

## ABSTRACTS

### **Conflictivity in Latin American firms**

*Alvaro Herrero & José Manuel Puente*

The existence of an adequate business climate and of efficient mechanisms for the resolution of conflicts are two key elements for the development of the private sector and for the competitiveness of the economy. Although studied seriously in other regions, in Latin America these problems have hardly been explored. This article attempts to fill this vacuum from a firm perspective. On the basis of a survey covering 675 entrepreneurs in nine Latin American countries, the research underlying this article broaches the problem of conflicts for entrepreneurs, emphasizing their economic costs.

**Key words:** Private sector, competitiveness, conflict resolution, services, Latin America.

### **Empresas multinacionales en una economía global integrada: Un desafío para los sindicatos transnacionales**

*Domenico Buccella*

Hasta el momento, la globalización parece haber promovido una creciente integración económica, permitiendo un aumento en los volúmenes de comercio, tanto globales como regionales, como también un aumento en la movilidad del capital. Las empresas multinacionales (EM), precisamente por la movilidad de su capital, logran ventajas, incidiendo en los mercados de trabajo y estimulando un 'círculo vicioso' en que sindicatos y gobiernos que participan en una 'carrera hacia abajo' en torno a la regulación de las condiciones de trabajo. Este artículo analiza los roles, estrategias y desafíos que enfrentan los sindicatos en el futuro inmediato, tanto al nivel regional (Europa) como global.

**Palabras claves:** Globalización, empresas multinacionales, comercio y producción internacional, sindicalismo internacional.

### **Small firms in the productive chain: growth or dependence?**

*Carmen Añez Hernández*

Latin American countries have been trying to integrate the State, national capital and the different sectors of society with a view to building an economic base

responding to the idea of endogenous development. One of the objectives is to favor the competitiveness of the small firms and thus favor economic and social welfare, create employment and eliminate poverty. This article analyzes the productive chains as a development strategy and the insertion of the small firms within them, taking into account the other powerful economic actors who participate. The author concludes that they continue to be dependent on the larger firms or the State with which they maintain an unstable relationship, simply surviving as a subordinate element in the market.

**Key words:** Small firms, state, productive chains, growth, dependence.

### **Teoría bancaria post-keynesiana y el flujo endógeno de dinero**

*Ángel García B.*

Este artículo empieza presentando la literatura general en torno al tema enunciado en el título. Hay breves referencias a enfoques anteriores, pero el énfasis está puesto en las perspectivas post-keynesianas que, según se argumenta, evitan la confusión derivada de identificar bancos con simple intermediación financiera y adoptar una teoría que se basa en la simple cantidad de moneda en circulación. El autor comparte el enfoque de Screpanti (1997) que señala cómo "los bancos hacen vendible el riesgo genérico del crédito". Considera también el problema de la exogeneidad de la tasa de interés, fuente de la divergencia más importante entre las distintas escuelas post-keynesianas.

**Palabras claves:** Oferta monetaria endógena, riesgos, horizontales, estructurales, genéricos y específicos.

### **Macro-economics and short-term simulation models**

*Oscar Vilorio Hernández*

In circumstances of high unemployment, sub-employment and idle productive capacity, macro-economic planning needs to regulate fiscal and monetary changes, without a priori restrictions. This article offers a summary of the theoretical and methodological foundations of a macro-econometric model for simulating and evaluating short-term public policies. It consists in a platform or econometric nucleus comprised of 26 behavioral equations, two exogenous variables (nominal exchange rate and oil prices) and public expenditure as a policy variable. The projections indicate in the short run it is the disciplined public expenditure which proves crucial for growth and stability. At the same time, monetary stability ought to be subjected to the stability of the Operative International Reserves. In the case of rising oil prices, this means avoiding the

translation of increased external savings into a broadening of the monetary basis of the domestic economy.

**Key words:** Macro-economic planning, simulation models, public policies, monetary rule, fiscal discipline.

### **Comments on the 'Monetary Reform' proposal sent to the central bank by the National Assembly**

*Ronald Balza G.*

On the 10th of August 2006, the National Assembly sent the Central Bank a 'monetary reform' proposal, presented as a series of measures designed to contain inflation. This article argues that the failure to recognize the impact on inflation of spending oil revenues for financing domestic policies, condemns the proposal to failure, despite the sacrifices involved for the Central Bank and other economic agents. Furthermore, it is argued, the only feature which distinguishes the proposal from previous ones is the elimination of several ceros for the Bolívar. Beyond the central criticism, the author examines in detail the arguments offered by the National Assembly to justify the proposal.

**Key words:** Monetary Reform, Central Bank, National Assembly, Venezuela.

### **Development, Regional Planning and Regional Accounting Systems**

*Mauricio Iranzo T. Diego Mendoza*

The promotion and management of development, as a responsibility of the public administration, calls for an adequate balance between the planning process and the information available. But the information cannot be based on simple national aggregates; it must reflect the reality and the possibilities at a regional and local level. For this reason, the author offers a proposal for the creation of a system of regional balances.

