Productivity developments in El Salvador, 1990-2006, sectorial and alternative analysis.

Topic: Productivity Analysis I
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The study centers on productivity and its causes in El Salvador from 1990 to 2006 using as a conceptual structure to the Marxian theory of value and an input-output analysis. The productivity from this classical point of view can be seen as the reciprocal of the magnitude of the value of a commodity or market basket. That is to say, it depends on the efficiency of direct and indirect social labor that is required for manufacturing. It is in this sense that we introduce multipliers for total employment in this study. Marx, in Capital, determines the process of work is like a process between nature and man, where man puts his body into action to transform nature, where the factors that intervene in the process are: the work itself, objects, and the media. These are the causes that we compute in the analysis as a labor factor, working capital, and fixed capital. We begin with the input-output tables from 1990 to 2006. Using the multipliers for total employment and taking into account the market basket of final products, we determine the growth for each of the 43 sectors in the Salvadoran economy, as well as the global economy, which increases 2.9% for the analysis period, an evolution consistent with labor productivity which increases 3.6%. We arrive at the conclusion 1) the agricultural sectors are those that show fewer increases in productivity with respect to the industries. 2) The aggregate productivity has increased 2.9%, but 65% of this increase is due to savings in direct labor, that is to say, the increases in productivity are linked more strongly to savings in human employment than to savings induced by capital. 3) Technically, moreover, the analysis can be extended easily to calculate the contribution to productivity not only the pure circulating capital but also the fixed capital.