

INSTITUTO LATINOAMERICANO
DE PLANIFICACION
ECONOMICA Y SOCIAL

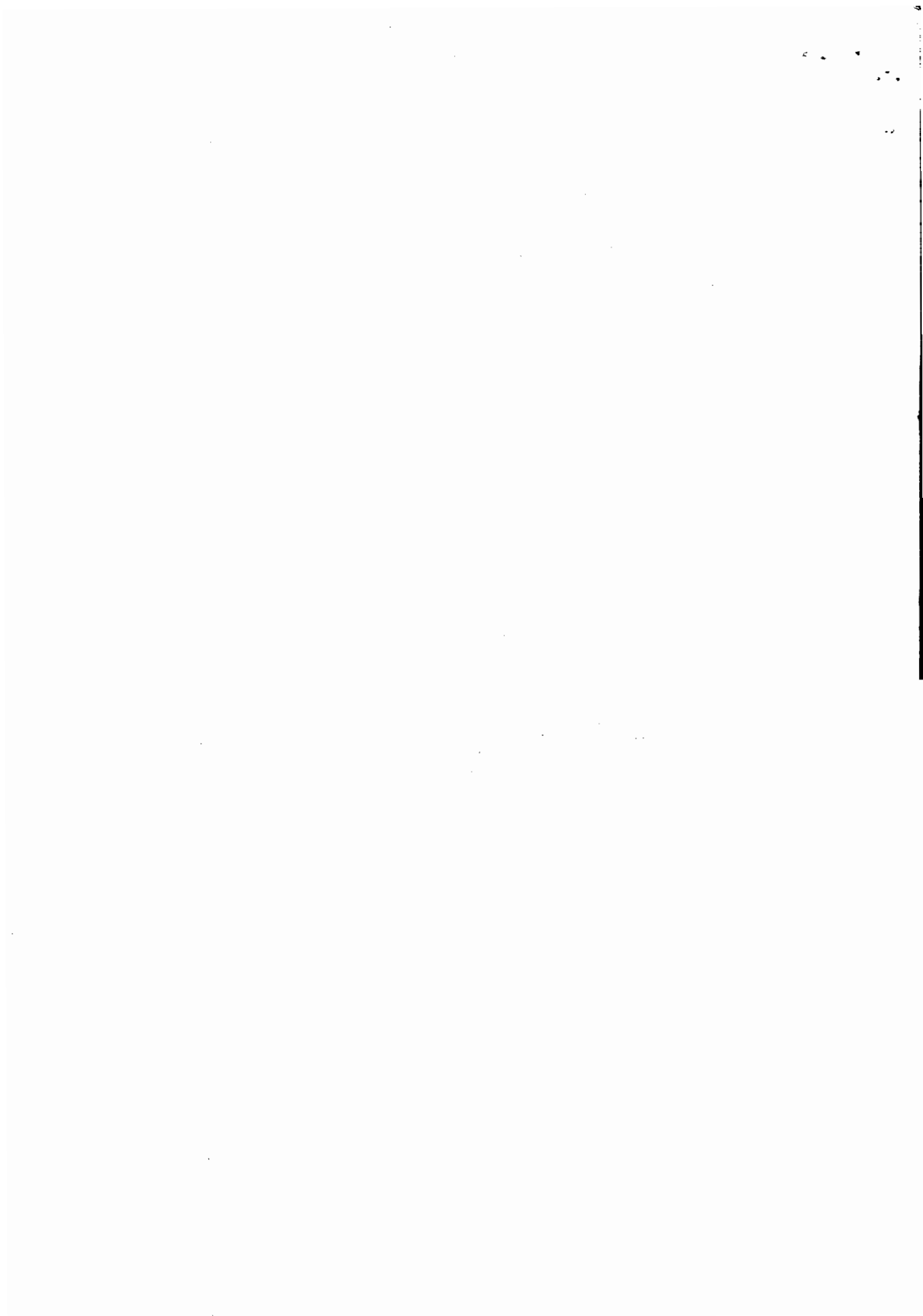


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NOTES FOR AN EXAMINATION OF THE PROBLEMS AND PROSPECTS
OF THE LATIN AMERICAN INSTITUTE FOR
ECONOMIC AND SOCIAL PLANNING

Report by the Acting Director General in consultation
with the Directors of the Institute



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I. BACKGROUND

1. Given the objectives and importance of this meeting of the Governing Council, this document may be a useful complement to the statement of the Acting Director General and may thus facilitate discussion of the fundamental issues concerning the future of ILPES. The Institute is defined in these notes as a single unit, irrespective of the possible diversity of its sources of financing--an aspect which is not dealt with here.

