

UNITED NATIONS

ECONOMIC  
AND  
SOCIAL COUNCIL



GENERAL

E/CN.12/AC.61/9

15 March 1968

ENGLISH

ORIGINAL: SPANISH

ECONOMIC COMMISSION FOR LATIN AMERICA

Committee of the Whole  
Twelfth session

Santiago, Chile, 23-25 April 1968

REPORT OF THE DIRECTOR-GENERAL OF THE  
LATIN AMERICAN INSTITUTE FOR ECONOMIC AND SOCIAL PLANNING  
ON THE INSTITUTE'S PROGRAMME OF WORK FOR 1968

Note by the secretariat

For the information of the delegations to the twelfth session of the Committee of the Whole of the Economic Commission for Latin America, and in relation to the relevant item on the provisional agenda submitted for their consideration, the secretariat has pleasure in circulating the attached report of the Director-General of the Latin American Institute for Economic and Social Planning on the Programme of Work for 1968 (INST/L.3), which was adopted at the tenth session of the Governing Council of the Institute (Washington, November 1967).

LATIN AMERICAN INSTITUTES FOR  
ECONOMIC AND SOCIAL PLANNING

LIMITED  
INST/L.3  
20 October 1968  
ENGLISH  
ORIGINAL: SPANISH

---

TENTH SESSION OF THE GOVERNING COUNCIL

Washington, D.C., 8-9 November 1967

REPORT OF THE DIRECTOR-GENERAL ON THE  
PROGRAMME OF WORK FOR 1968

TABLE OF CONTENTS

	<u>Page</u>
FOREWORD .....	1
I. TRAINING PROGRAMME .....	3
1. Basic planning course .....	3
2. Intensive courses .....	3
3. Special courses .....	6
4. Co-operation with universities .....	7
II. ADVISORY SERVICES FOR PLANNING .....	8
1. Strategies and over-all and sectoral plans .....	8
2. Advisory services for operational planning .....	11
3. Evaluation of progress in planning .....	13
III. PROJECTS .....	14
1. Project promotion and preparation .....	14
2. Research and seminars .....	15
IV. ECONOMIC RESEARCH AND GENERAL PROGRAMMING .....	17
1. Research on integration and planning .....	17
2. Short-term monetary and financial programming .....	18
V. ECONOMIC DEVELOPMENT RESEARCH .....	19
VI. RESEARCH ON SOCIAL DEVELOPMENT .....	20
VII. STUDIES ON INDUSTRIAL INTEGRATION .....	22
VIII. SECTORAL AND SPECIAL ACTIVITIES .....	24
1. Agricultural planning .....	24
2. Industrial planning .....	24
3. Planning of natural resources .....	26
4. Planning of human resources .....	27
5. Educational planning .....	28
IX. PUBLICATIONS .....	29

## FOREWORD

In 1967 the Institute introduced programmes and performance budgeting techniques into its administrative practice. The performance budget was submitted to the Governing Council at its ninth session (Santiago, Chile, February 1967); and various indicators of its implementation during the first half of 1967 are presented in the appendix to the report of the Director-General to the Governing Council at its tenth session (INST/L.2). In that appendix an attempt is made to define in quantitative terms how far the resources allocated to each of the Institute's activities were actually used for the purposes for which they were intended and how far they had to be diverted to other ends. The corresponding assessments in respect of the performance budget for the second half of 1967 will be prepared at the end of the year. The performance budget for 1968 will also, of course, be drawn up towards the end of the current year, once the Council has considered the policies and major lines of action proposed in the following pages.

Accordingly, the present document offers an outline of the various activities which the Institute is planning to undertake in 1968, and is submitted to the Governing Council at its tenth session with a view to providing information on the diverse features of each branch of the Institute's work, and the general lines that will be followed, at the level of programmes, sub-programmes and major activities.

## I. TRAINING PROGRAMME

### 1. Basic planning course

If planning techniques and approaches are to reach all the different levels of the public administration - and nowadays, the private sector - it is essential that the background and professional experience of the participants in the training course should cover a wide variety of fields. At the same time, however, this requisite makes it more difficult to keep the course at a high technical level and to offer all students accessible and assimilable concepts, techniques and methods. It means that some participants have to spend part of their time on subjects of which they have a theoretical knowledge, backed in some cases by long experience, at the expense of more thorough study of questions which, by their very nature, cannot conveniently be dealt with in the course. To obviate these drawbacks in 1968, procedures are being worked out whereby it will be possible to evaluate the different participants' attainments in each group of subjects, and to strengthen them through a system similar to that applied in respect of mathematics.

The 1968 basic course will include the following special subjects: over-all planning, industrial planning and budget programming. The content of the course on budget programming will be improved by the addition of material relating to fiscal policy and public finance.

### 2. Intensive courses

In quantitative terms, and in respect of the variety of courses projected, the 1968 programme will be on a larger scale than that of 1967. This is due to the changes that are to be introduced in the Mexico programme, the increase in the number of courses in Brazil, the resumption of training activities in Central America, and the new requests for intensive courses submitted by Bolivia, Chile and Ecuador.

(a) Since 1960, an intensive course, which has recently been of about five months' duration, has been held in Mexico City every year except 1964. The first four months are devoted to instruction in economic

/analysis, social

analysis, social accounting, statistics and operational research; to consideration of major development problems, both from the general theoretical angle and from Mexico's specific standpoint; and to discussion of planning techniques, questions of economic policy, and methods of project preparation and evaluation. In the last five weeks, special courses relating to sectoral planning are given.

