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WORK IN CONNEXION WITH THE UNITED NATIONS
SECOND DEVELOPMENT DECADE: GUIDELINES
FOR THE SECRETARIAT

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WORK IN CONNEXION WITH THE SECOND UNITED NATIONS DEVELOPMENT
DECADE: GUIDELINES FOR THE SECRETARIAT

Introduction

During the United Nations Development Decade which has just come to an end - the first - the secretariat carried out a vast research programme into the region's big economic and social problems and co-operated with the various Governments in their solution. It is therefore now in a much more favourable position to undertake an action programme designed to attain the objectives of the Second United Nations Development Decade.

The purpose of this document is to set out in some detail a series of guidelines for the secretariat's activities in the immediate future. Naturally, the formulation of longer-term projects for the next ten years will depend on the decisions taken with regard to the implementation of the United Nations programme in Latin America and on the results of the work now in progress.

At all events, the secretariat will review these guidelines before making more concrete proposals, as appropriate, at the fourteenth session of ECLA, to be held in Guatemala in 1971.

Events during the first Development Decade which has just drawn to a close indicate that the gap that existed between the developed and the developing countries in the 1960s far from narrowing, widened even further. Many of the economic and social development problems that the developing countries then had to face still remain unsolved, and, in addition, new obstacles and complications have arisen which make it difficult to improve the living conditions of much of the region's population, to relieve the consequent social tensions, and to achieve rapid and independent growth.

Be this as it may, the fact that it obviously is possible to overcome the existing difficulties and the progress already made in defining the problems and setting up institutional machinery to deal with them give grounds for optimism.

In order to take advantage of these circumstances, the best procedure from now on would appear to be to define the principal tasks to be undertaken through concerted action and the requirements for a new and more constructive

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phase of regional development. First and foremost, there must be a clear understanding of the changes that have occurred in the past decade of that were already under way in some countries before that. Many of the old ideas regarding the external sector, industrialization, and the social impact of economic growth do not seem to fit the new situation. This can be seen most clearly from the way in which each country, or group of countries with similar structures and trends has developed.

Besides analyzing the experience of the 1960s and prospects for the 1970s, the document "Basic aspects of Latin American development strategy" (E/CN.12/836), which was submitted at the thirteenth session of ECIA and now appears in an up-to-date form in the "Economic Survey of Latin America, 1969" (E/CN.12/851), endeavours to assess the region's growth potential and to set out the goals that would have to be achieved if the most was to be made of the latent opportunities and a solution found for the most pressing economic and social problems.

In the first place, this analysis suggests that it is absolutely vital to speed up Latin America's economic growth rate and that this entails a far more intensive use of available human, material and financial resources, which, for the most part, are not being fully utilized or are not being employed where they could be most productive or have the greatest impact on the community.

The document, moreover, does not look upon the stepping up of the growth rate as an end in itself or as an automatic solution of all the disequilibria and disparities of past development but rather as the only way of putting into effect certain specific proposals regarding the content and the social implications of the development process. These mainly relate to the productive absorption of redundant manpower, reduction of the sharp regional inequalities and a more equitable distribution of the national income among the different social groups.

The points raised relate to external economic relations which have always been at the heart of the region's problems and difficulties and are crucial to any attempt to solve them. Hence, as is stated in the above-mentioned survey, it is necessary "to reduce or eliminate the factors that make for dependence and vulnerability in the external sector and to

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establish a more favourable framework or system for trade and co-operation within Latin America itself and vis-à-vis the rest of the world, especially the industrialized countries."

The essential guidelines for action to promote development in the next decade stand out clearly from what has just been said.

First, there must be a better understanding of the general nature of the phenomenon in the new set of circumstances arising from earlier trends in the region and in the world, and also the special characteristics of each nation or group of roughly comparable countries. This should lay the basis for the definition, formulation and implementation of a policy or policies designed to increase, mobilize and allocate the domestic resources of the economy in the way best suited to the region's economic and social development. A policy of this kind would have to take into account the entire process of production, savings investment and income distribution, with an eye to the structural and institutional obstacles to a flexible and socially desirable mobilization of domestic resources.

Secondly, emphasis must be given to the changes to be made in international financial and technical co-operation so as to provide the financing and facilitate the increases in productivity required for Latin America's economic development. The Latin American countries are already fully aware of the direction and scope of these changes, and considerable attention has been devoted to them at international meetings of experts.

Third, and last, which is closely connected with the second, concerns the changes which the major powers and the economic grouping of developed countries should make in their international trade policy and their foreign trade. It goes without saying that this also covers the broadening of markets and the increases in production that would result from speeding up Latin American integration, and its being placed on a firmer basis, as has been pointed out in other ECLA documents.

Keeping these three basic points in mind, it is time to consider what role the Commission could play in the Second Development Decade so as to be of help to all the Latin American countries. The first point - the formulation of a policy - is a matter for each individual country. On

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the other hand, the two others are matters for international negotiations, in which a consensus should be reached between the countries of the region on the basis of which they can negotiate with the developed countries.

In this case, the secretariat can contribute to the United Nations Second Development Decade in four very important ways. It can: (a) carry out the economic and social research needed to supply governments with basic data on how to mobilize their domestic resources and enable them to formulate an economic and social policy for that purpose (this would necessarily entail an improvement of the quality and coverage of statistical data, which are tending to deteriorate in Latin America); (b) study problems of foreign trade, external financing and of international scientific and technical co-operation; (c) provide governments or groups of governments, on request, with the technical assistance required to achieve the targets of the Second Development Decade; (d) promote the training of local officials in certain spheres of fundamental importance to the Latin American countries.

In carrying out these tasks, the secretariat will endeavour to maintain even closer co-operation with other international agencies, particularly those of the United Nations family.

Special reference should be made to the secretariat's collaboration with the Latin American Institute for Economic and Social Planning (ILPES). This body, which is closely associated with the Commission, is doing a most important job in providing training and technical assistance for development planning and carrying out research in that field. Experience has shown that, in these spheres, when these two bodies combine their efforts, their work is more fruitful and effective.

I. MOBILIZATION OF DOMESTIC RESOURCES AND CORRESPONDING INSTITUTIONAL AND STRUCTURAL CHANGES

1. Development policy and mobilization of domestic resources

If the unemployed portion of the active population and the steady increases in labour force are to be absorbed in really productive activities, then, quite apart from technological changes in the structure of production, income will have to grow at a much higher rate than in the 1960s, which cannot be achieved without a very substantial increase in the volume of savings. If these savings are to turn into real investment, each country must have the proper economic machinery, and a large enough supply of capital goods, whether locally manufactured or imported. In a nutshell, these, together with a less regressive pattern of income distribution, should be the goals of a development policy.

In the 1970s, the secretariat's contribution towards formulating a development policy to attain these goals will be in the form of research and studies on the major subjects described below.

