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The limits of the possible in regional planning

*Carlos A. de Mattos**

In spite of the growing importance assigned by Latin American governments in recent years to regional planning, due attention is still not given to the national and international historical processes which set in motion the spatial dynamics and shaped the particular spatial structures of each country.

In the view of the author, consideration of these processes is of fundamental importance for identifying the limits and restrictions affecting regional planning and hence determining the possibilities which this activity can have in the historical situation in which it is carried on. On the basis of this criterion, he analyses the problem of the limits of the possible in the case of regional planning, in the light of the conditioning factors imposed by a particular historical context.

For this purpose, in the first part of the article he considers the spatial implications of the process of formation of a national system, seeking to infer from this the specific restrictions arising with regard to the development of the different areas of the respective territories, and possible action designed to modify this situation.

In the second part, he shows how the national systems—once the dominant social forces have adopted a particular political project—acquire a definite spatial dynamic which leads to the formation of a particular territorial structure where the roles of each of the different subnational units are established.

Finally, in the third part he analyses the different factors which become restrictions on the possibilities of action in the field of regional planning and examines the way in which these factors define and limit the area in which the planner can move when acting as such.

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I

Introduction

A recent review of the content of the development plans currently in force in the majority of Latin American countries¹ reveals greater concern with regional problems than was observed in the plans formulated during the 1960s. In most cases, this can be attributed on the one hand to the realization that such problems have persisted and even got worse, and on the other hand, to the important social and political consequences which have been resulting from them.

Outstanding among these problems is the disparity in living conditions affecting the population located in different areas of a given national unit, which has shown a strong tendency to persist and even, in many cases, to increase. In the second place comes the phenomenon of the territorial concentration of activities and population in a very small number of areas—and especially in one single area—which has given rise to the formation of metropolitan regions whose relative weight in productive and demographic terms is disproportionately greater than that of the remaining components of the national urban system.

At the same time, it has been observed that these phenomena have shown great persistence regardless of the variations in the growth rate of each country as a whole, and in the face of this evidence the conviction has been growing that growth by itself does not lead to any diminution of these processes, as many authors had been maintaining. Moreover, the continual increase in territorial concentration has been obliging countries to assign a growing volume of resources in order to cope with the problems of the functioning of these areas, and it has been perceived that this can negatively affect the dynamics of the process of productive accumulation of the country as a whole.

On this basis, it has come to be recognized that at least some degree of State intervention is necessary if it is desired to achieve some kind of correction of these imbalances: hence the

¹ILPES, *El desarrollo regional en los planes de desarrollo*, Santiago, Chile, 1981 (mimeo).

increased importance which governments have begun to assign in the political sphere to regional planning, even though it must be recognized that for the time being this has not gone much beyond the level of intentions and declarations.

At the same time, because of the modest nature of the results obtained so far in the actual practical application of regional planning, growing concern is visible among planning specialists to find alternative ways which can make it possible to achieve greater effectiveness in this area. Such is the case of the so-called "upward model of regional planning"² which aims to give greater priority to action which could be initiated from subnational units (regions, States, local areas, etc.).

It may be observed, however, that these aims generally refer principally to the question

of planning procedures, so that the discussions which have arisen about them have generally relegated to the background the consideration of some of the substantive aspects of the historical processes in the course of which regional problems have been generated and whose consideration is essential in order to provide a suitable framework for action proposals; basically, these substantive aspects are related with the processes of formation of national systems, their intrinsic rationale and their concrete spatial dynamics. Ultimately, as Dunham points out, this means postulating that 'regional development' must be considered in the context of the structures and processes operating at the national and international levels, viewed historically and with specific reference to the social formations in which they occur.³

II

The formation of national systems: The assertion of a dominant rationale

In essence, planning may be viewed as a process which seeks to bring about a particular predetermined modification in the structure of a *part* (or parts) of a *whole*. Consequently, in order to analyse the feasibility of the proposed modifications it is necessary to try to identify some of the fundamental features and properties of the whole in which the part or parts in question are fitted.⁴

²See in particular Walter B. Stöhr, "¿Hacia otro desarrollo regional?", in Sergio Boisier *et al.* (eds.), *Experiencias de planificación regional en América Latina*, Santiago, Chile, ILPES/SIAP, 1981.

³David Dunham, "Algunas opiniones sobre investigación en el campo del desarrollo y la planificación regional", in Sergio Boisier *et al.* (eds.), *op. cit.*, p. 224.

⁴In this article the expressions *political project*, *national project* and *global model* are used as synonyms and it is considered that the style of development derives from the implementation of the prevailing political project. For the effects of the theories advanced in this article, the following explanation clarifies the sense in which these concepts should be understood: planning is conceived "as the effective technical instrumentation of a political pro-

ject. We start from the premise that in every society and in every stage in its history there is an explicit or implicit political project with multiple or partial objectives, of a transforming, conservative or compromise character, referring to the more or less coactive distribution of power and social resources" (Aldo E. Solari, *et al.*, *El proceso de planificación en América Latina: escenarios, problemas y perspectivas*, Santiago, Chile, Cuadernos del ILPES series, 1980, p. 5).

⁵Ludwig von Bertalanffy, *General System Theory*, New York, C. Braziller, 1968.

be viewed as a whole if it is desired to understand any of its parts".⁶

In a first approximation of a general nature, it could be said that the formation of a national system in the course of the historical evolution of each country consists essentially of a process in which the pre-existing activities, as well as those emerging in the various areas and sectors of the country, establish mutual relations among themselves and become components or elements of the system: that is to say, they come to form part of the economic structure of the national entity. It is in this way that the so-called process of national integration must be interpreted.

From the spatial point of view, it may be observed that during the first stages of the historical evolution of national entities the limits of the incipient national system generally do not coincide with those of the national territory, because within the formally accepted frontiers of a country the articulated elements of the system usually coexist on the one hand with a set of dispersed and unconnected activities and, on the other, with substantial empty or unoccupied areas: by definition, neither of these form part of the national system which is taking shape in the territory, since they are not yet linked together by any type of relationship.

The sequence of territorial articulation of the various elements which go to make up a national system may be described as the result of a process of dissemination of innovations, understood as the introduction and satisfactory adoption of any product, technique, organization or idea perceived as being new in a particular social system.⁷ In the context of the analysis which it is desired to carry out here, particular stress should be laid on those innovations involving the introduction of institutional changes which are significant for the future development of the system; this refers basic-

ly to the restructuring of the forms of social organization of labour, which form a new dynamic of the process of generation, appropriation and utilization of the economic surplus. Ultimately, it will be this dynamic which will characterize the dominant rationale of the system being formed.

In its initial stages, the process of national integration mainly operates at the level of economic circulation, through the expansion of the market economy: the links that bind together the elements of the system in course of formation are established through the dissemination of mercantile forms and mechanisms. Thus, this stage is marked by the development of the process of articulation of capitalist activities with pre-capitalist activities. In effect, the expansion of the area of influence of the mercantile economy in the national territory implies the physical expansion of the national system and, consequently, the gradual unification within the latter's effective ambit of the factor and product markets. This also means the dissemination and adoption of a particular pattern of social consumption, which begins to be adopted at an early stage in the historical evolution of the respective countries.

In the transition from a colonial economy to a capitalist export economy based on primary sector activities, the expansion of the area of market economy within a national space progressively generated productive activities aimed at satisfying the effective world demand for certain kinds of goods, in accordance with the dictates of the then prevailing international division of labour. It should not be forgotten in this respect that this process took place at the same time that the national entities were consolidating their articulation within the world capitalist system. Thus, a process of introduction of different mechanisms of trade was developing, and these mechanisms, starting with the adoption of some simple type of general equivalent evolved up to the establishment and generalized adoption of a national currency, thus cementing the bases for the expansion and deepening of the process of national economic integration.

In more advanced stages, the system achieved greater expansion and consolidation through the penetration and generalized adoption of a

⁶Antonio Barros de Castro and Carlos Francisco Lessa, *Introducción a la economía. Un enfoque estructuralista*, Mexico City, Siglo XXI Editores, 1969, p. 4.

⁷Paul Ove Pedersen, *Urban-regional Development in South America. A Process of Diffusion and Integration*, The Hague, Mouton, 1975, p. 72. See also John Friedmann, "A General Theory of Polarized Development", in Niles M. Hansen (ed.), *Growth Centers in Regional Economic Development*, New York, The Free Press, 1972.

new type of social relations of production: in this particular case, the capitalist relation of production, which involved the introduction of forms of social organization of labour and of profound changes at the level of production. At the same time, it also marked the beginning of a long process of gradual reduction of pre-capitalist activities, but it should be emphasized that this process of reduction in no way signifies the total disappearance of pre-capitalist forms of production, as the vigorous persistence of the peasant economy shows.

