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- Abstracts of the articles in the latest issue of CEPAL Review

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FOREWORD

ILPES in its permanent interest for strengthening the links with the Caribbean region is pleased to offer a new issue of the Planning Bulletin. In this opportunity the reader will find a wide controversial set of articles on Social and Economic Planning.

The effort which ILPES realizes in the publication of this Bulletin corresponds to the interest shown by the Caribbean Governments on planning as an expedite instrument for achieving higher and better levels of welfare and growth for these countries. In this sense, the exchange of ideas and experiences represents a valuable contribution that ILPES hopes to maintain and to strengthen in the future.

This Bulletin pretends to be a useful mechanism of the Caribbean National Planning bodies. This is, to serve as a forum for a continuous analysis of progress in planning and the obstacles to it. In order to fulfill this purpose we will appreciate contributions and suggestions.



SIX PROBLEMS OF DEVELOPMENT PLANNING
IN THE CARIBBEAN

Trevor Farrell ^{1/}

In the 1950's and early 1960's there was widespread enthusiasm for development planning in Caribbean countries, as there was in the Third World generally. This was the period in which so many underdeveloped, formerly colonial, countries gained their political or "flag" independence.

Currently, outside of Cuba, Guyana, and perhaps Jamaica, the commitment to formal, comprehensive national planning in the Caribbean is weak. The prevailing attitude in much of the Caribbean can be characterized as one of disillusionment with, disinterest in, or ignorance of, the role that planning can play in development.^{2/}

Now this is rather ironical. For at the same time that respect for, and interest in planning has declined so considerably in the Caribbean and in other Third World countries, and its "failure" in these countries pronounced by metropolitan academics,^{3/} the practice of planning is quietly, almost surreptitiously, gaining ground in developed, capitalist countries.

In Japan, Scandinavia and other areas of Western Europe, planning is already quite important, though this is not manifested in grand, formally-announced "five-year plans". Even in the United States, which in rhetoric at least professes to be the citadel of "free enterprise capitalism", the idea of national planning is not only no longer instant heresy, but is even being actively pushed by some of the biggest capitalist concerns (for their own perceived benefit, of course).^{4/}

^{1/} Lecturer in Economic Planning, Department of Economics, University of the West Indies.

^{2/} This holds true for much of the Third World, as well.

^{3/} In 1969 for example, at a conference held in Sussex, England, the clear consensus of opinion was that planning in the underdeveloped countries had been a conspicuous failure. See M.Faber and D.Seers ^{4/}

^{4/} One example of such advocacy is Thornton Bradshaw ^{2/}, the President of Atlantic Ritchfield Oil Company. Henry Ford II, Chairman of Ford Motor Co., J. Irwin Miller of Cummins Engine and Michael Blumenthal now U.S. Secretary of the Treasury but formally of Bendix Corp. have all come out advocating some form of national economic planning for the U.S.A.

The decline of planning in the Caribbean and elsewhere is also ironical in that it is crystal clear to any serious student of development and the modern world, that national planning is ultimately inescapable, and not only in the Third World. The growing socialization of production everywhere, the tremendous cost of large-scale projects, the long gestation periods of projects, the multiple and complex objectives that have to be satisfied given people's demands and expectations, and the critical need for coordinating and harmonizing social and economic activities, all combine to do two things. First to stimulate an inexorable growth of the State, and of State intervention in economic life, and second, to make comprehensive planning an ultimate imperative.

The fact that planning did not "catch on" in the Caribbean, apart from a few territories, is no accident. It is traceable to the existence of certain problems that arose. These problems have, by and large, not been properly understood - far less solved. And in this situation it has been easy to perceive planning and the concept of planning as being of little use or a failure.

Our task here is the limited one of attempting to explain these problems in the specific context of the small states of the Caribbean.

Naturally enough, the first issue is delimiting which territories fall under this rubric. All the English-speaking countries (mainly CARICOM), all the Dutch-speaking and the French-speaking (excluding Haiti) would seem to fall in this category. Given the political status of Martinique, Guadeloupe and the U.S. Virgin Islands, we end up taking as our frame of reference the English-speaking CARICOM countries and the Dutch-speaking Caribbean.

On examining the problems of development planning that exist, and have existed, in these countries, one is struck by two facts. Six problems are identified as important. But of these six, only one can really be specifically linked to the issue of small size. By and large, the problems are quite general to planning efforts in many Third World countries. Secondly, the actual problems turn out to be closely related to the failure of these territories to fulfill the fundamental preconditions necessary for effective planning. It thereby appears that in actual fact, the problems of development planning in these countries imply not that planning has failed, but that in a real sense it has never been tried.^{5/}

^{5/} It is easy to obfuscate these issues by long, terminological arguments about one's definition of planning. It is difficult to see how planning can mean anything very much more or less than identifying goals on the basis of an analysis of the situation and your resources, working out the means necessary to achieve those goals and then doing what is necessary to achieve them.

Before identifying and discussing the six problems, it is perhaps useful to spell out four pre-conditions that can be argued to be necessary and fundamental if one is really concerned that planning be serious and effective.

1. It is necessary to have some minimum degree of control, direct or indirect, over what you are planning for, and be willing to exercise this control. What constitutes this minimum degree of control can of course only be spelt out in the context of some actual, concrete situation. There need be no illusion that planners need to, or can ever hope to, have total control over all the variables that might affect their objectives. Some variables are inevitably autonomous.^{6/} But without control over a certain minimum subset of instrumental variables one cannot hope to be serious about planning.
2. Relatedly, there must exist the will and the commitment to plan.
3. There must exist the requisite technical and philosophical understanding of planning method and techniques. This constitutes an important part of one's ability to plan.
4. The organizational machinery for planning and implementation must exist, and the basic informational requirements for planning must be satisfied.

On this basis, it is possible not only to identify and explain the six problems mentioned above, but to put them in perspective and gain a better appreciation of their significance.

The Six Problems of Development Planning

Problem No. 1 - Failure to Control

You cannot plan for what you do not control or will not control.

In the Caribbean plan after plan has been produced, printed, "laid in Parliament" and then just simply shelved in ministerial offices and ignored. One of the main reasons for this is that these plans could not be implemented since the country either failed to acquire or failed to deploy the minimum degree of control over its economy necessary for effective planning.

When a country surrenders effective control over its key economic sectors - oil, bauxite, sugar, bananas - to foreign transnationals, it should come as no surprise if given the key role these sectors play in national life it is unable to realize, or even to set, meaningful development targets.

^{6/} See ^{5/} pp.25-28

In some of these countries the fact that key economic sectors were left under foreign control (e.g. oil in Trinidad, bauxite in Jamaica) meant that one could not seriously plan production levels, exports or investment in these sectors. One could not plan their forward and backward linkages in the economy with any degree of assurance. The foreign companies could be persuaded to do only what they calculated was in their interest, one way or another.

The dynamic of development in these sectors was too, too large an extent outside local control. Given their key roles in the economy, foreign exchange earnings and the balance of payments, governments revenues and the consequent provision of infrastructure, social services and employment, in consequence could not really be planned on any other basis but hopes and desires. That is why, any congruence between actual economic performance and the targets laid down in the plans (and there was little) was purely fortuitous - almost an "Act-of-God" one might say.

The problem however is not delimited simply by the issue of foreign ownership of key sectors and key resources. Lack of effective control has characterised not only such key sectors as oil, bauxite and finance, controlled by foreign transnationals, but has extended to the local private sector and even to state-owned enterprises - public utilities and latterly the nationalized subsidiaries of foreign transnationals.

In many cases, it is not that the tools for effective control, both direct and indirect, were not either already in the hands of the State, or appropriable. For one reason or another, the use of available leverage was eschewed, even while governments pretended to plan. The case of state-owned enterprises is a classic example. All too often, these enterprises were simply put under a board of directors and virtually left to their own devices. There might be the occasional, desultory foray into their affairs or the odd Commission of Enquiry into them, usually in the context of some crisis. There was little or no systematic attempt to integrate their activities and decisions with national economic planning. There was no attempt to set goals and targets for them in line with such plans and then to review their performance in accordance with these previously laid down and agreed upon criteria.

It is perhaps useful to emphasize clearly what is, and what is not, implied by this failure to exercise the necessary degree of effective control.

- a) The failure to exercise this necessary minimum degree of control cannot be simply attributed to small size. While it might plausibly be argued that a small country has fewer degrees of freedom than a large one with respect to its economic choices, this does not mean that it does not have sufficient room to manoeuvre simply because it is small. The experience of many small, highly successful countries in the international economy, attests to this.

- b) This failure does not mean either that the planners were unable to plan because of the uncertainties of the international economy, etc. Planners are always faced with uncertainty and bedevilled by ignorance. But as emphasized above it is not necessary, nor it is possible, for planners to have total control over all the instrumental variables which can impact on their targets.
- c) Further, the problem is by no means reducible to an argument that effective control was lacking because the governments chose to pursue a capitalistic path to development. While their choice of strategy can be condemned on several grounds this is not one. For several capitalist countries have demonstrated a capacity to combine a considerable amount of state control and planning with a capitalist form of economic organization. Japan, France and Sweden are examples of this. For these Caribbean countries, the problem lies with their implicit or explicit choice of a dependent capitalistic path to development. It is this particular path which is fundamentally incompatible with serious national planning.
- d) State ownership proved not to be a sufficient condition for the actual exercise of control. In some of these countries, state ownership in important areas of the economy was quite significant by the mid-1970's. But as pointed out earlier, there was little or no attempt to take advantage of this situation to control and plan to the degree possible - so that it was not just that these governments did not have sufficient control, because of historical factors, imperialism, colonialism and economic weakness. It was also the case that they did not trouble themselves to exert to the fullest the leverage they did have.

Problem No. 2 - The Nature and Orientation of the
Political Directorates in the Region

The lack of the necessary minimum of effective control required for comprehensive national economic planning can easily be seen to be in part related to the non-existence of another of the four pre-conditions set out earlier - the need for the will and commitment to planning. Why was there this lack of real commitment to the development of the planning process, and the resultant failure to face up to the implications of planning (especially the organizational ones)?

Several reasons can be advanced. (a) Part of the answer may well lie in the nature, origin and lack of technical skills in some of the political directorates in the region. In several territories, the directorates that emerged were founded on "charismatic" leadership, lacking not only in clear ideological orientation, but most significantly in management skills as well. Now it is necessary to be quite explicit in pointing out that this lack of management skills has nothing to do with

the presence or absence of academic training. It is over and beyond that.

There was nothing in the backgrounds and experience of these directorates to familiarise them with technology, organization, the management of people and the actual running of a country or even of large enterprises.^{1/} There was nothing to give them a real understanding of, and feeling for, the requirements of effective modern management. And since planning with its emphasis on setting objectives, is an important aspect of modern management, it is not surprising that there was little understanding of the organizational requirements of planning.

Furthermore, while the failure to manage effectively naturally meant the failure to achieve acceptable and feasible developmental progress, these leaderships were in several cases not called upon to pay the price that managers who fail are usually called upon to pay - that is, the loss of their positions to those who are better able to do the job required. This was partly due to the nature of domestic politics (e.g. the role of race in Trinidad, Suriname and Guyana); partly to the general scarcity of the politico-economic managerial skills in these societies (a condition which is virtually synonymous with underdevelopment in the Caribbean), and partly to the propping up of these regimes by foreign metropolitan powers, who perceived their interests as best served by the maintenance of the existing social and economic systems.

b) Next, the political directorates were in many cases not convinced that the benefits of planning were really worth the effort and the costs. To some extent this was due to the fact that they did not perceive their positions to be dependent upon effective management and relatedly, effective planning. But it was also due in part to the fact that the benefits of the kind of planning that was carried out in these systems were indeed minimal. Thus their perceptions that comprehensive planning was not worthwhile were superficially correct.

c) Also, the failures of the strategies chosen, plus the managerial weakness of the directorates themselves meant that by the mid to late 1960's these systems were really in a state of endemic crisis. In this situation, government was essentially a matter of continual crisis management and fire-fighting - (more so than it usually is). The political directorates therefore found themselves almost continually in situations where the exigencies of the moment demanded "ad hoc", "band aid" solutions.

^{1/} Even where they were academically highly qualified, the nature of their academic training was usually not such as to give them the understanding of an familiarity with the proper management of systems. This kind of understanding and familiarity is only now really beginning to develop in the region, and then usually in the younger generation.

These temporarily staved off crisis, or promised to, only to generate more, and sometimes bigger problems further down the road. As so often happens, the matters which were most important and thereby commandeered priority, were not necessarily the ones which were ultimately the most important. Managerial weakness in the political directorates meant that they were generally unable to solve the problem of organizing their systems to deal with both the day-to-day, and the fundamental, structural problems simultaneously. Often, it appeared that they were not even able to conceptualize the problem, far less find solutions.

Problem No. 3 - The Lack of Appropriate Organizational Structures and the Failure to involve the People

The managerial weakness that has characterized leadership in the Caribbean can be clearly seen in the failure to set up the kind of organizational structures that are imperative for proper planning and implementation, and in the failure to make planning alive and meaningful to the people as a whole, and to commit them to fulfilling the plan. As much as anything else, these two failures virtually guaranteed that planning would not succeed.

Organizationally, effective national planning poses certain inescapable requirements. Planning has to ramify throughout the whole society, or at the very least, throughout the key sectors, regions and activities. It has to reach down and affect the decisions and activities of individual enterprises, agencies and communities. The fact that the desire to coordinate and harmonize different activities is one of the major reasons for national planning, provides one of the most powerful imperatives for planning to spread widely over the society, or at least its key areas.

Further, planning cannot be concentrated, isolated, "bottled up" in a central planning agency or a Ministry of Planning. First of all, planning requires information, and it requires a sophisticated understanding of the problems it aims to solve. Secondly, plans are, or ought to be, made to be executed. Wise planners know that no central planning office can ever possess all the information and expertise necessary to make intelligent decisions and policies. Much of the information, expertise and intimate knowledge of the problems is usually found at the bottom, at the lower levels where the action is really taking place. Therefore it is simple common-sense that these people have to be involved, that the planners will depend on them for information and will have to receive their proposals.

Wise planners know too that no central planning office can, in the final analysis, ever execute a plan. Execution is carried out at the lower levels, on the line. Planning has to be able to affect what goes on on the line. But relatedly it will frequently be found necessary to involve the people who will execute a plan in the actual planning process. Human beings, as human beings, will often react negatively or hostilely or with indifference to a proposal or directive that they do

something if they were not consulted in advance and their opinion sought. Consulted, they will often respond with much greater alacrity and commitment, even if their own opinion as to what should be done was rejected (with reasons given).

Planning therefore has to be an interactive process between top and bottom. Extensive two-way interaction is necessary. Information, views, problems perceived and proposals are passed from enterprises, agencies and communities to the top; information, requests for information, views and proposals flow to the bottom from higher levels. Discussion, conflict and debate necessarily ensue. Finally decisions are made and agreed on proposals now emanating as directives or as accepted targets are distilled into the specific, detailed management objectives of individual enterprises and organizations.