First, in the studies on the mobilization of domestic resources the main national factors on which the possibility of maintaining, enlarging and modernizing the production machinery will have to be considered, particularly investment potential, including supply of imported capital goods, production of intermediate goods, output and installed capacity of the industries producing capital goods and consumer durables, and, lastly, productive reserves, i.e., the human and material resources that can be employed in production. In addition to the potential savings capacity, the financial methods and machinery required for channelling this savings potential will have to be studied and analysed.

Special attention must be given to the ways in which savings can be converted into investment, and to distributing investment between the various sectors in such a way as to obtain the greatest marginal social benefits from it.

In connexion with the last point, the problem of effective employment arises, involving separate analyses of rural and urban unemployment and underemployment. A study of unemployment and underemployment in rural

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areas will illustrate how the whole question of employment is bound up with the system of land tenure, the type of estate and the techniques used. An effort will likewise be made to link urban employment with the under-utilization of capital and the possibility of using labour in the most productive secondary and tertiary activities.

At the same time, the analysis should show to what extent urban activities can provide the country's population with enough goods and services, in the context of technological progress and the most productive use of the active population. It would deal, on the one hand, with the need to absorb unemployed labour and the new additions to the labour force and, on the other, with the disadvantages of what might be called a "technological freeze-up".

In addition to an over-all national policy for the mobilization of domestic resources, it will be necessary to consider internal regional differences already existing within each country because a high degree of geographical concentration - of population, of productive activity, of technical progress and of income - is characteristic of the present pattern of growth. A study would have to be made of the extent to which the present geographical concentration of productive activity generates external savings - from the over-all national economic point of view - or whether it in fact introduces growing external dissaving owing to problems of supply, housing and transport which can only be solved at an astronomical social and economic cost. This analysis will help establish whether or not it would benefit the national economy to create new secondary and tertiary development centres rather than to encourage economic concentration in large urban areas.

Furthermore, although Latin America's industry has developed more rapidly than the other economic sectors, it has been unable to absorb redundant labour since the level of employment, which has depended on the technological structure as well as the economic growth rate, is not so high as it could and should be.

In this analysis very careful consideration should be given to the question of whether the highly concentrated economies are capable of maintaining a sufficiently high level of activity to absorb the labour force which is constantly flooding into the cities, or whether, on the contrary, they

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are unable to do so and are responsible for the increasingly large urban marginal population engaged in barely productive activities.

The secretariat must continue its studies and technical assistance designed to help the Latin American countries at a relatively less advanced stage of economic development. The Commission's action programme for the Second Development Decade should include economic and social research on these countries, advisory services, training of personnel and regional co-ordination.

If all studies and research programmes referred to are to be fruitful, they must be based upon the necessary data for countries to choose and develop over-all policies designed to attain the objectives under consideration. In addition to all that has already been achieved in the first Development Decade and parallel with research and long-term forecasts, there must be more intensive study of short-term operational policies and of the entire machinery for their implementation, and also of the means of doing away with the all too familiar institutional and structural obstacles to more rapid economic growth and better income distribution.

As regards income distribution, ECLA will continue compiling and systematizing existing data and obtaining new data through direct research. This information will enable the Commission to study in greater depth what instruments could bring about improvements in the current pattern of distribution, which could be either means of redistributing income pure and simple (public expenditure and tax policy) or ways of acting on the root causes of the present distribution (concentration of property ownership, education problems, training and employment opportunities, spread of technical know-how, etc.).

At a later stage, this would lead to the study of the relationship between the various redistribution policies, the promotion of savings, investment potential and all the other aspects of economic and social development that are relevant to the formulation of an over-all strategy and policy. Under the proposed plan of action for the Second Development Decade, an attempt will be made to examine general development policy from an interdisciplinary angle so as to cover all social implications.

2. Guidelines for work on social development

In the past, both the theoretical work on the basic problems of under-development (i.e., diagnosis and planning) and practical action to deal with them have either entirely disregarded the social aspects of economic development or simply pushed them into the background. For some time now, however, there has been an effort to make good this omission. Considerable attention is now being devoted to resolving social problems, and already during the first Development Decade they were being treated from both the theoretical and the practical angle. The starting point for such work in the Second Development Decade must be a recognition of the fact that theoretical research and studies and practical action are obviously interdependent. In many areas, it is difficult to draw any clear line between social problems and economic problems. Hence the frequently interdisciplinary character of the analyses, research and studies carried out by the secretariat, and what might appear to be duplication is nothing more than a highly detailed examination of every aspect of the problem.

The basic concept, the targets and the strategy of social development in Latin America are entering a controversial phase full of new theories which may well last through the 1970s. For example, doubts are being expressed about whether current population growth rates, levels of employment and the foreseeable quality of the population in terms of schooling, training, motivations and health are in fact compatible with any of the proposed objectives of development.

It is also somewhat doubtful, should the present trends of growth and change persist, whether economy and society can ever acquire the capacity to provide the entire population with employment and opportunities for social participation. The policies being pursued at present seem hesitant and contradictory.

It may also be wondered whether the patterns and models currently serving as a basis for decision-making in matters of production and investment, and the much-talked-of regional inequalities in respect of technical progress, modernization, standards of living, population density, and opportunities within the framework of a national society are compatible with long-term development, by whatever criterion it may be defined.

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There is considerable uncertainty about the feasibility and effectiveness of the policies that have been applied to achieve regional decentralization and reduce the regional inequalities.

Finally, there is room for doubt as to whether the sectoral programmes (education, health, housing, social welfare and social security), which, of all the social aspects of development, have come in for most attention in the past, can, by themselves, possibly help to raise incomes, distribute it more progressively, change the economic and social structure, and attain the other fundamental objectives of modern economic and social development strategies.

The following are some of the subjects on which research could be carried out in this field: (i) definition and measurement of social factors; (ii) impact of youth problems on future development, possible leading to the study of different aspects, such as youth's place in employment and population programmes; (iii) analysis of political structures, with a view to planning their modernization where needed; and (iv), social marginality, which will involve intensifying the field work already under way.

One subject that will require interdisciplinary action in co-operation with other competent international organizations is employment policy. During the 1970s, a start will be made on studies of the content and objectives of this policy, with special attention to the contradictions in present policy and the possibility of giving it greater coherence, in connexion with government programmes and measures aimed at absorbing labour in productive activities.

Another subject on which research has already begun is population policy, bearing in mind the requirements of economic and social development, the factors which influence it and the role of population and population growth in relation to the problems that are part and parcel of such development.

Finally, another major subject, which is as complex and obscure as that of population, is regional and local development policy. The secretariat has in the past devoted a considerable part of its energies to various aspects of social development, especially what are called the

/"social sectors"

"social sectors" - housing, social welfare, health, education, etc. On the basis of earlier studies and research, the advisory field will, in the immediate future, be confined virtually to regional and local development.

