

Economic Inequalities in Nineteenth-Century Argentina¹

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ABSTRACT

This work explores the evolution of regional and social inequalities in nineteenth century Argentina. By comparing the economic trajectories of several provinces during the century, the study renders an image of an increasing divergence between the interior and the littoral regions. At the same time, through the use of different statistical indicators of wealth distribution, we observe the complex relationship between economic dynamics and social inequality. We are able, thus, to discuss some influential hypotheses about inequality and economic performance.

1. Economic inequalities in nineteenth-century Argentina

It is a commonplace of academic literature that Latin America is the most unequal place on the face of the planet, a place where the imbalances amongst people, social

¹ This research was carried out with the support of the Agencia Nacional de Promoción Científica y Técnica (National Agency for the Promotion of Science and Technology of Argentina ANPCyT)) and the project DICASHOR HAR2008-02960 of Spain. Previous versions were presented at the Argentine Economic History Association Congress in Rio Cuarto, Argentina, in September 2010 and at a meeting held in the University of Girona, in June 2010. I thank all the participants for their comments.

groups and regions are most profound².

It has also been remarked that such inequalities have a chronology and that they are not constants. It is therefore central to the region's research agenda to explore the causes of these inequalities and their evolution in time and space³.

Yet, barring the most recent periods, studies on inequalities across the sub-continent or on its constituent parts are few and far between.

The nineteenth century turns out to be an important laboratory to broach these issues, given the profound changes that characterized the region after the crisis of the colonial order and which were bound up with the development of major imbalances at various different levels.

In recent years, a debate has opened up over the state of Latin American economies in the first "long" half of the nineteenth century. Faced with a classic image of general crisis, alternatives have been put forward to qualify this statement⁴.

² See Samuel Morley, *La distribución del ingreso en América Latina y el Caribe*, Santiago de Chile, Fondo de Cultura Económica-CEPAL, 2000.

³ See Jeffrey Williamson, *History without evidence: Latin American inequality since 1492*, unpublished paper presented at the World Economic History Congress, Utrecht, 2009.

⁴ An example of this "pessimistic" view of this stage is found in John Coatsworth, "Economic and Institutional Trajectories in Nineteenth-Century Latin America", in John Coatsworth and Alan Taylor (ed.), *Latin America and the World Economy since 1800*, USA, Harvard University Press, 1998, pp. 23-54. A more recent and quite different view is expressed in Leandro Prados, "The economic consequences of independence in Latin America", in Victor Bulmer Thomas, et al., *The Cambridge Economic History of Latin America*, Cambridge, Cambridge University Press, 2006, pp. 463 a 504. See also Enrique Llopis and Carlos Marichal (eds.), *Latinoamérica y España, 1800-1850. Un crecimiento económico nada excepcional*, Madrid, Marcial Pons Historia-Instituto Mora, 2009.

I have, in some works, put forward the hypothesis of divergence as a central feature of this stage. To put it another way, the defining thing about the half-century following the fall of the colonial order was not crisis or growth, but a variety of situations in which some countries underwent economic decline or stagnation, while others grew reasonably fast. This same divergence was taking place between different regions within some of these countries⁵. Argentina is a case in point, although similar situations are seen in other countries, such as Mexico, Brazil, etc.⁶.

While such differences are to be expected in territories of similar size, and similar ecological and historical differences, economic paths in the Ibero-American world are reasonably homogeneous during most of the colonial period. This homogeneity is especially visible in the second half of the eighteenth century, when growth in the mining sector and domestic markets, coupled with the development of external markets, promoted growth almost right across the board. Something similar occurred between the closing decades of the nineteenth and the opening decades of the twentieth century, when many American regions saw export growth that included extensive areas of each country's interiors, thanks

⁵ Jorge Gelman, "¿Crisis postcolonial en las economías sudamericanas? Los casos del Río de la Plata y Perú", in Llopis and Marichal, *Latinoamérica y España, 1800-1850*, 2009, pp. 25-64.

⁶ For Mexico, see the recent assessment by Ernest Sánchez Santiró, "El desempeño de la economía mexicana tras la independencia, 1821-1870: nuevas evidencias e interpretaciones", in Llopis and Marichal, *Latinoamérica y España, 1800-1850*, 2009, pp. 65-109. For Brazil, see Nathaniel Leff, "El desarrollo económico de Brasil, 1822-1913", in Steven Haber (comp.), *Cómo se rezagó La América Latina. Ensayos sobre las historias económicas de Brasil y México, 1800-1914*, Mexico City, Fondo de Cultura Económica, 1999, pp. 47-82.

to the development of the railways, which linked many interior regions with the ports⁷. In other words, the divergence seen in the first half of the nineteenth century may, at least in its scope, have been a phenomenon peculiar to this period and could in some cases explain the differences observable in recent periods. Regional inequality would not, therefore, be a phenomenon immanent to the history of the Latin American territory, but would have a beginning or a stage of acceleration, and possibly also cycles with a degree of convergence.

We have also begun to study the relationship between the processes of growth and social inequality in a rather more systematic way. Certain influential interpretations have proposed an inverse relationship between the unequal distribution of resources (and of the power that accompanies this) and the possibilities for economic growth, and that this would have been precisely what characterized much of Latin America from the colonial period on and may help us to understand its subsequent limited capacity for growth⁸. More classical is the proposal about the relationship between modern economic growth and the development of inequality

⁷ The map of the railways, however, included some regions and left out others, and may as a result have stimulated new regional differences—a necessary area of study.

⁸ See Stanley Engerman and Kenneth Sokoloff, "Dotaciones de factores, instituciones y vías de crecimiento diferentes entre las economías del nuevo mundo. Una visión de historiadores de economía estadounidenses", in Haber, *Cómo se rezagó La América Latina*, 1999, pp. 305-357 and Daron Acemoglu, Simon Johnson and James Robinson, "The colonial origins of comparative development: an empirical investigation", *American Economic Review*, 91, 2001, pp. 1369-1401.

as an initial consequence of it, a hypothesis that has also been subjected to scrutiny recently in a variety of cases⁹.

However, one of the central problems in moving the debate forward lies in the difficulty of reconstructing the basic data on the evolution of Latin American economies in the first half of the nineteenth century due to the weakness of the states and the wars of the period.

In Argentina's case, studies on the late colonial period and the nineteenth century have been carried out for some years now, both on the first half of that century and the second, when, after national unification and the progressive establishment of an administration with common rules, a mass of more accessible and comparable information began to be compiled. The data and analysis presented here are part of these efforts.

1.1 Regional divergence

Studies on the Bourbon period confirm the idea of economic growth almost across the board in the jurisdictions of the Vice-Royalty of the River Plate.

The recovery of the Upper Peruvian mines had a positive impact on most River Plate regions, which found in the Andean markets an opportunity to sell their surpluses. This

⁹ The classic hypothesis is in Simon Kuznets, *Modern Economic Growth*, New Haven, Yale University Press, 1966. For some debates, see Jeffrey Williamson and Peter Lindert, *American Inequality: A Macroeconomic History*, New York, Academic Press, 1980, and Luis Bertola, "A 50 años de la curva de Kuznets. Crecimiento económico y distribución del ingreso en Uruguay y otras economías de nuevo asentamiento desde 1870", *Investigaciones de Historia Económica*, 3, 2005, pp. 135-176.

was complemented in some regions by growth in foreign trade through Buenos Aires and Montevideo. Benefitting from the demand for raw materials in a Europe that was starting to industrialize and from the new institutional arrangements implemented by the Bourbons¹⁰, in addition to the growth of typical colonial trade in silver and gold in exchange for slaves and European luxury items, there was a first wave of “livestock expansion”, mainly affecting the areas along the River Uruguay, which allowed higher volumes of exports of cattle outputs.