In the opinion of government officials and authorities of the Universidad Nacional Autónoma de México, this course should be gradually expanded to cover an entire academic year. In 1968 its duration will be extended to seven months. Its structure will be the same, but new items will be introduced into the curriculum, such as public administration, international trade and economic integration, and a more detailed picture of the economic problems of the various Latin American countries will be provided. Special courses will continue to be given, as in 1967, on budget programming and industrial planning.

Furthermore, as in Brazil since 1963, this type of teaching activity is to be carried to the level of the states, in order to conduct a mass training campaign and strengthen regional planning machinery. To this end, provision has been made for a course at Monterrey, which will enjoy the support of the Federal Government, the state authorities and the Universidad de Nueva León, and will last for approximately four months. Particular attention will be devoted to regional planning questions and to the special courses on industrial and agricultural planning. It will not be possible for courses requested by other states to be held in 1968, for want of the requisite resources and organization. The Institute will be able to give them later, provided it has more of the necessary facilities at its disposal.

This programme will be implemented with the assistance of lecturers drawn from ECLA's Mexico Office and from the Universidad de Nueva León, besides those who will be sent through the United Nations Office of Technical Co-operation, and members of the Institute staff.

/(b) The

(b) The 1968 programme of intensive courses for Brazil will be as follows.

Courses of approximately four months' duration will be held at the headquarters of the Superintendências de Desenvolvimento do Nordeste (SUDENE), do Norte (SUDAN) e do Sul (SUDESUL), for the north-eastern, northern and southern regions of Brazil respectively. The SUDENE course will be designed for staff members of that institution and officials from the Nordeste states. Its content will be established by adapting the over-all planning syllabus of the Santiago basic course to the studies that SUDENE is carrying out in order to lay down guidelines for its planning activities, and to the Three-Year Master Plan (Plan Directorio Trienal) which is at present in course of preparation.

The Brazilian Government has drawn attention to the need for three other courses - in addition to the three mentioned above - not only to provide co-operation in the training of personnel, but also as a means of collaborating in the study of planning problems with agencies at the national level.

The Ministry of Foreign Affairs has asked ECLA and the Institute to co-operate in a course of lectures on economic development and international trade problems for members of diplomatic missions. Experts from the Ministry will deal with topics specifically relating to Brazil. On the basis of the programme suggested by the Ministry, the form to be taken by this co-operation is being considered, and work is proceeding on analyses of the various subjects, research in the fields to be studied, and selection of the necessary lecturers and specialists.

In addition, at the request of the Banco Nacional do Desenvolvimento Econômico (BNDE), provision has been made for a short course on industrial planning, with special references to the problems peculiar to each branch of industry and to the role of development banks vis-à-vis such difficulties. With a view to the execution of this project, a programme is being drawn up in collaboration with ECLA and the senior executive personnel of BNDE.

Lastly, the Government of Brazil has submitted a request for a course on planning for the housing sector, which the Institute will organize under the auspices of the Ministry of Planning and with the co-operation of ECLA experts.

/It should

It should be pointed out that the programme of intensive courses in Brazil enjoys the valuable co-operation of the ECLA/BNDE Centre for Economic Development, which, besides seconding its own teaching staff, takes an active part in drawing-up the curricula, selecting participants and choosing local lecturers.

(c) The Government of Chile has expressed a wish for a course on budget programming and public sector planning, lasting approximately two months, to be given for officials from the Ministry of Finance in April and May 1968. This course would be complementary to the advisory assistance services which the Institute is providing in this field.

(d) The Government of Bolivia has displayed interest in the organization of a course of approximately four months' duration, with emphasis on planning for the public sector. The Government of Ecuador would also like a course to be given, although the general content of the programme has not yet been defined.

(e) After an interruption in 1967, the intensive course in Central America will be resumed in 1968. The lines to be followed by this course are under discussion, and there is a possibility that it will be mainly focused on economic integration and trade policy problems.

### 3. Special courses

Under this programme a course on health planning is to be held in 1968, in co-operation with the Pan American Sanitary Bureau, and also a new type of course related to short-term planning. The latter which will last seven weeks, will be given in the months of June and July for Latin American officials directly connected with central banks and Ministries of Finance. In a general introduction to the course, Latin American development problems will be expounded and the operation of planning systems will be briefly reviewed. Annual operational plan techniques will then be discussed, and also the experiments that have been carried out in the Latin American countries and elsewhere, with special reference to what has been done in France. Problems relating to fiscal, monetary and foreign trade policy will also be considered, together with methods for the construction of the corresponding budgets.

/Among the



Among the aspects of the Institute's experience which will make it possible to put this project into effect, mention may be made of the following: the seminar on annual operational plans held in 1966; the work done during 1966 and 1967 on the formulation of short-term economic policy models for Chile; the seminar on monetary and financial programming organized in November 1967; and the advisory assistance activities undertaken in this field. Experts from the French Government technical assistance programme will co-operate in this course, together with other specialists from various agencies.

The experiment tried out in 1966 with Latin American trade union leaders is to be repeated in 1968 also thanks to the co-operation of the ILO and ECLA, provided that the necessary financing is available.

Lastly, a course on human resources planning and another on natural resources are under study. Both subjects are acquiring steadily increasing importance in development processes, and will be incorporated into the Institute's training programme as the relevant technical, teaching and financing problems are solved. Because of these problems, they have not yet been definitely introduced in the programme of work for 1968.

