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# Trade and Employment in Developing Countries

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## 1 Individual Studies

Edited by

Anne O. Krueger,  
Hal B. Lary, Terry Monson,  
Narongchai Akrasanee

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# Trade and Employment in Developing Countries

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## 1 Individual Studies



## Trade and Employment in Developing Countries

- 1 Individual Studies
- 2 Factor Supply and Substitution
- 3 Synthesis and Conclusions

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Terry Monson, and  
Narongchai Akrasanee



The University of Chicago Press

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*(Resolution adopted October 25, 1926, as revised through September 30, 1974)*

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# Contents

	Editors' Preface	ix
1.	<b>The Framework of the Country Studies</b> Anne O. Krueger	1
2.	<b>Foreign Trade Strategies and Employment in Brazil</b> José L. Carvalho and Cláudio L. S. Haddad	29
3.	<b>Alternative Trade Strategies and Employment Implications: Chile</b> Vittorio Corbo and Patricio Meller	83
4.	<b>International Trade Strategies, Employment, and Income Distribution in Colombia</b> Francisco E. Thoumi	135
5.	<b>Alternative Trade Strategies and Employment in Indonesia</b> Mark M. Pitt	181
6.	<b>Trade Strategies and Employment in the Ivory Coast</b> Terry Monson	239
7.	<b>Trade Policies and Employment: The Case of Pakistan</b> Stephen Guisinger	291

<b>8.</b>	<b>Export Promotion and Employment Growth in South Korea</b>	<b>341</b>
	Wontack Hong	
<b>9.</b>	<b>Trade Strategy for Employment Growth in Thailand</b>	<b>393</b>
	Narongchai Akrasanee	
<b>10.</b>	<b>Alternative Trade Policies and Employment in Tunisia</b>	<b>433</b>
	Mustapha K. Nabli	
<b>11.</b>	<b>Uruguay: Alternative Trade Strategies and Employment Implications</b>	<b>497</b>
	Alberto Bension and Jorge Caumont	
	List of Contributors	529
	Author Index	531
	Subject Index	533

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# Editors' Preface

This is the first of three volumes emanating from the research project on alternative trade strategies and employment sponsored by the National Bureau of Economic Research. The basic question underlying the entire project has been, What links are there, if any, between a developing country's policies toward international trade and its ability to create enough jobs to employ its population? The question has many aspects, including as it does both policies concerning the trade and payments regime and also policies concerning domestic labor and capital markets.

A brief description of the history of the project and its organization is given in the introductory chapter. A first phase focused upon delineating research methods and concepts that could be used in the project. The second phase then entailed research on individual countries and their experience with trade strategies and employment in light of the methods and concepts that had been developed. A final phase entails an analysis of the findings that emerge from the entire project.

This volume presents the results of ten individual country studies that were undertaken in the context of a common framework of analysis (although flexible, given the different situations encountered with regard to policies and data).

Two subsequent volumes will deal with research findings, focusing upon supply response and factor substitution, and provide a synthesis of the project results. The countries covered in the project and in this volume are: Brazil, Chile, Colombia, Indonesia, the Ivory Coast, Pakistan, South Korea, Thailand, Tunisia, and Uruguay. Each author (or authors) was already knowledgeable about the circumstances of his particular country, and also about prior research and data availability, before the start of the project. Each was invited to undertake a study of the trade strategies-employment relationship in his country in the con-

text of the project. The editors believe NBER was fortunate in persuading such a highly qualified and competent group of authors to undertake the studies of the individual countries.

The United States Agency for International Development provided the major source of financing for the project. In addition, individual authors received support for their research from institutions in their home countries.

The country authors have contributed to the intellectual development of the entire project. In addition, researchers focusing upon particular aspects of the relationship between trade strategies and employment, whose papers will appear in the second volume, contributed greatly to the overall development of the project. We are indebted to Jere R. Behrman, James M. Henderson, Robert Lipsey, and T. Paul Schultz for their many valuable contributions, both in working parties of project participants and in commenting upon individual country studies.

Constantine Michalopoulos, Keith Jay, and Peter Allgeier of the United States Agency for International Development contributed valuable suggestions and comments at various stages of the research. Larry E. Westphal read and made extensive comments upon the entire manuscript once it was assembled. The manuscript is vastly improved thanks to his painstaking work.

Delma Burns, with the assistance first of Marlyn Hilario and then of Dennis Graves, was invaluable in typing the manuscript, assembling authors' corrections and comments, and generally coordinating the flow of information between the country authors and the editors. To all these individuals, we are grateful.

Anne O. Krueger, Hal B. Lary, Terry Monson,  
and Narongchai Akrasanee