

In memoriam: Jorge Gelman, beloved and respected colleague

INTRODUCTION

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This is not the first time that *Revista de Historia Económica/Journal of Iberian and Latin American Economic History* publishes articles on wages, prices, living standards and other dimensions of human welfare (e.g. inequality, heights and numeracy).

The research on living standards received a strong stimulus from the novel methodology and the wide comparative perspective proposed by Robert Allen in the early 2000s. *RHE/JILAEH* had been receptive to this field of research since some time before. This is probably so because prices and wages were at the core of Hamilton's research program, one of the cornerstones of the 20th century investigation on the economic history of the most interesting period of the Spanish nation's existence: the Early Modern Era¹.

Instances of the traditional interest in this field by this journal come easily to mind. By lack of space, only a few will be mentioned. In 1993, Reher and Ballesteros coauthored the most cited article ever appeared in *RHE/JILAEH*: «Precios y salarios en Castilla la Nueva: La construcción de un índice de salarios reales, 1501–1991». Second to Reher and Ballesteros' article in terms of citation comes Williamson (1999). Thus, two other main fields—inequality and Iberian America—are present in Williamson's pioneering work for this journal.

In 2010, *RHE/JILAEH* (28, 2) «Special Issue on Latin American Inequality». It presented a rather diverse collection of articles dealing with: income inequality (Williamson 2010) and its doubtful «colonial origins» (Dobado and García Montero 2010); modern educational inequality in comparative international perspective (Baten and Mumme 2010); the anomalies in education in relatively rich countries by lack of tax support (Lindert 2010); the effects on income inequality of the first globalisation in the Southern Cone (Bértola *et al.* 2010); and the reconstruction of labour income shares in the three largest Iberian American economies from 1870 to 2000 (Frankema 2010).

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¹ I owe this idea to Prados de la Escosura who shared it with me in a private conversation long time ago. This vision of our history, in which America plays a decisive role, was very much liked by the late Gonzalo Anes, may he rest in peace.

In 2015, this journal (vol. 33, issue 1) was again receptive to the advance experienced by our discipline with respect to living standards—biological welfare included—in Hispanic America and to some methodological criticism towards the rather rigid consumption baskets initially designed by Allen for Europe, albeit used for estimating welfare ratios in the American territories of the Hispanic Monarchy as well. Dobado (2015) discusses the validity of Allen's basket for capturing the food consumption of ordinary Hispanic Americans (i.e. much more intensive in meat than in Europe and Asia). This important difference in consumption patterns had been suggested by Dobado and García Montero (2010) whose estimates of meat wages were much higher in most Hispanic America than in the rest of the world with the exception of the United States. If chocolate, sugar and tobacco are also taken into account, it turns out that welfare ratios for Hispanic America are underestimated by Allen *et al.* (2012). Significantly, Arroyo *et al.* (2012) had modified the universal Allen's basket for the Hispanic American case: meat consumption in Argentina and Chile is assumed to be twenty-fold higher than that of Allen *et al.* (2012); as to Mexico, Peru, Bolivia and Colombia, the assumed differential in meat consumption with respect to Europe is still large (35 vs. 5 kg). Not surprisingly, Arroyo *et al.* (2012) found welfare ratios in a Hispanic American sample that are not only higher than those of Allen *et al.* (2012) but also occasionally surpassed London—Argentina in 1775-1820—and Leipzig—for most of the Early Modern era.

Three case studies were also published in this issue. Challú and Gómez-Galvarriato (2015) obtained a striking result: the internationally high level of real wages in the City of Mexico by mid-18th century had not been surpassed yet before the beginning of the Mexican Revolution in 1910. Djenderedjian and Martirén (2015) found that real wages were also high by international standards in Santa Fe (Argentina) over the century preceding independence. In Gelman and Santilli (2015), the ratio of wages to land and cattle prices clearly fell below pre-independence levels since 1815-1820 in the province of Buenos Aires. This issue also includes comments on Dobado (2015) by Allen *et al.* (2015) and Arroyo and Van Zanden (2015).

This new issue of *RHE/JILAEH* displays six articles dedicated to prices, consumption patterns, real wages, numeracy and related topics in Spain and Latin America from the 16th to the 19th century. Preliminary versions of these articles were presented at the session «Prices, income, consumption baskets, and heights: Living standards in the Iberian Peninsula and Latin America (16th to 20th centuries)» of the World Economic History Congress (2018)².

