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REPORT ON CEPAL/ILDIS SEMINAR ON
NEW DEVELOPMENT STRATEGY FOR LATIN AMERICA
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CEPAL/ILDIS Seminar on New Development Strategy for Latin America

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I

The CEPAL/ILDIS Seminar, carried out at CEPAL Headquarters in Santiago from 28-31 July 1980, addressed itself to two lead papers by Enrique Iglesias and Raúl Prebisch.*

Mr. Iglesias dealt with the Latin American economic situation on the threshold of the 1980's, along the lines followed in his address to the Meeting of Experts of CDCC countries on Strategy for the Third Development Decade. The paper will not be summarized here, but let it be said that, contrary to Mr. R. Prebisch, the Executive Secretary of ECLA acknowledged sub-regional differences in Latin America, even though the treatment of such differences may not be satisfactory when it comes to rebuild the region therefrom.

The paper by Raúl Prebisch is located at a higher level of abstraction, attempting to articulate a "theory of transformation". The title of the document: "The Latin America Periphery in the Global System of Capitalism" advises the reader that the world periphery in the text does not mean under-developed countries, but under-developed Latin American ones. Moreover, discussions following presentation by the author seem to suggest that under-developed Latin American countries should be further reduced to under-developed South Cone Countries.

In spite of the magistral development of this leading economist, the basic ideas of the paper are rather well known. The author started acknowledging that the impact on the periphery of the crisis originated in the core countries of the capitalist system. He observed a series of transformations in the social structure of the periphery, most of them suggested in studies referring to unequal development within capitalism. He pointed out that pressure is put on the economic surplus by both the enterprises and the trade unions, triggering the inflationary process. In this context the state becomes rapidly an agent of spurious absorption of manpower. Crisis

*The article by Mr. Iglesias can be found in CEPAL Review, December 1979, No. 9. The articles by Mr. Prebisch can be found in CEPAL Review Nos. 1, 6, 7 and 10. The summary of Mr. Prebisch's articles is available in Spanish (E/CEPAL/R.215)

is unavoidable and can only be retarded in such countries where there exists substantial surpluses provided by the exploitation of non-renewable natural resources. The axis of transformation lies within the sphere of the power structure. There are two options: state control and management of the means of production; or state management of the economic surplus aiming at satisfying collective interests, disseminating capital ownership and stimulating self management (auto gestion). The proposed system would be a synthesis of socialism and liberalism.

It is particularly gratifying for a sociologist to hear at the highest level of decision making in CEPAL that development cannot be viewed as a technical problem; that it has some structural prerequisites, among which a place should be made for the political determinants. Given this recognizance, R. Prebisch's presentation did not explore the possible area of planning for structural changes. This fact, which cannot be seen as an oversight, provoked challenges and most queries about the proposal on the grounds that it did not account for regional diversity, and historical specificities. The underlying conception of freedom, of workers' alienation, of self-management of enterprises (co-gestion) of "consumerism"... also raised several objections. It was also pointed out that the proposals did not acknowledge important issues such as the Amerindian problem.

Such dissension came mainly from scholars of different countries of Latin America. A rather large group of Cepalinos hold the view that no general theory can account for the variety of concrete circumstances and then evolved a discussion on the viability of the Prebisch model, "assuming everything equal".

Enrique Iglesias' paper did not receive the same enthusiastic set of comments. It was nonetheless far more realistic and concrete. Less ambitious in its generalizing attempts, the paper took due note of the diversity of the region, the present set of economic forces and their varied interplay in the different contexts. Nonetheless, omissions similar to those pointed out in R. Prebisch's dissertation also characterized this study. Moreover, Mr. Iglesias is clearer on the ethical and moral reasons which should preside over the urgent changes in the economic system. Social and political determinants of the drift from ethically sound developments are not analysed and an air of sermon is not absent from the document.

