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THE PLANNING
PROCESS IN
LATIN AMERICA:
SCENARIOS,
PROBLEMS AND
PROSPECTS

by

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THE PLANNING PROCESS IN LATIN AMERICA:
SCENARIOS, PROBLEMS AND PROSPECTS

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PREFACE

This study is concerned with a task of longstanding interest to ILPES, namely that of assessing periodically the state of planning in the region and the advances it has made.

Numerous earlier studies ^{1/} have concentrated fundamentally on the formal institutionalization of planning and the great progress made in connexion with the techniques and instruments used in this task. In contrast, this study is concerned with the analysis of the planning process itself, highlighting the different social actors which intervene in it and thus contribute either to its advance or its stagnation.

A more profound examination of these aspects is particularly important, since, although the techniques will doubtless continue to improve and will contribute to a more enlightened presentation and a more effective solution of the problems which planning has to face, this will not abolish the social tensions and the sociopolitical phenomena in general which underlie the planning process and are brought out here. It is precisely through a more systematic knowledge of these aspects that greater efficacy can be achieved in the use of the techniques and instruments of planning, so that the maximum advantage may be taken of the specifically technical progress, which in this era of the computer and mathematical models is rapidly increasing in sophistication.

1/ See ILPES, Discusiones sobre planificación. Informe de un Seminario (Santiago, Chile, 6 - 14 July 1965), Mexico City, Siglo XXI, 1966.

ILPES-OEA-BID, Experiencias y problemas de la planificación en América Latina, Mexico City, Siglo XXI, 1974. This publication combines various studies presented at the Seminar on Planning held in Santiago in July 1972.

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It should also be noted that throughout this study reference will be made to "national" planning, the term being used to denote origin and not area of application. In other words, it is "national" insofar as it stems from the Nation State, regardless of whether its sphere of application is the country as a whole or only one region of it. It also includes, therefore, what in another sense of the term is called "national" planning and "regional" planning, and the arguments put forward are to be understood as referring to both, except when the contrary is expressly indicated.

It is evident that in the conditions of the contemporary world every organization of any size has recourse to planning. This applies to the transnational corporations, the big syndicates and many other institutions. Hence it must be emphasized from the start that the chief topic of interest here is the study of planning as carried out by the Nation State, although occasionally it may be necessary to refer to one or another of the institutions mentioned in order to clarify their relations with the State.

Planning has always been a very complex process: there are various possible ways of doing it, and it is a mistake to confine it within narrow limits. This idea, which to a large extent underlies the present study, is based on the considerations expressed in chapter I on the nature of planning. It can also be shown, as attempted in chapter II, that this is the chief lesson to be learnt from the history of planning in Latin America and the only possible response to the new problems and challenges analysed in chapter III.

After an indication of the theoretical, historical and practical reasons for the complexity of the process and the nature of the challenges which confront it at the present time, there follows an analysis of its actors and in particular of the State, since it is State planning which is the subject of this study. The State and its apparatus, considered in chapter IV, define the planned policy through the fundamental product of their activity, namely, State policies. These policies and their basic role in the planning process are

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considered in chapter V. Finally, in chapter VI the more important prospects that the future may hold in store are discussed and the main conclusions are summed up.

I. THE NOTION OF PLANNING

A. Planning and political projects

There are numerous definitions of planning and it is not surprising, therefore, that the discussions on the subject reveal differing conceptual perspectives and distinct and varied interpretations of the terms used.

The present work only aims to provoke further thought on some of the aspects of planning which have hitherto been relatively neglected in the broad analyses of the subject already carried out in Latin America.

Focussing attention on the problems of a socio-political character and their interrelation with planning is not the only possible approach to the phenomenon being studied. It is therefore necessary to point out, in the first place, the nature and characteristics which are here attributed to planning.

Planning is conceived as the effective technical instrumentation of a political project, this latter being understood as a coherent set of social and political goals. The concept starts from the premise that in every society and at each stage of its history there is political project, explicit or implicit, with multiple or partial objectives of a radical, conservative or compromise nature, relating to the more or less coercive distribution of power and social resources.

The application of a political project does not necessarily involve the existence of planning. This latter is a particular form of instrumentation of the project and implies two major decisions of a political nature: the adoption of the project and the decision to use planning to define its objectives with greater precision and to carry it into effect.

Here there immediately arises the well-known concept of the stages of planning, which makes an essential distinction between the formulation

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and the execution of the plan. 2/ From a somewhat different angle, the said distinction may be understood as referring to the notions of the plan and the planning process.

When one speaks of the plan, this tends to be associated with the idea of a formal document drawn up by a planning office or board. This is undoubtedly its most usual definition, although the preparation of such a document is not an essential condition for the existence of a plan. The essential idea here is that an effort is made which, although it may be long and complex, culminates in the availability of a suitable set of objectives, goals, provisions and instrumental propositions. In contrast, the notion of the planning process relates to a continuing phenomenon, closely linked with the other social processes, which recognizes only partial goals, since every society adopts new objectives at every stage and one political project follows another, to which it may be either similar or quite different. The present study confines itself to the idea of planning as a process. The formulation of a plan corresponds to one phase of this process, which is considered to be interrupted if the plan is not applied and renewed if it is replaced by another. It is not of decisive importance in this connexion whether the plan actually applied has taken the form of a formal document or not.

The normal procedure is for a plan-document to be drawn up by a planning office administratively responsible for this task. Even this, however, is not an essential condition, since it is easy to imagine these functions being assumed by other State agencies such as the Central Bank, the Ministry of Finance, an Economic and Social Council, an Advisory Council, or the General Staff of the Executive. This is even more likely where the plan is not expressed in document form.

2/ This does not mean that the off-cited phases of discussion, checking, assessment and review have been overlooked: these are regarded, however, as forming part of one or the other of the two basic stages.

The planning process, in contrast, involves numerous institutions and social sectors, which assume different roles. ^{3/}

In a broad sense, planning has been defined as a methodical effort to regulate all or part of a social system. In a more specific and restricted sense it is usually identified with the activities arising from the preparation and putting into force of a medium- or long-term plan, with the subsequent addition of the category of annual operational planning, to take account of the short-term activities. Lastly, in countries with a market economy it is regarded as an essentially informative and predictive activity, based on the preparation of quantitative projections relating to the expected evolution of the economy. These concepts will be returned to later with a view to studying their meaning and scope and assessing what each of them expects or demands from planning, but for the purpose of this initial presentation it is preferable to attempt a classification from the viewpoint already set forth here.

It will be recalled that, in the first instance, planning was linked with the idea of a political project, on the grounds that planning can only have meaning if it is associated with an intention to achieve certain objectives and that in every society the goals of planning must necessarily have a political significance.

That which gives a planned character to State action is the existence of a project, in the sense of a coherent group of objectives which constitute a social goal. To achieve this the State resorts, in a conscious, deliberate and systematic form, to the means which the advance of knowledge has created, namely, the so-called planning techniques.

^{3/} This topic will be deferred until chapter IV, since the essential features of what we understand by the planning process must first be identified.

It may be deduced from the foregoing that planning implies an effort of rationalization, but it must not be confused with this concept. It constitutes a very special form of exercise of the reason pursuing social and political ends which are concerned with values, subjective judgements and doctrines and are therefore not subject to the notion of optimum, since they cannot claim to be the only or the best response to the problems of society.

When planning is defined as a process, this implies that the formulation of objectives is followed by action to carry them into effect, which in its turn means a continuous taking of decisions. The planned action, however, is not equivalent to the usual decision-taking in a social process, since it relates only to those decisions which are concerned with the proposed objectives. Coherence and continuity are characteristics of the decisions resulting from the planning process in the course of time.

A point which is not clear from the foregoing observations is what relation exists, in accordance with this approach, between political project and planning, the latter being defined as the technical instrumentation of the former. The difference is not simple, nor has it the clarity which might be expected from the sharp distinction which is usually made between the political and the technical, for social objectives are also political. The preparation of the plan is achieved by means of procedures and instruments of a technical nature, but it is not a mere technical process, since it normally implies discussions on priority, negotiations and other forms of social participation which are political in character. The plan-document, which is the normal end-product of this phase of planning, proposes goals and policies justified and expressed in markedly although not exclusively technical terms, but there is no doubt that the plan in its entirety is a document of clearly political significance. In the same way, the planned action which seeks to fulfill the agreed objectives involves a large number of eminently technical processes, such as the preparation of investment projects or the introduction of a specific

/educational reform.

educational reform. At the same time, many of the decisions which are taken in the context of planning must inevitably be classified as political, since they represent value judgements and/or affect different social sectors in different ways.

There is therefore a close and permanent interaction between the events which govern the development of the political project and the activities involved in planning. This relationship will only be harmonious if an adequate congruence exists between the two planes, reflected in their parallel and interconnected advance. Consequently, both the political project and planning imply an effort at rationalization and are continually expressed through the decision-taking process.

Up to this point the reasoning assumes the existence of a political project and in consequence a plan with precise and invariable objectives and priorities. For various reasons and circumstances, however, both of these undergo numerous and continuous changes in the course of time. In particular, if the political system operates through continuous and successive negotiations between different social sectors, the prevailing political project is exposed to changes of course of varying importance, although in such cases there is probably a fundamental and virtually fixed central premise around which adjustments of varying character are made.

Situations such as this are reflected in planning, with the result that it displays areas of notable continuity together with markedly intermittent aspects and even cases of abandonment. Sectors whose objective characteristics or necessities are determined by more or less precise technical factors and whose goals are generally accepted evolve in a non-conflictive atmosphere in which the decisive voice is that of experts who are agreed among themselves. Such activities are significantly affected only if radical changes occur in the political project and the sectoral plan concerned - the development of the energy sector is generally a good example - acquires in consequence considerable autonomy with respect to the political process. Matters of a basically contentius nature, in contrast, such as income distribution or the

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composition and origin of national savings, are liable to considerable variation even without appreciable changes in the distribution of social power and the essential political project in force, and the planning process will inevitably display the resulting fluctuations and interruptions in such areas. Many of the oscillations which occur in day-to-day policies and the complaints that short-term decisions are often not compatible with the medium-term plan are caused by disturbances of this kind.

In cases where there is a break on the political level as great as that which has occurred, for example, in Cambodia - a country which has chosen to return to a rural society and appears to have abandoned objectives as generally accepted as modernization, industrialization and urbanization - it is practically impossible for any part of any previous plan to survive.

To sum up, in planning it is necessary to distinguish between "politicized" zones and areas which are relatively free from politics. This does not mean, however, that the division is rigid and invariable. Different aspects of the plan may, successively or concurrently, become "politicized" or "depoliticized" in accordance with differing phenomena affecting the social process, such as mobilization or deactivation, greater or lesser conflict, or changes in the relative intensity of different social demands.

In this context it may be noted that planning is politicized to the maximum when it is explicitly presented by the government as an instrument for the achievement of its main objectives and when the predominant political style makes the State the director of the social process. This statement is particularly valid in relation to planned State intervention designed to alter or correct the functioning of the market, which produces an essentially political clash between the power system prevailing in an economy ruled by market forces and that which derives from the predominance of the political authority in the orientation of the economy.

On the other hand, without ceasing in practice to perform a political role, planning is deprived of this connotation if it is presented as an auxiliary tool for the decision-taking which occurs concurrently and separately within the government system and the private sector.

Finally, it should be noted that at any given moment external events, technical factors or sociopolitical considerations may lead to the deliberate abandonment of a plan which is in full operation: a decision which may be perfectly rational in the circumstances but which leads to a manifest interruption or discontinuance of the planning process. In other words, there may be valid interpretations of what constitutes an endeavour to rationalize the social process which do not lead to a planned activity or agree with the specific rationality of the planning process.

In other sections of this study consideration will be given to other extremely important but more specific aspects of the subject presented here. In particular, it will be necessary to analyse the form in which the aspects mentioned earlier are interpreted in or applied to societies in which - as in the case of the whole of Latin America with the exception of Cuba - a public sector subject to the rule and consequently to the decisions of the governing authority coexists with private enterprise and other civil organizations which function with a considerable degree of independence of State authority.

For the present, it need only be stressed that the types of planning usually distinguished (imperative and indicative; economic, social and global; national, regional or sectoral) which form variable combinations with one another and to which should be added others less usual (political and cultural), all presuppose a political project. However purely economic the planning model and the goals selected may be, there is always an underlying political project, explicit or implicit, which conditions the functioning of the model.

B. Types of political projects

Both the types of political projects and the types of technical instrumentation accompanying them can be very varied.

An elementary but useful typology of the former is based on two dimensions: their degree of explicitness and their global or partial character. This enables four extreme ideal cases to be distinguished:

1. Explicit global political projects
2. Implicit global political projects
3. Explicit partial projects
4. Implicit partial projects

In practice, of course, it is as rare for a political project to be totally explicit as it is for it to be completely implicit. The extent to which it is explicit may be determined by the amount of information which it has been decided to supply. There will always remain implicit elements, however, since it is very difficult to formulate a completely definite and detailed policy, as many of its assumptions and consequences remain partly concealed even from those who designed it.

Similar provisos may also be made with regard to the global or partial character of the political project, inasmuch as some conception of society, even though confused and vague, underlies even the most limited projects.

The foregoing considerations do not invalidate the existence of projects which, starting from a basic concept characterized by a high degree of internal unity and coherence, give rise to a flow of idées-forces concerning each of the great subsystems of society, conjointly with a relatively concrete view of the social future desired. All this implies the adoption of a system of values animating the whole structure which at the same time determines the means considered appropriate for carrying it into effect, and this determination is of course prior to and very different from the purely technical instrumentation.

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There are, in contrast, political projects which are much more limited and refer solely to one or a few dimensions of society.

This distinction does not imply any judgement on the comparative advantages of projects of one or the other type. This would involve the consideration of a specific society at a given moment in history. The only a priori statement which can be made, based on past experience, is that global projects are much more rarely implemented than partial ones.

It would be impossible to analyse here the intricate problem of the social, economic and political conditions which make a global project viable. Suffice it to say that the growing complexity and interdependence of international society and the increasingly rapid changes occurring in it, while apparently requiring more than ever the adoption of global projects by Nation States, make their realization correspondingly harder and impel the adoption of partial projects.

C. Types of instrumentation

Planning has never been nor needs to be the only way of instrumenting political projects, which existed long before planning was conceived. Nonetheless, for reasons which are analysed elsewhere in this study, planning has become a mode of instrumentation which is widely used at the present time.

The process of technical instrumentation and its objectification may assume various forms. Many classifications are possible, but the form of objectification of the plan seems particularly relevant for understanding the complexity and different manifestations of the process. As mentioned earlier, it may assume the form of a written plan or exist without one.

The written plan is a legal resolution issued by the relevant authority which establishes the general norms and rules by which the process is to be governed in the future; it is, to be exact, a planning code. Other minor bodies of rules, conforming meticulously to the basic dispositions, are designed to direct the process.

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The other alternative is that planning should be governed by a series of basic principles which - explicitly or implicitly - are contained in, explain or establish the fundamental directives of the State policies. From the standpoint of the student of planning, it is impossible in this case to have reference to a written plan. The task consists in bringing out those basic principles and analysing the coherence, rationality, degree of anticipation, final objectives, targets, paths, etc.

The combinations which planning can assume are very varied. It may exist with or without a global written plan, with a global written plan and written sectoral plans, with an unwritten global plan and written sectoral plans, or with unwritten global and sectoral plans.

It may also happen that the written plan is not applied and that, instead, there is an unwritten global plan which actually governs the planning. Such an unwritten plan is only an intellectual exercise which, while it may have important functions from the political and social standpoint and be part of the strategy for applying the political project, does not form part of the actual planning process. Nonetheless, the preparation of this plan implies a planned activity in which recourse is had to various technical instruments characteristic of the task in hand.

These reflections show, first and foremost, the complexity of this field of research, while at the same time avoiding the customary over-simplified solutions to certain problems. It is often said that planning is in a state of crisis either because no written plans are made or because they are not fulfilled. It should be recognized, however, that these conditions may coexist with an active planning process. This being so, what has to be explained is not the supposed crisis, but the reasons for the aforesaid coexistence. Neither is the abandonment of a plan and its substitution by another of different content and/or mode of procedure necessarily a sign of crisis or of the disappearance of the planning process.

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The foregoing distinctions also facilitate the analysis of planning by sectors and branches in order to determine more precisely in which of them it has maintained continuity and in which it has undergone fluctuations. The causes of these variations are analysed in another part of this study.

D. Relations between political projects and modes of planning

The study of the relations between different types of political projects and different modes of planning presents considerable difficulties, but it deserves investigation however tentative this may be.

Whereas a project with multiple objectives is only compatible with global planning, partial projects are compatible both with global planning giving priority to the dimension in question, and with sectoral plans. This, however, has no bearing on whether the plan is written or not, nor on the possibility of the existence of an actual global plan very different from the written one, but merely indicates the existence of certain tendencies in this respect.

