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Note: The Spanish edition of CEPAL Review No. 13 contained, in addition to the above articles, an article by Mr. Sidney Dell. This was of a preliminary character, however, and it is planned to publish an abridged new version of it in English in the near future.

Towards a social and political dimension of regional planning

*Sergio Boisier**

A large proportion of the Latin American countries have sought and are still seeking to incorporate into their development plans and the design of their economic policies elements whereby they seek to correct or minimize some of the most obvious internal disparities in growth rate, well-being and modernization between the various areas or regions which make up the nation.

A by no means negligible fund of experience and theoretical and methodological proposals has been built up in this field, although it is of course not exempt from errors, problems, and even partial signs of exhaustion. At the same time, however, the growing need to modify the systems of government and internal administration of the countries makes it increasingly clear how useful it would be to have a regional structure capable of overcoming the rigidities typical of provincial systems inherited from a now-distant past. Thus, there are contradictory tendencies depending on the points from which regional development is viewed: some degree of crisis as regards the planning of regional development, but the growing validity of a basic component of the latter, namely, regionalization.

The author begins by making an analytical review of Latin American experience in regional development planning, with special attention to the theoretical, methodological and operational problems raised by the transition from a control approach directed at specific regions to an approach aimed at the control of multiregional national systems. In the final part of his article, the author postulates the need to consider regional development planning in three dimensions—the economic, the social and the political—in order to maximize its contribution to the process of social modernization of the Latin American countries.

This work was originally prepared, under a different title and with a somewhat more extensive thematic development, to serve as one of the reference documents for the Seminar on National Regional Development Strategies held in Bogotá in 1979, of which ILPES was one of the co-organizers.

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I

Introduction

All the Latin American countries to a greater or lesser extent face the problem—sometimes explicitly and sometimes implicitly recognized—of converting societies typified by considerable degrees of heterogeneity into something more homogeneous. This is a fundamental part of the process of national construction, a process dealt with in different forms and with different intensities according to the different ideological and political schemes.

In the progress—slow, rapid or revolutionary—from a highly heterogeneous society to a more homogeneous one, certain more visible aspects or manifestations of this heterogeneity are normally given more attention: for example, the distribution of income among persons or sectors, differentiated access to collective social services, the similarly differentiated capacity for participation in political processes, urban-rural disparities, etc.

Some time ago—a couple of decades back—it began to be recognized, although not very formally, that some of the dimensions of social heterogeneity are connected with geographical space, and consequently, tackling the problem necessarily involves dealing with variables defined in territorial terms. This has led to growing interest in the design of spatial policies. In the words of Alden and Morgan: "The contention is that an individual's life chances and opportunities for self-realization vary not only with location in the social structure, but also with location in the spatial structure. If this is accepted then it follows that spatial policy may contribute to the achievement of social equity, and more fundamentally that the achievement of social equity ultimately requires policy and action addressed to the spatial structure" (J. Alden and R. Morgan, 1974).

This progressive recognition of the interaction between spatial and socio-economic structures and between the respective processes of change has had at least three types of consequences. Initially a strong tendency—still extant—emerged to identify *regions and multiregional systems*, as a means of expressing in territorial terms some of the heteroge-

neities characterizing developing societies;¹ for example, the *regional partition* of countries has very frequently been used to demonstrate a dimension of the problem of regression in distribution, by quantifying the *disparities in income between regions*. On the other hand, with something of a time lag, the same cognitive process has led to various attempts to *regionalize economic and social policies* or else in more ambitious schemes has given rise to various attempts genuinely to *integrate* a regional dimension into the very design of development plans and policies. In both cases, there is basically an effort to avoid the design and implementation of homogeneous, comprehensive or aggregate policies which by their very nature, are ineffective for dealing with situations of great heterogeneity, in which such policies simply do not reach certain focal groups. Lastly, as a natural consequence of the above processes, it was sought to *create an institutional apparatus*—in very different forms—capable of carrying on the administration of regional development programmes, both of national scope and of geographically more limited scope.

Gradually, then, many of the elements which typify or define a planning situation were taking shape, i.e., substantive knowledge,² a planning procedure or process, a set of agencies responsible for designing and implementing plans and policies, professionalized agents and discretionary machinery for resource allocation.

In its formal aspects, regional planning in Latin America reached its height probably in the ten years between the mid-1960s and the middle of the following decade.

At the present time a process of readjustment may be observed between the field of application, concepts and instruments of regional planning and the form in which these elements are structured in practice, in action.

¹This does not mean that the so-called industrialized or developed societies are free from heterogeneity, but obviously it is less acute in their case.

²In the sense in which Faludi uses this term in his analysis of substantive theory and theory of planning procedures. See A. Faludi, *Planning Theory*, Oxford, Pergamon Press, 1973, Chapter I.

In Latin America, as in other parts of the world, this is not the first time that such a situation has occurred; a similar professional crisis was experienced between the late 1950s and the early 1960s, when the 'fit' between what was visualized as "the regional problem" and the response then prevailing (the planning of specific regions, or as it is currently known, intra-regional planning) was called in question. The process of adjustment at that time first and foremost determined a change in scale in regional action: there was a move towards the planning of a national system of regions or to what is known as interregional planning. Naturally, the change in scale also implied certain changes in the particular concepts and instruments of the profession, but this was rather secondary. The actual bases of the rationale of regional action were not questioned.

A great deal of literature has been devoted to reviewing this early process of adjustment. The Latin American Institute for Economic and Social Planning has published a study (ILPES, 1977) reviewing this question and giving details of some outstanding examples—at the Latin American level—of experiences of regional planning moulded on both the first and the second phases discussed.

Unlike the situation at the beginning of the 1960s, the very concept of the regional development strategy is now being questioned and consequently both the objectives of regional development and the means or policies used to date are being revised. This is what is behind the present polemics between the so-called "from the centre down" and "from the bottom up" paradigms.³ These alternatives refer to regional development styles and strategies in which, in the first case, the regional development policies show marked centralist characteristics and are based on large-scale processes which are predominantly urban and highly selective from the territorial point of view, while in the second case, the regional development policies are generated in a decentralized form and consequently are more directly associated

³See W. Stöhr and F. Taylor (editors), *Development from Above or Below?: A Radical Reappraisal of Spatial Planning in Developing Countries*, London, J. Wiley and Sons (forthcoming).

with regional resources and the scales appropriate to each region, and thus offer more opportunities for the participation of the local population. The above-mentioned book by Stöhr and Taylor contains the most up-to-date discussion on both types of paradigm. This process of revision is not, of course, independent of the more general question associated with the international discussion on development, growth, distribution, styles, basic needs, etc., and reflects from a more restricted angle the present dissatisfaction with the social achievements of the current development models.

Despite the crisis, which is not unrelated to the general crisis in planning which may be observed in Latin America,⁴ there are well-founded reasons for maintaining that an adequate regional development policy is a more than significant component of the economic,

social and political modernization efforts being made by the Latin American countries and that an effort of reflection and innovation as regards alternative forms of tackling the regional question is therefore justified. We shall return to this later.

In the following paragraphs, some aspects of the Latin American experience in regional planning will be reviewed first, with emphasis on squaring the difficulties of a theoretical, methodological and operational order which appear when this experience is analysed. Next, the role which this activity could play in the economic, social and political development of the Latin American countries during the next decade will be discussed, as a thesis, and lastly some suggestions will be put forward for helping to make regional development policies more functional in terms of the situation of the Latin American countries.

II

Latin American experience of regional planning

1. *The origin of this activity*

The experience of regional development in Latin America covers nearly forty years. In his review and analysis of the regional development programmes existing in Latin America at the end of the 1960s, Stöhr identifies more than sixty such programmes of different types (Stöhr, W. 1972). In view of the great variety he has identified, the possibilities of establishing a typology are very extensive, but for the purposes of grouping these programmes in significant categories the practice followed here will be initially to separate these experiences into those aimed at specific regions (intra-regional development programmes) and those aimed at the development of a national system of regions (interregional development programmes), with the subsequent introduction of further considerations which make it possible to differentiate

between the several final objectives pursued by both types of programme.

“As from the 1940s continuous references to regional development began to appear in Latin America. In professional and academic circles closely linked with practical planning, which at that time was still the subject of demands by the technicians to the politicians, the needs for regional development was put forward in many Latin American countries. Although “regionalist” concepts were not formulated with any precision, there is no doubt that this was a current of technical opinion which favoured inward-directed development based on consideration of the needs of the regions within the countries. The movement therefore had a double nature, in that on the one hand it may be interpreted as a particular form of doctrine linked in some way, although possibly not in an entirely rationalized form, with nationalist development trends, while it may also be understood as a normative-type theory of economic and social development of territorial ap-

⁴See C. de Mattos, “Plans versus planning in Latin American experience”, *CEPAL Review*, No. 8, 1979.

plication. In fact, these two general characteristics, one political and the other technical, appear to be implicit and to be merged in a general and poorly defined idea of regional development" (Neira, E., 1976).

During what may be called the first era of regional planning in Latin America the most usual response to specific development problems, but most particularly the problems of underdevelopment and lack of development, consisted in delimiting a "problem region" and preparing for that region proposals aimed at solving its individual problem.

In terms of a broad-based conceptualization of the categories "centre" and "periphery" it can be seen that the great majority of the so-called regional development plans, programmes or projects constituted activities promoted by the social and economic forces of the "centre" for the purpose of exercising different forms of control—both economic and political—on specific peripheral regions. The identification of a "problem region" and its consequent problems stemmed more from the viewpoint of how a given situation actually or potentially affected the interests of the centre than from a standpoint more closely linked to the integral development of that region (or another). In fact, in some experiments, which are noteworthy for their massive use of resources, the "problem region" identified was far from being in the first place a region, and secondly from having a significant (social) problem. On the other hand, the "region" was assumed to be able to contribute significantly to the growth of the production apparatus of the centre.

Within the category of programmes aimed at a specific region, therefore, it is possible to distinguish a first type of action typified by two characteristics: (i) it is fostered by the centre and (ii) its objective is to exploit natural and/or energy resources. This form of regional development is characterized by the stress laid on enhancing the value of resources not incorporated in the economy and, obviously, located in a peripheral region. The intervention of the centre is not ultimately aimed at the development of the region, taken as a spatial, economic and social entity, but at taking advantage of its natural and energy resources to maintain the

activity of the industrial apparatus of the centre, and/or expanding the economic base of the nation so that the economy as a whole will be less dependent on a small number of export activities.

In such circumstances, regional development, in the sense of a broad-based process implying the modernization of the region's spatial, economic, social and political structure, comes to be considered as a desirable subproduct, but not as an actual aim of the centre's action: if in the end it does not occur, this does not invalidate the centre's action, which was based on a different motivation. In its most concrete expressions, now as in the past this type of regional development takes the form of operations in river basins, intended to exploit or regularize navigation, hydroelectric energy and raw materials. The archetype of these experiences is probably the development programme of the Guayana region of Venezuela.