So, although the Litoral areas of the River Plate region benefitted from the combination of typical colonial trade and a new type, interior regions also take advantage of it to a degree, especially the resurgence of powerful mining economies, which enable them to position their agricultural and craft output. Concomitantly, the city of Buenos Aires consolidated its growth and became an important consumer market for goods produced in some interior economies.

One way to approach this comparative performance is through tithes, although the interpretation of this indicator is the subject of debate. In the last few colonial decades, almost all River Plate regions upped tithe collection – and, presumably, the agricultural output – although some did so faster than others. But all moved in the same direction, avoiding any major inter-regional differences¹¹.

¹⁰ Especially the creation of the Vice-Royalty of the River Plate, with its capital in Buenos Aires in 1776, and the 1778 Free Trade Regulation.

¹¹ For a classic work on the performance of the River Plate economies, see Juan Carlos Garavaglia, “Crecimiento económico y diferenciaciones regionales: el Río de la Plata a fines del siglo XVIII”, in Garavaglia, *Economía, sociedad y regiones*, Buenos Aires, Ediciones de la Flor, 1987. I have analysed this in Jorge

So, Buenos Aires saw quite exceptional growth in the late eighteenth century, but was not too far off the rest, with some cases in the interior that sometimes even seem to have grown faster than Buenos Aires. By around 1800, Buenos Aires's tithes numbered around one third of the regional total. This is a high figure, but Córdoba accounted for almost 20 per cent of the total, providing competition for it, with other, smaller economies coming next¹². The information available on inter-regional trade also suggests a fairly wide-spread boom.

The crisis in the colonial order did not affect all regions of the River Plate equally: on the one hand, there was a crisis in the mining industry in Upper and Lower Peru and consequently in the domestic markets, which also saw the breakdown of the common colonial political space; on the other, the expansion of Atlantic trade accelerated, promoted by the industrial revolution, which favoured a growing demand for raw materials and foods, the prices of which improved significantly and steadily in relative terms over the nineteenth century. Buenos Aires saw the establishment of a form of free trade that enabled this improvement in the terms of trade to be easily operated. Thus a livestock expansion was promoted in Buenos Aires Province and was seen somewhat later on in the Litoral provinces. But most interior regions failed to insert themselves in this circuit of foreign trade, or did so with great difficulty, while the domestic markets declined. The diver-

Gelman, "La Gran Divergencia. Las economías regionales en Argentina después de la Independencia", in Susana Bandieri (comp.), *La historia económica y los procesos de independencia en la América hispana*, Buenos Aires, Prometeo Libros, 2010, pp. 105-129.

¹² See Jorge Gelman, "la Gran Divergencia".

gence between the regions was thus sharpened in favour of Buenos Aires and part of the Litoral, to the detriment of the interior and Cuyo¹³. For all that there were some exceptions in the latter regions and not all Litoral regions were equally successful, the general trend is undeniable.

One study on Buenos Aires and Córdoba in the late 1830s showed that the two most important rural economies in the late colonial period – of comparable sizes back then – were separated by an abyss thirty or forty years later. Buenos Aires's wealth was between nine- and fifteen- fold higher than the latter, whereas at the end of the colonial period its agricultural product as gauged by tithes was just 40 per cent higher than the landlocked province's. For all that these data are of a different nature (i.e. agricultural output versus wealth), the trend is clear, Buenos Aires's growing wealth being principally due to livestock expansion. We have data on their respective cattle stocks – the main rural asset of both provinces – and also in this case the gap is more than eight or nine times as wide in favour of Buenos Aires by the end of the 1830s¹⁴.

¹³ The Interior takes in Córdoba, Santiago del Estero, Catamarca, La Rioja, Tucumán, Salta and Jujuy. We differentiate Cuyo, including Mendoza, San Juan and San Luis, which share some features with the Interior, but display differences in their history and economic orientations. The Litoral consisted of Santa Fe, Entre Ríos and Corrientes at the time.

¹⁴ Jorge Gelman and Daniel Santilli, "Crecimiento económico, divergencia regional y distribución de la riqueza. Córdoba y Buenos Aires después de la independencia", in *Latin American Research Review*, 45:1, 2010, pp. 121-147. The value of paper money in relation to the peso fuerte (\$F) in Buenos Aires was changing fast. In the aforementioned work, we cited a rate of exchange that made Buenos Aires's wealth look less spectacular in order to play down the gap with Córdoba, and reached the figure of nine- or ten-fold for the capital. But if we take another possible exchange rate, the gap widens by up to fifteen-fold.

The data collected by the statisticians Mulhall in the second half of the nineteenth century on the overall wealth of the Argentine provinces confirm this impression: in 1864 the wealth of Buenos Aires in a class of its own, reaching almost two-thirds the territory's total. Córdoba was one of the economies that suffered most during the half century following Independence, with a total wealth that was just 7 per cent of that of Buenos Aires. But all regions lost out in relative terms against the capital, with the exception of Entre Ríos, which was the province with the highest growth after Buenos Aires, while being 12 per cent its size at the time¹⁵.

This situation also encouraged a differentiated demographic development whereby the Litoral and Buenos Aires grew more than the other provinces, receiving migrants from the interior and Europe. Nevertheless, the gap in per capita wealth between Buenos Aires and the other provinces widened, especially in relation to Cuyo and the interior.

TABLE 1
Regional Population, Tithes and Wealth 1800-1864/69

	Popula- tion 1800	Tithes 1800 (\$F)	Per Capita Tithes (\$F)	Popula- tion 1869	Wealth 1864 (millions of \$F)	Per Capita Wealth (\$F)
Buenos Aires	63,800	35,000	0.55	495,000	430	869
Litoral	52,200	13,160	0.25	353,000	108	306
Cuyo	36,000	14,570	0.40	179,000	48	268
Interior	165,000	46,552	0.28	710,000	109	153
Total	317,000	109,282	0.34	1,737,000	695	400

Source: Gelman, "La Gran Divergencia".

¹⁵ M.G. & E.T. Mulhall, *Handbook of the River Plate comprising the Argentine Republic, Uruguay, and Paraguay*, London, Trübner and Co., 1885.

What do recent regional studies tell us in this respect?

First and foremost, they confirm that the first, “long” half of the nineteenth century created imbalances in regions’ possibilities for economic growth. The partial data collected through economic censuses conducted in order to levy a new tax called the *Contribución Directa* or CD (Direct Contribution)¹⁶ and through post-mortem inventories bear out the gaps between the capital owned by one or the other. For example, the rural real capital of Buenos Aires for 1867 was \$F56,291,645, whereas the value of real property of the 1874 cadastre for Entre Ríos reached just \$F6,953,169¹⁷. In other words, seven years before, Buenos Aires’s real capital was eight times that of the next most successful province¹⁸. Santa Fe Province had a total capital of almost \$F9 million by the late 1860s, when it was already seeing significant growth. And, in the 1860s, Tucumán Province (including its capital city) had a real capital of \$F2,533,701. In other words, a twenty-two-fold gap in favour of Buenos Aires (I have not included the urban capital, which would make that gap even

¹⁶ These were wealth taxes, which in some places were levied on all goods, while in others only on real property.