A project with multiple objectives tends to be expressed in a written plan, particularly at the beginning of its implantation. This is because it requires a confrontation with reality whereby its consequences must be elicited - many of which are difficult to recognize without the systematic effort of arranging them in a plan - and their coherence and inherent conflicts must be analysed. In this sense, the written plan is the natural exposition of this type of political project. Moreover, its formulation as a written plan gives it more weight and enables its creators to claim that they have successfully surmounted the ordeal of fire represented by its submission to the scouting of scientific instruments, as a means of legitimizing the project in the eyes of public opinion.

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Even so, there are also factors which limit the written expression of the plan. In the first place, the very complexity of the project makes it difficult to confine it within these limits. In the second place, soon after the plan begins to govern the process, social and political tensions will arise as it becomes evident that many of the agreed objectives raise conflicts which compel a rethinking of the political project in that they question, for example, the legitimacy of the means adopted. All this results in the continuance of a process which, although it diverges more and more from the written plan and is modified in fact without formal readjustment, continues to be a planned process, because it places at the service of the reformulated political project its own characteristic instruments.

Partial political projects are more easily set out within the limits of a written plan, though the possibly conflictive nature of the social aims involved must be taken into account. When it contains such conflictive aims, the written plan is faced with the alternatives of, on the one hand, concealing its intentions in order to avoid a clear pronouncement on the points at issue, presenting itself either as a mere declaration of principles or as a projection of existing trends; or, on the other hand, of developing the technical instruments needed to achieve its ends, thus revealing its weapons in the face of its opponents. Thus it is evident that the conflictive or non-conflictive nature of the desired objectives and the political strategy adopted to overcome the obstacles which arise are fundamental in deciding whether or not to draw up a written plan.

In this section reference has been made only to those factors affecting modes of planning which are derived strictly from the features of the political project which is to be implemented through it. There are, of course, many other factors equally or even more decisive, some of which will be analysed in other sections of this study.

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The foregoing considerations show the diversity of planning, both because it can be placed at the service of very different political projects, and because its modes and functions may vary a great deal even within quite similar political projects.

Planning in the form of a written plan, which has chiefly engaged the attention of CEPAL and ILPES in the past, is one of the modes which the process may assume, although not necessarily the best.

It is no accident, however, that the written plan was so seriously considered and so often recommended in the early stages of planning in Latin America. An essential part of planning is the responsible identification of long-term aims to serve as a framework for day-to-day policy, together with objectives for the short and medium term. In this framework, the written plan appears to be the most effective way of ensuring this effort of rationalization. In practice, it often happens that the great objectives tend to become confused with their quantitative expressions, that targets are assigned to them which do not strictly apply, and that certain courses are given a rigidity incompatible with the frequent and major changes which confront societies, with the result that written plans become rapidly obsolete.

In an attempt to overcome these problems new modes of planning have arisen which, to be really effective, must also contain that long-term outlook without which the process itself cannot exist.

In short, it seems that a feature of planning is a constant dialectic between the long-term aims and the demands of changing situations. Neither the written plan nor new modes of planning can ensure by themselves alone the successful settlement of this conflict, but it can be confidently stated that the planning process is one of the few ways leading to its adequate solution.

E. Political projects and planning aims

It is evident from what has been said that, although planning and political project must not be confused, it is impossible to attempt an analysis of the aims of planning without first considering some consequences of its relationship with the political projects to which it responds.

First and foremost, there must be consistency between the two. The political project is based implicitly or explicitly on a set of values and beliefs concerning the structure and functioning of society from which it derives a vision of the type of future society desired and of the process of social change which can lead to its achievement. In this sense, the political project has a predominant ideology which affects both the identification of the social goals and the degree of legitimacy of the means to be used to achieve them. The plan, as an instrumental expression of the will to act on society, can only be conceived within the framework assigned to it by the project. From this standpoint, planning might be considered technical and neutral, inasmuch as it is a tool for the achievement of given ends. However, the means cannot be regarded as neutral, since they affect different groups of society in differing ways. Finally, the availability of the instruments for action is an outcome both of the social structure and processes and of the transitory phenomena which characterize a given period of history, since the plan - like the political project - is a reflection of the society which it seeks to direct or govern. Consequently, in relation to aims, emphasis must be laid on the need for consistency between the content of the plan and the political project and between the processes and instruments of planning and the political regime in force.

In other words, the political project contains indications on some vital questions for planning. The assignment of priority to economic growth or to a more equitable distribution of the social product, as a decision to maximize the rates of the former or to

/attain a

attain a greater degree of national autonomy are options which are naturally realized on very different planes. The same thing occurs in connexion with the relative weight given to the market and to State direction of the economy, or to the degree of importance assigned to social participation and decentralization.

The need for consistency between the project and the plan means that planning must be a permanent process: a practice which accompanies the political project in its various phases and is synchronized with it. For this reason the analysis cannot be limited either to the mere formulation of a plan or to the sole consideration of the formal institutionality and the human team, which are its most visible expression. Instead, it must be extended to a study of the State policies and other instruments which define the "plan in action" and to all the entities, authorities and social groups which are involved in its different stages.

F. The techniques of planning

In view of the perspective of this study and the nature of the subjects selected for analysis, only a few brief comments will be made on the techniques of planning. There can be no doubt that the use of some type of technical mechanism is a necessary - although not sufficient condition for the existence of planning. The place of techniques in the planning process varies, however, according to the ideology of those who inspire and direct it, and is the outcome of the nature and content of the political project of which that process is the tool. It must be recognized, however, that the margin of variation of the role of techniques in planning is not unlimited, inasmuch as, just as their non-use would imply the non-existence of the process, there are also matters which techniques alone are unable to resolve.

The familiar instruments of planning can deal with various types of economic imbalance and forecast various trends of economic development in the future, but they are not equipped to make social tensions disappear. In more general terms, it is not their function to decide

/the course

the course of action that society should adopt in the face of conflictive problems or to lay down a specific line of conduct. In other words, the techniques alone are in any area which is outside the concept of the optimum and of the existence of a best solution, although their use is certainly necessary to identify alternatives and indicate conditions and margins of viability.

It is also a fact that each political project tends to highlight its "favourite" techniques, and to use them to help legitimize the project itself. Thus, the concept of the optimum becomes the chosen instrument of those who prefer an economy which recognizes the supremacy of the market and which in consequence favours a social classification into producers and consumers, with the decisive share of the power belonging to the entrepreneurial class (since the consumers are essentially heterogeneous and unorganized, and their "vote" in the market is dispersed). In this case, macroeconomic models and mathematical programming are employed to produce information, projections and forecasts, while cost-benefit calculations are used to determine the composition of public investment and to estimate the profitability of private investment projects. It is well known that political projects of this type make a great effort to submit every type of decision to the supposedly optimum criterion of profitability. There are outstanding examples of this tendency in the fields of education and to a lesser degree health.

The plans drawn up with a view to maximizing the rate of economic growth have resorted to the corresponding economic models such as the Harrod-Domar model and, more recently, to complex macroeconomic mathematical formulae incorporating the prior political decision that the social optimum is achieved through maximum global economic growth.

In contrast, the political projects which plan more stress on State direction of development, both as a way of ensuring the cohesion of the model and because they distrust both the capacity of the different sectors of civil society and the use they might make of their share of power, tend to make greater use of input-product tables, materials

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balances, the fixing and control of prices, and other similar instruments. In this case, there is a prior political decision by the State regarding the definition of the social optimum.

In both types of project, the resolution of distributive problems requires political decisions which the techniques of projection or assignment of resources assume either explicitly or implicitly and which constitute political inputs in the technical elaboration of the formal plan or of an estimated appraisal of the future.

In brief, the ever-increasing sophistication of the technical instruments represents an evident advance which should be exploited to the full in order to generate an overall view of the economy, co-ordinate diverse economic policies or supply the fullest background data to those who have to take a macroeconomic or microeconomic decision. On the other hand, it must be recognized that techniques are not only unable to resolve problems involving value judgements but are also affected by the inevitable relative unreliability of information and communication and by the existence of considerable margins of uncertainty. In other words, although many are reluctant to admit it, the concept of the optimum is of limited practical significance. In short, then, different political projects have different scales of preferences and, moreover, use the techniques at their disposal with differing intensity.

It is evident from all that has been said that whatever the degree of technical progress, planning must duly consider and find solutions or ways of seeking solutions to the different areas of conflict which arise to a greater or lesser degree in every political project, such as those affecting the distribution of the benefits of development or those which influence the options between liberty, equality, authority and efficiency, which obviously are not entirely complementary.

The foregoing shows that planning has always been a very complex process, that different modes of planning are possible, and that it is a mistake to confine it within narrow margins. A brief history of planning in Latin America and of the new challenges which it has to face will corroborate this more fully.

/II. A BRIEF

II. A BRIEF HISTORY OF PLANNING IN LATIN AMERICA

This is not the place to attempt a systematic analysis of the way in which planning has developed in Latin America: the aim is merely to highlight some aspects of the process as a basis for evaluating its future possibilities as an instrument of development.

Planning began to be used in some Latin American countries in the period following the depression of the 1930s, which caused transcendental and all too well-known changes in the operation of the peripheral economies, also reflected in important changes in the State apparatus. As export earnings decreased the capacity to import dropped accordingly, and with it the flow of foreign capital that had traditionally contributed to the operation of essential public services.

In many cases these changes affected the political system prevailing at the time, necessitating its redefinition. Thus, new social groups were incorporated in certain countries and relegitimized the prevailing form of domination. In such cases where the participation of the base expanded there arose the need to increase the goods and services available to the broad masses, as a necessary reward for their support of the system. This was the beginning of the so-called populist period. In order to meet the demands of the recently incorporated groups this new political structure was compelled to increase the State's intervention in the economic field in an endeavour to accelerate growth. Accordingly, the State took on a developmentalist character and concerned itself not only with providing the essential public services and with creating the necessary conditions for the growth and diversification of production, but also with promoting industrial development by means of import substitution.

In other countries the sequence and characteristics of the State's evolution took different courses and forms, but - at least in the more recent decades - there has been a general concern for development and the improvement of living levels, either through internal social

/pressure or

pressure or through the general framework of world evolution and the prevailing concepts of what constitutes a good society.

These contextual changes made the exercise of planning necessary, even at a time when the basic rules for carrying it out had not yet been established on a systematic basis.

The State had a considerable range of possibilities for carrying out this task. As noted in a recent study, in planning the import substitution process the government administrative machinery had considerable control over all the fields subject to planning, since the basic parameters of the economy were defined by the State itself, ^{4/} within, of course, a certain basic framework defined by the world context.

The essential driving force behind the growth of many Latin American economies therefore lay in the public sector which, through the decisions of its central bodies, caused sizable transfers of the economic surplus, generally from the agro-export or mining sectors to the urban sectors associated with industrialization. In other situations, State participation may rather have derived from the concentration of political and economic power in the hands of those performing the functions of government. In any case, the adoption of this type of decision must be regarded as a planning activity, although without the characteristics of the written plan which later tended to be identified with such activity.

Another important government instrument of intervention in the economic process was the establishment of decentralized, autonomous public enterprises. Through these enterprises the State assumed the characteristics of a producer in Latin America. This historical aspect, which is often forgotten when criticism is levelled at the hypothetically overgrown State apparatus of certain countries of the region, is of great importance and represents a substantial departure from what are

^{4/} Celso Lafer, "Estado y sociedad en el Brasil: Problemas de planificación", Revista Interamericana de Planificación, vol. VII, No. 26, June 1973.

usually considered as "classic" State systems. The traditional European form of liberal State stemmed from the action of a rising dynamic bourgeoisie with an industrializing social policy requiring the State to perform certain basic functions, particularly those of maintaining the socio-political conditions necessary for the economic activity of private persons on the basis of free market competition. It was financed by means of taxation. This form of State was undoubtedly of transcendental importance - though we need not go into this here - in the emergence and consolidation of the capitalist society and economy.

It is, however, important to point out that it never characterized the Latin American societies, where the State came into being, above all, with the aim of creating the necessary conditions for the proper exploitation of the raw materials required by the central countries, thus facilitating the integration of those societies into the prevailing world division of labour. Subsequently, the Latin American State in many cases tended to assume production responsibilities which still farther removed it from the classic liberal model. Owing to the structural conditions of these countries, it was the State - because of the absence or weakness of enterprising bourgeoisies - that gave impetus to the industrialization process. Thus, the Latin American State has been, in part, a producer State which was strengthened not against or at the expense of civil society, but on the contrary, employed such strengthening to bring the national society to a more advanced state of development and integration.

This greater activity of the State, reflected in the increased number of public decisions, soon showed that the former administrative routines were becoming more and more inadequate, as new dilemmas and new issues emerged concerning which the State had to adopt a position.

All this gradually created real conditions for the development of growing interest in the codification of rules designed to rationalize and secure the more adequate and efficient management of those large government apparatuses.

Concurrently, economic growth through import substitution tended

/to slow

to slow down as the circumstances favouring that process that had been brought about by the Second World War and the Korean War began to come to an end.

The need for greater State intervention was then advocated, together with the importance of more efficient programming of State action in order to achieve a rational and optimum allocation of scarce resources.

These ideas became widespread and were taken up in Latin America by different intellectual circles and institutions. Thus, the Economic Commission for Latin America initially concerned itself with redefining the subject and converting it into "development planning" in an attempt to emphasize its instrumental character and the lack of any ideological connexion between these new proposals and the above-mentioned historical experiences.

Planning techniques and methodology made rapid strides within this framework and were widely disseminated. This did much to arouse the belief that a technical formula was being put into practice that would greatly speed up the solution to development problems. Never absent, however, in line with Mannheim's thinking, was the concept of planning as global action which affected the whole of society, so that it went beyond the economy and could not but propose a complete social and political transformation.

It is not surprising, therefore, that in a subsequent phase the planned economic growth formula was recognized as being inadequate and the concepts of social development and structural reforms were added to the content and objectives of planning. Thus, it was postulated that there were structural obstacles to development which must be removed. This called for various reforms, while at the same time priority was given to education, health, housing and other social sectors.

At the beginning of the 1960s the Charter of Punta del Este and the Alliance for Progress gave their support to this enriched view of development planning, and a great many national and sectoral plans came

/into being

into being which, after approval by the evaluation mechanism set up for the purpose - the Inter-American Committee on the Alliance for Progress (CIAP) - were supported by long-term credit from international financing agencies.

The evolution and outcome of this ambitious programme and the great ideological discussions to which it gave rise are well known.

The fact remains, however, that with some setbacks and ups-and-downs, a progressive formal institutionalization of planning has undoubtedly taken place in Latin America. In most countries of the region, planning bodies and councils were established at the highest levels of the Administration, and many recently prepared plans are now in course of formal implementation.

Even so, there has been a good deal of comment on the planning crisis, and in many circles the predominating feeling when analysing the specific experiences of the past is one of disillusionment and failure.

It is quite rightly recognized, for example, that the early planning experiences were characterized by their inability to achieve the postulated changes in the economic and social system. This is ascribed to the fact that the social and political system failed to confer on planning sufficient power to attain those objectives.

Similarly, it has been stated that economic policy is used as a basis for achieving political support and a minimum of stability. consideration is given only to the short term, and there are drastic changes in the plan and between different points in time. 5/

5/ See Ricardo Cibotti and Oscar Julián Bardeci, A critical approach to planning in Latin America, ILPES, 1972.

Criticism of planning does not occur only in Latin America. Even the oft-admired French planning has been the subject of severe comment. 6/

Another recent analysis 7/ refers to the expectations aroused by development planning, conceived as a superior form of decision-making in contrast with the inadequacy of market forces for orienting the economy. This analysis reviews the reasons normally given for the frequent cases of failure in connexion with development plans, such as shortcomings of the plan itself, institutional weakness (unsuitable administrative location of the planning office, for example), lack of reliable up-to-date information, unforeseen economic phenomena, and deficiencies in the public administration. It concludes, however, that the main obstacle to successful planning is the lack of real government support for the plans which the governments themselves approve.

Furthermore, it is also a fact that many of the formal plans prepared in the region in the course of the past 15 years were rapidly abandoned or replaced, were never really implemented or, in any case, the relationship between their goals and the subsequent situation was somewhat tenuous. This has been pointed out repeatedly in various analyses made in Latin America in recent years.

So much critical comment leads to a pessimistic evaluation of planning as an instrument of development. There is, however, an evident contradiction between such an evaluation and the visible proof

6/ There is less and less discussion now about the usefulness of French type plan. Originally conceived somewhat ingenuously as a means of harmonizing social disputes, such planning today is merely a means of classifying the problems of the French society and, particularly, of defining the position of the social agents with respect to different problems. The plan is of no interest to politicians, social agents (entrepreneurs and workers) have always had reservations about it, and the Government no longer believes in the usefulness of the exercise. (J. de Keravasdoué, "Relations entre Sciences Sociales et Politiques en France", Bulletin GR. N°60, 1976.)

7/ See Tony Killick, "The possibilities of development planning", Oxford Economic Papers, vol. 28, July 1976.

of the persistence with which successive political projects of varied types have utilized the planning instrument. The continuity of these efforts cannot be merely the result of simple bureaucratic inertia: hence a more systematic balance must be made of the elements of frustration and progress detected.

