

State-led electrification. The role of the public sector in the electrification of the Chilean industry, 1939-1955

Electrificación dirigida por el Estado. El rol del sector público en la electrificación de la industria chilena, 1939-1955

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ANALYTICAL SUMMARY

This article deals with the modernization process of Chilean industry throughout the state-led industrialization period, 1939-1955. Several studies highlight the importance of technological modernization as an essential part of Latin American industrialization. In this process, industries tried to add the electric motor to the production process. However, between 1940 and 1960, Chilean utilities went through one of its worst crises, characterized by the stagnation of the expansion of its installed capacity. This crisis caused long restrictions on the electricity supply, concentrated in the provinces of Santiago and Valparaíso, which was the most industrialized area in the country. By contrast, substantial investments, made by State entities (CORFO and ENDESA), increased the electricity generation capacity in the southern provinces, allowing a sustained increase in electricity consumption.

Using data from the Statistical Yearbooks of the Republic of Chile, this research compares the industrial trajectory of two groups of provinces characterized by their industrial development, where the only significant difference between them was the availability of electricity: Santiago and Valparaíso, in central Chile; and Concepción and Ñuble, in the southern part of the country.

This article argues that the availability of electricity allowed industrial establishments located in the southern provinces to surpass those in the central provinces in terms of the adoption of the electric motor. This modernization process contributed to a greater increase in labor productivity in the southern industries than in those in the center of the country.

Our dataset contains several industrial modernization indicators disaggregated by industrial sector and province between 1939 and 1955. Among them, we highlight the number of workers for establishment, the number of motors and their power (both prime and electric ones), the production of each industrial establishment, their electricity consumption (considering whether it was self-generated or purchased from other companies), and the total cost of that purchase. The period analyzed begins with the creation of CORFO (1939), which gave rise to the role of the State in the electrification process, and ends in 1955, when the electrical interconnection of the main provinces of central Chile began. Before 1955, no electrical transmission between provinces was possible.

Finally, this research also demonstrates the importance of the public sector in the electrification process. Investment in electricity generation made by the public sector was decisive for the industrial modernization that took place in the southern provinces.