



## Julio López Gallardo (1941-2020)

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### Abstract:

*This obituary recalls the personal and intellectual trajectory of Julio López Gallardo, who recently passed away. A friend of the authors and this Review, Julio contributed widely to the literature on the development of Latin American countries, to Kaleckian models, and to structuralism. His main contributions concern the effective demand in the semi-industrialized economies, the different roles of fiscal and trade deficits in economic growth, and the structural role of the distribution of income on the development process.*

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On the 3<sup>rd</sup> of May 2020, Julio López Gallardo, one of the most distinguished Latin American economists, passed away. He was a wholehearted person, generous with friends, students and colleagues, and highly devoted to his wife, Judith Villavicencio – endearingly known as Pelusa – and to his daughters, Manuela and Antonia. His sophisticated education led him to have a large range of interests. Among them, literature, music and cinema intensely attracted his attention. His friends – us included – benefitted enormously from his passionate discussions on economics and these themes, and gleefully enjoyed his vivid sense of humour.

Julio was born in Osorno (Chile) on the 22<sup>nd</sup> of September 1941. After a long, rich, fruitful and rather complex itinerary, he became professor of economics at the Universidad Nacional Autónoma de México (UNAM) in 1979.

He took his first degree at the University of Chile, where he could benefit from the teaching of some outstanding representatives of Latin American Structuralism, including Raúl Prebisch, Juan Noyola, Celso Furtado, Aníbal Pinto, Osvaldo Sunkel and Pedro Vuskovich. Then, he left Chile with his wife Pelusa. They went to Poland, where both took their doctorates at the University of Warsaw. Julio had Michal Kalecki as his supervisor, but he also was in close



contact with Ignacy Sachs. In Warsaw he had to share with Kalecki some difficult moments and, at Kalecki's request, he had to be hosted for one academic year by Sylos Labini at the renowned Institute of via Nomentana of the University of Rome.

After receiving their doctorate degrees in 1969, they returned to Chile. The following year, with the *Unidad Popular* having won the elections, Salvador Allende assumed the Presidency. Julio advised the government on the design and implementation of economic policy. At the same time, he worked at the Department of Study and Planning of the Copper Corporation and taught at the Universidad de Concepción and at the Universidad de Chile.

When the military coup destroyed the democracy in 1973, Julio went underground, hiding for some time at the house of relatives of his wife. In 1976 he had to flee the country and went to Venezuela, where he worked at the Department of International Economic Studies of the Foreign Trade Institute. In 1977 he moved to Cuba and was joined there by Pelusa and their young daughters. All this time, Julio was continuing an active militancy against the Latin American dictatorships, leading him on some occasions to go back to Chile for dangerous missions. In 1978 the López-Villavicencio family left for Mexico, eventually settling there. Both Julio and Pelusa got prestigious academic positions and, after some years, the whole family acquired Mexican citizenship.

When Julio arrived at UNAM he had already acquired a remarkable human and professional experience. Important teachers belonging to critical, but not always homogeneous, traditions had influenced his background. Kalecki was the major point of reference, but Julio had strong roots in Latin American structuralism too. His impressive open-mindedness allowed him to combine different interests and approaches. He was deeply interested in the history of economic thought and, at the same time, he was firmly committed to reconciling Kaleckian and structuralist economic analyses. On top of that, he had a solid expertise in applied economics and in economic policy design, on account of his previous professional experience. He made an outstanding contribution to the teaching and research activities of the Faculty of Economics of UNAM, training a large number of students who then proved successful in academic and professional life.

Julio had enthusiastic discussions with his colleagues and always showed a desire to learn something new. Even in the latest years he was delighted to read the work of his friends and colleagues, particularly and even more so on subjects of which he had limited experience. This certainly was one of his major strengths as an economist and as a human being.

With this intellectual background and these personal characteristics, he made a great number of contributions to different aspects of the economic discipline. More than 100 essays were devoted to theoretical and applied problems, published in major journals.