¹⁷ As explained by Julio Djenderedjian and Roberto Schmit, “La distribución de la riqueza en Entre Ríos, 1840-1880: cambios en la inversión rural en un contexto difícil”, in Jorge Gelman (ed.), *El Mapa de la Desigualdad en la Argentina del siglo XIX*, Buenos Aires, Prohistoria, 2011, pp. 139-170, the cadastre of Entre Ríos does not include small, periurban properties. This should not, however, make a significantly difference to the overall figures. The data for Buenos Aires is from Jorge Gelman and Daniel Santilli, “¿Cómo explicar la creciente desigualdad? La propiedad de la tierra en Buenos Aires entre 1839 y 1867”, in Gelman, *El Mapa de la Desigualdad*, 2011, pp. 171-218.

¹⁸ This is almost the same gap recorded by the Mulhalls for 1864, when they point out that the total wealth of Buenos Aires was \$430 million gold pesos, whereas that of Entre Ríos was \$52 million.

wider)¹⁹. The total population of Tucumán and Entre Ríos Provinces in those days was something in excess of 100,000 inhabitants each, or almost one third of the rural population of Buenos Aires, which, by 1867, stood at roughly 312,000 people. There was thus a significant gap too between Buenos Aires and the other provinces in terms of per capita wealth. The same is true when it comes to considering the wealth accumulated in each case by owners.

Let us take a look at the comparative data²⁰.

As can be seen, there is a wide gap between Buenos Aires city and countryside, and to a lesser extent in the two Litoral provinces, Entre Ríos²¹ and Santa Fe²², as compared to the cases in the interior and Cuyo for which we have information.

¹⁹ The data for Santa Fe is from Carina Frid, "Desigualdad y distribución de la riqueza en escenarios de crecimiento económico: Santa Fe, 1850-1870", in Gelman, *El Mapa de la Desigualdad*, 2011, pp. 95-138 and for Tucumán from Paula Parolo and Cecilia Fandos, "Tierra, Ganado y giro comercial. La distribución de la riqueza en la 'próspera' Tucumán de la década de 1860", *ibid.*, pp. 261-302. For the Mulhalls, Buenos Aires was approximately 24 times as wealthy as Tucumán in 1864 (\$430 million as against \$18 million).

²⁰ Given the disparate nature of the information for each province, I have differentiated when it comes to real or total wealth, and also where the total or part of a province is involved. In all cases, my calculations are proportional to the sample itself. In cases where the information has been recorded in Bolivian pesos, I have recalculated it in pesos fuertes, \$F1 = \$B1.37.

²¹ Represented in this case by Paraná, the only district of the province for which Direct Contribution records were found for the period. In Table 2, the per-owner figure for the whole of Entre Ríos is taken from cadastres that, as I have said, do not include the periurban small property sector, which would push up average wealth per owner.

²² Of which various districts are included in addition to the total (e.g. rural Rosario, San Gerónimo and Colonia Esperanza) in order to bring out the differences.

TABLE 2
Average Capital per Owner, in \$F²³

	1838-39	1855	1858-59	1864	1867-68	1860-70	1874-75
Rural Buenos Aires	2,780	3,682			11,530		
Urban Buenos Aires	951	4,317					
Rural Córdoba	732						
Tucumán						1,546	
Jujuy Real estate						1,369	
Santa Fe Province			3,777		2,607		
Rural Rosario			3,383		4852		
San Gerónimo			2,552		7,341		
Colonia Esperanza					791		1122
Entre Ríos							7,146
Paraná				750			
Rural Mendoza				849			
Salta			620				

Sources: Jorge Gelman and Daniel Santilli, "Crecimiento económico, divergencia regional y distribución de la riqueza", and "¿Cómo explicar la creciente desigualdad?", Tomás Guzmán, "La distribución de la riqueza en la ciudad de Buenos Aires a mediados del siglo XIX", in Gelman, *El Mapa de la Desigualdad*, pp. 47-70, Paula Parolo and Cecilia Fandos, "Tierra, Ganado y giro comercial", and "La distribución de la riqueza inmobiliaria en el Norte argentino. Tucumán y Jujuy, 1860-1870", in Gelman, *El Mapa de la Desigualdad*, pp. 333-369, Carina Frid, "Desigualdad y distribución de la riqueza en escenarios de crecimiento económico" and "Distribución de la riqueza en un contexto de cambio productivo: Santa Fe (1855-1870)", unpublished paper presented at the Red de Estudios Rurales, Buenos Aires, (2010), Djenderedjian and Schmit, "La distribución de la riqueza en Entre Ríos, 1840-1880" and "Avances y límites de la expansión agraria argentina: crecimiento económico y distribución de la riqueza rural en Entre Ríos, 1860 y 1892", *Investigaciones de Historia Económica*, 11, Madrid, (2008), pp. 75-106, Beatriz Bragoni, "Antes del alba: composición y distribución de la riqueza en Mendoza a través de fuentes fiscales e inventarios post-mortem, 1860-1974", in Gelman, *El Mapa de la Desigualdad*, pp. 219-260 and "Recuperación y desigualdad económica en el interior rural argentino del siglo XIX. Un examen sobre la composición y distribución de la riqueza en la campaña de Mendoza a través fuentes fiscales (1866)", *América Latina en la Historia Económica*, Mexico City, Instituto Mora, (2011) pp. 211-24, Sara Mata, "Distribución de la riqueza rural. Salta a mediados del siglo XIX", in Gelman, *El Mapa de la Desigualdad*, pp. 303-332.

²³ In Tables 2 and 3, we have calculated the total rural capital of Buenos Aires in 1855 and 1867 on the basis of its real capital. For 1839, we have both data, with real property accounting for almost one third of the total. Given the more rapid increase in the value of land over the following decades, we have judged real property to represent 50 per cent of the total.

TABLE 3
Per capita capital (\$F)

	1838-39	1855	1858-59	1864	1867-68	1860-70
Rural Buenos Aires	158.00	147.00			360.00	
Urban Buenos Aires	93.00	350.00				
Rural Córdoba	9.70					
Tucumán						44.40
Jujuy Real estate						30.30
Salta			50.50			
Santa Fe Province			99.10		99.40	
Rural Rosario			72.70		147.20	
San Gerónimo			67.50		153.90	
Colonia Esperanza					84.80	
Paraná				88.20		
Rural Mendoza				91.70		

Sources: see table 2

There was a notable expansion in some districts of Santa Fe between the late 1850s and the 1860s, which brought them close to the high levels of per owner and per capita wealth in Buenos Aires (city and countryside)²⁴. It is also worth drawing attention to the striking growth of wealth between 1839 and 1855 in the city of Buenos Aires. Starting from well below the surrounding countryside in the first year, it had overtaken it by the second in per-owner average and still more comfortably in per-capita terms. So the old vice-royal capital and future capital of the Republic swiftly turned around the crisis it had undergone during and after the re-

²⁴ The provincial averages barely grow in per capita terms, or even fall in terms of capital per owner. This was apparently due to an extremely sharp rise in the population and the number of owners. But it was above all the districts of the old city of Santa Fe and the new colonies of immigrants that bring these averages down, whereas they rose in the rest of the province.

volution and recovered the privileged role it had during the colonial period²⁵.

On the other hand is the relative poverty of the whole of the interior and parts of Cuyo, even in the apparently most successful cases in terms of economic performance at this stage: namely, Mendoza and Tucumán. Mendoza does better than Tucumán, Salta or Jujuy in per capita terms, exceeding even the levels of the Entre Ríos district of Paraná²⁶.

