classification: O11, O54

PERRY, Guillermo and SERVEN, Luis

Macroeconomic Volatility in Latin America: Causes and Solutions

Abstract: One of the characteristic features of Latin American economies is their great macroeconomic volatility. Hence the importance of acquiring an understanding of the factors underlying this phenomenon and the alternative economic policies open to economic authorities to counter the harmful effects of such volatility. The present paper suggests that the causes include external disturbance (which affects the real terms of trade and the cost of foreign capital), the limitations of the macroeconomic policies implemented and the imperfections of financial systems. Three types of measures are proposed to counter volatility: international diversification of risk via contingent sale agreements with foreign investors, self-insurance, with the creation of stabilisation funds to avoid over-reaction to exchange rates and self-protection by means of capital controls.

Key words: business cycles, macroeconomic magnitudes, volatility, economic growth, economic policy, Latin America.

JEL Classification: F20, G15, O11, O54

TANSINI, Ruben and VERA, Tabaré

Integration Processes in Latin America: The Case of Mercosur

Abstract: The integration process in Latin America's Southern Cone, Mercosur, is unfolding in a context of the determination by the four member countries to participate more actively on the international marketplace and, simultaneously, of the expansion of intra-regional exchange. While Mercosur's real GDP grew at a rate of 3 per cent per year in the nineties, duplicating the growth recorded in the preceding decade, the upward trend in

intra-regional trade plunged in the wake of the Southeast Asian crisis and the 1999 crisis in Brazil, creating tension inside the block. Nonetheless, despite the difficulties facing the regional integration process and stagnation of the Argentine economy, the strategic position, ten years after inception, can be defined as a will to consolidate and move ahead with the agreement. There is also express determination to keep this construction process open to trade with extra-regional partners.

Key words: regional integration, economic growth, Latin America, Mercosur, 1991-2000.

JEL Classification: F02, F15, O54

THORP, Rosemary

A New Agenda for Latin America: An Economist's Reflections on a Historical Study

Abstract: This article focuses on a recent project that reviews one hundred years of Latin American economic history and draws a number of conclusions in connection with the agenda for the new century. The study stresses the importance of equity in the creation of institutions and the construction of a political basis for redistributive measures. History shows that no model has favoured equity in Latin America but that, on the contrary, each successive system has tended to deepen the roots of inequality.

Key words: economic history, economic growth, political institutions, economic development, Latin America, XXth Century.

JEL Classification: N16, O54

VALLES GIMENEZ, Jaime

Regional Government Access to Indebtedness: Analysis of the Legislation,

Abstract: Three questions are addressed in this article. First, the arguments supporting the use of indebtedness by sub-central governments are reviewed. Then the reasons that justify the existence of institutional restrictions on sub-central debt are analysed. Finally, national legislation governing autonomous regions' access to indebtedness is evaluated. The two main results of this exercise are: on the one hand, there appears to be a clear connection between the causes on which the existence of limits is based and the specific type of restriction implemented. On the other, existing national legislation governing regional indebtedness adheres reasonably well to theoretical recommendations, although a series of problems is detected in connection with design.

Key words: public debt, public debt new issue, regional administration, regional financing, Spain, 1984-1999.

JEL Classification: H63, H70