Serious planning also implies that the planning and policy-making machinery be supreme in the system. Once plans are formulated on a democratic basis with widespread popular participation and involvement, the central planning office or its equivalent must have the necessary authority to see to it that the plan is carried out. The central planners must have teeth. Therefore in the bureaucratic machinery, the central planning office must ultimately be super-ordinate.

In actual practice in the Caribbean, these organizational requirements have generally not been satisfied. Ministries of Planning or their equivalents have generally planned in near hermetic isolation from the masses of the people, and with relatively little involvement with and input from other bureaucratic agencies in the system. True, they have generally been forced to seek information from other ministries and organizations. But it is surprising to see the extent to which central planning authorities have operated on their own, divorced from the people and sectors they are supposedly planning for.

The result has been that centrally concocted plans have often been vague, superficial or irrelevant with respect to the issues and problems in particular sectors. The central planners who created them had neither sufficient information and expertise, nor the detailed, intimate knowledge of the problems and peculiarities of specific sectors, to make intelligent plans for them.

A further result has been that official plans have met with considerable indifference on the part of those who were presumably to try to realize them. Individual enterprises and organizations were in general not really affected by the formulation of plans for their sectors or areas, and often not even aware of what these plans contained that might be relevant to them. Planning has in general not been done in a fashion in which sectoral targets say, could be broken down and detailed into specific targets for particular enterprises, agencies or financial institutions - not even for the state owned ones.

The Central Planning Office in those Caribbean systems under review here, was also never the super-ordinate body in the system. In bureaucratic wars with other government agencies, these offices have really had little muscle. For one thing, Ministries of Finance remained supreme. For another, the central planners had neither the authority nor the machinery (nor the detailed plans) by which the performance, successes and failures of specific agencies or enterprises could be monitored, reviewed and appropriate action taken. There was little that they could do to ensure that plan targets were fulfilled. In some cases, (e.g. Trinidad and Tobago) the Central Planners have ended up having literally nothing to do with the major new projects in the system. These were planned and organized elsewhere in the system. What all this adds up to is that the basic organizational prerequisites for effective national planning have largely not been satisfied.

Planning in the Caribbean too tended to fail to become part of politics and to really involve and commit the masses of the people though the attempt was made on occasion.^{8/} In the main, planning has been primarily thought of in terms of economic decision-making. It has not been seen as being primarily politics, organization, motivating people and involving and committing them to the idea of planning and the practice of planning.

The plan was therefore never really an integral part of the consciousness of the people in the organization of their working lives. It was never taken seriously in organizations as a barometer of performance, or as a guide and a spur to doing better.

Problem No. 4 - The Problem of Inadequate Information

The fourth problem that has seriously affected development planning in the Caribbean territories under review here is the problem of information. Good planning is impossible without good information. While planners never have all the data and information they would ideally like to have (especially about the future), the data base with which planners have had to work in the Caribbean has just not been good enough. In some cases (e.g. the Windwards and Leewards) it can even be described

^{8/} It can be said that on occasion, governments and planners showed an awareness that popular involvement and participation was necessary, and made some attempt to do this. The attempt to set up National Planning Commissions drawn from various social and interest groups in Trinidad and Tobago, and the attempt to involve the people in the preparation of the 1977-78 Emergency Production Plan in Jamaica, are two examples. However, to date it has not seemed possible to institutionalize the politics of planning or to sustain these efforts at popular involvement.

as abysmally poor.

Statistical information is often neither timely, nor accurate, nor detailed enough, nor comprehensive enough. In addition, information on the external world, and on relevant developments on the international scene has been even worse. In several cases (for example, oil, technology) the international markets were little understood.

The information problem has meant two things at least. One is that the scope for planning was restricted. The second is that questionable policies were advocated in plans. The policy towards the petroleum industry in Trinidad & Tobago is again a case in point.^{9/}

In some ways the information problem can be viewed as a reflection of the lack of commitment to proper planning. On the one hand, statistical agencies just were not provided with the resources in terms of people, money and the authority to extract information, which was necessary if they were to do their job. On the other, demands were not made on these agencies for good, accurate, timely, comprehensive data. It can be argued that these demands were not made because given the kinds of systems being run, the politicians did not need such data for economic management - since the levers of economic management in a dependent system are to so large an extent surrendered into the hands of others.

Problem No. 5 - Lack of Human Resources and Technical Skills

If small size has any significance, this significance is surely related to smallness in terms of numbers of people, rather than geographical size or natural resource endowment. One of the problems affecting development planning in the Caribbean, and the one problem specifically relatable to small size (though not uniquely so), is the weakness in the human resource endowment of these territories. Guyana and Suriname with their small population in relation to area (800.000 and 400.000 respectively) are glaring examples of this.

In the instant case, this insufficiency of human resources really relates to a lack of sufficient skilled and trained people for planning implementation and management. In the Windwards, the Leewards and the Dutch-speaking territories, this problem can only be described as acute.

Technical skills with respect to planning, plan methodology and planning techniques are seriously inadequate in the region. It is not unusual to find senior technical people in planning offices without the high-powered skills (especially of quantitative techniques) and without the knowledge of planning methods, necessary for effective, comprehensive planning. Further the serious weakness in management

^{9/} See Farrell ^{6/}

skills and experience, which exists from top to bottom in these societies, i.e. from the political directorates down to the line supervisors, makes for considerable difficulties in effective implementation and project management.

Problem N° 6 - Failure to Devise Effective Strategies

An extension of the previous problem is the failure to come up with effective development strategies. Planning is a technical process, involving a series of different steps or exercises.^{10/} The devising of strategies to achieve plan targets is one of these steps. But though strategy is just one of the steps involved, it is a highly critical one. For the success of the plan, in terms of achieving the stated objectives, is utterly dependent on correct choice of strategy.

The planning process may be well carried out in the sense that the planners faithfully and even brilliantly follow the correct methods for planning. All the steps may be executed. But if the strategies devised for achieving the goals are misconceived and erroneous, the goals will not be attained.

This has happened in the Caribbean. Misconceived and erroneous strategies have been applied. When plan targets and development goals have in consequence not been realized, people have denigrated planning, and the planning process, rather than seen that the real problem was the strategies chosen.

The application of the Lewis strategy is a classic example of this. The notion that one would achieve increases in output, exports, foreign exchange and growth, obtain technology and market access, industrialize, increase government revenues and eliminate unemployment, and all in sufficient degree to mark meaningful transformation, through the strategy of inviting in foreign capital on the basis of low wages and generous incentives, quickly foundered in practice.

While output, exports and government revenues showed some increase in some territories at certain periods, by the late 1960's, there were serious balance of payments problems, unemployment grew rather than fell, income distribution worsened, dynamic technology was not transferred, dependence was, if not intensified, at best not significantly mitigated, and little meaningful structural transformation was achieved.

The strategy of import-substitution which was grafted onto the Lewis strategy, when the bankruptcy of the latter had become manifest, similarly failed to achieve its most significant goals. Thus the goal of reducing or eliminating the balance of payments problems remained elusive and unemployment was not significantly dented, though the share of manufacturing in total output rose significantly in a few territories. At the same time the interests of the consumer in quality and reasonable prices was sacrificed and an artificial, inefficient local capitalism fomented.

^{10/} See Farrell^{5/}

The failures of both these strategies to achieve hoped-for developmental goals became confused with the notion that it was planning, as planning, which had somehow failed, or was ineffective and irrelevant.

The Results

The results of these problems are that planning has not played the role it should, or could in the development of the region. This means in turn that progress towards meaningful development has been less than it might have been. The failures of our attempts at development have meant that with the exceptions of Suriname (because of Dutch aid), Trinidad and Tobago (because of the fortuitous existence of oil) and perhaps Barbados, the region today is in a state of quiet crisis. The economies of the region are just not doing very well.^{11/} (This does not mean that the exceptions mentioned have in fact achieved meaningful transformation).

The question then is what can be done about these problems. For effective development in the region must be linked to effective planning. This must clearly be one of the highest items on our agenda right now. Unless we find ways of fulfilling the basic pre-conditions necessary for effective planning, planning will not be able to do the job it has to do in aiding the transformation process.

^{11/} See/3/and/7/

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"NATIONAL ECONOMIC PLANNING : METHODS AND PROBLEMS"

Wassily Leontief ^{1/}

Detailed description of economic relationships, and democratic choice among alternative scenarios, are essential ingredients of national economic planning.

The notion of national economic planning that I have in mind is meant to encompass the entire complex of political, legislative, and administrative measures aimed at an explicit formulation and practical realization of a comprehensive national economic plan. Without a comprehensive, internally consistent plan there can be, in this sense, no planning. But the preparation of a script is not enough; the play has to be staged and acted out.

It is incumbent on anyone who favors the introduction of national economic planning in this country - and I am one of these - to propose a plan describing how this might be done. Several congressional committees and at least one commission appointed by the President, not to speak of groups outside of the government, are now engaged in this task.

I

In its published form a national economic plan, or rather the statistical appendix to its text, can be visualized as a detailed, systematic annual survey of manufacture and of agriculture, of transportation, and of trade and the federal and local budgets. However, it describes the state of the economy not - as the Statistical Abstract or the Census of Manufacture does - for one of the past years, but rather for five years in advance and in a more summary form over a much longer interval of time stretching into the future. This does not mean, however, that a plan must be rigidly adhered to over the entire period of, say, four or five years. On the contrary, the plan should be revised each year in the light of past experience and newly acquired information, and pushed out as a moving average one year ahead.

A plan is not a forecast. The whole idea of planning assumes the possibility of choice among alternative feasible scenarios. Feasibility is the key word.

A particular national economy can and, in the context of the planning process, must be visualized as a system consisting of mutually interdependent parts. The

^{1/} WASSILY LEONTIEF, Nobel Laureate in Economics, is Professor of Economics at New York University. This article was the Charles M. Moskowitz Lecture which he delivered on March 10, 1976, at NYU's College of Business and Public Administration. It is printed by permission of New York University Press from the forthcoming book "The Economic System in an Age of Discontinuity: Long Range Planning or Market Reliance?" by Wassily Leontief and Herbert Stein, to be published in August 1976.

trucking industry must be supplied with fuel by the oil refining sector; in order to expand it must be supplied by the automobile industry with trucks and replacements for worn-out equipment. To provide employment for additional workers, the automobile industry must not only be assured of an outlet for its product, but in the long run it must construct new plants and retool the old. In the process of doing so, it has to receive more plant space from the construction industry, and additional equipment from the machine building industry, not to speak of a greater flow of power, steel, and all the other inputs.

Traditional economic theory not only poses the problem but also explains how its solution is, or at least can be, achieved through the operation of the competitive price mechanism, that is, a trial and error procedure that automatically brings about - in each and every market - equality between supply and demand. In some markets and under certain conditions this actually works. But considering the lack of any reliable information on which to base their expectations, many business leaders have come to recognize that his trial and error game, instead of bringing about a desired state of stable equilibrium, results in misallocation of resources, underutilization of productive capacities, and periodic unemployment. This means lost wages, lost profits, and lost taxes - conditions that are bound to engender social unrest and sharpen the political conflict.

Conventional monetary and fiscal policies, relying on a rather sketchy aggregative description and analysis of the economic system, appear to be no more successful in compensating for the lack of systematic foresight, than is a frantic pushing and pulling out of the choke in correcting the malfunctioning and stalling of a motor. Occasionally it works, but usually it doesn't.

II

The first input-output tables describing the flow of goods and services between the different sectors of the American economy in census years 1919 through 1929 were published in 1936. They were based on a rather gross segregation of all economic activities in 44 sectors. Because of the lack of computing facilities, these had to be further grouped into only 10 sectors, for the purposes of actual analytical calculations.

The data base, the computing facilities, and the analytical techniques have advanced much further than could have been anticipated forty years ago. National input-output tables containing up to 700 distinct sectors are being compiled on a current basis, as are tables for individual, regional, state, and metropolitan areas. Private enterprise has entered the input-output business. For a fee one can now purchase a single row of a table showing the deliveries of a particular product, say, coated laminated fabrics or farming machine tools, not only to different industries, but to individual plants within each industry segregated by zip code areas.

Not that anyone could contemplate including such details in a national economic plan. Such systematic information proves to be most useful in assessing structural - in this particular instance technological - relationships between the input requirements on the one hand, and the levels of output of various industries on the other. In the case of households these relationships would be between total consumers' outlay and spending on each particular type of goods. Stocks of equipment, buildings and inventories, their accumulation, their maintenance and their occasional reduction are described and analyzed in their mutual interdependence with the flows of all kinds of goods and services throughout the entire system.

Detailed, as contrasted with aggregative, description and analysis of economic structures and relationships can indeed provide a suitable framework for a concrete, instead of a purely symbolic, description of alternative methods of productions, and the realistic delineation of alternative paths of technological change.

III

Choice among alternative scenarios is the cue to rational national economic planning. This is in contrast to the crystal gazing that, with the rise of general uncertainty, has become a marketable product of the economic forecasting industry; it is also in contrast to the equally fashionable, although not as profitable, preoccupation with lofty national goals.

The important practical difference in the choice between alternative national economic plans and the selection of an appropriate set of national goals can best be explained by the following example. A friend invites me for dinner in a first-class restaurant and asks that I supply him with a general description of my tastes so that he can order the food in advance. Unable to describe my - or anyone else's - tastes in general terms, I prefer to see the menu and then select, without hesitation, the combination of dishes that I like.

Confronted with alternative national economic plans - each described in great detail, particularly in respect to items that are likely to affect my own well-being and my personal assessment of the equity and fairness of the whole - I would have no difficulty in deciding which of them I would prefer or, at least, consider not inferior to any other: this, despite my inability to describe my preferences, my predilections, and my prejudices in general terms. A philosopher, a social psychologist, or a historian might succeed in arriving at such a generalization by inference based on interpretation of my utterances or, even better, of specific choices I have actually made before. But that, of course, is an entirely different matter.

This, I submit, is the reason why a planning process should start out not with

the formulation of what theoretical economists refer to as the general "objective function," but with an elaboration of alternative scenarios, each presenting in concrete, nontechnical terms one of the several possible future states of the economy. The volume or series of volumes containing such alternative scenarios would read not unlike issues of the United States Statistical Abstract with sections devoted to Industrial Production, to Agriculture, to Trade and Transportation, to Consumption, to Medical Services, to Education and so on - not only on a national but also on regional and even local levels.

Karl Marx would have rejected this as a utopian approach, and so do the libertarian opponents of national economic planning. Both view the concrete shape of the unknown future as unfolding itself while time marches on. The only difference between these two sets of believers in the "invisible hand" is that the latter are ready to accept and approve whatever might come, provided it has not been planned, while the former are convinced that, while unpredictable in all particular, the path inevitably leads to violent collapse of the present social and economic order.

IV

To repeat: public discussion and democratic choice among the available alternatives will be possible only if each of them is presented in concrete, tangible details rather than in such summary terms as the per capita GNP, the average rate of unemployment, or the annual rate of growth of the "implicit price deflator."

The technical apparatus required for projection of such detailed realistic images is bound to be - like the inside of a television set - quite intricate and very costly. When it comes to preparation of a national economic plan, no effort should be spared in making use of the most dependable data-gathering and data-handling techniques, and of the most advanced economic model-building and computational procedures.