In the case of the Latin American countries, it is possible to distinguish two situations in the formation of national systems:

(a) That of the countries or regions which were set up in practically empty territories, where the formation of a capitalist system was achieved in a relatively rapid and generalized manner. In this respect, Laclau notes that "only in the Pampas of Argentina and Uruguay and in other smaller similar areas where there had not previously been any indigenous population—or, if it existed, it was small in number and its members were rapidly exterminated—did the settlements assume capitalist forms right from the beginning, subsequently accentuated by the massive immigration during the nineteenth century".⁸

(b) That of the countries set up in territories where substantial activities of a pre-capitalist nature had already been carried on in the pre-Columbian period (outstanding cases are Mexico, Guatemala, Ecuador, Peru and Bolivia); here, the formation of the national system brought about the retreat of the pre-existing forms of social organization and their gradual articulation with the remaining activities in the system. These cases are examples of typical underdeveloped capitalist economies as defined by Benetti: "these are heterogeneous economies, characterized by the linking together of numerous different sections, among them the subsistence economy, small-scale mercantile production, national and foreign capitalist production and segments of State

capitalism. This heterogeneity is not incompatible with the unity proper to the category of the whole".⁹

Throughout this process, which began with the expansion and consolidation of the market economy, the situations of duality—understood here in its orthodox sense—which may have existed before have gradually been disappearing. Such situations may have been due to the survival of closed systems within each of the territories where a national system was being formed, with the result that once they had been articulated within the market economy these closed systems came to function as open subsystems of the national system.

In the process of formation of national systems, each nation-State played a fundamental role by progressively establishing favourable conditions for the expansion and consolidation of the new social relations throughout the respective national territory. This process came to a head in very specific periods of the history of each country, and in many cases the national history books have even associated such periods with the names of particular persons who promoted during their periods of government the achievement of greater articulation of the national economy into the world market through links with capitalist centres in the metropolitan countries. In these stages, particular effort was devoted to furthering the processes of expansion of internal frontiers and the establishment of conditions to consolidate processes of national integration under the aegis of capitalist production relations. Since these processes have still not been completed, it may be observed that many of the regional policies being carried out today in various Latin American countries have been established fundamentally with the aim of securing greater expansion and deepening of capitalism within the national territory.¹⁰

⁹Carlos Benetti, *La acumulación en los países capitalistas subdesarrollados*, translated by María Isabel Hernández, Madrid, Fondo de Cultura Económica, 1976, p. 88.

¹⁰In this respect, see for example the important study by Jorge Jatobá *et al.*, "Expansão capitalista: o papel do Estado e o desenvolvimento regional recente", in *Pesquisa e Planejamento Econômico*, Rio de Janeiro, Vol. 10, No. 1, April 1980.

⁸Ernesto Laclau, "Feudalismo y capitalismo en América Latina", in E. Laclau *et al.*, *América Latina: feudalismo o capitalismo*, Mexico City, Ediciones Quinto Sol (undated), p. 130.

When incorporated into the system, activities and areas which until then had not been connected come to play a role in it, and this role developed and was reproduced as a function of the process of the generation, appropriation and utilization of the economic surplus, which constitutes the guiding line of the overall process. In this way, a certain scheme of spatial division of labour was gradually imposed which has marked the national territorial structure in each of its stages; as Doreen Massey points out: "The economy' of any given local area will thus be a complex result of the combination of its succession of roles within the series of wider, national and international, spatial divisions of labour".¹¹

In the final analysis, in every process of formation of a national system within the framework of a capitalist economy the predominant social relations of production constitute the element which fixes the limits of and gives content to the process of the generation, appropriation and utilization of the surplus by the various interdependent parts of the whole in question. This means that there must be a *dominant rationale* which is inherent in the system and also, consequently, that there must be certain rules compatible with it which set precise lim-

its for the field of action within this system.

In this interrelated set of elements, linked together under the control of specific and concrete rules, any change which affects one component of the system has repercussions on the remaining elements, transmitting its effects through a process of successive chain reactions. The propagation mechanisms observed in an input-output matrix are a good illustration of such interdependence.

It may be inferred from the foregoing that it is useless to consider a particular part or subsystem in isolation from its systemic context; as Benetti points out, "the complete set is an entity which is radically different from the sum of its parts, whose nature and mutual relationships are modified by its presence in them. The complete set is a totality".¹² This means that the introduction of changes within a sub-national unit (region, State, province) cannot be approached independently of the national entity to which the unit belongs; if this were done, it would mean trying to modify a part while ignoring the presence of the totality, that is to say, ignoring the strength of the interdependence existing between the unit in question and other units or elements of the system.

III

The dynamics of spatial operation: The process of formation of regional centres of accumulation

As noted earlier, every time the agents which orient and control the decision-making process in a national society have defined and effectively adopted a particular political project (ultimately signifying the adoption of an accumulation, growth and distribution model), at the same time a certain form of spatial operation of the system is explicitly or implicitly established. In turn, this form of spatial operation

means that, in general terms, each of the parts of this totality made up by the national system has been assigned the functions which it is supposed to fulfil. Specifically, this means that the fundamental lines of the accumulation, growth and distribution model which is to prevail in each of the subsystems have also been defined. In short, once a particular model of spatial operation has been shaped, certain limits are simultaneously defined which affect

¹¹Doreen Massey, "In what sense a regional problem?", in *Regional Studies*, Oxford, Pergamon Press, Vol. 13, No. 2, 1979, p. 235.

¹²Carlos Benetti, *op. cit.*, p. 85.

the content and possible scope of actions aimed at bringing about changes in different parts or subsystems of the national system: in other words, the prevailing model brings with it additional restrictions which demarcate the limits of the possible for actions of regional incidence.

This is why it is important, in each particular case, to grasp the fundamental features of the prevailing model of spatial operation it is desired to take action in terms of regional planning. In the case of the Latin American countries, just as it has been possible to characterize the various global models which have predominated in different stages of their historical evolution, it is likewise possible to try to identify, through its dominant features, the model of spatial operation corresponding to each of these stages. While recognizing the danger involved in trying to establish generally applicable models for the very diverse national situations coexisting in the Latin American sphere, it nevertheless seems reasonable, in the light of the available evidence, to sustain that there are certain salient features which, in general terms, have characterized the spatial development of a numerous group of countries.

This means accepting that throughout the process of formation of the Latin American national systems, the various alliances established between the social forces of each national entity have led to the definition and adoption of successive political projects which in essence, from a long-term viewpoint, have had considerable coherence and continuity as regards the spatial operation of the system. Thus, among these processes there are no examples of political projects of any substantial duration which have given rise to tendencies clearly opposed to the model which it is here sought to characterize. Obviously, examples can be cited of some political alliances which have temporarily imposed projects representing an interruption or break in the dynamics of the model of spatial operation, but once the conditions which permitted the application of these projects have disappeared, the subsequent projects have generally restored the coherence and continuity referred to; according to Villamil's theory,¹³ this corresponds to the expansion of a rising style of development which has

gradually transformed itself into the dominant style in national systems.

In the following pages, an attempt will be made to sketch the main lines of the model of spatial operation which has predominated up to now in most of the Latin American countries. The reader must be warned, however, that the possibility of generalizing these features to different national situations is conditional upon the fulfilment of at least the following two aspects. In the first place, the process of national articulation and integration based on the penetration and consolidation of the capitalist economy must have taken place in a relatively generalized manner in the country in question and must cover a substantial part of the national territory. It must be understood that in those countries which are still characterized by a relatively poorly articulated structure and by a significant degree of survival of pre-capitalist sectors, the model of spatial operation presented here has little validity. In the second place, there must have been a relatively substantial advance of the process of industrialization; this aspect is particularly relevant because the features in question are accentuated during the period in which industry leads to the appearance, expansion and deepening of industrial and financial capitalism. Bearing in mind these restrictions, the dominant aspects of the model of spatial operation which has predominated so far in most of the Latin American countries can be summed up as described in the following pages.

1. Articulation of the national system around central subsystems

Already during the era of colonial rule, certain cities began to stand out in the territories which were later to become some of the Latin American nations. These cities—whose dominant social groups in many cases played a fundamental role in the struggle for independence and the establishment of the respective countries as separate nations—rapidly increased

¹³José J. Villamil, "Concepto de estilos de desarrollo. Una aproximación", in O. Sunkel and N. Gligo (eds.), *Estilos de desarrollo y medio ambiente en América Latina*, Mexico City, Fondo de Cultura Económica, 1980.

their political and economic influence in the period of consolidation of nation-States and became the centres of the national system which was then in the process of formation. It was fundamentally through and on the basis of these cities that the process of dissemination of innovations was carried out, and it was consequently around them that the incipient national system began to be articulated; they initially constituted the base for the penetration and dissemination of the forms of the mercantile economy and subsequently of the social relations of production which led to the consolidation of the capitalist process of economic, political, social and territorial integration of each country.