3. Sectoral policies

Thus far, economic and social development policy has been treated from an over-all point of view. A comprehensive plan of action, however, must also include the study and elucidation of problems concerning the separate sectors, and attention must therefore be given to sectoral policies.

(a) Guidelines for work on industrial development

Thanks to the studies of industrial development - in both its over-all and its sectoral aspects - conducted by the secretariat, it has been possible to define various problems affecting the evolution, structure, economic viability and current situation of industry.

This sector has certainly grown faster than the rest of the economy and certain basic industries have expanded significantly, but the over-all growth rate has been irregular and, except in 1968-1969, its trend has not been upward. On the other hand, although some satisfaction may be felt regarding increase in the growth rate of the dynamic industries, this is hardly a matter for congratulations, as this growth is due, to a large extent, to a demand for consumer durables that are beyond the reach of the vast majority of the population and it goes hand in hand with meagre increases in the supply of basic consumption goods and capital goods.

It is incontrovertible that the sector's development has been and still is influenced by import substitution industrialization. The external bottleneck and the consequent need to satisfy a large portion of demand for manufactures with domestic products has led to an "extensive" process of import substitution restricted to national markets, without any kind of specialization or complementarity with similar economies or with other regions. This fact, combined with certain trends in economic policy, led to the indiscriminate application of over-high tariffs, which resulted in an unequal distribution of investment and employment among the various branches of industry and between industry and the rest of the economy, and

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in uneconomic import substitution, which is now reaching its limit. Capital was not used to its best advantage, either owing to inadequate scales of production and insistence on capital-intensive techniques, coupled with inadequate financing. A number of obstacles have prevented the best use being made of the potential growth and expansion that have been made possible by technological innovations and the opening up of markets through regional and subregional groupings within Latin America.

A study of this kind must perforce be partial and provisional since it can neither allow for the harmonization of the requirements and procedures of industrial development with those of the other economic sectors nor take in account the compatibility of objectives and policy measures within the industrial sector itself. Furthermore, in any survey covering the whole of the region, where the countries differ widely in degree of development, aptitudes and the framework of their economic administration, both the objectives of an industrial policy and the measures to be applied will obviously vary in importance from country to country. Nevertheless, a number of common denominators can be found that apply to the industrial development of Latin America as a whole and shape the general pattern of action for its future development.

One of the principal aims of development should be to speed up the industrial growth rate and to ensure that the region's industry makes more efficient use of the available productive resources. It is all the more important to galvanize the industrialization process into new activity because it has in fact been slowing down in most of the Latin American countries, with the result that Latin America's share of world manufacturing production has been steadily diminishing.

Moreover, quite apart from all its unfavourable repercussions on the economies of the various countries, the inefficiency of the region's industry is a serious obstacle to its competitiveness and it makes the attainment of every economic and social development target much more difficult.

The attainment of these objectives should not be seen merely as a process that will expand productive capacity and increase manufacturing output, but rather as a process of change in the structure of production and of

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adaptation to the demands and requirements of a growing economy. These considerations do not appear to have been fully taken into account by the Latin American countries in the past in formulating their industrial policy.

In this context and in line with the characteristics and problems peculiar to the current industrialization process, there seem to be two major spheres of action for the secretariat's research into industrial development: the management of enterprises, on the one hand, and the opening up of external markets to Latin American industries, on the other.

The first of these implies a series of studies aimed at raising technological standards developing scientific and technical research; increasing the productivity of labour and making the best use of available capital; installing factories of such a size that the most can be made of economies of scale, and remodelling existing plants along similar lines; strengthening entrepreneurial capacity and achieving a greater structural integration of industrial activities; creating appropriate systems of industrial credit and financing; and reducing the costs and prices of manufactured goods.

In so far as the opening up of external markets is concerned, efforts should be directed mainly towards integration and the export of manufactures to countries outside the region, so as to enable the region to benefit from a wider market, and to encourage it to make import substitution more efficient than in the past, etc.

Obviously these studies will be basic to the implementation of an industrial policy. This policy will have to be geared to and co-ordinated with over-all development aims, since many of the measures involved do not apply specifically to industry and their effects may jeopardize the development of other economic sectors. Thus the achievement of specific industrial development objectives is linked much more closely with the aims and goals of over-all economic development than with any action adopted in the sector itself or at the level of particular enterprises. This does not mean that industrial growth is a consequence of economic growth and would therefore have a passive role in the economy. The aim is merely to stress that the orientation and dynamic role of industry depend also on the decisions relating to it that are adopted within the context of over-all economic policy, on

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whether these are likely to remain unchanged decisions and, in a word, on whether the rules of the game are known to those who will take action within industry.

This analysis reveals several elements that must be borne in mind in the formulation of over-all industrial development policy for the coming decade, which should comprise policies on industrial promotion, technical training, technological modernization and the strengthening of Latin America's entrepreneurial capacity.

(b) Guidelines for work on agricultural development

Recent agricultural trends in Latin America present contradictory features. On the one hand, crop production, which represents about three-quarters of total agricultural output, grew fairly rapidly in the period 1955-65, so that it was possible to satisfy the accelerated increase in domestic demand and meet the requirements of an expanding external demand. Although imports of vegetable products from countries outside the region continued to rise rapidly, they still account for only a small fraction of the total supply. On the other hand, livestock production increased at a rate which is barely comparable with population growth, which explains why per capita consumption of livestock products, which was already low from the nutrition standpoint failed to improve during the period considered.

Despite the slow development of the livestock sector in nearly all the Latin American countries, livestock production in the region as a whole would seem to show relatively favourable growth indexes, although there are marked differences between the various countries. Nevertheless, if indicators of a socio-economic nature are examined it will be seen that livestock trends have not been so satisfactory. In the first place, the improvement of about 1 per cent annually in average per capita consumption is relatively slow, and large population groups suffer from under-nutrition or malnutrition.

Apart from environmental and cultural factors, this situation is closely associated with disparities in income levels in the agricultural sector itself. It is probable, therefore, that the annual per capita incomes of many millions of rural families are minimal or barely at the subsistence level, while a small group has an exceptionally large share in the agricultural product. This tremendous inequality in incomes reflects not

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only the distressing conditions under which a huge sector of the population is living from the purely material standpoint, but also the marginal position of this sector on the socio-cultural plane. The appearance in recent years of a new type of commercial agricultural entrepreneur who uses the most up-to-date techniques and attains high productivity levels has probably accentuated the concentration of agricultural income. The average increase in productivity for the economically active population has undoubtedly been the result of much higher rates of increase for comparatively small groups of modern farmers combined with no increase at all or even a drop in productivity for the vast majority. Even if the benefits deriving from the productivity increase in modern enterprises had been transferred proportionally to the wage-earners engaged in them, which is far from certain, the improvement in real wages would have reached only a fraction of the rural labour force.