#### 4. Co-operation with universities

A group of Deans of Faculties of Economics who attended the fourth meeting of Latin American Faculties of Economics, referring to the Institute's collaboration with the Universidad de Concepción (Chile) in the discussion of its curricula with a view to the inclusion of subjects bearing on development and planning, requested that such co-operation should be extended to other universities.

To meet this request, a conference is being organized at the Institute to discuss the experience acquired in connexion with the teaching of such subjects and their relation to the rest of the syllabus for a degree course in economics. Professors of development and planning from the group of universities that have expressed interest in such a programme will attend this meeting, with the primary aim of systematizing the results of this experience and drawing conclusions which may be of use to other Latin American

/universities. They

universities. They will also suggest solutions for some of the problems raised by the changes in curricula, especially that of training professors for the new faculties. The forms which the Institute's co-operation may take, and its possible role as a catalyst in the improvement or installation of departments of economic development and planning will be determined in the light of the findings of the above-mentioned meeting, which is scheduled for the first half of 1968. It is to be hoped that in the future this effort may be extended to other Latin American universities, and in the course of time may come to cover subjects - such as, for example, international economics - in whose treatment, as a rule, the most recent information on trade and development policies at the world level, and the postulates on which these policies are based, are not yet taken into account.

## II. ADVISORY SERVICES FOR PLANNING

### 1. Strategies and over-all and sectoral plans

Generally speaking, the aim of the Institute's work in this field is the formulation of development strategies and the policies involved in the plans. In addition to continuing the process of preparation, analysis and evaluation of the work started in 1967 in co-operation with national agencies, an attempt will be made in 1968 to establish the bases for a subsequent more vigorous formulation of Latin American development strategy.

The Institute will continue to provide the Latin American countries with advisory services on various aspects of formulating long- and medium-term plans. Similarly, activities designed to improve techniques for the formulation of annual plans will be stepped up, with a view to facilitating the detailed programming of the action to be taken and of the economic policy to be applied. Long-term objectives - which include structural changes - can thus be attained by means of short-term measures properly related to those objectives. In order to carry out these activities, the Institute will continue to provide Governments with advice on the

/preparation of

preparation of annual operational plans for the public sector, which include consolidated budgets for the Central Government, public enterprises and public investment, and monetary and foreign trade budgets. Subsequently, advice will be given on the integration of these instruments in matrices of total transactions, which would provide a basis for national economic budgets.

(a) Advice on strategy

(i) Central America. In 1968 the Institute will continue to co-operate with the Central American countries and SIECA in the preparation of a development strategy for the area as a whole, on the basis of studies carried out in 1966 and 1967 and the experience gained through other Institute activities in Central America. It is planned to revise and enlarge the studies already made and to begin discussions in the countries and in the regional integration agencies on the content of the strategy. It is hoped that once the strategy has been given its final form and has been considered by the competent integration and planning agencies, it can serve as a common basis for the adoption of long-term policies and the co-ordination of plans in terms of their objectives and policies.

The Institute will co-operate in these tasks with the national planning offices, SIECA, the Mexico Office of ECLA and the Pan American Sanitary Bureau.

(ii) Paraguay. The strategy for Paraguay is intended as a basis for the formulation of a medium-term development plan and places special emphasis on the problems of integrating the various regions of the country, on land settlement and on the action needed to overcome its lack of access to the sea. In 1968 the lines of strategy already formulated will be revised and steps will be taken to co-operate in the preparation of a medium-term development plan.

(iii) The Andean region in Venezuela. In 1967 the Institute co-operated with the Government of Venezuela, through the Development Corporation for the Andean region (CORPOANDES), in the formulation of a

/development strategy

development strategy for the Andean region within the framework of a national development scheme. In 1968 it will co-operate in discussing and revising this strategy with CORPOANDES itself, the Central Office for Planning and Co-ordination (CORDIPLAN) and the Institute of Economic Research of the Universidad de Los Andes.

(iv) Northern Chile. The Institute will co-operate with the Government of Chile in its study of the problems of the Northern Zone and in the formulation of a development strategy that will clarify its role in national development. This study is part of the formulation of a development plan for the Northern Zone which is being prepared by the national authorities and the authorities of that area. In 1967 preliminary lines of strategy were drawn up and steps were taken to implement them in respect of both the Norte Grande and the Norte Chico.

In carrying out these activities, the Institute will co-operate with the National Planning Office (ODEPLAN) and the Co-ordinating Committee for the Northern Zone (CONORTE).

(v) Preliminary studies for the formulation of a Latin American development strategy. In this field of activity, the Institute will continue to work towards the establishment of a Latin American frame of reference for national and regional strategies. An attempt will be made in 1968 to give a more definite shape to the Institute's work in this field, which cannot be undertaken by the Advisory Services Division alone and will require the co-operation of ECLA and national and international advisers.

(b) Advisory services for medium- and long-term planning

(i) Dominican Republic. During 1967 the Institute co-operated with the Government in the preparation of a medium-term public investment plan. This plan will be revised in 1968 and a start will be made on preparing a long-term over-all development plan.

(ii) SUDENE (Brazil). At the end of 1967 the Institute co-operated in the discussion of the general approach and objectives of the Master Plan being prepared by SUDENE. It is intended to continue providing advice on the formulation of this Plan.

/(c) Advisory

(c) Advisory services for short-term planning

(i) Annual plan for the public sector in Uruguay. In 1967 the Institute co-operated with the Government of Uruguay in the preparation of the 1968 annual plan for the public sector. In 1968 the Institute will advise on the establishment of machinery for controlling and evaluating the progress of the plan and on the improvement of the annual planning process.