Within this same category of programmes directed at a specific region, a second important type of activity may be distinguished, characterized by: (i) its promotion from the centre and (ii) its objective of economic domination. Some of the most quoted and apparently most successful examples of regional development actually correspond to situations in which the centre was successful in imposing its domination on a peripheral region. For the purposes of this analysis, the "exploitation" of a region's natural and energy resources and "domination" are two processes of different complexity where the latter may include the former. The "domination" of one region by another is understood as a situation in which the dominant region conditions the economic development of the other in such a way that this development actually functions better for the interests of the dominant region (centre) than for those of the dominated region (periphery). This presupposes the co-opting of the peripheral élites.

Domination does not mean—not necessarily, at least—curbing the economic *growth* of the region which is in a subordinate position. On the contrary, domination normally will mean stimulating the industrialization of the region in question and in some cases the measurement of quantitative results as regards

industrial diversification, employment generated, productivity, etc., leads to the identification of these results with the "success" of a specific regional development programme. This attitude, however, passes over the fact that the net result of all these policies represents a subsidy to the development of the centre, paid for by the dominated periphery. As is well known, the case of the Northeast of Brazil falls partly within this category, and the net transfers of the Northeast to the Centre-South region have been thoroughly studied.⁵

It should, however, be recognized that even at the purely theoretical level it would be difficult to conceive of the existence of a regional development programme directed at a peripheral region which did not in some form benefit the "centre", particularly when such programmes are conceptually located within the mould of the "from the centre down" paradigm. But what is in question is not of course the absolute benefit to the centre, but the relative distribution of such benefits between the centre and the region dominated.

Although the two forms of intra-regional development described have been those of greatest importance (judging from the amount of resources involved) it is no less true that, still from the standpoint of programmes receiving their impetus from the centre, various other forms of regional development are to be found in Latin America. For example, the overriding objective of some programmes known as regional development programmes has been to ensure the political control of some regions. On such occasions the action of the centre stems from the need to maintain the political and institutional order threatened by the demands of movements generated by the deplorable living conditions existing in certain parts of the periphery. It is, for example, possible that the efforts made in the Northeast of Brazil have been a political response to the stormy peasant movement of the late 1950s.

On other occasions, the regional development programmes aimed at specific regions

⁵Outstanding among a number of other studies is the pioneer study of Baer. See W. Baer, *Industrialization and Economic Development in Brazil*, University of Yale, Irving Inc., 1965.

have emerged as a consequence of the need to rebuild areas affected by natural disasters, while in others the programmes have originated in geopolitical and national security considerations, being directed in such cases at the development of frontier areas.

2. *The reformulation of the 1960s: from intra-regional planning to interregional planning*

A mixture of factors of a technical and a political nature led, during the early part of the 1960s, to a significant change in the manner of approaching the regional question in Latin America. As an ILPES document says, "It is no coincidence that the appearance of the 'national' approach to regional planning in Latin America should have occurred precisely in the 1960s, for it was in this decade that 'inward-directed' development entered on a new phase of structural and technological change in the industrial sector, associated with a rapid change in patterns of consumption and the location of the corresponding markets, which were now still more concentrated at the national pole" (ILPES, 1977). This process made regional disparities even more acute and helped to give a "national" slant to this problem, thus generating the necessary political conditions for tackling development and regional planning more comprehensively.⁶

At least two important factors of a political nature (not necessarily independent of each other) may be observed in various Latin American countries in the 1960s, which have made a powerful contribution to the emergence of regional planning on a national scale.

On the one hand, a change was to be seen in the structure of the social forces which served as the main support of the governments of some countries. In such cases the governments no longer represented the interests of the

⁶Alan Gilbert, in his book *Latin American Development* (Penguin Books, 1974), affirms in this regard that the establishment of regional development agencies in Chile, Brazil and Venezuela closely followed the election of political parties which had been associated with the idea of administrative decentralization and regional growth: i.e., the governments of Frei in Chile, Kubitschek in Brazil and Betancourt in Venezuela.

urban-industrial groups (or at least did not represent them with the same intensity as in the immediate past), nor those of the groups of rural land-owners.⁷ The basis of support was now rather to be found in the sectors of the industrial and agricultural proletariat and in the more intellectual middle-level groups which were more in favour of social change. This was the case of governments such as those of Frei in Chile, Torres in Bolivia, Velasco in Peru, Caldera in Venezuela and Torrijos, in Panama, *inter alia*.

On the other hand, during the same period economic growth began to be questioned as an absolute objective of development efforts and greater emphasis began to be given to the problem of redistribution, or at least redistribution began to be perceived as compatible with growth. This is indissolubly linked with the first-mentioned factor: i.e., the new political "clientèles" called for more participation in the distribution of economic benefits and also in the decision-making processes.

Government response sought to channel and disperse these pressures, so as to turn them away from the central State apparatus; one way of achieving this objective was to offer an intermediate level—regionalization and its institutional apparatus—in which some claims would be watered down and others made viable.

From another standpoint, and as a reflection of the "planning" climate of the 1960s, new dimensions were being sought for State management to favour the professionalization of regional planning and create the conditions for substantive progress in technical knowledge of regional problems. This led, for example, to recognition of the importance of *inter-regional relations* (both of domination-dependence and of economic flows) in explaining the relative situation of the different regions of a country and led to the conviction that the problems of one or more particular regions could only be solved in the broader context of the phenomena linking together the entire system of regions.

At the same time, the influence of the sys-

tems theory and analysis was felt on regional planners. This led to the consideration of each region as an open system inserted in a larger system, namely, the group of regions, and this gave even more emphasis to the question of interregional relations, with the result that processes of interregional planning conceived as part of the general systems theory were designed. The most conspicuous example of this trend is the wellknown book by Hilhorst (Hilhorst, 1971), and to a lesser extent the study by Chadwick (Chadwick, 1971).

Naturally, the change in scale which began to occur in the scope of regional planning in Latin America was also nourished by observation of the trends in force in this regard in some European countries, notably France and the socialist countries.

The fact is, as Alayev says, that in 1965 the recently created National Planning Office of Chile formulated a national regional development policy for the first time in Latin America (Alayev, 1978): an example which was soon to be followed by the majority of the countries in which the regional problem began to emerge as a matter of "national" import.

In the case of regional planning at the national level (interregional planning), different forms may also be distinguished, depending on which groups bring pressure to bear in favour of these schemes and the real interest pursued, transcending the mere labels. The case of Chile clearly illustrates this fact: the national regional development policy carried on under the government of Frei (1964-1970) and Allende (1970-1973) is completely different from the present one, although this does not mean that the latter is not also a national regional development policy.⁸

In some examples of national regional development policies the pressure in favour of introducing a scheme of this nature finds its origins in the periphery's own social forces, which, as was indicated above, become

⁸For an appraisal of the case of Chile see S. Boisier, "Continuity and Change: A Case Study of Regional Policies in Chile", in W. Stöhr and F. Taylor (eds.), *Development from Above or Below? A Radical Reappraisal of Spatial Planning in Developing Countries*, John Wiley and Sons (forthcoming).

⁷This division is artificial in many cases.

through political processes the government's main forces of support. Generally speaking, the main objective of interregional development programmes which originate in this way is national integration. Chile and Peru, in their day, were perhaps the most outstanding examples of this type. In other cases the national regional development policy receives its impulse from the "centre"—as in many of the intra-regional examples—with aims such as bringing into play all the potential (natural and human) resources of the country so as to speed up its growth to the maximum, or with objectives directly inspired in the doctrine of national security.⁹

3. Methodological implications of the change

The passage from intra-regional to interregional planning had important methodological implications.

In the first place, it was necessary to construct macroeconomic frameworks or models into which the national regional development policies could be inserted. Gruchman has used the following classification of the different quantitative macromodels tried out in various countries: (a) comprehensive systems of sectoral and regional projections; (b) Klaasen-type models of industrial location and attraction; (c) models for interregional investment programming, such as the Rotterdam and Warsaw models, and (d) comprehensive models of indicative (France) and normative (socialist countries) regional planning (Gruchman, 1976).

It was the construction of the macroeconomic models which gave impetus, on the regional planning side, to the design of multilevel planning processes which simultaneously seek the identification of decentralized decision-making procedures (between a central body for regional planning and the corresponding regional agencies) and a method capable of guaranteeing the compatibility of the group of decisions as a whole. It must be acknowledged that far more progress was made

from the sectoral standpoint than from the regional point of view.¹⁰ Since the Rotterdam model (L. Mennes, J. Tinbergen, G. Waardenburg, 1969) may be considered as a regional programming model integrated into a multilevel planning system, it should be noted that in the case of Latin America, only in Mexico and Chile was an attempt made to develop multilevel planning with a regional component (ODEPLAN, 1968; Carillo-Arronte, 1970).

The same effort to build macromodels for regional planning generated a new demand for regional statistical information, leading to the establishment of embryonic regional information systems which reached different levels of development in different countries. At all events, the question of information for regional planning came to constitute a preferential area of study and work and imposed specific methodological requirements as regards the generation and processing of regional information.¹¹

Another methodological consequence of the transition from intra-regional planning to interregional planning consisted of a gradual increase in the degree of centralization in handling the regional planning process, despite the decentralizing trend incorporated in the idea of multilevel planning and also despite the declared objective of using the control of regional development as a means of decentralization in decision-making. To some extent this process was inevitable, if it is taken into account that the still current conception of regional development came completely under the "from the centre down" paradigm. Moreover, the shortage of technical personnel for equipping each region and the stress laid by interregional planning on questions of consistency and compatibility between, for example, the different goals of regional growth, inexorably led to the design of highly centralized processes. Stöhr's book on regional planning in Latin America is particularly illustrative in this

⁹Chateau, J., *Geopolítica y regionalización. Algunas relaciones*, Latin American Faculty of Social Sciences, Santiago, Chile, Working Document No. 75/78, 1978.

¹⁰The theoretical principles of multilevel planning are mainly to be found in Kornai (1967). A broad sectoral application, to the case of Mexico, is to be found in Goreux and Manne (1973). A proposal for regional implementation is to be found in Boisier (1976).

¹¹See for example A.R. Kuklinski (ed.) *Regional Information and Regional Planning*, The Hague, Mouton Publishers, 1974.

respect. Another author comments that to date the decentralization of decision-making has generally appeared as a passive component of regional development policies. This means that it has followed the changes in the economic importance or social structure of the regions, but little use has been made of it as an active or strategic element for regional development or social change. First of all, because little is known of the relevance of the delegation of decision-making for stimulating socio-economic development, and secondly because unless it can be kept within bounds and adequately controlled, it may endanger national unity or lead to the replacement of the established central authority (Pichardo, 1976).

This situation has not only caused frustration on the part of the regional communities, but also a legitimate counter-reaction, which constitutes one of the basic elements in the present regional planning crisis.