A breakdown of the increase in productivity among different groups of agricultural operators and wage-earners shows that unemployment, both open and disguised, is becoming more serious in rural areas within the region. Despite the large-scale population shifts from rural to urban areas, which has meant a migration equal to at least half the natural growth of the rural population, the number of rural unemployed has increased, in absolute terms, by approximately one and a half million a year. Owing to the limitations imposed by the existing systems of land tenure, by the structure of demand for agricultural commodities and its slow growth, and by the progressive concentration of productivity, only a minor proportion of the new contingents of agricultural manpower find permanent employment at satisfactory income levels. According to some recent studies,^{1/} 30 per cent of the economically active population in the agricultural sector is engaged in low-productivity farming (smallholdings, etc.).

The mechanization of agricultural activities, which has gained considerable impetus in some countries in recent years, has undoubtedly aggravated this situation. Owners of large farms, who have more capital and higher aggregate incomes, have made more and more use of mechanical

^{1/} CELADE-ILPES, "Elementos para la elaboración de una política de desarrollo con integración en América Latina" (Inst./S.3/L.3).

equipment, protected to a greater or lesser degree, according to the country, by policies aimed at enabling the farmer to obtain such machinery and equipment more easily and at a lower cost. Leaving the advisability of using highly mechanized farming methods out of the question, there is no denying that in most cases their use results in the employment of less manpower; much of the manpower's unable to find productive work under the prevailing system, with the resulting social disadvantages, although modernization may bring advantages or high returns which are in the farmer's own private interests.

The difference between living conditions in the country and the towns has unquestionably been one of the basic causes of the large-scale migration to the cities which has been going on in the region during the last few decades. Obviously there are other attractions which also play an important part; moreover economic development requires that secondary activities should grow faster than primary activities, since only inasmuch as the ratio of agricultural producers to urban consumers decreases can the income and level of living of the former improve and national production bases be diversified. Since certain sectors, or rather certain strata within the non-agricultural sectors, have increased their productivity more rapidly than the average, and since it is likely that the recent concentration already analysed in the case of the rural sector has repeated itself in the urban economy, it is clear that the population shift described above has in practice represented a change in the location of unemployment and under-employment.

Hitherto, the secretariat's work on agriculture has been centred on two broad spheres of action which are closely interrelated: (i) agricultural development strategy in terms of various assumptions regarding the improvement and redistribution of income; and (ii) the possibilities of achieving greater complementarity between the agricultural economies of the different countries in the region, particularly those belonging to the Latin American Free Trade Association (ALALC).

/Within the

Within the sphere of analysis and formulation of proposals for action, the studies have been confined essentially to over-all questions. The aim is, however, to break down the analysis and strategy proposals to the country level.

This should provide useful material for the agricultural strategy and policy to be adopted by governments in the present decade.

Special attention will be given to the relationship between agricultural technology and employment. In view of the complexity of the subject and the shortage of empirical data on the nature of those relationships, the secretariat, in collaboration with the competent organizations, particularly FAO, should initiate direct studies in various countries, in which the national research agencies should play the major role. This important subject will be discussed at the government and expert levels at the eleventh FAO Regional Conference for Latin America in 1970. It is quite evident that research, analysis and consultation must continue on an increasing scale during the Second Development Decade.

The progress made in defining national agricultural development strategies and policies will facilitate their harmonization at the regional and subregional level. Therefore, by way of supplementing the above-mentioned activities, work will continue on the preparation of studies on production and consumption of specific products in order to determine the possibilities of increasing intra-regional trade in these products and to lay the bases for attaining greater complementarity at the production level. Such studies help to provide a broader knowledge about the highly complex, diverse and interrelated policies in each country which affect production, marketing and consumption of the products concerned.

Agricultural commodities which serve as raw materials for industry, such as fibres or tobacco, will need to be given particular attention for integration purposes, since it will be necessary to reconcile policies and interests which may sometimes be conflicting.

(c) Guidelines for work on the use of natural resources

Within the broad sector of natural resources, the secretariat has in the past completed studies on water resources, hydrocarbons and electric energy. The secretariat has limited resources for this type of work, which, moreover, requires highly specialized personnel. The intention is therefore, as a first stage, merely to intensify the research and field studies on these subjects and, when more resources are available, to undertake a more comprehensive study than has been made hitherto of mining resources and the strategy and policies for developing them as rapidly as possible.

Knowledge about the region's surface water resources is, on the whole, inadequate, a fact which is aggravated by the irregular rainfall, from the standpoint not only of seasons but also of its geographical distribution. Still less is known about groundwater resources, which provide a large proportion of the water used for human consumption, irrigation, sanitary purposes and industry, and they are utilized to a minimal extent in relation to the ample supply presumably existing in the region as a whole.

Furthermore, there is little planning of water use in terms of over-all development in the various countries; no proper policy exists, and the legislation on the matter is utterly inadequate since it was conceived to stimulate individual uses of rivers and it fails to provide for either the present economic and social situation or technological progress in the region. Moreover, water projects are highly capital-intensive and investment in this sector has not usually been given very high priority in development programmes.

In the light of the above considerations, the secretariat's action programme should in the first place envisage the study and analysis of the possibilities of basin-wide river development, although it should not neglect its promotion activities, including those carried out through multinational projects, and its technical co-operation in planning with the national and regional bodies that may request it.

/Water will

Water will be considered as one of the basic elements in interdisciplinary subjects such as regional and local development. The intention is also to intensify meteorological and hydrological research and related studies - cartography, geology, soils and vegetation cover - with special emphasis on the study of the use of groundwater in desert or semi-desert areas.

Any rapid increase in consumption of the various forms of energy in Latin America is complicated by the high investment required to step up production capacity and the need for highly trained and specialized technical personnel in this field. It is clearly necessary, therefore, to plan technical research and projects with great care, and to establish a strict relationship between projected demand and planning of the supply of energy in its various forms, and also its place in each country's over-all economic development programme.

The Latin American Governments devoted special attention to the energy sector in the 1960s. Nevertheless there was marked inconsistency between what is considered the over-all economic policy most suited to the co-ordinated development of the sector and the actual policy adopted in connexion with energy. Thus examples could be given of the extravagant use of electric power for heating purposes, lack of co-ordination between the prices of various interchangeable forms of energy, and insufficient investment resources mainly because of the abnormally low rates charged, which have hampered the expansion of investment and production in the sector.

From the foregoing observations it is easy to determine the principal objectives to be pursued: (i) to attain a sufficient supply of energy in its various forms to reach the economic growth target established; (ii) to guarantee a reasonably regular supply; (iii) to keep the social costs of this supply down to a minimum, and to ensure that the prices of the different types of energy are in line with their costs and determine the best possible structure of production in the sector.

/To achieve

To achieve these objectives it will be necessary to carry out research and recommend national and regional strategies and policies for the sector's development in consonance with over-all economic development, to promote full utilization of energy resources, including multinational projects, and to participate in multidisciplinary working groups set up to study the development potential of selected regions with a view to suggesting appropriate policies.