(ii) Annual plan for Bolivia. Advice was given to the Government of Bolivia in 1967 on the methodological aspects of short-term planning. The Institute will continue to co-operate in 1968 in the formulation of annual development plans, in public administration and in other aspects now under consideration by the Bolivian authorities. It is planned to link the advisory services with similar action in the field of training.

(iii) Annual plans for the public sector. Advice will continue to be given on the formulation of annual operational plans for the public sector to countries which have already adopted performance budgeting. These plans include consolidated budgets for the Central Government, public enterprises and public investment, and, where advisable, monetary and foreign trade budgets. Consultations are being held regarding advisory services for several countries of the region in 1968.

(iv) Annual planning manual. Work will continue on the preparation of a manual on the methodology of annual plan formulation and control, which will serve as a guide for advisory services in this field.

2. Advisory services for operational planning

Advisory services for operational planning are intended to help Governments to create the necessary conditions for implementation of the plans through techniques which are mainly linked with the budget process in the broadest sense of the term - formulation, execution, control, evaluation - and with administrative reforms to meet development requirements. The activities planned for 1968 are as follows:

/(a) Advice

(a) Advice on budgeting

(i) Central America. The Institute will continue to co-operate with SIECA in advising national budget offices, with a view to improving the new budget systems that have been introduced. Particular emphasis will be laid on public accounting and annual budget implementation plans.

(ii) Chile. The Institute will continue to co-operate with the Government in the establishment of a system for programme accounting and the measurement of the physical and financial results of the programmes, and in the improvement of budget implementation techniques. It will also co-operate in the extension of this system to State enterprises.

(iii) Uruguay. The Institute will continue to co-operate with the Government in the improvement of the performance budgeting system introduced in 1967. Special attention will be given to budget organization, the improvement of the accounting system and the application of the system in public enterprises.

(iv) Mexico. The Institute will continue to co-operate with several departments of the Federal Government in methodological aspects of the introduction of performance budgeting. In 1967 general advice was given to a number of Ministries on the principles of the performance budgeting.

(v) Training of technicians in performance budgeting. The Advisory Services Division will co-operate in the training of Latin America technicians in performance budgeting, as part of the basic planning course. Special courses will be given on operational planning and performance budgeting.

(b) Advice on the administrative aspects of development

(i) Seminar on Administrative Aspects of Plan Implementation. A seminar will be held in 1968, in co-operation with the United Nations Public Administration Division, the ECLA secretariat and the United Nations Development Programme (UNDP), on the main administrative aspects affecting the implementation of national plans. The seminar will be

/based on

based on national experience in Latin America and on a number of background documents now being prepared. The Institute will co-sponsor this seminar and will concentrate its efforts on a study of administrative aspects of annual operational plans in the public sector, to be presented as a document at the seminar. The Council will recall that the Institute has been undertaking a number of different activities since 1965 with regard to this important question, both from the standpoint of the advisory services and from the standpoint of seminars and research on the operational instruments of plans.

(ii) Programme administration manual. A manual will be prepared which will serve as a general guide to the heads of public administration programmes and projects, at all levels, with regard to programme elaboration, execution and control. This operational handbook should facilitate the provision of advisory services to Governments in respect of the administrative aspects of development.

(iii) Advice to countries. In accordance with the requests formulated by Governments, technical assistance will be provided on planning organization and administrative reform.

### 3. Evaluation of progress in planning

One of the basic functions of the Institute is the continuing analysis of the progress of planning in Latin America. With a view to systematizing the work in this field, a study has already been started on budget reform for planning purposes. In 1968, the experience gained from the provision of advisory services to most of the Latin American countries will be used to examine in greater detail the functioning of the planning process and, in addition, the extent to which plans have been applied and to which they have affected national development policies. These topics will be studied in three documents which might serve as a basis for a meeting - the date of which is yet to be determined - at which the experience of the Institute will be complemented by that of regional experts and national and international agencies.

### III. PROJECTS

The guidelines followed by the Institute in its work on projects have been described in the report of the Director-General on its activities in 1967. In 1968 it is planned to continue the studies begun in Brazil, Paraguay, Uruguay and Venezuela, to complete certain stages of the study on criteria for identifying and evaluating integration projects, to issue a handbook on the preparation of projects for the integrated development of areas that are basically agricultural and organize a seminar for reviewing and disseminating the ideas contained in it, and to begin a report on the progress made by project evaluation during the last few years in the context of planning in Latin America.

#### 1. Project promotion and preparation

Work will continue during 1968 on the plan that was first devised in 1967 for assisting the Government of the State of Bahia jointly with the Inter-American Development Bank (IDB) in drawing up the terms of reference for a programme to bring about the streamlined and rapid development of the Recôncavo Bahiano, an area that comprises Salvador, the State capital and its area of influence. The main object of the programme is to assess and exploit the possibilities of transforming the area into a dynamic national development centre. The state Government has expressed interest in the Institute's taking part in this long-term undertaking by helping to determine the type of activities to be carried out by the state Government bodies with due regard for the fact that the programme is based on the implementation of a number of strategic projects that will have to be prepared and put into force in the course of the next few years. This collaboration will help to develop an important area in Brazil and to provide experience in the development programming of areas that may be gradually converted into dynamic centres of growth.

/In Paraguay,



In Paraguay, the Institute will collaborate during 1968 in the implementation of the project for consolidating the eastern land settlement nucleus, in whose preparation it had already taken part, together with IDB and the Food and Agriculture Organization of the United Nations (FAO), in 1966 and 1967. In 1967 the first steps were taken to promote the development of the project through the reorganization of the Rural Welfare Institute, which is the executing agency. Collaboration will also be given in other aspects connected with subsequent stages of the work.

