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ECONOMIC COMMISSION FOR LATIN AMERICA

NOTE ON SCOPE AND FUNCTIONS OF THE ECONOMIC COMMISSION
FOR LATIN AMERICA

(Secretariat Paper on Item 6 of Provisional Agenda)

This note on the scope and functions of the Economic Commission for Latin America has been prepared by the Secretariat with the object of facilitating the initial work of the Commission. Its first purpose is to present in the broadest lines the background of events in the United Nations leading to the creation of the Commission and the establishment of its terms of reference. The paper then goes on to analyze these terms of reference, bearing in mind that the Economic Commission for Latin America is the third of the regional economic commissions created by the Economic and Social Council. The analysis leads to consideration of possible functions arising out of the terms of reference; these functions are treated in turn according to the possibility of early action being taken under them by the Commission.

I. INTRODUCTION

The Economic and Social Council established at its Fifth Session in 1947 an ad hoc committee to "consider the factors bearing upon the establishment of an Economic Commission for Latin America within the framework of the United Nations". This committee presented to the Council at its Sixth Session a full report (document E/630) covering constitutional and economic factors and its findings which strongly supported a unanimous recommendation for the establishment of an Economic Commission for Latin America; draft terms of reference were also presented.

The Council accordingly approved without dissent the establishment of an Economic Commission for Latin America and with terms of reference substantially the same as those recommended by its ad hoc Committee (document E/712/Rev.1).

The Economic Commission for Latin America is therefore an organ of the Economic and Social Council and owes its origin to the authority vested in that body to establish special bodies in addition to its permanent functional commissions; this authority has already been employed on two previous occasions, in the establishment of the Economic Commission for

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Europe and the Economic Commission for Asia and the Far East. These regional commissions are charged with the provision of certain types of assistance to Member Governments confronted by urgent economic problems. The problems falling within the scope of these regional commissions are primarily those arising out of the war - in the case of the Economic Commission for Europe and the Economic Commission for Asia and the Far East, war devastation - and post-war maladjustment and dislocation.

Thus, in the regional commissions established prior to the Economic Commission for Latin America, the problems of reconstruction and of repairing the damages wrought by the war have been regarded as paramount. In the case of Latin America the Council's ad hoc Committee, and later the Council itself, recognized that urgent economic problems had arisen from the dislocations and disturbances of the war years and had confronted the Latin American countries with the most acute difficulties. Consequently, the main tasks of the Economic Commission for Latin America are somewhat different in character, though not in urgency, from those being dealt with by existing regional commissions. The terms of reference of the Economic Commission for Latin America emphasize this difference by specifically referring to "the urgent economic problems arising out of the war" and stressing the need for the co-operation of the Latin American countries in the common effort to achieve world-wide recovery and economic stability. This last reference can be regarded as deriving from Articles 55 and 56 of the Charter in which Members pledged themselves to take joint and separate action for the achievement of such objectives as higher standards of living, full employment, and conditions of economic and social progress and development. Thus, the Economic Commission for Latin America can, within the framework of the United Nations, serve as a focal point where the major economic problems of the area will be related to the economic problems of the world at large so as to provide the maximum assistance to both the Latin American countries and the rest of the world.

II. THE COMMISSION'S TERMS OF REFERENCE

The Commission's scope is clearly delineated in paragraphs 1 and 2 of its terms of reference. Turning to the content of these paragraphs, the Commission's mandate might be understood to cover the three following major fields of action:

1. Concerted action for dealing with urgent economic problems arising out of the war, and from world economic maladjustment.
2. Concerted action in the common effort to achieve world-wide recovery and economic stability, as well as for raising the level of economic activity in Latin America and for maintaining and strengthening

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the economic relations of the Latin American countries both among themselves and with other countries of the world.

3. Investigations and studies of economic and technological problems and developments, as well as the collection, evaluation and dissemination of economic, technological, and statistical information.

These paragraphs themselves indicate that certain problems have greater urgency than others, and the debates in the Sixth Session of the Council on them reinforce the expectation that such matters require, and should receive, priority of treatment. This would not, however, preclude the Commission's investigation of the more permanent and deeper rooted economic problems of Latin America. Further, in action directed toward solution of the more urgent problems, the possibility would always exist that simultaneously some contribution could be made toward the solution of the more deeply rooted causes of economic maladjustment.

The working methods by which this action is to be accomplished will need to be elaborated by the Commission itself. Both of the existing regional commissions have developed distinctive machinery for this purpose. The Economic Commission for Europe has created a series of committees, sub-committees and "working parties" meeting frequently at Geneva, many of which have considerable responsibility in the technical fields in which they work. The Economic Commission for Asia and the Far East has developed fewer subordinate bodies; the availability of experts and the distances involved have both handicapped the Commission. It has, however, instructed its Secretariat to undertake certain specific duties, e.g. in connection with trade promotion, and technical training, and has set up a Working Party for Industrial Development which meets prior to the Commission's own meeting and prepares data and recommendations for it.