This document is of course inspired by the resolutions adopted at the fifteenth session of ECLA recently held in Quito. These resolutions are in turn a reflection of those adopted at other similar meetings and of the statements made during the session. They represent a synthesis of all the thought and study that both its Governing Council and all the persons connected with its work and with the Governments themselves, United Nations officials and its own authorities and experts have devoted to the Institute in recent years.

It is clear from these resolutions and from the views expressed that the Institute should be a permanent United Nations body dedicated to the solution of development planning problems taken from the inseparable standpoints of research, training and advisory services; it should operate in close liaison with Latin American Governments so as to provide their planning offices with constant support and should gear its work to their preoccupations and problems. This conception of its work implies that it should be not only permanent but autonomous as well, equipped with all the necessary resources for its tasks and in close contact with academic circles and research institutes.

/Only if

Only if all these requirements are fulfilled will the Institute have the capacity to meet the demands of the Latin American planning process and to resolve the problems and situations that arise as the process advances.

2. The principal activity of the Institute--economic and social development planning--is so vast that it has had to set limits in order to keep within an area of manageable proportions and will have to continue doing so. However, just as these restrictions are necessary, so too is it indispensable to recognize that the Institute receives a great variety of requests connected with various aspects of development with which it has to deal. It is involved, for example, with multinational integration strategies, global, sectoral and regional strategies, the planning of economic sectors, social planning and planning of social sectors; it is concerned with such specific fields as the incorporation and creation of technology, development of small industry, formulation of export targets and programmes and of public investment and employment policies, as well as assisting in setting up UNDP national technical assistance programmes. It also inevitably has to respond to such emergencies as the earthquakes in Peru and Nicaragua and, in certain cases, satisfy demands that have to be attended to urgently if an effective contribution is to be made to progress in planning.

Attending to this wide range of problems with a reasonable degree of consistency of conception and action has always been one of ILPES' main concerns--a problem which will become accentuated in the future in view of certain tendencies in planning processes that are already apparent and new fields that need studying. It is thus up to the Governing Council to find a solution in keeping with available human and financial resources.

3. The solutions and proposals described here further point to a need for a new approach to ILPES' relationship with Governments and to the most suitable manner for it to fulfil its purpose.

/The Institute

The Institute has been active in practically every country in attempting to solve numerous problems of development planning. This participation, has taken place in individual countries, save in the case of multinational programmes such as the Andean Group and the Central American region.

The change of conception with which we are concerned here refers precisely to the need to reaffirm the Institute's presence as a regional body, without prejudice to the kind of direct action that it has been carrying out, and must continue to carry out, in the various countries. This position is, to some extent, the natural outcome of its activities at the national level and those which it performs at the regional level through its publications, research and some of its courses. The details and scope of this function in the future must be carefully determined. Some of the ways in which it can be put to undoubted advantage can already be mentioned. The Institute would, for instance, have to become a kind of forum in which the planning offices of the various countries could present the problems they face and compare experiences and prospects. With ECLA's aid, this would certainly facilitate the co-ordination of policies, plans and programmes, in respect not only of sub-regional integration but also of other matters of common interest to Latin American countries. For its part, the Institute must contribute its own interpretations of and approaches to planning problems as it perceives them through its studies and experience, as would be expected of a high-level centre with which the Latin American planning offices would collaborate, making its work to a large extent that of a joint effort of the planning offices and the regional centre itself. In this way, the planning offices would influence the structure of the work programme of the Institute and, presumably, would also collaborate in its implementation. Here, the Institute could take the initiative of drawing up a list of experts from the various planning offices who could provide mutual support in conjunction with the advisory services provided by the

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Institute. It must moreover be borne in mind that it would be impossible to cope with the growing pluralism of Latin America without fortifying the Institute's regional function.