It would be relevant for the Caribbean Office to compare these two lead presentations to the Strategy for Caribbean Countries during the Third Development Decade. These documents are distinct in their substantive content and their basic purposes. Raúl Prebisch proposed a theory of transformation, Enrique Iglesias a diagnosis of the present situation, and the Caribbean paper formulates a strategy for action. But all three documents have to be contrasted to a similar conjuncture of circumstances and in all of them there are elements of diagnosis, theoretical thinking and strategy. They deserved a joint analysis, since they will affect the concrete work of CEPAL. Unfortunately, petty commitments always make it difficult to meditate on what guides our daily professional activities and hamper our much needed and probably welcome participation in the renaissance of the Commission. Let it be noted simply that:

- 1) The Caribbean paper resembles Mr. Iglesias' document in as much as it does not offer a model or an image of a viable economic system.
- 2) It resembles Mr. Prebisch's paper by identifying the actors of development or under-development.
- 3) It departs from both lead papers by focussing frontally on the problems of social structures and proposing concrete practices oriented towards a rearrangement of these structures.

II

As part of my visit to CEPAL Headquarters, I have had discussions with several colleagues and most particularly with the Social Development Division. We exchanged information on our respective programmes and I was requested to present some data on the Caribbean social structure and situation. It may not be very useful to keep reiterating that the Commission will not be able to meet the present challenges if the Social Development Division remains its "enfant pauvre".

The Commission has to service its constituency (the governments of Latin America), but beyond the governments, there are states, nations and societies. Governments change, but the states, nations and societies remain. One does not wish to expand on that matter, but at a time of chronic crises when economic and political pressures on Latin America are overwhelming and when, by any yard stick, the exercise of human rights is being threatened through intolerance, political violence, unemployment and empoverishment, one is at a lost to figure out how the economists (and economicism) intend to equip themselves to restore decent living in the region and to restore by the same token the role of the region in the construction of a new economic and social order. I was invited to attend a seminar on New Development Strategy for Latin America, but after visiting Headquarters, I wished the invitation were to a seminar on a "new development strategy" for the CEPAL itself.

The structure and concern within the Secretariat of the Commission seem too close to what is presently happening in the region. The Executive Secretary has stated here in Port of Spain that CEPAL is not a research centre; nonetheless, the imbalances between reflexions on Latin American social structures (which have long ceased to be national structures) and on Latin American economic structures, appeared to be responsible for the limited impact of the Secretariat within the Latin American scenery and for the lack of impact of Latin America in the worldwide context. In other words, I remained with the impression that not only CEPAL is losing its leadership in the Americas, but it is not pulling its resources in a way conducive to its renaissance and to fulfilment of a vanguard role in the Third World.

Moreover it would seem that the efforts towards decentralization and regionalization undertaken by the directorate of CEPAL will most probably fail to contribute with substantive innovations. I wish to posit that the economicist bias is grounded in the internal composition of the staff and sheltered by profound, covered, even though quite legitimate, vested interests.

All in all, the Secretariat is manned by professionals who cannot, by the very nature of their social awareness, transcend their national commitments

without deliberate and laborious attempts.^{1/} One does not become an international civil servant by the virtue of a contract. So, CEPAL staff is "Latin Americanist" in as much as Latin America can be viewed as a reality. In other words, we are Latin Americanists in such dimensions where Latin America does exist. And it is not a matter of lip services, but a hard fact to be reckoned with: the commonality of interests which defined the sub-continent is an efficient guideline for policy formulation and implementation only at the level of the governments and the economic and social elites. Latin American middle classes and underprivileged do not constitute a region-wide social force. Hence their demands can be aggregated and summed up; but if these demands so aggregated can be taken into account for policy formulation, they are of no use for policy implementation. The commonality of interests of the middle classes and the underprivileged cannot in any way be considered as a social fact. It is devoid of any element of coercion and it is not an imperative for action at regional levels. Therefore overall proposals for improvement put forward by the Secretariat are screened by regional social forces, creating for the proponents an atmosphere of helplessness and frustration.

^{1/} After having visited CEPAL Headquarters, I attended a meeting of the United Nations University whose key note address was delivered by Dr. C. Furtado. Celso Furtado's paper, entitled "De la Ideología del Progreso a la Ideología del Desarrollo", contains the following paragraph which expresses brilliantly what is being conveyed by the nature of CEPAL's staff social awareness:

"La idea de desarrollo como logro internacional se presenta disociada de las estructuras sociales, como simple expresión que es de un pacto entre grupos internos y externos interesados en acelerar la acumulación, por lo que tiene un contenido estrictamente economicista. Ignorando las aspiraciones - conflictivas o no - de los grupos constitutivos de la sociedad, apunta hacia el simple trasplante de la civilización industrial, concebida ésta como un estilo material de vida originado fuera del contexto histórico del país en cuestión. Las condiciones ideales para este trasplante pueden confundirse con el inmovilismo social: la población es vista por los agentes del proceso de industrialización como una masa de 'recursos productivos' enmarcados en las leyes del mercado. Los conflictos sociales, lejos de ser una fuente alimentadora de la creatividad política, son percibidos como formas de desperdicio de energías de la sociedad (...)" pp 9-10.