Between the late 1850s and 1860s, Buenos Aires's per capita wealth was double or triple the most successful Litoral provinces' (if we had urban data for Buenos Aires in the 1860s, this distance gap would only be wider), four times Mendoza's, and eight or nine times Tucumán, Salta or Jujuy's. Unfortunately, we do not yet have the information for this period in Córdoba, a province that must have partially recovered from the impoverished state it found itself in in the late 1830s.

If we return to Table 1, recording the wealth as stated by the Mulhalls for Argentina's various different regions in 1864, we can see that the proportions are similar to those we have found in this research: Buenos Aires's wealth was almost triple the Litoral and a little more than triple Cuyo's.

²⁵ This hypothesis had been suggested by Lyman Johnson in "The frontier as an Arena of Social and Economic Change", in Donna Guy. And Tom Sheridan (eds.), *Contested Ground. Comparative frontiers on the Northern and Southern Edges of de Spanish Empire*, Tucson, The University of Arizona Press, 1998.

²⁶ We must be cautious where these conclusions are concerned: the Mendoza data are for part of the province, whereas for Tucumán or Jujuy they are global. However this may be, one of the places missing from Mendoza is the city itself, which should have significant levels of wealth. Paraná, it should be remembered, was a rather undynamic district of Entre Rios Province.

But the widest gap was with the interior, which Buenos Aires outperformed almost six-fold. We should not be surprised by such coincidences: our British informants made intensive use of the statistical material available at the time, which no doubt included the Direct Contribution levy.

So, comparing the results obtained through the Direct Contribution with the agricultural tithes of the late colonial period, we arrive about sixty or seventy years later at a highly significant widening of the gap between Buenos Aires especially and an interior that lost out across the board, while the Litoral and Cuyo also lagged behind, albeit less dramatically. There is little doubt that, during much of the nineteenth century, regional and sub-regional inequalities only increased, creating profound imbalances between the territory's various different provinces and in some cases within the provinces themselves.

There are many causes for the differences found and we are still far from being able to bear out various hypotheses with any certainty. However, it is difficult to explain them largely by institutional factors or economic policies²⁷. There is certainly a path dependence in the levels of employment and land distribution, and I will discuss these next. But the Argentine regions' uneven economic performance over this long period following the crisis in the colonial order can mainly be explained by the dissimilar endowment of resources and geographical location at a stage when the pull of the market was coming from the Atlantic and domestic markets

²⁷ Some policies can, however, consistently promote growth: take the extension of railroads, for example, which, in some cases - those that ran to Tucumán, say-were financed by the State.

were weakening. The control of customs by Buenos Aires was certainly an additional factor that allows us to grasp the speed and efficiency of certain policies, such as expanding its borders in the nineteenth century, an area where other provinces had great difficulty. We also know that some of the imports through the port, which brought juicy taxes into the hands of the Porteño authorities, were sold to interior provinces, whose consumers thus contributed to Buenos Aires's tax revenues. However, these imports were sustained by the ability to export livestock outputs, an extremely high percentage of which originated in Buenos Aires Province²⁸.

1.2 *Social inequality*

What information do we have on distributive processes and their relationship with provinces' economic performance?

In a work comparing Córdoba and Buenos Aires in the late 1830s, we found that, in addition to the gaps in the size of its economies, there were notable differences in the distribution of wealth in their interior²⁹. Considering the group of rural property owners, the landlocked province with an economy in crisis had rather better distribution than Buenos Aires. The proportion held by the wealthiest 20 per cent is lower than in Buenos Aires, where this sector reached con-

²⁸ See the export data in Miguel Angel Rosal and Roberto Schmit, "Del reformismo colonial borbónico al librecambio: las exportaciones pecuarias del Río de la Plata 1768-1854", in *Boletín del Instituto Ravignani*, 20, Buenos Aires, 2002, pp. 69-109.

²⁹ Gelman and Santilli, *Crecimiento económico, divergencia regional y distribución de la riqueza*.

siderable levels of accumulation, while the poorest 20 per cent of *Cordobeses* owners had a considerably higher percentage than their Buenos Aires counterparts. This does not mean that the humblest owners of Buenos Aires were any poorer than those from Córdoba, but the *Cordobeses* were relatively better-off. The very same thing can be seen in the Gini index of owners, which is a good deal lower for Córdoba.

But this is radically transformed if we look at the provinces' population as a whole. With a rural population still quite a bit larger than that of Buenos Aires (almost 91,000 compared to around 85,000), Córdoba has just a quarter as many owners³⁰. In other words, Buenos Aires's economic growth included many owners, whereas very few in the other province reached a significant threshold of wealth. In Buenos Aires, over 30 per cent of the Census Units (CUs)³¹ into which the rural population was organized were owners, making the inequality over total CUs fairer in Buenos Aires. In short, this comparison indicates that potent economic growth like Buenos Aires's brings about significant accumulation processes in the wealthier sector of owners (reflected in the high Gini index amongst owners or in the percentage of capital owned by the wealthiest sector), but this was compatible with an expansion of small and medium owners, which meant that general inequality was significantly curbed. It was the other

³⁰ There were no doubt more owners in both provinces, whose capital was so small that it was not counted by the authorities. This should not alter the results.

³¹ I have taken the CUs appearing in population censuses as potential holders of wealth.

way round in a stagnant Córdoba: there was no such accumulation to create this image of relative levelling amongst owners, but a large portion of the rural population were excluded from access to wealth, causing a shift in inequality in terms of total population. This explains why many *Cordobeses* migrated to Buenos Aires in those days.

What do we see over the following decades for a broader set of provinces?

Buenos Aires kept up its intense pace of economic growth in the second half of the century, displaying certain differences with the first. There was no border expansion as of the mid-1830s; if anything, the border shrank slightly after 1852. For this reason, economic growth now involved a process of intensification that would be centred on refined sheep-farming. The steady imposition of state authority and new property rights, as well as the continuing high population growth in against a background of restricted territorial expansion, promoted a disproportionate increase in land prices, which contributed to even greater inequality in the distribution of wealth and income. This marked a significant departure from the previous stage: whereas before growth did not imply an increase in overall inequality, this inequality now became increasingly apparent, not so much amongst owners, but in the population at large³². Owners formed an ever smaller part of the population (because they grow less)³³. And this new development can be associated

³² See the analysis of the period 1825-1839 in Jorge Gelman and Daniel Santilli, *De Rivadavia a Rosas. Desigualdad y crecimiento económico*, Buenos Aires, Siglo XXI, 2006.

³³ We are only talking about land-ownership: the sources of 1855 and 1867 no

with a number of the above phenomena: the end of border expansion, population growth, the steady modification of the rules of the institutional game and property rights, and more intensive economic growth requiring greater investment³⁴. In any case, significant regional differences are seen in which certain phenomena, such as urbanization or agriculture, were apparently moderating the growing inequality. Historical factors also seem to have an impact, as do “path” or institutional factors: there are regions in which a pattern of highly concentrated initial land distribution prevented almost any possibility of further access to property, whereas in other regions the State promoted more fluid access to land³⁵.

There are some phenomena that need to be highlighted with regard to the city of Buenos Aires: between 1839 and 1855, urban wealth grew more than rural, and this was ac-

longer included cattle or other chattels as they did in 1839. Nor do we take into account access to land through means other than property. We know that tenancy was of great importance in the expansion of Buenos Aires Province, even though other alternatives of traditional access to land had to be limited. It is also clear that the more limited access to property and rising land prices must have brought about a sharp rise in tenancy prices. See Hilda Sabato, *Capitalismo y ganadería en Buenos Aires: La fiebre del lanar 1850-1890*, Buenos Aires, Sudamericana, 1989, Samuel Amaral, *The rise of capitalism on the pampas. The estancias of Buenos Aires, 1785-1870*, Cambridge, Cambridge University Press, 1998 or Osvaldo Barsky and Julio Djenderedjian, *Historia del capitalismo agrario pampeano. La expansión ganadera hasta 1895*, Siglo XXI, Buenos Aires, 2003.