Indeed, a negative judgement on planning does not seem warranted in the light of a more specific examination of the work done by the bodies making up the formal planning systems.

Nor does such pessimism seem reasonable when it is considered that an appreciable improvement, albeit at an irregular rate and with moments of crisis, has been recorded in Latin American living levels, and although the influence that planning has been able to exert on this process is not always clearly identifiable, its role has undoubtedly been by no means negligible.

The problem lies to a great extent in the contrast between the expectations aroused concerning planning as an instrument capable of overcoming the obstacles to development, and the much more modest reality of the matter. Indeed, such a contrast between expectations and reality is of general occurrence and tends to affect any means of social action in a period characterized by the explosion of aspirations and demands and the consequent impatience to satisfy them.

No spectacular or large-scale transformation of the social and economic systems of Latin America has taken place. Radical and drastic change is brought about by revolution and cannot be expected of planning. Planning is merely an instrument for the action of the political regime existing at any given time, and it is therefore dependent upon the constellations of power existing in society during the period of its implementation. This observation should not, of course, be taken as a judgement on the advantages or disadvantages of one type of revolution or another, nor is there any intention of entering into analysis of the relative costs and benefits of different ways or styles of development. The aim is simply to indicate that planning should not be blamed for any hypothetical inadequacies or failures, which in any case would be due to the social and political system.

/On the

On the other hand, if the analysis is located at the instrumental level of planning then it is clear that significant progress has been recorded in such important aspects as available economic and social information, the capacity to interrelate complex variables, the development and use of quantitative techniques for purposes of economic projection and forecasting, and the formulation of more coherent economic policies.

As a result, a highly significant improvement has taken place in the quality and coherence of the diagnoses which must serve as the basis for a plan or, in general, any group of decisions.

It is also undeniable that a progressive appreciable improvement has been obtained with surprising continuity in the technical quality of investment projects and in the coherence of public investment programmes. Such an improvement is quite rightly regarded as an essential contribution to the achievement of more rational decisions. It should also be noted that the systematic inclusion of investment projects in the plan has permitted a more open process of discussion and evaluation, in technical and political terms, by removing this process from the restricted, sometimes closed and almost secret sphere of the individual institution responsible for the formulation and implementation of the plan.

Perhaps these advances should not be exclusively attributed to planning, since they have coincided with a parallel process of better training for economists, engineers and other experts, progress in economics and the social sciences in general, and the spectacular development of sophisticated mathematical and computer methods. It is also undeniable, however, that these more favourable conditions would not have been turned to account if planning had not decisively contributed to taking advantage and making use of them.

In addition, planning has contributed a systematic method of seeking interrelationships, compatibility and coherence: all valuable elements both in interpreting the past and in determining the present

/situation and

situation and foreseeing future trends. This observation is valid even though there may still be some incompatibility between the ends and the means, contradictions between often simultaneous economic policies, and a certain divorce between the projections and approaches of the planners and specific short-term problems. These are tasks involving the improvement of the available technical instruments and of the planning process as a whole, and they require continuing attention in order to maintain and accelerate the rate of progress in this field.

Neither should the contribution which planning has already made in the social and political field be underestimated. In the first place, the explicit and coherent presentation of background information and problems has progressively aroused an awareness and increasing understanding of the nature and magnitude of the issues affecting development. This applies to politicians, bureaucrats, entrepreneurs, intellectuals and, in some degree, workers' leaders, despite the difficulties arising from the specialized and somewhat hermetic language characterizing the social and economic formulations. What is more, there has been a gradual enlightening of what might be called "public opinion" in these matters. All this has helped to facilitate communication and make possible discussion among the various social agents.

Even more important, perhaps, is the stimulating and mobilizing role of the plan-document, representing a promise, an incitement to action and a guarantee that it is possible within a reasonable period to attain higher living levels and in general a better destiny. Similarly, the explicit statement of conflictive problems and objectives, to which planning has also contributed more systematically than the usual political channels, has made it possible both to explore political alliances and strategies for overcoming opposition and to attempt more deliberate social bargaining processes.

The fact that perhaps a majority of the plans formulated in Latin America have been implemented only partially and for limited periods also call for some clarification. First, as already mentioned earlier, it may be rational and even necessary to abandon a specific plan if

/socio-political events

socio-political events or conjunctural situation so dictate. In addition, the non-fulfilment of plans is linked not only with the deficiencies which obviously have existed and still exist as regards the coherence and realism of plans, shortcomings of the public administration or lack of connexion with the private sector, but also with the whole range of social and political relations and conflicts.

To sum up, the Latin American governments possess today, through planning - although this may not deserve all the credit for its initiation - an arsenal of much richer and more varied information, knowledge and instruments of action, which undoubtedly increases their capacity to confront the changing situations.

Lastly, rather than accusing planning of not attaining the established goals, it might be better to emphasize the responsibility borne in this connexion by political projects which have lacked the proper formulation or the necessary continuity. In any case, there has not as a rule been the compatibility between the political project and the planned action which, as noted earlier, is a basic condition for the planning project's success.

This reflection seems to justify the present document's decision to explore primarily the socio-political aspects of planning and to consider the techniques and methods only in so far as a clear inter-relationship between the political and technical elements exists in each phase of the planning process, as suggested in the previous chapter.

III. NEW PROBLEMS AND CHALLENGES IN LATIN AMERICAN DEVELOPMENT AND PLANNING

At present, planning in Latin America is directed towards the solution of problems which are either completely new or somewhat different from those which had to be tackled in previous decades. Whatever the degree of novelty the problems might possess individually, taken together they, and their overall significance, have changed markedly in comparison with the recent past. The changes which have occurred both in the international and regional settings and also in the internal structure of the countries create new challenges, which call for original solutions, making use of the experience accumulated hitherto.

The following is a summary of the changes which have occurred at those three levels with the greatest effect on Latin American development and, consequently, the greatest importance for the planning processes.

A. The world's new problems and the crisis in the international economic order

Great changes have occurred recently in international, political and economic relations, the main consequence of which has been to speed up the growing interdependence between the different nation-states. The capacity of states individually to take effective decisions has declined considerably, both because the events which affect them are very often more-or-less beyond their control, and because the decision-making process has become much more complicated.

Progress in the field of transport and communications, and its impact on time and distance, has been particularly important. The fact of living in one world has been brought home to most of mankind.

With instant knowledge of events which have taken place in the most distant parts of the globe, cultural and ideological interaction has become unprecedentedly strong and widespread. Again, news about the latest products characteristic of contemporary consumer society /spreads quickly

spreads quickly, thus creating a powerful stimulus to the aspiration of the great majority as yet excluded from it to become part of that society.

Technological progress in the more directly productive field has also been highly important. It originates almost entirely in the industrial nations, and is characterized by capital-intensive methods which call for ever larger and more concentrated productive units, as well as ever larger markets to make full use of their economies of scale.

Thus, "the composition of world trade by types of goods changed profoundly between 1950 and 1975. The relative importance of manufactures increased from 43.7% in 1950 to 60.4% in 1975... Food and raw materials, on the other hand, dropped from 46.4% to 19.1% in the same period". 8/

This has brought on to the stage, in new forms, a powerful actor: the transnational corporation.

"The activities of the transnational enterprises at the national and international levels are of long standing. However, their role has currently acquired new features, since they now operate in a unified international economic space. This globalization of the market economy area is viable for technical and political reasons. Technically, every stage of the productive process - or the entire process - can be set up in whatever geographical location economic calculations suggest; and at the political level, since the Second World War the western countries have become somewhat unified, particularly under the pressure of common security policies. In this context, the transnational corporations have become a fundamental component of the economic activity and relations of the developed countries with each other and with the developing countries. At the international level they fulfill the main entrepreneurial

8/ See CEPAL, The economic and social development and external relations of Latin America, E/CEPAL/1024/Rev. 1, 14 June 1977, pp. 169-171.

functions in financing programmes, investment, technological innovations and, in general, in organization and economic decisions". 9/

The above quotation is not merely a description of a process marked by a certain technical economic logic, but also an indication of one of the most important facets of the change in the international power structure and relations.

The stratification of international power is, of course, conditioned by a large number of different factors. It does, of course, to a large extent depend upon and vary with the availability of strategic weapons. For a long time after the Second World War, the international scene was characterized by the absolute and unquestioned predominance of the two great nuclear powers. Today, however, a number of nations have joined the exclusive nuclear weapons club and many others are nearing the time when they will be able to do so.

The growth and spread of nuclear capability is closely linked with deeper changes which have occurred in the international order, and which could be summarized as a passage from a situation of bipolar power, prevalent since the Second World War, to what might be called a multipolar situation, with a rapid process of internal realignment in the two blocks and the appearance of new leaders, accompanied by a change in the relations between the western world and the block of planned-economy countries. These changes are probably summed up in the shift from the cold war to detente, of which the growing trade between the two blocks is a concomitant, or perhaps fundamental, element.

These and other developments bring about continual changes in the distribution of power at the international level, which, while closing options for the relatively less powerful countries, including some Latin American countries, also open new possibilities which should be duly explored and exploited.

This internationalization of problems and of decision-making have, contradictorily, been accompanied by a heightening of nationalism. With national sovereignty, the basis of the nation-state, being undermined

9/ Ibid., pp. 174-175.

by events, there has been a proliferation of alarms aimed at slowing down that process, although without success. This situation of tension between the demands of participation in a new and more interdependent international order and the need to defend the essence of the State probably contains one of the central factors in the crisis of the State today.

In this context, various factors have produced great changes both in the international distribution of power and in the relative ability of nations to reach higher standards of living within a reasonable time.

Firstly, there is the oil crisis, whose effects have wrecked the conventional classification in which there was a "third world" together with the advanced capitalist countries and the socialist area. Today there is also a fourth world, that of the underdeveloped countries which do not have oil.

Closely linked to the above, but not purely a corollary of it, is the combination of inflation with unemployment in the highly industrialized economies in recent years, a problem which has not yet been solved despite various hopeful signs. The developing countries too have been facing similar crisis, or, at least, a vicious combination of costlier imports and lower exports due to the state of the advanced economies.

In addition, world monetary problems and the fluctuations and crisis of various currencies, together with the growing privatization of international credit which has strengthened private banks and other entities of the developed world, have brought changes in the problems, conditions, guarantees and negotiations involved in the obtention of financial resources in the world market.

Finally, there is the excessive burden on the balance of payments of the external debt, both official and private, the latter often with official guarantee. Debt-servicing payments rose sharply in the first half of the present decade. The countries involved have usually resorted to renegotiation. However, the idea of not trusting exclusively to bilateral machinery or their variant, an ad-hoc creditors' club for each debtor, has led to a search for multilateral renegotiation machinery.

/All the

All the above factors have brought the rules prevailing since the Second World War to crisis point. The lack of solid common principles and the prevailing instability and insecurity have stimulated the search for a new international economic order. But different outlooks exist, linked to the positions of the nations holding them at the international level. The key words in the proposals of the industrial nations are continuity, security and caution with respect to the future, although some sectors of opinion in those countries do have more radical ideas or are more mindful of the lot of the developing nations and of their needs.

The Third World, on the other hand, has brought to the negotiating table for the new international order its age-old aspirations of more equitable treatment, particularly in respect of the price of raw materials. The success of OPEC in raising oil prices, while entailing severe problems for many developing countries, has been viewed by many countries as demonstration of the bargaining power acquired by the countries which produce raw materials when they manage to co-ordinate their international action. However, not all the countries have a commodity with the importance and special characteristics of petroleum. In any event, the current exploration of the possibilities of producers' agreements for various commodities is an important element in the effort to improve the situation of the underdeveloped countries, among which a number of countries of the region play an important role. There has been a definite continuity in the positions maintained by those countries from UNCTAD I up to the present day, as well as a tendency to seek new fields for common action.

In this context, Latin America is in a particularly complex position. Since the Second World War it has progressed along the path of industrialization, passing from import substitution to the export of manufactures. From the standpoint of its level of development, it is considered the "middle class" in the society of nations, and it therefore appears to be less deserving of preferential treatment. It is also assumed that the region should share the restrictions on growth and the
/other sacrifices

other sacrifices stemming from the environmental arguments about the possible exhaustion of natural resources and the dangers of pollution and of upsetting the ecological balance.

Obviously, the countries of the region have rejected these arguments and particularly the concept of "zero growth" suggested in the famous reports of the Club of Rome, 10/ and have expressed their concern about the repercussions on the region of the possible higher cost of the new technology.

B. The changing pace of the processes of regional integration and co-operation

Latin American attempts at integration have, since their inception some years ago, passed through a number of "critical" stages according to observers. However, great caution must be observed in the analysis and definition of the stages of these processes, especially if the aim is to evaluate their repercussions on planned development policy. Broadly speaking, the facts suggest that they follow sequences in which at one moment the promotion of regional or subregional political institutions is stressed, and at others co-operation among states, groups and sectors at the regional and subregional levels. The constant change of emphasis in the appraisal of objectives and possibilities and in the perception of what is desirable on the part of each country means that the process does not advance in a straight line as projected in institutional plans.

Thus, for example, ten years ago it was generally accepted that a harmonious general framework was needed for the objective of regional growth and equilibrium. The expansion of markets and the selective allocation of priorities in the manufacturing sector were the instruments used by the regional or subregional authority to correct according to

10/ Meadows, et.al., Limits to Growth, MIT Press, 1972; M. Mesarovic and E. Pestel, La humanidad en la encrucijada, FCE, Mexico, 1975.

plan the imbalances in intra-zonal trade and distribute the benefits among the different members.

Hence the widespread demand for political decisions to accelerate the process.

The improvement of the integration machinery by means of a broad network of treaties, however, broke the inertia of the past and displayed the potential of progressing along the path of association community. However, the effort made to bring about the progress unquestionably achieved eventually moderated the premature political optimism stemming from a failure to recognize the strictly economic difficulties of the process. The various schemes, involving integration projects of different forms and covering different spheres, have already reached the point where the technical complexity of the options is beginning to delay government decision.

At the same time there has been an expansion of the network of exchanges which forms, with its sectoral agreements and complementarity advances in physical infrastructure and greater cultural exchange, a real informal process of co-operation, without the formal character of integration treaties. Its economic goals of bigger markets, industrial specialization and greater intrazonal trade are similar, and its growth may be explained by the changed economic conditions stemming both from the new orientations in development strategies and from the crisis in the world economy.

The creation in 1975 of the Latin American Economic System (SELA), reflects the twin concern of the Latin American countries for defense and co-ordination: on the one hand, to defend raw materials and their bargaining power, and on the other, to promote programmes and projects of interest to two or more countries of the region.

This gives rise to a new form of linking up regional integration and development and national planning, while also raising technical and political problems in the evaluation of new options. This had already been anticipated to some extent in the pioneering suggestions of the international bodies.

C. New dimensions and priorities in relation to national problems

The development processes of the Latin American countries and consequently their planning tasks are being particularly affected by questions, old and new, which call for some remarks.

(a) The "revolution in expectations" and the ensuing gap between expectations and reality is becoming increasingly widespread and rapid. The fast growth of urbanization has exposed increasingly large social groups to a global "demonstration effect" through the mass media, thus rousing in them aspirations of a higher consumption of the goods and services offered in the wealthy societies. Nonetheless, the disparities in the distribution of the benefits of growth are clear; and there is also a growing imbalance between social development and economic progress. Thus progress in education, health and social organization often occurs at a faster rate than the growth of per capita income, and stimulates the formulation of new and more demanding social claims.

Finally, various social development and reform programmes are expressed in terms of equal rights: the right of everyone to housing, of peasants to possess their own land, of youth to enter university, etc. The social groups in question compare these rights with the inevitable relative delay in the growth of the supply of those goods and services.

As a result of the above, the resources available are viewed as being increasingly inadequate to satisfy demand, which in itself worsens the already very conflictual situation arising from the problems of distribution.

(b) The rate of development tends to be discontinuous. The great contribution made by import substitution has not sufficed. The smallness of domestic markets, with a few exceptions, is accentuated by vis-à-vis "efficient" scales of production, and many of the countries face recurrent balance-of-payments crises. All this has increased the importance of exports, giving rise to a new stage of "outward-looking development" which makes serious demands on Latin American producers who must now compete in the international market.

/(c) Employment opportunities

(c) Employment opportunities, particular in industry, do not always grow sufficiently fast. This is one of the problems which attracts the most attention in the present stage of development, during which an important role is played by the largescale importation of advanced technology required in the "modern" sectors of the economy.

(d) The elimination of "critical poverty" has appeared as a new priority, particularly in the countries which have already reached a relatively high average level, thus joining the unsatisfied aspirations of the middle classes and of the organized workers.

D. Planning in relation to these new problems and challenges

As was pointed out at the outset, the central topic of this study is state planning. Consequently, the purpose of the preceding paragraphs was to indicate the connexions between the problems in question and planning, and the demands and conditions they impose upon it.

In first place, it is clear that in view of the increasing interdependence among nations a sound diagnosis of the domestic situation is not enough, since many of the decisions and questions which directly affect the development of each country stem from the workings of the international system and from the cause of action followed by each government in international discussions and negotiations and their co-ordination or confrontation with others in a similar situation.

