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Peddling Paradise: The Politics of Tourism in Latin America

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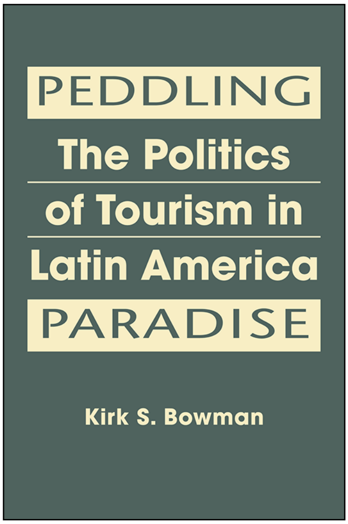

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1

The Puzzle of Tourism in Latin America

In the past two decades, tourism in Latin America has grown from a niche industry that was prominent in a few isolated destinations in a limited number of countries to one of the most important industries throughout the region. International tourism affects growth, distribution, the environment, gender, jobs, regional equality, exchange rates, poverty, transportation, infrastructure, and more. Tourism can transform cities and degrade beaches. In 2012, international tourism will generate US$1 trillion in direct economic receipts globally and US$65 billion in Latin American and the Caribbean (UNWTO 2012). With the rapid growth, importance, and relevance of the sector, the political dynamics of international tourism are increasingly important and provide three fundamental puzzles.

The Latin American debt crisis of the 1980s and the ideological ascendance of economic liberalization led to strong pressures throughout the region for privatization and a less active state, and states shed industries and reduced their economic footprint.[1] One of the most enthusiastic participants in privatization was Argentina, which in the 1990s privatized utilities, water, petroleum, roads, railroads, subways, mines, airlines, airports, ports, banks, the post office, and pensions.[2] Even as adherence to the Washington Consensus and widespread privatization and liberalization curtailed state involvement in running banks, owning utilities, directing industries, and guiding productive sectors, at the same time the World Bank, the Organization of American States, and other international institutions were actively encouraging more state involvement in one of the world's largest economic activities, tourism.[3] Why was the state's role greatly expanded in tourism in every Latin American country at a time when it was being reduced or eliminated in other economic sectors? This is the first puzzle that the book explores.

Ministries of tourism were created in numerous Latin American countries and expanded in others with the hope of capturing more of the US$919 billion in annual international tourism expenditures in 2010 (UNWTO 2011: 4).[4] Tourism revenues could help solve balance of payments crises, create millions of new jobs in the hemisphere, bring new development to previously ignored regions, increase foreign investment, and more, and all without smokestacks. Tourism institutions were created or strengthened, grandiose plans were announced, airports were constructed and modernized, country brands were formulated, teams of tourism officials were sent on the international tourism fair circuit, and expectations were raised in every country in the hemisphere. Never before had every Latin American country simultaneously and publicly proclaimed a single industry as a national priority. Tourism was a boom industry that would deliver. And boom it did, with international tourist arrivals to Central and South America growing from 9.7 million in 1990 (UNWTO 2001: 16) to over 31.4 million in 2010 (UNWTO 2011: 4). Today, many years into the era of international tourism in Latin America, some countries have succeeded in harnessing the sector while others have failed, and failed miserably.