³⁴ See Gelman and Santilli, “¿Cómo explicar la creciente desigualdad?” and “Una creciente desigualdad. La propiedad de la tierra en Buenos Aires entre 1839 y 1855”, in *Investigaciones de Historia Económica*, 18, AEHE, Madrid, 2010, pp. 11-33.

³⁵ The most striking hypothesis is the urbanization hypothesis. Contrary to various studies, the city and rural towns in Buenos Aires had a more balanced distribution of wealth than the rural sector.

accompanied by a larger rise in inequality both between owners and the total number of households³⁶. This phenomenon is demonstrated by either the percentage retained by the wealthiest 20 per cent or the Gini index amongst owners, which grew slightly in the city but not in the countryside, or the Gini index on total CUs, which grew faster in the city than in the countryside. Despite this marked trend toward growing inequality in the city, the urban Gini coefficient in 1855 was lower than the rural, a phenomenon we have also seen in rural Buenos Aires towns in relation to their rural environments. But the gap had been narrowed. In the Litoral, Entre Ríos, which had been growing strongly since the 1830s based on the expansion of its borders and extensive cattle-farming, was showing signs of the strain in this model by around 1850-1860. The quality of its resources, added to institutional factors, delayed the opportunity to shift to an intensive-type economy, although there was an improvement in the exploitation of beef with the advent of salting. An experiment to create immigrant colonies also got under way, but this was slow and troubled. There was a sharp population increase at least until 1869, but in this period such population pressure was not accompanied with the incorporation of new land, nor was there sufficient important investment or technological change, and their economies were under strain and tended to stagnate. Part of the problems in the experiment to colonize Entre Ríos was to do with the lack of cheap land for that purpose and the limitation to common lands. Unfortunately no good economic cen-

³⁶ See Tomás Guzmán, *La distribución de la riqueza en la ciudad de Buenos Aires*.

suses for this province in the 1860s have been found, save for one of its old, long-colonized regions centring on Paraná³⁷. At the start of the 1860s, there was a highly unequal distribution of wealth amongst owners, due especially to high concentrations in the richest segment. But taking the population as a whole, inequality did not grow much more, due to the population's extensive access to property. The regionally more comprehensive study on inventories between 1840 and 1869 shows an increase in inequality amongst owners accompanying the process of economic growth, although this widening of the social gap slowed between the 1860s and 1870s, when the economy also lost momentum. In any case the marked predominance of owners amongst rural producers remained a feature of Entre Ríos's economy, and this certainly moderated the levels of inequality overall. Last of all, looking at the distribution of land-ownership in 1874 through the cadastre, within the relatively high levels of inequality, a higher level can be seen in the areas of old colonization devoted almost exclusively to cattle-farming, whereas distribution improved a little in newer areas with some agriculture.

Santa Fe, for its part, underwent a different process³⁸. If it had been through deep crisis after the revolution owing to

³⁷ See Djenderedjian and Schmit, *La distribución de la riqueza en Entre Ríos, 1840-1880* and *Avances y límites de la expansión agraria argentina* [0].

³⁸ For what follows, see Frid, *Desigualdad y distribución de la riqueza en escenarios de crecimiento económico* and *Distribución de la riqueza en un contexto de cambio productivo: Santa Fe (1855-1870)*. On the colonies see also Juan Martirén, *Colonización agrícola y pautas de distribución de la riqueza inmobiliaria. Una aproximación a partir del análisis de las colonias del centro oeste santafesino (1864-1875)*, unpublished paper, (2010).

war and instability on its indigenous border, it began to experience diffident growth as of the 1840s and would, in the second half of the century, see one of the most outstanding levels of economic growth and one of the most interesting social experiments, with the successful development of immigrant colonies, which made it the most dynamic agricultural centre of its day. The first stage of this shift occurred with an expansion of the border that increased the province's territory from about 12,000km² in 1850 to almost 57,000km² by 1869. This ushered in a period of recovery in cattle-farming, the introduction of the refined sheep-farming and the colonizing experience. Although its development was still diffident at the stage considered here, the colonies by 1869 already accounted for 10 per cent of the province's population. And then there was the development of Rosario as a commercial, financial and services centre, eclipsing the old provincial capital, Santa Fe.

Interestingly, in the earliest stages of its economic boom in the 1850s, Santa Fe enjoyed relatively moderate levels of inequality, particularly amongst its owners, whereas, ten years later, when its growth had become more sustained, inequality had clearly grown significantly. But, at the same time, we can see that, in this case, a high percentage of the population had no access to property, which pushed the Gini index up to high levels overall. This is only halted slightly by the province's two major cities, the old capital, Santa Fe, with an extremely high percentage of owners and, to a lesser extent, Rosario, more vigorous and with higher levels of inequality. The other major exception in levels of inequality were the colonies. There is no doubt that the colonies were responsible for far better levels of wealth distribution than

any other rural region in the province or, indeed, in Argentina at the time, not only amongst owners, but in terms of total population, for the simple reason that a high percentage of people had access to property. Thus, in its early stages, we find a Gini coefficient of below 0.4 in the 1860s amongst owners in the colonies, and, on the total number of CUs, the Gini indices range between 0.47 and 0.65³⁹, when, in any other part of rural Argentina, these range between 0.82 and 0.99. However this may be, it is worth noting that, in the colonies, inequality also grew as they developed.

The case of Santa Fe is a good laboratory for gauging the causes of this inequality, given the great diversity of situations and models of agricultural development in the period, and of its urban dynamics. This is also the case because, here, unlike in Buenos Aires in the first half of the century, or in other provinces, the marked expansion of the border did not act as a barrier to contain the province's growing inequality.

Mendoza and Tucumán, as said, were the exceptions in Cuyo and the interior, with economic performance at this stage that were better than the rest of the region, albeit not as vigorous as the Litoral's⁴⁰.

Mendoza grew after independence, reconverting its wine-growing economy to alfalfa crops and cattle-farming, while also acting as an intermediary between several econo-

³⁹ Frid's Gini coefficient on the total is 0.724 higher than Martirén's in Esperanza. But it is still lower than any other scenario in Argentina at the time.

⁴⁰ The demographic data from the second half of the nineteenth century confirm this exceptional quality: Tucumán and Mendoza were the provinces with the highest population growth between 1869 and 1895, after those of the Litoral and Buenos Aires.

mies of Argentina's Andean front with Chile⁴¹. In the 1860s and 1870s, it experienced a boom of sorts in its cattle exports to Chile, which leapt from an annual average of 15,000 units to 60,000 by the 1870s. In addition to this, there was the growth of wheat farming intended for local consumption and the markets of the Litoral. Although we observe a wide variety of producers of all sizes in the 1860s, the 1866 Direct Contribution censuses for six rural departments displayed extremely high concentrations of wealth. Looking at the sample of owners, the Gini coefficient is 0.7897, the highest so far found in Argentina in those decades, only surpassed by the occasional sub-region of the province or Jujuy. But, at the provincial level, it is the most unequal. The same is true when we look at the richest 20 per cent's portion of wealth, which reached 83.9 per cent of the total, again the highest found, while the poorest 20 per cent reached just 0.7 per cent, one of the lowest. When we look at the Gini index for the total CUs, inequality rises sharply, but, in this case, it is more comparable to other provinces, the result of the highly fluid access to property for Mendoza's households. In short, a relatively economically successful province yet with an acute shortage of fertile land, concentrated in certain "oases", apparently produced extremely high levels of inequality, despite the spread of owners of various different sizes.