III. CONSIDERATION OF THE COMMISSION'S FUNCTIONS ARISING OUT OF THE TERMS OF REFERENCE

At this initial stage of the Commission's work it would seem that functions deriving from the third part of the terms of reference as set out above, that is the initiation of investigations and studies, and the collection of data, offer immediate possibilities for action.

The basis for this view is that in any consideration of the possible functions of the Economic Commission for Latin America, it must be emphasized at the outset that it will not be possible for the Commission to adopt resolutions on all of its terms of reference at its first session. Inevitably, obstacles such as those presented by limitations as to time, and to staff and budget, would preclude this. It follows, therefore, that the Commission will wish to examine its terms of reference in the light of the

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urgent economic problems confronting it, with a view to determining which of these problems it can most fruitfully devote its attention to at its first session, in order to advance its work most rapidly.

Emphasis has also to be given to another important fact which will seriously influence the choice of the particular fields of study promising beneficial results. This is the general dearth of comprehensive and immediately up-to-date economic data relating to Latin America to which attention has been drawn in another Secretariat paper proposing that Member Governments prepare individual economic surveys in order to fill some of the gaps in the data presently available (document E/CN.12/4).

In view, therefore, of these difficulties which will impede the preparatory work of the Commission, and in an endeavour to view the Commission's terms of reference within a framework of feasibility, it is tentatively suggested that the problems with which the Commission may deal may conveniently be reclassified into two main categories grouping certain specific functions, namely: (1) Those functions relating to problems where there is the possibility of immediate action by the Commission; and (2) Those functions where considerable and thorough preparatory work will be required as a preliminary to action by the Commission.

1. Functions Permitting Immediate Action

A. Collection and Evaluation of Information

It is envisaged that a major function of the Economic Commission for Latin America would be the collection and evaluation of information necessary for the preliminary appraisal of problems as a basis for action. A specific and immediate example of such activity would be the need for an Economic Report and Survey referred to above and described more fully in document E/CN.12/4. It is unnecessary that these investigations should be limited only to problems deemed to require and be amenable to immediate solution. Background knowledge, for example, on the general structure of the Latin American economies would be invaluable although it might not necessarily have an immediate bearing on the Commission's decisions. Nevertheless, in the immediate future, when problems are extremely urgent, priority would have to be given to the collection and interpretation of data throwing light on those problems which the Commission itself has selected as most pressing.

Statistical data are, of course, of first importance. The Economic Commission for Latin America is not equipped to act as a primary agent in their collection, and will rely on governments, specialized agencies and the United Nations Statistical Office to provide them. In view of the existence of that Office and of statistical sections in the specialized agencies, it would seem desirable to avoid the duplication which would

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result from setting up a fully operative statistical unit in the Economic Commission for Latin America.

B. Investigation and Studies

There is, however, considerable scope for primary investigations and studies. The following paragraphs deal with these broadly as covering the utilization of several methods of exchanging experience and interpreting data or knowledge already available in order to provide the Commission with a basis for recommendations.

Such investigations, studies and discussions, e.g. by temporary committees, should be concerned with the evaluation of requirements and problems and also of experiments and programmes. These latter may be extremely valuable to other governments dealing with comparable problems, and among the methods of investigation suggested are the following:

- (i) The loan of qualified members of the Secretariat for a period of time to areas within the region where activities of general interest arise. In some cases these might assist in enquiries by local officials or other experts.
- (ii) The organization of field teams or working parties of experts. The size and character of such teams would be determined by the requirements of the project. In some cases they might be concerned with the general economic situation within an area, in others with an aspect of it, for example transport or financial problems. In still others they might make a general survey of a particular aspect for the region as a whole. Where appropriate they would be arranged jointly with specialized agencies.

The use of temporary committees and working parties for discussion and analysis and as a method of elucidation and framing recommendations might take a variety of forms. These might include the arrangement, from time to time, of special conferences of experts on particular problems or situations; and the organization of inter-governmental working parties or expert committees either ad hoc or as part of the permanent structure of the Economic Commission for Latin America.

Other more specific activities which might also be covered include the following:

- (a) The study of governmental agencies concerned with planning, co-ordinating or carrying out programmes and projects for raising the level of economic activity in Latin America.
- (b) The study of significant national or regional economic schemes for raising the level of economic activity, with particular emphasis on progress achieved, difficulties encountered, and action taken to overcome them.