Another important matter from the methodological point of view relates to the progressive development of strategic regional planning processes which accompanied the boom in regional planning at the national level, although it cannot be considered exclusive to this field of planning.

The concept of "strategy" was introduced into the terminology and practice of Latin American regional development through a simplistic interpretation of the concept.¹² In effect, the strategic procedure was understood not as a stochastic planning procedure in which the assessment of alternatives and the reactions of the milieu play a determining role, but only as an artifice to avoid the quantification presumably inherent in a plan; the strategies continued to be as normative as the most orthodox plans.

Despite the faulty introduction of the concept, the idea of a national regional development strategy continued to be improved as an alternative to the normative procedure.¹³

¹²This can be clearly seen in the first official documents on regional planning in Chile (e.g., *Estrategia para el desarrollo de la Región del Bío-Bío*, ODEPLAN, 1966), in which the strategy merely proves to be a qualitative plan.

¹³See Panama, Ministry of Planning and Economic Policy: *Estrategia para el desarrollo regional a mediano y largo plazo*, Panama City, 1976.

This development was associated with a more systematic review of substantive theory on regional development, which showed up some serious shortcomings existing in this field. The application of a strategic procedure obviously requires a positive theory which enables causal relations to be identified, but it is less demanding in terms of a normative theory. The application, however, of a normative planning procedure demands as a condition the existence of a *normative theory*: in turn, the existence of a normative theory presupposes a well-structured *positive theory*, and this does not seem to be the case in (inter) regional development. In fact, as regards the positive (substantive) theory, there is a partial body of knowledge capable of explaining how space is structured (basically the spatial organization theories of Losch and Christaller); there is also a partial body of knowledge capable of explaining the different processes of change of the spatial structures (the so-called theories of regional growth), but knowledge of how these processes are linked is still incomplete,¹⁴ and it is therefore difficult to speak of a complete positive theory and hence of a normative theory. *Vis-à-vis* an incomplete knowledge of how to mould reality, the strategic planning process is clearly advantageous from the standpoint of risk management.

Regardless of whether strategy or plan was used, the effort to control the entire system of regions led to the need to establish clear regional priorities, in view of the impossibility of earmarking significant resources for all regions. Generally speaking, the implicit or (much fewer) explicit criteria for assigning interregional priorities have been eminently economic and preferential attention has been given to seeking a situation of relative balance between the safeguarding of global economic growth and the objectives of deconcentration and decentralization. In professional jargon, the majority of the strategies favoured an option of "concentrated deconcentration" in a region or in a few regions.

¹⁴Part of the difficulty—in the case of Latin America—lies in the difference in the validity of the traditional theories of the organization of space versus the regional growth theories.

It may be noted that a strategy of "concentrated deconcentration" within the framework of the "from the centre down" paradigm is based on at least two assumptions: *firstly*, on the possibility of identifying spatial subsystems sufficiently differentiated from each other, and *secondly*, on the possibility of reproducing, within such subsystems, relations of domination-dependence similar to those observed at the national level, as a way of boosting economic growth. In turn, these assumptions are indissolubly linked to the entire conception of *polarized development*. This means that an additional methodological consequence of the change of scale mentioned above consisted of the revitalization of the concepts and instruments pertaining to the theory of polarized development.

This in turn had two effects. On the one hand a very intense and fruitful debate took place in Latin America at the beginning of the 1970s on the validity of the theory and the strategies of polarized development.¹⁵ It is partly the result of this discussion which allows Alayev to state that "in this respect it can be confirmed that there is already a theoretical school of regional development in Latin America" (Alayev, 1978, p. 102). On the other hand,

the emphasis on questions of polarized development led to a more profound and rewarding review of the theories of domination and internal colonialism,¹⁶ and of the elements which condition the interregional mobility of the factors of productions,¹⁷ since a national regional development strategy presupposes action aimed at modifying the traditional pattern of spatial mobility which, according to Myrdal, would only give still further support to the historical process of territorial concentration.

Three more elements can be added to make up the picture of the methodological effects of the progress from intra-regional planning to interregional planning. This change naturally implied a reduction in the relative importance of intra-regional planning procedures (a matter to which we shall return later). At the same time, the level of abstraction of the proposals for regional change increased considerably, and this contributed to the lack of practical impact of the policies followed on various occasions. Finally, a series of factors also came together to generate what some authors have termed "the vice of pure spatialism", i.e., a tendency to consider territorial phenomena as self-contained and self-produced.

III

Examination of experience: principal problems

Many efforts have been made to evaluate Latin American experience in the use of regional development policies, although it should be pointed out that the majority of the appraisals are, more than anything else, descriptions at the level of the whole region or of individual countries,¹⁸ without any real analytical content.

In this section an attempt will be made to throw light upon some of the principal prob-

lems which have made it difficult to achieve the objectives sought through the incorporation of regional planning in systems to control economic development. To this end, it may be useful to distinguish as clearly as possible between theoretical, methodological and operational questions, while admitting from the

¹⁵The discussion is mainly contained in ILPES/ILDIS (eds.), *Planificación regional y urbana en América Latina*, Mexico City, Siglo XXI, 1974 and ILPES, *Los polos de crecimiento. La teoría y la práctica en América Latina*, Santiago, Chile, 2 volumes (mimeo), 1978.

¹⁶A. Solari, R. Franco and J. Jutkowitz, *Teoría, acción social y desarrollo en América Latina*, Mexico City, Siglo XXI, 1976.

¹⁷C. de Mattos, "Algunas consideraciones sobre la movilidad espacial de recursos en los países latinoamericanos", in EURE (Santiago, Chile), vol. II, No. 6, 1972.

¹⁸For Latin America as a whole, the most ambitious works are W. Stöhr, *Regional development in Latin Ameri-*

outset that such a distinction does not necessarily lead to the establishment of independent categories.

1. *Principal problems of a theoretical nature*

In touching upon the topic of the "theoretical" problems confronted in planning regional development in Latin America it is necessary to distinguish between the problems which pertain to the basic concept of regional planning (i.e., those pertaining both to substantive theory and to procedural theory) and those which, while of a more general nature, are no less important and relate to the way in which regional planning fits into proposals for social change and therefore to a theoretical interpretation of the whole of society and its processes of change.

From this last point of view, it may be asked whether or not the changes planned in the regional development strategies have been functional, i.e., whether or not they meet the interests of the groups in control of the State. If not, the result would reflect an erroneous interpretation of the political functioning of the society.

Examination of the experience of some Latin American countries does not furnish a precise reply to this question. Even in those cases where the regional project was politically well founded, the short-term conjunctural problems created in part by regional planning itself finally neutralized the regional planning efforts. This may be illustrated by examples such as that of Chile during the period 1964-1973.

In other cases, the error was more ap-

parent, and regional development planning simply lacked political viability.

As Solari, Franco and Jutkowitz pointed out in commenting on the well-known book by Cibotti and Bardeci, "...they therefore conclude that a basic problem lies in the question of their (the plans') political and social viability. It is useless for the planner to include great projects such as agrarian reform or the like in the absence of political conditions conducive to their implementation. This underlines the importance of carefully studying the existing political conditions, the distribution of power, the pressure groups, the interests harmed by this or that aspect of the plan, and similar factors. Although the authors (Cibotti and Bardeci) do not say so in so many words, if the plan is a political project, a political diagnosis is required in advance. Otherwise nothing is known about the feasibility of the plans, and planning may become a futile exercise involving the preparation of documents whose instructions will never be followed". (Solari, Franco and Jutkowitz, 1976, p. 605.)

Since in national regional development strategies any change in the ways in which the surplus was appropriated, and consequently in the direction of interregional transfers, was contrary to the past forms of appropriation, a *sine qua non* for such strategies should have been a political diagnosis such as the one suggested in the quotation above. Actually, such a diagnosis was never made, however. It was simply presumed, very ingenuously, that the interest of the Executive power in the formulation of regional development strategies was enough to make the process viable. The real power structure was not recognized, and it was only very late that regional planners discovered that their profession had a real Pandora's box hidden within it.

In the light of the present experience, perhaps the most notable example of political functionalism in regional planning (within the framework of the Latin American capitalist systems) is the case of Panama, but in any case, it will be necessary to observe the effects on regional development efforts in that country of the new situation resulting from the recovery of the Canal Zone.

ca: experience and perspectives (English translation issued by Mouton Publishers, The Hague); A. Gilbert, *Latin American development: A geographical perspective*, London, Penguin Books, 1974; E. Alayev, *El desarrollo regional de los países latinoamericanos en los años 1950-1975*, CEPAL, Economic Development Division, 1978 (mimeo). Evaluations or general descriptions for individual countries are abundant and include the works of Haddad for Brazil (Haddad, 1978), Jatobá (also for Brazil) (Jatobá, 1978), Boisier for Chile (Boisier, forthcoming), Hilhorst for Peru (Hilhorst, forthcoming), Unikel for Mexico (Unikel, 1978) and Carrillo-Arronte (also for Mexico) (Carrillo-Arronte, 1978).

At all events, an important problem faced by regional planning in Latin America has been its low level of political functionalism. The handy argument of "the lack of political will to see plans through" seems to be particularly hardworked in this case.

Is there really a lack of political will, or is it rather a lack of ability on the part of regional planners to convince all those concerned of the benefit that a regional effort can bring to the development of a capitalist economy? Is it not possible that the regional planners themselves have not been very successful in furnishing a substantive demonstration of the need for such an effort, which calls for an analysis of: (a) the underdeveloped state of the regions; (b) the need for development, and (c) the fact that only planning can ensure development in countries like those of Latin America?¹⁹

One of the biggest problems of theory in the field of regional planning, and one which bears the greatest responsibility for making decision-making difficult, is the "efficiency-equity conflict". As Richardson comments in his recent review of "The State of Regional Economics":

"The regional policy problem is frequently conceived as implying a 'trade-off' between aggregate efficiency and inter-regional equity. The policy maker's task is then to determine society's (or his own) preferences between efficiency and equity and locate the point on the trade-off function (assuming that this can be derived) most consistent with these preferences" (Richardson, 1978).

Leaving aside the ambiguity with which the concepts of efficiency and equity are handled, the practical significance of the conflict has been that the allocation of resources on the basis of a criterion of efficiency would mean using the scarce resources of the economy for the expansion of those *activities* which are the most profitable. Such activities are primarily located in capitalized regions, with the result that the criterion of efficiency is of no help to the poorer regions. On the other hand, the allocation of resources on the basis of a criterion of equity will mean using them in those very

regions which are the most backward and where returns are lowest. Consequently, the criterion of equity would imply a *social cost* in that the potential rate of growth of the economy would be reduced.

