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ON METHODOLOGY AND THE USE OF HISTORICAL STATISTICS

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IN RAISING QUESTIONS CONCERNING METHODOLOGY IN MY BOOK, *The Mexican Revolution: Federal Expenditure and Social Change Since 1910*, Professors Thomas E. Skidmore and Peter H. Smith have offered a reminder that statistics "do not speak for themselves." The authors of "Notes on Quantitative History" are to be commended for undertaking a lengthy article examining some long-standing problems which historians face in attempting to understand the Latin American past.

Their effort is industrious but, in my opinion, the criticisms of Skidmore and Smith are based upon a false assumption which leads them to misunderstand and misrepresent my work: they assume that all analysis of public expenditure must be made in economic rather than political or social terms. Thus, they are troubled by my approach, which tests political ideology and suggests some long-term social results of policy.¹ Given this difference in view, it would be pointless to try to correct all of the misinterpretation offered by the two critics; nevertheless, we may fruitfully examine several important issues. In developing this discussion, I do not mean to deprecate the importance of the need for analysis of methods; but I suggest that such analyses should be relevant to issues at hand.

Two major conceptual problems plague the critical analysis presented by authors Skidmore and Smith and serve to illustrate the invalidity of their approach. First, the authors have failed to realize that my book shows that historical statistics not only do not speak for themselves but must be interpreted in conjunction with other historical materials such as oral history, speeches, newspapers, records of legislative bodies, and contemporary accounts. In reviewing only the statistical portions of the book, the authors have confused, for example, social and economic *expenditure* with intellectual *periods* of social revolution and economic revolution. Thus the authors missed a major point of the work: periodization of the Revolution into epochs of political, social, economic, and balanced ideology in intellectual terms enables us to use figures on federal expenditure and social change as tests of presidential activity. In this manner we may see that intellectual periodization is frequently contradicted by statistical data: though Cárdenas raised social expenditure to a new high level, for example, he established the basis for transition to economic expenditure. Thus we must include other types of analyses if we are

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to characterize the Cárdenas era as one of "social revolution." Similarly, in order to discuss the emergence of the active state during the 1930's, we must discuss patterns in expenditure or change in the Poverty Index;² at the same time we must examine, for example, land and water policies of the Revolution.

The second conceptual problem deals with the very nature of historical statistics; Skidmore and Smith suggest analysis of some data for which time series are unavailable; also, they offer an extremely limited view of "investment." Here it is convenient to note that as we go back into time, we find fewer and fewer threads of data with which to develop time series which are consistent and comparable to data produced in our own day. In the Mexican case we are able to follow total budgets and actual expenditure (with breakdown into social, economic, and administrative categories) back into the nineteenth century.³ Because our focus in the book under discussion covers over sixty years, we are not interested in utilizing problematic data to make a study (as the two critics suggest) of "capital investment" in more recent times. Even if consistent figures were available for actual capital outlay since prior to the Revolution, however, it would be a mistake to analyze state policy in traditional economic terms which exclude such "social investments" as payment for teachers' salaries and public health services, especially when we are concerned with social outcomes of policy. Also, if we are to develop comparative studies of state budgetary policy for several countries in Latin America, it is important to note that while data on total expenditures generally are available in order to examine social, economic, and administrative policy, meaningful figures on capital investment may not be prepared even today (as in Bolivia) or are available only since the late 1950's (as in Costa Rica).

If the above examples reveal a limited conception by authors Skidmore and Smith concerning the nature of historical statistics and types of investment, examination of their assumption that the decentralized sector must be included in any study of Mexican state policy reveals striking unfamiliarity with an important aspect of history in not a few Latin American countries. While it is advantageous to know the total impact of the public sector on national development, we must make a distinction between that part of the public sector which can be manipulated by the central government as part of state policy and that part which is excluded from governmental control. Because this is a point developed at length in my book, *The Bolivian Revolution and U. S. Aid Since 1952*,⁴ there is no need to go into detail here except to note that my recent investigations in Costa Rica also point up today's dilemma of the autonomous sector: in the past certain agencies were created to make them independent of politicians who apparently had too much power, but in the

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present era politicians need greater power in order to develop and enforce national plans which are responsive to mass desires for social and economic improvements. Since the mid-1960's the central governments of such countries as Costa Rica, Bolivia, and Mexico have sought to regain a modicum of control over activity of the decentralized sector; nevertheless, steps taken to date have been weak indeed.⁵

We may note with interest that Skidmore and Smith have accepted statistics presented in my book without critical comment upon their reliability. Therefore, it is wise to recall that while figures on expenditure, for example, tell us a great deal about the actual thrust of state policy, they do not reveal how efficiently or honestly policy was carried out. (In this regard see discussion of "The Wastage Overhead Factor in Government Finance" in Appendix O of my Bolivian study). Perhaps because Skidmore and Smith have not realized that my Mexican study excludes the factor of government efficiency (and because, as we have seen, they confuse types of expenditure with intellectual periods), they have not only concluded that I directly linked Part I to Part II, but they have suggested the possibility of making tests which would explicitly relate expenditure to social change.⁶ Though we may not directly link federal expenditure to social change, we may make, for example, the following kind of observation: regardless of governmental efficiency (or of lag in investments, about which we know incredibly little), we may say that a period of "economic revolution" between 1940 and 1960 did not cause, as many have thought, stagnation in the decrease of characteristics of poverty shared by a large sector of the Mexican population, which hitherto has been studied inadequately.