(d) Guidelines for work on transport

Transport is foremost among the main problems arising in a strategy for accelerating Latin America's economic and social development in the 1970s. There are no aspects of the strategy which are not closely related to the problems or objectives of the transport sector.

Governments and regional agencies will have to redouble their efforts to modernize and expand the existing transport systems in the coming decade in order to achieve the following objectives: (i) the accelerated development and integration of the different countries through the construction of an adequate infrastructure covering the whole of the national territory and capable of mobilizing resources; (ii) the creation of a basic infrastructure and a regional land transport system as the corner-stone of economic integration; and (iii), the expansion and modernization of Latin America's maritime and air transport services on the basis of rational economic criteria, with the purpose of ensuring for the countries of the region a larger share in the transport of their foreign trade, and of promoting new exports.

In addition to defining and applying over-all development and transport co-ordination policies, it is essential to ensure the implementation on a stable and continuing basis of investment programmes and schemes for modernizing operational methods in the various transport sectors, in close correlation with over-all development policy and with particular regard to the spatial side. Measures for rationalizing institutions and regulating transport are also required.

/Several countries

Several countries are still faced with the serious problem of modernizing their railway infrastructure, equipment and operating systems and of reducing the huge financial deficits. The secretariat is continuing to collaborate with the Latin American Railways Association (ALAF) in this connexion and will pay special attention to the improvement of statistical, accounting and cost systems, which are essential instruments for the diagnosis of current problems, the formulation of adequate policies and the evaluation of results.

Although all the countries have made great strides in the construction of roads, it is imperative that they should redouble their efforts to extend and improve their road systems if the objectives of the Second Development Decade are to be achieved. Such efforts should be centred on increasing the proportion of paved roads, improving and extending secondary roads and keeping highways in better repair. In view of the importance of proper road maintenance in order to protect the original investment, it is proposed that a Latin American seminar should be organized to review methods of programming, organizing, financing and executing this work.

The development of inland-waterway transport will be of particular importance for backward regions in the interior of several Latin American countries. In spite of the possibilities offered by this means of transport, little is known about its present situation and the problems hindering its development. A study will be made on the subject in order to demarcate more specific areas for future research.

The execution of the 1970s of the extensive region-wide highway projects now in the initial stages of construction or under study would complete the skeleton of a regional road network which should then be supplemented by secondary and feeder roads. In view of the scale of these regional projects and of other projects which might become necessary in the future, it would seem necessary to determine how far the regional arterial network proposed, under study or in process of construction would be suited to the optimum spatial economic structure of a future integrated region. In 1969 work began on a study of the development of

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the eastern region of Bolivia as part of the evaluation of a project for building a port on the river Paraguay being carried out by the Bolivian Government with the assistance of the Inter-American Development Bank. This will be followed by other interdisciplinary regional studies which, in addition to providing a basis for regional planning, will be of assistance in preparing proper methodologies for evaluating integration highway projects. In the initial stages, some work will be done also in the Andean region and the Caribbean.

Another problem of regional scope which deserves special attention in the next ten years is intra-regional railway transport, particularly the study and application of measures which could be adopted by railway companies and governments with a view to making the best possible uses of the existing international railways.

In order to take full advantage of the benefits deriving from land transport connexions, it will also be necessary during the present decade to eliminate the institutional, legal and administrative barriers that still exist in many countries. These barriers obstruct the economic operation of regional transport services and the establishment of regional companies or corporations for their joint development. The secretariat has co-operated with ALALC in preparing a regional land transport agreement and will continue its activities in this field in so far as resources permit.

Maritime transport is obviously of great importance in the region's foreign trade. Nevertheless the share of the Latin American merchant fleets in the total world tonnage carried by sea is smaller today than it was fifteen years ago. In recent years, moreover, the income of Latin American shipping companies under the head of freight has not exceeded 12 per cent of the total freight paid for the region's foreign trade. The share of the regional fleets in bulk exports is especially small.

In particular, the Latin American countries must intensify their efforts in the forthcoming decade to secure the adoption by the shipping conferences of a policy on the level and structure of freight rates that

/will be

will be really compatible with the requirements involved in expanding the region's foreign trade, especially in connexion with new exports of manufactures. A study has been published recently on maritime freight rates which affect exports from the region, and a similar study will be carried out on freight rates for imports. The secretariat has continued to provide advisory assistance to the shippers' committees which have been set up in several countries and it is hoped that work can be intensified in this field in so far as resources permit. Lastly, the secretariat has continued to advise the Special Committee on Latin American Co-ordination (CECLA) on shipping questions and will carry on co-operating with UNCTAD.

Maritime transport is at present making great technical progress, and completely new transport systems are being introduced. The expansion policy of the regional merchant fleets should take special account of the need to absorb these technological changes, and also the foreseeable changes in the structure of the region's external trade.

The technological innovations in maritime transport will also give rise to serious problems with regard to the restructuring of many ports in the region. The port problem can be seen to be even more serious if it is considered that, in spite of the efforts of several governments to improve port conditions, operations in many Latin American ports are still slow and expensive. The secretariat intends to develop a methodology for quantifying port costs and measuring the comparative efficiency of the different ports in the region. It also wishes to collaborate with the port authorities in devising and introducing statistical and cost information systems.

There has been even more technological progress in air transport. Since the innovations require substantial capital and wide markets, there must be a closer co-ordination between the existing companies, not only in passenger transport but also in freight transport.

4. Public administration

The administrative apparatus of the Latin American countries is notoriously weak as a tool for translating into action the policy guidelines required for development.

Yet reform measures have hitherto had little result; critical analyses seem to have pinpointed the reasons for this. It has been concluded that operational efficiency is not enough in itself (wrong decisions can also be efficiently implemented) and that inefficiency can be eliminated only if its external causes, such as structural unemployment, political instability, inflation or insufficient fiscal resources, can be counteracted. The poor results obtained have also been ascribed to inadequate reform strategies and systems. It has been recommended that steps be taken to strengthen planning agencies and to promote the training of senior administrators in the use of modern management techniques aimed at identifying and achieving objectives rather than at promoting operational efficiency.

Although essentially correct, the reorientation of administrative reform along these lines can produce significant results only over the long term. It has been recommended that:

(a) Efforts be concentrated on the establishment or strengthening of priority bodies, i.e., those responsible for the formulation and implementation of policies conducive to the attainment of essential economic development aims;

(b) The over-all rationalization of the public sector be considered as a goal to be achieved in successive medium- and long-term stages.

The secretariat's programme of work reflects these guiding principles for administrative reform in Latin America. Thus a regional meeting on the training of senior administrators has been proposed with the purpose of laying the bases for co-ordinating the action of ECLA and ILPES with that of other international agencies and national - government or private - teaching and research institutions in this field.

