

A peak or a plain? The evolution of the urban real wages in the Argentina's First Globalization (1898-1913)

¿Pico o meseta? La evolución de los salarios reales urbanos en Argentina durante la Primera Globalización (1898-1913)

Emiliano Salas Arón* 

Instituto E. Ravignani (Universidad de Buenos Aires)

ANALYTICAL SUMMARY

This paper presents a new data set on real wages of Argentina during the second phase of the First Globalization (1895-1914). We find an increase in real wages at the national level due to a larger increase of nominal wages relative to the cost of living, and from the increase in the participation of the skilled workers in the Argentinian labor force. At the subnational level, the data also suggest that there was a big leap in real wages. In terms of the evolution of real wages between 1895 and 1914, this paper sustains that the process of regional or provincial growth had a direct impact on the real wage evolution.

This information distinguishes it from other works on the topic, as long as it includes information of Argentine interior provinces, where the background was fragmented and limited. The methodology supposed an estimation of a data set on the nominal wages and the cost of living in the provinces. In fact, the national index was composed by estimating the weight that each province had on the total national workforce.

Also, another innovation of this paper is that it includes a category of semi-skilled workers. Some recent investigation revealed that these sectors grew at a very fast rate in the Argentinean labor market between 1895 and 1914. The methodology was a selection of two urban wages series. We included a category of unskilled workers (the construction workers) and a semi-skilled worker nomination (the administrative employees of the provincial states). The sources provided information on the nominal incomes and on the current prices in the provincial economies. The new data set on the cost of living allowed us to compare the purchase power of the nominal wages in the capital cities of the provinces in Argentina from 1898 to 1914.

It is important to clarify that the data that was used in this paper had limitations due to the source characteristics. Also, there can be distinguished an important flaw, due to the lack of information of the agrarian wages in this dataset. The weight of the workforce in the *hinterland* of Argentina was very high, representing a third of the workers counted by the 1914 national census. In a future agenda of investigation, the inclusion of the agrarian real wages can bring a more complete insight of the welfare and incomes purchase power of the Argentinean workers in the golden years of the export led economic model, during the First Globalization.

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* Corresponding author. Email: emilianosalasaron@gmail.com (Emiliano Salas Arón).