The programs of the principal federal statistical agencies will have to be greatly strengthened and in some instances overhauled. Much of the needed additional information can be obtained not through official questionnaires, but by means of more sophisticated methods successfully employed in commercial market research with the help of specialized private data-gathering organizations.

Most of the economic forecasting business develops its projections in such aggregate terms that relevant details pertaining, for example, to anticipated technical change are either disregarded at the outset or get dissipated in the ascent - or should I say descent - from concrete engineering details to the formation of representative indices or broad statistical aggregates.

The data-gatherers and model-builders involved in the planning process will

have to break down the barrier that separates economists, in particular academic economists, from experts possessing specialized technical knowledge of various fields of production and consumption, as well as of private and public management.

Alternative scenarios can be expected to differ from each other mainly in apportionment of the available economic resources between private and public use and, in the case of public use, between larger or smaller allocation, to the satisfaction of this or that category of pressing needs. They will incorporate alternative policy proposals concerning energy, environment or, say, foreign aid and national defense. To the extent to which resource availability and even the fundamental consumption patterns of various types of households are not overly affected by a shift from one scenario to another - however different they may be in their political, economic and social implications - such a shift will involve the use of essentially the same analytical formulation and of the same data base.

V

The internal set-up of the organization responsible for preparation of alternative scenarios, and the elaboration of the national economic plan and its subsequent revisions, has to be dictated by the requirements of its technical, nonpolitical task. One can visualize it as an autonomous public body loosely connected with the executive branch of the federal government. Eventually, it should be linked with its counterparts in the fifty states and possibly with some large metropolitan areas.

The final version of the national economic plan will be an end product of typically American political logrolling and legislative wrangles. The stand-by role of the technical organization referred to above will consist in seeing that through its entire transformation from the first to the last, the overall plan retains its integrity: do not allocate more than you can produce, but also see to it that nothing is left over (unemployment is labor that is left over!).

VI

However intricate the process of drawing up the blueprint of the building, the task of actual construction poses a still greater challenge.

To try to describe systematically and in full detail the array of measures to be used for purposes of practical implementation of the first national economic plan would be as futile as an attempt to trace in advance the route that Lewis and Clark followed on their way to the mouth of the Columbia River. I will take up one by one, however, some questions that have been raised about the practical possibilities of introducing national economic planning in this country.

In the abstract, one could imagine a self-fulfilling plan - that is, a plan that would be acted out on the economic stage, once the script has been explained, without any prompting. Practically, this is an impossibility. However, the statement must be qualified. So long as the main characters can be induced, in one way or another, to play their parts, the rest of the cast can be expected to join in spontaneously. Once, for example, a decision has been made and necessary capital has been provided (in compliance with the plan) to proceed with construction of a new fertilizer plant, then equipment manufacturers, building contractors, and other suppliers will fall over each other to provide the necessary structures, machinery, and all the other inputs. The force propelling them will be, of course, the profit motive operating through the automatic supply-demand mechanism. As a matter of fact, that force and that mechanism can be expected to operate particularly well if, in accordance with provisions of the national plan, the availability of energy, labor, and all other inputs is secured in the required amounts in the right place at the right time. In a planned economy the price mechanism will be an effective but humble servant of society, not, as it often is, an overbearing and all too often funbling master.

In the above example, the point of direct, as contrasted to indirect, enforcement of a plan was the decision to expand the productive capacities of particular sectors. The specific means used in this case might have been selective control of capital and credit flows, tax exceptions, or even direct public investment.

The selection of strategically commanding points at which to apply direct influence or control as well as the choice of the method or combination of methods to be applied at each point to bring about compliance with the plan has to be based on the concrete study of the lay of the land and of the specific configuration of economic flow. The analogy with the task of a hydraulic engineer charged with regulating a major water system is more than superficial. Dams, dikes, and occasional locks have to be placed so as to take advantage of the natural flow propelled by gravity - the profit motive - but at the same time eliminating floods and devastating droughts.

Considering the great extent to which the government now affects the operation of the U.S. economy, and the variety of ways in which it does so, one of our lesser worries should be the lack of the accelerating, braking, or steering devices that could be used to guide it smoothly and securely along a chosen path. The real trouble at present is that the government not only does not know what road it wants to follow, but does not even have a map. To make things worse, as I have had an opportunity to observe on other occasions, one member of the crew in charge presses down the accelerator, another pumps the brakes, a third turns the wheel, and the fourth sounds the horn. Is that the way to reach your destination safely?

VII

These observations, naturally, lead to the question of planning within the federal government itself; charity should begin at home. The recent establishment of orderly budgetary procedures is a move in the right direction, but it only scratches the surface of the problem.

Consider, for example, the lack of effective coordination between our environmental and our energy policies. Each is controlled by a different department, not to speak of many smaller, often semi-autonomous agencies. Production of fuel and generation of energy are two of the principal sources of pollution. Any major move in the field of energy can be expected to have far-reaching effects on the environment and vice versa. The energy-producing industry is immediately and directly affected by anti-pollution regulations. The obvious practical step to solve this problem is for both agencies to combine their data banks (i.e. their stocks of factual information), and to agree to base their policy decisions on a common model. This model should be capable of generating scenarios displaying jointly the energy and the environmental repercussions of any move that either one of the two agencies might contemplate making. Adversary policy debate could and should continue, but adversary fact-finding would become impossible, and policies that tend to cancel out or contradict each other would at least be shown up for what they are.

But why should one not include the railway industry, and air and highway transport in the same picture? These sectors, after all, not only use fuel but also move it and discharge pollutants - unless precautionary measures have been taken. Indeed, why not? Particularly if that could induce the semi-independent agencies concerned with the regulation of these sectors to coordinate their actions with those of the Energy Research and Development Administration and the Environmental Protection Agency. But this leads directly to national planning; yes, indeed, it does.

While monetary and fiscal measures have for years served as instruments of economic policy planning, the nearly exclusive reliance on these two tools, under the influence of the Keynesian, and should I add Friedmanian, doctrines, can hardly be justified by the results attained. Other means of keeping the economy on the right course must come into their own.

VIII

This has immediate bearing on the problem of inflation. The fact that the labor unions, while concerned with real wages, can bargain only for money wages, is a major, possible the major factor contributing to perpetuation of the inflationary spiral. General wage and price controls without supporting national planning action are bound, in the long run, to bring about cumulative distortions in the allocation and utilization of economic resources. Within the framework of an effectively con-

ceived planning action they would become unnecessary and eventually obsolete. By offering labor leaders the opportunity to take a responsible and effective part in the design and implementation of a national economic plan, the power of organized labor would thus be applied where it counts, instead of being dissipated or absorbed by inflation.

I see no reason to assume that the introduction of national economic planning would require or could bring about a marked shift in the overall national balance of economic and political power. The wealthy, with the support of their retainers, can be expected to continue to rule the roost. The inner workings of the system would, however, become more transparent. By comparing scenarios prepared in conformity with Mr. Reagan's or President Ford's ideas and those constructed according to Senator Humphrey's or Congressman Udall's or Governor Carter's specifications, the American citizen would find it easier to make a rational choice.

THE HAITIAN APPROACH TO DEVELOPMENT

Michel Bonnet^{1/}

1. General Data on Haiti

The Republic of Haiti located in the eastern part of the island of Haiti which it shares with the Dominican Republic covers an area of 27,700 sq.kilometres. In 1976, the population was estimated at 4,7 million inhabitants with an annual rate of increase of 1,7 per cent from 1971 to 1976. The density in relation to the total area is of 168 inhabitants per square kilometre and in relation to the arable land is 393 inhabitants per square kilometre.

The Gross Domestic Product for the year 1977 has been estimated at US 1.177,7 million dollars, that is to say a per capita income of US\$ 232. This corresponds to a very positive evolution of the economic activity. In fact, from 1960-1967 the rate of increase of GNP represented 0,1 per cent in constant prices as compared to 1,9 per cent in 1967-1972 and reached more than 4 per cent during the period 1972-1977.

In general, the Haitian economy is characterized by a predominance of the primary sector which is responsible for approximately 45 per cent of the GNP and absorbs more than 70 per cent of the economically active population.

The average size of the agricultural farms is 1,4 hectares and the number of plots covering less than 1 hectare 3 represents 71 per cent of the total.

From the beginning of the 1970 decade one observes an expansion of the secondary sector and a transfer of the manpower from the agricultural sector to the industrial one, especially in the assembly industries for exportation.

During the years 1975-1977 the exports of Haiti comprised principally primary products such as, coffee, representing 24 per cent of the total, bauxite 8 per cent, and the output of the assembly industries 51 per cent.

2. Haitian Approach to Development

The development sought is the one which aims at offering equal chances to all for the flourishing of all their individual and social faculties. This development is perceived in the light of the following general goals.

- The durable and profound betterment of the average level of living and of the quality of life in the Haitian milieu.
- The diminution of commercial dependency by increasing production, reducing non-essential imports and increasing and diversifying exports.

^{1/} Directeur du Cabinet, Secrétarerie d'Etat du Plan.

- The flourishing of creative technological, scientific, national culture, through an educational system adapted to our own cultural values and our deep identity.
- Enhancing of national human resources in order to overcome the negative effects of unemployment, under-productivity, and internal and external migration.
- Protection of the environment and reconstruction of the national landscape in order to maximize the benefit from the rational exploitation of resources - natural, agricultural, mineral and energy.
- The establishment of equitable participatory regime which multiplies the opportunities for all, gives wider access to collective services and which increases the capacity for decision-making and for the determination of objectives at regional and local levels.

3. Implementational Strategy: Planning

The type of society to be created implies a constant effort at rationalization which can only be obtained through planning: Therefore, the Nation has chosen Planning, the Logical Strategy towards Development.

The Five-Year Plan 1976-1981 defines as follows the main targets of the problems to be solved in the medium term within framework of the gradual process of guided transformation of the Haitian society :

- The first priority remains the primary sector since it is necessary to feed a rapidly increasing population, to better the income of the farmers and to provide inputs to the agro-industries in order to make us less dependent on foreign countries.
- The second priority is the construction of a decentralized infrastructure so that industrial growth could have an impact on the cities of the Republic chosen as growth poles, and in order to prevent an unbalanced concentration in the metropolitan zone.
- The third priority is education and professional training since it is vital for the economic policy of the country to set up an educational system closely linked to the growth objectives of the economic sectors.
- The fourth priority is the strengthening of the institutional structures geared toward the functional adaptation of the institutions and the modernized organization of the Public Services.

4. The objectives of the Five-Year 1976/1981 Plan

During the Five-Year period 1976/1981, the GNP must increase in real value at a rate of 5 per cent per annum and the production of the agricultural sector at an annual average rate of 3 per cent higher than the rate of the population increase.

5. Present system of Planning

The publication of the second 5-Year Plan 1976/1981 and of the Ordinance of 30 October 1978 creating the State Planning Ministry, in lieu of the National Council of Planning and Development (CONADEP), represent an important stage in the evolutive and continued process of betterment of the Planning system in Haiti.

The system is organized as follows:

- (a) The State Planning Ministry under the direction of a Minister of State and comprising: the office of the Minister, a General Directorate and five technical directorates, namely:
- The Directorate for Economic and Social Programming;
 - The Directorate of Physical Planning and Protection of the Environment;
 - The Directorate for Project Promotion;
 - The Directorate for External Co-operation;
 - The Directorate for Control and Evaluation;
 - A Directorate for external services and an Administrative Directorate.

The functions of the State Planning Ministry are the following:

- To draw, on the basis of the necessary data and information, a diagnosis of present and past situations, which puts in evidence the main economic and social constraints, identifies the potentialities and expresses the basic need of the Nation;
- To establish forecasts aimed at clarifying the future and at presenting alternatives of growth which will allow the Executive to choose the main options of his Development policy;
- To spell out the perspectives of growth on the basis of selected hypotheses and of directives received from the Executive Power and to define the final framework of the Plan;
- To carry out the synthesis and to ensure the coherence of plans, programmes and projects of the public and private sectors and to evaluate them;

- To recommend economic, financial, administrative and social measures allowing the implementation of programmes, their coherence and their compatibility with the demands of larger macro economic equilibria;
- To participate in the negotiations and decisions related to financial and technical cooperation agreements, of bilateral and multi-lateral character, referring to programmes and projects to be written into the national plans;
- To participate in the negotiations and decision making related to the implementation of large projects involving both the national and the foreign private sectors;
- To formulate norms for the preparation of programmes and projects, to co-ordinate the work of the Units of Sectoral programming and to provide technical assistance in this area;
- To participate in the programming of the financial resources allocated to development and to formulate recommendations geared to increasing them;
- To assist the Office of the Budget, in the preparation of the Development Budget of the Republic;
- To ensure the regular follow up and control in the implementation of programmes and projects of the Plan;
- To evaluate and eventually to review on going programmes and projects;
- To co-ordinate and guide the programmes of foreign financial and technical co-operation, and aiming at the economic and social development of the Country;
- To contribute to the training of the personnel involved in planning;
- To define the general framework for Physical Planning, to guide the organization and distribution of activities within the regions.

(b) Regional Offices of Planning

The system also foresees the creation of offices of planning in the different regions of the Republic. The Regional Office of Planning is closely linked to the State Planning Ministry and maintains contact with the Units of Sectoral Programming.

It will have as main functions to analyse the socio-economic situation of the region, to assess its potentialities, to formulate specific programmes and

projects, to evaluate local availabilities and financial and human resources necessary to the implementation of programmes and projects and to identify any other programmes and projects of importance for the State Planning Ministry and the Units of Programming.

(c) Sectoral Programming Units

The sectoral programming unit generally encompasses one sector of socio-economic activity, under the responsibility of a Ministerial Department or of an Autonomous Public Organism.

The Programming Unit has as essential functions:

- To complete the propositions of the Five-Year Plan and of the Annual Sectoral Plans;
- To articulate the regional sector plan;
- To programme the measures, projects and budgets for each objective of the sector plan;
- To study and evaluate all the sectoral projects;
- To contribute to the completion of the development and functional budgets of its sector.

(d) Main Organisms related to the Planning activities

The State Planning Ministry, maintains in carrying out its activities, close relations with the following principal organisms:

- The Haitian Statistical Institute which is linked to it;
- The National Bank of the Republic of Haiti;
- The National Office of the Budget.

Note:

The forthcoming National Office for Technology will also be linked to the State Planning Ministry.

6. Social Planning in Haiti

(a) Evolution

Planning in Haiti, was at the outset, oriented towards the economic aspects of development. This approach was justified in view of the fact that at this time the financial resources being clearly insufficient, the small investment that was possible, had to be oriented with priority towards the increase in the production of goods. On the social plain, this situation was characterized by the small amount of expenditure in sectors such as education, health, drinking water, where the average investment represented respectively 5.2%, 6.8% and 4.1% of the total amount of public investments. This was in contrast to the enormous needs to be satisfied in the social sectors, as indicated by some statistical data of 1970: the rate of infant mortality, 146.1 per thousand, 1 physician for 12.500 inhabitants, one dentist per 50.000 inhabitants, 1 hospital bed for 1.400 inhabitants, 1 teacher for 70 pupils and a rate of illiteracy of 80%. To face this situation, the government began to grant more importance to programming in order to utilize better the available resources and to take more advantage of external co-operation in this field. The programmes implemented in this field have had as a result the decrease in the incidence of gastrointestinal disease, a betterment of the nutritional situation and increase in educational facilities. All these actions represented nevertheless a sectoral answer to the problem of the increase in the supply of services traditionally provided by the State.