/The secretariat

The secretariat will carry out research with the aim of determining what agencies or other instruments should be established or reinforced in order to improve the formulation and execution of development plans, on the basis of an analysis of these plans and of studies of the public sector carried out by international organizations and public or private institutions in the Latin American countries. Thus, a meeting of experts on administrative capacity for development is scheduled for 1970.

Experience seems to bear out the effectiveness of discussion between experts. For example, the work of the Meeting of Experts on Administration of Public Enterprises in Latin America and the Caribbean held by ECIA in November 1969 aroused considerable interest and gave rise to recommendations that the United Nations should carry out research on modern management practices and techniques, planning of enterprises, and administrative aspects of multinational enterprises, in view of their growing importance for Latin American integration.

In connexion with these subjects, the secretariat would endeavour to organize a meeting of experts in 1972 with the purpose of identifying the spheres in which action to improve public administration in Latin America could be most effective, on the basis of the results of United Nations technical assistance in that field.

In ECLA resolution 290 (XIII) the Commission recommends that the secretariat, in the context of its programme of work, should give special attention to studies, research and advisory services related to the rationalization and modernization of public administration, and its adaptation to the requirements of development. As a result, efforts are likely to be concentrated on improving the efficiency of agencies of immediate importance for development, such as data collection and processing services (statistical, planning and other systems); the establishment and smooth operation of public enterprises, including those of a multinational character; the establishment or strengthening of bodies and instruments for stimulating, tapping and channelling savings; and development of scientific and technical research at the level and in terms of regional interests.

II. EXTERNAL TRADE AND FINANCIAL POLICY, AND THE TRANSFER OF TECHNICAL KNOW-HOW

The developing countries have laid special stress on the fact that they must be free to formulate and implement their domestic policies independency, even when such policies form part of a collective effort to overcome their own particular problems. The reasons for such an attitude are easily grasped. But it is not always easy to trace the dividing line between measures that are strictly national in scope and those that go beyond national limits. At the same time, considering that the Second United Nations Development Decade is an international undertaking in which some countries make commitments in favour of others in the fields of trade and financial aid, each of the recipient countries must be prepared to co-operate fully in the examination and evaluation of its own domestic policies; this does not mean that they would have to be submitted to an international authority for decision, but that they would at least be compared with other experiments and the extent to which these past experiments have or have not been compatible with the general aims and objectives of the Second Development Decade ascertained.

In this area, the work programme of the secretariat comprises studies and research on national policies, analysis of the measures adopted or which should be adopted at the international level, and evaluation of the progress which is being made towards fulfilling the objectives of the Second Development Decade.

Sufficient importance has not always been attached to the definition of the objectives and strategy of trade policy, an essential component of development programmes, when the whole range of policies and measures connected with the mobilization of domestic resources was under consideration. In most Latin American countries, trade policy has been characterized by its passivity, its lack of long-term objectives and by the fact that it is largely made up of isolated measures designed to meet permanent or temporary pressures and disequilibria on the balance of payments. As a result of this approach, in most countries trade policy has come to be identified almost exclusively with efforts to obtain specific concessions from the developed countries in the fields of trade and financial assistance.

/Intensive action

Intensive action was undertaken by the developing countries in the 1960s to obtain decisions and commitments on the liberalization of trade and an increase in transfer payments through agencies like GATT and UNCTAD.

This approach to trade policy was, of course, due to a set of concrete factors. Given the structure of the foreign trade of the Latin American countries, it can be seen that, if exports are to expand, the developed countries must adopt a more liberal policy with regard to access to their markets. But this, by itself, is not enough. Internal measures and policies which will help to modify the prevailing structure of external trade and the conditions governing exports and imports are essential also.

The scope of the work programme is therefore being expanded to include study of the measures which go to make up trade policy at the national level, that is to say, an analysis of the objectives, the formulation and the implementation of national trade policy in the context of the development strategy for the forthcoming decade. The study of measures and policies at the national level is also dictated by the need to take account of the progress being made in the adoption of measures at the international level, of the kind that may be adopted following the establishment of the system of general preferences in favour of the developing countries, exports of manufactures; if these countries are to take full advantage of the system, they must adopt internal measures suited to the requirements of the international market.

The study of measures and policies at the national level will fall under two headings: (i) determination of the objectives and strategy of the trade policy of the Latin American countries; and (ii) study of the institutional machinery required for the formulation and implementation of trade policy.

Research under point (i) aims at making a broader and more detailed analysis of the trade policies followed by the countries of the region (particularly during the past decade), mainly with a view to determining the basic role of manufactures and semi-manufactures in the expansion of total exports and to linking this role with other facets of general economic policy.

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In the context of measures intended to achieve the most effective mobilization of domestic resources, consideration must, therefore, be given to how far the present objectives of trade policy are in harmony with the over-all objectives of development policy, particularly in the fields of investment, industry, agriculture, etc. On the other hand, when analyzing the instruments of trade policy (tariffs, exchange regulations, export and import systems) it will be necessary to investigate the compatibility of the various measures and the extent to which they are effectively applied, so that the study is not limited to an abstract analysis of changes that have occurred in legislation, but may help to assess whether effective use has been made of those instruments.

The research provided for under point (ii) is essentially complementary to the above: here, the way in which trade policy is drawn up and implemented is analyzed from an institutional standpoint. The number and nature of the public, semi-public and private agencies which participate directly or indirectly in the formulation of trade policy varies from country to country, and the policy therefore reflects the influence of the different pressure groups. At the same time, the effectiveness of the various measures adopted depends partly on how the agencies responsible for their implementation and control operate.

In the 1960s there was much discussion at the international level of possible measures which might be adopted for the benefit of the developing countries. The two sessions of the Conference on Trade and Development and the GATT meetings of Ministers produced a set of recommendations covering nearly all the fields of economic activity. The immediate and fundamental task is therefore to reach agreements for the implementation of existing recommendations rather than to produce new recommendations. The measures adopted at the international level should be concentrated in the following spheres: (i) expansion of exports; (ii) financial aid; and (iii), transfer of technological know-how.

Negotiations are currently under way to establish a system of general preferences in favour of the manufactures and semi-manufactures of the developing countries on the markets of the developed countries. At the present stage of the negotiations, it is not possible to tell whether these

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preferences will constitute a genuine stimulus to the diversification and expansion of exports, but whether the countries can take advantage of the concessions will largely depend on their own individual efforts. The system of preferences will be a very positive contribution by the developed countries to the expansion of the exports of the developing countries, depending on the scope of the advantages they offer in respect of access to their markets; nevertheless, further consideration must be given to other measures (particularly in the field of primary commodities), such as the improvement of the conditions of access to these markets and market stabilization. It will be equally important for the developing countries to continue their efforts to expand their reciprocal trade and to speed up the process of integration in regional markets.