It is planned to work more closely with the Government of Uruguay during 1968 in setting up national machinery for programming and project preparation in relation to the national drive for planned development. Advisory assistance has already been given by the Institute together with UNDP, in the preparation of a project for establishing machinery of this kind. The revival of the project will entail its adaptation to the changes that have taken place in the institutional and economic conditions of the country, and particularly in the part played by the Economic Development and Investment Council (CIDE) in the national development programme.

The advisory assistance given to the Government of Venezuela and CORPOANDES in the preparation of the Páez-Pedraza project for the integrated development of a basically agricultural area in the south-west of Venezuela will come to an end in 1968. The Institute will subsequently help to revise the project, and, within its terms of reference, will assist in its implementation.

## 2. Research and seminars

### (a) Integration projects

In 1968 the first paper on criteria for identifying and evaluating integration projects will be completed and presented at the round table on Latin American integration and multinational investment (Mesa Redonda sobre la integración latinoamericana y las inversiones multinacionales), which will be held during the forthcoming session of the IDB Board of Governors (Bogotá, April 1968). The research begun on this subject in 1967 will be pursued in greater depth along the following lines:

/(i) An

- (i) An examination of the relations between integration strategy and policy, on the one hand, and the process of project identification and evaluation, on the other;
- (ii) An analysis of practical methods of evaluating integration projects, with special reference to prices and weightings. This will provide a clearer idea of the additional difficulties of calculating social prices in the case of integration projects and of weighting each project or group of projects in relation to integration targets, and help to indicate ways of overcoming these difficulties;
- (iii) A consideration of the indirect effects of integration projects, so as to suggest the best ways of assessing the main indirect effects of this type of project on the development of the Latin American countries; and
- (iv) An examination of the problems of co-ordinating the evaluation of national and multinational projects, with particular regard to the role of national plans and of the decisions embodied in an integration policy.

In 1968 it is hoped to make a more extensive analysis of these points and of any others that may arise in the course of the study in order to prepare a more comprehensive paper on the subject.

(b) Projects for the integrated development of essentially agricultural areas

In 1967 a draft of a guide to the preparation of this type of project began to be drafted on the basis of experience acquired in Latin America and other regions, and of the fund of knowledge gained by the Institute itself in the course of its studies in Ecuador, Paraguay and Venezuela. Under the 1968 programme, work will continue on the preparation of this guide, which will be of assistance to national and international organizations and private consultants engaged in project preparation in the different countries. It is hoped that the intensive work planned in this field will shed more light on the serious shortage of agricultural projects and help to remedy the situation. In addition, a seminar will be held in 1968 to provide an opportunity for experts from national and international agencies to consider the guide and, in this way, both to improve the draft in the light of their

/comments and

comments and criticisms and to make it more widely known. It is also planned to produce a comprehensive version of the guide in the light of the seminar's results for subsequent publication.

(c) Evaluation techniques

In 1968 the Institute intends to begin a study on the most suitable methods of project evaluation to be used as development policy instruments in Latin America in the light of the planning processes that have established themselves in the different countries. The first stage of the research will consist in the collection and systematic analysis of practical experience and theoretical studies in this field in Latin America and elsewhere over the past few years. Of late, the problems of project evaluation and their relation to development planning have received increasing attention from the national and international organizations concerned, as well as from distinguished economists who have tightened the links between project evaluation and the economic policy decisions usually involving the allocation of funds. The systematic analysis of theory and practice in this domain will provide a body of material for comparison with actual conditions in Latin America and thus serve as a useful yardstick in the preparation and execution of development plans.

#### IV. ECONOMIC RESEARCH AND GENERAL PROGRAMMING

##### 1. Research on integration and planning

Work in 1968 will proceed at the level of countries or groups of countries. The Institute will carry out studies for significant groups of countries, endeavouring to provide a regional frame of reference that will give a measure of consistency to the activities undertaken concurrently in different countries.

These studies will take the form of attempts to determine the effects which alternative development policies with an integration bias might have on the structure of the economy and of the external sector, the absorption of manpower, capital formation, etc. Although the main topic will be the policies linked to economic integration, it is difficult and not really advisable to draw a strict dividing-line between that part of the development process which is connected with integration, and

/other basic

other basic components of development policy more indirectly associated with it. Options may be considered in which an important role is played by policies for the promotion of exports of manufactures and the opening up of the domestic market to include sectors which are at present playing a negligible part in national development. Special attention will be given to the question of the absorption of manpower in relation to the analysis of alternative policies.

In the study on Latin America as a whole, the countries may be grouped according to different criteria, either their geographical position as neighbouring States or a similar stage of development or size of market.

At the same time, the Institute will collaborate with some countries of the region with a view to undertaking a study in greater depth on the prospects of development with integration for a basic nucleus of countries with differing characteristics, the emphasis being on the national viewpoint. The aims are to achieve a minimum of consistency in dealing with these cases, to discuss technical and substantive problems with each country, and to hold a meeting with all the centres that may be collaborating in order to review the progress made and take advantage of the experience exchanged. The Latin American Council of Social Sciences is expected to co-operate in these studies, and the necessary contact has already been established.

Co-operation will continue in 1968 with the Latin American Free Trade Association (ALALC) through its Secretariat and the Advisory Committee on Industrial Development of the Standing Executive Committee, and work will be completed on the document for the Meeting of Directors of Planning Agencies of countries members of ALALC.

