



UNITED NATIONS

ECONOMIC  
AND  
SOCIAL COUNCIL



GENERAL

E/CN.12/AC.58/5  
May, 1966

ENGLISH  
ORIGINAL: SPANISH

ECONOMIC COMMISSION FOR LATIN AMERICA

Committee of the Whole  
Eleventh session

Santiago, Chile 10 to 12 May 1966

STATEMENT BY THE EXECUTIVE SECRETARY OF ECLA ON  
THE PAST HISTORY AND FUTURE OF THE LATIN  
AMERICAN INSTITUTE FOR ECONOMIC AND  
SOCIAL PLANNING

As on previous occasions, the Committee of the Whole is called on to consider the activities of the Latin American Institute for Economic and Social Planning. On this occasion the subject is of special importance since a decision is called for that will permit continuation of the Institute's work in the planning field.

The formation of the Institute arose out of the debates at ECLA's ninth session, held in Santiago, Chile, in May 1961. When the Commission was examining Latin America's economic and social development problems, it became clear that one of the most serious of those problems was the lack of the technical resources and skilled staff needed to carry out planning tasks in the various countries. It was recognized that ECLA's activities in this field needed to be reinforced and expanded, and at that time the Commission - endorsing the approach already made to the United Nations Special Fund by some Governments - took the view that the best way of carrying out this type of work would be through an autonomous institute acting under the guidance and sponsorship of ECLA.

To that end, the Commission unanimously recommended that ECLA's training and advisory activities in the field of planning should be expanded, and that the Executive Secretary should prepare the organization of the establishment of an autonomous institute for planning economic development under the auspices of ECLA. The Commission also recommended - a point worth recalling on this occasion - that the Institute "should aim at building up a permanent team of development planning experts to work at the regional or national level and at establishing close liaison with the planning institutions of the Latin American Governments, in order to maintain a continuous process of training, exchange of experience and improvement of planning techniques" (see resolution 199(IX)).

In compliance with the Commission's decision, the Executive Secretary approached the United Nations Special Fund and the Inter-American Development Bank (IDB). The Executive Secretary reported to the Committee of the Whole, in document E/CN.12/AC.50/7, on the results of these negotiations, and of the studies made in accordance with the Commission's resolution, describing the functions that the Institute would perform, its organization, its programme of work and its systems of financing.

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When submitting this report, the Executive Secretary stated that the Institute would not be undertaking new functions. The training of economists in the planning of economic development, and the provision of advisory services to Governments in this field, were functions that ECLA had long been carrying out, at the special request of the Governments. But because of the restricted nature of ECLA's resources, this work had perforce been limited. Furthermore, in carrying out these functions, in response to practical needs, the secretariat had been obliged to reduce or even abandon other activities of great importance to Latin America. In the early years, from 1948 on, the secretariat devoted its attention to a study of the real situation in Latin America, and the interpretation of its economic features. The goal during those years was to find a Latin American interpretation of the social and economic problems of the region, often discarding in the process certain theoretical approaches, inherited from the large industrial countries, which were not really applicable in the study and interpretation of Latin America's situation. Thus the secretariat began to call attention to the over-riding influence of the terms of trade on the economies of the Latin American countries, as regards both their growth rates and their vulnerability to external factors. The aim was to give a scientific explanation of the inescapable need for industrialization in Latin America, and the conclusion reached was that any attempt to influence the development process in effective or continuous form would be vain unless the task of planning the economy were undertaken in a decisive and organized manner.

Hence it was also stated on that occasion that the intention was not that the establishment of the Institute would draw a clear line of demarcation between the functions of research and the interpretation of the Latin American economic situation undertaken by ECLA, on the one hand, and the functions of practical action in the field of economic planning that were to be allotted to the new institute. That was a formal distinction that might have great methodological and practical value, but that could not apply to those working in ECLA or in the Institute.

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For if the economists spend too much time on practical problems, without being able to withdraw from them in order to give scientific and theoretical consideration to their solution, they risk becoming empiricists, pure pragmatists. If, on the other hand, they confine their energies to problems of the scientific interpretation of reality and the formulation of theories, they risk being seduced by abstractions that are increasingly divorced from the living problems of Latin America. Those who have some experience in this matter are always aware of these grave risks, and always on guard against them. It is therefore essential that there should be a very close connexion between the ECLA secretariat and the Institute, and that this connexion should permit, within the respective work programmes, transferring men who have worked at the practical level to theoretical research work and teaching at the Institute, and giving those who have concentrated on the theoretical study of Latin American conditions, or on analytical work, the opportunity to enter into continuous contact with those conditions.