From their origins up to the present, many of these cities carried out the basic functions of the systems which were gradually being articulated around them; thus, successively, and sometimes simultaneously, they were centres of colonial administration, national political power, the export-import process, services and commerce, and all this was gradually establishing the bases of their subsequent transformation into poles of attraction for the first industries.

When we look at the process of formation of the Latin American national systems, we note that in most cases the national urban structure was built up on the basis of a single main city (Mexico City, Guatemala City, San José, Caracas, Lima, Santiago, Asunción, Buenos Aires, Montevideo, etc.). In a few cases (Brazil, Colombia, Ecuador) more than one first-order urban centre has coexisted simultaneously at various periods in the process of formation of the national system; nevertheless, as the development of the industrially-based capitalist economy has progressed, the situation has tended to become more unbalanced as a result of the increase in the relative importance of a main city (the case of Bogotá) or a large industrial-urban axis (the case of São Paulo-Río de Janeiro).

As a result of the economic and political processes taking place in them, the main cities have generally become more separated from the other components of the national urban structure, as may be seen fundamentally from the functions (administrative, commercial, ser-

vices, industrial) carried out by each of them¹⁴ and, ultimately, the spatial concentration of such activities and of the population. As we shall see below, the spatial concentration of the activities of the industrial and financial sectors is of fundamental importance because of its incidence on the definition of the forms of spatial operation of the system.

These processes of spatial demographic concentration may be seen from the evolution of the indexes of urban primacy, which have been growing for most of the countries during prolonged periods in the past and in the case of many nations are still increasing; moreover, these indexes have been higher for the Latin American countries than for other areas of the world.¹⁵ It may however be noted in this respect that in the case of some countries—most notably Brazil—even though there is evidence of the spatial concentration of urban functions and particularly of industry, there is nevertheless no evidence of a particularly marked demographic imbalance and growth of the indexes of urban primacy.¹⁶

The data from the most recent population censuses reveal that in various countries of the region “the regional indexes of concentration of urban population in the main cities have shown a moderate but sustained downward trend, although their levels are still very high”.¹⁷ At the same time, the figures from recent industrial surveys also indicate that in some countries the level of relative concentration of industry appears to have reached its peak, and from now on a slow process of relative deconcentration would appear likely to begin.¹⁸ Nevertheless, a report on the present

¹⁴For an analysis of the problems of functional primacy in Latin America, see Denis-Clair Lambert and Jean-Marie Martin, *América Latina. Economías y sociedades*, Madrid, Fondo de Cultura Económica, 1976, p. 193 *et seq.*

¹⁵Regarding this problem, see Fernando Gatica, “La urbanización en América Latina: aspectos espaciales y demográficos del crecimiento urbano y la concentración de la población”, in *Notas de población*, Santiago, Chile, Year III, Vol. 9, December 1975.

¹⁶Vilmar Faria, “O sistema urbano brasileiro: um resumo das características e tendências recentes”, in *Estudos CEBRAP*, São Paulo, No. 18, October-December 1976.

¹⁷CEPAL, *El estado de los asentamientos humanos en América Latina y el Caribe*, Mexico City, Edición SAHOP, 1979, p. 42.

¹⁸CELADE, *Desarrollo regional, políticas públicas*,

situation and future trends of human settlements in Latin America forecasts that "the tendencies towards population concentration and the notable predominance of the main cities over the national systems of human settlements will be maintained, and it is estimated that there will be between 150 and 180 million people living in the main metropolises by the year 2000, corresponding to half the urban population and almost one-third of the total population of the region".¹⁹

In this context, the advance of the processes of spatial concentration has caused the increase in activities and population to overflow the limits of the main city, leading to the formation of vast and complex central regions, in some cases also called principal regions, metropolitan regions or "core regions". Such regions are generally made up of a growing conurbation which acts as the nucleus for them, with a network of smaller urban centres and rural areas directly linked to this nucleus: these regions become *central subsystems* of the national system and act as the true motive centre of the latter. Thus, as from certain periods in the historical evolution of each country, the national spatial system has tended to be articulated around a central region or subsystem rather than a main city. In this situation, the process of spatial concentration takes place fundamentally in this subsystem, although not necessarily in the main city; thus, a reduction in the relative weight of the main city (in terms of location of productive activities or population) is generally accompanied by an increase in the relative weight of the central subsystem as a whole.

The articulation of the national systems on the basis of a nucleus made up of the central subsystem is a fact which is observed in all the countries, regardless of their geographical size, and it is even observed that the industrial and demographic weight of this subsystem with regard to the national system is usually similar. Thus, the subsystem which has arisen around Montevideo (including the cities which are

dependent on this centre in the Department of Canelones) or San José in Costa Rica (including the cities of Alajuela, Heredia and Cartago) have a relative weight from the industrial and demographic point of view which is very similar to that of the principal regions of Chile, Argentina and Mexico, for example.

2. *Spatial concentration of industrial, financial and service activities*

When each of the countries began its industrialization process, the main cities appeared to be the place offering the greatest advantages from the locational point of view. To start with, these centres offered the widest access to the domestic market, since they had the largest volume of population with a certain capacity for consumption in the national system, this population being made up of that which was concentrated in the main city itself, plus the population of its area of effective influence. In this respect, it should be borne in mind that, because of the way the territory had been organized, both during the era of the colonial economy and the stage when the primary export model predominated, the infrastructure and the transport and communication services generally converged on the central subsystem which was in the course of formation. Thus, the remaining centres of any importance were practically without any linkages with each other, since in almost all cases their links were with and through the main centre.

Moreover, it was the main cities which had the best endowment of infrastructure (energy, drinking water, transport, etc.) and the largest available contingent of concentrated labour. These factors meant that at that moment these cities offered greater capacity for absorbing investment than the other possible locations in the national space. It should also be remembered that it was these centres which were best equipped for cultural and recreational activities, and this powerfully influenced the subjective preferences of businessmen as regards selecting their place of residence.²⁰

migraciones y primacía urbana en América Latina: una investigación comparativa, Santiago, Chile, preliminary version, 1980.

¹⁹CEPAL, *op. cit.*, p. 45.

²⁰This factor is usually of more importance than first impressions would seem to indicate. In this respect, see Jean Zlatiev, "Enquêtes sur les éléments moteurs et les

Finally, it should be borne in mind that since most of these cities were the seat of national political power, location near them gave the agents involved in the production process better and more rapid access to discussions about economic policy decisions which might affect them, and this in itself constituted a factor of attraction for the new activities which were beginning to be developed in each country.

The confluence of these elements in a single environment is what gives the basis for Topalov's assertion that "as a spatialized system of elements, the city is a form of capitalist socialization of the forces of production".²¹ As a consequence of this, the city offers what the same author calls the *useful effects of agglomeration*, a concept which corresponds essentially to what regional economic theory has traditionally called "external economies of agglomeration".

When the process of industrialization began to gather force in the Latin American countries, the advantages of agglomeration were most evident in the larger cities, so that the industrial activities which grew up tended to be located preferentially and in their majority in these cities or their immediate area of influence, and this is equally true for the countries which began their industrialization process early (such as Mexico, Colombia, Argentina, Brazil, etc.) as those which began it later (Venezuela, Costa Rica, Peru, etc.).

The tendency towards the spatial concentration of manufacturing activities in the main cities persists throughout the industrialization process in each country and covers practically the whole range of activities of the sector: thus, this locational trend is to be observed from the stage when the first simple manufacturing activities were established, right up to the establishment of large-scale industry, although everything appears to indicate that it reaches its greatest intensity during the period of substitutive industrialization.

éléments freins de la décentralisation industrielle", in *Revue Economique*, Paris, Vol. XLIX, No. 5, September 1968.

²¹Christian Topalov, *La urbanización capitalista. Algunos elementos para su análisis*, Mexico City, Editorial Edicol, 1979, p. 20.

This process of spatial concentration of industry has continued to prevail even in the case of activities of transnational origin, most of which have likewise been located in the central subsystems. In this respect, Paul Singer noted that "this [international monopoly capital] approaches locational decisions exactly like any other kind of capital, showing the same tendencies to superconcentration and displaying a similar possibility of being reoriented through suitable government incentives".²²

Consequently, as the process of industrial concentration went on, the central subsystems also became the natural location for most of the industrial structures of an oligopolistic or monopolistic nature, with the result that these centres not only became the seat of the largest number of industries, but also of the largest industries. Thus, economic concentration and territorial concentration have tended to strengthen each other mutually.

