

## Leader Editorial Editorial

# Economic growth and development Crecimiento y desarrollo económico Crescimento e desenvolvimento econômico

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**E**conomic development, according to economic history, economic theories, global experience, and in general terms, has always been characterized by a profound and significant transformation of the economic, social, and political structure of society, and specifically, of the organization of production, distribution, and consumption. Likewise, economic growth and development have been driven by classes and social groups interested in improving or changing the current economic order with the aim of enhancing the welfare levels of the population, especially the most unprotected, poor, and marginalized segments of society. Economic development is closely related to economic growth, which refers to the increase in the volume and value of wealth generated in a specific place and period.

The transformations in the social and economic structure are directly related to the changes in the composition and distribution of the population in general, of classes and social groups, and of producers and workers. Likewise, they are directly related to the composition and distribution of the economy in general, and of the production, distribution, and consumption of goods in society, as well as the composition and distribution of the wealth generated in society.

Specifically, the level of development achieved by a country or region, according to economic theories, is

manifested in the size of the population living in the countryside (rural) and in the city (urban); of those working in the countryside (agricultural EAP) and of those working in other economic sectors (industrial and services EAP); in the value generated per employed person in the different economic sectors, and in the value generated in the different economic sectors (primary, secondary, and tertiary gross domestic product); in the value corresponding to each inhabitant (gross domestic product per capita); in the levels of education and culture of the population; in the human development index (HDI), among others.

Theories and experiences of economic development in the countryside, worldwide and especially in developed countries, reflect a process of relative decline in the weight of agriculture, and an increase in the absolute and relative participation of the industrial and service sectors of the economy. The decline in the role of agriculture in the economy is evident in the reduction of the rural population and the increase in the urban population; the decrease in the economically active population employed in the agricultural and forestry sector, and the increase in the economically active population employed in the industry and services sectors; the decrease in the gross domestic product of the primary sector and the increase in the gross domestic product of the other sectors, among others.

Economic development in the vast majority of countries, especially in developing countries, is a significant issue. This problem is reflected in regional imbalances, sectoral imbalances, high rates of unemployment and underemployment, low workforce productivity levels, low levels of value added per worker, low income levels, and high poverty rates, among other issues. This process of economic development is currently being directly impacted by major structural transformations and economic integration processes that are taking place worldwide.

In Latin America, there are severe economic development problems, such as economic and social lags, unequal development of different economic sectors, heterogeneous levels of development in the various regions that make up Latin America, among others. Specifically, heterogeneity is observed in the proportions of the rural population, the economically active population employed in the countryside, the gross domestic product of the primary sector, and the per capita gross domestic product across different countries and regions of Latin America.

Likewise, a significant disparity is observed between the weight of the primary gross domestic product

within the overall economy and the weight of the economically active population employed in the primary sector and the rural population.

The disproportion between the economically active employed population and the magnitude and proportion of the gross domestic product of the primary sector generates issues of low productivity, low levels of value generated per worker, low levels of wealth generated per inhabitant, and high levels of poverty in the rural areas of Latin American countries, a sector where the highest levels of migration and poverty occur.

The average GDP per capita of Latin American countries in 2019 was approximately 8,623 US dollars. The countries with a per capita GDP higher than the average are Puerto Rico, Mexico, Argentina, Chile, Panama, Costa Rica, and Uruguay; the countries near the average are Brazil and the Dominican Republic; and those below the average are Colombia, Peru, Ecuador, Guatemala, Bolivia, Paraguay, El Salvador, Honduras, and Haiti, among others. GDP per capita is an indicator that reflects the level of development, among other factors.