The variation in performance is perplexing, as some of the countries with the greatest tourism advantages in cultural and natural endowments performed poorly in international tourism promotion, while other countries greatly exceeded expectations. For example, Brazil should be the greatest tourism success story in Latin America. Brazil is endowed with a long coastline of picturesque tropical beaches and multiple world-class tourism icons such as the Corcovado Christ statue, Sugarloaf, Carnival, Ipanema, Copacabana, Iguazú Falls, the Amazon, and others. The World Economic Forum's 2008 Travel and Tourism Competitiveness Index ranks Brazil number one in the hemisphere and number three in the world for natural and cultural resources for tourism (Blanke and Chiesa 2008). With this endowment of cultural and natural resources, Brazil should be one of the top destinations in the world. Brazil has a global reputation for fun, soccer, sunshine, samba, and beautiful people. And Brazil was a democratic, industrial, diplomatic, and economic success over the past decade, which led in November 2009 to an *Economist* cover story, "Brazil Takes Off," featuring a photo of the famous Christ statue rising like a rocket. Brazil should have benefited more than any Latin American country from the rapid growth of international tourism since 2000. Brazil announced international tourism promotion as a national priority, established a standalone tourism ministry in 2003, placed high-profile officials in charge of national tourism promotion, and announced ambitious official plans to multiply the number of international visitors to Brazil and create millions of new jobs. Yet international tourism in Brazil stagnated and underperformed, with international tourist arrivals actually falling from 5.30 million in 2000 to 5.16 million in 2010, even at a time when international tourist arrivals expanded globally by some 35 percent. The "marvelous city" of Rio de Janeiro, Brazil's world-class tourism destination, also experienced an unexpected decline in the annual arrival of international tourists, from 1.8 million to 1.6 million over the same time period.[5] Why did Brazil perform so poorly?

Close your eyes and think about Costa Rica. What do you envision? Now think about Honduras. Are your thoughts similar? For many people, Costa Rica has established a brand image as a peaceful, safe, and environmentally creative country—and a beautiful and exotic tourism destination. Honduras, on the other hand, has an international image more often associated with poverty, gangs, or coups, or with being in need of assistance from church groups. It is no surprise then that Costa Rica received over US$2 billion in 2007 in international tourism revenues, or US$451 per capita, while Honduras received US$557 million in international tourism revenues, or a mere $78 per capita (UNWTO 2008). This is true even though Honduras possesses greater tourism endowments than Costa Rica (Bowman 2002: 237). What accounts for the different levels of success in Costa Rica and Honduras? Why some countries underperform in tourism arrivals and receipts while other countries perform much better than expected is the second puzzle this book explores.

Not only has there been tremendous variation in aggregate growth of tourism and tourism receipts in Latin America, but the models of tourism and distributional effects also vary significantly in the region. Some countries and cities feature an enclave tourism model with high levels of leakage, meaning that most of the receipts of tourism immediately escape back out of the country and do not benefit the local population, while other countries and cities have a more integrated and inclusive tourism model with much better distributional and social effects. Why do some countries and cities have inclusive tourism while others feature disarticulated or enclave tourism models? This is the third puzzle the book explores.

Puzzle one: Why did the states of Latin America become so actively involved in the tourism sector in the past two decades?

Puzzle two: Why are there such widespread performance differences across the region in attracting international tourists?

Puzzle three: Why do some countries and cities follow an inclusionary tourism model with better distributional effects, while others follow an enclave model with far fewer positive distributional benefits?

Tourism and State Capacity

An important part of the answer to all three puzzles and a featured topic of this book is the role of the state at both the national and the city level.[6] I use the role of the state in promoting international tourism and in shaping the effects of that tourism as a quasi-laboratory to understand state capacity and development. I propose that state capacity, or the absence of it, largely determines the percentage of people in poverty, the long-term rate of economic growth, the state of healthcare, the security of citizens, and the quality of life of the inhabitants of Latin America. Indeed, the range of levels of state capacity is a principal reason for the significant disparities in levels of development in the region. Why are some Latin American countries capable of achieving certain stated goals, overseeing new economic activities, regulating industries, and delivering programs to citizens, while other Latin American countries flounder and rarely achieve announced goals or policies? Why do the citizens of some countries have access to sufficient calories while the citizens of others go hungry? Why do the poorest citizens receive much better healthcare in some countries than in others? Why do some countries have much higher economic growth rates than others? The answers to all of these questions include state capacity, and this book uses international tourism promotion as an entry point to better understand state success and failure.