As regards financial aid, the main objectives of the Second Development Decade are: to attain the minimum target established at the second session of UNCTAD, and this can be done by obtaining a commitment from the developed countries to achieve that goal within a relatively short period; to eliminate the restrictions associated with "tied" aid; and to find acceptable solutions to the problems of excessive external indebtedness. There are recommendations and commitments on each of these questions which only require proper implementation; these would appear to determine the guidelines for action in this field.

The magnitude of the technological gap between the industrialized and the developing countries is too well known to require any evaluation here. The former have achieved an exceptionally high level of development thanks to the vast resources devoted to scientific and technical research; the latter have been unable to undertake anything substantial in the way of research because of the smallness of their markets and their lack of physical and, at times, human resources. That is why, in those few cases where advanced technology has been introduced in particular industries, which happen to be those with relatively large-scale enterprises, no attempt has usually been made to adapt the technology to local conditions. From the above, two types of problems are discernible. The first is the lack and limitations of technological development in Latin America, and the second is how to effect the smooth transfer of a technology which has emerged in

developed economies with large capital resources compared with a relative scarcity of manpower, and ample market opportunities, features which are in sharp contrast with the lack of capital, the abundance of manpower and the limited markets of the Latin American countries. Obviously, advanced technology is often unsuited to Latin American conditions - depending on the sector of economic activity involved - but there are some cases in which it can be adapted. This last aspect of the question relates directly to the kind of technological policy that must be involved in the Latin American countries, a policy which must take account of the relative scarcity of capital, the small size of the markets, and the need to absorb a larger labour force and to improve the capital-output ratio.

This aspect is normally neglected in economic and social development policies. There is no need to stress how essential it is gradually to introduce provisions relating to technology into such policies, with a view to promoting the modernization of activities and the adoption of productive processes and equipment which are adapted, as far as possible, to Latin American conditions, in respect of plant size, the characteristics of raw materials and other resources, wages and salaries, capital costs, etc.

The intention is, therefore, to study possible ways of promoting technological innovation through increased skills, which will act as an instrument of technical progress and help to reduce production costs, all within a sound policy framework producing the least possible number of undesirable economic and social side-effects.

In the same context, an analysis should be made by sector of the possibilities of modifying the economic size of productive plants with a view to reaching a level of installed capacity and production which is in harmony with financial capacity, technological levels, market size, development, and applied technological research programmes.

The study of a policy or policies aimed at analyzing the transfer of external technological know-how is, of course, of equally fundamental importance. This transfer may be carried out by means of enterprise-to-enterprise patent agreements, or through training abroad, exchange of scientific and technical information, or in any other way, but it will, in any case, result in raising the present low level of technology in Latin America.

/Lastly, a

Lastly, a technological policy should provide for the development of national research with a view to improving utilization of local resources, both natural and acquired, and to a better adaptation of foreign techniques. The latter objective is of fundamental importance in the context of an over-all Latin American policy of economic and social development. Measures designed to promote the financing of such research activities are, therefore, of obvious importance.

III. TECHNICAL ADVISORY ASSISTANCE AND TRAINING

1. Operational activities

Since 1962, when the United Nations technical assistance activities were decentralized and the regional economic commissions became responsible for them, United Nations Headquarters has tended to give the commissions an increasing share of and responsibility for the operational activities of both the Technical Assistance component and the Special Fund component of the United Nations Development Programme, and of the Department of Economic and Social Affairs. Some specialized agencies are following a similar policy of decentralization in their dealings with the regional commissions. The ECLA secretariat is willing to accept this increase in its responsibilities, provided that there is an equivalent increase in resources.

Consequently, the secretariat research work outlined above, apart from providing the Latin American governments with information for the preparation of strategies, policies and executive measures, has come to constitute the conceptual basis of the operational activities which the Commission has carried out and will continue to carry out in the 1970s in the fields of training and technical assistance. These operational activities, which are essential to the realization of the aims of the Second United Nations Development Decade, will be based on the results of the above-mentioned research. They are the practical expression of the assistance which the Commission can provide to the Latin American governments.

/The secretariat's

The secretariat's advisory activities are carried out by the permanent staff and a specific number of regional advisors whose expenses are defrayed with technical assistance funds from the United Nations, UNCTAD and UNIDO. The World Meteorological Organization and the Pan American Sanitary Bureau also collaborate in these activities.

Without prejudice to the research they do on the problems they observe while on mission to different countries, the essential task of the regional advisors is to provide short-term advisory assistance to the governments of the region, at their request, with a view to defining these problems and expressing their views as technical experts, so that the countries may request the necessary long-term expert assistance from the competent international or regional agencies. The permanent staff of the secretariat also carry out short-term advisory missions at the request of governments, either on a one-man basis or in teams, in accordance with special agreements. They may work in conjunction with experts from other bodies, such as ILPES, United Nations specialized agencies, or regional organizations such as IDB and OAS.

Following an evaluation of the technical assistance provided to the countries of the region in recent years, the secretariat proposes to concentrate its efforts on the following programmes, which include direct advisory assistance to the countries of the region and the organization of training courses in certain countries:

- (a) Trade policy and financing of the external sector
- (b) Subregional integration
- (c) Exports of manufactures
- (d) Natural resources
- (e) Regional and local development
- (f) Transport development
- (g) Industrial development
- (h) Statistics
- (i) Public administration

The advisory component of these programmes will take the form of country missions by groups of regional advisers, supported in some cases by permanent staff. The main source of financing will be the technical

assistance funds of the United Nations, UNCTAD, UNIDO, WMO and PASB, as the case may be. An attempt will be made to avoid giving advisory assistance through individual experts - unless appropriate in the circumstances - since this system has not proved so successful as expected.

Generally speaking, priority in these activities coincides with that assigned to the research work of the Commission. It is aimed, primarily, at combining the Commission's practical activities and research and, secondarily, at basing the operational programmes on prior or simultaneous studies and research, so that the work of the regional advisers on technical assistance missions to the countries may be more effective.

In the sphere of trade policy and financing of the external sector, it is intended to supply the Latin American countries with advisory assistance to enable them to participate in the international meetings where these subjects are discussed. In this connexion, it may be pointed out that the programme of work outlined in ECLA resolution 291 (XIII) lists a series of activities which are in line with the above approach. The secretariat also hopes to continue to provide assistance in these fields to the regional and subregional integration movements through the relevant regional bodies.

The secretariat will continue to co-operate with the countries in the evaluation of the nature, objectives and instruments of their trade policies in the light of the changing conditions of world trade, and in the analysis of the economic, financial and exchange bottlenecks which limit the growth of exports, both within the region and on world markets.

The secretariat has provided large-scale technical aid to the Central American Economic Integration Programme ever since its establishment, and also to the Latin American Free Trade Association and the Caribbean Free Trade Association (CARIFTA). It will continue to co-operate with these integration movements and with the Board established under the Andean Subregional Integration Agreement, at their request and subject to the availability of resources.