In addition, international crises are difficult to foresee and in any case impossible to predict with certainty. However, it is clear that their effects must be counteracted by coherent and timely measures to contain and overcome them. Hence, the new problems of the world create new problems for national planning systems, by increasing the need to articulate external processes and domestic objectives in the medium term, and to safeguard the latter by ensuring that they are constantly compatible with short-term international developments.

Planning must therefore develop an ability to foresee external events and consider selective and co-ordinated solutions to mitigate

/their effects

their effects in key sectors of the economy. Governments might even perhaps require their planners to carry out systematic analysis so as to confront present development strategies with possible future crises. In this connexion, the events of the first half of the present decade have provided some experience in how to tackle them selectively and with the necessary speed.

From another angle, both the above-mentioned international political and economic problems and the regional, subregional and bilateral processes of integration and co-operation reduce, to a varying degree, the freedom of decision of the Latin American countries, thus affecting national policy in different ways and raising the possibility or need of joint action between two or more countries in different fields. This raises the question of whether it is feasible to develop supranational planning processes, or at least a permanent and systematic communication between the various formal planning systems.

This is clearly not an easy question to solve. Even the exchange of information gives rise to some tension, because while the countries involved have some interests in common, there will also be areas where there are differences and conflicts.

However, joint action with respect to the effects of external problems would appear to be vital for countries which, like the Latin American ones, are in a dependent situation and therefore individually have relatively little power (with the partial exception of some of the larger countries, particularly Brazil and Venezuela). The political process and planning are thus once again bound up at a different level than that at which planning has dealt with hitherto, since it is now called upon to develop tools to facilitate effective common action with a clearly political significance.

The challenge facing planning in connexion with integration and co-operation processes is similar although, unlike the above case, the interdependent relationships on which these processes are based are deliberate. The bodies responsible for preparing programmes and projects and evaluating them in each country must therefore formulate

/technical proposals

technical proposals for formal and informal co-operation within the integration process. This need arises primarily in the field of import substitution on a regional or subregional basis, when the initial basic consensus concerning this development strategy is lost or becomes more problematical when the discussion turns to the programming and allocation of specific investments.

The planning systems of the participating countries must develop a common conceptual and analytical framework in order to identify the benefits and costs of the shared industrialization, the machinery to correct disequilibria and other relevant issues. This appears to be an important condition to prevent the integration processes from losing way and falling short of the expectations they have aroused.

In addition, the identification of options among which a choice must be made at an essentially technical level restores the instrumental character of planning for integration, smoothing the path for the political perspectives of government projects and thus clearing away generic prejudices about the advantages and disadvantages of the integration process. A necessary but not sufficient condition of progress in regional co-operation is usually political will, especially when the formal integration schemes have reached levels of sectoral definition in which greater technical forethought is called for. The aim here is not to identify those sectors or concrete problems in the different integration agreements. However, it is a commonplace that they exist and that the rate of progress tends to be uneven. Various areas may be mentioned by way of example, including physical infrastructure and transport, where the national planning systems call for detailed agreements of great technical complexity in which any delays may paralyze the actual or planned progress for all the partners of the agreement.

Consequently, in the above spheres and in other controversial questions every nation must recognize that the perfecting of an internal planning system and process calls for a deliberate effort to understand and measure the effect of external events and to participate in the

/different stages

different stages of co-operation and integration schemes, in view of their importance for the attainment of national goals. Nevertheless, integration processes should not be confused with the general processes which lead to greater interdependence among the countries of the region. Integration processes imply the deliberate will to reach objectives which are precisely defined in terms of modalities, machinery and time periods, whatever the content and scale of the agreed integration scheme. On the other hand, in the process of interdependence, the actions and interactions among countries do not presuppose a previously-defined course, and ultimately the degree of interconnexion reached does not necessarily imply progress towards new thresholds of cumulative and increasingly strong relationships. It might be said that interdependence is to integration what rationalization is to planning.

Indeed, it seems clear that progress in rationalization and interdependence calls for more demanding frameworks of planning and integration. Strictly speaking, interdependence comes to be a necessary condition for the integration process; without it the latter cannot progress beyond the superstructure of treaties, since the region is still made up of societies which are insufficiently linked among themselves and substantively tied to the central countries.

The spectacular development of the transnational enterprises, which have become front-line actors on the world stage, creates the most difficult of the new challenges for the Latin American planning systems and processes.

These corporations take their decisions according to their own interests and with a global outlook in which the whole world is their field of operations, which means that the action they finally adopt does not necessarily coincide with the interests of the individual countries in which they operate and on whose development they exert considerable influence.

Finally, it should be pointed out that the observations made in this chapter underline the need to include in any plan a number of strategic questions which have not usually been considered in the past.

/Desired or

Desired or foreseen technological change is unquestionably an area which calls for priority attention. The employment problem is closely linked with this question, and it has already become a priority in recent years and must be taken into account in any planning effort. To a varying degree, according to the situation and prospects of each nation, these remarks also apply to the future availability of specific natural resources and to the problems which have arisen in connexion with the environment.

In sum, even though Latin American Planning has not completely overcome the difficulties and limitations it has had to face in the past, it cannot overlook these additional demands stemming from the changing situation. In this connexion, the foregoing observations may also extend to the demands and priorities linked to the changes in the dimensions and urgency of different national problems. The questions raised in the corresponding paragraph will no doubt be present and will affect the characteristics and goals of each concrete planning process. They will constitute an important background element for governments facing the need to define the spheres and goals of national planning; because they primarily affect the definition of the corresponding political policy, both substantively and in terms of the degree and level of conflict, consensus and negotiation among groups, and other characteristics of the social process.

IV. THE AGENTS IN PLANNING

A. General remarks

Every political project, whatever its nature, may be implemented technically through the planning process. However, it is not the planning process in abstract but rather its agents which determine the characteristics of its implementation.

The identification and analysis of those agents raises difficult problems, which can be tackled at different levels of analysis, so that various answers may be equally valid. Because this document deals with national planning, some of these levels are more relevant than others.

From this standpoint, and at the most abstract level, it could be said that the sole agent in planning is the State; however, at the same time, obviously the State itself provides and regulates the scenario in which various internal and external agents interact in the planning process. There are also other complex dimensions of the State in relation to planning which must be examined. The possibility of acting in all of them stems from and depends on the existence of a State apparatus, whether one or a number of agents in the process, which the remaining actors try to influence in different ways. Finally, this complex process has a product: its translation into State policies, in which the planning process unfolds.

For these reasons, this chapter will examine successively the scenario, the internal and external agents, the different dimensions in which the State is an agent in the process and, finally, the government apparatus. Due to its complexity and special importance, the question of State policies will be dealt with in the following chapter. It is perhaps worth repeating that since the central topic here is national planning, the other agents are only considered in relation to it, and no attempt is made to examine the organizational machinery which they may possess, since the discussion focusses fundamentally on the State.

/B. The State

B. The State and the planning scenario

Inasmuch as the State has the monopoly of legitimate coercion, it might in a sense be said that it is the only agent in planning. Only the State is in a position to establish the norms which will obligatorily govern the process and bestow legal validity upon its product. In this abstract sense, this is a valid observation which has the importance of indicating a basic difference between Latin America, where the State has been the prevalent political form for at least a century, and other regions of the developing world where the State is a much more recent phenomenon.

Thus in a number of countries of the continent in the 19th. century well-structured national policies already existed, and the modern concept of planning possesses significant antecedents which have facilitated its development. In other words, planning belongs to the State; it takes place within States which have a specific internal power structure and different forms of self-assertion against external hegemonistic aspirations. Naturally the structure is not static. On the contrary, it might be argued that over time it is possible to identify different power clusters which give rise to or permit the formulation of different political designs, based on social classes and groups with varying relative weight and composition. Each power cluster corresponds to a certain relationship between the social actors which, therefore, cannot reach an arrangement by acting separately but are linked in a complicated web of alliance, compromise and antagonism. They are discussed below individually only for the purposes of presentation.

While planning, at this level, is a State instrument, and the State is its sole legitimate master, it is also true that the State provides the setting in which the various constitutive agents of the process interact and also establishes the rules which govern it. The setting is complex, not only because it involves many internal and external agents but also because the very idea of a scenario is abstract.

/In fact

In fact, within this overall setting there are a number of others, areas of confrontation among the different agents, in which the agents are not necessarily always the same, while the conflicts do not always culminate in a single central conflict. The interests of exporters may and usually do differ from those of importers; the level of agricultural prices affects the interests of urban consumers; national planning may favour some regions and neglect others, etc.

The agents, then, attempt to defend their own political designs when they have them, and their interests when these have not been taken into account in some of the designs they are confronting, and their ideas, etc., in the setting regulated by the State; but in doing so they attempt to penetrate inside the State decision-making process itself.

C. The internal and external agents

The great variety of agents is structured in many different ways according to the national situation, and it would therefore be vain to attempt to present them in a simple formula.

There are always agents with formal responsibilities and real agents who may or may not be the same as the former. In many countries the legitimate agents in the planning process are defined by law or regulation, but obviously they are not the only participants in the process.

It is also important to distinguish the strictly internal agents from those which are essentially external to the country, such as the transnational corporations. Broadly speaking, it may be said that the real agents and their level of effective participation depends on the power structure and the nature of the social and political project adopted or imposed. It would go far beyond the scope of this document to explore the consequences of this affirmation.

However, it should be pointed out, that whatever the circumstances, to restrict analysis to formal agents, such as politicians, planners and

/bureaucrats, would

bureaucrats, would be simplistic and misleading. Simplistic, because it overlooks the very diverse pressure groups interested in the planning process which do not always act through those agents but rather by paralyzing, for example, all or part of the execution of the planned policy. Misleading, because it tends to present planning as a process which is unfolding from the perspective of the planner, who may be very important but is only one agent in a process which also includes many others, even from the technical standpoint. This fact is beginning to be recognized formally in a number of countries. For example, the Ministry of Planning in Argentina is divided into two sections: planning and national policy. The latter in turn is divided into two parts: survey and forecast, and projects and policies. This example suffices to show the variety of technical experts the task requires besides planners. In practice, this occurs everywhere, to a varying extent and whatever the formal organization.

While there are many more real agents than are recognized by traditional analysis, they are not innumerable, and they can be identified in every society. Their degree of participation depends on the power they hold, and also on the nature of the national political project. In other words, those who are excluded are not excluded merely because they have little power with which to counter the dominant national political project, but also because the latter aims to exclude them totally or partially.

Changes within the country and in the regional and international setting may profoundly alter the position of the agents and their participation in the planning process. Thus, for example, the promotion of non-traditional exports has introduced as participants in planning groups which in the past were not part of the process or played a very small role in it.

The political project defines the desirable levels of participation or exclusion, based on considerations which go beyond the economic sphere but have profound implications for the economy. Participation

/may be

may be viewed as one of the most important goals of the planning process itself, but it may also be viewed as a condition for it to be able to give the desired results. In any case, there may be very different definitions of the participation which it is considered necessary to include or exclude at different stages of the process.

Should participation, especially in the fundamental decisions involved in the process, be situated at the stage of execution or of review or at all stages? Can these problems be resolved by ideology, which is implicit in every political project intended to be carried out by means of planning? Besides, very little is known about the real role of participation and its varying importance in different stages or according to different objectives. There are clearly targets which cannot be attained without different degrees of voluntary participation, while others can be achieved without such participation, or restricting it to a minimum, irrespective of the ideological motives behind the national political project. There has been very little research aimed at discovering objectively the different roles which participation really plays, distinguishing them as far as possible from the role it should play according to the variety of political projects.

In any case, in society various projects are in competition. The State plan is only one of them, or it is the product of a more-or-less open compromise among existing projects. Every State plan has elements of conflict and consensus, in very varied amounts. This is particularly clear during the stage of preparation and definition, but it does exist throughout the process. In addition, the areas of conflict are rarely equally strong in the various dimensions of the competitive projects. Thus, for example, as was pointed out above, it may be expected that there will be more consensus about the future development of electrical energy than about income redistribution or land reform.

The agents define strategies in relation to the planning process which may be highly complex and which sometimes make it difficult to discern the elements of consensus and conflict at stake. In the case

/of planning

of planning in France, for example, the lack of interest on the part of business circles in the discussion of the strategies of the plan, and their refusal, and that of the trade unions, to accept the commissions established by the plan as a setting for working out agreements, has been explained by the fact that each sector chooses to negotiate wherever is most favourable to it and their influence is greatest. If agreement were worked out in the commission established by the plan, it would deprive the trade unions of strikes, the entrepreneur of price manipulation and both of the liberty to modify subsequently their own strategies.

The agents, then, have very different power resources and use them in very different areas. Because of the multiplicity of power resources and the fact that their analysis goes beyond the bounds of this document, we shall only mention a few. The planners possess information, knowledge and techniques which enable them to indicate the trends, possibilities and restrictions of the future as well as the imperatives of the coherence of the process. In turn, the intellectuals have power because of their ability to generate ideas and thought. The political parties supply a vision of the desired future society which their members share, as well as mass organization and support. The entrepreneurs manage capital, prices and credit, and make use of their professional knowledge and the information supplied by their own private technobureaucracies. The organized workers resort to strikes and public demonstrations and have numbers on their side.

Clearly, the market is a field which favours the entrepreneurs, the professional groups and the high-income sectors in general, whereas the vote is a tool which can give more power to the worker, the marginal slum dweller or the unorganized poor.

The military possess weapons, their cohesion and institutional prestige and a similarity of opinion stemming from their socialization in common values. Finally, the transnational enterprises possess

/capital, technology

capital, technology and the control of specific markets. This is not the place to make either an exhaustive analysis or an evaluation of the real power of each social group, a factor which in any case varies in every country. The complex web of relationships can only be penetrated through an analysis of concrete state policies, such as that made in chapter V.

Nevertheless, some remarks follow on enterprises and technocrats, in view of their strategic position in planning.

Enterprises, and particularly the transnational corporations, are important agents in any planning process. In addition, irrespective of whether or not exists at the national level, planning has become customary within the larger private corporations.

The studies in this field all agree that the planners within enterprises have become analysts and policy-makers, and act as advisers or as a 'general staff' in close contact with the top executives.

There are at least two different lines of action in corporative planning. One is the traditional function of evaluation and control of results, which is currently insufficient and has therefore been combined with strategic planning, which is more concerned with specifying objectives and policies.

The above remarks merely confirm the power which this fundamental participant in the planning process possesses; power derived not only from its economic and financial strength, but also from the use of information, microeconomic and macroeconomic projections and other contemporary techniques.

The planning systems of the countries with mixed economies must likewise define some kind of relationship with private enterprise. Often, due to distrust, fear or merely a lack of communication, plans are prepared and policies formulated without contacting or consulting the private sector, despite the crucial importance of that sector's conduct in the actual development of the country. Clearly, the formulation of a plan or the design of any set of economic policies

/calls for

calls for a knowledge of the programmes, intentions, attitudes and prejudices of companies, and also of the degree of concordance or divergence of opinions and interests they possess. A planning system which ignores these factors is not in a position to project the future, programme coherent actions which will provide effective support for the development of the private sector, or suggest policies by which to influence or guide their behaviour or overcome their possible resistance to specific aspects of the plan. Fear of pressure from business circles is not a valid reason for avoiding contact. Obviously the entrepreneur will always use his power, and has no shortage of channels or tools for doing so, which besides rarely include the bodies which comprise the formal planning system, in view of the distance which usually exists between them and the real decision centres.

In sum, a situation in which the formal planning system is isolated from private enterprise tends to increase the already considerable power the latter possesses by its very nature, and often, at least in the case of the larger corporations and conglomerates, this social agent has adopted the values, procedures and techniques of planning with greater continuity and a higher degree of internal socialization than the State.

It is also worth dwelling for a moment on the "expert" who has become an important agent in planning and now holds a significant amount of power at various levels of the social process.

The scientific and technical contribution of the expert is undoubtedly extremely important, whatever the prevailing political project and regime. It is no longer possible to conceive of a development process which does without that contribution and which does not accept the ensuing need to place the public administration in the hands of technical experts, perfect the machinery for the preparation of investment plans, programmes and projects, and, ultimately, make full use at all levels of the tremendous advance in available knowledge.

For the purposes of this study, it is enough to point out that the above does not imply that the expert's judgement is a determinant factor in decision-making and social action. Still less should the expert, as

/such, be

such, be attributed the function of being the person who takes social decisions; if this were to happen it would be a deformation of his proper role. It is in this sense that reference is often made to the undue domain of technocracy, which is alleged to be usurping the functions of social and political decision-making.

The above is merely a reflection of the power which the technocrat has acquired. The technocrats do not form a perfectly homogeneous group sharing a common ideology and similar motivations, since technical experts subscribe to almost all known ideological sectors and political parties. Nevertheless, they acquire certain shared values which stem, for example, from taking particular postgraduate courses.

In this connexion, the power of experts has been arousing concern in the developed countries of the West. In recent years a number of European authors have pointed out the risk which their growing predominance can entail for the functioning of democratic society. The differences in the ability to have access to and understand the complicated specialized knowledge and the inherently elitist and undemocratic character of the circles in which they move may lead to decision-making processes wherein the participation of citizens is progressively reduced.

