

The first issue of the *Colombian Economic Journal*

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Recent economic literature tends to depict the breach between rich and poor countries in terms of their capacity to contribute to the store of knowledge of humanity. Many indicators would seem to point to sharp differences between the two groups; to cite only those most easily measured, the number of researchers as a proportion of the population and the share of spending on research and development in GDP. The existence of such a gap in many natural sciences is not surprising, given the sheer cost of modern experimental equipment and the fact that many research projects require large teams of highly-trained professionals.

It is not entirely obvious that the same situation is inevitable in economics and other social sciences. Economies of scale are less significant. Access to national and international data sets as well as to the latest work of academics from all over the world (especially through the internet) has steadily improved. Advances in hardware and software imply that impressive computing power (at least in terms of the needs of the majority of economic applications) can be had at a modest cost.

Given these circumstances and even the fact that financing and other types of institutional support are in the best of cases limited, it is quite possible that a significant amount of good research work is being done in developing countries. However, scholars there face an additional and related problem: visibility.

While extraordinary contributions to economics have been made by scholars born in the Third World, most of them live and work in the First, and publish there. For Latin Americans who write and publish in Spanish or Portuguese, language can become an insurmountable barrier to international recognition. English, whether we like it or not, has become the universal means of communication in the economic discipline.

The aim of the *Colombian Economic Journal* is to provide the international academic community with a representative sample of high-quality research done in Colombia. The *Journal* will be an annual publication and will apply the standards and procedures used by the most demanding academic reviews, including double-blind peer review of submissions.

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As is natural, many of its articles will deal with Colombian economic issues. But the *Journal's* editorial policy welcomes contributions on other aspects of economics, such as economic theory and the development of economic thought, and papers in related disciplines like politics, sociology and history. It is also open to submissions by scholars of other nationalities. The *Colombian Economic Journal* does not privilege any single conceptual approach to economic analysis; it hopes to reflect the diversity that is a basic characteristic of debate in the academic community of our country. A further purpose of the *Journal* is to expose the published articles to critical scrutiny by the international academic community in the belief that in the end this will improve prevailing standards for scholarly work in Colombia.

The first issue of the *Colombian Economic Journal* is a joint endeavour of the Faculties of Economics of seven universities —Nacional, Antioquia, Valle, Los Andes, Javeriana, Rosario and El Externado— as well as the Colombian Academy of Economic Sciences. The founding institutions consider that this is, by nature, a national project and other universities and research centres will be invited to participate in the preparation of future issues.

Colombia is probably best known abroad for its internal conflict. In a sense, the country embodies a paradox. It has relatively stable and serviceable political institutions (at least by Latin American standards); and its long term economic performance has been above the regional average. At the same time it is a clear outlier in regional and global terms where security is concerned. Crime rates (as measured by the homicide index) are among the highest in the world. Furthermore, insurgent groups have conducted one of the longest-lasting guerrilla wars in any region and available information seems to indicate that their numbers and military capabilities have not ceased to grow.

A lively debate about the causes and consequences of Colombian violence, political or lucrative, has ensued. The first article of the 2003 issue, by Boris Salazar and María del Pilar Castillo, addresses a question that is inevitable when large areas of a country are subject to the *de facto* government of rebels for long periods of time. What is the rational attitude of the local population towards insurgent groups? The answer is not obvious. However, using the tools of game theory (albeit informally) they suggest that it is simple: submit and serve. Their work would tend to confirm the Hobbesian logic of the relation between effective authority, no matter how despotic, and obedience on the part of ordinary citizens. The second article was written some years ago (in 1997) and it analyses the 1985-1995 period with some

historical excursions. Its author, Jesús Antonio Bejarano was assassinated two years later. He was one of the many innocent victims of Colombia's undeclared civil war. Bejarano was a public figure, equally critical of left wing guerrillas and their right wing equivalents (generally called "paramilitaries"). To this day it is uncertain which of these ordered his murder. Bejarano's essay includes a review of the literature that tried to explain tendencies in violence and crime during that period, with special emphasis on its impact on rural Colombia. Its line of argument is a prescient reflection on the direction the armed conflict would take in recent years.