In examining the way in which this problem has been dealt with in the regional development policies of Brazil, Jatobá states that "... the solution to the conflict is to be found entirely at the political level in this particular case, while the state of the art is of little importance" (Jatobá, 1978). This certainly very widely supported view that the problem should be assigned to the realm of political decision does not seem very promising, nor does the attempt to erect on increasingly restrictive assumptions transformational functions whereby (supposedly) to measure the "rate of substitution" between efficiency and equity, which has been the approach taken by Mera, for example (Mera, 1967). According to Mera's analysis, the cost of efficiency in terms of equity would vary with the possible rate of substitution among factors of production: the closer the regional production functions come to the fixed-coefficient type of function, the lower the cost of one objective in terms of the other.

Whatever the approach selected—relegating the question entirely to the political sphere or attempting to measure the value of transformation—the suspicion is growing among the experts that the conflict is far from being universal or general and that it will be possible to find more and more cases of compatibility.²⁰ Apart from the weight which distribution criteria might acquire, and apart from the displacement of the problem to a broader time frame, there are other little-explored examples of compatibility. In Richardson's words, "To sum up, although it is undeniable that the trade-off problem frequently occurs, there are situations when it is possible to sustain an efficiency case for interregional equity strategies. The arguments may include the pursuit of long-term rather than short-term efficiency, maximization of the social rate of return

¹⁹Solari, Franco and Jutkowitz, *op. cit.*, p. 586.

²⁰Beyond the solution provided by the elementary version of the neoclassical model (complete mobility, absence of externalities).

(taking account of negative externalities in prosperous regions and positive externalities in underdeveloped regions), exploiting immobile idle resources, mitigating inflation and minimizing environmental degradation". (Richardson, 1978.)

In the debate on efficiency versus equity (which in practice tends to end in favour of efficiency, particularly when the global strategy is oriented towards rapid industrialization) a singularly important fact has been obscured which on not a few occasions has made the discussion sterile, at least in the terms in which it is usually propounded: namely the relation between inequality in the distribution of personal income and inequality in the inter-regional distribution of income.

"Statements that (inter) regional income equalization will diminish total income inequality must be treated with a similar degree of circumspection. First, the relation or contribution of regional income differentials to total personal income inequality may be insignificant. Economic inequality is associated primarily with personal and other characteristics, including age, sex, education, occupation, etc. In Brazil, where both personal income concentration and spatial differentials are marked, income variations among regions do not contribute substantially to the observed total inequality in personal income distribution" (Fishlow, 1972; Langoni, 1973). "Existing personal economic inequality would persist even if full regional equalization of income were to occur." (Gilbert, 1976, p. 124.)

To sum up, although the argument for efficiency has had more weight than the argument for equity (partly because the conflict has been formalized on the basis of neoclassical constructions), there are beginning to be growing doubts as to its validity. At all events, the fact is that it has obstructed the implementation of regional development strategies. A pending task for regional planners is to demonstrate either the compatibility between global growth (if it is still important) and the reduction of interregional inequalities or the slight impact of interregional inequalities on interpersonal inequalities.

Another question of theory which has

made it difficult to design regional strategies and put them into practice is associated, as was pointed out above, with the theory of polarized development. Since this matter has been the subject of a full public debate, it is not necessary to refer to it extensively, but a summary analysis of the problem is necessary.

Almost without exception all the national regional development strategies formulated in Latin America were based upon or ascribed their reasonableness to the theory of poles of development, the exceptions being Cuba and Panama. Also almost without exception, what was done was to try to apply mechanistically within a given context (that of Latin America) a strategy which was presumably functional in the regional situation of developed economies. No investigation was made of the not always explicit but basic ideological and especially technological assumptions of the original exposition, and what was later seen to be an extremely restricted formula for promoting regional development was held to be something of a "magical formula for industrialization and development". The "development pole" idea was generalized to the point where it became the battle cry for each and every community.

The present situation of the debate (in its technical aspects) may be summarized as follows:

(a) The idea of introducing a destabilizing element (a pole or key industry) into a region with the aim of producing the generalized growth of the whole range of regional activities seems appropriate if, and only if, the area offers a sufficiently diversified economic structure. This comes as the (analytically demonstrable) result of its being the regional multiplier (of employment or the product) to an extent directly proportional to the degree of regional economic diversification. This means (as is logical, moreover, given the regional context of the theory) that the polarized development strategy is effective in activating *industrially diversified* regions which, for one reason or another, are economically depressed;

(b) To use a polarized development strategy for the purpose of promoting the development of areas with specialized structures, it is necessary to introduce simultaneously a net-

work of activities capable of creating in the area a complete (or sufficiently complete) range of inter-industry relations. This, however, raises a problem of scale—the massive use of resources—which, in itself, limits the application and, of course, the dissemination of such a strategy. Any of the alternatives tend to produce enclaves.

Accepting the foregoing, however, is still a long way from the “burial of the growth pole idea” referred to by Kamal Salih (Salih, 1975). It is merely necessary to recognize that a polarized development strategy is applicable in very special and restrictive conditions but that it will still be a part of national regional development strategies. At all events, it constituted one of the most serious problems of theory with regard to the strategies formulated in Latin America.

The whole *centre-periphery* approach and its use in structuring regional development strategies is bound up with the question of polarized development.

As early as 1966, John Friedmann wrote that owing to the historical development of centre-periphery relations in the interior of countries, the regional problem had for the first time become an issue of national importance (Friedmann, 1966). The same author indicated three structural characteristics typical of the centre-periphery model at the national level: (i) a colonial relationship;²¹ (ii) deterioration of the terms of trade, and (iii) political pressure from the periphery to reverse the pattern of the model. Hilhorst has made a summary of the centre-periphery theory and of the Perroux theory of domination (Hilhorst, 1971).

The “centre-periphery” theory is an integral part of the CEPAL philosophy, and given its explanatory and methodological value in the analysis of the inter-country relations, there has always been a tendency to apply the same ideas in studying the relations among areas in the same country. As Pinto put it, “since within each country similar problems arise—although bearing their own stamp—in the relations among sectors and units which absorb techni-

cal progress at different rates and also operate at different levels of efficiency” (Pinto, 1965). According to Alayev, the transfer of the method from the international to the interregional scale is justified by the fact that the constructiveness of the method is not lost, since at the national level almost the same powers and forces as those in the world centre-periphery system would operate (Alayev, 1978).

The implicit idea (that certain processes and methods may be scaled down without losing their intrinsic characteristics) is, to say the least, suspect. This is in fact typical of the central idea in the “centre down” paradigm (Hansen, 1978). It must, however, be recognized that arguments, both speculative and empirical, seem to be mounting up in favour of the positive validity of the centre-periphery model at the national level.²²

The structural characteristics of a national version of the centre-periphery model described by Friedmann may be recouched in more concrete terms. There are a number of necessary and sufficient conditions which must be met if the centre-periphery model is to be applicable as an explanation of the economic and spatial functioning of a regional system. The necessary conditions are: (i) the generation of surpluses, particularly international trade surpluses, in the economic activity of the periphery; (ii) the existence of a relationship in which the periphery is dominated by one or more centres; (iii) trade relations which are unfavourable to the periphery in its transactions with the centre or centres. The sufficient condition is the existence of machinery for the exaction and transfer of the surplus, which may operate simply by means of the price system or through the adverse effect of national economic policies on the periphery:

Another aspect to which attention should be drawn in a discussion of the whole “centre-periphery” problem is related to the forms of ownership of the regional resources. It is a fact

²¹Not necessarily “domestic colonialism” of the type referred to by González Casanova, but rather “domination”.

²²See, *inter alia*, A. Di Filippo and R. Bravo, *Los centros nacionales de desarrollo y las migraciones internas en América Latina*, ILPES (Santiago, Chile) document CPRD-B/20, 1976; D. Dunham, *Intereses de grupos y estructuras espaciales. Algunas propuestas teóricas*, ILPES, document CPRD-C/40, 1977, and W. Baer, *op. cit.*

that the greater the extra-regional dominion over the natural and productive resources, the easier it is to transfer surpluses from one area to the other. Another contributory factor in this connexion is the diversity in the geographical patterns of distribution of the "plants" and "head offices" of industries and businesses.

The notable fact is that in spite of the relatively abundant literature on the topic and of the unquestioned influence of CEPAL on Latin American planners, one of the few regional development strategies, apart from the initial case of Venezuela, which discusses the topic explicitly (discarding the model in this case) is the strategy of Panama. This has been a problem in that once the theory has been proven empirically in a given case (or not wholly refuted, in the Popperian sense), the resulting strategy is very direct (development poles, price policies and the like). In this sense, it would be possible to detect more than one inconsistency between the strategy proposals made in different countries and the real theoretical explanation of the spatial functioning of those same countries.

Finally, another problem of theory in this field which has not been adequately solved is the problem of the size of countries and of the adjustment (or failure to adjust) of the instruments of regional planning to countries of limited geographical area. Again, the usual course has been to apply the same ideas and instruments indiscriminately regardless of the size (and of the effects of the size) of each country.

Much of the theory and practice of regional or spatial planning is at present based on the concept of large spaces and on the possibility of reproducing, in sufficiently differentiated sub-national spaces, the structures and mode of operation which characterize the relations between the centre and the national periphery. There is still the possibility, however, that the analytical arsenal built on such foundations will not be completely applicable to the case of small countries, where spatial friction plays a different role, or to the case of regions of small size.

This has barely been explored, which is paradoxical in view of the fact that regional planning is a direct descendant of spatial eco-

nomics, whose development was partially a reaction to the neglect of spatialism in traditional economic theory.

2. Principal methodological problems

The methodological problems relate to one of the typical components of an economic planning situation as described in the initial pages of this document. This component is the planning *process* or planning procedure.

Is there a regional planning process or procedure? Generally speaking, the reply is affirmative if we accept, for example, Hilhorst's theory that a planning process is marked by three stages: (i) the identification of objectives; (ii) the selection of instruments, and (iii) the use of those instruments (Hilhorst, 1971).

Hilhorst's exposition is oversimplified, however, in that, in the case of regional planning as it is understood today, a distinction must be made between two hierarchically dependent levels of procedure - the process of *interregional* planning and, within its framework, the process of *intra-regional* planning. The two processes are interdependent but different in that the stages comprising them are not necessarily the same in terms of content and/or relative priority.

The way in which the two are articulated throws light on the first of the methodological problems to be observed in the regional planning experience in Latin America. What type of procedure should be followed in planning the development of a region in the context of an interregional development plan?

Since the reduction to scale of the inter-regional procedure is easily criticized in this case, a possible reply may lie in stressing the basically strategic and political (in the sense of political negotiation) nature of the inter-regional procedure,²³ which leads to the design of a process radically different from the traditional one but at the same time sufficiently interconnected with the interregional process. This type of proposal fits in with the present movement to revise the theory and practice of

²³S. Boisier, "Regional planning: What can we do before midnight strikes?", *CEPAL Review*, N.º 7, April 1979.

regional planning all over the world (Friedmann and Douglas, 1975; Stöhr and Todtling, 1977; Coraggio, 1978).