In turn, the development of industry in the large urban centres, through the processes of vertical and horizontal transmission of externalities, itself brought about the generation and expansion of new productive activities, especially in the trade and services sectors. Thus, the growth of the industrial sector led—through the increased amount of profits and wages and salaries—to an increase in the volume of disposable personal income in the main centres, and this, together with the population growth in these areas, led to a steady and significant expansion in the market, which in turn promoted the expansion and diversification of tertiary sector activities. The multiplication of these activities likewise contributed to the expansion of the market in the centre, thus giving still greater impulse to the expansion of these activities. All this reinforced the relative weight of the productive structure of the main centres in comparison to that of the remaining urban areas of each country.

Furthermore, the advance of the industrialization process supported and promoted a steady expansion of the financial system, which assumed an increasingly important function in the growth and reproduction of the system as a

²²Paul Singer, *Economía política da urbanização*, São Paulo, Editora Brasiliense, 1973, p. 76.

whole. The activities of the financial sector tended to establish their base of operations in physical proximity to the main mass of the national production apparatus, since it was there that it found the economic basis necessary for the development of its activities, and this fact too contributed significantly to the strengthening of the tendencies towards spatial concentration. This is clearly illustrated by the empirical evidence available, which indicates that the financial sector has reached indexes of spatial concentration even higher than those corresponding to other sectors of activity, both as regards the location of the fixed assets of the sector and the movements of its financial flows.

To this should be added, as a feature of fundamental importance regarding this sector, its marked centralization as regards decision-making; in this respect, Lambert and Martin have even gone so far as to say that "... this primacy is based essentially on the centralization of the financial circuits and the organization of bank circuits".²³ Thus, even though in the most recent and advanced stages of development of some countries of the region a certain degree of territorial redeployment of industry has begun to be glimpsed, it can nevertheless be asserted that this in no way changes the spatial centralization of the financial machinery at the management level, which takes place as a function of the dominant interests in the central subsystem.

As a result of the processes described above, it may be asserted that the central subsystem becomes on the one hand the main area of accumulation of installed technology and, on the other, the rallying place and centre of operations of the entities responsible for the effective management of the financing of the process of accumulation; it therefore seems justified to claim that from the spatial point of view each central subsystem constitutes the *main centre of accumulation of the system*. Other aspects which help to show more clearly how the process of accumulation of capital has been becoming more spatially centralized and concentrated will be analysed later.

3. *Strengthening of territorial concentration through the action of the State*

Special consideration must be given to the action of the State, which has played a fundamental role in generating conditions for the strengthening and expansion of the main centres of accumulation of each national space. In discussing this aspect it seems desirable to bear in mind from the very beginning David Dunham's warning that "... much of the literature on 'regional development' and 'regional planning' seems to have been written on the implicit assumption that the State acts as the guardian of 'the public interest' rather than as the representative of the most powerful interests in the national society (including its own)".²⁴ If it is accepted that the State cannot be considered as a neutral entity in the interplay of the various social forces, then in the particular case under consideration it will be important to try to outline the origin of the dominant pressures during the period studied.

In this respect, the most important feature is the emergence onto the political scene of the urban social groups, resulting from the advance in the processes of urbanization and industrialization. These groups gradually acquired increasing weight in the alliances sustaining many of the political projects promoted by nation-States, especially during the period of substitutive industrialization.²⁵ This presence of the urban social forces in political life has had a clear incidence through the fact that many of the policies adopted have led explicitly or implicitly to the strengthening of the main centres of accumulation and their transformation into the veritable motive forces of the economic functioning of each national system.

Although the socio-political analysis of these processes is beyond the scope of the present article, it does seem important at least to make a brief reference to the main reasons why the action of the State has tended up to now to support the growth of spatial concentration in the Latin American countries. In brief,

²⁴David Dunham, *op. cit.*, p. 227.

²⁵In this respect, see in particular Fernando Henrique Cardoso and Enzo Faletto, *Dependencia y desarrollo en América Latina*, Mexico City, Siglo XXI Editores, 1969.

²³D-C. Lambert and J-M. Martin, *op. cit.*, p. 193.

the position maintained here is that the action of the State has effectively responded to concrete political pressures exercised on behalf of the central subsystems. There are various reasons for this behaviour: to begin with, the most powerful national and international economic groups—which have mostly had their principal base of operations in the central subsystems—have exercised persistent pressure to ensure that the actions of the State favours the development of the activities located there, which, as from a certain period in the development of each country, have become the fundamental activities of the process of accumulation. Furthermore, the central subsystems are the place of residence of the largest relative concentrations of population, to whose political weight the State has not of course remained indifferent; these concentrations, too, have exercised persistent pressure for an increase in the public expending and investment needed to improve or maintain the functioning of the environment in which they live and carry on their activities, so that this has continued to be an attractive place to locate new activities. Finally, considerable weight has been exerted also by the fact that the central subsystems are the location of the greatest volume of the most directly or indirectly dynamic activities of each national system, whose growth the State seeks to maintain, and in order to be able to preserve the high levels of efficiency of these activities—which also means maintaining the growth rate of the system as whole—it has constantly been necessary to make additional investments in infrastructure and services.

In these conditions, the action of the State has constantly tended to favour this part of the system to the detriment of the remaining parts; this has mainly been achieved through the allocation of a high percentage of State resources to cover current expenditure and investments favouring the centres of accumulation, either in order to generate additional infrastructure, to absorb diseconomies of agglomeration, or to cover high maintenance and operating costs.

The persistence of this process of spatial concentration of the most important activities of the financial accumulation, industrial and services sectors in the central subsystems necessarily led to an increase in the political

power of the social groups connected with these, and this meant an increase in the political power of the subsystems, resulting in the fact that a good proportion of the most important policy decisions have tended to strengthen, either directly or indirectly, the power structure located there, to the detriment of activities located in other parts of the territory. This increase in the political weight of the central subsystems forms the foundation of many of the theses of internal colonialism.²⁶

At the same time, the most backward regions, which are characterized by having a weak economic structure, have been the location of economically weak sectors and hence of social forces with little political power, so that their bargaining capacity has also been very limited. Consequently, public actions have very rarely been really designed to favour these regions, and it is hard to believe that the mere play of the market forces can bring them out of their depressed situation.

The problems brought about by excessive concentration have led some Latin American governments to take measures designed, at least apparently, to modify the pattern of spatial operation of the system. Such measures have generally been designed, however, to achieve a greater interiorization of the production process (this is what was sought, for example, through the construction of Brasília and Ciudad Guayana), or else greater national integration (through ambitious programmes of construction of transport infrastructure), so that the results do not so far seem to have succeeded in bringing about any significant changes in the model of spatial operations; indeed, many of these actions seem to have led rather to its strengthening and expansion. Nor have attempts to achieve other objectives, such as industrial deconcentration through the establishment of industrial parks or new poles of growth, registered any results which point to significant changes in the dominant features of the model.

Even so, because of the growing acuteness

²⁶On internal colonialism, with special reference to the case of Brazil, see in particular Yves Chalout, *Estado, acumulação e colonialismo interno*, Petropolis, Editora Vozes, 1978.

of the contradictions and problems caused by excessive spatial concentration,²⁷ there can be no doubt that in the next few years many governments are bound to intensify their policies aimed at stimulating spatial deconcentration, and some concrete results may possibly be achieved in this direction.

4. *Convergence in the spatial shifts of the labour force*

The process of expansion and consolidation of the national system, which implies the propagation of capitalist social relations of production to the rural environment, has meant the introduction of new forms of social organization of labour in agricultural activities, and one of the most outstanding effects of this process has been the expulsion of substantial contingents of rural labour to urban areas, giving rise to an explosive intensification in the internal migration observed in recent decades.

The expulsion of rural workers is essentially in response to two kinds of causes.²⁸

(a) Firstly, the incorporation of extensive areas of the rural environment into the new forms of social organization of labour and production, which has had at least two important effects: on the one hand it has meant the introduction of changes in production techniques, making them more capital-intensive, so that there has been a gradual reduction in the number of rural wage-earners required for each unit of production; and on the other hand, it has brought about an increase in the size of the properties of capitalist enterprises, with consequent displacement of the former producers and peasants to other activities.

(b) Secondly, peasant agriculture, which is predominantly for subsistence purposes and has its own specific forms of social organization, with little or no generation of economic surplus,²⁹ has been unable —because it lacks

the conditions for raising its productivity— to retain the whole of the population increase generated there.