The loss of power of parliament compared with the executive - with the support it receives from its experts - is only a special and particularly visible case of a more general phenomenon. There is only a step from this situation to the claim by the executive authority to be the sole valid interpreter of the general interest.

The purpose of these remarks is to stress the role played today by the expert, a social agent very closely linked with planning. As a planner, he has his technical function, but unquestionably those who are closest to the decision-making centres, or who must interpret or weigh up facts, also perform, even if unconsciously, a political function.

In any event, it is clear from the above that whatever might be the goals of the political project at stake, the inequality among the agents of the process, which may go as far as the exclusion of some of

/them, makes

them, makes it difficult or impossible to attain certain objectives. It is very difficult to expect a real elimination or reduction of critical poverty, for example, when the persons affected by it have no voice in the definition of the political project or in the planning process, and are merely viewed as undesirable victims of them. In this sense, the varying degree of exclusion and of inequality among the accepted agents is one, although not the only, cause of the greater or lesser inequality in the distribution of the benefits of development.

D. The external agents of planning

There are two external agents which normally plan their own actions: transnational enterprises and international bodies, particularly financing entities. Since the action of the latter is assumably governed to a large extent by rules fixed by the governments themselves, only the former will be examined here.

This is not the place to define transnational enterprises, but following up the observations in preceding paragraphs, it should be remembered that they play a basic role in the planning process. These conglomerates by their very nature aim towards a relatively distant future and carry out actions whose results will be visible in the long term, although obviously they must also be very sensitive to short-term demands. The question has been and is still being discussed whether the action of these organizations is beneficial or prejudicial to States, and to what extent their interests and those of the Nation-State coincide or enter into conflict. However, this controversy is beyond the scope of the present document.

Nevertheless, whether transnational enterprises are good or bad per se, or sometimes good and sometimes bad - according to the position adopted - what does seem imposible is that in its planning the State should ignore the planning of those enterprises. It must be taken into account in order to make full use of their beneficial effects, assuming that these always exist, which seems a risky assumption.

/The various

The various plans formulated by the different transnational corporations may, and usually do, have very different effects on the State plan, and often compete with it. However, State planning cannot overlook those plans without incurring in serious risks. Only the first steps have been taken in defining the attitude to adopt in the face of this historically unprecedented situation, which even the most powerful states face today. The so-called "codes of conduct" for these conglomerates, which have been discussed in various fora, are in fact nothing more than an attempt by world society to establish norms to govern them and enable states properly to anticipate their behaviour. Economic and social activity is impossible without norms which enable a reasonable calculation to be made of future changes in it. In other words, the codes of conduct or other normative systems are aimed at protecting State planning from behaviour which may frustrate it or distort its significance or, what comes to the same thing, to ensure that such behaviour may be considered reasonably reliable within the functions formulated by State planning.

This competition between State planning and the planning of transnational corporations has one feature which distinguishes it from the competition which may exist between State planning and the private plans of internal agents, because what is at stake is the real assertion of the sovereignty of the Nation-State. In its extreme forms, the corporations' aim is not merely to attempt to change the will of the State, but even to constrain that will in what amounts to a substitution of it. The only historical parallel to this situation, in terms of the dimensions of what is at stake, is the irresistible pressure of very powerful states on their satellites.

Although this aspect is beginning to be incorporated in the planning process, there is no systematic analysis of the relationship between State planning and the planning of transnational enterprises, similar to the analysis made of subjects which appear to be less important. Of the many questions which should be examined, one is given below purely by way of illustration.

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In the new and very widespread orientation of Latin American economies towards the world market, the promotion of exports, particularly non-traditional exports, has become crucial in development plans. However, some exporting firms may be subject to restrictions in their activities established by the country where the parent corporation is based. This case of the extraterritorial jurisdiction of the law of one State through the transnational enterprises is only one example of the pressures to which government action and consequently State planning may be subjected.

As has been said, their power and growth enable them to influence, directly or indirectly, the policies and action of the government of origin and the host government, and sometimes to help to place the countries in a position of interdependence or dependence. ^{11/}

This does not represent merely an evident loss of sovereignty which naturally affects the national planning system. In concrete terms, planning is faced with giant economic complexes about whose intentions and policies it is difficult to obtain sufficient timely information, a basic requisite in order to be able at least to take into account their probable decisions in any planning effort. If the goal is to influence or guide the future actions of such corporations, the usual tools of economic policy will probably not suffice. How can the planning system include the formulation of reasonably precise "rules of the game" governing the installation and operation of transnational enterprises in the territory of the country? How can the negotiations which may take place between the State and specific foreign enterprises, or between the latter and national enterprises, be incorporated in the planning process? This involves another set of political and technical factors, since the activity of the transnational enterprise is linked with complex problems of capital, technology and markets which must be

^{11/} See United Nations, Department of Economic and Social Affairs, Multinational Corporations in World Development, New York, 1973, p. 71.

understood and analysed in order to be able properly to implement the corresponding guidelines established in the prevailing national policy.

E. The agents in planning: the State

Throughout this analysis of the participants in the planning process, it has been possible to see the various forms in which the State appears in that process. However, so far it has basically been shown as providing the setting in which competing planning projects interact. This is not the State's entire role in planning; at least three other roles can be distinguished, to which the following remarks are devoted.

In the first place, the State is the repository of the legal will which legitimates the planning process. In Latin America in recent decades national planning has received legal recognition. As a result, the present Latin American State has added to its traditional functions that of attaining quantifiable and quantified economic and social targets.

This new aspect is perhaps the only characteristic which is really shared by all Latin American States as planners. Whatever the normative form and national policy, a law of efficiency is imposed upon each and every society and State in the region, hard-pressed by problems of growth and economic and social development.

In order to fulfil this task, the government of each State must be given greater political and normative resources so as to be able to take on this strictly entrepreneurial activity of management, co-ordination and forecasting. The government assumes responsibility for programmes, in whatever form, in the name of the Nation-State whose technical rationale implies a constant planning process.

However, while this task must be tackled by all States, its actual forms and dimensions vary greatly, for a number of reasons, including the plurality of political projects and the relationship between the State and civil society.

/In second

In second place, the State is in fact an agent vis-à-vis civil society. The expression of juridical will which legitimates the planning process is not in itself an indication of the size and quality of the resources at the State's disposal which, in principal, it can transfer totally or partially to a specific government. Nor is it enough to determine the resources which are actually transferred. These resources are continually being formed and reformed in the passage from the State to society and vice versa.

The thorny question of the relations between civil and political society is only mentioned here to suggest that any consideration of their respective dimensions and of the dialectic between the State and society calls for more rigorous analysis of the relations between the public sector and the private sector than has traditionally been the case. Usually the State is confused with its bureaucratic apparatus, or else wholly separated from a private sector composed of groups which enjoy varying amounts of State support. Since not all the agents are equal, the forms of domination and the distribution of resources in society must be taken into account.

In any event, the State - in this case a bureaucratic cluster - is, in fact, a privileged agent in the planning process. Due to the very fact that the bureaucratic cluster is more or less heterogeneous, the State may be more or less coherent as a planner. The weight of the State resides in the fact that its governmental apparatus has the privilege of coercion to back up its binding decisions. However, bureaucracies coexist or are juxtaposed with it which depend on the changing goals the Latin American State has had to adopt. In addition to the traditional governmental powers, there are the essential public services with a long history in Latin America, which are often facing crises of organization or resources. The growth of new services increased alongside that of the functions of the State, and successive extensions have furnished it with bureaucratic entities and public enterprises. Some of these, due to their technical specialization and their financial capacity, have themselves surpassed the dimensions of

/the traditional

the traditional State, and their managing élite constitute a technocratic empire.

In such a broad and heterogeneous panorama of the State, it is easy to understand that the first task of planning or of planned policy is to ensure the convergence, hierarchization and co-ordination of the so-called "public sector".

Bureaucratic heterogeneity should not, however, reach the extreme of obscuring the existence of a State will, the vehicle of contrary forces but whose weight is fundamental in the formation of the decisions which constitute the real planning process.

Thirdly, the State is a mechanism of integration and of maintenance of the political order. While all the effects of the integrative function of the State may be difficult to grasp as a whole, its concrete manifestations in the form of political power are directly perceptible. The first and basic form is repetitive obedience to the norms of a specific order endowed with coercive powers. State activity obliges social activity to progress towards specific targets, towards which the courses of action adopted by the State also lead it. A fully-fledged State planning process at the same time possesses greater integrative power, and a strong drive towards technical rationalization. But the political universe is not purely a work of reason, and the State also has an integrative function because it has absorbed traditions and memories and even historical myths in order to formulate the content of its national project.

The planning process is affected to a varying extent by the different social processes it must tackle, with the common denominator that all planned policies are mutually interdependent within the prevailing national policy which brings the analysis back to the question of the State as a setting, as discussed above.

To summarize, it might be said that the new expressions of the State's functions lie basically in dialectics, control and information. However, due to conditions in Latin America the progressive implantation of a technical society has not led to formulae for an end to penury and

a beginning of generalized abundance. That is why the conflicts of competitive political projects over the structure and distribution of power of the State persist or are heightened. In the Latin American State the most sophisticated forms of technobureaucratic organization and the most profound disputes over the principles of legitimacy of political regimes coexist. This is important for planning. Even in the developed countries where this legitimacy is not called into question, planning runs into considerable resistance because it is viewed by some groups as a mere instrument for the assertion of the power of other groups and not as the expression of a truly national project. This is all the more true in Latin America because of this quarrel over the principles of legitimacy. Here is yet another reason for adopting various levels of analysis and attempting to penetrate more deeply into the nature of the government apparatus.

F. Planning, the State and the government apparatus

1. The government apparatus and the State's capacity for action

"Government apparatus" refers to the collection of bodies comprising not only the State or public sector bureaucracy, but also the decision centres and instruments of action to which the government has recourse when using that bureaucracy to carry out its aims.

The problems raised here are particularly important because the State, in its concrete form as the public sector, is the principal actor or agent in the planning process, and because a fundamental part of the activities constituting the planning process actually take place within it.

The attainment of government targets depend on a great variety of political and technical factors, among which the State's capacity for action is particularly important.

Analysts have their doubts about its efficiency, but there is nevertheless a constant tendency to entrust new responsibilities to public institutions, without a proper examination of their real ability

/to cope

to cope with those tasks in the way and within the time established by the plan. An examination of this kind can be made from the technical standpoint or using a political and social approach, both of which are complementary, mutually dependent and equally important.

2. Bureaucratic power and planning

In the State as in large private enterprises, there is an increasing predominance of complex organizations. It has even been asserted that one of the central problems of our time is to reconcile certain basic freedoms with the dominion of the large bureaucracies.

This assertion underlines the complexity, power and relative autonomy of these bureaucracies. As concerns the State apparatus, the effects of the first of these three characteristics undermine the validity of the other two. The public sector becomes increasingly heterogeneous in the measure that it increases in size and in the variety of its functions, with a consequent multiplication and dispersion of decision centres and a corresponding fragmentation of power. The assumption that the bureaucracy considered as whole is a homogeneous agent which participates with other agents in various social and political processes, and particularly in planning, is belied by the real autonomy of these bureaucratic segments.

The State bureaucracy is in a privileged position to obtain information, and therefore knowledge. This gives it the advantage over the rest of society, although this advantage is somewhat limited in the case of specialized technical abilities in areas where the large modern private corporations also operate with broad financial resources and better-paid personnel. This is particularly true in the case of transnational corporations whose power and planning ability are greater than those of many States.

In any case, technical ability in Latin America is concentrated in the sector of experts with a high level of university training, and normally does not extend to the traditional bureaucracy. The latter nevertheless retains considerable influence due to its power over routine administrative procedures, which continue to be an inevitable area for decision-making.

/These differences

These differences in training and outlook and the possession of different power bases lead to clashes between the technocracy and the traditional bureaucracy. The planners, a prime example of the former category, have often found their possibilities of influence and action restricted by the resistance which their efforts create within the administration and co-ordination. In the effort to resolve such conflicts in their favour, the planning bodies tend to try to substitute the "house bureaucracy" by imposing solutions and creating parallel machinery which are superposed over those which already exist; while the administrative bureaucracy usually receives the support of ministers and other high civil servants who depend upon it in their daily work, and who feel threatened by the planners.

There are also conflicts of various kinds between planners and technocrats in different state institutions, as will be seen below. Furthermore, the planners are far from being a homogeneous group. Their differences in technical training and their explicit or implicit, ideological positions divide them and sometimes place them in opposite camps.

This is one of the reasons why it has been only partially possible to reach a new form of rationality, a different style of action and a clear shift of the distribution of power in the administration in their favour.

In any event, the growing technification of the state is leading to an ever greater predominance of experts, the consolidation of which is reflected in the use of the term "technobureaucracy" to identify them. In some countries, such as Brazil, this category has recently begun to include a considerable nucleus of 'modern' public entrepreneurs. In any event, the power of the experts tends progressively to increase the influence of the existing formal planning bodies.

The real conditions for a greater influence of planning bodies are linked to a suitable insertion of the latter in the overall political and social framework: the influence derives from the processes carried out

/in the

in the state apparatus. Only the following will be mentioned here:

(a) To overcome internal resistance to planning, formal authority or the creation of a research office is not enough. What is needed is a strategy to win commitments and solidarity both within the state bureaucracy and the political and corporative élites, which must feel that they are playing an active part in the formulation of the social objectives and in the execution of the policies contained in the plan;

(b) Just as technical continuity is needed for the plan to be coherent, there must also be political confidence in the top personnel of the formal planning bodies. In this connection it has been suggested that the stability of their technical personnel should be combined with the appointment of a managerial nucleus which has not only the necessary technical competence but also the political and ideological orientation of the government, and which is appointed by the supreme executive. It may in truth be said that unless this condition is fulfilled, in practice there will not be any planning;

(c) The planners must be active in the main decision centres, especially those where short-term policies are made, not to replace the authority in question but in order to carry issues to a higher body or to define them more broadly if contradictions are seen to exist with the projections and forecasts, the plan or other government objectives in the medium term;

(d) In general, a government will have more chances of carrying out a plan if it manages to formulate it at the beginning of its term of office. Otherwise, it will be dependent upon the initiatives arising from the social lobbies and the State's executive bodies. Every government tends to have more initiative and real power to act at the beginning of its mandate. Unless it has its own coherent outlook, it is obliged to make use of the suggestions and demands of the bureaucracy, of its supporters and its opponents. This is a highly important requirement with great political significance.

The planning bodies usually compete with other bureaucratic power centres which are preminent in the execution stage of the process or

/which control

which control important resources, as in the case of finance ministries and the central banks. Only rarely does a global or sectoral planning body remain constantly and effectively present during the execution stage. It is also rare for a disagreement between the planning body and the Central Bank to be resolved in favour of the former. On the other hand, often the influence of planning bodies is greater in regional planning where the traditional administration is weak and contact can be established more easily and directly with the various existing social organizations. It is also often the case that the relationship between bodies is ambiguous because their real powers are not clearly defined; this usually happens between planning offices or councils, administrative reform or co-ordination committees and similar entities which share or compete for effective leadership within the state apparatus. One manifestation of such quarrels is the insistence of bodies of that kind upon being attached directly to the Head of State.

A quarrel over the fiscal budget is a recurrent problem in the process of institutionalization of Latin American planning. In the field of public investment a certain relative preponderance is attached to the opinion of planning bodies, particularly in sectors where projects usually have a long lead time (hydroelectric power stations, irrigation projects, ports). It may be assumed, in any event, that these sectors have their own capacity to ensure a certain continuity and autonomy.

With regard to the undoubted usefulness of the budget as a planning instrument, particularly to ensure compatibility between the short and medium terms, this is de facto limited by the form in which the budget is discussed and adopted. The process is usually fragmentary, and consideration of the budget is limited to various proposals about the current orders of magnitude, all of which takes place on a step-by-step basis, thus preventing an overall study. This is only partly the result of the traditional inertia of the bureaucracy; it is also caused by the power of various pressure groups within the state bureaucracy itself or in the rest of society which attempt in this way to protect their private interests. Separate and partial debate hinders the

/formulation of

formulation of coherent criticism or proposals, and this favours the statu quo.

It follows from the above that perhaps the best way of increasing the power of formal planning bodies is to increase their ability to influence upon other bureaucratic power centers, instead of trying to replace them in their formal powers and responsibilities.

From another standpoint, mention should be made of what has been called the "oligarchic tendency" of bureaucratic organizations. They have a clear propensity to grow, increase their authority and take on new functions, which are in sharp and constant dispute with other bodies. The organizations seem to acquire their lives of their own, which leads to a deviation of objectives and causes the growth of their sphere of action to become an end in itself. In turn, each body creates its own mentality which determines the orientation of its activities and the interpretation of the functions entrusted to it. The process depends heavily but not exclusively upon the inclinations of its top officials, since when a public institution is established as a power and decision centre, or when it is seen that it can become one, sectors which are independent of the State will become interested in dominating it.

Bureaucratic autonomy tends to become greatest and, consequently, to give rise to actions which diverge most from the plan, in those sectors which do not receive priority attention from the Head of State.