The programming activities becoming more advanced and the CONADEP having been reorganized in 1976, social planning took a new dimension and became more important. In fact, it is from this date that social planning was included in the general development planning and the bases was laid down in order to systematize and coordinate all development activities in the social field. The social dimension of development went beyond the frame of the so called social sectors (health, education, housing) to encompass legally areas such as income and social security.

(b) Present position of social planning in global and sectoral planning.

Social planning is now considered as important as economic planning in the structure of the central organism responsible for global development planning. The last transformation of CONADEP into the State Planning Ministry in November 1978 has not modified this approach. In consequence, the aspects related to social planning are the object of special attention and are treated in an integral manner at the same level as the economic aspects of development.

As far as the activities are concerned, social planning is characterized by :
an "integrated strategy" approach within which the activities of the State are oriented towards the social aspects and the priority areas for the development of the country (for instance human resources, income distribution, food and nutrition

and popular participation) and a sectoral approach within which different policies by sectors such as education, health, housing, social affairs and community development are formulated.

As for the method of work and present functions of social planning at the level of the State Planning Ministry, four different levels can be distinguished :

- i. Global social planning
- ii Sectoral social planning
- iii Research and social studies
- iv Coordination

With respect to the first level, the efforts are aimed at :

- gathering and organizing systematically the data necessary for elaborating sectoral and global diagnoses.
- preparing a draft of the global social diagnoses which allows for the understanding of the behaviour of the Haitian economy and society, to pinpoint progress achieved and to identify problems which are still persisting. This global social diagnoses will allow not only for the orientation of sectoral studies but also to pinpoint the elements which define the priority aspects which are to be sectorally treated.
- conducting out a prospective study which takes into consideration some hypotheses of evolution of the social situation.
- formulating a strategy for social development.

As far as sectoral planning is concerned, the efforts are closely linked and coordinated with those on the global level, notably with respect to the following :

- the elaboration of sectorial diagnoses.
- the execution of prospective sectoral studies and
- the formulation of a strategy for each sector.

Social research aims at carrying out a certain number of research studies which will facilitate the understanding of Haitian society and the evaluation of the results which are derived from planning in the social field.

Coordination is considered as a fundamental aspect for the correct implementation of planning activities both at the level of the State Planning Ministry and at the level of the technical ministries which are responsible for the execution of the Plan.

7. The Role of the Haitian Woman in the Development of Haiti

National history is full of facts than show that the Haitian woman has always played an active role in the political activities of the country. Nevertheless, socio-economic conditions has evolved very slowly through the times. The female population which represents 51.7% of the population of the country has been for a long time in its majority relegated to domestic activities in the urban environment and to agricultural work in the rural zones.

Its contribution to development has been long ignored and even challenged. It is only from 1946 that the conquests of women in the social and economic fields have been affirmed for the purpose of overcoming the traditional frame and attaining certain sectors of economic activities which were reserved up to that moment for males only.

This integration movement has increased its pace even more during the 60's thanks to the efforts deployed by both national and international institutions to raise the awareness of the decision makers and bring them to consider the women as human resources which can usefully serve the development of the country.

The role of women in development is perceived in Haiti with no idea of conflict or fierce opposition between both sexes. Rather, this brings to mind the mobilisation of all the human potential of the country in order to ensure its integral development. This fundamental idea emerges from the second five-year plan 1976-1981 in which the philosophy of government actions is expressed as follows : "The big struggle for the acknowledgement of human dignity to the citizens of the 3rd World is taking place on the Haitian soil according to long term strategic choices spelt out from the distant future to the immediate present, through different plans, programmes and projects aiming at a single immense and multi-faceted project expressing the sacrifices and hopes of an entire nation: the New Haiti capable of offering equal opportunities to all, for the flourishing of all social and individual faculties."

So, the place of the Haitian women in national economic life should be pursued through a global vision which takes into account the entire social and cultural milieux in the midst of which she is evolving and not only through certain aspects of a society which recognizes a given male predominance (legal status of married women who thereby become minors, the de facto acceptance of male polygamy...)

At present, the traditional conception of the division of labour between men and women is overcome. According to this conception only the man should contribute to meet the needs of the family while the women should carry out domestic tasks exclusively.

The evolution of the Haitian educational system which grants equal importance

to both sexes is allowing more and more the development of women by facilitating their access to more advanced studies and by allowing the deployment of a less cloistered social life.

Nowadays many women have access to university where they are attracted to all professions, particularly medicine, pharmacy, law, agronomy and the applied sciences. The results of the 1971 population census shows a more equitable participation of both sexes in the different occupational groups as is evidenced by the annexed Table 1. In fact, in the population of those 10 years and over who were working in 1971, women represent 45.4% and for the scientific, technical professions and liberal arts and other professional occupations, the proportion of women in relation to the total reached 37%.

Another indicator of the evolution of the woman is that in 1950 there were no women at the level of directors and higher administrative posts, and in 1971, one can find approximately 9%. Furthermore, the distribution of the active population by sex in the different branches of economic activity in 1971, put in evidence the contribution of female labour to the development of the country. The agricultural sector absorbs 73.6% of the total active population which is divided into male and female labour force in proportion of 62% and 38% respectively, therefore, male and female peasants work together to produce the agricultural goods necessary for current consumption and for supplying the agro-industries.

In the manufacturing industry, particularly in the assembly type industries, the female workers constitute 57% of the labour force. It is particularly in commerce that the woman plays an essential role by her important contribution to the processes of exchange circuits dealing with goods and services. In fact, the female personnel constitute 89% of all workers in this sector, with a rather important proportion involved in small business with a very low economic productivity.

In conclusion, one notices the presence of the Haitian woman in nearly all activities linked to development as well as in the direction of the household.

Her participation is significant but most of the time women do not receive in an equitable manner, the benefits to which they are entitled. Besides, many programmes and projects in favour of women have been implemented or are in the process of execution, notably mother-child care, family planning, training in domestic science, literacy and nutrition... All these ad hoc and uncoordinated efforts are carried out by public and private institutions in order to place the Haitian women into the main stream of development.

There is need to adopt a more global and systematic approach in order to better integrate into general planning the solutions to the problem of female

participation in the economic and social development of the country.

8. The Role of Science and Technology in Development

The document prepared by the Republic of Haiti for the Vienna Conference on the role of Science and Technology in Development pinpoints the main tendencies of the Government's policy for technology.

It is well known that Science and appropriate Technology in developing countries play a fundamental role and represent an essential instrument of growth and of social and economic planning. In this connection, the five-year plan 1976-1981 includes the area of application of this discipline to be avant-garde. In this perspective, several projects expressing the basic values to which the society is aspiring according to development strategy which in turn decides upon the criteria for technological choices, have been formulated in the priority sectors such as agriculture, industry and education, and more specially in the field of professional training.

Programmes, even though modest, of scientific research are being implemented with the result that the Haitian formula for development testifies undoubtedly its concern to preserve and stimulate national culture : and in this way, emerges a tendency towards authenticity capable of enriching itself and increasing production and productivity in the key sectors with the planned support of local forces.

In the case of Haiti, in principle, appropriate technologies are in conformity with the priorities of the second five-year plan and they give way to medium and small scale units with, relatively low, capital intensity using national resources.

It remains undeniable that science and technology are indispensable factors to the success of any economic activity. And it is in order to enforce this idea and consolidate it on a basis of durable and efficient cooperation that we consider the activities of the Caribbean Development and Cooperation Committee, (CDCC), in this field as orientations for action which converge toward the harmonization of our efforts, the strengthening of our strategies and in a word, the adoption of the global policy more in accordance with the absorptive capacity, both human and financial, of the countries of the region.

TABLE 1
WORKING POPULATION OF 10 YEARS AND OVER IN 1971
BY OCCUPATIONAL GROUP AND SEX

OCCUPATIONAL GROUPS	BOTH SEXES		MALE		FEMALE	
	Absolute Figures	Relative Figures	Absolute Figures	Relative Figures	Absolute Figures	Relative Figures
All occupations	: 1.933.183	: 1.054.889	: 100.0	:	: 878.294	: 100.0
Professionals, technicians, scientists and similar	: 23.350	: 14.781	: 1.4	:	: 8.569	: 1.0
Directors and higher administrative personnel	: 259	: 238	: 0.0	:	: 21	: 0.0
Administrative personnel and similar	: 11.816	: 8.703	: 0.8	:	: 3.113	: 0.4
Personnel in commerce and vendors	: 191.658	: 18.974	: 1.8	:	: 172.684	: 19.6
Specialised workers in road construction	: 119.720	: 36.353	: 3.4	:	: 83.367	: 9.5
Workers in agriculture, livestock, forestry, fishery and hunting	: 1.417.231	: 876.802	: 83.2	:	: 540.429	: 61.5
Non-agricultural labour force and transport drivers	: 162.735	: 93.407	: 8.9	:	: 69.328	: 7.9
Workers n.e.c. and Armed forces	:	:	:	:	:	:

SOURCE : Economic Guide of the Republic of Haiti, Page 57, Institut Haitien de Statistiques April 1977

A NOTE ON THE EVALUATION OF NATIONAL PLANS ^{1/}

Mervin L. Weiner
Expert World Bank

WORLD BANK

The person who should be in this chair today is your former colleague, Dr. Nicolás Ardito-Barletta, who is now the World Bank's Regional Vice-President for Latin America and the Caribbean. He sends his warm regards. Had he been present, he would no doubt have discussed with you the nature of the linkage between your national development plans and the planning of the World Bank's support for these plans. My present role in the Bank, and therefore my brief message to you today, is a different one. It relates to the other end of the planning cycle: not to the formulation of development strategies and of coherent policies and expenditure and financing plans to realize them, but to the effectiveness of these plans in achieving their intended development objectives. More specifically, it relates to a linkage that does not yet exist, but which I believe needs to be established between your Ministries and the World Bank. I refer to the linkage between your evaluations of the effectiveness of your national plans and The World Bank's own assessments of the effectiveness of its support for them.

Many speakers have commented that unfulfilled plans, or expenditures that produce negligible benefits, do not constitute a worthwhile use of your scarce human and financial development resources. As Planning Ministers, you must be no less concerned with the effectiveness of your development plans as with their design.

Within the World Bank, the Board of Executive Directors, and the President have given great importance to being kept informed of the degree to which The Bank's development assistance actually benefit borrowers as envisaged. To this end, they have caused to be established an operations evaluation system that is comprehensive in its coverage, independent in its assessments, and supportive of The Bank's constant efforts to improve the quality of its development assistance. This evaluation system covers all completed Bank financed projects. Since 1975, the individual responsible for it and for communicating its findings to the Board and the President has been a special officer, with the rank of vice-president, who is appointed by the Board of Executive Directors for a five year renewable term, is removable only by the Board, and is not normally eligible for subsequent employment as a regular staff member of the Bank. This evaluation function is subject to formal oversight by a sub-committee of the Board, and its findings are reviewed from time to time by full Board. These present arrangements have evolved from an initiative of the President some 8 years ago to establish an independent operations evaluation function within the World Bank.

^{1/} Presentation at the Second Conference of Ministers and Heads of Planning of Latin America. - Lima, November 1978.

While this operations evaluation system is now fairly well established, it has not yet evolved to its full potential because it has yet to be adequately connected to your own national evaluation systems. The reason for this gap is that your own plan evaluations do not yet provide for comparable reviews of the operational components of your plans, even though the questions we seek to address are the same questions you must regularly ask about all your programs and projects: (i) have their social and economic benefits been realized as intended? (ii) If not, why not? because of deficient project preparation? poor management? unrealistic financial plans? inadequate supply of complementary inputs? negative price incentives? etc. And (iii) What can be learned for the future from this analysis of experience? Systematic review of plan results at this operational level would, in my view, reinforce significantly your efforts to enlarge the area of rationality and effectiveness in the management of your national development, to which so much emphasis was given in the opening session of this Congress yesterday morning.

As I said, the World Bank has not yet encountered established national counterparts for its operation's evaluation system, and thus has not yet been able to benefit as it might from your own assessments of the effectiveness of your Bank financed expenditures. I therefore welcome this opportunity to invite you, the Planning Ministers and Chiefs of the Latin American and Caribbean region, to let us know how we might collaborate to fill this gap. Not because the World Bank wants it; but because we feel it only proper that, in the first instance, you should be the ones to evaluate the effectiveness of your major development expenditures. The World Bank's operations evaluation system should be an extension of your own national evaluation system and not, as it is now, a process managed within the Bank, with only varying involvement of the owners of these Bank-financed projects.

I noted with much interest the concerns expressed by a number of speakers this week to make their development plans more operational. The gap between plan intentions and achievements is still apparently substantial in some countries. I gathered that some of you are making, or have recently made, arrangements to monitor more effectively the implementation of your major programs and projects and to evaluate their actual results. I am, therefore, encouraged to hope that World Bank operations evaluation reports can soon begin to reflect your own plan evaluation findings.

Allow me one minute to tell you how our project performance audit process works, and why it is designed the way it is, for it is the foundation of our operations evaluation system. You should understand exactly what I mean when I invite your more active participation in it.

Our process is designed on the principle that reporting on expenditure achievements, and disappointments, is a proper responsibility of the managers of

these expenditures. Well managed public institutions have information systems that contain most, if not all, of the elements for analyzing the results of their major expenditures. The first stage of our process thus consists of reporting by Bank operational staff on experience with all projects for which disbursements have been completed, as the final act in their supervision of the project implementation process. These completion reports give special emphasis to reassessing the expected social and economic benefits of the expenditures in question.

The reports are now prepared by Bank staff, with the assistance of your project agencies - the Bank's borrowers - and sometimes in collaboration with them. Quite soon they will include reports prepared by borrowers themselves. Eventually, I hope these completion reports will be reviewed as part of the normal plan evaluation process by your Ministries or by other central agencies interested in the results of your major development projects.

The second stage of our process consists of having these completion reports reviewed by the Bank's independent evaluation staff, often on the basis of field contact with the borrowers, on the basis of which they prepare performance audit memoranda. Each draft audit memorandum and its accompanying project completion report is circulated for comment to the relevant Bank operational staff and to the borrower, after which a final report is sent to the Executive Directors and to the President. You will have noted that in this process each project evaluation is tested against 3 points of view: that of the relevant Bank staff, of the Bank's independent evaluation staff, and of the borrower. When important differences in judgement about the significance of a project experience arise, they are reflected in these performance audit reports.

Once each year, the evaluation staff prepare an overview of all project performance audit findings. This review analyzes the patterns of success and difficulties, the types and causes of disappointments, and the significance of these findings, sector by sector, for the Bank's current and future operations. These findings are discussed with the operational staff. They are also reviewed each year by the Board of Executive Directors. All these reports are sent to all the Bank's members, and are thus available to you and your associates.