The population contingent expelled from rural areas has gone mainly to the cities, and especially to the central subsystems, which for a long time past have exerted a much greater attraction than the small or medium-sized cities. As a result of these population movements, the subsystems have had at their disposal large contingents of labour which, as they exceed the demand for workers by urban activities, have led to a persistent increase in structural unemployment and underemployment, and this imbalance in the labour market has made it possible to perpetuate a situation of low wage levels in the main centres of accumulation. Both the abundant availability of labour and the maintenance of low wages have become additional factors helping to ensure the continuity of the process of location of new activities in the central subsystems.

When we consider that one of the factors which has had the greatest influence at the international level in promoting the redeployment of industry from the centre to the periphery has been the possibility of reducing production costs through the existence in the periphery of abundant labour available at low wages, it may be asserted that in the present circumstances it is difficult to see how any tendency towards territorial dispersion within the Latin American countries could be brought about by the factors in question. The fact that a certain amount of territorial redeployment of industry may be taking place in some countries —especially those of largest geographical size— would seem to be connected mainly with the rise of markets of some importance in certain peripheral areas of those countries.

5. *Territorial differences in productivity, efficiency and profitability*

The continual increase in the population and production activities of the main urban centres and the subsystems which have grown up around them have had as their consequence a steady expansion of their markets, which has in turn created favourable conditions for the expansion of the scales of production of the activ-

²⁷On the problems caused by processes of spatial concentration, see Carlos A. de Mattos, "Crecimiento y concentración espacial en América Latina: algunas consecuencias", in *Revista Interamericana de Planificación*, Mexico City, Vol. XV, No. 57, March 1981.

²⁸See Paul Singer, *op. cit.*, p. 31 *et seq.*

²⁹Alexander Schejtman, "The peasant economy: internal logic, articulation and persistence", in *CEPAL Review*, Santiago, Chile, No. 11, August 1980.

ities located there, and this, in turn, has brought about an uninterrupted process of incorporation of technical progress. As a result of this, the largest centres have been characterized by their possession of plants of larger scale and by their incorporation of technical progress in a manner which has no parallel in the industries located in smaller centres; moreover, they enjoy a greater availability of infrastructure, energy, skilled labour, etc. All this has established favourable conditions for a higher level of development of the forces of production in the central subsystems than in the peripheral areas. Consequently, the activities located in the central subsystems have been characterized by a higher productivity of labour than the smaller centres,³⁰ all of which has resulted in a higher degree of efficiency of their respective production processes.

Various empirical studies available for different countries of the region give grounds for asserting that the form of behaviour sketched above is generally valid for those countries whose industrial sector has grown to relatively substantial dimensions. This is clearly shown, in particular, by the indexes of labour productivity and industrial efficiency calculated for urban centres of different sizes. For the specific case of efficiency, for example, an important study by E. Hernández Laos on Mexico which is based on a calculation of indexes of industrial efficiency for the various federal States of that country showed that "... the indexes of efficiency are systematically correlated in almost all industries with the differences which exist in the conditions of infrastructure, education and training of labour, degree of industrial diversification, size of markets, and availability of credit and energy".³¹ Taking into account the fact that it is the central regions which are best endowed in this respect, the author arrived at the following significant conclusion: "...the fi-

nal result is that these regions enjoy 'locational advantages of efficiency' which favour the expansion of the firms already located there and the attraction of new ones".³²

In general terms, the force of the factors mentioned above (scales of production, incorporation of technical progress, external economies of agglomeration, productivity of labour, economic efficiency) mean that the central subsystems are perceived by the agents who take decisions on the utilization of the economic surplus as the places in the national space which offer the prospect of the greatest profitability in the medium and long term. This fact—in a type of economic system where the spatial and sectoral utilization of the surplus is governed basically by the laws of the market—has become one of the most vital points in the system, because, as Singer notes: "...since the capitalist enterprise is a free agent as regards decisions on location, it takes these as a function of the market stimuli and the subjective preferences of its managers. Both circumstances lead to the concentration of activities in metropolitan areas".³³

The perception which private entrepreneurs have of the differences in profitability between different parts of the territory is accentuated by the fact that the negative effects and costs deriving from the congestion in the large urban concentrations are not transferred directly to the enterprises, but are absorbed by the economy as a whole: that is to say, the private costs are different from the social costs. In the above-mentioned study on the process of spatial concentration in Mexico, E. Hernández Laos comes to the following important conclusion in this respect: "...if the private gains derived from economies of scale and external economies are greater than the negative effects directly caused to the firms by external diseconomies, *the process of industrial expansion of the industrialized regions will tend to be accumulative and expansive, as seems to be the case in Mexican manufacturing*".³⁴

Ultimately, these factors lead to a dif-

³⁰For a study on the differences in productivity in centres of different sizes, with reference to the case of Brazil, see Hamilton C. Tolosa, "Macroeconomía da urbanização brasileira", in *Pesquisa e Planejamento Econômico*, Rio de Janeiro, Vol. 3, No. 3, October 1973.

³¹Enrique Hernández Laos, "Economías externas y el proceso de concentración regional de la industria en México", in *El Trimestre Económico*, Mexico City, Vol. XLVII (1), No. 185, January-March 1980, p. 129.

³²Enrique Hernández Laos, *op. cit.*, pp. 133-134.

³³Paul Singer, *op. cit.*, p. 74.

³⁴Enrique Hernández Laos, *op. cit.*, pp. 135-136 (author's italics).

ferentiated form of behaviour as regards the territorial use of the surplus, and it is in this differentiated behaviour that we may find the origin of the acute regional inequalities which have characterized the process of spatial formation in the Latin American countries. In this respect, Doreen Massey notes that the inequalities stem essentially from a particular area's "degree of attractiveness to, and suitability for economic activity. At any point in time, in other words, there is a given unequal geographical distribution of the conditions necessary for profitable, and competitive, production".³⁵ It is this unequal geographical distribution of the degree of attractiveness to and suitability for the dominant economic activity which has essentially led to the fact that the new activities generated by private enterprises have tended to continue to be located in the central subsystems, thus bringing about the sequences of an accumulative nature which have given rise to the formation of the great concentrations now characterizing the spatial structure of most of the Latin American countries.

6. *Predominant use of the surplus for the benefit of the central subsystems*

Another of the fundamental features of the predominant model of spatial operation is its tendency towards the territorial concentration of the process of capital accumulation in the central subsystems; essentially, this represents a process of appropriation of the surplus generated in the peripheral regions and its use in accordance with the dominant interests of the central subsystems.³⁶

³⁵Doreen Massey, *op. cit.*, p. 234.

³⁶In analysing this process we have deliberately refrained from dealing with the aspects relating to the transfer to the exterior of the surplus generated in peripheral economies, although it is of course recognized that this is one of the most important phenomena affecting the growth of the latter. Although in the present article it has been borne in mind that the growth model adopted by each country has been conditioned by the specific form of articulation of the national economy with the dominant centre at the international level, the analysis has been centered exclusively on the effects which this had on the internal spatial operation of each national system. Consequently, the statements made here apply essentially to the process of generation, appropriation and territorial utilization of that part of the surplus which is retained within the respective national economy.

Within each national economy, the extraction of the surplus takes place through various mechanisms, among which it is worth singling out on the one hand those which permit its direct extraction and, on the other hand, those which operate through trade exchanges. In turn, as regards the direct extraction of the surplus a distinction should be drawn between that which takes place through private sector mechanisms and that carried out in the sphere of the State.

As regards the mechanisms operating within the private sector, special mention may be made of those which operate on the basis of the differences in profitability enjoyed by the agents between the central regions and the peripheral regions, that is to say, the differences in terms of the "conditions for profitable and competitive production" referred to by Doreen Massey. This situation has led to a constant transfer of the economic surplus to the central subsystem, fundamentally through bank circuits and other financial sector mechanisms, which have steadily expanded and become more perfected for the proper fulfilment of this function. All this has given rise to a greater accumulation of capital in the central subsystem than in any other region of the national space.

Although that part of the surplus extracted from the peripheral regions which remains in the country is mostly used in the central subsystem, there always remains another part which is directed towards certain high-profit activities in other subsystems, whose growth helps to speed up the process of accumulation of the economy as a whole, with the ultimate result, through the operation of the mechanisms already described, that this works in favour of the expansion of the central subsystem. In a study on the regional processes in Brazil, Paulo Haddad gives the following analysis which exemplifies and corroborates the foregoing assertion in this respect: "...the dominant centre —through investments in the transport and communications of the periphery— builds up relations of domination which are characteristic of internal colonialism. In areas endowed with abundant natural resources, big agroindustrial and mining projects are set up, financed and controlled by the pri-

vate capital of companies located in the centre, with the objective of generating at low cost an exportable surplus of raw materials and foodstuffs needed to sustain the industrialization process in other regions of the country or solve acute balance-of-payments problems".³⁷

The State, for its part, also appropriates part of the surplus generated in the various areas of the country, but—under the influence of pressure from the factors already analysed earlier—this is used above all in the central region itself: obviously, some of the surplus appropriated by the State is also used in peripheral regions, but even in this case it tends to benefit the dominant groups of the central subsystems rather than the peripheral regions themselves. This is so, for example, in the case of investments in infrastructure which are ostensibly carried out with the aim of achieving greater national integration but which, in general, primarily make possible an expansion of the market for manufactures coming from the central subsystem. Furthermore, this expansion acts to the detriment of the local manufactures of the other regions, since because they work at lower productivity, and hence with higher production costs than the companies in the central region, they cannot continue competing with their products.