The case of Tucumán displays certain similarities⁴². The province had enjoyed relative prosperity in the nineteenth

⁴¹ For what follows, see Bragoni, *Antes del alba: composición y distribución de la riqueza en Mendoza* and *Recuperación y desigualdad económica en el interior rural argentino del siglo XIX*.

⁴² For this case, see Parolo and Fandos, *Tierra, Ganado y giro comercial*.

century, and stood out for its wide dissemination of property and a degree of social homogeneity. In the 1860s, Tucumán embarked on a process of economic transition from a pluri-productive (agriculture-, livestock- and craft-based) economy in a strongly commercial mould to the incipient development of sugar, regionally concentrated in the capital district, which in a few decades had virtually become a monoculture for Tucumán.

At variance with the above images and despite the presence of a host of small and medium owners, the province showed high levels of inequality, probably encouraged by the limited supply of land and one of the highest population densities in Argentina. Study of some far-reaching economic censuses covering the 1860s and 1870s established that Tucumán had a high Gini coefficient of 0.7744 amongst owners, which rises to 0.9524 when looking at CUs as a whole. As indicated by scholars of the case, a province marked by the predominance of small property has a distribution amongst owners that is worse than Buenos Aires's, traditionally characterized by predominantly large property. Looking at the distribution of the total number of CUs, the two provinces display very similar figures.

It should be noted that the most dynamic area of Tucumán in the 1860s, comprising the city of San Miguel and its rural environment, where commercial and financial activity was concentrated and where sugar production was beginning to take off, had inequality indices that were considerably higher than the rural areas of the rest of the province. Also, there was considerable variety in the distributive situations of these rural areas. While a good deal of inequality there is seen amongst owners, the spread of property is re-

markable, and is attained by extremely high percentages of the population. This reduces the overall levels of inequality in several rural areas of Tucumán, in a way similar to that seen in Mendoza.

A comparison of this case with Jujuy throws up interesting contrasts⁴³. The province's history is different to Tucumán Province's due, amongst other things, to a strong indigenous presence embedded in its "traditional" social relations, communities and/or large estates in the nineteenth century. In the years considered, Jujuy's economy saw a spike in terms of livestock, especially sheep, while also practicing diversified farming. But unlike Tucumán, the province's exports were directed at the Andean market, especially Bolivia.

As of the 1870s, there was a sugar boom, which would reach its full potential later, with strikingly different features from Tucumán's, and due above all to the high levels of business concentration in both sugar cane cultivation (which, in Tucumán's case, was distributed amongst many actors of varying size) and more obviously in its processing. So, in Jujuy we can see the coexistence of several different socio-economic and geographically fairly well-demarcated models: in Puna and Quebrada, we can see at the survival of indigenous subsistence economies and traditional hacienda systems; in the central valleys, we find systems of small mixed property, and, lastly, in the subtropics, more "modern", concentrated business sectors given over to the development of sugar.

⁴³ Parolo and Fandos, *La distribución de la riqueza inmobiliaria en el Norte argentino. Tucumán y Jujuy*.

Unfortunately, in this case, the information available only allows for measurement of real wealth, which was a highly significant part of the total, albeit no doubt more poorly distributed than other capital.

One would, in any event, expect to find higher levels of inequality in Jujuy than in Tucumán, and some of the highest in Argentina. Indeed, some data does show this. Particularly striking is the very low percentage of wealth held by the poorest 20 per cent of owners, which reaches just 0.66, rather lower than in Mendoza, which we highlighted as one of the worst. The Gini index amongst owners or on the total CUs is, however, virtually equal to Tucumán's. In other words, looked at overall, there were no major differences between the two provinces. And yet we know that such differences did exist...

One way to reveal them is by tackling the micro-regional level. Although there were significant regional differences in inequality in Tucumán, these reached an extreme in Jujuy's case. The levels of inequality in Jujuy's central valleys, looking at any of the indicators used, were amongst the most balanced in Argentine territory. However, in the Puna, we found the opposite: over 90 per cent of the real wealth was concentrated in the wealthiest 20 per cent; the poorest 20 per cent had below 0.55 per cent, and the Gini coefficients were also some of the highest we found. Something similar happened in the subtropical valleys, where there was a thriving sugar industry.

I believe that this is a remarkable finding, showing that, below similar average indicators, the Tucumán economy had attained a degree of regional homogeneity as a result of the circulation of factors that encouraged some degree of con-

vergence. In the meantime, Jujuy was the embodiment of almost closed and highly differentiated samples. Here we find something that might be termed “structural heterogeneity”, a characteristic of societies and economies with major institutional obstacles to change across much of their territories.

Something like this could be said of the two cases of Buenos Aires and Santa Fe. Although there are sub-regional differences in both, in Buenos Aires, with the already prolonged growth of its economy and a wide circulation of factors, there was greater uniformity than in Santa Fe, which stood right at the beginning of its economic boom and still had certain stronger obstacles especially in the land market. However this may be, it is a central issue that needs to be investigated and that this comparative research merely draws the reader’s attention to.

Lastly, Salta is probably the most representative case – together with Jujuy and the Córdoba of the first half of the century – of several provinces we have been unable to study so far⁴⁴, particularly because it experiences significant economic difficulties in the first half of the nineteenth century. And although, by around 1850, it saw something of a recovery accompanying the up-turn in Bolivian mining, this fell far short of its activity levels at the end of the colonial period. One example of this was mule exports: in the last decade of the colonial period, these hovered at around 30,000 head p.a.; by mid-century, they reached just 6,300 head p.a. Although there were rising exports of cattle, or maize and wheat farming that, in addition to covering its needs, allowed some exportable surpluses, these figures are still too

⁴⁴ See Sara Mata, *Distribución de la riqueza rural. Salta*.

modest to enable a recovery from the postcolonial morass. The economic censuses of the second half of the nineteenth century show that the most dynamic part of the province was its eastern border, where cattle were developed. At the same time, in much of the province, traditionally viewed as one of the most unequal in Argentina, there was, by 1859, wide-spread access to property⁴⁵: 50.5 per cent of CUs owned movable property, especially cattle. The proportion of land-owners was lower, but still, at 22.4 per cent of the total, it is not low in comparison with other cases. There were also major sub-regional differences in this respect, with the areas of old colonization and highest population density usually restricting access to property; on the new border, however, the figures are extremely high: here 86 per cent of CUs have cattle and 33.7 per cent have land.

In Salta Province, we generally find highly unequal distribution of wealth amongst owners (albeit with substantial regional differences), but the Gini coefficient on the total CUs is not too high due to wide-spread access to property for a large part of its population. And at the same time at the border we found two characteristic phenomena: on the one hand, distribution between owners was highly uneven, indicating differentiated levels of accumulation amongst the most privileged, but, being growth in a context of border expansion, it also brought wide-spread access to property, which limited inequality in the population as a whole. Two

⁴⁵ Mata's study covers a significant part of the province – seven rural departments – although the information for others and for the capital district is missing. This may explain the extremely limited levels of the capital of the Salta owners studied.

extreme examples from the provinces illustrate this: Cerrillos, an area close to the long-settled capital of Salta had a fairly low Gini coefficient of 0.5697 amongst owners of movable property, but when we look at the total CUs, this soars to 0.9101; on the other hand, the Gini amongst owners in Frontera Este was far higher (0.702), but rose to just to 0.7439 when we took total CUs into account.