II. CURRENT SITUATION OF REQUESTS FOR THE INSTITUTE'S SERVICES

The points that have been made in the first part of these notes relate to the concept of the Institute as emergent from the resolutions of the Quito Conference which are of course an essential factor in visualizing its future action. Before embarking upon this subject, however, it is equally important to consider another criterion, namely, the present sphere of activities of the Institute from the standpoint both of the problems it is dealing with and the countries and regions where it is operating. A summary of this information is to be found in the attached table. The various fields covered have had to be grouped for convenience in categories that are not always homogeneous. Moreover, the treatment that each subject receives changes from country to country according to the peculiarities of each and to the particular concept of development involved. Considering that ILPES has operated in almost every country over the past three years, it will be appreciated that this multiplicity is greater than appears at first sight.

The table further shows that the Institute receives a steady flow of requests, generally relating to crucial aspects of development planning, which very often require urgent attention. Moreover, it is apparent that such requests have been increasing in number in recent years, a trend that became even more accentuated at ECLA's recent session when Governments made explicit new requests for the Institute's services.

It is not intended here to cite all the Institute's activities which are, in any case, described in the 1972 reports to the Governing Council and in the programme of work for 1973. It should however be pointed out that the summary includes neither supporting research for the activities listed, which in some cases is very substantial, nor basic research.

/III. FUTURE COURSE

III. FUTURE COURSE OF ACTION

A. The basic functions of the Institute

1. Since the Institute is engaged in research, advisory services and training related to planning, one of the problems that arises in determining its future course of action is to decide how much attention each of these three functions should receive, for the size and extent of the changes taking place in Latin America are going to have an increasing bearing on the matter. This means not only a greater number of requirements but also--and this is what is important--a number of new requirements. Obviously, the relative importance of each basic function depends on a wide variety of factors that affect each case differently. Of these, the most important are the newness of the field in which action is required, the quantity and quality of research and experience in the field that has been accumulated on the subjects concerned or on similar subjects, the human resources that are available both in the Institute and in similar bodies, and the urgency of the requirement. This poses a need for variable and flexible solutions, according to the circumstances. It is essential, however, that none of the functions be reduced to such an extent as to limit the effectiveness of the others or make it impossible to meet certain requirements that are deemed important.

The main principle in this matter must be the inseparability of the functions of research, advisory services and training. Furthermore, research should be specific, that is to say, related to concrete problems handled by the Institute which in the final analysis is experienced through or required by advisory services and training activities. Much research has already been conducted in the field in other institutions, including of course ECLA, and the Institute must make systematic use of the results of such studies. The obvious link between development research and planning research should not allow the two to be confused and it is important not to forget that planning is the Institute's

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province. It must be intellectually independent, deriving essentially from independent work, however much it may borrow from other institutions and however close its collaboration, particularly with ECLA, may be. The same comments apply to the Institute's teaching activities.

2. It is necessary to select those aspects of training, advisory services and research which are to receive preferential treatment.

A number of them--those that are fundamental to the planning processes of Latin American countries--have been among the Institute's main concerns and must continue to receive high priority. They include global development strategies, medium-and short-term plans, sectoral and regional plans, economic integration, the social conditions of development and other subjects in the same category, and the Governing Council has already been informed of their content and scope, the Institute's methods, the results achieved and their future prospects. They are, moreover, mentioned in the programme of work for 1973 submitted to this meeting.

There are, however, several other fields to which the Institute has not been able to give proper attention and which are becoming increasingly central to planning in Latin American countries. A short list of such fields would include the new prospects of the integrated and multidisciplinary approach to development planning, the massive incorporation of modern technology, employment and development methods, formulation and operation of short-term planned economic policies, and forms for the organization of the production unit.