In addition, it must be borne in mind that the factors inducing the transfer of the surplus from the peripheral subsystems to the centre also influence the selection of the predominant place of use of the surplus generated in the central subsystem itself. In this respect, it may be noted that while in their initial stages the central subsystems needed the surplus of the primary export sector in order to establish and consolidate themselves, in more advanced stages a broad and diversified production structure grew up in them which came to contribute an increasingly large part of the total surplus of the country, and the part of this which is retained by the national system has tended to be oriented largely towards the activities of the central subsystems themselves, in the light of

the territorial differences in profitability already referred to.

At the same time, the increase in production of the centre has given rise to another mechanism for appropriating the surplus generated in the peripheral regions: as the productive activities of the central subsystem were expanding, diversifying and increasing their productivity, interregional trade was also growing, with the simultaneous decline in the manufacturing activities of the peripheral regions already referred to. In view of the differences in productivity between the activities of the central subsystems and those of the other subsystems, this trade between regions has formed the basis for a transfer of the surplus to the central subsystem. A good example in this respect is that of Brazil, where a recent study on the case of São Paulo notes: "The fact that São Paulo is the leading centre of the process of accumulation in Brazil leads to the relative impoverishment of other regions of the country. In addition to the direct transfer of resources or investment, another source of concentration is provided by the privileged position of the São Paulo economy in the regional division of labour. As the most advanced sectors of industrial and agricultural production are concentrated in the São Paulo area, the productivity of its enterprises is also greater, giving it an advantage in trade relations with other regions".³⁸

If we accept Laclau's assertion that "...economic dependence means the permanent absorption of the economic surplus of another region",³⁹ then in the conceptual framework just set forth it would be possible to speak of dependent regions and dominant regions, while at the same time it would be necessary to accept that the relations linking the elements of the system have the character of domination and dependence, respectively. This is the fundamental significance of the concepts of dominant regions and dependent regions.⁴⁰

³⁸Candido P. Ferreira de Camargo *et al.*, São Paulo 1975. *Crescimento e pobreza*, São Paulo, Edições Loyola, 1976, p. 16.

³⁹Ernesto Laclau, *op. cit.*, pp. 138-139.

⁴⁰Obviously, this does not mean to say that one region as such dominates another region, but that particular social groups residing in a region of greater capitalist development appropriate a significant part of the surplus generated in regions of less advanced capitalist development.

³⁷Paulo Roberto Haddad, "Brasil: la eficiencia económica y la desintegración de las regiones periféricas", in Sergio Boisier *et al.*, (eds.), *op. cit.*, p. 372.

The above aspects form the essence of the mechanisms which have served so far to bring about the self-perpetuation of the processes of spatial concentration and unequal growth which have predominated in most of the Latin American countries; fundamentally, these are phenomena with similar characteristics to what Myrdal⁴¹ describes as cumulative processes of circular causation.

While these processes have been generating contradictions, it should be observed that so far these contradictions have not reached the point of cancelling out the advantages of spatial concentration, and that moreover the system as a whole seems to have found mechanisms which have enabled it to overcome such contradictions. This is so, for example, in the case of the problem raised by the reversal of sign of the advantages of agglomeration as a result of the incessant growth of some great metropolitan centres; in most of these cases, the solution has been sought through increasing the resources assigned by the State to these centres so as to keep them operating, even though this has to be done to the detriment to the needs of the peripheral subsystems.

On the basis of the evidence provided by the features of the model sketched earlier, we can now, by way of summing up, try to complement what has been said on the aspects which permit us to define the central subsystems as principal centres of accumulation within each national space. These aspects are summed up by the fact that each central system develops into:

- (i) the place where the qualitatively and quantitatively most important part of the stock of productive capital of the system—that is to say, the greatest volume of installed technology—is located;
- (ii) the place where gradually increasing volumes of the national economic surplus are generated;
- (iii) the place where substantial volumes of the surplus generated in the other subsystems are appropriated; in this respect, it could be said that they constitute the greatest centres

of supply of financing for productive accumulation;

(iv) the place where most of the agents who take decisions on the use of the surplus available in each national space live, and hence, the place where such a national space is operated and 'manipulated'.

7. Persistence of unequal spatial growth

It may be inferred from the foregoing that the dynamic peculiar to this model of spatial operation has led to the shaping of a structure characterized by an extremely unequal territorial distribution of productive forces and an equally uneven development of them in the various areas of each country, while these features have also become factors which ensure the reproduction of this same structure and hence the persistence of the process of unequal growth.

In their most concrete expression, these disparities are manifested in the substantive differences in living conditions which affect the inhabitants of the different regions. Many investigations made in respect of various Latin American countries show that as the process of concentration has advanced, the inequality in the territorial distribution of both wealth and poverty has steadily become more acute. This is so because on the one hand the richest strata have tended to become concentrated primarily in the central subsystem, while on the other hand the highest percentages of poverty affect the regions or areas of the periphery; furthermore, there is evidence which gives grounds for asserting that the poor in the poor regions are generally poorer than their opposite numbers in the central subsystems.

As regards the territorial distribution of poverty, we may take as an example the case of Peru, where the results of a survey carried out in 1971-1972 show that whereas in Metropolitan Lima the families in a situation of extreme poverty amounted to 6.3% of the total number of families in the area, in the rest of the urban centres the respective proportion came to 24.5%, while in rural areas it was 50%.⁴² Like-

⁴¹Gunnar Myrdal, *Economic Theory and Underdeveloped Regions*, London, Duckworth, 1957.

⁴²Alberto Couriel, *Estado. Estrategias de desarrollo y satisfacción de necesidades básicas: el caso de Perú*, Santiago, Chile, ILPES, 1978 (mimeo).

wise, an investigation on regional disparities being carried out by ILPES has revealed a similar situation in Panama and Venezuela.⁴³

The conclusions of the research on urban poverty carried out in respect of Brazil by Hamilton Tolosa must be interpreted in the same way: this author found that "...the cities can be clearly grouped according to a regional criterion. Thus, at one extreme are the poorest cities, headed by Juazeiro do Norte, Parnaíba and Mossoró, followed by other highly concentrated centres in the Northeast. At the other extreme are the cities in central São Paulo and the metropolitan areas of the southern region."⁴⁴ These results show that regional inequalities persist even when only the urban population is considered.

All this indicates that the conditions of well-being and survival prevailing in the central subsystems are superior to those of most of the peripheral regions. Furthermore, from the aspects considered in the preceding pages it may be inferred that as long as this model of spatial operation continues in force, there are no solid grounds for expecting any significant reduction in the regional disparities now existing, regardless of the growth rate which may be reached by the economy as a whole.

It should be noted in this respect that some cases of modest reductions in regional disparities claimed to be revealed by measurements carried out in certain countries of the region do not seem to be attributable to greater relative growth of the income of the peripheral regions so much as to a short-term reduction in the growth rate of income in the central regions. In a study on the recent evolution of the disparities in regional income in Brazil, Redwood puts forward the following hypothesis to explain the reductions in such disparities observed in that country in the period after 1960:

⁴³Arturo León, *Dimensión territorial de las disparidades sociales. El caso de Panamá*, Santiago, Chile, ILPES, 1982 (mimeo).

⁴⁴Hamilton C. Tolosa, "Dimensões e causas da pobreza urbana", in Werner Baer et al. (eds.), *Dimensões do desenvolvimento brasileiro*, Rio de Janeiro, Editora Campus, 1978, p. 159.

"the evolution in regional inequalities, and more specifically, in the relation between the levels of the product in São Paulo and in the Northeast, is largely due to economic phenomena which affected the growth rate of the product in the higher-income State rather than the spread of growth to the poorer areas on the periphery".⁴⁵ To this must be added the important warning given by Gilbert and Goodman that "...the regional convergence in income may be associated with very small improvements (or even a decline) in the incomes of the poorest groups in society and a deterioration in income distribution in the poorest regions".⁴⁶

Indeed, the model characterized through some of its most outstanding features earlier in this article is based on a scheme of territorial division of labour in which each territorial unit, within certain limits, has been assigned a specific function and, ultimately, its own particular model of accumulation, growth and distribution. In this context, as Melchior pointed out, "...the problems characterizing the underdevelopment of a subspace must be considered... as functional to the operating requirements of the system as a whole".⁴⁷

If this is so, then any attempt at action from the top down or from the bottom up must necessarily take into account the specific and concrete restrictions imposed by the prevailing model of spatial operation; if it is desired to make changes in the accumulation model of a particular subnational unit but these are not compatible with the spatial dynamics of the system, it can easily be foreseen that it is highly improbable that such changes can really be put into effect.