This, in brief, is the way the World Bank's project performance audit system works. It is comprehensive in coverage. It is built into the Bank's normal work cycle. It is designed to encourage results-oriented management both in the Bank and by its borrowers. It is not intended to criticize, or look for fault and point the finger of blame; rather, it is designed to report what happened - what went well as well as what did not go well, and why - to systematize the process of learning from actual operational experience.

I have taken your time to describe the main features of this project performance audit process because it may have relevance for the efforts I understand many of you

are making to establish more effective evaluation mechanisms in your own Ministries. The key element of our process is that it places responsibility for reporting on results in the first instance squarely with those who are managing the expenditures. This reporting is then subject to independent scrutiny and analysis. This same approach to effectiveness evaluation is now being taken by a number of member countries of the World Bank.

Your representatives on our Board of Directors know this system well. I would, nonetheless, welcome your own views on it in due course, and your comments on the audit reports on completed Bank-financed projects in your countries. We still have much to learn. I would especially welcome your advice as to how this project performance audit system might better support your own plan evaluations and eventually connect up with them. Perhaps an indicator of progress toward this goal might be the number of your evaluations of Bank-financed projects that appear in future World Bank performance audit reports.

SUMMARY REPORT ON THE SECOND CONFERENCE OF
MINISTERS AND HEADS OF PLANNING OF
LATIN AMERICA AND THE CARIBBEAN

1. The II Conference of Ministers and Heads of Planning of Latin America and the Caribbean, organized by the Peruvian National Planning Institute, in coordination with CEPAL/ILPES was held in Lima at the Civic Center on November 17-18, 1978. A Technical Meeting had previously taken place as integral part of the Conference.

2. Representatives of the following countries participated : Argentina, Bolivia, Brazil, Costa Rica, Cuba, Colombia, Chile, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Paraguay, Perú, Trinidad & Tobago, and Venezuela.

Organisms and institutions that were represented as observers : UNDP, FAO, OCT, World Bank, CELADE, Board of the Agreement of Cartagena, SELA, OAS, UNTPA and ILO.

3. The opening speech was delivered by Lieutenant General FAP Jorge Tamayo de la Flor, General Commander of the Airforce, Minister of the Airforce and Member of Military Board of Government, in representation of General Morales Bermudez, President of the Republic.

In it, he welcomed the participants in the name of the Government and the people of Peru and emphasized the importance of the event, as a permanent forum.

4. Mr. Enrique Iglesias, Executive Secretary of CEPAL, thanked the Government of Peru for its warmth and affection and expressed his gratitude to General Chávez for his collaboration and support, as well as to the Ministers of Planning for their valuable support.

With the Conference of Caracas as a frame of reference, he indicated that this meeting is a most valuable effort as an expression of high Latin American solidarity. Also, this meeting constitutes a valuable element of solidarity and cooperation among brother countries. He added that the planning effort in Latin America will continue to be an efficient instrument to achieve full development of our countries.

There is a common language, he said, to address our similar problems. CEPAL has taken into account changes experimented throughout the world and in Latin American society which presents an heterogeneous rich and potential geography. However, many utopic and rhetoric concepts which served as baits to obtain financing have been left behind. Neither is it considered a generalized panacea.

Among a number of aspects, Mr. Iglesias indicated that there were five fronts in which we should work :

In the first place, rationality and minimal coherence to know the cost and

reality of policies. Chance and free forces cannot substitute for planning.

Secondly, an expansion of the areas of interest to new topics which presently demand a high priority in planning.

In the third place, international crossroads and the need to foresee the future to avoid sudden changes.

In the fourth place, the great challenge of the end of the century.

I believe that the great task of the State is above all political but also the rational adaptation of the administrative apparatus.

Finally, the challenge of overcoming market limitations. It is important to stress that in spite of its usefulness, it lacks a social or temporary horizon and hence it is the State, that should perform a task of action and rationalization.

We have learned and experimented what planning should not be. We now must learn what it should be. Finally, let me tell you that planning should become the critical conscience of national policy on ultimate ends of economic development.

5. In the name of the delegates, the representative from Venezuela, Minister Azpurúa thanked the Peruvian delegation and pointed out the role of planning in accelerating development, and the strengthening of its social context within a framework that requires the establishment of a new international economic order, towards which planning efforts should contribute. He emphasized the need to draw on the Region's own developments, making use of what each country can contribute. He proposed the adoption of operational short term agreements as a result of the Conference, in matters of technical cooperation, integrating it to planning as a supporting instrument and promoting its complementation with cooperation and development policies.

He stressed the importance of connecting regional integration objectives with short, medium and long term planning tasks; as well as the challenge of satisfying the social needs of our people.

6. Minister Chávez Quelopana, President of the II COMIPLAN expressed his appreciation for the designation of Peru as the seat of the Conference, which constitutes an important instrument of cooperation for the development of Latin American solidarity and integration.

He stressed the leading role of CEPAL in the origin and evolution of planning in the region, as well as the characteristics of the planning process as an urgent and necessary instrument for modern States, and the constraints encountered. All in all, the balance is favourable.

He indicated the support provided by Peru in the construction of a new international economic and social order, within a humanistic perspective, in which planning determines resources and potential to serve the needs of the majorities and the sovereignty of nations. He emphasized the importance of democratic planning.

This event, he said, should be a means of communication and cooperation to serve proposed objectives, selecting priorities which might enable more effective results. He expressed his assurances that the Conference will produce alternatives for the progress of development and planning processes, to serve regional integration and Latin American community.

RESOLUTIONS OF LIMA

The Ministers and Chiefs of Planning agree the following :

1. To confirm the importance of the Cooperation and Coordination System, which during its second year has enabled to bring up to date and increase our knowledge on the advances and hindrances of planning in Latin America and the Caribbean. The experience exchanged resulted from this is of greater usefulness each time for the countries and international and regional organisms, specially for the ILPES programs.
2. Intensify experience exchange among governments of this region with regard to development planning, so as to consolidate the cooperation system among planning organisms created with occasion of the II COMIPLAN by means of a permanent operation of the system, in such a way that formal meetings may constitute the termination of annual work periods and may concentrate their efforts in the analysis and controversy of the works submitted by the countries, which will be distributed on time. ILPES must contribute to these meetings by preparing conceptual or synthetic works as a complement of those submitted by the governments.
3. To point out the increasing importance of the present international economic juncture, and concrete cooperative actions among developing countries; therefore, planning organisms should create more convenient mechanisms in order to direct such cooperation for the benefit of the countries of the region.

It is recommended to deepen into the possibilities offered by the development of national research and training centers of multinational scope, as an instrument of cooperation for development, so as to make operative decisions within a short period.

4. To emphasize the great importance of planning as an instrument of rationalization and development foresight of the countries of the region, from an integral treatment perspective of economic and social aspects of short, medium and long terms, and sectorial and regional aspects as well.
5. To underline the great importance of the social aspects of development with the purpose of overcoming the needs of the countries of the region, particularly, extreme poverty conditions, within the frame of the different development concepts from the participating countries. Such aspects should be considered as a consistent and structural element of every planning exercise and handled simultaneously with the same significance of those of economic character within a whole scope.
6. To continue with common efforts, in order to standarize the planning terminology used to determine the criteria for defining duration and content of the different temporary horizons, as well as their linking mechanisms.
7. To put special attention in planning for the utilization of every country potential and the possibilities offered by the processes of regional and subregional integration, in order to establish a greater development in relation to our capacity of liable and proper efforts. It is recommended to promote the active participation of the planning organisms in all areas related to the Latinamerican and Caribbean integration.
8. To underline the importance of short-term planning in front of hindrances imposed to development by the international conjuncture emphasizing its reducing role of uncertainties and rationalizer of decisions, in order to preserve the basic long-term objectives, an essential task which is increasingly being assumed by the countries of the region.
9. To recommend that the subjects among others, to be discussed in the following meeting be : Planning and Integration; Regional or Governmental Planning; Technological Development and Planning.
10. To point out the will of intensifying the support of the accomplishment of ILPES work program, within the frame of an adequate consideration and deliberation of interests from all member countries and the problems affecting Latin America and the Caribbean.
11. To recommend to the meeting of CEPAL on its eighteenth session period to support the recommendations from this meeting and to carry on with

the efforts in order to provide ILPES with enough resources so as to meet the increasing requirements of the governments.

12. To thank the constant support of the United Nations Program for Development and request them to continue supporting ILPES activities in accordance with government priorities.
13. To satisfactorily note the important contributions given by several governments to the Institute, in order to improve the composition of its budgetary resources.

Brief Report on Technical Meeting of the II Conference of Ministers and Chiefs of Planning of Latin America and the Caribbean.

The technical meeting of the II Conference of Ministers and Chiefs of Planning of Latin America and the Caribbean Region organized by the National Planning Institute of Peru, in collaboration with CEPAL-ILPES, was held in the Civic Center of Lima, from the 15th to the 16th November, 1978.

The meeting was attended by representatives of the following countries : El Salvador, México, Guatemala, Jamaica, Trinidad and Tobago and Cuba. Likewise, observers of several organisms and institutions attended.

The working program presented by ILPES was granted approval and support at the meeting. Most of the delegates that participated emphasized the recognition of their governments to the role that the Institute has played as a generating and disseminating center for advances in planning in Latin America, as well as in the training of specialized human resources. It was also emphasized, with great satisfaction, that the working program developed includes the recommendations of the technical Sub-Committee and the Ministers' Meeting held in Caracas.

As a result of the debate, several recommendations arose that complement and orientate the program presented by the Institute, and which will be presented at the next meeting of its technical Committee. The first recommendation would be to approve and adopt the program presented by ILPES, supported by the following actions :

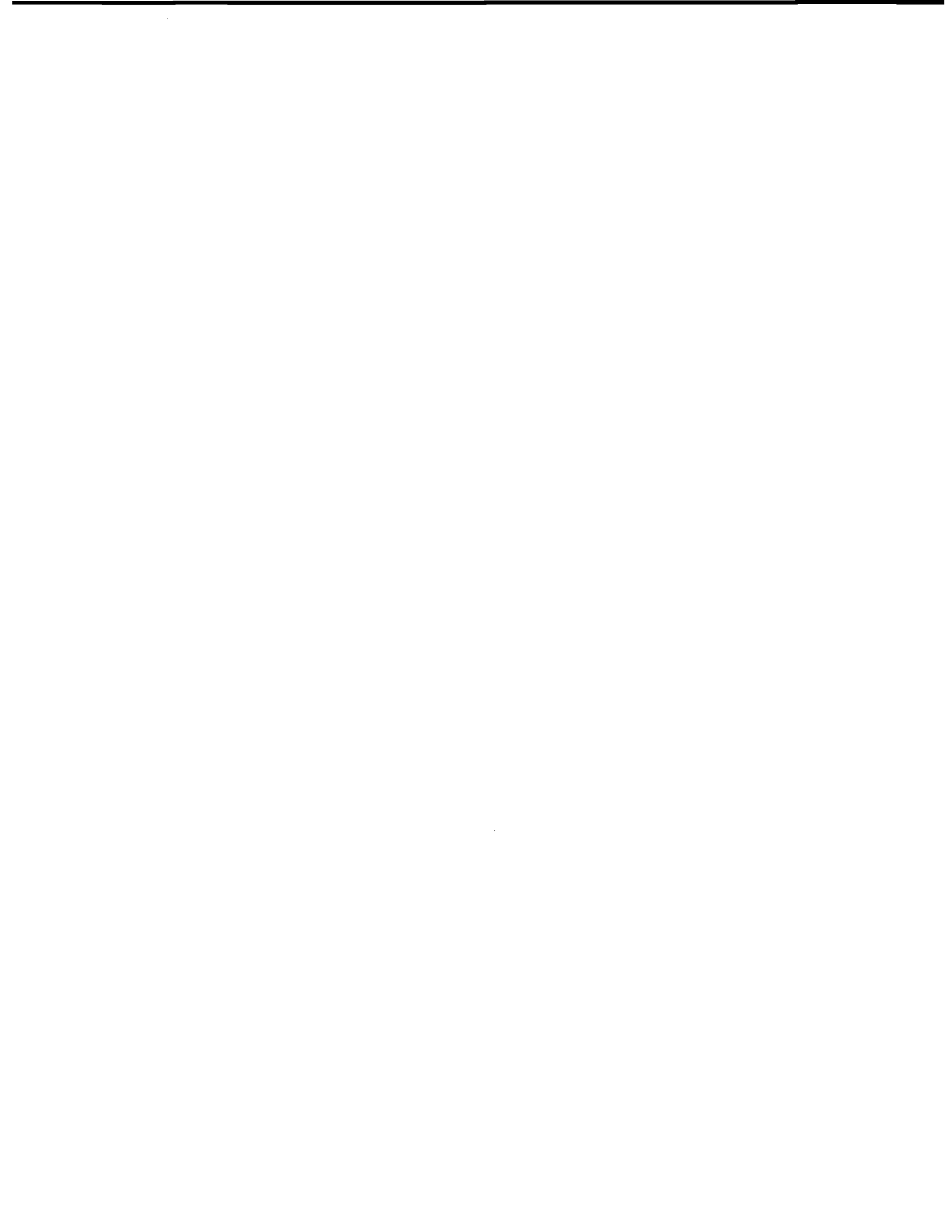
- Grant priority to research and advisory programs to support planning development in small sized countries especially introducing the space variable. Results should be projected to carrying out causes on the subject. Also, it is recommended not to make any special efforts to extend services to non Spanish speaking countries of the Caribbean, for which it was suggested that this problem be specifically discussed at the next meeting to be held in Havana.

- Significantly promote horizontal cooperation among countries through the voluntary contribution of national technicians, in order to make better and greater use of available planning resources in the region, and that the Institute's own programs may increasingly benefit from direct experience of Latin American planners; in other words, to make possible the exchange of experiences to benefit interested countries. An integrated regional inventory on appropriate human resources is recommended.
- Accelerate and reinforce cooperation by ILPES with national training centers, to make use of their expertise, and to improve dissemination of services provided and use of the Institute's available resources. A possibility to be considered is the periodic realization of the Central Planning Course or other forms of sub-regional courses in different countries. In general, ILPES should look for association with national centers to carry out international training activities at those centers, provided they satisfy the necessary technical conditions and appropriate Government can contribute in their financing.
- To consider social aspects as an indispensable component of global planning, paying particular attention to their development in the various programs of the Institute. In this sense, after evaluating the experience of the Social Planning Course, its continuation and development in the various countries of the region should be considered.
- Promote the systematic incorporation of the results of Latin American experience in planning and new techniques developed in the major academic centers into the working programs, all of which requires promoting the active participation of countries, in the design, contents, and execution of such programs, and at the same time maintaining a mutual relationship with them. Special attention should be given to avoiding common errors, to solving practical problems and indicating specific ways of applying recommendations on planning.
- Develop the project for the Planning Information System as a common support to different programs. Particularly to connect this project to the solution of the language barriers that have hindered a general diffusion of the Institute's services, as well as to look for greater diffusion to cover the different working levels of planning and its extension to interested groups within the countries. As a complement, providing greater attention to problems of participation in planning is suggested.
- Give more attention to developing evaluation methods and systems of planning, consistent with its different characteristics and mechanisms in the region, emphasizing policy evaluation. Particularly, it is recommended, as of now, the periodic evaluation proposed by ILPES on the planning development in

Latin America be carried out, in order to develop an annual report useful to all countries. It must be noted that we are aware that this task is ambitious but considering its importance it should be started at once.

