

GENERAL OVERVIEW

The Importance of the Agricultural Sector in the Development of the Country

As far as added value is concerned, the agricultural sector is currently the fifth most important productive sector in the domestic economy, producing a total of a little under 7.0% of the Gross Domestic Product (Table 1). Nevertheless, its share in the productive structure of the country has fluctuated as a result of the effects on the sector of the various shocks (both external and internal) that have affected the Chilean economy, as well as also of the effects of the thrust of both general and sectorial policies subsequent to the shocks.

Since 1961, the gross domestic agricultural product has suffered less swings than the overall GDP of the country, and, furthermore, it has experienced greater growth than the aggregate product in the five year period from 1986 to 1990 (8.0% versus 6.5% yearly average); notwithstanding the above, its share of the domestic economy fell from 8.8% in the first half of the decade of the sixties to 6.6% in 1993. Its importance on average in the period between 1961 and 1992 was 21% of the total GDP.

Its most flourishing period - the five year period from 1986 to 1990 referred to above - was characterized by a phase of expansion in the sector supported by a high real exchange rate, in which the largest growth was experienced by items destined for export, but where traditional agricultural products destined for the domestic market also experienced significant growth. During the course of the decade of the nineties, the growth rate of the agricultural sector has fallen sharply due to a significant reduction in the real exchange rate (16% between January, 1990, and July, 1993), to increased competition abroad, and due to marketing problems that have had a negative effect on products destined for export.

As far as the importance of the agricultural sector in generating employment is concerned, it contributes approximately 16% of all jobs in the country (Table 2); in other words, close to 760 thousand jobs, which is less than the 866 thousand jobs that it contributed in 1991. Over the last 25 years, employment in the sector has generally fluctuated between 16% and 31% of the total employment in the country.