⁴⁵John Redwood III, "Evolução recente das disparidades de renda regional no Brasil", in *Pesquisa e Planejamento Económico*, Rio de Janeiro, Vol. 7, No. 3, December 1977, p. 526.

⁴⁶Alan G. Gilbert and David E. Goodman, "Desigualdades regionales de ingreso y desarrollo económico: un enfoque crítico", in *EURE*, Santiago, Chile, Vol. V, No. 13, June 1976, p. 98.

⁴⁷Enrique Melchior, *Notas sobre la planificación a nivel subnacional en el marco de la planificación nacional*, Santiago, Chile, ILPES, 1980, p. 3 (mimeo).

IV

The area of the possible in regional planning

1. *The conditions and restrictions affecting regional action*

On the basis of the evidence considered so far, a more detailed analysis can be attempted of the consequences which these aspects could have for regional planning in both its inter- and intra-regional aspects. In this respect, we could begin by asserting that essentially every definite action aimed at bringing about certain desired changes in the spatial structure of a particular system must necessarily come within a specific *area of viability* whose limits are defined by the *conditions and restrictions* imposed firstly by the dominant rationale of the national system in question, and secondly by the model of spatial operation deriving from the prevailing political project.

The first-mentioned aspect refers to the fact that the rule deriving from the dominant rationale of the system delimit the nature, content and possible scope of social action, so that they act as concrete conditions and restrictions with respect to planning; this is the same as saying that they establish the most rigid and general limits defining the area of the possible in terms of planning.

It is easy to understand why this is so, because in fact these rules constitute the elements which define the type of system in which one is operating and therefore form a datum for the problem of planning: that is to say, when planning in a capitalist economy, the elements inherent in this type of system cannot be changed in essence through planning. A similar analogy can also be made when considering the problems of planning in a socialist economy, whose specific dominant rationale defines the limits for action. Although this type of assertion may seem obvious, this has not always been understood in the field of planning, where proposals have often been made for changes in the prevailing rules which ultimately involve flying in the face of the indications dictated by the rationale of the system.

The second aspect referred to is founded on the basic assumption that when the agents controlling the decision-making process adopt and decide to implement a particular political project, the accumulation model inherent in this involves a particular mode of spatial operation. When tackling a process of regional planning, regardless of whether this is undertaken from above or from below, it must be borne in mind that each of the parts of the national system (region, State, province) is affected by the dynamic of spatial operation, since this involves the system as a whole and, ultimately, to a greater or lesser extent each of the subsystems which make it up. In this context, the process of accumulation, growth and distribution in each subsystem takes place (within certain limits) in accordance with the role which explicitly or implicitly corresponds to it in the scheme of spatial division of labour deriving from the global accumulation model. Consequently, as long as the prevailing political project is not modified, the conditions and also the possibilities deriving from it must be taken into account.

On the basis of these considerations, it seems reasonable to assert that the modest results obtained by regional planning in the Latin American countries are basically due to the fact that the objectives and actions pursued in the plans were generally not compatible with the model of spatial operation supported by the prevailing political project; as a consequence, the proposed action could not, and indeed never did, arrive at the stage of effective execution. Finally, this type of procedure seems to ignore the fact that, as Dunham notes, "planning is by its very nature a reformist type of activity and must be in line with the prevailing power if it is to have success".⁴⁸

Nevertheless, we frequently find it asserted that the ineffectiveness of regional planning is due largely to faults in the theoretic-

⁴⁸David Dunham, *op. cit.*, p. 228.

cal foundations available: that is to say, it is maintained that the available knowledge on spatial processes does not give an adequate explicative basis on the origin and development of regional problems and does not provide appropriate normative elements for action. Although it must be accepted that the theoretical and ideological controversy on the nature of regional problems is still very strong and that we do not yet have a completely perfect regional theory, this does not mean that we must infer from this that the knowledge on which the practice of planning has to be based is useless; on the contrary, a review of the body of theory existing at present gives grounds for asserting that the knowledge available is reasonably satisfactory for explaining the origins of the main regional problems and suggesting the most suitable action for achieving, in given conditions, desired changes in the spatial dimension.

In reality, as already noted, the alleged failure of regional planning is due to the fact that in most cases the objectives pursued by the respective plans have not been compatible with the prevailing political project nor, consequently, with the corresponding model of spatial operation. When it has subsequently been sought to make an appraisal of the results obtained, the judgements have been based essentially on the fact that no significant success was achieved in terms of reducing regional disparities or lessening the process of territorial concentration. It is difficult to accept, however, that this should be attributed to weaknesses in the theories, since in order to achieve such objectives it would be necessary to 'implement' action oriented in a different direction from that corresponding to the dynamic of the predominant model of spatial operation: the fulfilment of such objectives would in fact have meant nothing less than the adoption of a global accumulation model different from that supporting the form of spatial operation in question, and this a problem which lies clearly in the area of political decisions and not that of theories.

2. *Conditions and restrictions in the Latin American experience of regional action*

Through the foregoing considerations we have

tried to come closer to the identification of the main conditions and restrictions limiting the area of the possible for actions of regional incidence; it is now necessary for us to examine this theoretical approach in contrast with what is to be observed in the concrete practice of planning in Latin America. For this, it is necessary to bear in mind that regional planning, understood as a deliberate effort to modify the spatial structure of a national system, must be conceived as a subprocess of the national planning process; this means that it is necessary to consider regional planning as part of a single action process.

As already noted, in actual fact most of the attempts made to incorporate the spatial dimension in national plans have had the explicit aim of securing a more equitable territorial distribution of the forces of production, generally together with the objective of achieving a reduction in regional disparities in income. This being so, then one may ask what happened as regards the action proposed for the achievement of these objectives. In this respect, a rapid review of the process of execution of plans reveals that:

(a) Generally, the global and sectoral objectives pursued by the plans or strategies have not been compatible with the regional objectives often explicitly stated at the same time; in a perhaps oversimplified manner, it could be said that the former were essentially objectives of efficiency and growth, whereas the latter were generally objectives connected with distribution and development;

(b) It has above all been the policies deriving from global and sectoral objectives which have effectively been carried out during the corresponding planning periods; to use the words of Helmsing and Uribe-Echevarría "the national objectives more coherently reflected the objectives of the dominant interests of the groups holding power and were hence more functional under the prevailing 'style of development'";⁴⁹

(c) These policies produced results which were different from —and even frequently op-

⁴⁹Bert H. J. Helmsing and Francisco Uribe-Echevarría, "La planificación regional en América Latina, ¿teoría o práctica?", in S. Boisier *et al.*, *op. cit.*, p. 75.

posed to— the explicit regional objectives referred to earlier. This means that the application of the policies dictated by the global and sectoral objectives implicitly contained other regional objectives, and it was these which were really achieved; when considering the Brazilian experience of regional planning, Nilson Holanda's views coincide with the content of this assertion and eloquently set forth its implications when he says that "in reality there is a very marked contradiction between the declared and explicit objectives of economic policy and the implicit and concealed priorities, or between what we might call *vocal or semantic priorities* and *real or effective priorities*";⁵⁰

(d) In most cases, the implicit regional objectives and policies are really consistent with the predominant model of spatial operation; this, rather than changing it, they help to strengthen the past spatial behaviour of the system.

This review of the results of actual processes gives grounds for concluding that the conditions and restrictions identified above have indeed had a decisive influence in defining the objectives and respective actions of the processes which have taken place in the recent past; in other words, the style of development adopted has been coherent with the predominant model of spatial operation and has been functional to its reproduction.⁵¹

All this backs up the conclusion that it is very difficult to see how the results obtained could have been different from those mentioned in view of the economic, social and political conditions predominating in most of the countries of the region; in this respect, Hil-

horst's conclusion that "...national regional development strategies probably do not have a social content until a style of development is selected which also has as its objective income redistribution among persons and a change in inter-human relations, viewed as real political problems" seems correct.⁵²

3. Conclusions regarding possible regional planning

From all the foregoing it can be seen that the central thesis of this article is that the dominant rationale of the system, on the one hand, and the content of the prevailing political project, on the other, establish the limits of the possible for social action in every concrete situation, and consequently also for the work and proposals of planners effectively acting as such. In the final analysis, in order for action proposals to go beyond the level of the merely declamatory, they must necessarily be located within the area defined by these limits.