The absence of an adequate intra-regional planning procedure produced one of the following effects: either national regional development plans simply did not succeed in stating their intra-regional component, or else intra-regional plans divorced from the national plan were formulated, generally with a methodology more appropriate to global than to regional planning.

Another general problem of a methodological nature was seen in the lack of formal and substantive integration of the regional development strategy or plan with the corresponding global plan. This was due to numerous causes, the basic ones being the difference in the professional training of global and regional planners and the notable difference in analytical level between the global and regional proposals. While the global planners, with all the capacity of formalizing economic analysis at their disposal, were able to give concrete replies to such basic questions as how much to invest, how far a country can go into debt and what the probable rise in prices will be, the regional planners were to some extent forced to operate at a very discursive, vague and long-term level.

If attention is now focused on the inter-regional planning process itself, methodological observations could be made on each step in the process. For the purposes of this analysis, it is sufficient to draw attention to two matters:

In the first place, a few short remarks must be made concerning regional diagnoses.

It has been pointed out on numerous occasions that the majority of the regional diagnoses prepared in Latin America have been *descriptive* documents, with only a very limited positive or interpretative dimension. If interpretation is lacking, it is impossible to establish relations of causality in respect of the facts described, or if such relations are established, it is the result of intuition rather than of planning. The inability to establish causal relations in turn impedes policy identification, and when policies are identified, they are directed more to the apparent effects than to the causes.

This want of diagnostic interpretation

must be attributed primarily to the fact that regional development theories are still embryonic and secondarily to the difficulty (more apparent than real in any case) of quantifying and formalizing regional phenomena, which itself is the result of the scarcity of statistical data and of appropriate techniques.

Secondly, some observations may be made with regard to the objectives usually set forth in regional planning.

In this connexion, two considerations arise, the first of which is the greater complexity of the process of establishing objectives in regional planning as compared, for example, with global planning. This greater complexity is due to the fact of working simultaneously with three objects of planning: i.e., the individual region, the multiregional system and the national space. This, in its turn, raises complex problems of compatibility. On the other hand, and leaving aside for the moment the distinction made above, the basic problem with regard to regional objectives has been precisely their inconsistency with global objectives. This should not necessarily be confused with the question of political functionality mentioned in the preceding section, because even when such functionality has existed, the problem of consistency, extending even beyond the "efficiency-equity" question, remains.

For example, is the global objective of stability consistent with the regional objective of accelerating the industrialization of a particular region?

The exercise of verifying the consistency of regional and global objectives has rarely been carried out. One notable exception is to be observed in Bolivia, where at the beginning of the 1970s the United Nations advisory team (PODERBO Project) examined this factor as part of the task of formulating a long-term regional development strategy.

Obviously, if such an examination is not made, the probabilities of producing contradictory policies increase significantly, and the possibilities of incorporating regional objectives in general development plans shrink, if only because of the natural misgivings of global planners (for whom the analysis of the consistency of objectives is virtually routine) with respect to totally unevaluated proposals.

In addition, and to end this summary consideration of a few methodological problems, attention must also be drawn to the sizeable lag in techniques for evaluating projects in the light of regional criteria, which has made it difficult to defend the reasonableness of not a few regional proposals.

3. Principal operational problems

Operational problems are those which affect the initiation or implementation of regional development strategies.

Regionalization itself must necessarily be singled out as the principal problem with regard to implementation. The problems arising out of attempts to justify certain regionalization efforts have been associated with two factors: the artificiality of some proposals and the political repercussions of regionalization.

With regard to the first of these factors, it is necessary to bear in mind that to a large extent the delineation of regions in Latin America (during the past two decades at least) has primarily been carried out by regional planners, who have most often been specialists in economics or even economism. The regions identified have in some cases been veritable artifacts with do not actually correspond to social forces or pre-existent bonds of loyalty. Little importance was attached to the many-faceted nature of a region, from the differentiated space continuum to the collective consciousness of belonging to a place.

Naturally, the attempt to confine a social and political reality characterized by strong feelings of belonging, association and identity in geographical categories drawn up on purely economic lines gave rise to political and social resistance which finally rendered the regionalization project sterile. This was true of some areas in the north and south of Chile during the period 1964 through 1970, and also more recently of Ecuador in respect of the province of Chimborazo.

On some occasions, local feeling is such a powerful force that any attempt at regionalization in which an effort is made to rationalize the structure of spatial relations is automatically doomed to failure. This seems, to some extent, to be the case in Bolivia, where the

proposed strategy all but avoids the question of regionalization, preferring to concentrate entirely on *space* and on the strengthening of institutions.

Sometimes, as in the case of Guatemala, the line of least resistance is taken and the familiar *sectoral* regionalization (in this instance, of the agricultural sector) is adopted.

In this context it is worthwhile citing some of Alayev's comments on what happened in Latin America between 1950 and 1975.

"In the year 1950 the 19 Latin American countries were divided into 357 first-order administrative territorial units. Three hundred and twenty-six of those units belonged, on the basis of their degree of autonomy, to the 'first class' (states, provinces, departments), while 31 of them, which came under the direct jurisdiction of the central government and were endowed with special status (territories, *intendencias*, commissariats, regions) belonged to what we call the 'second class'. In the period roughly between 1970 and 1975, the total number of first-order divisions rose to 374, an increase of 17 units: within this total, the number of second class units decreased by 11 to only 20 units, while the first class units rose by 28, to 354 units.

"The indicator of the percentage of population affected by the administrative changes (living in areas which have changed their 'status', going from one class to another, or their jurisdiction, by passing from one administrative centre to another) is as follows:

Brazil and Honduras	0.8%
Ecuador	0.9%
Nicaragua	1.6%
Argentina	5.9%
Dominican Republic	10.6%
Colombia	12.3%
Haiti	26.9%

It is seen that in seven of these countries (all but Haiti, whose example is of little importance), the extent of the administrative reforms in the reorganization of the territory was modest; in 10 countries, as has already been stated, the administrative systems remained intact throughout the period, with one notable excep-

tion (the case of Chile) which will be discussed below.

"This scant mobility of the Latin American administrative systems (the changes mentioned affected only 2.6% of the continental population) calls for a special investigation; let us confine ourselves, however, to the conclusion that alongside the centralizing tradition there also exists a conservative tradition in respect of administrative division.

"The following table was drawn up on the basis of material from the Second Latin American Seminar on Regionalization and the analytical study carried out by the Latin American Economic Projections Centre of CEPAL, with a few additional observations:

Country	Number of administrative divisions		Number of regions identified for purposes of planning
	1950	1975	
Argentina	25	24	6 and 8
Brazil	26	27	5
Colombia	25	30	6
Ecuador	18	20	5
Guatemala	22	22	4
Haiti	5	9	4
Honduras	17	18	10
Mexico	32	32	10
Panama	9	9	4
Peru	24	24	5
Dominican Republic	21	27	3
Venezuela	23	23	8

"On the average, one region in terms of the plan corresponds to 3 or 4 administrative regions. But what is this correspondence? Is there any correspondence or 'congruity', as it is called, between the two systems? Congruity—when a region in terms of the planning system corresponds to the total number of administrative regions and the outer limits of a region under the planning system and the total number of administrative regions territorially coincide—exists in 6 countries (Brazil, Ecuador, Guatemala, Mexico, Haiti and Panama). In the other countries the territorial systems used in the plan are totally or partially incongruent with the administrative systems. This becomes all the more curious in view of the fact that

theoretically the need for regional congruity both outside and within Latin America, was established a long time ago. It seems that the majority of countries on the continent stand in need of more radical territorial administrative reforms. Since a wide range of activities (health, education and housing programmes; the budgetary system; the collection of statistical data, etc.) are conducted through the administrative units, it may be concluded that the retention of such incongruity results in discrepancy between economic and other government activities."

"It would seem that in the Latin American countries, regionalization will follow the pattern given below: first, planning regions will be created and stabilized; second, the administrative system will be made congruent with the planning system; and finally, the economic regions will be given the powers and functions of first-order administrative units; in many cases, and especially in those countries which are large in size, the old units will not disappear but will constitute a level half way between the new big units and the municipalities, and will have to be divided up later." (Alayev, *op. cit.*)

On the other hand, the attempt to introduce administrative regionalization clearly meant altering the pattern of the distribution of power within the internal and public administration apparatuses of each country. This resulted in political resistance at two levels: that of the rest of the institutions in the public sector, and that of the administrative authorities (intendants, governors, mayors, etc.).

In all cases it has been difficult to adapt both the public and the internal administrations to the new structures proposed by the regional development strategy; indeed, the relatively inflexible position of the regional planners themselves has not been very helpful in this connexion.

In this sense, Chile is an example of the authoritarian but undeniably effective imposition of regionalization for purposes more of modifying the internal administration system than of planning. At the other extreme, Venezuela may be cited as a case where flexible political negotiation achieved the establishment of a regionalization project.

Apart from the operational problem posed by the attempts at regionalization themselves, the regional development strategies suffered mainly from a lack of continuity in the application of the policies and a lack of enough technical teams for each of the proposed regional administration.

The lack of continuity reflected in frequent changes in regional priorities has been due to various factors, including the absence of a

supra-ministerial body (on the lines of a council of ministers for regional development) capable of going beyond the fluctuations of short-term policy and therefore of adopting long-term political decisions. The fact is that—even though this may have a certain air of escapism about it—the modification of the existing patterns of regional development is a task which, despite the long-term nature of its results, it is nevertheless essential to tackle now.

IV

The role of regional planning in Latin America during the coming decade

The preceding sections of this document may have left a relatively poor impression with regard to the implementation of regional planning in Latin America. Such a view would be only partially correct, however, because while it is true that the “problems” relating to the regional experience have been given great prominence, it is no less true that the efforts for development and regional planning must also be acknowledged. Indeed, not only is renewed interest in the topic perceptible today, but an attempt is being made in a number of countries to incorporate some aspects of regional development in the constitution itself. Likewise, the United Nations now supports established technical co-operation programmes in this field in at least five Latin American countries (Guatemala, Honduras, Panama, Venezuela and Ecuador), which shows the interest of governments in incorporating the regional dimension in their development plans.

The regional question may be viewed from three complementary angles, depending on the way it relates to the great national problems.

First, it may be viewed as a question of adaptation or functionality as between the organization of space²⁴ and the global develop-

ment model. Not all the ways in which space can be organized are equally efficient in terms of different development models (or styles). For example, space organized in a highly concentrated way presents added difficulties under an “inward-looking” development strategy or model whereas, on the other hand, it may be an efficient kind of organization in relation to an “outward-looking” development model. A system of urban centres characterized by a high degree of primacy and marked urban-rural discontinuity is a stumbling block in the achievement of objectives such as national integration and social equity because of the obstacles to spatial diffusion inherent in such a system. As Hermansen points out, the way in which the relationship between economic development and the organization of space is handled is reflected in two approaches to and ways of practising regional planning: adaptive regional planning and regional development planning (Hermansen, 1970).