² The session was organised by Dobado, Gelman (†), Santilli and Schmit.

In «Prices and Wages in Segovia, 1571-1807», Andrés and Lanza analyse the evolution of nominal and real wages of the building trades in Segovia. Real wages dynamics over the very long run very much reflects that of the once important Segovia's economy. They reached an all-time high in the first quarter of the 17th century. By the early 19th century, after experiencing an almost uninterrupted fall, real wages were about half of those of two centuries before. From the mid-18th century on both officials and labourers stood below the poverty level (welfare ratio < 1). Therefore, female earnings and/or more working effort became indispensable for the subsistence of their families.

Moraes' «Eating, Drinking, Paying. The Price of Food in Montevideo in the Late Colonial Period» studies the diet of the inhabitants of Montevideo between 1760 and 1810. To do that, she calculates two different indexes of food prices (3,000 calories vs. 1,942). Both indexes follow the same dynamics: low deflation and stability in 1760-1790; high inflation and instability in 1790-1810. The evolution of prices in Montevideo, Buenos Aires and Santa Fé suggests more than superficial similarities. In fact, the series are co-integrated. Moraes interprets this finding as evidence in favour of the economic integration of the Río de la Plata before independence.

In «Consumption Baskets and Cost of Living in Southern Late Colonial Brazil: Rio Grande, 1772-1823», Djenderedjian and Martirén examine living standards of urban workers in the southern Brazilian town of Rio Grande. After using a variety of sources to calculate consumption baskets for several benchmarks between 1772 and 1823, they estimate welfare ratios. For carpenter and masons (officials), welfare ratios were high or very high by international standards, especially if they are computed with the *ad hoc*, relatively meat intensive, barebones basket. This was not the case for serventes (labourers). In both cases, welfare ratios prove not very much affected by the upward trend in the cost of living. Welfare ratios were higher in Rio Grande than in Buenos Aires and Montevideo.

Santilli presents in «Consumption and Living Standards in Buenos Aires. Consumer Baskets and Income between the Late Colonial Age and the First Half of the 19th Century» the consumption baskets for Buenos Aires in several benchmarks between 1796 and 1849. As expected and contrary to Allen's view, these baskets reflect «carnivore diets». The evolution of the baskets' cost adopts the shape of an inverted U. It was almost identical in 1796 and 1849, while it reached a peak, being almost four times more expensive in 1818 and 1819. Thus, the welfare ratio for masons was significantly higher in 1796 than in 1806, 1818, 1819 and 1835. The large increase observed in 1849 takes it clearly above the level of the initial year. Significantly, the welfare ratio of masons was higher in Buenos Aires (1796 and, especially, 1849) and Lima (1850) than in London (1850).

«Prices and Early Inflation in Buenos Aires during the First Half of the 19th Century, 1824-1850», by Schmit, analyses the changes in prices for

the most representative goods in the Buenos Aires market over the three decades after independence. Foreign trade is included in the study. Political and commercial conflicts influenced the behaviour of prices. Spectacular inflation reigned from 1826 to the mid-1830s and, again, during the second half of the 1840s. Beyond the general evolution of prices, differences exist between local, exported and imported goods. They reflect differences in the circumstances influencing on price formation. Inflation is considered an important factor behind the significant increase in wages of the 1840s.

The last of the articles included in this issue somehow differs from those that have preceded it. Not too much, though, since it explores a dimension of human welfare and inequality that, despite the pioneering work by Baten and collaborators, has not received yet the attention that it deserves both for pre-independent and post-independent Hispanic America. In «Numeracy in Central New Spain during the Enlightenment», Calderón *et al.* use well-known sources from the second half of the 18th century to determine the level of numeracy—a proxy for literacy and human capital formation—and its ethnic, sexual and geographic dispersion. The most interesting result is that, when internationally compared, late pre-independent Mexico is far from being an outlier that would reflect the heavy burden of extremely extractive institutions.

It is our hope that this issue contributes to widen and solidify the empirical basis upon which the economic history of human welfare in both Spain and Hispanic America may progress.

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