The reconstruction of Kalecki's theories is at the centre of his work. Julio was particularly concerned with integrating Kalecki's growth analyses with those of the Latin American structuralists regarding the working of semi-industrialised economies. Julio's writings on how the external constraints of Latin American economies impose domestic adjustments that limit growth can be seen as a major reference for the study of macroeconomics in emerging countries (see López Gallardo and Ruiz Durán, 1990; López Gallardo, 1991a, 1993, 1998).

Julio's reconstruction of Kalecki's theories also led to some comparisons with those of Keynes and of some authors of Latin American structuralism (see López Gallardo, 1991b, 2002b, 2008b, 2018; López Gallardo and Mott, 1999; López Gallardo and Assous, 2010). Through this work, Julio renewed Kalecki's theories in order to make them more useful for the

interpretation of the evolution of the Mexican and the Latin American economies and for the design of policies adequate for these countries.

The theories of the different components of effective demand are examined in detail, suggesting how to design policies for Latin American economies that are able to increase the degree of capacity utilization and to improve employment performance and income equality (see López Gallardo, 1997; López Gallardo and Mántey, 1999; López Gallardo, 2000, 2004; López Gallardo and Cardim de Carvalho, 2008; De Jesús Romo and López Gallardo, 2019). In some cases, the same approach is used in his oeuvre to deal with other economies, like Korea, Spain, Russia, France and the Eurozone (Bracho and López Gallardo, 2005; López Gallardo, 2006; López Gallardo, Sanchez and Assous, 2008; De Jesús Romo and López Gallardo, 2019; López Gallardo, 2020).

The theories of distribution of the Post Keynesian tradition were also analysed (López Gallardo, Puchet Anyul and Sanchez, 2000; López Gallardo, 2005; López and López Gallardo, 2006; López Gallardo and Malagamba-Morán, 2017; De Jesús Romo and López Gallardo, 2020), restored and applied to the Mexican and the Latin American economies, moving forward from the original contributions of Kalecki and Sylos Labini.

Another important theme in Julio's investigation was the effect of trade and financial liberalisations on emerging economies. He studied the Mexican financial crises of 1982 and 1994, the evolution of Mexico's exports, particularly those to the USA after the introduction of NAFTA (North America Free Trade Agreement), and the effects of the export-led growth model on industrial structure and employment. In several essays he highlighted the failures of the market reforms cum trade liberalisation, and the need to strengthen the design of economic policy to improve the welfare of the population (see López Gallardo and Sánchez, 2000; López Gallardo and Cruz, 2000; López Gallardo, Moreno-Brid and Puchet Anyul, 2006; López Gallardo and Perrotini, 2006; López Gallardo and Sánchez, 2008; López Gallardo and Valencia Arriaga, 2015).

Following the tradition of Latin American structuralism, Julio also devoted attention to industrial structure, to agriculture, and to the inflation theory based on autonomous increases of production costs and social conflicts (López Gallardo, 2002a; López Gallardo and Mansilla, 2007; López Gallardo and Valencia Arriaga, 2019), making proposals on how to design sectorial policies to boost long-term economic development.

In all these essays, Julio was able to integrate his deep theoretical knowledge with a competent up-to-par econometric handling of statistical information (López Gallardo, 2008a). His skills in both areas allowed him to renew the theoretical knowledge he had gained from his teachers through the lenses of his empirical investigation. Central aspects of the Latin American structuralist tradition have so been refined, highlighting its potential as an analytical tool capable of interpreting the problems of emerging economies. The refinements related to the bottlenecks in industrialization processes, the different roles of fiscal and trade deficits in economic growth, and the structural disequilibrium origin of inflation.

Those who had the good fortune to be in contact with him will certainly miss Julio, the brilliant economist and the kind man, with a warm and sympathetic attitude, love for his family and always open for stimulating discussions on economics, literature and cinema, and the personal concerns of his friends. *¡Hasta siempre!*

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