These observations are important when analyzing the composition, functions and authority of the different co-ordination committees which usually proliferate when the need arises of tackling complex problems in a unified and consistent manner. These committees are scenes of confrontation between persons and groups, negotiating fora and a setting in which the social actors exert pressure on behalf of their own interests and objectives. The net result of these elements varies according to the particular situation prevailing in each case. It may lead to greater government efficiency or support for concerted forms of development or planning, or else to greater internal heterogeneity within the state apparatus.

3. Bureaucracy, planning and civil society

The above remarks suggest that it is not only internal conflicts which produce dispersion, lack of unity and antagonistic positions within the state apparatus.

Among other phenomena specific to the overall political process which are found within the public sector, there is "clientism". In the services responsible for specific areas or problems, a relationship arises between the bureaucrats and their "clients", which is not merely an expression of institutional loyalty and commitment but also an instrument for promotion in the civil service and political careers of their chiefs and, at another level, of the lower personnel of the entity. Clientism occurs primarily in the negotiations between public services and individuals or organizations which represent interests of sectors of civil society.

The power acquired by a specific public service is often increased when that body defends - and is recognized as doing so by those concerned - the social group to which it is formally linked against other decision centers. What is originally "guardianship" thus becomes "clientism", in which the normative and regulatory function of the first relationship tends to be replaced by the negotiations and representation characteristic of the latter.

In an analysis of the public sector for the purposes of planning, it is important to consider the different forms of interdependence and, particularly, the penetration of civil society in the government structure. The example may be given of the case of an association of public works contractors in one Latin American country, which acquired great influence over the amount, regional distribution and rate of expenditure in the relevant budget thanks, in part, to a virtual monopoly over reliable statistical information in that area, an effective tool of pressure which led to certain degree of fusion between the corresponding state and "private" policy.

Professional, academic and even 'old-school' links are channels of influence assiduously used by private enterprise. At the

/institutional level

institutional level, the presence of representatives of unofficial organizations in directorates, co-ordinating committees and other state bodies are effective tools used by private interests in the public administration.

The influence thus used may become a control, with the existence of captive sectors in the public bureaucracy. This would be a determinant factor in the creation of the abovementioned heterogeneity within the state apparatus, which contradicts the idea of an integrated monocratic structure.

What is the cause of this phenomenon? Is it a sing of an order of priorities reflecting strong interests in the civil society, resulting from improvisation or from greater negotiating capacity on the part of the more skilful sectors? Whatever the answer may be, what is clear is the importance in any planning effort of the influence which different social sectors may have on the administration. Naturally, in this field some of the competitors or partners are of greater calibre, such as the employers' association, the transnational enterprises and the big trade-union federations, on condition that they have some degree of real autonomy.

4. Public administration, efficiency and planning

The efficiency of state action obviously affects the planning process.

In addition to the above observations, which clearly reflect factors related to the evident shortcomings in administrative efficiency in the past, it should also be noted that the concept of efficiency can only be assessed in the light of the following factors at least:

(a) the existence of authority and social discipline, which is necessarily reflected in the state administration;

(b) the degree of coherence in method and process, and the operational dynamism achieved;

(c) the political and technical congruence of the policies and other concrete action of the State;

/(d) co-ordinating capacity

(d) co-ordinating capacity, a necessary component of planning. Insufficient study has been made of the real limits of co-ordination stemming from the existence of complex entities or problems, particularly in the case of conflicts calling for the complementary function of arbitration and decision; such limits do exist, and beyond them formal co-ordinating bodies have less real efficiency;

(e) the inevitable restrictions placed on the operating capacity of any organization by human factors. In the case of the public administration the most important are problems concerning differences in salaries between the public and private sectors, promotion opportunities and other factors which determine the possibilities of hiring and keeping personnel with the necessary talent, motivation and dedication;

(f) the institutional organization of the public administration. It is well known that the public sector has traditionally been organized on the basis of a functional classification by sectors. In view of the enormous and complex variety of tasks which must be tackled, the question may be raised whether this hitherto widely accepted formula is still valid, or whether more flexible organizational forms should be sought, in which at least part of the administrative structure would deal with supra-sectoral or multifunctional problems, issues or programmes. For example, an integrated rural development programme may include aspects of formal education, cultural integration, training, technological decisions, prices and credit policies, technical assistance, etc., which are normally the responsibility of different ministries;

(g) the degree of decentralization and participation. Consideration must be given to the possibility of achieving greater efficiency by means of effectively handing over responsibilities for action and social participation, together with an effective decentralization of the administration and the consequent acceptance of a number of power and decision centres. This also calls for congruence between the style of action thus defined and the characteristics of the overall social process and of the political system.

A unified analysis of the planning process as it exists in the state structure reveals the elements of bureaucratic continuity or discontinuity which may be found in planning efforts. Both of these are influenced by socio-political and technical factors. The latter category contains in particular, what might be called routine state programmes, whereas the former comprises the fundamental components of the plan aimed at introducing changes, which therefore necessarily correspond with the broad lines of the political project.

Evidently, the mere existence of the nation is the principal factor determining the continuity of plans and policies. It possesses some degree of integration and unity, and consequently of solidarity, which is carried over into policies expressing common ends of a permanent nature which exist above and beyond the social conflicts and transformations of the political order. In other words, the origin of part of the plan is to be found in a common history and traditions. From another standpoint, it should be noted that if at least the essential elements of a national policy, perceived as such by the majority of the community, do not exist, the ensuing divergences will make any form of planning impossible and tend in the long term to generate social projects of an exclusive nature, which will tend towards disintegration.

V. STATE POLICIES AND THEIR KEY ROLE IN THE PLANNING PROCESS

A. Relationship between policies and planning

From what has been said in earlier sections it may be deduced, first, that the complexity and variety of unforeseen or uncontrollable situations, processes, agents, technical restrictions and external factors are such that it is difficult to see how any attempt at integral planning can be made with any real chance of success.

Secondly, it has been seen that the fate of the plan is played out against the background of the complex range of daily activity in which the various agents of the planning process participate. It is in the implementation phase that the actual plan acquires its concrete profile and the deviations, compatibilities and contradictions with respect to the formal plan (if it exists) are noted.

These premises lead to the assignment of particular attention to State policies as the fundamental expression of the action instruments available to the State for achieving its economic, social and, of course, political objectives.

State policies are options aimed at solving problems. They form part of a broader political process of which they are partial and visible definitions and operate in a certain social ambit with the participation of agents which adopt certain positions with regard to them. They consist of State actions and omissions reflecting a certain predominant orientation and are the result of the interplay of support, opposition and negotiations which largely emerge after the plan has been formulated and put into effect.

Some complementary considerations immediately come to mind. A set of policies does not necessarily constitute a plan. They can be scattered reactions or initiatives in connexion with issues that come to the fore owing to social pressure or the concern of those holding positions of authority. They suffer the influence of the power structure and in their turn modify it, since they affect the various social groups

/differently. They

differently. They can only be analysed in terms of specific historical situations, since they are partly determined by structural conditions and concrete problems in each society during the period considered. They act on specific social sectors; they have a spatial dimension because they radiate their effects, to a significant degree, to a surrounding on which can presumably be defined; and they have time dimensions because of their continuance through successive phases which should be distinguished.

The State does not always adopt a position with respect to a question, and sometimes the position it adopts results in omissions. Moreover, various sectors of civil society define options with respect to each subject, so that private policies may be regarded as a parallel concept to that of State policies. The latter are the preferential object of analysis because of the integrating function and role as the most important agent of development - and consequently of the planning process - assumed by the State, and because it is taken for granted that they are backed by rules which have to be complied with. This is not meant to detract from the possibly decisive importance of the policies of certain private sectors, however.

The fact that a State policy forms part of the global political process, whether or not it is integrated in a plan, means that in order to analyse it a hypothesis must be adopted regarding the basic features of the evolution of the society concerned, based on some macrosocial interpretation considered sufficiently valid by those responsible for the plan. The impossibility of dispensing with the more general analysis does not lessen the importance of studying specific State policies. The specific nature of both subject and agents, the consideration of relatively precise partial conflicts and consensuses and the limitation of the analysis to identifiable areas of decision are very valuable assets in this approach.

Another valuable feature is the possibility of determining the motivations, strength and strategy of the participants, precisely in

/that phase

that phase of the process in which all the agents capable of doing so are participating in it, stimulated by the direct impact of action taken by the State or other sectors. In this respect it should be noted that the private sector exerts its pressures, as it always has done, on executive entities in connexion with specific measures of the actual plan in process of implementation by the Government. 12/ This coincides with the observation that the interplay of negotiation, transaction and opposition begins after the plan has been prepared and the formal position of the Government more rigidly established. 13/

In a planning process it is not enough, in the majority of cases, to consider isolated policies. It is necessary to select from the broader social and planning process those elements that are most significantly linked with the problem to be solved and with the State policy to be implemented or evaluated. This leads to the joint consideration of a group of policies defined on the basis of the central objective to be attained.

The option suggested is really a way of dealing with planning activity whose particular feature is the simultaneous consideration of both ends and means - technical and political - as a way of facilitating coherence and unity. If applied to finite sets of carefully selected objectives and policies, this might constitute a new style of planning oriented towards reconciling the realism demanded by the rulers with their desire to impart a clearly defined orientation to the chosen line of social change.

B. Classification of State policies

There have been various attempts to classify State policies. Some group them as administrative, intervention or structural policies,

12/ Instituto de Estudios Colombianos, Estado y planificación. El caso de Colombia, ILPES, 1976

13/ A critical approach to planning in Latin America, op.cit.

according to whether they are designed to affect the government's capacity for action, the State's capacity for institutional coercion or the capacity for domination which makes up the power structure. According to a different criterion, they may be distributive, redistributive, regulatory or self-regulatory, the most important consideration being to determine whether or not their effects are "zero sum" and whether they are symbolic or material. ^{14/} Even more interesting than the typologies themselves, however, are the concepts on which they are based.

It might be useful for this purpose to have additional classification criteria regarding such points as the instruments of power that are primarily utilized: obligatory legal rules, coercive control, persuasion, stimuli or incentives, etc.; whether the policies favour or prejudice certain social sectors in absolute or relative terms; the institutional framework for the political responsibility of those implementing them; and the most important technical instruments and the conditions enabling their use.

Availability of a matrix that would simultaneously consider all the typologies thus prepared would undoubtedly facilitate the systematic analysis of specific policies. But the variety and dynamics of the social process go beyond any rigid framework, so that a guiding classification may be useful but never sufficient.

In any case, the categories noted in the above typologies help to determine the requirements which a State policy must fulfil if it is to be efficient both in relation to the proposed objectives and in the face of the obstacles encountered in its development, all within the framework of the formal plan or government programme concerned.

^{14/} See R. Salisbury, Analysis of Public Policy.

C. Suitability and technical efficiency of State policies

Coherence is a basic requirement of all policies. They may suffer from various types of contradictions and incompatibilities, and are often ineffective, among other reasons, because of one or more of the following mainly technical shortcomings:

(a) Unsuitability deriving from an imprecise or erroneous definition of the policy objectives themselves;

(b) Limitations caused by a lack of coherence between the identification of the specific social sectors which the policies are designed to benefit and the actual capacity of the instruments used to reach and genuinely favour those groups;

(c) Insufficiency, lack of continuity and unreliability of data, statistics and other information necessary for the formulation and implementation of policies;

(d) Incomprehension, rejection or other obstacles associated with cultural differences and lack of national integration, either because of the concept which the potential beneficiaries have of the objectives pursued or because of the lack of communication between them and the government officials responsible for implementing the policy;

(e) Inadequate or belated preparation, approval or use of the required legal and regulatory provisions, due to shortcomings of the government apparatus or of the legislative power;

(f) Unforeseen external developments and their unexpected effects. In recent years, this has been a dramatic feature in many countries, where the balance of payments crisis caused by the rise in oil prices and the simultaneous state of inflation and recession in the industrial nations has necessitated not only radical changes in economic policy but also the total or partial abandonment of many formal development plans;

(g) Omission or insufficient consideration of the undesirable effects of State policies. Thus, tariff policy, interest rates and income taxes imposed in connexion with balance of payments problems,

/credit availability

credit availability or fiscal income, for example, influence - like other factors - the choice of industrial technology. Full knowledge and consideration of the complex relations of interdependence existing between socio-economic objectives and various State policies is a primary requirement of any planning process.

The purpose of this enumeration is to recall that the technical coherence of policies is not an easy matter and, therefore, these factors are indispensable in any integrated analysis of the subject dealt with here. Moreover, this brief presentation helps to bring out the substantial and cumulative progress achieved in the technical capacity for formulating and implementing policies of different kinds. This progress undoubtedly also facilitates the task of resolving the socio-political issues that arise in each case.

D. State policies and the support or opposition offered by social and political forces

The technical coherence and compatibility of State policies are not nearly enough to make them really efficient. This is partly, and often mainly, the result of socio-political phenomena.

The fact that the formal government plan or programme contains a specific national objective of real priority has distinct repercussions and orients State policies in the most varied areas. This is so, for example, if it is proposed to maximize economic growth, equality of income distribution or national security. In this case, the rest of the social demands are subjected to the requirements of that basic objective, thus restricting to some degree the possible options of the various policies. In this eventuality, the groups of policies of most importance for the project are those relating to the fields of action which are most directly linked with the attainment of the proposed objective and to those areas where the opposition to that priority aim is presumed to be concentrated. The relevant analysis can provide not only an assessment of viability but also of the expected social costs

/and benefits.

and benefits. The greater or lesser importance attributed to the latter will depend on the value judgements involved.

Furthermore, the priorities and urgencies of the political project, and therefore of the plan and State policies, differ according to whether the political system is a new one or has already been consolidated, and according to the circumstances that led to its establishment. If it is a new system in a representative democracy, political urgency assigns first priority to the approval of constitutional norms and other rules for the functioning of society, so that the substantive issues considered in the plan and State policies must be compatible with the political transition and the emerging rules. If, on the contrary, the new system is of an authoritarian nature, the political institutionalization process will probably be postponed and problems whose solution could have an immediate impact will be dealt with in the short term, with a view to legitimizing the system through its successful action. Under these circumstances, in view of the greater will and capacity to make use of coercion, the rapid decisions and their effects contribute to the shaping of the plans, government programmes and specific policies concerned.

Any State policy will obviously endeavour to maximize support and minimize opposition within margins compatible with the proposed aim. In this respect, the group of policies concerned includes the analysis of subjects that may arouse opposition on the part of social groups whose support is hoped for in order to solve other high priority problems. It has been said, for example, that the negative attitude of the Government of the Spanish Republic to the Catalan demands for greater regional independence deprived it of the support of important sectors which might have agreed with other initiatives of the regime and perhaps prevented its fall. ^{15/}

Moreover, it is quite usual for policies to experience a change of direction and real purpose through the action of certain social groups,

^{15/} See J. Linz, The Breakdown of Democracies: Spain.

/thus creating

thus creating maladjustments between the plan and the actual situation. Preferential attention should therefore be paid to the study of cases of plan and policy formulation, particularly with respect to changes in the power structure and other political and technical factors that help to bring out and forestall such deviations.

E. Analysis of some specific policies and factors affecting them

An attempt is made below to give a graphic description, by means of some examples, of the technical and socio-political difficulties which may arise in specific cases, involving substantive and strategic dilemmas that must be properly resolved in order to improve the chances of success.

1. Should emphasis be placed on the ideological or the pragmatic approach?: agrarian reform

As noted earlier, for more than one Latin American country it is relevant to discuss whether in an agrarian reform programme the emphasis should be on the ideological or the pragmatic approach: a situation which was also discussed within the context of the Spanish Republic. ^{16/} If the first aspect is emphasized, greater social mobilization may be expected in support of the programme, but at the same time it arouses maximum opposition, including opposition from sectors that feel potentially threatened by the principle of justification used. The ideological approach also multiplies expectations, and therefore demands, since the priority invocation of the idea of access to land generates a right whose fulfilment everybody will wish to demand, whereas in fact this is merely the other face of the social mobilization sought. The net result of the interplay of these factors and others not included here can be judged only in each particular situation.

The problem is still further complicated if it is considered that the actual raising of the living levels of the social sectors benefited entails the priority assignment of resources for training, technical

16/ Ibid.

assistance and credit support for the new procedures, which in its turn is facilitated if there is enough social backing. What must not be forgotten, however, is the additional politico-technical problem raised by the need to create or improve efficient channels for marketing agricultural production and to prevent powerful intermediaries from establishing their own prices and retaining for themselves a considerable proportion of the added value. Lastly, the decision should take into account the ever-latent conflict between agricultural and industrial prices.

In short, the way of dealing with the question will depend on the perception there may be of the existing restrictions and the resulting net effect of support and opposition, according to which of the two approaches is adopted.

2. The results differ from the original objective: housing

Housing construction is a priority development objective aimed at solving a pressing social problem and at the same time constituting an instrument permanently used by the governments to increase employment and economic activity in the short term, thus promoting a higher rate of growth. The theoretical beneficiaries of this policy are the homeless, the unemployed and, in general, the under-privileged sectors of the population.