Second, it may be treated as a question of efficiency in the design and implementation of national economic policies. As noted earlier, structural heterogeneity has a geographical or territorial dimension, and therefore the implementation of homogeneous or non-discriminatory types of policies either does not allow for certain localized focal groups or else tends to worsen the relative situation of the least developed regions.

²⁴The organization of space relates to the structure (at a given moment) of human settlements and production bases, the network which links them up, and the flows of resources, people and goods which are observed in that structure.

Third, it may be viewed as a question of power distribution, particularly within the public administration system. Thus any attempt to establish a society with a relative balance of power confers an eminently political dimension on regional planning. In this case, some of the process of power distribution takes place through a wide range of organizations of the territorial type and also through various levels of the hierarchy of territorially established authority.

Considerations such as the foregoing thus justify the establishment of a regional planning component in systems for administering development. The following sections contain an exposition—a thesis—of the contribution which regional planning should be able to make to the economic, social and political development of Latin America in the immediate future and later.

1. *Regional development and economic development*

The relationship between regional development and economic development may appear obvious and simplistic, since no author or expert would cast doubt on the affirmation that economic development should be understood as a socially inclusive, rather than exclusive, process; and if, at the same time, it is postulated that regional development should be preferentially aimed at the incorporation of relatively backward areas and/or populations, the relationship between the two could only be one of positive association.

It is, however, one thing to accept positive association in general terms and something else again to prove that economic development cannot succeed unless a regional development process precedes or runs parallel to it. In the following pages a somewhat less ambitious course will be taken, and an attempt will be made to demonstrate the relationship between regional development and certain matters or aspects usually considered to be central to economic development.

Economic growth—a sustained increase in the productive capacity of an economy—is, as we all know, associated with investment (as well as with other factors such as technological

innovation, the quality of human resources, etc.). Thus, the question of regional versus global growth (as the problem is usually posed) becomes in the last analysis a question of *where* to invest, geographically speaking.

The discursive argument as to whether to invest in the “centre” or in certain places in the “periphery” is not conclusive one way or the other, and the choice of a strategy must necessarily be based on quantitative analysis. The factual conditions of each country will play a decisive role, since there are reasons for expecting that countries at different stages of development, of different size and population and with different resource endowments and patterns of settlement will produce strategies which also differ. In addition, the time span worked with will determine the choice of strategy.

The debate on this point has tended towards the polarization of those who take an absolute stand either for investment in the periphery or for investment in the centre, so it is hard to believe that framing the discussion in these terms would be of help in finding a socially effective solution.

To illustrate the way in which the problem should be posed it is worth while commenting briefly on the Rahman model (Rahman, 1963). Working with a dynamic programming model of an economy with two regions in which the rates of saving and marginal capital/product coefficients are given and constant, Rahman demonstrates that maximum growth of total income is not necessarily achieved by allocating the total investment flow to the more productive region throughout the whole programming period. Given the marginal capital/product coefficients, the decisive elements are the rates of saving. If the technically more highly developed region also shows the bigger rate of saving, then the other region has no economic argument for reversing the investment policy in its favour. If, however, the less highly developed region has the higher rate of saving, the optimum strategy from the point of view of maximizing the aggregate growth may be to concentrate the investment in this region initially for a certain length of time, even if this means a short-term loss in production and in-

come. This, however, is an optimum strategy only if the programming period is sufficiently long to allow the initial loss of income to be compensated within the same programming period because of the higher rate of saving of the less well developed region.

In spite of certain limitations of the Rahman model, which have been referred to in the literature on the subject, it is important to take account of his work in this connexion not only because of its intrinsic value but also because it dates back relatively far, thus showing that it has not been a lack of analytical models that has prevented the quantification and objectivization of the problem of the territorial allocation of investments and hence of the problem of regional versus global growth.²⁵

Price stability is another big aspect of the general question of development and is, moreover, closely linked to growth. For various well-known reasons, inflation is one of the main concerns of governments, and here again it would be appropriate to wonder whether there is any relation between the regional question and the size of price rises and whether some inflationary pressures might be relieved by controlling certain aspects of regional development.

This is a virtually unexplored topic despite a suggestive work by Higgins (Higgins, 1973), who has argued that the reduction of regional disequilibria is important for keeping rates of inflation down. His argument is based on the theory that labour markets are regional more than national, whereas price rises are rapidly diffused throughout the national economy. Higgins's analysis is based on the well-known Phillips curve, i.e., on the relation between unemployment and inflation. In Higgins's view, those countries with the worst "trade-off", i.e., with high levels of inflation combined with high rates of unemployment, are usually at the same time countries (such as Brazil and Indonesia) which show very significant regional disparities. Conversely, the Phillips curves for countries such as England, Sweden and

Australia, where there is practically no regional gap, are relatively favourable. According to Higgins, the reason for this is that in the first case inflation is produced in one region and unemployment is concentrated in others.

This is a subject which requires a great deal of further investigation. It goes without saying that the demonstration of some special relationship between inflationary pressures and regional imbalances would go a long way towards associating the regional question with a political issue of national importance and would thus advance the task of incorporating regional action into the decision-making processes most relevant to economic policy.

Income distribution is perhaps the central topic in the present debate on economic development. As the general terms in which the question is couched are sufficiently well known, it is unnecessary to repeat them here, and it is preferable to proceed directly to consideration of the ways in which regional development and income distribution are related.

Three aspects of the question are relevant here: territorial differentiation in the pattern of such distribution, the sometimes opposing roles of inter and intra-regional income distribution, and the issue of critical poverty.

The first of these aspects is fairly simple. In the final analysis personal income distribution is not a problem which can be considered to be purely national, with no geographical dimensions. Some of the new empirical studies available show that even in countries of very limited geographical size, the patterns of distribution tend to differ significantly from area to area; what is even more important, the factors responsible for this also tend to be different.²⁶ CEPAL also reached a similar conclusion in a study in which income distribution in some metropolitan areas in various countries was compared with that in the rest of the national territory.²⁷ The conclusion which immediately comes to mind is that in many cases it is impossible to tackle the problem of income distribu-

²⁵ Many other authors, none of them Latin American, have touched on the same topic. See, for example, the works of Reiner (1965), Hermansen (1975) and Siebert (1969).

²⁶ According to a study prepared in 1974 by the Statistics and Census Bureau, this is true of Panama.

²⁷ CEPAL, *Algunos problemas de desarrollo regional en América Latina vinculados a la metropolización*, Santiago, Chile, 1971.

tion without explicitly differentiating between regions in redistribution policies. In this regard, however, general principles cannot be established since, as was discussed above, in other cases the contribution of spatial heterogeneity to the total heterogeneity of income distribution may be non-existent or very limited.

The second aspect has been quite well covered in the literature on the subject, and it might be said in this respect that there is now a consensus. The lessening of the income inequalities between regions may be and usually is accompanied by an increase in the disparity in income distribution *within each region*. It is not difficult to offer mathematical proof that an increase in interregional equity may be accompanied by a decrease in intra-regional equity and—depending on the magnitude of the increase—in equity at the national level too.²⁸ A now classic discussion of an empirical example of this was prepared by Barkin in the case of Mexico (Barkin, 1972). Gilbert and Goodman come to the following conclusion in their recent analysis concerning the northeast of Brazil:

“The criterion of regional income equalization should be used with care. It is not difficult to conceive ways in which regional income convergence may occur without leading either to rapid national growth or to an improvement in the situation of the poor. Specifically, regional income convergence may be associated with negligible gains in (or sometimes even a lowering of) real incomes of the poorest groups in society and with a worsening of the size distribution of incomes within the poorest regions”. (Gilbert and Goodman, 1976.)

The third aspect—critical poverty—has been the subject of numerous studies recently. These haven thrown light on two facts which are relevant from the regional point of view: first the “poverty maps” or “poverty X-rays”²⁹ have made it possible to identify particular

areas or regions in which the level of collective poverty exceeds given limits and this, in its turn, has probably helped to formulate strategy options favouring direct aid to people rather than localities.³⁰ Secondly, studies of a more analytical nature (Molina and Piñera, 1979) have shown that the geographical dimension of poverty is an important explanatory variable. Although it is true that so far the analysis has been in terms of rural-urban categories, it is no less true that in many cases this categorization coincides with the regional classifications.

The foregoing arguments emphasize the contribution which regional development and planning can make with respect to a problem as crucial as distribution, particularly by showing the geographical dimension of something traditionally considered to be a typical “national” problem.

Employment is another of the classical problems in the development debate, and, in some senses, employment and technology are two sides of the same coin.

The technology-employment duo has been fairly thoroughly studied in regional terms, at least in so far as the evaluation of certain specific experiences is concerned.³¹ The general conclusion of these studies is well summarized in the following remarks by Stöhr and Todtling on the transfer of technology and capital to peripheral areas: “These capital and technology transfers are used in practically all the countries analysed. Essentially they are instruments supposed to create, as far as factor availability and infrastructure are concerned, conditions in peripheral areas more like those of core regions. The strong emphasis of most regional development policies on capital incentives and on the introduction of high technology (often incorporated in capital) have stimulated the emergence of capital-intensive industries in peripheral areas and have thereby *increased regional productivity and the regional product*”.

²⁸J.L. Coraggio, *Elementos para una discusión entre eficiencia, equidad y conflicto entre regiones*, CIDU, Santiago, Chile, 1969.

²⁹The surveys on the location of poverty carried out in Panama and Chile, for example.

³⁰This is a basic option in any regional development strategy.

³¹Two interesting studies in the Latin American context are those of Koch-Weser for the Northeast of Brazil (Koch-Weser, 1973) and Izaguirre for the Guayana region of Venezuela (Izaguirre, 1977).

"At the same time, the transfers have produced relatively *small employment effects* and contributed comparatively little ... in spite of the application of employment premiums in some countries." (Stöhr and Todtling, 1978.)³²

The real issue, however, is not to prove the capital-intensive nature of a large number of regional industrialization policies but rather to seek and put forward other alternatives with a larger employment effect.

From this point of view, it is necessary to return to the thinking of Schumacher on "intermediate technology" and the regional scope which the author himself conferred on it. The distinguished German economist says that the real task may be formulated in four propositions:

Firstly, jobs must be created in the areas where people actually live, and not primarily in the metropolitan areas towards which they tend to emigrate;

Secondly these jobs must on the average be sufficiently cheap for them to be created in large numbers without requiring an unattainable level of capital formation and imports;

Thirdly, the production methods used must be relatively simple in order to minimize the requirements for skilled personnel not only in the production processes but also with respect to organization, supply of raw materials, financing, marketing, etc.

Fourthly, production should be carried out primarily which local resources and principally for local use.