- Strengthen ties of extra-regional cooperation with similar organizations and, in accordance with the recommendations of the recent World Conference on Technical Cooperation Among Developing Countries held in Buenos Aires and with positions adopted on the matter by Latin American countries at different meetings, we resolve to provide maximum support to horizontal cooperation with other regions particularly Africa and Asia. In this sense, we request the ILPES Directorate to join the efforts began by CEPAL and CEPA (Economic Committee for Africa) developing proposals of Horizontal Cooperation with the participation of the region's countries, and support from the CEPAL and ILPES secretariats. We furthermore request the Executive Secretary of CEPAL to transmit to the Conference of African Planners to be held next December at CEPA Headquarters, the greetings of this Conference and our support to cooperation proposals to be carried out by mutual agreement between that Conference and the Cooperation and Coordination System Among Planning Organisms of Latin America.
- Explore systems for granting academic credit to graduates of ILPES courses in order to adequately evaluate the importance of studies performed.
- Make additional efforts to channel greater financial resources in order to proper fulfil, extend and improve the programs pursuant to recommendation.

Independently from international contributions it is considered a major Governmental responsibility to ensure that the Institute may increase its capacity for non remunerated support. As a complement, we suggest exploring new forms of cooperation which might enable, through changes in working systems, a more effective action by the Institute, without excessive pressure on available resources. This task requires the decided interest and support of countries to promote the use of national technical skill. Lastly, we must emphasize the satisfaction of the Meeting; as expressed by its Chairman, for successful debate, which was made possible due to the prevalent open dialogue and to the quality of documents presented by ILPES.



REPORT OF THE FIRST MEETING ON PLANNING OFFICIALS IN THE CARIBBEAN

The first meeting of Planning Officials of the CDCC countries organized jointly by CEPAL (Caribbean) and the Institute for Economic and Social Planning in Latin America (ILPES) was held at the Hotel Havana Libre, Havana, Cuba from 25 to 31 January 1979.

The speakers in the inaugural session were Mr. Silbourne Clarke, Director CEPAL (Caribbean), Mr. Jorge Méndez, Director of ILPES and Mr. Miguel Figueras, First Vice-President of the Central Planning Agency of Cuba (JUCEPLAN) on behalf of the Government of the Republic of Cuba. Mr. Harcourt Williams, Permanent Secretary in the Ministry of Planning in Barbados, replied expressing thanks on behalf of the participants.

The President of the meeting drew the attention of it to the programme of work which provided for country presentations on their planning experiences, and discussion of resource papers on :

- Development planning in small economies;
- Planning in the sub-regional agriculture sector;
- Planning transport in the sub-region;
- Energy planning in the Caribbean;
- Technology planning in developing countries;
- Policy issues relating to Environmental Management;
- Communication in development planning;
- The role of mass communication in development planning;
- Planning for the Caribbean - a communication model.

Provision was also made for the discussion of :

- The scope of industrial planning in the sub-region;
- Co-ordinating planning activities in the sub-region;
- Training of planning personnel in the sub-region;
- United Nations assistance to the Caribbean Community (CARICOM) in development planning; and
- Institutionalization of meetings on planning in the Caribbean.

The presentations opened with an exposition by the CEPAL Regional Economic Adviser for the Caribbean, based on the conference document entitled "Development Planning in the Caribbean, a Review of the Period 1950 to 1975." His comments provided an overview of Caribbean planning experiences and emphasized that the English-speaking Caribbean countries in the 1950's conceived development as an exercise in structural change aimed at creating an industrial sector and reducing predominant dependence on agriculture. Their general expectation was that earnings from exports of manufactures, when coupled with returns from a developed

tourist sector would strengthen these economies and make them less vulnerable to international economic forces. During the 1960's there was significant growth but by the early 1970's, undesirable concomitant effects also became dominant. Levels of unemployment increased and income distribution became more skewed than it was before. Furthermore, it became increasingly obvious that their traditional metropolitan trading partners were in fact the main beneficiaries from the growth pattern which these countries had adopted. In recent years there have been attempts to work out new development strategies but this has been against a background of some disenchantment with planning.

SUMMARY OF PRESENTATIONS AND MAIN OBSERVATIONS ON SECTOR PLANNING FOR THE SUB-REGION

The presentations of the resource papers on sectoral planning for the sub-region were made by their authors or in their absence by U.N. staff members.

In his presentation of the paper "Six Problems of Development Planning in Small States in the Caribbean", the author pointed out that enthusiasm for development planning in the 1950's and 60's was followed by disillusionment in the 70's and increasing lack of interest in the subject and in the role of planning in development. While this has happened in parts of the "Third World", there are pressures building up in capitalist developed countries for the introductions of planning in national economies. The view expressed was that planning as a tool for development never really failed, it is rather that it was never fully tried.

The six main problems of development planning identified were : failure to control; the nature and orientation of political directorates in the region; the lack of appropriate organizational structures and the failure to involve the people; the problem of inadequate information; lack of human resources and technical skills; and the failure to devise effective strategies. Because of these six problems planning has not played the role it should play in development, and these problems need to be overcome if planning is to assist in the transformation process.

The author in presenting his paper "Political Economy of Agricultural and Rural Sector Planning in Caribbean Societies", pointed out that the main concern in planning is to achieve certain levels of output which will balance input demand in other sectors of the economy. But the success of such an operation depends on how much control and authority planners have over resource use and distribution. In the present situation in the Caribbean few governments have the necessary authority for effectively planning agriculture.

A first requirement would be to re-distribute agricultural resources in these societies to get more people meaningfully involved in agricultural production. This requires at least three fundamental changes, land reform organizational change and technological development. He then drew the attention of delegates to the Community Enterprise Organization in Jamaica, which he felt was a step in the right direction.

The author of the paper "Planning Transport in the Sub-region" stressed in his presentation the importance of analysing the conceptual orientation and social context of the methodological approach in the planning process, in addition to the effects of socio-economic systems in that process. He identified the distribution system (of which the transport activity was a part) as critical to the formation of the production structure and the generation of the consumption pattern in Caribbean dependent economies. It was necessary therefore to clearly spell out the macro-economic role of the transport function in the development processes.

He urged that in the Caribbean environment, a passive infrastructural approach underlie the transport planning methodology, an approach that encouraged the transport integration of the region with the North Atlantic countries and did little to foster local or regional integration of the Caribbean economies. This tendency was reinforced by the degree of dependence on external financing of transport investments. He suggested that there should be a macro-dynamic approach to transport decision in order to remove inconsistencies within the transportation plan and incongruences between the transportation plan and the general economic plan. He concluded that planners must always be conscious of the social content of whatever methodological approaches are adopted in transportation planning.

In the ensuing discussion the question of whether the partial framework affected both internal and external transport decisions, and whether transport was an independent variable in the development process, led to the observation that both internal and external transport sectors were affected by the existing methodological framework; and that the transport development relationship was interactive, although transport could play a positive role. Similarly the question of how transport decisions could be made more internally oriented to the Caribbean stimulated the observation that an adherence to the macro-dynamic operational variables outlined in his paper would be a lead in this direction.

The resource paper "Energy Planning in the Caribbean" which concentrates primarily on the situation of the oil importing countries of the CDCC, set forward a series of propositions which derive from the two basic considerations that an energy transition period has begun, and that governmental decisions affecting energy are dispersed over several ministries and departments. The propositions are that : there is urgent need for the preparation of national energy sector plans and policies; all aspects of the energy sector should be combined under a single portfolio of government; the objectives of any national energy policy should include : energy conservation, the reduction of energy intensity in the economy while seeking to sustain economic growth, reduction of dependence of the economy on imported energy, particularly petroleum; and diversification of the energy supply mix.

The author also proposed the establishment of national energy accounting systems incorporating trade flows, internal demand, and import and internal prices for each

energy supply product. In addition, the policies on taxes and subsidies affecting ends and uses should be consistent with the direction of the energy plan. It emerged too, that market forces would so operate that producing countries of minerals that are energy intensive in processing would find themselves constrained to export unprocessed minerals, if their mineral sectors are to expand.

In the discussion the points were made that any accounting of energy flows should also relate the energy components of making manufactured materials for example, cement, bricks and timber; and also that the energy penalty of intensive agriculture should be taken into account, that is the energy content of fertilizers, pesticides, etc. There was the view also that the presentation postulated too static a situation in that it did not incorporate further development, at regional level, of present resources, nor take into account under-utilized technology existing in the Caribbean.

The representative of UNCTAD prefaced the presentation of the paper "Technology Planning in Developing Countries" by stressing the need for decisions to be made on the technology that will be adopted in the implementation of sector plans. In fact, some developing countries had consolidated such decisions as technology plans, which served not only to identify weaknesses in current technology policies, but also assisted in informing decisions on priorities for research and development, and for skill formation. Within the global national plan, the range of industrial product to be produced implies a range of technologies, some simple and traditional, others complex and requiring adaptation to domestic circumstances. In any event, as development proceeds, each country must become increasingly self-reliant in its technological capacity.

Often, technology can be obtained through the unpackaging of industrial processes. Allied to this are the two further aspects of adaptation and indigenous development. In this regard, a number of stages in processing are often common to a range of products. Taken altogether, a much wider range of technology is accessible than is commonly supposed. A technology plan should therefore provide for such identification, provide for a sufficient level of research and development, for the encouragement of design and engineering capability and for the establishment of minimum technical supporting services (e.g. documentation, quality control). In addition, in skill formation, the balance should be so struck as to be compatible with the global needs.

It was observed in the discussions that followed that transnationals would not normally allow neat unpackaging of their technology, and that several of the other elements of a technology plan, at least in the Caribbean, to be obtainable, would depend on state intervention. It was pointed out too that similar technologies can come from different sources, that some of these technologies are already well known and apply across whole sub-sectors. In addition, there is the availability of access where patents have expired.

The UNEP/CEPAL Caribbean Environment Project Representative presenting the paper "Policy Issues relating to Environmental Management" focused attention on the environmental fragility of the Caribbean group of countries. He stressed the point that because of their small size in general (with the exception of Cuba, Hispaniola, Guyana, Suriname and Belize), the population density of the territories was very high. As a consequence, he maintained that normal population pressures and development merely to meet basic human needs, required sophisticated environmental management if the fragile ecosystems were not to be irreversibly destroyed.

Present developmental trends in the region and their possible environmental consequences were summarized with a view to emphasizing that the environment transcended all human activities. As a consequence, the delegate recommended that environmental management should be made an explicit fundamental policy of all CDCC governments and that they should incorporate staff drawn from the natural, applied and social sciences in their planning departments, with a view to ensuring that environmental parameters are incorporated into all aspects of development planning.

Another aspect dealt with the need for adequate communications, education and community participation. In conclusion, the CEP representative pointed out that the Action Plan being prepared by the CEP, should provide a common policy frame work for sound environmental management in the Caribbean.

The resource paper "Communication in Development Planning" proposed that communication should be viewed as a sector which requires planning in its own right. Examination of the communication (information sharing and transmission) factors in programme formulation and implementation reveals several gaps :

- (i) between planners and intended beneficiaries;
- (ii) between and among planners and implementers;
- (iii) between project implementing staff and beneficiaries; and
- (iv) between project or programme staff and the public at large.

Planning of the communication sector which requires analysis of communication needs for programme proposals, would take into account identification of all the groups of persons affected, specification of behavioural objectives and capability for each of the identified groups, inventory of available communication resources and formulation of a communication plan including its budgetary implications. By integrating all the communication support from the earliest stages of plan or project formulation, whether national or sectoral, the gaps could be eliminated and plan effectiveness enhanced.

The paper "The Role of Mass Communication in Development Planning in the Caribbean Sub-region" also examined the role of communication per se in development planning as a means of learning what people regard as priorities in terms of their needs, involving them in the planning process, incorporating their views

in the formulation of plans, and mobilising and motivating them to attain the fulfilment of the plans.

The thesis is that development implies behavioural change and communication can be an important catalyst in this process of change providing the downward flow of information from the planners and policy-makers to the people, a lateral flow as the people discuss the projects and proposals among themselves, and an upward flow as the response is fed back to the planners and policy-makers for incorporation into plan and policy decisions.

Effective communication should therefore be a development objective, and subjected as a sector to the same degree of rational planning that exists for other sectors. Also, it should be the task of communication planning units within the planning agencies to develop communication plans and strategies to assist the attainment of national development goals.

The paper "Planning for the Caribbean" presents the outline for a communicative model in development planning which seems to overcome the "exocentrism" and "jugglerism" that are characteristic in the Caribbean situation. "Exocentrism," defined as the feature by which exogeneous standards or standards developed abroad are considered as dominant and are used to judge developments in Caribbean societies, results in inconsistency deriving from lack of harmony between exogeneous standards and local value systems. "Jugglerism", seen as the pattern by which ad hoc policy decisions become more or less institutionalised through hasty operationalization, weakens the attitude to plan. Together they result in dependency planning, whereby future developments are not organised and structured on the basis of locally developed standards.

The proposal is that planning should commence with "forward goal evaluation" in which the expectations, interests and wishes of the people are determined in advance and integrated into the plan formulation. The forward goal evaluation could be done by mobile multi-disciplinary teams of mid-level trained professionals, who would also have the function of informing the local people so as to stimulate their self-reliance.

The important considerations emerged that development goals could continuously be adjusted to the expectations of the people; priorities could more rationally relate to resources; and this approach could also provide, at an early stage, information as to whether implementation of innovations can be successful.

No paper was prepared on Industrial Planning but the subject was introduced for discussion by introductory remarks on "The Scope for Industrial Planning in the Sub-region" by one of the Consultants.

A review of the approaches to industrial planning in the Caribbean over the past thirty years suggests that strategy has passed through at least three phases up till now. In the first stage, dominated by the Lewis strategy, it was felt that industrialization was virtually synonymous with development. Foreign capital was held to be the main agent of this industrialization and the choice of industry was characterized by an uncritical approach. The bankruptcy of this strategy was quickly made manifest by the march of events.

In the second phase, import substitution was grafted onto the Lewis strategy approach. In this phase much more attention was paid to choosing industries which would help provide employment and alleviate the payments crisis among other things. This strategy, like the first, failed to produce the hoped for transformation.

In the third, and current stage, there is gradually dawning recognition of some of the factors critical to a proper approach to industrial planning and in industrialization in the region.

Thus it is increasingly recognized that industrialization is not in fact coterminous with true development, and that rather than agriculture being sacrificed to industry, it is in fact necessary to link both agriculture and industry in the transformation process. There is increasing awareness of, though not much action on, the environmental implications of traditional industrialization. But as yet the region has failed to come to grips successfully with the clear necessity for a regionally rationalized industrialized programme. Also there is virtually no awareness of the importance of studying demand and forecasts of demand shifts in the international economy, for those areas of industry which would have to be developed and oriented towards international as opposed to domestic markets. There is tremendous scope for industrial development and industrial rationalization in the Caribbean but planning in this area, as in others, because of its backward nature has failed to come to grips with the extant possibilities.

