

	BAER & BRUTON
<p>What were the problems that ISI identified and tried to address?</p>	<ul style="list-style-type: none"> • Dependence on global markets • World Division of Labour (dependence on the production of raw materials) • Terms of trade • Dependence on single products makes economies vulnerable • Weak productive infrastructure • Lack of industrialization • Industrialization is more flexible and can absorb more labour • Lack of skilled labour • Low standards of living • Poverty as a structural problem coming from the dependence on agriculture and mining • Underdevelopment associated with lack of industrialization, structure of the economy • Low productivity growth
<p>What were the solutions (policies) adopted under ISI to address these issues?</p>	<ul style="list-style-type: none"> • Protectionist policies: tariffs, preferential treatment to strategic sectors • Non-tariff regulations • Loans for manufacturing and industrial sector • Lower interest rates for productive investments • Subsidies • Incentives to import capital goods and industrial materials (ERP) • Public investment in productive

	infrastructure
Which problems did they succeed in solving?	<ul style="list-style-type: none"> • Industrial growth (restructuring of the economy) • More diversified economies, less vulnerable to international market shocks • Infrastructural growth • Promotion of industrial employment • Improved the standard living: life expectancy, literacy, infant mortality • Economic growth
Which problems persisted despite ISI policies?	<ul style="list-style-type: none"> • Industrial growth is not enough to reduce overall unemployment • Exports never grew • Dependence on Global North continued in the form of technological dependence and markets • Research & Development and knowledge base remain weak • Innovation economies • No Productivity Growth
Which new problems were created by ISI policies?	<ul style="list-style-type: none"> • Increase regional concentrations of wealth • Higher inequality • Agricultural exports decline