By and large, these issues introduce problems about which governments expect the Institute to provide research, training and advisory services in connexion not only with strictly technical aspects but also with social and institutional consequences--as they affect their countries with a view to possible concrete and direct action.

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From the above, it is clear that the Institute should apply greater rigour and a higher level of expertise to its treatment of all these fields, within the context of long-term programmes that would undoubtedly require a greater degree of permanency and more resources than currently available.

3. These basic tasks require a greater permanent staff than exists at present, along with a flexible structure suited to the functions and tasks involved. In addition to the expansion of its own capacity, the Institute will also probably need to increase its collaboration with other institutions and mobilize experts and professionals in Latin America and other parts of the world. However, the size of its permanent staff virtually determines the maximum extent of this additional mobilization of resources. Moreover, the possibility of multiplication varies considerably according to the nature of the field and must always remain compatible with the preservation of the Institute's intellectual autonomy.

It is important that the Institute's permanent installed staff capacity be allowed to act on its own in the performance of its essential activities where it must respond and meet promptly the requirements of governments. If in such cases it were to depend unduly on the collaboration of other institutions or on additional arrangements, there is a risk that unsuitable methods and systems might be employed or attempted and that favourable opportunities for strengthening the planning process and making it more effective might be wasted.

The following notes take the foregoing considerations into account and indicate some of the principal operational methods for the Institute to perform its basic functions.

B. Principal modes of operation

4. The services that the Institute has afforded Governments have for the most part followed two distinct patterns. In some cases they stem from a programmed requirement that enables the type and sequence

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of the tasks to be carried out to be planned sufficiently in advance. Others derive from emergency situations or unforeseen requirements that do not allow for advance programming. The importance of the latter should not be minimized for which adequate resources must be held in reserve.

At the same time it would be desirable to establish medium or long-term programmes of services to governments so as to ensure continuity and to determine the priority problems against which concrete results can be achieved.

The kind of programming envisaged here is more relevant to research activities, since training and advisory services need far more flexibility within the context outlined above if they are to retain their essential capacity for prompt action.

5. As regards the services that the Institute would provide all Latin American central planning offices--the importance of which has already been stated--it will be necessary to study with them the appropriate orientation and tasks for medium-term activities and prepare an annual action programme. The following are possible fields of action for ILPES:

- (a) Record the technical progress in new methodologies used by countries in their planning processes and provide information about them;
- (b) Serve as secretariat and organizing body for periodic seminars and meetings on planning;
- (c) Facilitate the exchange of officials between planning offices so that, for given periods of time, they can play an active part in the activities of other national planning bodies requesting the exchange;
- (d) Maintain relations with similar institutions in other regions with a view to improving its own work and that of the national offices;

/(e) Compile up-to-date

- (e) Compile up-to-date information on the organization and operation of planning offices and on the formulation, execution and evaluation of plans.

This more systematic approach will help the Institute collaborate with countries and with UNDP in establishing priorities for international technical assistance.

6. It has always been considered positive and favourable that the Institute and ECLA should work in close collaboration. If the Institute is to tackle the fields mentioned above and provide the services described it will be necessary to increase this collaboration.

The purpose of ECLA's research activities differs from that of the Institute's because the former deals essentially with development problems and the latter with planning. The Institute's research requires considerable support from ECLA, just as development research becomes more valuable and may lead to new discoveries when seen in the light of the problems that arise from carrying out a planned development policy.

In order to be fully effective, the kinds of collaboration must vary according to the field of research concerned. In some cases, research has to be conducted by ECLA; in others--such as those concerned with economic policy and the economy of the public sector--, both planning and development are involved and joint programmes must be arranged. Finally, other fields of research, directly connected with planning, come solely within the Institute's province.

In the first case, ILPES needs resources for analysing and systematizing the aspects of ECLA's research that are most relevant to planning. The other two cases introduce a typical problem of allocation of resources for research activities.

In many instances, ECLA's participation in training and advisory activities has been decisive in their success. Such participation should be increased in the future and, where advisable, take the form of joint programmes which, by virtue of their duration and special nature, become, as it were, a constant element in the work of both organizations. Like

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the ECLA/ILPES Economic Integration Programme (especially the Andean Group and Central America), other joint programmes should be devised which, by their very nature, involve research, advisory services and training.