CO-OPERATION IN PLANNING

The final work session was devoted to discussing the following subjects : The Co-ordination of planning activities in the sub-region, Training in planning in the sub-region, United Nations co-operation with CARICOM in planning development, and Institutionalizing planning meetings in the Caribbean. A general presentation of the topics was made by the Director of CEPAL's Caribbean Office, who presented a number of suggestions as to how co-operation in planning might be approached.

At the immediately practical level there is the possibility of establishing a system of continuous liaison among Caribbean planners, coordinated by the substantive official based in the CEPAL Office for the Caribbean, oriented to responding to the continuing expressed needs of the planners, and which could serve also as a vehicle for inputs from other bodies of the UN system. A second and related

aspect could be the provision of referral services on methodology and documentation through the Caribbean Documentation Centre located at the CEPAL Office. A third aspect relating to the activities of the Data Bank which is in process of establishment could be co-operation towards achieving a measure of comparability in data and a desirable level of uniformity in statistical definitions and presentation. Fourthly co-operation could be facilitated if there is identification in national plans of sub-regional inputs and outputs, that could be the basis for feasible economic complementation.

He drew attention to the CDCC mandates which require that activities at CDCC level should be compatible with, and complement CARICOM activities. Also, to the mandates that the possibilities for expanding ongoing projects to include interested CDCC countries should be explored.

Regarding institutionalization, some guidelines were provided in the resolution adopted by the CDCC Ministers at the Santo Domingo session, which envisaged that Caribbean planners should meet periodically to facilitate co-operative and convergent actions in the sub-region and promote greater collaboration with non-CDCC countries of the Latin American region. The periodic meetings would enable the planners to develop and implement a suitable programme.

The official in charge of the Caribbean Documentation Centre at the CEPAL Office for the Caribbean then outlined the steps being taken to provide planning information, and the efforts towards establishment of a Caribbean information system to serve officials and policy-makers in planning matters.

The representative of the United Nations Development Programme presented a summary of the ideas contained in the document "United Nations Assistance to the Caribbean Community (CARICOM) in Development Planning", and noted that the UNDP is prepared to support activities designed to strengthen planning and training in the programme of co-operation with CARICOM and joint UNDP-ILPES activities that could be developed in the region. He also indicated that there could be support for bi-lateral assistance between CDCC countries, and generally for sub-regional efforts.

The ILPES representatives mentioned the activities that have been carried out by that institution in the field of training and in planning co-operation and offered a summary of the ILPES document "Co-operation in Planning" which had been distributed to the delegates. One main thrust has been in creating the groundwork of information of work done by planning bodies in the development of planning methods. There was also scope in the ILPES programme to support national planning and to develop such possibilities as there might be for sub-regional planning.

Members of the delegations and representatives of the UN Department of Co-operation for Development, the Caribbean Development Bank, UNCTAD and other international bodies took part in the exchange of ideas on training and on promoting co-operation in planning. The representative of one delegation referred to the importance of co-operation among planning bodies and to the support that ILPES could give to training efforts. He also mentioned the need to consider the possibility of establishing a centre for training, research and co-operation in planning. In this regard the representative of the Caribbean Development Bank called attention to the need to co-ordinate activities between the CARICOM planning effort and that of the CDCC.

The representatives of several delegations extended their remarks to point out that in future meetings more concrete questions that would lead to joint actions should be discussed. They considered there are possibilities for joint action in such fields as planning and the environment, planning in transportation and communications, planning in production and the availability of food products. They also added that specific planning matters should also be raised at these meetings, such as : planning in small countries; planning and projects; planning and people's participation; and planning by sectors.

Throughout the discussions attention was drawn at various points to the need for the integration of women into the development planning process. A resolution submitted by one delegation on this subject was unanimously adopted.

At the end of these exchanges the Chairman summarized the main suggestions made at the meeting, mentioning the need to hold periodic meetings and draw up programmes to be carried out between meetings; to search for joint projects in sectors or branches that can be carried out by the planning bodies; to implement training programmes in the field of planning; to establish relations between the Caribbean System of Co-operation and the System of Co-operation and Co-ordination among Latin American and Caribbean Planning Bodies and to stress the planning information network. The various proposals and ideas were consolidated into a body of recommendations, that were adopted for transmission to the CDCC Ministers at their fourth session.

RECOMMENDATIONS OF THE PLANNING OFFICIALS

The First Meeting of Planning Officials submits to the Ministers and Governments of the Caribbean Development and Co-operation Committee (CDCC) the following recommendations :

That the CDCC countries :

1. Reaffirm the importance of Caribbean co-operation in planning, as established at the Second Meeting of the CDCC, held in the Dominican Republic, and supported by the Third Meeting, in Belize - where it was proposed that this First Meeting of Caribbean Planning Officials be held - confirming the usefulness of this type of meeting, which has provided an opportunity to learn about the valuable contributions in planning that these countries have made and to have a fruitful exchange of ideas.
2. Note with satisfaction that the resolutions adopted at the Second Conference of Ministers and heads of Planning, held in Lima, Peru, November 15-18, 1978 provide an important contribution by the regional community to greater progress in planning, as a tool for achieving higher levels of development.
3. Raise the hierarchial level of planning and provide the required political and legal strength for the plans that are drawn up; give existing planning bodies an adequate institutional status and create new bodies where none exist, in order to attain high priority for planning activities. Pursue the efforts to adopt long-term, mid-term and short-term planning measures; provide an adequate link between planning and decisions on fulfilling goals and assigning resources, stressing the growing need to undertake common action in the face of the serious problems that exist on the international economic scene.
4. Stress the need to step up training in the field of planning by promoting the organization of national and sub-regional courses for training qualified planning personnel so urgently needed in the sub-region.
5. Recommend that the CEPAL (CDCC) and ILPES with their experience in this field, support the governments in setting up national training courses, and study, as an urgent question, the feasibility of establishing training courses in planning that could eventually lead to the establishment of a Sub-regional Planning Centre, considering the area's different languages and planning techniques. These training programmes should include direct participation by regional planning bodies, universities

and training and research centres. The UNDP and other international and sub-regional organizations should be asked to give support to these training programmes.

6. Stress the need to make those changes in the socioeconomic structures of the countries in the area that are required for implementing thorough, fruitful planning systems.
7. Point out the need for high governmental priority in giving attention to and controlling the plans that are drawn up, seeking the legal forms and methods that are appropriate to the concrete conditions that exist in each country, thus allowing for real, integral participation in the planning process by those directly linked to the productive process and its various elements, and by the rest of the Caribbean population.
8. Promote the clear, specific definition of mid-range and long-range economic and social development strategies in the different sectors of the national economy. Also promote the drafting of economic and social directives for the public bodies and guidelines to the other countries' productive units, seeking adequate co-ordination with the private sector in order to guarantee the attainment of the goals that have been set.
9. Strengthen the Caribbean Documentation Centre in order to permit the collection of reports, papers, methodologies, plans and development programmes drawn up by the sub-region's planning bodies. Closely link this Centre's work with the information and planning network that CEPAL/CLADES, ILPES and CELADE/DOCPAL are creating in conjunction with the regional planning bodies, the technical and financial support of the Canadian IDRC and the co-operation of the Government of Holland.
10. Develop long-term, mid-term and short-term methodologies for planning at the global, sectoral and regional levels.
11. Point out the high priority of the social aspects of planning and the need to eradicate extreme poverty and unemployment and to improve income distribution in the countries of the sub-region.
12. Point out that Caribbean planning co-operation should become the basic sub-regional tool for improving the work of the System of Co-operation and Co-ordination among Latin American and Caribbean Planning Bodies, established in Caracas in 1977 and supported by CEPAL Resolution 371 (XVIII).
13. Give special attention to defining joint actions in the economic, social and cultural spheres that may be incorporated in the development plans and programmes in order to speed up the process of co-operation and integration in

the sub-region, considering the relations with the other Latin American countries and other parts of the world.

14. Seek the adoption of a consistent policy for handling foreign capital. Also, promote the greatest participation by national capital in order to achieve the objectives proposed in the development plans.
15. Keeping in mind the recommendations adopted in this meeting, request that the Secretariat of the CDCC, supported by ILPES, draw up a work programme on co-operation in planning, to be presented at the next CDCC meeting.

Special attention should be given in this work programme to the study that ILPES has suggested on progress and difficulties in planning, keeping in mind the direct participation of the Planning Offices, with the aim of improving the planning systems now being used in the area.

It is suggested that the next meeting go into technical aspects of planning and joint actions in order to promote co-operation and integration. These technical aspects should include the relationship between the spatial and physical aspects of planning, on the one hand, and their relationship with overall planning; planning techniques in transportation; and planning techniques in the social sectors.

With regard to the topics related to joint actions to achieve the aims of integration and co-operation, it is recommended that the following topics be considered :

- Environmental Planning in the sub-region;
- The Possibility of Co-operation in the Maritime Transportation Sector;
- The Possibility of Co-operation in the Domestic Production of Foodstuffs, and the Possibility of Co-operation in Aspects of Social Development.

Moreover, it is recommended that Jamaica be the site of the Second Meeting of Planning Experts.

16. Suggest that the Second Meeting of Planning Experts of the CDCC member countries be held in the first half of 1980 and that the frequency of subsequent meetings be determined then.
17. Urge CEPAL, ILPES, the UNDP, other UN agencies, bi-lateral co-operation groups and sub-regional organizations to give their full support to the CDCC's activities in the field of planning.

In view of the foregoing, the CEPAL (CDCC) and ILPES should co-operate to

facilitate the publication of the recommendations and documents of this first meeting, with the aim of helping to circulate them among the planners in the sub-region and other Latin American countries.

18. Urge the CDCC member governments to give full support to the implementation of the UNEP/CEPAL Joint Environmental Programme for the Caribbean in its preparatory phase.

In line with the foregoing, it is recommended that environmental parameters be taken into consideration in the planning systems already being applied in the area, at both the national and sub-regional levels.

19. Express their special appreciation to the Government of the Republic of Cuba, through its Central Planning Board (JUCEPLAN), for the excellent organization of the First Meeting of Planning Officials and also for all the attentions given the delegates. Thank the CEPAL/CDCC and ILPES for their contributions to this event and urge them to step up their efforts to implement these recommendations.

Also thank the Consultants and Representatives of the International Agencies for the valuable contribution they have made to this meeting.

20. Recommend to the Fourth Session of CDCC to be held in Suriname in March 1979 to support the recommendations made at this meeting, and take the steps necessary for their expeditious implementation.

RESOLUTION ON THE INTEGRATION OF WOMEN TO DEVELOPMENT PLANNING

Taking into account the need of adopting adequate measures to change the situation faced by Latin American and Caribbean Women and to promote their full integration into the development process;

Recalling Resolution 3520 (XXX) adopted on December 15, 1975 by the United Nations General Assembly which will convene a World Conference in 1980 to analyze and assess the progress made in fulfilling the aims stated for the United Nations Women's Decade as well as the World Plan of Action adopted in Mexico in 1975 by the World Conference of Women's International Year;

Recognizing the need for inter-disciplinary and multisectoral mechanisms at the national, regional and inter-regional levels for formulating and implementing policies and proposals aimed at achieving women's equality and integration;

Aware that the Governments, in accordance with their own administrative work mechanisms should make it possible to achieve a general co-ordination geared to planning, guiding and co-ordinating the guidelines and policies according to development plans;

Recalling that the Regional Action Plan for Women's Integration into the Economic and Social Development in Latin America adopted at Havana, June 1977, requests the CEPAL Secretariat to establish within CEPAL, including ILPES and CELADE and in conjunction with the United Nations Centre for Social Development and Humanitarian Affairs, a specialized unit for integrating women into development and which would also periodically assess the conditions of women in the cities and in the country-side, from the judicial, economic, political, social and cultural points of view in the various countries of the area:

Recommends:

1. That ILPES should in general terms, and in the region concern itself with the topic "Women, Development in Planning Efforts";
2. That CEPAL, ILPES and CDCC make regional analysis on the judicial conditions of the situation of women and of institutional changes in the state organizations.

ABSTRACTS OF THE ARTICLES IN THE LATEST ISSUE
OF CEPAL REVIEW

The Ambivalence of Latin American Agriculture

Enrique V. Iglesias ^{1/}

What has happened in rural development in recent years means that one must be very chary of the traditional view that agriculture lacks dynamism and is incapable of responding effectively to economic stimuli. On the contrary, output has grown steadily, export agriculture has expanded, the level of technology used has risen and the organization of production has been changing, and all this is closely linked to substantial changes in the make-up and outlook of the agents of production, and notably to the presence of a new rural entrepreneurial class.

At the same time, the other side of the coin should not be ignored, showing as it does the continued existence of large areas of traditional agriculture and long-standing, stubborn problems such as rural poverty, unemployment and under-employment, malnutrition, the improper use of the soil and other problems, which moreover help to maintain high rates of migration to the cities.

The author emphasizes that greater efforts should be made to overcome this ambivalence in Latin American agricultural development, and concludes with a number of suggestions to guide action in this field, including the need to tackle agricultural problems within the general framework of development, the important role which the State must play, and the necessity of facing realistically the problems of access to the land.

^{1/} Executive Secretary of CEPAL

Accumulation and Creativity ^{1/}

Celso Furtado ^{2/}

Surplus and creativity are two fundamental components of development whose relationships are complex and interdependent. If any new surplus broadens the horizon of life and calls for creative and innovative responses, the latter in turn need the surplus as the essential material medium through which they can come into being. Every culture, however, sets limits on the development of creativity which are in keeping with the process of reproduction of the society to which that culture belongs. The limits of the creativity specific to the culture which stemmed from the bourgeois revolution are fixed by the predominance of instrumental rationality, by the progressive subordination of all forms of creativity, and particularly science and art, to the process of accumulation.

After making a general analysis of the consequences of those limits for man's creative possibilities, the author concentrates on the process of creation of new social relations, whose driving force is the mechanism of accumulation. These new social relations, whose creation is triggered off by political activity, take on different forms according to the modality adopted by development, from which stem the various constraints upon social creativity.

^{1/} From the Book Acumulacao, Criatividade, Dependencia num Mundo Unificado, due to appear shortly.

^{2/} Professor at the University of Paris.

False Dilemmas and Real Options
in Current Latin American Debate

Aníbal Pinto ^{1/}

This article points out the apparent inevitability that any controversy will lead to a reductio ad absurdum, that is to say that the points of view under discussion will be carried to an extreme which distorts them and renders the discussion sterile. This seems to apply to a number of dilemmas which taken to their opposing extremes, become false dilemmas or disjunctive propositions which do not reflect the true nature of the options and causes at the heart of the real controversy.