Let us look at these cases as whole.

TABLE 4
Percentage of capital owned by the wealthiest 20 per cent

	1838-39	1855	1858-59	1864	1867-68	1860-70
Rural Buenos Aires Real estate	69.7	69.6			72.0	
Urban Buenos Aires Real estate	67.7	70.8				
Rural Córdoba	59.3					
Rural Tucumán						68.1
Urban Tucumán						75.3
Jujuy Real estate						80.3
Jujuy Real estate Puna						90.8
Jujuy Real estate Central Valleys						64.3
Salta			75.6			
Santa Fe Province			61.5		75.3	
Rural Rosario			59.9		72.3	
San Gerónimo			66.0		81.1	
Colonia Esperanza				45.4	45.8	
Paraná				81.6		
Rural Mendoza				83.9		

Sources: see table 2

We found some significant differences in the wealthiest 20 per cent of owners, both between provinces and within them, as well as evolution over time in the cases we have been able to measure. In this last respect, we can see that there are scarcely any modifications in the Buenos Aires

countryside, with the exception of a slight rise in the last tranche considered and slightly steeper in the case of the city. The case of Santa Fe is quite different: this province saw a strong process of concentration amongst wealthier owners.

Taking the provinces overall, we found levels of concentration at the apex that were similar in many cases, although the lowest figures are seen in rural Córdoba in the crisis of the 1830s and in Santa Fe Province prior to the boom. On the other hand, we find very high levels of concentration in the provinces or sub-regions, for which we can come up with no simple explanations. They are generally those with less availability of land, though sometimes such low availability is not “natural” (i.e. expressed in the simple population/land equation), but is mediated by institutional factors.

TABLE 5
Percentage of capital owned by the poorest 20 per cent

	1838-39	1855	1858-59	1864	1867-68	1860-70
Rural Buenos Aires Real estate	1.30	1.90			2.00	
Urban Buenos Aires Real estate	1.99	1.67				
Rural Córdoba	6.40					
Rural Tucumán						2.80
Urban Tucumán						1.08
Jujuy Real estate						0.66
Jujuy Real estate Puna						0.55
Jujuy Real estate Central Valleys						2.93
Salta			1.55			
Santa Fe Province			3.47		1.10	
Rural Rosario			5.90		2.48	
San Gerónimo			2.10		1.40	
Colonia Esperanza				5.12	6.31	
Paraná				0.65		
Rural Mendoza				0.70		

Sources: see table 2

The rural capital owned by the poorest 20 per cent is the flip-side of this, although some elements need to be highlighted. The poor owners most able to share in the distribution of wealth were found in Córdoba and parts of Santa Fe at the earliest dates we considered: this was in inverse proportion to the wealthiest, and was only to be expected. The most notable case, due to its duration, is that of Santa Fe's colonies. But it is in the evolution over time of Buenos Aires and Santa Fe that certain suggestive elements appear. While in the city of Buenos Aires and the Litoral province the share of the poorest owners fell (as one would expect due to the evolution of the wealthiest sector), out in the Buenos Aires countryside, the share of the poorest only increased, quickly at first, then more slowly. In other words, here, the slight gain in wealth of the wealthiest is not at the expense of the poorest. However, that is precisely what happened in the cases of Santa Fe (not including the colonies) and in the city of Buenos Aires.

When we looked at the Gini coefficients amongst owners, similar phenomena were observed. Rural Córdoba and Santa Fe prior to the boom recorded the lowest figures – with the standout case of Colonia Esperanza – and, on the other hand, figures were seen that indicated poor or extremely poor distribution in Buenos Aires, post-boom Santa Fe, Entre Ríos, and Salta, with extremes in Tucumán, Jujuy and Mendoza. Once again, the passage of time brings out the differences between Santa Fe and the city of Buenos Aires, whose Gini indices grew, unlike the Buenos Aires countryside.

Somewhat different was the situation when we incorporated the group of CUs that lack the minimum level of wealth to be recorded in our sources.

TABLE 6
Gini coefficients amongst owners

	1838-39	1855	1858-59	1864	1867-68	1860-70	1874-75
Rural Buenos Aires Real estate	0.6677	0.6593			0.6746		
Urban Buenos Aires Real estate	0.6391	0.6670					
Rural Córdoba	0.5094						
Tucumán						0.7744	
Rural Tucumán						0.6280	
Urban Tucumán						0.7150	
Jujuy Real estate						0.7726	
Jujuy Real estate Puna						0.8161	
Jujuy Real estate Central Valleys						0.5979	
Santa Fe Province			0.5594		0.7211		
Rural Rosario			0.4958		0.6663		
Urban Rosario					0.5453		
Rural Santa Fe City					0.6303		
Urban Santa Fe City					0.6417		
San Gerónimo			0.5892		0.7551		
Colonia Esperanza				0.3766	0.3652		0.5252
Colonia San Carlos					0.3817		0.4383
Entre Ríos							0.6951
Paraná				0.7790			
Rural Mendoza				0.7897			
Mendoza Rosario				0.6539			
Mendoza San Martín				0.8175			
Salta			0.7123				

Sources: see table 2

Here, we found extreme levels of inequality in nearly all cases, and the differences between provinces or regions were less. However, some cases deserve a mention. In comparative terms, Colonia Esperanza is a paradise of equality in a sea of extreme inequality. Also surprising are the cases of Salta, Paraná and the city of Buenos Aires, which, with poor or extremely poor distribution amongst owners, did not see

TABLE 7
Gini on total CUs

	1838-39	1855	1858-59	1864	1867-68	1860-70	1874-75
Rural Buenos Aires Real estate	0.8879	0.9153			0.9689		
Urban Buenos Aires Real estate	0.7862	0.8447					
Rural Córdoba	0.9536						
Tucumán						0.9524	
Rural Tucumán						0.9420	
Urban Tucumán						0.9567	
Jujuy Real estate						0.9693	
Jujuy Real estate Puna						0.9977	
Jujuy Real estate Central Valleys						0.8898	
Santa Fe Province			0.9374		0.9496		
Rural Rosario			0.9398		0.9543		
Urban Rosario					0.9050		
Rural Santa Fe City					0.9803		
Urban Santa Fe City					0.8550		
San Gerónimo			0.9273		0.9793		
Colonia Esperanza				0.4793	0.7248		0.6096
Colonia San Carlos					0.6581		0.5784
Paraná				0.8900			
Rural Mendoza				0.9427			
Mendoza Rosario				0.8802			
Mendoza San Martín				0.8891			
Salta			0.8288				

Sources: see table 2

their inequality rise that much when the total CUs was included, due to the heavy weighting of owners in the total. Lastly, in all cases where we were able to follow the evolution in time, inequality over the total grew, even in the Buenos Aires countryside. The only case to show no clear trend was that of the colonies.

How should we interpret the similarities and differences observed in the various different cases?

Although we are still far from reaching solid conclusions about the relationship between performance and distributive processes, we can identify some of characteristic phenomena and put forward some hypotheses to be tested in future research.