With regard to the Poverty Index, though the two critics believe it gives a "reasonable indication of the standard of living in Mexico," they do not hesitate to suggest that figures on life expectancy and mortality from specific diseases might have been used as alternatives. This suggestion is made notwithstanding the fact that such information is gathered with sporadic efficiency and often on a voluntary basis, in contrast to census data which is gathered in concerted efforts on a non-voluntary basis.

In spite of such problems, however, my critics have done a service in pointing up issues which might be misunderstood by persons unfamiliar with either historical statistics or Mexican history; and we may hope that such discussion clarifies problems in research. Indeed, Skidmore and Smith have mentioned a number of problems that should be dealt with in numerous monographs and books. However, since historians have questions which political scientists and economists do not always answer (especially concerning the politics of state policy), I suggest that we develop our own methodology in history rather than follow slavishly approaches designed for other disciplines.

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NOTES

1. Skidmore and Smith (in notes 3 and 8) misleadingly compare my book directly to Wallich and Adler's economic study of El Salvador. If they did not have a fixed notion of how expenditure may be studied (there is, of course, no one method), Skidmore and Smith might have discussed, for example, Alan T. Peacock and Jack Wiseman, *The Growth of Public Expenditure in the United Kingdom* (Princeton: Princeton University Press, 1961). Though Peacock and Wiseman are concerned with economic rather than political policy, their study (like my work) concentrates on expenditure and generally excludes discussion of revenue and taxation matters.
2. In discussing expenditure and social change, Skidmore and Smith become enmeshed in a number of difficulties which may be exemplified by the following: First, they not only apparently are unaware that the political impact of central government may be every bit as important to national development as the relation of central government expenditure to GNP, but they fail to take into account the need to disaggregate GNP by sectors in order to make any meaningful statement.
Second, though they might have disagreed with my definition of "ideology" (pp. 40-41), for example, they reveal a careless reading of the book by claiming that the word is not defined at all, thus ignoring quotations of three authors who define the term (one of whom gives a dictionary definition).
Third, they do not realize that the functional accounting system developed in my Table 1-4 (which is very close to that used by several Latin American countries in recent years) is not simply an *intermediary* step between (a) traditional listing of expenditure by ministry and (b) analysis of capital expenditure, but (c) a necessary *alternative way of gauging state policy* because no single method will suffice for varying purposes of analysis.
Fourth, in order to prove that my interpretation steps "far beyond" the bounds of data *directly* measuring social change in the Poverty Index, they quote a sentence from my conclusion to the book (p. 277) which summarizes data *indirectly* assessing psychological benefits gained from the right to strike (p. 183) and land reform (p. 195).
Fifth, in all of their discussion of my Poverty Index they neglect to examine its meaning (p. xxvii):
Persons included in the index may exhibit several characteristics of poverty and yet have a relatively high income. Nevertheless, collectively speaking, the integration of the Mexican nation is greatly impeded by the persistence of a high level in characteristics of poverty. Social modernization, along with economic development, is required in order to raise general standards of living. The Poverty Index seeks to measure decrease in the collective level of social deprivation in Mexico at different historical times.
Furthermore, Skidmore and Smith apparently are unaware of difficulties in attempting to use personal income analysis or taxation studies for groups which are on the fringe of monetary economy.
3. In their text and interpretation relating to note 4, Skidmore and Smith suggest that presentation of actual expenditures in my book matches precisely data given by Rosas Figueroa and Santillán López. Such a suggestion is misleading because Skidmore and Smith neglect to add that simple total federal expenditure (given as an appendix without interpretation by Rosas Figueroa and Santillán López) is useless for purposes of analyzing state policy developed in my book. Whereas I compare disaggregated projected amounts with actual figures by ministry and functional category as well as percentage terms and standard pesos per capita, the latter authors not only make none of these analyses but give aggregate totals

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for only a limited number of years in order to mention outlay from an economic rather than a political point of view.

4. James W. Wilkie, *The Bolivian Revolution and U. S. Aid Since 1952: Financial Background and Context of Political Decisions* (Los Angeles: Latin American Center, University of California, 1969).
5. Requirements that the central government be made aware of budgeted and actual expenditure by decentralized agencies in Mexico and Bolivia have meant little in practice because, as in Costa Rica, each agency conducts its own audit and reporting generally is non-standardized. In the Costa Rican case, various officers of the central government are in disagreement about how many agencies even exist; and in Mexico, José P. González Blanco, the chief investigator who compiled the authoritative but incomplete figures on *projected* public sector investment, has remarked to this writer that even with presidential authority he could not persuade many of Mexico's several hundred autonomous and semi-autonomous agencies to open their files on projected amounts, let alone *actual* expenditure.
6. In the case of a test which Skidmore and Smith offer, their interpretation correlating the regional rank order of poverty level to change in the level itself is misleading because it disingenuously restates my view as if it were their own discovery; see my summary statement (p. 235): "Historically, the regions in Table 9-10 have maintained the same relation to each other in terms of poverty level." Furthermore, Skidmore and Smith ignore data in my Chapter 10 (especially Tables 10-1, 10-2, 10-3) which suggest that since 1926 Mexican federal expenditure has been devoted to regions with less rather than more poverty. Then, when neither expenditure nor the Poverty Index are mentioned in Table 10-10, Skidmore and Smith offer us the erroneous view that the table in question "makes an implicit effort to gauge the impact of one type of expenditure upon one component of the Poverty Index. . . ."

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