My own epiphany on state capacity and development began with the simple ringing of a telephone in 1995 in Costa Rica, where I was doing dissertation fieldwork. I answered the phone in my apartment, but soon realized that the caller could not hear me. After a few minutes of failing to establish a working connection, I faced one of the worst Latin American nightmares—dealing with a state-owned utility. I was aware of the conventional wisdom. State-owned and -managed utilities in Latin America were rent-seeking, inefficient, and unresponsive dinosaurs shielding lazy and incompetent unions from the forces of progress. I had lived in Honduras for several years and spent many unpleasant and unproductive hours dealing with nationalized utilities and other state services. I knew that once the bureaucrat pulled out the large lined folio where all bureaucratic activity is carefully recorded by hand, my day was shot. I had heard the stories of poor Argentines waiting thirty-six years for the state telephone company to respond to requests for service. My initial reaction was the fear that I would need to change apartments, as it would take months to get the phone repaired and I needed a phone for my research.

I borrowed a neighbor's phone and dialed the number for telephone repair. Unexpectedly, I found myself speaking with a pleasant woman who seemed eminently professional, interested in customer service, and empathetic with my situation. Although it was late in the afternoon, she assured me that someone would come to my apartment the next morning to resolve the communication problem. She asked if I would be home at 7:45. I had a good laugh trying to determine if I should set the alarm and get up early. I was sure there was no way anyone would show up at 7:45 in the morning in response to a complaint about a telephone.

I was awakened the next morning at 7:40 by a loud metal clink coming from the front gate and the familiar Costa Rican greeting of "*upe*." Not one but two telephone technicians were waiting outside. They were skilled, professional, polite, service-oriented, and efficient. Within minutes of testing the phone with some instruments, they announced that the line was fine, but the telephone was malfunctioning. One of the technicians went to the van, returned with a new telephone to replace the damaged one. After a simple installation, the technicians asked if they could help with anything else, and they were gone before 8:00. The service was free and I was not even charged for the new phone. The whole episode was foreign to my experience in Honduras and the conventional wisdom that accompanied the privatization propaganda of the early 1990s.[7] Could a Latin American government enterprise or agency be relatively efficient and exhibit capacity? Is state capacity the misunderstood and little-studied key to understanding development differences between Costa Rica and Honduras? Why are some countries more capable than others?

Contrary to popular perception—and the perception of many of my students when they first study Latin America—government and development performance in the region varies tremendously, both across countries and over time. A trip from Managua, Nicaragua, to San José, Costa Rica, will reveal significant differences, as will a journey from Buenos Aires, Argentina, to Asunción, Paraguay.[8] This wide difference in long-term performance shapes and impacts the living conditions and opportunities of hundreds of millions of people. Despite the general regional economic trends in import substitution industrialization from the 1940s to 1970s, the crisis of democracy in the 1960s and 1970s, the debt crisis of the 1980s, and economic liberalization in the 1990s, all aspects of development performance vary significantly across the region. One clear example is long-term economic growth, which is one of the most studied topics in social science. Why have some Latin American countries experienced relatively healthy average economic growth rates over the past six decades while others have experienced economic stagnation?[9]

Long-term economic growth rates are an excellent example of the medium- and long-term variability in performance across the region. Table 1.1 presents per capita gross domestic product (GDP) data for eighteen Latin American countries in 1951 and 2010. In 1951, Bolivia and Venezuela were squarely in the top half of per capita income in the region. By 2010, they had both fallen dramatically in relative terms. Conversely, in 1951, Brazil, the Dominican Republic, and Panama were among the poorest countries in Latin America, but by 2010 these three countries had experienced such long-term growth that they ranked in the top half. The lesson is clear: long-term development varies widely in Latin American countries, and that variation has a substantial effect on the citizens of these countries.

The long-term successes and failures of Latin American states to guide economic growth are presented visually in Figure 1.1. The differences are dramatic. Brazil, the Dominican Republic, and Panama are the clear success stories for the