In keeping with the ideas elaborated in this document, the Institute also proposes to co-operate with the countries and agencies concerned with seeking ways of giving more effective and explicit consideration to integration in framing national development plans.

## 2. Short-term monetary and financial programming

The Institute is planning to carry out on broader and more systematic lines the research designed to determine some significant relations between monetary and financial variables and other variables /which represent

which represent development objectives. Thus, basic criteria will be provided for the analysis and short-term programming.

The seminar on monetary and financial programming, which is scheduled for the end of 1967, will pave the way for determining the procedures and countries for this research. The review by this seminar of some of the main projects being carried out in Latin America, and the Institute's contact with agencies specifically concerned with the problem, will constitute an important basis for action in 1968 and will provide useful ideas and conclusions for dealing with these problems in Latin America.

#### V. ECONOMIC DEVELOPMENT RESEARCH

As explained in the report of the Director-General to the Governing Council, in the course of 1967 the Institute expected to complete the first four research projects that were currently under way: (a) re-formulation of the concept of development and also the method of analysing development to incorporate the economic, social and institutional variables; (b) a study of the historical framework of development and under-development, with a view to explaining the typical historical structure of primary-export economies; (c) a critical study of the principal schools of economic thought and their applicability to Latin American conditions; and, (d) interpretation of the socio-economic evolution of the Latin American countries.

These four lines of research, which are united in a single project by virtue of the common approach adopted in relation to the real state of affairs in Latin America, are embodied in a document which will be issued in provisional form at the end of 1967.

The completion of these tasks brings to an end the first stage of the activities aimed at recasting the current approaches and interpretations in respect of Latin American development.

In 1968 a new stage will begin, on the basis of the above studies. The text on the research will be carefully revised for publication. Once this task is completed, attention will be focused on three major activities which represent a second phase in this field and will necessarily take a number of years.

/First, on

First, on the basis of basic principles that have already been evolved, a number of studies will be undertaken on specific cases and types of development in Latin America. These studies, which should be carried out by teams of economists, sociologists, historians and other social scientists, as far as possible in close collaboration with research institutes in the Latin American countries, are related to the general research studies currently under way.

Secondly, a process of study and discussion will be initiated to work out in precise detail the consequences of the basic principles evolved on planning activities and the framing of development policies and strategies.

Lastly, and necessarily as a continuing activity, the Institute will proceed with the theoretical analysis of recent contributions to the study of development.

The final results of this research will be incorporated in the courses on development in the training programme, that is, in the basic course, the intensive courses and the special courses. This task will entail the preparation of new teaching material, particularly bibliographical reference material, exercises and seminars, and case studies.

## VI. RESEARCH ON SOCIAL DEVELOPMENT

In the field of social development, the Institute has from the start dealt with various problems from two main angles. First, its activities are well known in the educational planning and health planning sectors, and more recently in connexion with housing programmes in Latin America. These activities, which are centred on particular social sectors, form part of the Institute's training programme, and also, increasingly, of its advisory services to countries.

From another standpoint, and within the limited resources available, the Institute continued its research on social development problems, which to some extent are also related to the above-mentioned activities but are aimed at presenting a more searching interpretation of development as a social phenomenon. Hitherto, the Institute has dealt with this subject

/through its

through its research on the entrepreneur, the working sectors, the constitution of the State, social stratification and mobility. Recently, it has started to collaborate with the United Nations Children's Fund (UNICEF) in a study of social marginality in Latin America, and has embarked on an analysis of population problems in a context of development with the co-operation of ECLA, IDB and the Inter-American Committee on the Alliance for Progress (ICAP), and the technical participation of the Latin American Demographic Centre (CELADE). All these studies are at the stage described in the report of the Director-General to the Governing Council, and they give partial results and preliminary approaches and research, in addition to a considerable fund of information.

In 1968, attention will be centred mainly on finalizing the results of that research. Although seemingly different, the research and studies are guided by an over-all view. This also embraces those described below, which are to be initiated next year.

First, the results of the two main research projects already undertaken - on (a) industrial entrepreneurs and (b) the working sectors - will be marshalled in systematic form so that conclusions can be drawn from them.

Secondly, an attempt will be made to speed up one of the basic studies which is still in the project stage: the study on bureaucracy and the public entrepreneurial sectors. This research, which will be undertaken in collaboration with the French Government, could not be started in 1967 as planned because, owing to unforeseen circumstances, the French expert who had been appointed was not available.

Thirdly, work will continue on the studies initiated in co-operation with UNICEF on one of the most important problems of the region: the formation of marginal population groups.

Lastly, two types of activities are planned in connexion with new topics of research and the preparation of material and studies on the social scope and implications of planning. The first of these activities, of a more immediate and practical nature, will be based on: (a) research into the character and forms assumed by social mobility, which will be carried out in co-operation with the Government of the Netherlands, and (b) research on planning and development of sectors of activity related to children and young people.

/Before concluding

Before concluding this phase of its studies, the Institute is planning to convene a meeting of a small representative group of planners and sociologists at Santiago, to discuss from various viewpoints the problems at the stage of the research described above, and on that basis to prepare the broad outline of future activities. The object of the research undertaken and the extensive exchange of ideas envisaged at the meeting is to collect and organize the information available on development and planning under the new social and political conditions, and publish the results under the title "El desarrollo y la planificación en las nuevas condiciones sociales y políticas".