In view of the foregoing considerations, the Committee of the Whole decided to establish the Latin American Institute for Economic and Social Planning. In the first part of resolution 218(AC.50) the Commission laid down the specific aims of the Institute, the form of membership of its Governing Council, and the functions of the Director General. The second part of the resolution included a number of practical provisions relating to the first election of the members of the Governing Council, the method of approval of a Plan of Operation for the United Nations Special Fund project, and the steps to be taken to ensure the continuity of the Institute, together with other action to be taken by the Director General, and the form in which the Latin American Governments would present their requests for advisory services to the United Nations Special Fund.

In March 1962 the Committee of the Whole held a special session to make the first selection of the Governing Council of the Institute, and met again in New York in June to approve, in resolution 220(AC.52), certain changes in resolution 218(AC.50) that helped to lay the basis for the efficient functioning of the Institute.

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Subsequently the corresponding Plan of Operation with the United Nations Special Fund was signed, and the Special Fund in conjunction with the Inter-American Development Bank, which made a substantial contribution provided the necessary funds to permit the Institute to begin its activities.

At its eleventh session the Committee of the Whole is called on to recommend the measures to be taken to ensure the continuity of the Institute as requested in resolution 220(AC.50). I have already dealt with the background to the creation of the Institute, and I now wish to review briefly its achievements during these past years of operation.

The most striking feature was the speed with which the new Institute began its work, which reflected not only the sense of urgency with which the work was undertaken, but also the mature experience of the team from ECLA, which made available at once a nucleus of experts who were able to undertake the expansion requested by the Governments in training, advisory and research activities in the field of economic and social planning.

In subsequent years the framework of the Institute's work has gradually been built up, and it has increased the depth and scope of its activities in the special fields entrusted to it. The aim has been to respond, at the United Nations level, and within the framework of the Development Decade activities, to the growing need for international co-operation rising out of the establishment or strengthening of the planning processes in almost every Latin American country, as a result of the stimulus provided by the decisions of Punta del Este.

The Institute's work has made a significant contribution to the creation and strengthening of planning machinery in many Latin American countries. Furthermore, the ECLA secretariat is convinced that the Institute's work can claim much of the credit for the fact that a number of Governments have now prepared development plans and have their own teams of experts to put them into effect.

In the training field, as explained in the various reports by the Director General of the Institute, an increasing number of participants are attending the Basic Course given in Santiago. The pioneering

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programme that ECLA began in 1952 involved a group of ten fellowship holders, while in recent years the Institute has been providing special training every year in its Basic Course to over sixty participants, from every Latin American country, in the various branches of planning.

Furthermore, the intensive courses given in the various countries have not only increased in number - in recent years about ten such courses are given every year - but have spread until they now take place in most of the countries of the region. It is sufficient to indicate that 2,060 participants attended these courses between 1962 and 1965. This figure, impressive in itself as a reflection of the work being done, is still more significant if it is recalled that the courses are increasingly aimed at training experts to meet the most urgent needs of the individual countries, and to take practical steps to solve their economic and social development problems.

Another supplementary activity in the training field undertaken by the Institute, in conjunction with various international agencies, is the giving of special courses in education, health and housing planning, as well as a course for trade union leaders in Latin America to familiarize them with planning techniques.

Between 1962 and 1965 these courses trained a total of 126 experts in health planning, and 180 in the educational planning, who are now helping to make the action of the Latin American countries in this important development field more effective. And in 1966, in addition to a further two courses in educational and health planning, a course on housing planning is being held, with 30 participants, and a course for trade union leaders with 26 participants. The ECLA secretariat is gratified by this development, since this joint programme by the Institute, ILO and ECLA represents the response to a request made by the Governments at ECLA's eighth session in Panama in 1959, which could not be undertaken earlier because of the lack of funds.

The Institute has also begun a programme, at present on a modest scale, but with a firm determination to expand it later, of co-operation with the faculties of economics of the Latin American universities. We should bear in mind that the far-reaching changes that will spur on the

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development of our countries, and enable them to take full advantage of the opportunities offered by technological progress, must be largely based on the technical training of the rising generation. In this field the universities have a role that they alone can play.

The expansion of the training activities has not been only of a quantitative order; their content has been revised in the light of Latin America's own evolution and needs, of planning techniques, and of the results of the extensive research work carried out by ECLA and the Institute.

The effect of these teaching activities, first by ECLA and now by the Institute, is being increasingly felt in the Latin American countries. There is no reason to hide the satisfaction we feel in seeing that many of the key posts in the economic direction of most of the Latin American Governments are being filled by former participants in the courses given by ECLA and the Institute. Apart from what this represents in terms of the management of the domestic economy in each country, the common basis in training and aims that it permits will unquestionably be of the greatest benefit in the programme for the economic integration of Latin America that is now under way.