These four requirements can only be met in so far as a 'regional' approach to development prevails and, furthermore, only if a deliberate effort is made to develop and apply what may be termed 'intermediate technology' (Schumacher, 1977).

This type of approach is clearly related to some of the characteristics assigned to the "from the bottom up" paradigm, specifically with respect to the use of small- or medium-scale technology involving the increased use *in situ* of regional resources and primarily aimed at meeting the basic needs of each region.

³²Italicized in the original.

In order that regional development strategies may make an effective contribution to solving employment problems, it will be necessary first to change the traditional objectives of regional development plans, which are still overly slanted towards economic growth targets, so as to promote instead the maximization of jobs. Clearly, this will also assist in achieving greater distributive equity. What is surprising in the light of the currently serious problems of unemployment in many Latin American countries, however, is that whereas the simple identification, at the level of each region, of the sectors with the highest employment multipliers could assist in directing public expenditure in a manner perhaps more efficient than the traditional one, this is not done in practice.

Although the use of intermediate or "socially suitable" technology may help, as mentioned above, to alleviate the problem of unemployment, it is also true that only a radical change in the territorial concentration pattern can really solve it. This is the same as saying that the problem of massive, structural unemployment can only be solved through regional development, because of the combined effect of two forces: on the one hand migration, the increase of which tends to add to the geographical concentration of the population and consequently of the labour force; and on the other, technology, which generates a lower growth rate of demand for labour by industry and by the formal urban sectors in general. These two tendencies produce a chain reaction, beginning with an increase in the rate of under-utilization of the labour force, which in turn leads to an increase in the size of the informal sector, which has direct repercussions on average productivity, the income level of wage-earners and the poverty of broad social strata.

Ecological or environmental problems are undoubtedly one of the most important issues in the current discussion of development or of "another kind of development".

The topic of eco-development is perhaps one of the social subjects most suitable for being handled through regional development strategies, partly because of the localized nature of the problems of the conservation and

renewal of resources on the one hand and pollution on the other.

In considering the concept of eco-development put forward by M. Strong and I. Sachs, Gutman states: "From this perspective, regional planning is an especially suitable framework for the promotion of eco-development. The regional planning approach coincides with the emphasis placed by eco-development on diversity of styles and the maximum use of the opportunities provided by the local ecosystem" (Gutman, 1977).

The association between this type of concern for resources and the environment and regional development is also one of the basic characteristics of the "from the bottom up" paradigm in regional planning.

To wind up this cursory examination of some of the relationships between regional development and economic development, it is worth repeating the opinion expressed long ago by an eminent Latin American, who wrote in the prologue to a classic ILPES book: "But let us single out and anticipate what is perhaps its most important conclusion: development can be boosted dynamically only if its geographical range is extended, if it is liberated from the barriers which currently appear to separate and fragment it within countries, and if it is given a unity which at present it obviously lacks".³³

2. Regional development and social development

Social development is a transformational process primarily, but not exclusively, involving the expansion of the opportunities for self-realization by persons, whether as individuals or as members of groups. In this sense, social development presupposes a certain manner of distributing the products of economic activity and general access to collective social services.

As was noted in the first pages of this document, increased social equity is achieved through the execution of spatial or regional policies, inasmuch as an individual's access to

opportunities depends on his position not only in the social network, but also in the spatial network. In the following pages, we will review some of the regional development's possible contributions with respect to some general social development objectives.

A society's well-being is currently measured by the size of its gross national product. "GNP is a concept which can be measured statistically, thus it satisfies the requirements of a technocratic conception of contemporary society, and apparently includes all the goods and services which the community may generate over time to satisfy the basic needs of its members."³⁴ This approach is now being radically questioned, although the essentially utopian nature of most proposals for different development styles must at the same time be pointed out. Perhaps, however, what seems utopian or at least premature at the global social level would be less so at the geographically smaller regional level. Here, perhaps, the margin of the "possible" would be greater, and consequently, some dimensions of another "style" of development might be viable.

Social development must be understood as being based on broader dimensions than what Allardt calls the *having dimensions*,³⁵ which involves material needs and the notion of the economic product. The same author proposes the incorporations of two other types of human needs which seem to be particularly appropriate for inclusion in regional plans: the need to *love*, referring to relations between individuals and measured by components such as local solidarity, family solidarity and friendship, and the need to *be*, referring to the degree of self-realization of individuals (in contrast with the alination of the individual in mass society) and expressed by components such as the degree of irreplaceability and the quantity of political resources and access to the decision-making system possessed by each individual. Galtung, for his part, adds two additional components of interest for regional development: the possibility of choosing different

³³From the prologue by Cristóbal Lara B. to the ILPES book, *Dos polémicas sobre el desarrollo de América Latina*, Editorial Universitaria, Santiago, Chile, 1970.

³⁴CEPAL (Santiago, Chile), project on 'Styleless of development and environment in Latin America', report No. 2, November 1978.

³⁵Quoted in Stöhr and Todling, *op. cit.*, 1977.

lifestyles and the degree of local autonomy versus external control.

The need to *love* and to *be* are most easily realized in *proximate* social spaces, which for that very reason are closer to the regional than the national dimension. It is this that, from the regional development point of view, makes the above concepts especially interesting.

Proposals such as those included in the "from the bottom up" paradigm, the "selective spatial growth" strategy, or the "negotiated regional planning" strategy, all of which have been put forward in recent years, have the common elements of favouring a type of regional development on the "human scale", in contrast to the traditional, large-scale paradigm, which is often socially disruptive.

The new trends beginning to emerge in regional planning tend to give it a much broader sociological dimension than in the past. One of the concepts which appears repeatedly in the current literature is that of *self-reliance* (Seers, 1977; Stöhr, 1978; Villamil, 1977). The idea of self-reliance in regional development is connected with the ability of each region to establish its own development targets and styles (within, of course, a unified national framework) through greater capacity for political negotiation. It also implies a change in the systems of ownership and control and in consumption patterns. However, it should be recognized that little is known so far about the role which the notion of self-reliance could play in economic development.

The individual's opportunities for self-realization obviously depend on various factors pertaining to the social structure, for example social mobility. They also depend on the *variety* of social structures and systems, and ultimately on the lifestyles to which the individual may have access. These factors are closely related to the degree of unity or diversity of styles of development contained in the regional development project. The more the proposed regional strategy is centralist and authoritarian and involves little participation (a common trait of nearly all of them at present), the weaker the ability of each community to define forms of organization and development based on its own values, and consequently, the lower the

degree of diversity. We shall return to this subject later.

Social development is associated with the idea of "modernization" and it has been indicated on a number of occasions that regional development strategies have the final purpose of "modernizing" regions.

The transition from a "traditional" society to a "modern" society implies:

(a) Changes in the predominant normative structure, so that individuals find themselves less and less obliged to act in ways that have been strictly established beforehand, thus increasing the situations in which they may legitimately choose between various alternatives;

(b) The replacement of the institutionalization of tradition by the institutionalization of change;

(c) Growing specialization of institutions and the emergence of relatively autonomous and specific value systems for each institutional sphere.³⁶

This modernization process does not occur simultaneously throughout the territory; it arises principally in the large urban agglomerations and spreads both through the space of functional relations and through the space of urban relations.³⁷ For this reason, the modernization of the whole society presupposes the existence of a *continuous urban system*, well linked up with the system of rural settlements. As is well known, the majority of urban systems in Latin America are discontinuous and of an extremely high degree of primacy. For this reason, the modernization of society and particularly of the agricultural sector implies the need to "fill in the gaps" in the structure of the urban system, that is to say, it presupposes specific policies for developing the national urban system, which is an important part of the regional development policy.

The provision of certain collective services such as health, education, and housing has traditionally been considered as a basic component of social development, within a restricted,

³⁶A. Solari, R. Franco and J. Jutkowitz, *op. cit.*

³⁷See J. Friedmann, *A General Theory of Polarized Development* (1972).

sectoral perspective, certainly, but one which is nonetheless valid.

The relationship between regional development and the provision of such services is too obvious to be discussed in detail. It is sufficient to point out that in the European experience of regional planning, *collective services*, that is to say, education, health, housing and recreational facilities, constitute perhaps the most important component of regional plans, and specific programming methodologies have been developed for them (Klaasen, 1968). At all events, the location of services such as education and health is a typical regional development problem, since geographical accessibility here is a determining factor.

3. Regional development and political development

"Development is a total social process, and it is only for the sake of methodological convenience or in a partial sense that we can speak of economic, political, cultural and social development" (Jaguaribe, 1973). This quotation is useful in making explicit the artificial nature of the exposition: the separation for analytical purposes of a whole which in reality is indivisible.

To speak of political development, it is necessary to define an ideological position: the choice here is obviously of democracy as a form of political organization and, consequently, as the concrete expression of the term "political development". In proposing a specific political option, this document is merely reviving the best of the Institute's tradition, expressed for example in the numerous works of José Medina Echavarría.

The relationship between regional development and the functioning of a democratic society is dual, and should be perfectly clear.

On the one hand, a basic precondition for democratic coexistence is a balanced distribution of political power. A society in which the decision-making power is overly concentrated, whether in private groups, public bureaucrats, the governing party or any other organization, is not truly democratic.

It is not only the concentration of power (as a measure of the relative quantity of power

possessed by each agent) which is of interest, however, but also the centralization of power, that is to say, the vertical form in which decisions are made within an organization. In fact, what is really undemocratic is the combination of the concentration and centralization of power. This leads to the conclusion that in attempting to recreate a democratic society, attention must be paid both to the achievement of a more equitable distribution of power among the various social groups (including the State itself) and to the distribution of each share of power among the elements forming the basis of an organization. With respect to the latter aspect, the decentralization of power will mean the transfer of part of the decision-making capacity to intermediate bodies, either public or not, many of which are or should be organized on a territorial basis (from neighbourhood councils to regional development bodies).

What is the role of a regional development project in this matter? It is dual. Firstly, it must determine the best distribution of power among the various territorial bodies, the jurisdiction of many of which will overlap to a certain degree (for example, the regional government and the provincial government). Secondly, it must determine the best possible combination of centralization and decentralization of decision-making power. It is a fact that modern society requires a certain degree of centralization, even if for purely technological reasons, but the need for decentralization is also a fact. Solving the equation of these opposing forces is part of the task of regional development specialists.

On the other hand, and at a different level, there seems to prevail in Latin America a conception of democracy ambiguously associated with the idea of equality, which is an elusive concept. This conception, whose origin probably goes back to the heritage of the French Revolution, has been deformed to the point of turning the notion of equality into one of uniformity, so that the conclusion is drawn that the more uniform and standardized the society, the more democratic the social system. This veritable perversion of egalitarianism *per se* has developed hand in hand with an excessive

degree of State centralization, because an all-embracing central State is clearly a powerful instrument for imposing upon the entire society essentially uniform values, norms, procedures and lifestyles.