A common problem in large cities of developing countries is urban transport. The American model of many automobiles coupled with a massive infrastructure of highways is both inefficient and inequitable. An alternative, a heavy mass transit system (undergrounds and the like), has been often tried, sometimes with disastrous financial results. This was the case of the "Metro" of Medellín, Colombia, built during the eighties. The paper by Juan Santiago Correa examines a previous and almost forgotten experience of an apparently now-obsolete technology in the same city during the first half of the 20th century, the tram. Correa combines urban and economic history to tell a tale where the construction of infrastructure, land development and elite politics are intertwined.

The previous articles rely on qualitative analysis, in contrast to the papers of Mora and Sánchez and Núñez, which use quantitative methodologies. Jhon James Mora's article is a variation on one of the basic themes of human capital literature: more education determines higher earnings in the labour market. He contrasts (using Colombian data) and confirms a corollary, that the demand for labour uses the culmination of each stage in education (attested by a diploma or a "sheepskin") to discriminate between the qualifications of those who offer their services. Fabio Sánchez and Jairo Núñez's work should be read in the context of another peculiarity of Colombian society: the rapid reduction of inequality between genders. In this aspect, Colombia has made more progress than most countries of equivalent socioeconomic development. Using household survey data, the authors document the relative improvement in the conditions of women and its impact on variables such as access to education and the labour market; one of their findings is that the gender gap in earnings, controlling for education, tends to fall over time. Sadly, differences between socio-economic strata are more resistant to change.

Fernando Tenjo and Enrique López, both of the Colombian central bank, offer an interpretation of what happened to the Colombian macroeconomy during the nineties. The purpose of this paper is to propose hypotheses derived from the analysis of the stylized facts of this period. They suggest that there are important

links between the behaviour of external capital flows (especially after the elimination of controls in the early part of the period), credit growth, prices in asset markets and the performance of the several sectors of the Colombian economy. While the authors did not attempt econometric verification of their conjectures, this paper opens the avenue for much further research.

The paper by Jimena Hurtado explores a foundational issue of economic theory from a standpoint of the history of ideas. Hurtado examines the treatment of rationality and risk in the work of Adam Smith, especially in the *Theory of Moral Sentiments*, and posits a new reading of his ideas in the light of Rousseau's work.

Homero Cuevas, following a line of research he has pursued during almost three decades, undertakes a critique of modern endogenous growth theory and sustains that many of its problems might be better approached with the premises and methods of the growth theory of classical economics. Cuevas outlines the structure that such a theory might have and sets forth a renovated research agenda for this field.

In their paper, Michael Martin and Timothy Taylor compare the technical and allocative efficiency of individual and collective production systems. Their work is based on field work in Honduras, where different agrarian reform programs allowed them to gather empirical evidence on the results of both mechanisms in otherwise similar contexts. They conclude, in line with ideas expressed over a century before by J. S. Mill, that shirking by workers is not necessarily a feature of collective enterprise.

The last article of this issue, by Germán Prieto, was written from the perspective of political science and reminds us that human decisions and interaction involve both interests and ideas. Prieto applies this frequently forgotten commonplace to the evolution of two regional integration schemes in Latin America (the Andean Community and Mercosur). Taking into account variables often ignored by economic analysis, Prieto's findings are useful for the understanding of apparently irrational (in a strict economic sense) reactions to globalisation that have become more manifest and, hence, more politically significant.

The *Colombian Economic Journal* is conscious that many of the points of view expressed by the authors of articles in this number are controversial. It welcomes the critical contributions of readers who may dissent from them.

The *Journal* is currently receiving submissions for its 2004 issue, which will be published during the second semester of that year. Instructions for the submission of articles may be found at the following web page: www.cej.unal.edu.co.