In the field of advisory services the secretariat is most gratified to see the Institute so effectively playing the part assigned to it when it was set up. ECLA's work in this field had to be expanded because of the general spread of the planning process in Latin America, as I have already explained, at the very moment when the Institute was being established. ECLA provided technical support both for the advisory groups that had been operating previously, and to those established later, which eventually covered over half the Latin American countries. In addition the Institute sent special missions to advise the Governments on specific questions and problems ranging from the actual organization of planning systems to such tasks as the design and execution of performance budgeting or the preparation of projects.

Nevertheless, particularly as the first stage of the planning process in the individual countries - the drawing up of the plans - gave way to other stages involving more complex and ambitious tasks, relating

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to the execution of the plans, the need was soon felt to create within the Institute a permanent advisory team, that could provide services to Governments in a more flexible and efficient form. This team was established in 1965 with financial help from the Special Fund and the Latin American Governments, and began operating then, it now serves as a means of exchanging information on experience in this field in the various countries.

In addition, in order to deal with the problem posed by the shortage of projects, which represents a major obstacle to the execution of development plans, the Institute has also undertaken to provide advisory services in this field. The first work of this type was carried out in co-operation with the IDB in two Latin American countries, where the Bank acted as the financial agency.

Following in ECLA's footsteps, the Institute has provided all the above-described activities with a solid and effective basis of research work. This work has not been confined to the drafting of texts and manuals for the courses and to the research into operational techniques connected with the advisory services provided. The research programme also includes basic research to clarify some of the main problems of development, in particular studies relating to Latin American integration which have been concerned with two major problems: the connexion between national plans and multinational integration programmes, and the effects that a regional investment programme might have in reducing the trade gap that is standing between us and further development opportunities.

In the research field the Institute's special contribution to the study of Latin American conditions relates to the social aspects of development. Although this is not a new approach, since the United Nations has long been concerned about these aspects, it involves a new element, in terms of the desire to integrate both the economic and social standpoints in a deeper and more general interpretation of Latin American problems. There is no doubt that what has already been done in the way of strictly economic research cannot suffice to plumb the depths of the region's situation. ECLA had previously introduced social considerations in some of its country studies, and has every hope that this type of research will pave the way for more vigorous and organized efforts to meet the aspirations of the peoples of Latin America.

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Another field in which the Institute has already made a valuable contribution, and hopes to continue doing so, is in the integration of industrial development. In this connexion the Joint ECLA/Institute/IDB Programme was organized in 1964, to permit a joint effort by the three bodies, in a form which has already yielded the first results. Studies in depth of various branches of Latin American industry (mainly steel, aluminium, copper, chemicals and petrochemicals, textiles, pulp and paper, and machinery and equipment) are being made in order to analyse the possibilities and best methods of regional integration in each case. It would be superfluous to dwell on the importance of this programme for the great Latin American integration programme that we have undertaken.

All this work of training, advisory services and research has been carried out not only thanks to the efforts of the Institute, but also as a result of the co-operation of the international specialized agencies and regional bodies in the various fields concerned. Nor, above all, could this work have been done, without the increasing interest, support and participation of the member Governments of the Commission. This strong and irreplaceable support has taken the form not only of constant requests for technical co-operation from the Institute, but also of the provision of facilities by the Governments, often accompanied by substantial contributions on their part, that I need not describe in detail here, to the holding of intensive courses and the advisory work, and to the formation of working groups in research studies. Similarly the Governments have given strong backing to the financial action by the Special Fund and the Inter-American Development Bank, not only when the Institute was first set up, but also in 1965 when special financial commitments were entered into in order to permit the expansion of the advisory services.

There is no need for the ECLA secretariat to emphasize the close co-operation between ECLA and the Institute. The latter has not only fully discharged the responsibilities entrusted to it by the member Governments, and thus relieved ECLA of many obligations that hindered it from carrying out what should be its central task, but has also made a substantial contribution to some of our main studies - such as those on Latin American integration, mainly in the field of trade and industry -

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thus at the same time enabling us to maintain the necessary and stimulating link between research and action. ECLA, in turn, has given, and will continue to give, continuing and strong support to the specific work of the Institute, in the conviction that its activities in the planning field are inspired by the same desire to overcome the under-development in Latin America that is the central reason for the Commission's existence.

The representatives here present have before them the resolution approved by the Governing Council of the Institute on this question that we are now considering, the continuation and expansion of the Institute's activities. In inviting you to consider this resolution, I wish to pay a well deserved tribute to the members of the Governing Council, outstanding Latin American economists who have given their counsel to provide guidance to the Institute, and have helped it to keep the region's practical problems in sharp focus.

The present session of the Committee of the Whole provides the most effective framework for a new decision by our governments to support the Institute. We have completed the first stage of the Institute's organization and operation, and we must now consider the best means of ensuring the continuity and reinforcing the activities of a body that has already demonstrated, through solid results and achievements its ability to serve Latin America.