Faced with this dual priority, the governments are hampered, first, by the limited availability of public funds for financing the construction of low-cost housing and, secondly, by the political and technical difficulty of transferring sufficient additional resources to the State by means of taxation. At the same time, the reactivation of the economy is also an urgent matter, so that the most direct course is to take advantage of the easy access to credit and capital of building companies, which of course, are no mere passive spectators of this process but use all their power to influence the final structuring of the programme. Concurrently, private saving for housing is also encouraged.

It so happens, however, that the groups which simultaneously want housing and are able to save belong to middle-income sectors normally

/affiliated to

affiliated to powerful common-interest organizations, which start mobilizing themselves from the very moment the programme is proposed, with the aim of extracting from it the biggest share in the benefits. The usual result is that the size of the representatives' house is in line with middle class expectations, exemptions and privileges are established for constructors and investors; and in addition savings and loan systems are established. The policy is thus converted into the instrument of a housing programme for middle-income groups. The social benefit resulting from this action is not disputed here; it is merely interesting to note that the result differs from the original intentions or from the formal presentation of the plan.

The analysis is further complicated by the frequent technopolitical dispute within the government apparatus between those wishing to build dwellings and those concerned with a more harmonious urban development. Added to the various considerations used to justify one emphasis or the other in defining the objective are the pressures exerted by urban land owners, financial intermediaries, architects' or builders' associations, workers' organizations and other sectors which think they might be affected by the final decision and the actual programme that may emerge. Conflicts may also arise, for example, over self-construction programmes, to which different groups and social organizations - in terms of their previous expectations - react in opposite ways, added to which is the influence of manufacturers of building materials, who fear that their future sales will be affected.

A pessimistic conclusion should not be drawn from this analysis. Although the factors influencing the actual course followed by a housing policy are varied and complex, it is none the less true that the lack of homogeneity of the various agents' interests allows of not inconsiderable room for manoeuvre in giving the policy the desired orientation. The elements with real influence in each particular case should not, however, be ignored.

3. Distributive conflict, economic power and social discipline:
generation of savings

The theories which seek to interpret the macrosocial process, the problems involved in the power structure and its possible transformation, and particularly the relations between political power and economic power are determining factors in accumulation policies. Increased rates of savings and investment occupy a prominent place in all Latin American government programmes and form part of any planning process that aspires to go beyond the mere functions of projection and co-ordination.

This unanimity of criteria disappears, however, when consideration is given to who ought to save, the manner of promoting saving or extracting it from the social product, ways of channelling it into investment, and who should benefit from the investment and in what proportion. All these questions influence the distribution of consumption or of present and future income, wealth and economic power.

With the purpose of illustrating the repercussions of this all-important matter on planning, there follows an analysis of three "pure" models that might be formulated with a view to the generation of surpluses, on the understanding that combinations of them can also be proposed and that neither the merits and disadvantages of each nor their technical feasibility are under discussion:

(a) In the first case, the greatest accumulation derives mainly from saving by the middle - and high - income sectors, and particularly private enterprises. This system, which is in line with the private capitalist development model, should mean greater compatibility, at least in the short term, between aspirations for an immediate increase in consumption and in the savings capacity of the various social sectors, but on the other hand it produces a marked trend towards a greater concentration of income, wealth and economic power, with its resulting effect on the structure of political power. If increased saving is the product of wage restrictions, then the manifest and latent social pressures and conflicts will be intensified. If the model leads to sufficiently rapid economic growth for the benefits to reach a high

/percentage of

percentage of the population, or at least those with the necessary organization and capacity to be political agents, the conflictive tendencies will perhaps be alleviated. Whether or not this occurs depends on whether the various social sectors are satisfied with absolute improvements or whether they are more sensitive to the relative aspects of distribution. It also depends on the degree of acceptance of the idea that in a competitive system not everybody can progress simultaneously, so that the social demands will not be couched in terms of solutions for all but rather of opportunities for social mobility and economic progress for a "reasonable" proportion;

(b) In a second case, saving (or increased saving) derives basically from the State. It may be presumed that in this case there are no trends towards concentration of income and wealth and the economic power of the State increases, the struggle for its control being accentuated and the question of the global effect of full coincidence between the centres of economic power and those of political power being raised. Since both these types of power are in the hands of the State, those groups which can gain most power within the State apparatus acquire undoubted pre-eminence. From a different point of view, the massive transfer of resources to the State by means of taxation, the expropriation of enterprises or restrictions on mass consumption can cause serious friction in the system, thus calling in question the model's political viability;

(c) The third possibility is that the larger surplus is tapped by the middle - and lower - income sectors by means of increases in real wages, and that most of this increase is assigned to saving. In this system there is minimal compatibility between immediate expectations of greater consumption and capacity for saving, but inequalities in income, wealth and power are obviously reduced. This option will probably lead to a reduction in profits and prevent or limit an increase in the personal wealth of entrepreneurs and ownership sectors in general, which makes its political compatibility with an efficient private enterprise

/system somewhat

system somewhat dubious, since the groups affected may refuse to accept the proposed redistributive changes and actively or passively oppose the project.

Moreover, in view of the low initial consumption level of those who would be saving, the stimuli and incentives to saving will probably not be enough to achieve the desired result; hence the system may require, among other measures, the establishment of a system of forced saving. It is therefore essential that there should be a high level of social discipline and determination among the sectors constituting the axis of the model.

In this respect it should be noted that it is easy to obtain support for measures involving greater immediate consumption and the sacrifice of others, but much more difficult in the case of policies that involve personal sacrifices in the short term, even if there is no doubt about the benefits expected in the medium term.

As may be inferred from the foregoing, this type of State policy is complex, since it tends to have multiple objectives and because, depending on the option chosen, its fate is decided in different areas of confrontation.

Accordingly, the formulation and implementation of a State savings and investment policy which will be economically and politically viable and coherent call for maximum creative capacity in planning and the art of government and are a good example of the wide range of variables and circumstances which generally have to be considered in formulating a programme of action.

4. Compatibility over time or short-term economic policies

The technical progress achieved in recent times through the construction of models which permit the compatibilization of prices, income, quantity of money, exchange rate and other decisive variables in the short-term economic situation is not enough to ensure a sustained and efficient policy in relation to the objectives the rulers may have set themselves.

The income distribution struggle is perhaps the most conflictive of the socio-political problems. It is a matter of extreme technical complexity, about which specialists are anything but clear or in agreement, while at the same time it is linked with different groups of factors, depending on the social group and economic activity considered.

From the socio-political viewpoint it is enough, however, to note that the daily activities of the various groups directly affect the model or short-term plan. Through variations in prices, the handling of credit, collective wage claims and negotiations, strikes and political pressure, the various agents make the maximum use of their respective power in order to tip the balance in their own favour.

It is not feasible, therefore, to hope to maintain a coherent policy without measuring the capacity for its actual implementation in terms of the expected combination of support and rejection and the authority actually available.

The greater the social polarization at any given moment, the greater is the difficulty of sustaining an incomes policy which will maintain the relations between prices, wages, fiscal deficit and balance of payments, while at the same time being coherent in the short term and capable of remaining in the future within the expected margins of change of the variables covered by the objectives of the plan. The chance of success in this connexion is greater if the social demands are fragmented, since the accumulation of social pressures against what has been programmed in respect of a specific question creates an extremely unfavourable situation. Social discipline and government authority are undoubtedly necessary conditions for the acceptance of projects, as also is the idea of justice and shared sacrifices.

The unionized presence of government officials who claim for themselves a larger share of social income is usually an important factor, and on occasions it is the main element in unleashing a crisis over incomes policy. In this case it is the strongest pressure group

/(teachers, bank

(teachers, bank personnel, health workers, port workers and transport workers in general) who head movements in support of claims and subsequently stimulate the reaction of others. The increased heterogeneity and loss of efficiency of the government apparatus is another of the many consequences of conflicts of this type. An attempt may be made to settle this problem by means of "standard salary scales", but this technical solution not only requires sufficient political support but usually raises the additional techno-political problem of the relation between wages in the public and private sectors, and the amount of talent and dedication on which the State apparatus can rely.

5. Social consensus or design in relation to specific functions: the policy of public enterprises

Of all the functions performed by the present-day State, none has given rise to more persistent argument than that connected with the existence and role of public enterprises. The controversy is far from being settled and constitutes a problem which in Latin America appears closely linked with the type of political regime and ideology predominating in each country at any point in time. It is not surprising, therefore, that subjective values and prejudices of different kinds should have begun to predominate in the discussion, thus preventing a serene and objective analysis of the substantive subjects which, as in the previous cases, involve both technical, administrative and economic factors and socio-political variables.

It is therefore imperative to establish a position with respect to this matter in any planning attempt. The clear-cut definition of the rules of the game and the role of both public and private enterprises and their respective spheres of action are basic requisites for the political and technical viability of the plan.

It will no doubt be necessary for this purpose to analyse the functions that can be performed by public enterprises, including the following: contribution to saving and investment, regulation of the market, stimulus to domestic industry through their purchasing power, direct or indirect support for other national enterprises, value as a

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factor of competition designed to increase productive efficiency, provision of an element of subsidy to specific activities or population sectors, preservation of national independence and negotiating capacity vis-à-vis foreign capital, promotion of small-scale or low-productivity activities, replacement or control of private monopolies, provision of incentives to the small producer who is in a position of inferiority in marketing his product or obtaining inputs, credit and technical assistance etc. Special attention should be given to the role of the public or private enterprise as a factor or agent promoting the spatial decentralization of economic development.

Each of these functions presents different problems as regards costs, surpluses or deficits, and organization. It also involves the possible support or hostility of sectors of the civil society, in particular industrial, financial or agricultural entrepreneurial organizations, thus giving rise to complex processes in which the existing power structure and degree of social mobilization and political activation of different conglomerates or social groups are determining factors.

However sophisticated or pragmatic the analysis that may be carried out in each particular case, however, there is no doubt that the agents of the process, which are, respectively, the national and transnational private enterprises and the public enterprises and relevant decision-making organs of the government apparatus, should be acquainted with the essential features of the role ascribed to each of them by the prevailing system and the rules that are to govern their performance. Such definitions do not in themselves ensure the required socio-political consensus, but they constitute a necessary requisite for achieving it.

VI. PERSPECTIVES AND FUNCTIONS OF PLANNING
IN LATIN AMERICA

A. An analysis of possibilities

It has been shown in the foregoing chapters that planning is a very complex process, affected by numerous and varied factors which have now been sufficiently described. This statement, however, does not provide any conclusions as to what can be expected of planning as a practical instrument of State action in Latin America.

There is no single reply to this fundamental question. It is possible to attribute to planning a variety of optional functions relating to different perspectives and displaying in each case a different pattern of relative importance of the factors affecting it. This variety is inherent in the theory and field of action proper to the planning process.

In planning practice these different perspectives normally coexist, their relative pre-eminence being closely associated with the nature and objectives of the political project proposed.

The account which follows sets out to show a diversity of facets which, from different angles, help to justify planning and to facilitate the perception of its profound significance.

1. First perspective: continuity or social change

A plan based on the view that the structure of society and its prevailing trends are unacceptable will place the emphasis on social transformation and change. Its nature will be predominantly political, and it will have to face the conflicts arising from the resistance offered to all or part of the plan by those who disagree with its underlying values and feel threatened or harmed by its proposals. In this case it is indispensable to have a thorough knowledge of the existing power structures in relation to the conflictive problems or sectors and to adopt a political plan or strategy which can provide a

/viable procedure

viable procedure for implementing the proposals for change.^{17/} It has been rightly pointed out, moreover that the policy and plan for change generally place more emphasis on innovations and the mobilization of resources than on the economic assessment of their allocation.

On the other hand, if it is proposed to maintain - at least in its broad outlines - the orientation and trends of the existing social order, the planning effort is focused rather on the problems of the alternative allocation of resources. The options discussed then refer mainly to the administration of the additional resources generated by the economy.

It should be added, as an example of the most favourable conditions for complete consistency between diverse elements, that a plan for change should be based on a public programme budget, to be submitted to a complete analysis, whereas a continuity plan may be based on a conventional budget covering items of expenditure, in which marginal variations from the previous fiscal period are permitted.

In reality, these opposing trends coexist in varying proportions in any planning process, regardless of whether it is predominantly conservative reformist.

There are of course programmes which naturally acquire considerable continuity and technical autonomy, as in the case, for example, of energy, irrigation or transport development plans. Similarly, education or health programmes, once begun, generate processes which not only receive widespread social support but are also technically difficult to halt or redirect. In other cases, the continuity of various programmes is sometimes maintained by mere bureaucratic rigidity or inertia, even when a contrary course has been agreed.

It must not be concluded from the foregoing that a plan for change is affected solely by sociopolitical factors, while technical elements tend to give continuity. On the contrary, the viability of any change also depends on the objective facts of reality, while the continuity

^{17/} See Carlos Matus, Estrategia y plan, ILPES, 1972.

of an educational programme or a highway construction plan may be decided by the capacity of the teachers' union or the contractors' association for exerting pressure.

2. Second perspective: direction of the social process or rational assignment of resources

If it is proposed that planning should be an instrument for directing the social process, there will be increased intervention on the part of the State, and the centres of decision carrying the greatest weight will be those within the government system. This does not necessarily imply centralized planning, or assume a preponderance of State action in the productive sphere, since the model proposed only compels the State to take the initiative, and this is just as compatible with the use of indirect instruments for incentive or disincentive and with the functioning of the market in general as it is with the employment of mechanisms of direct control, regulation or action.

Consistency between the technical and political elements is very important in this case, and should exist both in respect of the goals and the policies designed to achieve them.

If, on the other hand, it is thought that the orientation of the socioeconomic process should derive mainly from the activities of the civil community, planning will endeavour to secure a rational allocation of public resources whose optimum will then be decided by its effectiveness in supporting private initiatives. In these circumstances planning is not politically neutral, but accepts and adopts the orientation resulting from the interplay of power in society, while its own specific activity falls mainly in the technical and economic field. In this model the task of planning tends to concentrate on the investment budget of the public sector and the preparation of global economic projections and forecasts.

3. Third perspective: functions of prediction, coherence and unity

The following analysis, stemming from a series of keen observations of the French experience, is useful for understanding or evaluating the contributions to development which planning is able to make, as it

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highlights and classifies to some extent its more essential general functions.

In brief, planning can serve three different purposes:

(a) Prediction or reduction of uncertainty. It is the task of planning, in fields appropriate to it, to construct a specific preview of the future, revealing the limitations which cannot be safely ignored and the uncontrollable trends which must be recognized and accepted. This is the world of economic and social projection in the long and medium term, whose strength lies in the management of unshared information and in the sophisticated techniques of calculation which have found their most spectacular expression in recent times in the world models arising around and in consequence of the activities of the Club of Rome.

The guidance that planning can provide in this way is undeniably important. In so far as its indications are accepted and used by the productive system and the strategic social groups, a course of development is outlined which facilitates and provides a framework for the decisions of the main participants. The area in which this function can perhaps make its greatest contribution is that of short-term projections or models relating to the basic economic variables (the annual operational plan and others), which reduce uncertainty inasmuch as they are guides for the immediate action of all concerned and project into the future the results of alternative short-term options.

It should be pointed out, however, that there are certain factors which limit the probable impact of this predictive function. In the first place, it must be realized that any projection of this type contains a series of implicit assumptions of an ideological and socio-political nature concerning society and its future evolution. Secondly, the specialized knowledge involved, the peculiar and hermetic language used to express it, and the quantitative presentation of results which characterize this approach restrict the social debate to élite circles of experts. All this may lead to its rejection by various social groups which do not feel obliged to share its assumptions, or which are excluded

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from all real participation. In view of the greater cultural and educational differences and the more limited national integration and mass participation prevailing in the region, this rejection may be particularly strong in Latin America. Even so, the greatest challenge which planning has to face in this area is the need to foresee also the broad lines of world development and to forecast in time its possible crises in the economic and political field.

(b) Reduction of inconsistency. In this case the planning instrument is used essentially as a method of securing greater compatibility between ends and means. Its primary function here is to propose guidelines and general norms. Although the general acceptance of these norms helps in itself to reduce inconsistency - an effect which may also result from the preparation of projections - the implication in this case is that the search for greater consistency is a task of a more specific and operational nature.

General norms must be converted into precise options from which the decision-makers must make their choice. First of all, available resources must be reconciled with programmed goals, and, more particularly, proposed objectives must be brought into line with the policies designed to achieve them, and these policies harmonized among themselves. This concept is meant to apply both to State policies and to the private policies of business firms, trade unions and other social organizations. It should be added that, in societies like those of Latin America, where there is little internal cohesion, the function as here presented must pay particular attention to technical and political coherence and may therefore be the most ambitious and difficult of the goals pursued by planning.

(c) Unity, or reduction of diversity. This concept contains a two-fold perspective. It may be interpreted on the one hand as the task of reducing fragmentation and dispersion in State action, beginning with the establishment of internal norms applicable to the machinery of government. This is undoubtedly a responsibility pertaining inherently to the State, and the instruments of planning can contribute to its more successful fulfilment.