/(c) The preparation

(c) The preparation of a guide to the studies undertaken by Member Governments and by inter-governmental organizations or responsible non-governmental organizations for raising the level of economic activity.

C. Technical Training and Expert Advice

Assistance to Member Governments through the encouragement and, where possible, provision of technical training, technical education, fellowships, expert advice, dissemination of information on technological and technical problems directly affecting their countries is a particularly significant field of work. A fuller description of provisions which have been made for the supplying of expert assistance and technical training to Member Governments is set out in a separate Secretariat paper (document E/CN.12/5).

D. Statistical Services

Assistance to Member Governments in the statistical field can be sought from the United Nations Statistical Office through the improvement and uniformity of various statistical data, production indices, sampling techniques and special surveys. A separate Secretariat paper on this important topic sets out the relevant considerations.

2. Functions Where Action Requires Thorough Preparatory Work

The making of recommendations by the Commission on subjects falling within its terms of reference will, in many instances, have to await the completion of the studies, investigations and the collection and analysis of basic factual data which has been suggested above and elsewhere by the Secretariat (document E/CN.12/4).

Such recommendations may relate to any of the economic problems arising in Latin America which are within the Commission's terms of reference and about which there is a sufficient measure of understanding and agreement as to causes and remedies. It will be for the Commission's discussions to clarify these points.

Among the problems with which the Economic Commission for Latin America will no doubt desire to deal, attention has already been drawn to the following, especially in the discussions of the Economic and Social Council's ad hoc Committee whose work resulted in the creation of the Commission. These problems include some which originated during the war, while others are due to unstable conditions which prevail in the post-war period:

- (i) Wartime expenditure of capital equipment, prematurely worn out because of use beyond rated capacity or through lack of replacements and maintenance parts.

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- (ii) Rapidly dwindling reserves of foreign exchange, especially of hard currencies.
- (iii) Serious shortages of capital goods and of consumer goods, such as food.
- (iv) Serious and even crippling inflation.
- (v) The excessively high price of imported goods.
- (vi) Contraction of overseas demand for certain commodities, the wartime production of which had been developed beyond normal demand.
- (vii) Continuing absence of any revival in European demand for certain agricultural products.
- (viii) The cessation of capital flow from Europe.

This group of problems was not presented as a definitive statement but was regarded by the ad hoc Committee rather as indicative of the nature of present difficulties. It is hoped that the representatives of Latin American Member Governments in their opening speeches before the Commission will feel able to include a survey of their countries' economic situation with special reference to those "urgent economic problems arising out of the war and ... from world economic maladjustment". Such addresses would no doubt suggest further urgent problems, might indicate possibilities of studying remedial action and would, in addition, be of great value to the Secretariat in its work.

The Report of the ad hoc Committee, quoted above, stated that delayed recovery in Latin America would have its inevitably unfavourable reaction upon recovery in other parts of the world. In addition, among the urgent economic problems facing the devastated countries in Europe, or in Asia and the Far East, some are intimately bound up with the current economic situation in Latin America. To underscore this point, the Report quoted a General Assembly resolution which stated that "prosperity is indivisible and requires the co-operation of all Members within the framework of the United Nations".

It may be useful, therefore, to study the relationship between the urgent needs of those devastated areas and the needs and problems of Latin America as a basis for recommendations as to appropriate international action.

Shortages of food are of prime urgency in many countries in the world, among them a number of the Latin American countries themselves. The attention of the Economic and Social Council was drawn to this problem at its Sixth Session by the Food and Agriculture Organization. A resolution was subsequently passed calling upon all Member States to contribute to the

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solution of the problem and inviting the Regional Economic Commissions, in consultation with the Food and Agriculture Organization, to study measures to bring about an increase in food production (document E/733). [See Item 8 of Provisional Agenda (documents E/CN.12/1), and (E/CN.12/7)]

Longer term activities covering other important fields of study and investigation which the Commission may wish to have under review in due course include the composition, direction and value of the international trade of Latin America, particularly intra-Latin American trade; the problems of diversification, industrialization, increased efficiency, capital, technological or manpower requirements, with special emphasis on crucial sectors of the economy.

IV. CONCLUSION

The foregoing notes are presented as no more than an analysis of the terms of reference of the Economic Commission for Latin America based upon the experience of other regional economic commissions, upon the work of the ad hoc Committee on the Establishment of an Economic Commission for Latin America, and finally of the Economic and Social Council.

For each region it has been necessary for the Commission concerned to develop the machinery and the programme of work, both immediate and longer term, which, within the scope of its terms of reference, best meets the needs of the region. These questions will be before the Commission under Item 6 of its Provisional Agenda. This note has been prepared by the Secretariat as part of the documentation for that item.