/With regard

With regard to Central American economic integration, advisory services have been planned for the next five-year period in conjunction with research activities covering economic and social aspects of planning and development; the perfecting of the Central American Common Market, leading to a more advanced stage of economic integration; and the drawing up and implementation of sectoral and subregional agreements with neighbouring countries or groups of countries. Provision has also been made, inter alia, for advisory assistance in matters connected with industrial policy, agricultural development, transport, water resources and electric energy.

The CARIFTA countries have repeatedly expressed their determination to speed up the programme of subregional economic co-operation. To this end, the secretariat proposes to continue providing advisory assistance to the programme in the fields of economic development, the harmonization of fiscal and other incentives to industry, maritime transport and feasibility studies for the location of industries and the establishment of integration industries.

Because of the scarcity of its available resources, the Montevideo Office has been unable to provide advisory assistance to the ALALC secretariat to the desired extent. However, the Office will continue to provide any assistance requested by the ALALC secretariat, as far as it can, and will co-operate - as it has been doing since the Montevideo Treaty first came into effect - with the delegations of the member States in the study of technical problems.

Through the Bogotá Office, the secretariat hopes to co-operate in the integration movement of the countries of the Andean Group by providing practical assistance in connexion with any problems that may arise as a result of the progressive integration of the national markets.

It has been decided at United Nations Headquarters that multinational, interdisciplinary groups of advisers on development should be formed under the auspices of the regional economic commissions. The first of such groups for Latin America - to be composed of a co-ordinator and between seven and ten experts - will be established in the English-speaking

Caribbean for the benefit of the CARIFTA countries. It is expected that the group will be based on the ECLA Office for the Caribbean, in Port-of-Spain, and that it will have begun its work before the end of 1970.

Depending on decisions to be taken by the Board of the Andean Subregional Agreement, a second advisory group may be established to serve the countries of the Andean Group. This new approach would represent a great step forward in the decentralization of activities referred to earlier.

With regard to export promotion, it should be recalled that in 1967 the United Nations established a special programme, in which all its interested agencies were to co-operate, with a view to ensuring the harmonious utilization of existing resources. Participants in this programme include UNCTAD, UNIDO, UNDP, the United Nations Department of Economic and Social Affairs and the regional economic commissions; the latter were to be centres of promotion for the programme. In this context, it is possible that some kind of integrated and multidisciplinary machinery will be set up for technical assistance co-operation with countries in the formulation of their policies on exports of manufactures and in continuing their negotiations to obtain preferential treatment and better conditions for their access to world markets.

Continued assistance will also be given to the Latin American governments in the preparation of studies on the availability and future use of natural resources, including water resources, by regions and by river basins.

As regards the regional and local aspects of development, the intention is to concentrate the secretariat's advisory activities on assistance to governments in the formulation of projects and programmes of regional and local development with emphasis on the co-ordination of programmes of urban, rural and community development; the establishment of machinery for regional planning; the delimitation of regions for the preparation of regional development plans; and the regionalization of national plans and development strategies.

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In the field of transport, continued advisory assistance will be given to the countries in respect of regional development. It is hoped that the necessary resources will be made available to help governments to formulate national transport policies for land, inland waterways, maritime and rail transport, and to develop international transport.

Although most of the industrial development activities are carried out by UNIDO, the secretariat's work programme for the next few years includes the continued provision of advisory assistance on specific industries to the Latin American and Caribbean integration agencies. Special stress will be laid on studies on the integration, structure and location of industries, and on industrialization policy, which will serve as a basis for the technical assistance to be furnished to the integration agencies and to the countries.

The secretariat's range of statistical activities includes the following: (a) co-operation with countries in the application of various international and inter-American recommendations relating to co-ordinated activities such as population and housing censuses and basic industrial inquiries (world programme for 1973) and also to the application of new concepts and classifications such as the new system of national accounts and the new standard international classification of all economic activities; (b) increased use of modern statistical methods, such as sampling, so as to permit optimum use to be made of the resources available for statistical surveys; (c) updating and revision of the statistical series and indexes available in the various countries. It is hoped that this work, which should be given high priority in the various national statistical programmes, will require very little in the way of additional resources. There is a need for action at the political and technical levels to improve every aspect of the statistical systems; in this connexion, the advisability of organizing a cycle of Latin American conferences on statistics and planning is being considered.

2. Training programme

This programme comprises three main activities: (a) training courses; (b) special seminars; and (c) meetings of experts or working groups.

The training courses, which vary in length according to the type of course, are aimed at providing specialized knowledge for high-level government officials, who are usually those who take economic and social policy decisions, and intermediate-grade officials, normally comprising the staff who carry out those decisions. In selecting special subjects for these courses, particular account is taken of two criteria: they should be closely related to the Commission's programme of work, and they should cover the specialized needs of government officials in respect of training them in ways of solving the problems and removing the obstacles which militate against more rapid economic and social development. The secretariat's training programme for the next few years covers special subjects such as trade policy, export promotion, and regional and local development.

The teaching staff is drawn entirely from the permanent staff of the secretariat who are engaged in research on the special subjects included in the syllabus of each course. The teaching staff will generally be supplemented with specially invited experts in the various fields.

All the courses are financed with technical assistance funds under the United Nations Development Programme and are normally organized by the secretariat; some courses are carried out in collaboration with ILPES and other international agencies.

The aim of the seminars which the secretariat has organized and is planning to organize in the near future is to provide students and government experts of the different countries with information on the work of the Commission. Personalities of world renown who are highly qualified in specific subjects on the agenda are usually invited to lecture at these seminars.

The participants are generally provided with two types of documents: basic documents, which are prepared by the secretariat and by experts specially recruited for the purpose; and information documents, which are usually prepared by the participants themselves and which deal with the special problems of their own countries.

/The working

The working groups have a different purpose: they are normally made up of well-known experts who meet to draw up, in conjunction with secretariat personnel, methodologies, conceptual principles, or practical measures for the application of different development policies, particularly sectoral policies. The findings of these groups are then made available to governments.

Three basic guidelines will be followed with a view to adapting public administration to development needs: (i) improvement of the decision-making process, particularly in connexion with over-all and sectoral policies; (ii) provision of advisory assistance to the national technical agencies with a view to enabling them to carry out development programmes efficiently and co-operate in their formulation; and (iii), to assist governments to organize and run their general administrative services properly.

Special attention will be paid to technical assistance in the fields of administrative reform and the institutional aspects of planning, and in connexion with exports of manufactures and subregional economic integration.

In the past, such assistance has been requested by governments and provided by the secretariat on a case-by-case basis. In the future, given the fact that administrative reforms must be directly linked with the requirements of economic and social development, such assistance will have to be multidisciplinary in character and it will be provided by missions composed of experts in the different aspects of development.