Seen in this context, discussions with senior economists at the Secretariat suggest that economic and social situations in their respective home countries provoke such an anxiety of mind that it would be inhumane, if it were not impossible, to request, say from a Bolivian, that he pay attention to problems concerning remote Dominican Republic, not to speak of Antigua or St. Lucia. This is readily observed in relation to the theory of transformation elaborated by such a lucid mind as Dr. R. Prebisch, or in relation to the elaboration of the regional strategy for the 1980's and the request by the Executive Secretary to deal separately with the Caribbean.

It is my contention that CEPAL is not yet equipped to synthesize the Latin American situation. Synthesis made in the 1960 around the large countries of the region are now obsolete. The small countries, from Ecuador to Grenada have another type of presence in the social and economic geography of the sub-continent. And the impression I get when revising the notes taken during the visit is the following: in order to deal with the region, a staff member tends to transform mentally the whole of Latin America into a big Bolivia, a big Argentina, a big South Cone (or a big Caribbean). Then working on this fantastic Latin America becomes in the last instance a reflexion on one's own existential and indelible circumstances. The issue is beyond any ideological commitment and refers to deep national loyalties, which can only be overcome through a process of lengthy analyses, incompatible with the pattern of daily practices within CEPAL.

This slant would account for the unrestricted favour granted to abstract economic models, which become particularly suitable for the peace of mind of the staff member. But at the same time, specific situations are losing their specificities; historical differences, their historicity. And a concrete and quite real (Latin) America, being created hic et nunc by quite concrete and real social groups, is being transformed into a multiplicity of irrelevant parameters, because the diversity is not subsumed into a theory or a vision of unity, which would produce such diversity by unfolding itself.

Content analyses of papers put forward by the Commission would undoubtedly confirm the impression created by listening to the procedure foreseen to cope with region-wide documents. One finds in CEPAL's intellectual production,

detailed account of the results of processes, which are normally described with verbs used in their passive or pronominal forms, without any complement expressing the agent carrying out the referred actions, where aggregates of data are endowed with attributes unheard of, states are dissolved into governments, and policy formulations related to the underprivileged are derived from moral precepts rather than scientific determinants.

To say that "Latin American countries have increased their savings coefficients" or "Latin America has pursued a more open form of development" (taken from Mr. Iglesias' paper) is to use a figure of speech. But a whole document, nor a whole series of documents should not be a collection of figures of speech. Latin America is not an actor, (nor is any country in particular) as taught by the very development of economics. Hence these sentences have a verb and no one to carry out the action suggested by this verb. At times of crises such as these, one needs to modify the behavioural patterns of concrete actors. The auditing of Latin American economy may be useful when the system is in expansion; but when recession comes, the accountants cannot find the solutions to the problems diagnosed in their balance sheets. And the Commission has to find solutions.

In conclusions, I have met a staff deeply concerned with the present deterioration of the global Latin American situation, concentrating its efforts on the search for favourable signs of recovery. Knowledge of the Caribbean is scant, but I sincerely believe that if this were any problem, solution could have been found in no time at all. The point is that diversity does not fit into the prevailing frames of references because diversity is not alighting the basic quest of the staff members. What was a foreseeable process of development has become a concatenation of events. To disseminate information on the Caribbean is to multiply the variety of uncontrolled happenings. The CEPAL staff needs a theoretical locus, from which standpoint it can visualize the region and appreciate its new voices, otherwise these voices are perceived out of tune. Now with all due respect for the great economists of CEPAL, it seems evident to me that the present trends of worldwide capitalism does not favour the design of an economic strategy which would assist Latin America to guard itself against negative by-products of the system.

A new approach is needed, based on concrete social relations capable of granting some viability to the dose of voluntarism suggested by the Executive Secretary himself. This voluntarism may be rooted in ideals of justice and humanitarianism but its operationality is above all a problem of social development studies and social engineering.

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