

RESEÑA DEL LIBRO "DESARROLLO Y DESIGUALDAD EN CHILE. HISTORIA DE SU ECONOMÍA POLÍTICA (1850-2009)", DEL PROF. JAVIER RODRÍGUEZ WEBER

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The publication of Javier Rodriguez Weber's *Desarrollo y Desigualdad en Chile. Historia de su economía política (1850-2009)* is a celebration for all those interested in empirical economic history, and especially those who care about economic history of Latin America and Chile in particular. It is a book that has few recent counterparts and may be best compared in its skillful combination of historical narrative and income distribution data to Thomas Piketty's *High Incomes in France* which was the basis for his later bestseller *Capital in the 21st century*.

Rodriguez Weber's book contains two innovations. The first is methodological. Rodriguez Weber introduces the so-called "dynamic social tables". These social tables give a summarized social structure of a society going from the richest to the poorest class. They have been used previously in historical research but the problem was that they were static: incomes of social classes would be just a snapshot for one year. The innovation of Rodriguez Weber was to let incomes of each of the classes grow or fall according to their predominant source of income, information on which is available from Chilean historical data and national accounts. He was thus able to show the evolution of the social structure and incomes of population over more than a century and a half. Very few countries can boast of anything similar.

By dividing this long period into several politically meaningful sub-periods, Rodriguez Weber is able to show both how the economy grew over each and how were the fruits of growth distributed. There are clear differences in that respect between *república oligárquica* (1905-38) and *república mesocrática* (1938-71), to give just one example. The wealth of data allows him also to test the relationship between factor endowments, economic growth and globalization on the one hand, and inequality on the other. He argues that inequality outcomes are not linked in a unique fashion with either of these variables, but that the effects are mediated by institutions.

The wealth of data and his new methodology allow him also to look at a number of important relationships that have been established in economics and see how they perform. He thus looks at the Kuznets curve (link between income level and inequality), Heckscher-Ohlin-Samuelson theorem (link between country's endowments, trade and inequality), Sokoloff-Engelmann hypothesis (endowments and underdevelopment of Latin America).

The second important contribution is the narrative that links political and economic development in a fashion advocated by the Annales school and gives to the reader a double pleasure of learning about history of a country and seeing how it affects lives of actual people: formal and informal sector workers, farmers, self-employed, government employees, large landowners and capitalists.

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After reading Rodriguez Weber's book I found myself with a strange feeling of suddenly knowing much more about the economic history of Chile, a country about which I previously knew relatively little, than I knew about countries with which I was more familiar. This is perhaps the greatest contributors that a book on economic history can make.

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