7. The Institute must, of course, provide effective collaboration for UNDP programmes, both by meeting direct requirements and through its advisory, training and research activities. This being so and according to the situation in each country, preinvestment studies and the definition and preparation of country programmes would come under the development planning activities in which the Institute collaborates.

The Institute could also assist UNDP in such fields as:

- (a) the analysis of priority areas and sectors for the development of countries in which UNDP operates;
- (b) aspects of global, sectoral and regional planning, by participating in assistance programmes and even collaborating in their execution;
- (c) in the assistance to countries in preparing their preinvestment programmes, including the establishment of norms and criteria for the formulation of projects which might require UNDP financing;
- (d) collaboration in the recruitment of Latin American and other experts in various areas of development planning, in order to speed up and improve the selection of persons participating in UNDP projects (this has been done on several occasions, with favourable results);
- (e) the establishment, where necessary, of joint programmes and projects in individual countries or for the region as a whole.

8. The Institute has always maintained relations with academic institutions; it is part of the Latin American Council for the Social Sciences (CLACSO), contributed to its foundation and acts as co-ordinating secretariat for regional research projects on economic integration plans;

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it has prepared a report on the development of the University of Los Andes in Venezuela; it has collaborated in the preparation of study programmes and in seminars and Masters Degree courses in a number of schools of economics in Latin America; it belongs to the European Social Research Council for Latin America (CEISAL), etc. This, however, is insufficient in the light of the new requirements that already exist and those that will derive from a more extensive and systematic system of collaboration with academic centres. A separate report is being submitted to the Council outlining the relationship and the specific tasks which it is intended to carry out.

9. The Institute maintains relations with a wide range of international organizations, with national organizations inside and outside Latin America, with foundations, and so on. The complexity of these relations is such that one should distinguish between those in which certain institutions or countries provide the Institute with financing, those which, in addition to financing, the Institute receives collaboration in carrying out a programme, and, finally those which involve collaboration in the activities themselves. The first can further be divided into a list of financial contributors to the support of the Institute (e.g. Inter-American Development Bank, Netherlands, etc.) and contributions to a specific activity or research project (e.g. Canada, German Federal Republic, Ford Foundation, etc.). An example of financial assistance accompanied by collaboration in the execution of a project is the agreement with UNICEF for studies and advisory services in social planning. Finally, the agreements with the Panamerican Health Planning Centre, inter alia, provide for collaboration in teaching and advisory activities.

It is very important that this type of relationship be maintained and expanded in the future. For it to be really fruitful, however, the relationship must fit within the framework of Institute programmes and not waste effort on activities not closely connected with its basic functions. Moreover, the possibility of expanding such relations should

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be determined by the existence of an adequate, permanent staff which will not let situations arise in which programmes are executed by the Institute in name only and thus without any great benefit accruing to the countries. Furthermore, while the Institute should be, and is, very grateful for the financial collaboration of UNICEF for so many years, this has been the Institute's only means of pursuing activities in the social planning field, one of its basic functions.

Finally, this relationship is needed to help tackle in systematic and timely fashion the current planning problems, which are beginning to acquire increasing importance in the Institute's training and advisory activities.

C. Final considerations

10. The type of Institute envisaged in these notes and implicit in the resolutions passed at the meeting in Quito undoubtedly require a dimension and a capacity for satisfying requirements that are greater than exist at present. This new dimension, moreover, must meet the growing demands--already apparent and sure to be accentuated in future--of planning processes which are becoming diversified, being carried further, taking place increasingly in different political contexts and more demanding from the technical and operational points of view.

What is involved here is essentially the Institute's permanent staff. As already pointed out, the additional resources which a larger budget would make available, would make it easier to meet such demands, provided the staff is sufficient to utilize them effectively.