#### VII. STUDIES ON INDUSTRIAL INTEGRATION

Since mid-1964, the Institute has been collaborating with ECLA and IDB in the Joint Programme on the Integration of Industrial Development. The Programme includes studies and research on Latin American industry, carried out with the purpose of facilitating the continuing overhaul of industrial development policies, with a view to tailoring them to the new requirements and circumstances of economic and social development in Latin America and to providing basic principles for the economic integration of manufacturing.

Accordingly, the programme activities are concerned with compiling and preparing the data required to facilitate the overhaul of policies and the adoption of rational development programmes, mainly in relation to specific branches of industry, and with clarifying the advantages, procedures and problems inherent in the regional integration of the manufacturing sector, and also for particular branches of industry. Present and future demand is analysed and evaluated by countries and for Latin America as a whole. Surveys are made of existing industries, and their particular problems and levels of operational efficiency are examined; production costs are estimated for each country or for the

/main locations



main locations suitable for industries, and a balance-sheet is prepared of supply and demand and their future trends, while regional specialization options and their resulting benefits are analysed.

Work in 1968 will be concentrated on a smaller number of industrial sectors, in order to prepare studies in greater depth for each. Attention will be focused mainly on the motor-vehicle industry, steelmaking - in regard to the possibilities of establishing it in the relatively less developed countries of the region and in Central America - and the chemical industry.

In the course of the year an important research project on technological development in Latin America will be launched, with the purpose of analysing the transfer of know-how from outside the region and its adaptation to the industrial environment in Latin America, and other questions connected with the gradual development of essentially Latin American techniques.

Steps will be taken to expedite assistance to countries in promoting exports of manufactures. Another project is to launch programmes organized jointly with UNCTAD and the United Nations Industrial Development Organization (UNIDO), and with the probable backing of IDB, in some of the countries that have already been studied.

Efforts to promote in the region technological research for industrial use, particularly in steelmaking and the metal-transforming industry, will continue with the support of UNDP (Special Fund), the United Nations Advisory Committee on the Application of Science and Technology to Development, and a similar committee which has been established recently as part of the Organization of American States (OAS).

## VIII. SECTORAL AND SPECIAL ACTIVITIES

### 1. Agricultural planning

Having completed its first manual on agricultural planning in 1967, the Institute will begin in 1968 to evaluate agricultural planning in the region. This will be a long-term study aimed at identifying the main stumbling-blocks to the implementation of agricultural plans and programmes, and at ascertaining and analysing their underlying causes. It will explore, from a pre-eminently practical standpoint, the feasibility of agricultural planning in Latin America; and its findings, apart from their intrinsic importance in the context of the region's economic problems as a whole will be useful for the Institute's advisory and training programmes.

During 1968, the Institute will continue its training activities and place special emphasis on the provision of advisory services. In addition to the lectures on agricultural planning which will form part of some of the intensive courses, it plans to hold a course on agricultural planning and projects in Guatemala City in collaboration with the Inter-American Institute of Agricultural Sciences (IIAS). The Institute will deal with agricultural planning and IIAS with projects.

As regards advisory services, the Institute's programme of co-operation with Governments will be mainly concerned with the formulation of agricultural development strategies, the preparation of projects for the integrated development of agricultural or land settlement areas, and the framing of short-term agricultural economic policies, which have been described in the corresponding sections of this report.

### 2. Industrial planning

In 1967, the Institute's resources in this field were devoted almost entirely to training and advisory activities. Apart from its collaboration in the preparation of a document entitled "Notes on industrial development strategy in Latin America", for presentation at the International Symposium on Industrial Development (Athens, November-December 1967), which has

/appeared in

appeared in one of the first Cuadernos published by the Institute, some basic studies were revised and reference material was adapted for use in the courses held in Brazil and Mexico.

An extensive research programme is to be put into effect in 1968. A topic left pending for further study and analysis after the preparation of the manual entitled "Planificación del desarrollo industrial" in 1966 was that of employment and the influence exerted on it by the development of manufacturing industry. In view of the importance attached to this subject, a joint Institute project will be established to study it with the participation of different Divisions.

The details of the research programme will be settled early in 1968. Its main lines are expected to be as follows:

- (a) Appraisal of the direct labour absorption capacity of the manufacturing sector in Latin America;
- (b) Analysis of the influence of the factors determining its capacity, i.e., growth rate, structure and technological level;
- (c) Estimates of pertinent trends;
- (d) Expansion of the studies on the indirect occupational effects and the dynamic impact of the levels of employment and industrial productivity;
- (e) Evaluation of the repercussions on employment of new lines of industrial development, comprising the expansion of domestic markets and the regionalization of the import substitution process and of the export trade in manufactures, and
- (f) Studies of certain countries selected according to the level, structure and bases of their industrial development.

Although this programme is intended to shed light on the problem of widespread unemployment in Latin America, it will also examine supply and demand in respect of trained personnel, inasmuch as the availability of skilled labour is a decisive factor in increasing employment opportunities.

Industrial planning activities will also form part of the Institute's training programme and advisory services.

### 3. Planning of natural resources

There have been three main lines of activity in this field. The first consists in the surveying and utilization of natural resources in planning. Under the programme of work in this field, which is being carried out in collaboration with Resources for the Future, Inc., two studies are scheduled for completion in 1968: one, which was started in 1966, analyses agricultural productivity in irrigated areas in Latin America, and the other deals with land development investment and policy in humid tropical zones.