Table 1.1 Real GDP per Capita in Latin America, 1951 vs. 2010

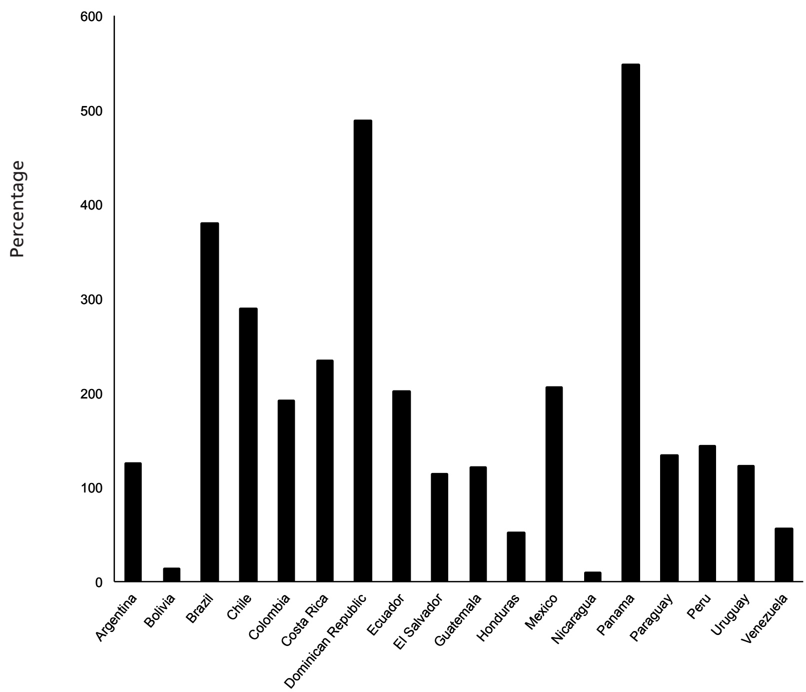
	1951		2010		
	Real GDP per Capita (US$)	Rank	Real GDP per Capita (US$)	Rank	Percentage Change, 1951–2010
Argentina	5,480	1	12,338	2	125
Bolivia	3,297	6	3,743	16	14
Brazil	1,737	16	8,325	9	380
Chile	3,221	7	12,527	1	289
Colombia	2,580	11	7,534	10	192
Costa Rica	3,440	5	11,502	5	234
Dominican Republic	1,785	15	10,506	7	489
Ecuador	2,069	14	6,240	12	201
El Salvador	2,880	9	6,168	13	114
Guatemala	2,758	10	6,089	14	121
Honduras	2,360	12	3,578	17	52
Mexico	3,899	4	11,940	3	206
Nicaragua	2,105	13	2,289	18	9
Panama	1,675	18	10,850	6	548
Paraguay	1,733	17	4,069	15	134
Peru	3,038	8	7,411	11	144
Uruguay	5,256	3	11,718	4	123
Venezuela	5,823	2	9,071	8	56

Source: Heston, Summers, and Aten 2012.

region. Chile, Costa Rica, Ecuador, and Mexico fall in the second tier, with real per capita economic growth of greater than 200 percent over the period. Seven countries—Argentina, Colombia, El Salvador, Guatemala, Paraguay, Peru, and Uruguay—had disappointing cumulative real growth of between 100 and 200 percent over the six decades. These slow-growth countries have lost considerable economic ground in the region, resulting in unsatisfactory standards of living for their citizens. Bolivia, Honduras, Nicaragua, and Venezuela are the truly spectacular failures, having inched forward by a cumulative growth total of between 9 and 56 percent over more than half a century.[10] While there are discussions about the correlates of economic growth and the precise role of state capacity in development, there can be no debate that these states have failed their people and that state capacity for growth has been unacceptably low.

Growth is not the only determining factor for quality of life. The distribution of total income, as well as education, healthcare, transportation, housing, security, and other state-influenced outcomes, are also important. Like income, the capacity of the state in these and other areas varies widely in the region (see Bowman 1997). While many authors have uniformly painted state capacity in the region with a negative image, the evidence suggests that performance is varied, and Latin America has more success stories than suggested by the conventional wisdom.

Figure 1.1 Cumulative Growth of Real GDP per Capita in Latin America, 1951–2010



Source: Heston, Summers, and Aten, 2012.

Recent research also indicates that state capacity is heterogeneous and fluid within states. Brazil might have tremendous levels of state capacity in public university education or trade negotiations and diplomacy, and much lower levels of state capacity for citizen security, transportation, and tourism. States can simultaneously have strong and weak institutions, as Steven Levitsky and Maria Murillo (2005) so compellingly demonstrate for the perplexing case of Argentina. A state might also exhibit significant capacity in regard to tourism promotion, and considerably less capacity in other domains. State tourism promotion is multifaceted and complex, and the range of important conditions for success make it a particularly useful and focused lens for understanding capacity in general.