This, however, does not imply that the above-mentioned process has not had some positive aspects. Uniformity and centralization have to some extent been the price paid for national unity, an element which has characterized and distinguished some Latin American societies and which, in some respects, continues to attract the attention of the foreign observer. As many have pointed out, however, this unity is more apparent than real, and is in fact based on the extent to which an extremely powerful State succeeds in imposing itself. One immediate consequence of this way of viewing democracy is that the state tends to give perfectly standardized public responses to a variety of local problems, which in turn implies a high degree of inappropriateness, or absolute failure, of such responses.

In other latitudes, the idea of a democratic society seems to be associated more with the concept of "diversity in unity", that is to say, the harmonious coexistence of a variety of development styles within the unifying framework of the Nation. Certainly, this conception

is much more humanistic, since it respects the right of each community to select its form of organization and style of development without, of course, leading to political fragmentation. This view of a society is more democratic not only because it leaves room for a spectrum of social expression, but also because it is more closely associated with the question of the participation of individuals and groups in the formation of their own models for local societies. From the point of view of the State's action, the stereotyped public response is avoided in this format, preference being given rather to a particularized response, deeply immersed in local realities and consequently essentially participative.

It might be appropriate to investigate the extent to which this style of public action could be combined with the traditional, more centralized style in Latin America. Again, the role of a regional development project would consist of furnishing the rationale so that such a decentralized and participatory system could generate viable development proposals consonant with major national objectives and projects. A society which leaves room for regionalism in its proper sense is certainly a more democratic society.

V

Conclusions

The preceding pages have reviewed some aspects of the regional planning experience in Latin America that are considered relevant. An attempt has also been made to show the relationship between regional development and the integrated development of society, with special emphasis on the links between regional development and processes of change in the economic, social and political fields.

An initial point which arises from the above analysis concerns a very positive result at the intellectual level: namely, the noticeable change in the capacity for original Latin American thinking in the field of regional development and planning. Over the last decade, the

original sources of influence have given way to independent Latin American thinking (within the limits of what is reasonable in this respect), which is even echoed and taken up in other regions.³⁸

The first experiments in regional planning on the sub-continent were sharply influenced by the "TVA model" when the goal was principally the control of river basins, and by the

³⁸Proof of this is, for example, the growing quantity of works by Latin American authors which are being published in English, both in Europe and in the United States, and the constant references to Latin American writers appearing in books and texts published in the "centre".

"Cassa per il Mezzogiorno" model when the purpose was industrialization. The 1950s and 1960s represent the peak of the process of importing approaches and ideologies for regional planning: the so-called "European" and "American" schools, associated with names such as Isard, Rodwin, Friedmann, Stöhr, Perroux, Hilhorst, Rochefort, Boudeville, exercised an irresistible influence and sway, which had both positive and negative aspects, on political leaders and the area's regional planners themselves.

Still in connexion with the renovation movement in Latin American economic thinking, regional planners began to base their proposals firstly on an analysis of Latin American reality, and secondly on their contact with the major concepts of economic thinking being developed in the region, and particularly in CEPAL (centre-periphery, structural, heterogeneity, dependence, planning, etc.). This led to the revision, rejection or adaptation of a large part of the theoretical and methodological baggage that had been imported and to an attempt, which is still going on, to generate original thinking. Since this entire process must be transmitted and discussed, it is perhaps the ILPES international courses on regional planning where this creative process is best expressed and collected.

Today we can truly talk of a "Latin American School" of regional economics, and this should be seen as an extremely important achievement, a direct product of Latin America's vast experience in regional development programmes.

This experience, as the analysis made in this document shows, has many weaknesses and even fairly obvious errors. It has itself been the product of a necessary but also dangerous process of social apprenticeship: necessary, because any form of planning or attempt deliberately to control and direct social processes in itself implies a process of apprenticeship, and dangerous, since in the successive experiments by trial and error the latter may turn out to be more impressive than the former, thus perhaps contributing to a gradual loss of the activity's political weight.

It is extremely difficult to evaluate the impact of the Latin American experience in

regional planning, partly due to its variety and lack of continuity, but partly also because there are no appropriate techniques for evaluating plans (beyond partial forms of evaluating the achievement of specific goals), that is to say, evaluation techniques for programmes with multiple targets have not been adequately disseminated and developed. In the case of (intra) regional programmes, evaluation is even more complicated because of the difficulty of distinguishing between the effects of endogenous and exogenous policies on the region. This accordingly makes it impossible to arrive at an overall judgement of the effectiveness of regional development programmes in this and in other cases.

This document has developed, in a fairly explicit manner the following thesis: regional development at the national scale cannot but be considered a necessary precondition for the process of social modernization. Development, understood of course as a much more comprehensive process than mere growth, cannot be achieved unless economic and social policies contain a definite geographical component.

A thesis formulated in this way may not seem very novel. After all, this is generally what planners have been preaching. The point is, however, that we must accept the *triple* dimension of regional development —not only the traditional, economic dimension, but also the social dimension and, most importantly, the political dimension— in a much more concrete way than the general admission that "planning is a political activity".

But to propose that regional development, and consequently regional development planning, should include these three dimensions would be purely wishful thinking unless attempts are made to specify the factual conditions allowing this thesis to be brought to the level of economic policy decisions.

It cannot be concealed that more than ten years after Friedmann wrote in his book on Venezuela that the regional problem had become a "national" one due to the crisis in centre-periphery relations, this is not yet the case. The "regional problem" is still not perceived as a matter of serious national interest. Consequently, the first requirements for giving re-

gional planning the role it merits is to transform "regional planning" into a national political issue, that is to say, something which is constantly at the centre of society's political discussion. Some specialists maintain that this may never be possible due to the very nature of the regional problem: important, but after all secondary. This reasoning does not seem particularly convincing, however, and other elements may be mentioned whose proper consideration could assist in transforming the regional problem into a political matter; unless such a transformation takes place, it will be difficult to help to solve regional problems.

An adequate effort has never been made to demonstrate that the regional problem is one which affects the great majority of the population: something which should be obvious, but has not been up to now. After all, the majority of the population of nearly all countries lives in the periphery, and in one way or another suffers the adverse effect of the centre's domination.

From another point of view, regional planners have not succeeded in placing the regional problem within the framework properly, especially in terms which express the dominant national concerns: for example, more effort has been expended in exposing the conflict between economic growth and regional development than in demonstrating their association. In particular, since *growth* continues to be a dominant concern in Latin America—and this seems to be appropriate even after the debate on growth generated by the studies of the Club of Rome—then regional planners must demonstrate clearly that regional growth is a pre-requisite for economic growth, as explained above.

Moreover, a larger role for regional planning will certainly depend on the economic ideology prevailing in a given country and at a given time.

It is well known that although everyone recognizes the existence of the "regional problem", its solution is not always conceived in the same way. Strictly speaking, and in fairly general terms, "the regional problem" refers to the hierarchical coexistence within a single territory of different spatial systems and of the corresponding, equally different, processes of

change. The uneven levels of income among regions, changes in the spatial distribution of the population, dominance-dependence situations, etc., are nothing more than the visible and often quantifiable manifestations of the basic problem that has just been described.

In this sense, the prevalence of a purely neoclassical line of thought according to which "the regional problem" is simply an imperfection of the market leaves no room for regional planning. In fact, if the manifestations of the regional problem mentioned above are attributed to the defective functioning of the mechanisms which should ensure the transparency and mobility of the market, then the logical response would be to improve the dissemination of information (opportunities) and the transport and communications systems, as well as to eliminate institutional obstacles to the free movement of the labour force. This leads, as we know, to proposals designed to eliminate differential regional treatment (policies), collective labour agreements and ultimately all forms of trade unionization.

If the prevailing ideology is more development-oriented, the concept of the "regional problem" takes on a different dimension from the one described above, but it is still far from being a comprehensive regional planning approach, for within this perspective the "regional problem" would be considered as an undesirable but inevitable sub-product of the very process of economic growth, and particularly of the machinery for differentiation involved in growth.

The argument takes as a starting point, then, the fact that an economic concentration process is necessary so as to generate the surpluses leading to reinvestment and the subsequent growth of the process itself, with both a sectoral dimension (micro- and macro-economic) and a spatial one: the disproportionate growth of a city or a few cities. The same argument contends that once a certain level of concentration and development has been exceeded the same economic forces—now in the form of diseconomies of scale, drops in the rate of profit and the existence of broader and better transport systems—will lead to a process of territorial deconcentration with a consequent reduction in, for example, interregional income

disequilibria. Similarly, it is maintained in this argument that from the point of view of the overall efficiency of the economy (that is to say, maximization of the growth rate), geographic concentration is desirable, at least at a certain stage. In other words, it is desirable to stimulate the growth of the large cities.

If the reasoning of the concentration-efficiency-deconcentration-equity chain is accepted, the activity of regional development consists of *using the primal city as an economic multiplier and the urban system to support the process of "trickling down"*. The specific policies in this case will be more spatial than regional, that is to say, directed more at improving the functioning of the spatial system than at promoting the development of each region. Specifically, in this case it is a question of applying urban development and transport development policies, as well as those aimed at stimulating sectors and some urban centres.

Finally, if the prevailing economic ideology is part of the "structuralist" stream of thought regarding development, regional problems tend to be considered as part of the structural heterogeneity which characterizes developing societies. From this perspective, the relationship between spatial organization and other types of social processes and structures (for example, the production structure) is considered to be two-way and temporally alternating. In other words, the reciprocal influence of spatial organization and social organization is recognized, and it is conceded that in the long run the spatial structure may determine social structures, though at various stages the relationship may be reversed. This reasoning leads to identifying the "specificity" of regional matters, which is conferred by: (i) the different constellation of natural resources in the territory; (ii) differing access to markets; (iii) the effect of spatial friction during the dissemination process; (iv) the different degree of combination of modern and traditional activities in various parts of the territory; (v) the various forms of domination exercised by the elements of the regional system, and (vi) the unequal distribution of power.

Once the "specificity" of regional matters is accepted, a particular planning subject (dis-

tinct from the "global" or "sectoral" subject) is defined, together with a correspondingly delimited professional field. In turn, this leads to the proposal of *regional* policies and the establishment of *institutions* linked to the management of regional matters. From this point of view, regional planning takes on a comprehensive dimension.

Together with the two factors just mentioned, which are located in the political and ideological sphere, it must also be noted that the role of regional planning in Latin America will also depend on the technical capacity of the regional planners themselves, and particularly on their ability to develop flexible responses to the variety and specificity of local problems. This is a responsibility which is of more direct concern to the institutions involved in professional training in this field in Latin America.

A fundamental question is implicitly posed, however, to which it must be recognized that there is not yet a scientific response: to what extent do processes of expansion such as that of dependent peripheral capitalism leave adequate room for manoeuvring in the implementation of regional development strategies which to a great extent contradict the logic of the overall process?

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