These conclusions may give rise to queries such as the following: Up to what point is planning possible in a capitalist economy? What is possible in the field of planning in such conditions? Do the preceding assertions mean that there is a kind of straitjacket which rules out the possibility of really profound changes?

In order to sketch a reply to these queries it is necessary first of all to point out that in capitalist economies it is not only *possible* to plan but absolutely *essential* to do so, since the growing complexity of the system and the magnitude of the problems being generated with the expansion of capitalism and growth make it necessary to rationalize the process of decision-making as a function of the political project adopted, in line with a precise action strategy; it must also be borne in mind, however, that we must always approach capitalist planning with the aim of implementing a political project supported by the dominant power structure.

All this means that as long as there are no changes in the objective conditions peculiar to each concrete situation, the actions which have real possibilities of being put into effect are

⁵⁰Nilson Holanda, *Desenvolvimento e planejamento regional no Brasil*, Brasilia, First Latin American Seminar on Regional and State Planning, November-December 1981, pp. 68-69.

⁵¹Some recent studies on regional planning experiences in Latin America provide evidence which coincides with this view of the problem. See in particular: Jos Hilhorst, "Estilos de desarrollo y estrategias nacionales de desarrollo regional" and Bert Helmsing and Francisco Uribe-Echevarría, "La planificación regional en América Latina, ¿teoría o práctica?", both in Sergio Boisier et al., (eds.), *op. cit.*; Jorge Jatobá et al., *op. cit.*; Luis Unikel, "Políticas de desarrollo regional en México", in *Demografía y Economía*, Mexico City, Vol. VI (26), No. 2, 1975; Sergio Boisier, *Política económica, organización social y desarrollo regional*, Santiago, Chile, ILPES, 1982.

⁵²Jos Hilhorst, *op. cit.*, p. 118.

those which fit within the limits established by the conditions and restrictions already referred to. As Cardoso and Faletto point out: "...insofar as the system of social relations is expressed through a system of power, it historically establishes a set of structural possibilities which are peculiar to it. Within the framework of these structural possibilities, which are the consequence of previous social practices, certain trajectories are clearly traced, while other alternatives are ruled out".⁵³ Nevertheless, as these authors also point out, this does not imply a determinist mechanism which rules out the possibility of social action, and particularly planning. There are fundamentally two reasons for this assertion:

Firstly, because within the area of viability there are margins which permit various action alternatives, since a political project implies the definition of general objectives and the strategy for achieving them but does not refer in detail to all areas of action or all possible actions. Thus, there are loopholes for the definition of various types of alternatives, provided that these are coherent with and do not fundamentally contradict those objectives and the respective strategy. Thus, the proposals of planners will always be conditioned by the results of a permanent analysis of their coherence and feasibility; as George Martine points out: "...it is essential, for the orientation of studies aimed at policy formulation, to consider first of all the types and levels of action possible under the circumstances and restrictions imposed by a particular political model".⁵⁴ This establishes the field of *possible planning*, based on the formulation and execution of alternatives which are effectively viable both technically and politically, and this is a task which always involves a challenge to the imagination and creativeness of planners.

The experience of the regional planning carried out in Latin America provides many examples of the fruitful use of the above-mentioned loopholes to present viable action alternatives. By way of example, let us examine the

following three types of courses of action which have had some success in bringing about some decisions of regional incidence in the Latin American case:

(a) The first type corresponds to projects or policies which are the result of a process of negotiation,⁵⁵ sometimes relatively conflictive, between regional agents and the central power; a good example in this connection is that of the negotiations which culminated in the decision to set up the Camacari, petrochemical complex in the State of Bahia in Brazil.

(b) A second type is that of the projects or policies deriving from a confrontation or conflict between the regional and central levels, generated by a demand made by a peripheral region; there are numerous examples of this type, among which mention might be made on the one hand of the programme of local assignment of resources decided upon as a result of the mobilization of the region centered on Pucallpa in Peru, and on the other hand, the programme deriving from the strike on behalf of regional demands carried out by the population of Puerto Limón in Costa Rica in 1981.

(c) Finally, we must take into account the case of action of regional 'impact' arising from local initiatives and moves, aimed at promoting the improvement of labour, ecological or other conditions in a particular area; in this respect, one of the most interesting cases is that of the process of local reactivation undertaken in the *município* of Lages in the State of Santa Catarina (Brazil), which has had results of notable interest.⁵⁶ Other examples of this type of regional action which are also worthy of mention are those of the process of urban mobilization which has made possible the recovery, reorganization and reactivation of Curitiba in Brazil, and the experience of participative planning in the State of Minas Gerais.⁵⁷

At all events, it should be noted with respect to these experiences that although some

⁵³On processes of negotiated regional planning, see in particular Sergio Boisier, *Política económica, organización social y desarrollo regional*, *op. cit.*

⁵⁴Marcio Moreira Alves, *A força do povo. Democracia participativa em Lages*, São Paulo, Editora Brasiliense, 1981.

⁵⁷See, Paulo Roberto Haddad, *Participação, justiça social e planejamento*, Rio de Janeiro, Zahar Editores, 1980.

⁵³F. H. Cardoso and E. Faletto, *op. cit.*, p. 136.

⁵⁴George Martine, "Migraciones internas: ¿investigación para qué?", in *Notas de Población*, San José, Costa Rica, Vol. VII, No. 19, April 1979, p. 27.

success may have been achieved in them, we nevertheless must not forget that most of the results achieved by action promoted from a region, have not been in contradiction with the prevailing global model; indeed, in many of these cases, the results may be considered as the functional complements of decisions adopted at the central level or, at the worst, as minor modifications of them.

Secondly, because the processes of execution of the political projects which have predominated in many Latin American countries have given rise to a set of acute regional problems which are calling for the adoption of corrective measures by the Governments of the respective countries, and such measures can have an important future incidence on the processes of evolution of the spatial structures. This is so, for example, in the case of the problems already referred to deriving from the unequal territorial distribution of the forces of production and their unequal interregional development.

Many of the national development plans or strategies proposed for various Latin American countries in recent years are examples —although in many cases still rather timid examples— of the concern which these kinds of problems are generating and the type of proposals that are being made to deal with them.

In this respect, quite a lengthy list of examples could be given, but in the interests of brevity only a few of the most representative cases of certain types of action which are now being promoted in the countries of the region will be mentioned below. Most of these examples are the result of concern over the persistent industrial and demographic concentration in a main city; among them, mention could be made of certain policies adopted by Venezuela, Argentina and Mexico in this respect. In the case of Venezuela, an industrial deconcentration policy was adopted in 1976 which seeks, on the basis of a set of coactive measures and incentives, to achieve a change in locational behaviour —especially on the part of industry— so as to check the growth of the Caracas metropolitan area and promote more growth in the regions of the periphery. In the case of Argentina, an industrial relocation law was passed in mid-1979 with the aim of inducing

about 3 500 industrial enterprises to leave the Greater Buenos Aires area over the space of ten years and relocate to different areas in the interior of the province. Once again, the main purpose is to try to find a solution to the problems of contamination, deficient public services and excessive population of Greater Buenos Aires and achieve “more balanced regional development of the Province of Buenos Aires”.⁵⁸ The Global Development Plan 1980-1982 of Mexico, for its part, deserves special emphasis because of its scope and ambitious nature. Starting from the same basic concern, it proposes a vast programme of national-scale policies aimed at “changing migration, employment, urbanization and industrial location processes, strengthening the federal structure, and supporting reorientation towards the coasts and frontiers, within a scheme of deconcentrating by concentrating elsewhere”.⁵⁹

All these examples, like many others that could be mentioned, clearly reflect the concern which is being aroused among Latin American governments by the problems deriving from the model of operation which has predominated up to now. Nevertheless, it is easy to see that the decisions taken have not yet brought about any significant changes in the spatial behaviour of the national system or, consequently, in the respective territorial structures; it may be expected, however, that the worsening of the problems in question is bound to lead to the expansion and strengthening of regional policies in coming years, and this will undoubtedly provide an increasingly broad base for the work of regional planning.

At all events, and by way of final conclusion, it may be said that the possibility of acting successfully in the field of regional planning will depend largely on the capacity of planners for correctly interpreting the conditions, restrictions and possibilities offered by the prevailing political project in each case and circumstance, so that on this basis they can formulate proposals which are coherent with the project's central strategy.

⁵⁸See *Prensa Económica*, Buenos Aires, December 1979.

⁵⁹*Plan Global de Desarrollo 1980-82*, Mexico City, publication of the Secretaría de Programación y Presupuestos, 1980, p. 307.