State capacity and good government have recently emerged as focal points of development, reaching a peak with the World Bank's spotlight on the topic in the 1997 *World Development Report*. Yet despite a scholarly lineage that dates at least from Max Weber, "there is little research on how to go about getting state capacity," and there are few comparative studies that seriously take politics or power relations into account (Heredia and Schneider 2003: 1). Those studies that do exist often focus on bureaucratic structure and nuts-and-bolts reform, and not on outcomes.

Patterns of tourism growth and distribution within countries depend significantly on the constraints of existing social structures and the choices and policies that countries make within those structures. The combination of structure and choice explains the success of a country like Costa Rica or a city like Buenos Aires, the unmet promise of a country like Brazil or a city like Rio de Janeiro, and the mixed success of a country like the Dominican Republic or a city like Havana. The state itself is part of the structure that constrains or empowers tourism at the subnational level, and the effect of structure and choice on tourism growth and distribution at the city level is one of this book's topics.

There is a real paucity of comparative political studies of Latin American tourism. While other sectors such as banking, computers, agriculture, mineral extraction, manufacturing, and even entertainment have an important comparative political literature, I could not find a single comparative article in a major Latin American or comparative politics journal that addressed comparative tourism in the region.[11] The state's role in promoting international tourism is, at its core, a question of politics, for it deals directly with the generation and distribution of a number of scarce resources, including land use, taxes, revenues, concessions, foreign direct investment, exchange rates, the allocation of security, access to beaches and other natural resources, road and infrastructure construction, the location of airports, and so on. Moreover, because of collective action issues, the state (or city or regional government) almost always plays the lead role in tourism destination branding and international tourism promotion. The role of the state is crucial for any sustained success in this industry, regardless of the type of economic or political regime. This study systematically examines the role of the Latin American state in managing multiple facets of international tourism, which in turn can tell us much about state capacity.

Outline of the Book

This book examines international tourism promotion to resolve our three puzzles and to explore dimensions of state capacity in Latin America. Four empirical chapters primarily address issues of choice (the role of the state in attracting more international tourists and tourism spending) and of structure (equity, class, race, human capital) that shape the types of tourism featured in a country.

Chapter 2 presents the theoretical and methodological blueprint for finding the answers to our three puzzles. This study employs an unusual research design of prospective comparative process tracing, in which the cases are selected at the beginning of the research period (2000) and studied over a decade. I review the literature and theories of state capacity, with an emphasis on recent research on state innovation. State capacity not only explains why some countries are better than others at generating international tourism revenues, but also explains the distribution of those revenues, the impact on the environment, the sustenance of local culture, and many other tourism externalities. Chapter 2 presents a framework of four components of state strength that help evaluate state success and failure. These four components in turn generate a conceptual model for destination capacity based on two dimensions, structure and choice, with a slightly different model for local tourism capacity. Finally, I present two theories that help explain and predict when states are unlikely or likely to make radical and bold policy changes for tourism ministries and international tourism promotion—the paradox of plenty theory and the prospect theory. Countries with substantial mineral or petroleum exports, such as Bolivia, Chile, Ecuador, Mexico, and Venezuela, will be caught in the paradox of plenty and are unlikely to make international tourism a long-term priority in practice. Destinations that suffer from a severe economic crisis and are in what prospect theory refers to as the "domain of losses" become risk-takers and establish the most creative and innovative tourism institutions, as documented in Chapter 7.

Chapter 3 presents a brief historical overview of the tourism sector in Latin America and solves the first puzzle: Why did the role of the state expand significantly in tourism at the same time that the role of the state was declining sharply in other economic activities? The three most important elements of the multifaceted answer are the growing size and importance of tourism on a world scale, tourism-specific collective action problems that only the state can solve, and the emergence of nation and destination branding as an important element in the increasingly competitive tourism market. A table of distributional externalities is presented and the ramifications are detailed.