So far, we have been referring to the Institute's permanent staff in global terms. In addition, there are a number of factors regarding the structure of the staff in terms of the Institute's various functions and activities. It is not intended here to go into greater detail, but the point should be made that the past few years' experience and the basic orientation of the Institute's work have revealed a number of obvious imbalances. Some of the more immediately apparent have to

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do with the social aspects of development and industrial planning in which the Institute is engaged, compared with the specific resources available for the purpose.

Another factor affecting the composition of the staff and limiting the attainment of a better balance is that resources are not endlessly interchangeable in terms of time, function or task--which would be only natural in this type of institution.

11. Many major problems have not been touched upon in these notes because it has been thought preferable to concentrate on the basic questions involved in trying to determine what the Institute should be in the medium and long term. Accordingly, attention has not been given to problems of a temporary nature or to such important matters as organization and financing, which need special treatment.

One of the main objectives here has been to view the Institute's functions within the context of the United Nations action as a whole subject as the organization is with the need to face more and more serious and pressing problems.

The Institute's usefulness in the future must not be measured solely in terms of the area it covers. It is impossible for it to conduct research, advisory and training activities in all planning problems; it is, however, both possible and necessary for it to focus on essential issues, those involving a multitude of problems which contain new elements suitable for study and research in an effort to forestall problems before they become critical. A massive mobilization of internal and external resources is needed to provide this high-level preventative approach as a means of turning the Institute into a permanent centre where absorption of a constant confrontation of points of view will produce the most advanced thinking in the various fields of its activity.

	Argentina	Brazil 1/	Bolivia	Chile	Colombia	Costa Rica 2/	Ecuador	El Salvador	Guatemala	Haiti	Honduras 2/	Mexico	Honduras 2/	Paraguay	Peru	Dominican Republic	Trinidad and Tobago	Uruguay	Venezuela 4/	Latin American as a whole	Andean Group	Central American Common Market
I. ADVISORY SERVICES																						
A. In respect of:																						
1. Strategies		x	x			x	x	x			x	x				x						
2. Medium-term global plans						x	x	x			x	x				x						
3. Short-term global plans				x		x	x	x	x		x	x				x						
4. Sectoral plans																						
5. Regional plans		x																				
6. Preinvestment and projects															x							
B. On special subjects:																						
1. Economic integration			x				x	x														
2. Employment							x	x														
3. Monetary and financial problems					x		x	x														
4. Planning administration		x				x		x	x													
5. Programme budgeting	x																					
6. Numerical experimentation models for short-term policy			x	x																		
II. COLLABORATION WITH UNIVERSITIES																						
III. COLLABORATION WITH UNDP		x	x							x	x											
IV. EARTHQUAKES EMERGENCIES																						
V. TRAINING COURSES ON																						
1. Development and planning 2/	x		x			x	x	x	x		x	x										
2. Regional planning	x	x	x				x															
3. Industrial planning		x																				
4. Agricultural planning		x																				
5. Public sector planning																						
6. Annual operational planning	x					x		x	x		x	x										
7. Projects 2/						x		x	x		x	x										
VI. TEACHING COLLABORATION 10/	x	x		x			x					x										
VII. COLLABORATION BY MEANS OF BIBLIOGRAPHICAL MATERIAL	x	x	x	x		x	x	x	x		x	x		x	x							

1/ Including requests for technical assistance for Bahia and Minas Gerais.

2/ Refers to a single recently approved project.

3/ Refers to a single project currently being worked out.

4/ Refers to advisory assistance provided by the Corporación de Los Andes (CORPOANDES) for preinvestment studies and projects affecting the Andean area of Venezuela.

5/ A recently started project.

6/ Since May 1970 the Federal Investment Council has been receiving advisory assistance on the transformation of the budgetary systems of the Argentine provinces.

7/ With short-term specialization on industry, agriculture and the public sector.

8/ With emphasis on preinvestment studies and project evaluation.

9/ Moreover, a ten-month training programme on project design and analysis was held at the Institute's headquarters in 1970 with the participation of Brazilian, Chilean, Colombian, Ecuadorian and Venezuelan officials.

10/ Also includes collaboration with universities and other United Nations agencies, OAS, etc.