In developing his argument the author selects four highly topical subjects of current debate in Latin America. The first is the controversy concerning the roles of the State and the market in the economic process, a distinction being drawn between the situations which arise in the central economies and those in the developing and socialist economies. The second section contains an analysis of the opposed criteria relating to protectionism, and outlines the form these take in the industrialized and in the developing economies. The third deals with accepted views and disagreements concerning comparative advantages, with emphasis on the specific form in which these are found in Latin America. Finally, the author considers the problem of the opening up of economies to external trade and identifies the different meanings which are attributed to this phenomenon, citing the Brazilian experience in this regard.

^{1/} Director of the CEPAL Economic Development Division.

Economic Trends in Central America

Gert Rosenthal^{1/}

Development in the Central American countries in the past quarter-century has shown positive features, which are brought out by the author: an annual average rate of economic growth of more than 5%, a near-doubling of real income per capita, expansion and diversification of exports, a surge forward in industrialization, the extension and improvement of communications and social services, and so on. Nevertheless, long-standing problems have remained, and new ones have arisen: external dependence, a tendency towards external disequilibrium, uneven distribution of the benefits of economic growth, with its consequences of poverty, unemployment, underemployment and marginal status, growing difficulties encountered by the political systems in coping with the divergent pressures of a rapidly diversifying society, and inconsistencies and conflicts between the public and private sectors. To this has been added, in recent years, the problems caused by the rise in the price of oil, inflation and growing external indebtedness.

After considering these aspects, the author rapidly reviews the development of the Central American Common Market and the economic and political obstacles which it has had to face in the past decade. He concludes with a few realistic and pragmatic ideas for revitalizing CACM.

^{1/} Director of the CEPAL Subregional Office in Mexico City.

Protectionism and Development

New Obstacles of the Centres to International Trade

Pedro I. Mendive ^{1/}

The new protectionist policy of the centres is nothing more than the insertion of new instruments and forms of restriction into a long standing structure of trade relations. In the course of this process tariffs have been losing effectiveness and have gradually been replaced by non-tariff measures. From an analysis of 1,051 tariff headings in the United States, 479 in the EEC and 421 in Japan, which together cover more than 10,000 million dollars of Latin American exports to those markets, the author is able to establish the adverse effect of that new policy on the developing economies, which is worsened by the recent tendency of the industrial countries to arrange international trade in the form of "organized free trade."

The article concludes with an analysis of the negotiations to liberalize world trade which have been taking place in GATT since 1973; the statistically-documented conclusions are pessimistic. Besides the meagre overall results, it appears that the escalation in the tariff structures of the centres will grow, and this will increase the difference between effective and nominal rates of protection.

^{1/} Consultant of the CEPAL/UNCTAD/UNDP Regional Project on Multilateral Trade Negotiations.

Some Changes in United States Attitudes
Towards CEPAL over the past 30 years.

David H. Pollock^{1/}

On the occasion of the 30th anniversary of CEPAL, the Director of the Review commissioned from Professor David Pollock an article analyzing the changing attitudes of the United States towards CEPAL since its establishment. Mr. Pollock is in an excellent position to write such an article, because of his knowledge of the subject and his long and important career in our organization. A Canadian, he joined CEPAL in the 1950's and has worked in Washington, Mexico City and Santiago, in addition to cooperating closely for some time with the Secretary-General of UNCTAD in Geneva.

In his view, these changes of attitude may be grouped into five periods. The United States entertained reservations concerning the very setting up of CEPAL. In its first 10 years, these reservations changed into open and continuous opposition. Then, just before and during President Kennedy's administration, a dramatic reversal occurred: the United States gave CEPAL if not an embrace, then at least a handshake. A further major shift took place after President Kennedy's assassination, leading to a decade of benign neglect. However, in more recent years yet another stage seems to have begun, marked by cautious reappraisal, on the part of the United States, of what is viewed as a "new" CEPAL.

The author concludes with a few personal reflections on the significance of the previous trends, and what they may portend for the future.

^{1/} Director of the CEPAL Office in Washington.

The Process of Modernization
in Latin American Agriculture

Gerson Gomes and Antonio Pérez ^{1/}

Incontestably, the picture presented by Latin American agriculture is an ambivalent one. Although in recent decades it has shown that it is not a traditional backward sector, and has been sufficiently transformed and invigorated to meet effective demand successfully, it has not been able to achieve the levels of output required to help to solve the food, employment, income and other problems which persist both in the countryside and in the cities.

The explanation for this inadequate performance lies not in a shortage of material, technical or human resources, but in the very nature of the general functioning of agriculture, which takes the form of the expansion of the modern subsector and the decline of the traditional subsector. These processes are consistent with the comprehensive transformation of the region's economy in recent years, with its forms of social organization and its international linkages. Nevertheless, the development of these processes will not permit a solution to the problems mentioned above, since they share the tendency of the system as a whole towards concentration and exclusivity.

It is therefore necessary to carry out deliberate action for the proper channeling of resources and the remedying of the worst socio-economic imbalances, in order to ensure that the benefits of technical progress also reach the entire rural population.

^{1/} FAO staff members. This article, initially prepared in April 1977, has enjoyed the benefit of valuable comments and suggestions made by colleagues in FAO and CEPAL, and by other Latin American agricultural specialists, especially Danilo Astori and Jaime Crispi - who co-operated in revising the article at the end of 1977 - and Jacobo Schatan. The views expressed do not necessarily reflect those of FAO.

The Basic Needs Strategy as an
Option. Its Possibilities in
the Latin American Context.

Jorge Graciarena ^{1/}

The basic need strategy has been intensively discussed at international forums in recent years, but there still exists today a certain ignorance regarding its content and the economic and political factors which would favour its establishment and consolidation. Accordingly, the author begins by defining it clearly, for which purpose he contrasts it with other strategies, particularly those aimed at eradicating poverty and other which combine elements of several options in a somewhat eclectic manner.

After this definition, he devotes the body of the article to an analysis of some national and international political requirements of the basic needs strategy. As regards the internal political order, he emphasizes that in order for this strategy to prosper, the political regime must be one which, supported by a participating and organized community that controls the State apparatus, can guide and strengthen the strategy's implementation and at the same time overcome the innumerable obstacles it would face. International relations would require the establishment of a new order, of the type proposed under the system of "collective self-reliance", which sees basic need as its central objective.

Given these and other political requirements which he also considers, he deems it unlikely that this strategy will be adopted within the short term in Latin America. Taking into account the rapidly changing times and the seeds of change they bring with them, however, he does not consider it as a useless exercise to start defining more precise features of this "concrete utopia", for it should not surprise anyone if, in a few years'time, it were to become the most likely horizon of our people.

^{1/} Director of the Social Affairs Division of CEPAL.

The Future of the International Railways
of South America. A Historical Approach

August 1979

Robert T. Brown ^{1/}

In the closing decades of the last century and the first decades of the present century railways were regarded as an ideal means of linking the countries of America economically. Clear evidence of this aspiration is provided by the attempts - pursued over many years, but finally frustrated - to build a Pan-American Railway to link North, Central and South America, and the efforts of the Farquhar group to consolidate and link together railways in the southern part of the continent on the basis of control of the Brazil Railway Company.

After noting these pioneering attempts the author analyses the most important international railway section in South America, and the role played by Governments in their construction. The financial procedures used for the construction of the railways varied greatly - at the expense and risk of capitalists from outside the continent, by concession holders from outside the continent who were given incentives by Latin American Governments, by individual Governments themselves, and so on - but in almost all cases substantial public support was given to these enterprises.

Nevertheless, errors in administration, such as poor commercial and operational co-ordination among the countries, and external dependence in respect of the most important decisions, seriously hampered the use of this expensive infrastructure. Some of these problems still persist, and it is urgently necessary to overcome them to ensure that railways can play their proper role in rapidly expanding Latin American trade. This has been the objective of the Latin American Railways Association (ALAF) since its establishment in 1964.

^{1/} Director of the CEPAL Transport and Communications Division.

Socio-economic Structure and
Crisis of Peripheral Capitalism

Raúl Prebisch ^{1/}

In the present article the author continues and expands the critical analysis of peripheral capitalism which he began in another that was published in the first issue of this Review. His central contention is that in peripheral societies the development process - whereby the accumulation of capital in the form of goods and training of human resources makes it possible to step up the productivity of the labour force and thus to increase the total product - is not carried out with the necessary efficiency at the social and even, in many cases, at the economic level.

The object of the entire article is to explain the causes of this phenomenon, from those most directly linked to the internal dynamism of the peripheral societies and pivoting upon the process of generation, appropriation and use of the fruits of technical progress, to those connected with the external relations of the societies in question and in particular with the spread of the consumption patterns of the centres, the presence of the transnational corporations and the siphoning-off of peripheral income.

The interaction of these factors, in combination with many others to which the author draws attention in the course of the article, ends by setting up a type of society - the "privileged-consumer society", contrasting with the "sub-consumer society" - which cannot satisfy the exigencies of social and political democratization, and is entering upon a crisis that can be resolved only by means of changes as fundamental as its causes.

^{1/} Director of the Review

Plans Versus Planning in Latin American Experience

Carlos A. de Mattos ^{1/}

The last two decades have seen quite a boom in various activities connected with the subject of national planning in the countries of Latin America: these activities have mainly involved the preparation of various types of plans, the establishment of numerous bodies specializing in this field, and an energetic discussion of the scope, content, procedures, forms, techniques, results and prospects of planning.

In the beginning, planning was linked with very ambitious objectives and viewed as offering quite optimistic prospects, so that it gave rise to very broad expectations which were undoubtedly out of all proportion to what could be expected from the conditions prevailing in each particular country. As time went by, however, the planning machinery did not operate as expected and the results obtained were not in keeping with the targets originally set. This led to a state of generalized frustration and growing scepticism regarding the prospects of planning, which came to the fore in the controversy over the so-called crisis of planning.

Although a great deal has been written and many discussions have been held on this supposed crisis of planning, the topic in no wise appears to have been exhausted: on the contrary, it seems reasonable to assume that the analysis of the causes of the situation in question will permit further progress to be made in the discussion of the scope and prospects which planning can have in our countries. The present study takes the same line and proposes to review the forms which planning has taken in the Latin American experience in the last two decades and to analyse the position of these forms of planning with respect to the specific economic, social and political conditions prevailing here.

^{1/} Staff member of the Latin American Institute for Economic and Social Planning (ILPES).

The Brazilian Economy : Options for the Eighties ^{1/}

Pedro Sampaio Malan ^{2/}

The discussion of the options open to the Brazilian economy for the 1980's will only be useful if it manages to break through the hidebound technocratic conservatism which reduces everything to a question of "competence" in managing short-term economic policy. Today as yesterday, the best remedies for this disease are a historical perspective, a critical evaluation of the changing international situation and, no less important, the deliberate return of economics to its original calling, namely, political economy.

This article adopts the above approach and, is organized as follows : the opening section is an introduction which merely attempts to sketch out the problem of the discontinuity in the performance of the Brazilian economy in 1974. The second section deals, in general terms, with events since 1974, and emphasized the salient problems of political economy in that period. The third section analyses the more likely options and puts forward some general policies suggestions underlying the argument currently raging on this question in Brazil. Finally, the fourth section presents the main points raised in the article.

^{1/} This is an expanded and revised version of the papers presented by the author at the seminar on the economic situation held in December 1977 in Rio de Janeiro on the occasion of the fifth meeting of the Association of Post-Graduate Economics Centres and the Informal Meeting on Industrialization and Development organized by CEPAL in October 1978 in Santiago, Chile.

^{2/} The author is a member of the IPEA Survey Institute, Brazil. Naturally, the shortcomings of the present article, as well as the opinions expressed in it, are the sole responsibility of the author.

Contemporary Protectionism and the
Exports of Developing Countries

Gary P. Sampson ^{1/}

It is an undeniable fact that in recent years protectionism has increased in the developed countries, with all its harmful consequences for international trade and the development of the periphery.

Since this is an established fact, it appears to be worthwhile studying the arguments used by the centres to justify it, and the means by which they put it into practice. In dealing with the first of these points the author concentrates on two "pressures" towards protection: the desire to attain balance-of-payments equilibrium, and arguments that imports from the peripheral countries "disrupt" factor and product markets in the centres; and he demonstrates, with a wealth of illustration, that these arguments are not very convincing.

In this treatment of the second point - the nature of protection - he presents in orderly fashion the various instruments currently used to establish protection. He analyses the quantitative restrictions, such as the so-called voluntary measures, orderly marketing arrangements and organized free trade, as well as the qualitative ones, including price limits and governments subsidies to enterprises hurt by imports.

In the face of this bleak picture, the author suggests a number of measures which would help to redirect this "neomercantilist" tendency in the centres and alleviate its effects on the periphery. He is aware, however, that it is not easy to arrive at solutions since, in the last analysis, everything depends on the prevailing power relations in international trade.

^{1/} Staff member of UNCTAD (Geneva). Helpful comments from Professor Richard Snape and Doctor Andrew Cornford are gratefully acknowledged. The views expressed in this paper are those of the author and not the United Nations.

Economic Policy : Science or Ideology ?

Part Two

Carlos Lessa ^{1/}

The two parts of this article (the first was published in CEPAL Review N° 7) constitute a systematic attempt to present and analyse critically the major approaches in "official economics" to the theory of economic policy. Part One was devoted to L. Robbins; this part seeks to outline the foundations of "welfare economics" and the latest neoclassical positions on the construction of econometric models.

The author argues that the various neoclassical approaches represent attempts to overcome the incompatibility of the two main objectives pursued on the one hand, to construct a universal and a historical scientific theory to justify the status quo; and on the other, to understand the real world and its changes in order to provide the dominant interests with the operational means for them to be able to tackle economic policy problems effectively.

"Welfare economics" and the "blacbox" of econometric models are two clearly different theoretical and practical alternatives, although divergences exist with them. The author explores the two, and their variants, in detail, and stresses the similarities between them which stem from their common neoclassical origins and are primarily visible in their views on the nature of the State and society, and the roles these should play in economic policy.

^{1/} Former staff member of the Latin American Institute for Economic and Social Planning and professor in the University of Campinas (Brazil).



**SYSTEM OF CO-OPERATION AND CO-ORDINATION
AMONG PLANNING BODIES OF THE
LATIN AMERICA REGION**

“The main objectives of the System shall be to serve as a forum for the planning bodies of the countries of Latin-America, to bring about better knowledge and closer links among them, to promote and carry out exchanges of national experience in economic and social planning and to establish ways of implementing joint action to promote, through planning, suitable machinery in order to strengthen co-operation among the countries of the region. In order properly to fulfil this objective, the System shall have the following functions, *inter-alia*:

(a) To promote the exchange of development experience, plans, programmes and projects for planning and, in general, disseminate the work produced by the planning bodies of interest to the System;

(b) To carry out a continuous analysis of progress in planning and the obstacles to it;

(c) To promote joint programming efforts at the regional, sub-regional and country-group levels so as to strengthen the Latin American integration process;

(d) To identify joint action which may be incorporated in national development plans and programmes to the benefit of the region as a whole, or groups of countries, with a view to strengthening regional integration and co-operation;

(e) To promote the exchange of technical experts among planning bodies, and the implementation of joint projects among countries;

(f) To promote the exchange of information and joint action with other bodies of the region connected with planning and development, as well as outside the region.”

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