Chapter 4 analyzes state capacity and choice. State capacity in an area as complex and competitive as international tourism requires sustained treatment as a priority. In the late 1990s, all Latin American countries announced tourism as a national priority, yet in reality many policymakers were not serious about developing the sector. Some Latin American countries, such as Paraguay, have a *rhetorical commitment* to international tourism, claiming publicly that tourism is a national priority but displaying scant evidence of any actual interest or commitment in the sector. In contrast, a larger number of governments have a *hollow commitment* to tourism, such as Brazil and Chile. In these cases, there is both a rhetorical pronouncement of tourism as a national priority and a shell of policies and actions to deliver on the promise, but the capacity is hollow because the policymakers' commitment is woefully incomplete and partial. In these cases, hopes are raised but follow-through is disappointing. And finally, there are a limited number of countries, such as Argentina and Costa

Rica, that have a *holistic commitment* to tourism. In these cases, the policymakers' commitment is observable across the range of conditions necessary for facilitating tourism success. What root causes lead to these variations in commitment to publicly stated priorities? Chapter 4 presents many answers to this question, but two explanations are the most compelling. First, I show how the paradox of plenty explains and predicts hollow tourism priorities. Mining and shipping copper or oil is relatively easier than implementing and following through with the complex and interdependent tasks of holistic commitment that are necessary to succeed in international tourism. And second, I show how Latin American states are poor multi-taskers, and how a continual focus on a crisis, such as national security issues, can undermine efforts for a sustained campaign in international tourism promotion.

Chapter 5 explores the constraints of structure in regard to tourism capacity. The structural variables that matter include the challenges of federalism, human capital, inequality and poverty, legal authority, and security, and the negative consequences of distrust between the public and private sectors in Latin America. Unfavorable structural conditions constrain policy choices and both the types of tourism and the location of that tourism. The exclusive and enclave tourism that results exacerbates the inequality and social problems, reinforcing the exclusionary tourism.

I have created a quantitative state tourism capacity index from the raw data presented in the World Economic Forum's 2008 Travel and Tourism Competitiveness Index. My capacity index produces tourism competitiveness scores and rankings for Latin American countries that are adjusted for natural and cultural endowments. This new index allows for verification of some of the qualitative and observational findings.

Chapter 6 presents a comparative historical analysis of Brazil and Argentina. Tourism was declared a Brazilian national priority in 1995 and President Luis Inácio "Lula" da Silva campaigned in 2002 in part on a promise to create a standalone tourism ministry and to greatly increase the number of tourists visiting that captivating country. The first decade of the twenty-first century brought a global tourism boom of historic proportions that resulted in significant growth in Latin America as a whole and in South America. Brazil experienced unprecedented democratic, economic, and reputational success. Brazil hosted the Pan Am Games in 2007 and was awarded the 2014 World Cup and the 2016 Olympics. Yet international tourist arrivals declined over the decade. Why? Tracking national efforts, policies, and performance in Brazil from 1995 to 2010 and contrasting them with efforts, policies, and performance in Argentina generates compelling explanations.

Choice, structure, tourism, and tourism branding are not merely important at the national level, but are also important at the subnational level. City tourism is one of the most dynamic and growing sectors of international tourism. Cities can develop unique brands that are not as dependent on price as generic and declining sun and sand vacations. Global-tourism cities also act as gateways to other national destinations, but city-tourism choices and policies are embedded in national policies and actions. Chapter 7 compares and contrasts three global cities—Buenos Aires, Havana, and Rio de Janeiro. The question that drives the chapter is why Buenos Aires and Havana experienced significant increases in international tourism in the past decade even as Rio de Janeiro experienced a decline. Buenos Aires now (and since 2006) receives more international tourists than Rio de Janeiro when Rio is endowed with superior iconic tourism images, year-round temperate climate, and wonderful colonial churches and buildings, while Buenos Aires has only tango and Havana only recently was a dilapidated city. Buenos Aires not only lacks globally recognized iconic images, but also has cold winters and no beaches. And yet Buenos Aires has had an impressive and unexpected increase in international tourists for many years, while tourism performance in Rio has been surprisingly stagnant. Why? The answers to this question reinforce the findings in Chapter 6 using a different level of analysis. The key explanatory factors are the importance of local autonomy and institutions for innovation and creativity, human capital, and class and inequality compositions. Chapter 7 also confirms the expectations of prospect theory. The two cities in the domain of losses are Buenos Aires and Havana. These cities were desperate for foreign exchange and other tourism benefits, and they responded with risky and revolutionary changes in tourism institutions and models. These cities were risk-takers, and their ability to embrace risk resulted in creativity and innovation. Rio de Janeiro did not face the grim prospects of the other two cities and remained risk-averse, playing it safe in tourism by clinging to a stagnant and outdated tourism bureaucracy and model.