The relationship of economic performance and distributive processes is not linear. On the one hand, some less active economies apparently enjoyed fairer distribution levels than more dynamic ones, at least when we looked at the sector of their owners. This can be seen in Córdoba in the 1830s and in Santa Fe in the 1850s, but, we insist, only looking at owners, since a high percentage of the population had been excluded from access to property, pushing inequality up sharply when the whole was included. But the case of Salta was almost the reverse for a sluggish economy: highly unequal distribution amongst owners but wide-spread access to property scarcely raises the Gini index when we take total population into account. Something similar is seen in Paraná, a sluggish part of Entre Ríos back in those days.

In other words, we have two quite distinct models for the distribution of wealth in economically sluggish situations. These differences must, therefore, arise from other causes. Undoubtedly, unequal factor endowments were influential, but so were the historical patterns of property distribution and other institutional and political phenomena. Jujuy Province embodies these differences. Having spent much of the nineteenth century in significant economic difficulty, it accommodated a wide diversity of distributional situations: the central area had very reasonable levels of inequality in comparative terms, while two regions – one traditional and rather sluggish in this period and another

enjoying an incipient sugar boom – showed displayed of extreme inequality.

At the same time, in cases where we were able to study the evolution of distribution at the start of a significant economic recovery (e.g. Buenos Aires and Santa Fe), there was often an increase in inequality. This, in one way, supports Kuznets's hypothesis about modern economies in the initial stages of growth⁴⁶.

We have, however, come across some cases that are different: namely, those where economic growth is accompanied by an expanding border. In these cases, while economic dynamism encourages the disproportionate enrichment of wealthier owners, it is not necessarily accompanied by an increase in overall inequality because border expansion encourages wide-spread access to property⁴⁷. This manifested during Buenos Aires Province's initial stages of economic growth and also in Salta's border expansion. However, it was not true of Santa Fe Province's post-1850 border expansion. This shows that the phenomenon can have a variety of effects depending on the features adopted by the expansion process: in Santa Fe's case this was characterized by the development of livestock with a speculative shift that put the

⁴⁶ Kuznets proposed this model for economies in the process of industrialization, which is not the case here. But some authors have posited the usefulness of the model for other types of growth. See Williamson, *History without evidence: Latin American inequality since 1492*.

⁴⁷ This relationship has been suggested in various works (i.e. Engerman and Sokoloff, *Dotaciones de factores, instituciones y vías de crecimiento*). It has recently been explored by Leticia Arroyo Abad, *Inequality in Republican Latin America: assesing the effects of factor endowment and trade*, working paper, University of California, Davies, 2009.

focus on the valorization of land and an extremely limited increase in the number of owners in relation to the rising population. Far from moderating inequality, the expansion of Santa Fe's border aggravated it by enabling the formation of large fortunes without the counterbalance of small and medium ones. Something similar was perhaps happening with the expansion of the sugar industry in the sub-tropical valleys of Jujuy. Converse to the early experience of Buenos Aires Province or the border of Salta Province, the examples of Tucumán and Mendoza confirm this: more modest processes of economic growth than those of the Litoral, but against the background of scarcity of land and population pressure encouraged highly regressive distributive systems, in spite of the existence of many small owners. The same is true in Buenos Aires, when the economic growth of the 1850s and 1860s occurred in a territory that had stopped growing while the population went on growing apace. In these cases, concentration in the sector of the wealthiest owners did not come up against the barrier of the rising numbers of small and medium owners. There were fewer and fewer of these owners in relative terms, a situation that only exacerbated the unequal distribution of wealth. This should, in turn, have increased the labour supply and exerted downwards pressure on wages (at least in relation to land prices).

In one way, some examples seem to suggest that low economic dynamism may or may not be accompanied by fluid access to property and poor distribution amongst owners. Conversely, in situations of strong economic growth, processes of significant concentration occur at the top of the social ladder. But that can be moderated by border expansion processes or exacerbated by a scarcity of land. We have also ob-

served that the urban sector acted as a check on inequality due above all to more universal access to property than in the rural sector. The exception we found in our case histories was Tucumán, a city whose distribution was worse than its rural surroundings and both were worse than the rest of Tucumán Province. The case of the city of Buenos Aires goes some way to explaining these differences: the intensity – and perhaps the characteristics – of urban economic growth between 1839 and 1855 made for more inequality here than in the rural sector of the province. However, the initial difference was so massive that, in 1855, the city still had lower levels of inequality than the countryside. If things had continued along the same lines, the city of Buenos Aires may have entered historiographical “normality” a few years later, becoming a more unequal society than its rural surroundings.

So, neither factor endowment nor economic dynamics are the sole explanations for inequality; rather, history, institutions and policies play a not insignificant part in distribution.

We have seen the importance of colonies in improving distribution in Santa Fe, as well as certain regions of Buenos Aires, where State policies encouraged the distribution of land-ownership to poorer families⁴⁸. Conversely, it seems obvious that the extreme inequality in the Jujuy regions of Puna and Quebrada was to do with institutional factors and

⁴⁸ As in the well-studied case of Azul. See Sol Lanteri, *Un vecindario federal. La construcción del orden rosista en la frontera sur de Buenos Aires. Un estudio de caso (Azul y Tapalqué)*, unpublished PhD diss., Instituto de Estudios Histórico-Sociales-UNCPBA, Tandil, 2008.

a historical development that encouraged the concentration of ownership in a handful of privileged players to the detriment of its population's indigenous majority. Although these are issues that require further study, land access policies clearly play an important role, which in cases like the colonies in Santa Fe can alter the overall inequality a great deal. It is also clear that the consolidation of new property rights and the State's authority to implement them must have encouraged the exclusion of many peasant households from owning property. In certain border contexts, such as Buenos Aires in the first half of the nineteenth century, practices authorizing access to land by settlers who had not purchased it were developed. Prolonged "useful" employment or defence of the border against indigenous peoples were arguments that granted land rights, even before the authorities, who in several of the economic censuses analyzed included them as owners for the purposes of paying the Direct Contribution⁴⁹. This was something that would no doubt change in the second half of the century, thereby affecting the chances of access to land.

In other words, one might expect the limitation in the land supply in a context of economic and demographic growth, and of consolidation of new property rights, to promote processes of proletarianization in every more layers of the population by encouraging the increase of social and economic inequality.

⁴⁹ See Guillermo Banzato, "Fuentes cartográficas para el estudio de la propiedad de la tierra de la provincia de Buenos Aires. Chascomús, Ranchos y Monte, 1822-1864", in *Anuario del Instituto de Historia Argentina*, 3, La Plata, 2004, pp. 25-36.

2. Conclusions

In conclusion, if we had to test both sides of the inequality studied in this essay – namely regional imbalances and social inequalities – we could assert that it is easier to discern in regional imbalances large blocks with some degree of homogeneity to their behaviour, whereas, in the case of social inequality, this is more complex.

As we have seen, Buenos Aires and the Litoral showed clear signs of economic dynamism in the period analyzed. This distances them from most of the interior and Cuyo, which experienced major difficulties or grew more moderately than their counterparts in the Litoral, leading, by the end of the period, to major gaps in terms of total and per capita wealth in favour of the former, in spite of their faster population growth.

Looking at social inequality, the situation is more complex, however, and nuances are needed.

We can therefore safely reassert what we have consistently been emphasizing throughout this text: uneven economic performance is more the result of natural factors and distance from ports, which, in the context of the period's economic growth, strongly condition the results obtained by one or the other. In the meantime, in terms of social inequality, factor endowments and the economic situation are just one part of the explanation, whereas institutions, policy and path dependence rank high in causing regions with similar economic situations and factor endowments to sometimes have significantly different distributional patterns.