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## **The great depression in Argentina, Brazil and Uruguay: revisiting vulnerabilities and policies**

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**THE GREAT DEPRESSION IN**

**ARGENTINA, BRAZIL AND URUGUAY**

**REVISITING VULNERABILITIES AND POLICIES**

Proefschrift  
ter verkrijging van  
de graad van Doctor aan de Universiteit Leiden  
op gezag van Rector Magnificus prof. mr. C.J.J.M. Stolker,  
volgens besluit van het College voor Promoties  
te verdedigen op 1 oktober

door

***Marcelo Esteban Gerona Morales***

*geboren te Buenos Aires, Argentina, in 1973*

klokke 10:00 uur

***Silvana María Sosa Clavijo***

*geboren te Maldonado, Uruguay, in 1976*

klokke 11:15 uur

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*For Esteban and Francisco, the engines of our lives, for the light of their eyes.*

*For our mothers, Lelis and Elsa, for everything.*



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# Foreword

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The structure of this work is as follows. In the introduction we the authors Marcelo Gerona and Silvana Sosa present the aim of the research, the hypothesis, the constituting elements of a new concept of complex vulnerability that we deem appropriate to analyse the experience of Argentina, Brazil and Uruguay (ABU) during the Great Depression, the sources of information and the methodology with the respective shortcomings. Then the rest of the text is divided in three parts. Part One includes the chapters concerning the conceptual and historical background of our research. Chapter II contains the conceptual framework that guides our work. Further in Chapter III we write about the historical framework of the Great Depression, with a special emphasis on Latin America, and making a link to the financial crisis that broke out in 2008. In Chapter IV we put Argentina, Brazil and Uruguay in perspective by comparing the economies and structure of commerce between the thirties and the period 2007-2010. Then, in Part Two we describe the situation of Argentina, Brazil and Uruguay before the crash in chapters V, VI and VII, respectively. Part Three constitutes the core of our research as in it we seek to analyse the complex vulnerability of the three countries, including political aspects (Chapter VIII), transmission of the crisis from the core (Chapter IX), the role of the gold standard ideology (Chapter X), the policies applied to mitigate the negative impact of the crisis (Chapter XI) and the influence of the patterns of complex interdependence that linked each country to the world-system (Chapter XII). In our Chapter XIII we make a link to the Financial Crisis of 2008 by comparing it with the Great Depression of 1929. Finally and always taking into account each of the elements that shape our concept of complex vulnerability, some concluding remarks are presented, focused on the experience of Uruguay as the smallest country, and applying a historical-comparative approach with the other two major neighbours.

In compliance with Leiden University's regulations, the text should be attributed as follows. Both co-authors jointly wrote the different sections of Chapter I (Introduction). In Chapter II (The conceptual framework), Silvana Sosa worked on the channels of economic transmission and the mechanics of the gold standard, whereas Marcelo Gerona tackled the section on power and interdependence and structural constraints. In Chapter III (The historical framework of the Great Depression) Marcelo Gerona wrote the first section mainly about national policies and the second regarding the failure of multilateral diplomacy, whereas Silvana Sosa addressed in Chapter III the experience of Latin America and the link with the Financial Crisis of 2008. Sections i) and ii) of Chapter IV were written by both co-authors, but Section iii) (testing the patterns of trade dependence) was the responsibility of Marcelo Gerona. From then on, the text regarding Argentina shall be attributed to Silvana Sosa, that on Brazil to Marcelo Gerona, and the remaining text concerning Uruguay, or wherever a comparison between these countries is made, shall be considered as a joint work of both co-authors. Consequently, Silvana Sosa is responsible for Chapter V, Section i) of Chapter VIII, various parts of Chapter IX, part of Section ii) of Chapter X, Section i) of Chapter XI and parts of Chapter XII. Marcelo Gerona wrote Chapter VI, Section ii) of Chapter VIII, various parts of Chapter IX, part of Section ii) of

Chapter X, Section ii) of Chapter XI and parts of Chapter XII. The remainder of the text, including Chapter VII, Section iii) of chapter VIII, various parts of Chapter IX, parts of Section ii) of Chapter X, Section iii) of Chapter XI, parts of Chapter XII and Chapter XIII, as well as the concluding Chapter XIV, shall be considered a joint responsibility of Silvana Sosa and Marcelo Gerona.