The concluding chapter summarizes the findings and discusses the trajectories and opportunities for state capacity and tourism in the countries of Latin America in the future. This underscores the dynamic relationship between structure and choice. The country that can finally reach its potential as a tourism star is Brazil, given appropriate shifts in structure and bold policy choices that are very different from choices in the past. In the past decade, under presidents Fernando Cardoso and Lula, Brazil experienced historic positive shifts in the structural variables of tourism state capacity, such as inequality, poverty, class, crime, and human capital. If Brazil can continue to deepen these historic changes and further alter the structure, and if policymakers can make the correct though often difficult choices, the country could dramatically alter its tourism performance and enhance the benefits in this decade of golden opportunity that features the World Cup in 2014 and the Olympics in 2016.

International tourism is a trillion-dollar industry that all Latin American countries have publicly identified as a national priority. State capacity is the reason why some countries are more successful than others in achieving their stated objective of harnessing tourism for national development. This book examines the relationship between state capacity and tourism, and provides important lessons for tourism policy, state capacity, and sector innovation at both the national and the local level.

Notes

1. Formally detailed by John Williamson as the Washington Consensus in 1989.

2. As Harvard economist Dani Rodrik summarized: "'stabilize, privatize, and liberalize' became the mantra of a generation of technocrats who cut their teeth in the developing world and of the political leaders they counseled" (2006: 3).

3. Tourism statistics are historically weak and there is much debate as to whether tourism is the world's largest industry (CTCC 2008; Goldstone 2001: chap. 3).

4. Up from US$525 billion in 2003 and excluding international passenger transport expenditures.

5. E-mail communication from RioTur, the official tourism entity of the city of Rio de Janeiro.

6. This study examines tourism in Latin America from a comparative political economy perspective, which attempts to explain the variation across a range of cases of economic policies and economic outcomes using political variables. The motivating questions of comparative political economy are why some countries implement different economic policies and have different economic institutions and why some countries and some people are wealthier than others. Comparative political economy is the intersection of comparative politics and economics and employs comparative methods. International political economy, in contrast, is the intersection of international relations and economics and is concerned with global systems of power and how political forces shape systems through economic interactions and how global systems conversely affect political structures.

7. The experience also helps to explain why most Costa Ricans (90–92 percent in 2003) are opposed to electricity and telephone privatization, and privatization is off the table even under administrations that favor privatizing utilities (Harris 2003).

8. There is also tremendous variation within regions and countries, for example Brazil.

9. Economists have not reached a consensus on the correlates of growth, but a considerable body of recent research points to the capacity of the state to establish institutions and an environment for long-term economic success, and in the past two decades international tourism promotion has been a crucial tool as Latin American countries seek generate and sustain economic growth and jobs. A significant body of work exists on economic growth, and a healthy debate exists over whether human capital (Barro 1991), investment (Levine and Renelt 1992), institutions (Acemoglu, Johnson, and Robinson 2005), geography (Herbst 2000; Sachs 2001), innovation (Breznitz 2007), and many other causes are principal determinants.

10. The variation in growth has also exacerbated inequalities between countries. In 1951 the richest per capita economy was 3.3 times richer than the poorest. In 2010 the richest per capita economy was 5.5 times richer than the poorest.

11. I could find only two published articles in Latin American and comparative politics journals over the past decade.