The second line of research concerns the methodology to be used for assessing natural resources in relation to economic and social development planning. Its starting-point will be the provisional methodology prepared in Central America for the economic evaluation of the area's agricultural and forest resources, using as an indicator the potential employment of manpower with basic technical skills. A study will then be made of the changes that take place in the productivity of land per employed worker with the development of technology for different uses of the land, and their effect on the product. Lastly, an analysis will be made of the criteria and problems involved in singling out areas which by virtue of their agricultural, forest, mining, energy and water resources and their accessibility, can be converted into development areas in the interior on a national or multinational scale. In 1968, attention will be focused on theoretical aspects and the methodology of evaluating natural resources in terms of planning requirements.

The third line of activity, which is closely linked with the second, assesses the demand for information on natural resources that has arisen as a by-product of planning, and examines the institutional framework and organization of a system for research on natural resources, based on case studies. It is hoped that other international organizations will co-operate in this work.

As regards advisory activities, work will continue on the preparation of projects for the institutional reform of the systems of research on natural resources in Bolivia, Central America, Chile, the Dominican Republic, Paraguay, Peru, and Uruguay.

/Finally, it

Finally, it is planned to include natural resources in the syllabus of the training programme for 1968 in order to remedy to some extent the serious shortage of trained staff in this field, and to organize the work with a view to eventually adding a training course for natural resources programmers.

#### 4. Planning of human resources

The Institute's activities in the field of human resources have been mainly concerned with the provision of training and advisory assistance in collaboration with the ILO. It has also been doing research for some time, as its resources permit.

In 1968 the human resources programme will continue to be closely connected with the Institute's work in training and advisory services. As regards the former, the subject of human resources has been included in the syllabus for various intensive courses, and the possibility of organizing a special course on planning of human resources at the headquarters of the Institute is being explored.

With regard to advisory assistance, SIECA has asked for a mission to be sent to the five Central American countries to organize the planning of human resources there in accordance with the strategy outlined for the area. The Government of Colombia has also requested a mission, to be sent in January 1968. This will represent the Institute's contribution to the planning of human resources in that country. The work already under way in Paraguay and Uruguay will be continued, and new activities will no doubt be undertaken in the near future as part of the assistance offered to SUDENE in November 1967, in response to a request from the Government of Brazil.

At the time this report is being drafted, talks are being held at the headquarters of the Institute with senior officials of the ILO. The Executive Secretary of ECLA and a representative of IDB have been taking part. A programme of collaboration is being considered, under which a study of employment and the training of skilled labour in Latin America would be initiated in 1968. An ad hoc group of experts from various

/organizations is

organizations is to be set up in Santiago for a two-year period to prepare the bases for formulating specific recommendations and economic and social policy measures to raise the employment rate in the region. The Institute will thus considerably broaden its sphere of activity while maintaining its now firmly-established tradition of collaboration with the ILO.

#### 5. Educational planning

The Governing Council has been kept informed by the Director-General's reports relating to the work carried out by the Institute in conjunction with UNESCO, on educational planning. During the first five years of the Institute's existence, it trained 236 professionals in this field, and prepared a compendium of its experiences during those early years which also set forth the possibilities of using the same techniques for the educational sector as those that are commonly applied in planning. When this initial study is completed, the Institute plans to publish it as one of the Institute's publications.

In view of the facts brought to the attention of the Governing Council at its ninth session in February 1967, the Institute continues to be concerned about the tenor of its future work in educational planning. UNESCO's proposal to form a new body for studying the problems of educational planning has not yet crystallized, so that it is still a matter for conjecture how far UNESCO intends to support the Institute's activities in this field. At the time this report is being prepared, no details can therefore be given of its future work.

Whatever the ultimate decision may be, however, the Institute intends to go on with its research and training activities. The only definite item on its programme for 1968 is the final revision and publication of the above-mentioned study. In case it is to be deprived of UNESCO's collaboration in the next few years, the Institute will concentrate in 1968 on reorganizing its programme so as to include the all-important subject of educational planning, which is indissolubly linked with the planning of other economic and social sectors, in its training courses and other activities.

## IX. PUBLICATIONS

At the end of 1966 the Institute began to publish its studies as part of the editions issued jointly by two well-known Latin American publishing houses. In 1967, when its Department of Publications had already been set up, the Institute brought out three new studies and itself began to publish its Cuadernos, which now consist of three series: (a) Lecture notes (Apuntes de clase); (b) Preliminary research findings (Anticipos de investigación); and (c) Practical handbooks (Manuales operativos). The Governing Council was informed of the progress made by the Institute's publications programme in 1966 through the report of the Director-General (INST/L.2).

In 1968, other works will be published and the programme will be expanded as much as possible. The studies that are being prepared for the printers include the final versions of Contabilidad social y análisis económico and of the Investigación sobre el desarrollo económico de América Latina.

It is hoped to add a fourth series entitled "Controversial issues" (Crítica y polémica interna) to the Cuadernos in that same year. This series will consist of memoranda or notes on the subjects of special interest discussed by the economists and sociologists of the Institute. It is too early yet to give the titles of the new studies to be included in the Cuadernos, but the Institute hopes to issue new ones as often as possible so as to maintain the topical interest of this series of publications. The material available in the form of current research papers, lecture notes and planning manuals will be revised in the course of the year, and each series will be supplemented by a certain number of additional items.

The negotiations already under way for the translation of the Institute's texts into other languages will be continued in 1968. Special importance will be attached to Portuguese for Latin America, and to English for general distribution and for purposes of collaboration with the other United Nations Planning Institutes.

Now that the two types of publication - the studies and the Cuadernos - have been safely launched, an intensive effort will be made in 1968 to increase distribution and sales. As an effective contribution to this end, it is planned to organize a system of sales promotion in accordance with the Institute's means and resources.