**Key words:** Regional Planning, Information, Decision-Taking, Accounting Systems.

**The model of growth restrained by the balance of payments: empirical evidence for Bolivia (1952-2002)***Bismarck J. Arevilca Vásquez & Wiston Adrián Risso*

Both the empirical and the theoretical literature have concentrated their attention on productive factors as determining economic growth, neglecting the demand factor. This article, however, analyzes external demand as the determining factor for Bolivian economic growth during the period 1953-2002, using the model introduced by Thirlwall (1979). The subsequent analysis of other variables indicates that there is a negative relationship between long-term growth and increases in the real exchange rate. Imports are more elastic than exports when GNP rises, with negative effects on the balance of trade. It can be argued that the model introduced in 1985 increased the external restrictions on the country provoking a process of de-industrialization.

**Key words:** Bolivia, growth, Balance of Payments, Import Function, Foreign Trade Multiplier, Johansen Co-Integration Proof.

**Restructuring of the Venezuelan Agro-Food Industry of Fats and Comestible Oils. from the Adjustment Policies to the creation of MERCAL***Agustín Morales*

This article is divided into three parts. The first examines the transformations which are taking place in agri-business in the international context as a result of globalization processes. The second looks more closely at the restructuring of business firms in the process, on the basis of the experience of the Venezuelan fats and comestible oils industry, examining Unilever, Carguill and Kraft which have been actively involved in the current wave of mergers and take-overs. Finally, the author discusses the implications of these developments for the 'fats and oils chain' as a whole, for the productive sector, for imports, for consumption patterns and for food security.

**Key words:** Agrofood Sector, Firm restructuring, Fats and Oils Food Industry.

**Considerations on the main indicators of social capital in Venezuela at the outset of the 21st century***Herbert Koeneke & Daniel Varnagy*

Increasing social capital has often been considered a panacea for social ills. The fact is, however, that this capital may have positive or negative consequences for society at large. In Venezuela, factors such as mutual distrust and the prevalence

of external reinforcement controls have traditionally limited the expansion of positive social capital. In this paper, the current situation with respect to these factors is described and their probable evolution is explored on the basis of public opinion longitudinal data (1973-2003).

**Key words:** Social Capital, Mutual Trust, Reciprocity, Radius of Trust, Internal and External Control of Reinforcement, Venezuela.

### **A study of household incomes using savings as a reference**

*Alfonso Cáceres, Linda Núñez, Daysí Rodríguez & Carmen Montero*

This investigation developed in Anzoátegui-Venezuela, analyzes the real income of households, as reflected in their savings. The information was obtained on the basis of interviews with a representative sample of 417 family heads; who were asked about the changes in their real income as reflected in the variation in the percentage distribution in expenditures for the following items: food, housing and services, education and health, recreation and saving, during a period of one year (2003-2004). They were not asked for information about the monthly household income, in order to promote greater sincerity and privacy in relation to the information.

The T test for related data with a marked statistical significance was applied. In addition, it was verified that non-modifiable factors such as gender, age, civil status, the type of job, city of residence and number of household members do not affect the general values.

The results reveal that expenditure on recreation and savings diminished and were dedicated to food, housing and services, in conformity with the Prospect Theory and Two-Period Model; apparently as the result of a negative impact of 11,5 % in the levels of real income. This is consistent with the information contributed by the families and by the Central Bank of Venezuela that reflects a decrease of 13,13 % for the period in study. It was confirmed that the level of savings can measure real changes in the buying-power of the family income.

**Key words:** Savings, Real Income, Venezuela.

### **The Biplot methods: evolution and applications**

*Olesia Cárdenas, Galindo P. y Vicente-Villardón J. L.*

Among the methods of multivariate data analysis, the Biplot have been a source of continuous contributions to science since their origin in 1971. Their general objective is to approach a matrix of data, in such a way that it permits a

objective is to approach a matrix of data, in such a way that it permits a description and modeling on the basis of constructed geometrical maps as projections of clouds of points, rows and columns, over subspaces of optimal adjustment. The multiple contributions made in the last years have motivated the author to offer this essay, which covers the different tendencies that have been developed and underlines the most outstanding contributions. The objective is to offer researchers a basis for selecting the most suitable Biplot method, and also to appreciate the current research tendencies and their applicability in any field of the natural of social sciences.

**Key words:** Multivariant Analysis, Biplot, Contributions.

### **Notes for Studying the Public Administrative Apparatus**

*Alejandro Arratia*

The formation of the public administrative apparatus is a complicated historical process which accompanies the birth and consolidation of the nation itself. It is only during the Gómez period (1909-1935) that the structure of the administrative apparatus, along with the modernization of the army and road construction, become central concerns of the government. The objective was to consolidate power, guarantee political stability, modernize the economy and present to the world the image of a civilized nation. It was the legacy left to the successors.

**Key words:** Administrative Apparatus, Gómez, State, Army, Roads, Ministries, Autocracy.