On the other hand, the concept may be regarded as involving the generation of norms and their diffusion through society as a whole with a view to obtaining the support or at least the passive acceptance and consequent conformity of the various social actors, to which end both persuasion and coercive measures may be employed.

In the French case, the instruments chosen for this purpose were conciliation, as a method of obtaining a rapprochement between actors with differing values and interests, and the presentation of a simulation model of the future functioning of society as a starting point for the conciliation effort, this being directed mainly towards the behaviour of entrepreneurs and trade unions. The fact that it has not been possible to obtain in this way an income policy explicitly accepted by both parties shows the sociopolitical difficulties of the task.

In a more general sense, the reduction of diversity has been put forward by the French analysts as a form of achieving a new and more unified and cohesive style of social behaviour (apprentissage institutionnel), which in effect implies the search for mechanisms to reduce social conflict and generate new forms of agreement capable of overcoming opposition deriving from distinctions of class, culture or values.

4. Fourth perspective: decision-type plan or predominantly symbolic objectives

The experience of planning in Latin America has been analysed mainly from the standpoint that the plan is an expression of a decision by society as a whole or at least by the government responsible for its formulation. This is so much the case that the success of the plan has in fact been judged exclusively in terms of the relation between target and result, even in respect of those items which the plan itself explicitly defines as "indicative" in the sense that they only claim to be guidelines.

It is commonly supposed that the plan contains at least norms and goals which are binding on the bodies making up the State administration,

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but in fact even if it includes decisions of this type, planning must be conceived as an instrument chiefly concerned with functions of another type.

Thus, the plan may be a promise of a better future, the agent of social mobilization in support of government aims, a denunciation of present injustices or a "message" to a society in need of belief and faith. Such concepts of the plan are closely linked with the political project and seek to express this project in a more concrete and tangible form, while highlighting its mythical or utopian character and the ethical and ideological principles on which it is based.

The importance of a role which seems to be in keeping with the deepest aspirations of mankind must not be underestimated. Its importance will be considerable in a model of society which seeks participation and endeavours to secure mobilization in support of certain common goals, whereas it will be negligible in models where society is guided by an élite or in the case of social concepts based mainly on technical efficiency, received as a product of the application of human science and knowledge in conditions of social order and discipline.

In a narrower sense, and undoubtedly subject to risk, the promise-type plan is an instrument designed to counteract the possibly negative effect of current crises and restrictions, thus coming to represent a genuine long-term commitment. In the practical experience of the past, this has been to a large extent an expedient for reducing the immediate impact of the revolution of expectations. It has been the chosen instrument of many populist experiments or procedures designed to maintain privileges, but runs the risk of overlooking the cost and sacrifice needed to achieve sustained progress.

5. General definitions required in connexion with the various planning perspectives

(a) Time-limits. Whatever combination of objectives is attributed to planning, this task inevitably calls for consideration both of the short term and of the somewhat more distant future. There is an obvious

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need for compatibility overtime in order to maintain the continuity of the process. It is undeniable, however, that the medium and long term constitute its more specific field of action and that which distinguishes it from other instruments of social action. Even so, if its proposals or projections are to be considered by the government, politicians and other social actors, it is essential - as experience has shown - that it should contain appraisals or proposals valid and applicable in the immediate present.

Since the problem of compatibility between the short and medium term appears in all its magnitude and complexity in connexion with the execution stage of the plan, more detailed reference will be made later to what is usually the most vital of planning problems, namely, the question of State policies.

(b) Command, persuasion and negotiation. In the development of the planning process use is made in varying degree of these different styles of action, which must of course be consistent with the margins of viability allowed them by the political system, the social structure and social relations, and the corresponding power structure, as well as taking account of prevailing values, the possible degree of real control over current events, and various other factors.

The most important point to mention here is that the familiar formal plans have normally been based on single solutions and fixed targets which assume the non-existence of social conflict and leave no margin at all for negotiation. In practice, even authoritarian regimes have to face significant resistance and find themselves obliged to resort in part to persuasion and negotiation in their relations with different groups of society. In a politically more open society, such relationships are inherent in the system, so that the necessary minimum of realism would probably be lacking in any plan which sought to direct the social process without conceding some margin of flexibility and providing for a reasonable degree of negotiation between the real actors in the process. The well-known incentive policies designed to influence

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the behaviour of economic agents, and in particular the private enterprise, are completely in keeping with this view. They constitute instruments inherent to the planning process in a private-enterprise economy, irrespective of whether the political regime is a representative democracy or some form of authoritarian government.

(c) Implementation strategy. The style of formulation of the planned or proposed goals of social change, and the timing and sequence of the process, may be decisive factors for the success or failure of the experiment.

Thus, for example, it is one thing to propose a specific programme in a pragmatic way as a positive or necessary action, and quite another to base it on considerations of justice or social right. Extremely delicate options are involved which compel an explicit consideration of costs, benefits, and margins of feasibility based on an assessment of the support which may be obtained from a social mobilization inspired by moral values, as compared with the probable multiplication of social demand and the heightened resistance of social sectors opposed to the programme. The efforts at agrarian reform are repeated examples of this type of dilemma.

Lastly - and this is a problem which is more applicable to experiments involving considerable social change - it must not be forgotten that there is a difficult decision to make between announcing the full scope of the plan from the very beginning or revealing it in a programmed sequence in keeping with a strategy designed to overcome successive obstacles and confrontations.

This subject involves problems of ethics (deception used as a means of achieving the goals proposed) and of principle (open democracy versus elitism), no less than practical aspects and considerations of feasibility, which will not be analysed in greater detail here, but which should be taken into account when appropriate.

(d) The international context and the autonomy of planning. The analysis of the new challenges confronting Latin America implies certain

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consequences for planning, whatever the perspective it is viewed from and the objectives attributed to it.

In the first place, the need for a greater capacity of technical and political foresight becomes more vital and complex. In other words, the predictive aspect of planning is put to the test. To its traditional tools must be added capacity for the active consideration of problems in terms of their probable sequence and future development. This type of exercise should be understood as leading to the generation of a capacity for reply, that is, a strategy of possible action within the framework of the national society concerned.

Secondly, the simultaneous analysis of, for example, the industrial development of several economies also requires an increased capacity for information, knowledge and, in short, technical foresight, to foresee and to be able to act in face of the repercussions which the integration process will produce in the short and medium term. An indispensable complement to this task of prognostication is the appraisal, followed by consistent and timely action, of the dynamic evolution of the political relations between the contracting countries and of these with the rest of the world. Similarly, it is necessary to know and examine the possible transnational relations which can take the form of alliances or conflicts between specific social sectors and groups in the countries involved.

Finally, this is a field in which national planning is faced with successive negotiations and transactions for which it needs an adequate endowment of technical and political criteria, whose results will modify or be incorporated into the national plan.

In brief, as was mentioned in earlier chapters, the new crises and problems of the international economic order and the regional and sub-regional efforts at integration and co-operation inevitably introduce restrictions on the autonomy of any national political project. In consequence, there cannot be a relatively autonomous and coherent national plan unless firm and continuing ties are established between the internal process and the defence actions, claims, co-operation and search for new solutions carried out at the international level.

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The congruence between the point made here and the practical functions attributed to planning in each country requires these definitions to be taken into account when deciding the part which national planning is to play in the areas relating to external events. Thus, for example, if planning seeks to be an instrument of social change or direction of society and in general if its role in decision-making is increased, the planning system will have to take an active part not only in the corresponding formulations but also in the respective negotiations, activities and mechanisms of co-ordination. If, on the other hand, the emphasis is laid on forecasting or the assignment of public resources, planning assumes a more passive role in relation to external events.

Finally, the aspect which affords the greatest potential for innovation in planning is the establishment of systematic mechanisms of interconnexion between the various national systems and processes, which should seek the maximum reconciliation of national autonomy with inter-State co-ordination.

B. Summary and conclusions

First of all, it is essential to reiterate what has already been said in the preface of this study, namely, that progress in planning, and the full exploitation of its effectiveness as an instrument of government, involves a fuller knowledge and understanding of the socio-political phenomena explicit and implicit in the planning process and their forms of linkage and interrelation with the purely technical aspects. The exploration of these lines of analysis has been the central aim of this study and the conclusions reached are mainly concerned with them.

It must be borne in mind, however, that in the final analysis all the advances which can be achieved on the different levels covered by planning theory and practice are of equal importance.

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It is obvious that the need emphasized here to study in greater depth the subjects which have been relatively neglected in the past, in order to achieve a greater balance between the perception of the problems and the capacity for practical action through planning, does not detract from the importance of the advances which must still be sought in other fields. Chief among these are the following: planning methodology and techniques; mathematical projections and models; compatibility of short-term policies among themselves and compatibility of immediate action with forecasts; techniques and criteria for assessing programmes and investment projects; capacity for organization; and timely and reliable statistical information.

At all events, an attempt has been made in this study to give the fullest possible account of the nature and characteristics of planning conceived as a continuing process which, when it attains its maximum expression, can develop both simultaneously and successively in the most varied spheres of society.

The presentation and analysis of the different technical and political aspects which can affect planning or form part of it demonstrate its complexity. This involves the risk that planning may seem to be a monster of such magnitude and complexity that it would appear necessary to discard it as unmanageable. The standpoint of this study, however, and the conclusion that can be drawn from it, is that the real complexity lies in the social process as a whole, and that for this very reason it is essential to have an organizing instrument which will help to rationalize it as far as possible.

This reasoning seems corroborated, moreover, by the account given in earlier sections of the existing options regarding the rank and functions which can be assigned to planning. The historical circumstances, the prevailing ideology and the specific content of the political project in force in a given country, the availability of adequate human resources, the technical capacity and ability for organization and implementation of the society in general and the government apparatus in particular, together with other additional factors - all these will determine the role which it is decided to assign to planning.

A correct decision in this respect needs to take into account, in the first place the fact that planning has been defined here as the technical instrumentation of a political project and that in consequence it is linked with and must be congruent with it: an assertion which is valid whatever the nature of the policy (explicit, implicit, global, partial, with numerous objectives or limited to what are considered basic priorities).

At the same time, there must be a similar congruence between the planning capacity resulting from the sum of the elements mentioned in the previous paragraph and the functions which are actually assigned to it.

In other words, the political project and the existing restrictions and limitations of various kinds determine margins of viability for the possible functioning of planning.

Nothing should be required of any instrument which it is not equipped to do. In the present context, this means that planning cannot solve all problems and that totally comprehensive planning is a utopian dream. This conclusion does no more than recognize the limits of its contribution, which in the light of the optional or complementary functions described in the preceding chapter may nevertheless be of vital importance.

It should also be noted that, in consequence of the political project in force and the roles which may therefore be expected to be played by the various participants in the social process - who, as already mentioned, are the same as those who may take part in the planning - lines of preference arise when defining in each case the function which planning should perform.

Thus, it is probable that the functions of prediction and harmonization will be preferred if the chief actors or key promoters of development are situated, as a result of project, in the civil community, as in the case of private enterprise (with or without a major contribution of foreign capital).

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The pre-eminence which is assigned in such a model to the aforesaid actors involves, as a guiding principle of planning procedure, advance knowledge and information, together with control of the incompatible elements which might affect their action.

In contrast, if it is mainly a case of a plan for the public sector, preference will be given to the rational allocation of resources, the achievement of greater unity of the government apparatus and, probably, the improvement of the short-term policy instruments.

If, on the other hand, the political project adopted seeks a major social transformation, the predominant factor will be the knowledge and assessment of foreseeable social conflicts, of the power resources and probable behaviour of the actors involved, and of the characteristics of the most decisive areas of confrontation. There is, moreover, a greater need for unity and coherence in the action of the State, without prejudice to the function of assigning scant resources with maximum efficiency or of foreseeing probable future emergencies of external or domestic origin. In other words, the political option thus defined demands a planning process of greater complexity and increased technical and political instrumental capacity.

From another angle, it should be emphasized that, even in the case of policies which assign to the State a predominant role in the direction of society, this does not necessarily mean that it must have an administrative apparatus of large proportions. The analysis made earlier in relation to the heterogeneity of the public bureaucracy, its frequent lack of unity in action, and the limitations of its co-ordinating capacity and of the efficacy of its known technical instruments lead to the conclusion that quality is more important in this field than the size of the State apparatus, and that beyond a certain point this last factor almost inevitably reaches a stage of diminishing returns. In such a case, moreover, there is an obvious need to measure capacity and reconcile it with the demands of the ends or goals which have been set.

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The foregoing reflections suggest that an alternative worthy of special consideration is that the plan should concentrate on a limited number of basic objectives and the set of policies proposed for carrying them out. The selective identification of aims, the fragmentation or reduction of areas of conflict, a more precise determination of the support and opposition expected and of the power resources available to the social actors involved in the process are elements which, taken together, increase the likelihood of consistent and effective handling of the basic technical instruments for the application of the principal short- and medium-term policies of the State. It should be added that the selection of a basic set of aims and policies can promote harmonious behaviour on the part of the actors intervening in the process from the civil community: a point which deserves emphasis in view of the impact usually produced by conflicting "private policies".

From another standpoint, it is worth insisting on the advisability, in the formulative stages of a plan, of taking explicit account of the margin of negotiation and compromise foreseeable as necessary or inevitable, since the realism of a project and of the corresponding attempt at planning depends on an adequate assessment of the frictional points in the system which inevitably lead to subsequent bargaining and conciliation.

It has been emphasized in the course of this study that there is a close and frequent interrelationship between the technical factors and the political variables, which together give life and shape to the process of planning. It is advisable, however, to qualify this statement and recall what was said in a previous section about the preponderance of the technical element and the continuity and autonomy which normally characterize different programmes forming the plan, and which may relate both to aims considered basic and to objectives considered to be less essential in the perspective of the political project which it is sought to implement. It is evident, as experience has shown, that such nuclei of continuity or of predominance of the technical element have exceptional value, and help in large measure to achieve a greater degree of

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rationality and consensus. Moreover, it is those nuclei which maintain a certain continuity of great social significance in spite of changes in political projects.

Similarly, it might be suggested that, in the continuing analysis and assessment conducted by those who are formally responsible for planning, a more important role might be assigned to social scientists, who are in a position to furnish knowledge and analytical capacity different from but by no means less important than the contribution - undoubtedly vital - hitherto made by economists, engineers and other experts. A start should be made on the systematic formation of integrated teams which could, from the different standpoints of the disciplines concerned, facilitate the simultaneous and consistent treatment of the most outstanding technical and sociopolitical factors, which should lead in its turn to a more realistic appreciation of viability and to greater communication and mutual comprehension between the different participants in the process.

Lastly, a more precise definition must be given of another point which the present study has sought to stress, namely the emergence and probable coexistence of a formal plan and a planning process which are often markedly different.

The conclusion to be drawn from this is that an awareness of the risk makes it easier to shape objectives, processes and policies designed to reduce the disparity already referred to as an element which causes disturbance and confusion, without detriment to the mobilizing function, the promise of an ultimate goal, which is a desired attribute of any type of formal plan or official programme.

Furthermore, it should not be deduced from the possible discrepancy between formal plan and real plan that the formal institutionalization which has characterized the development of planning in Latin America is of only secondary importance. On the contrary, every permanent and systematic activity requires the precise identification of those who are formally responsible for it and for its attributes and functions, and all this involves, in its turn, the existence of specific

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institutions and operational procedures which are sufficiently clear and well-known. The aim in this study has been to emphasize that planning is not confined to the action of planners, bureaucrats and politicians and that this fact should be explicitly recognized and taken into account by the aforementioned actors in the process, since this is the only way to overcome the limitations and errors caused by the failure to do so in many formulations in the past. In consequence, and by way of conclusion, the analysis presented here assigns special importance to the contribution of the formal planning apparatus. The existence and reinforcement of the latter, including any constitutional or legal backing that may be given to it, are necessary, though not sufficient, conditions for the progressive improvement of the effectiveness and likelihood of success of any planning process.

The strengthening of this process in its various forms is all the more necessary, as has been repeatedly stressed throughout this study, when the increasing uncertainty in the international sphere, the consolidation of power in the hands of the extra-national participants and many other factors clearly indicate that only planning can enable the Nation-State to conduct its affairs in a coherent manner which will safeguard its autonomy. Planning alone may not be enough for achieving this, but it is difficult to see how such a basic objective could be attained without its constant development and improvement.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This not only helps in tracking expenses but also ensures compliance with tax regulations.

In the second section, the author outlines the various methods used for data collection and analysis. These include surveys, interviews, and focus groups. Each method has its own strengths and weaknesses, and the choice depends on the specific needs of the study.

The third section provides a detailed overview of the research methodology. It describes the sampling process, the data collection instruments, and the statistical techniques used for data analysis. The goal is to ensure that the research is both rigorous and replicable.

The fourth section presents the findings of the study. It includes a series of tables and graphs that illustrate the key results. The data shows a clear trend in the market, which has significant implications for the industry.

Finally, the document concludes with a series of recommendations based on the findings. These recommendations are designed to help stakeholders make informed decisions and improve their operations. The author also notes some limitations of the study and suggests areas for future research.

