II CONFERENCE OF MINISTERS AND HEADS OF PLANNING OF LATIN AMERICA AND THE CARIBBEAN

Lima, November 15-18, 1978
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Part I

ORGANIZATION OF THE WORKS

Time and Place

1. The II COMIFLAN Minister's Meeting, organized by the Peruvian National Planning Institute, in coordination with CSPAL/ILPES was held in Lima at the Civic Center on November 17-18, 1978. A Technical Meeting had previously taken place as integral part of the Conference.

Participants

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

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

The complete relation makes up Annex No. 1.

3. Agenda and Organization

At a previous meeting of Ministers and Chiefs of delegation, proposed by the delegation from Ecuador, the chairmanship adopted at the technical Meeting was ratified. The chairmanship of the Technical Committee corresponded to Ecuador.

Proposed by the delegations from Cuba and Ecuador the Minister of Planning from Venezuela will be the representative at the Opening of the Conference and in the visit to the President of the Republic. The agenda and form of the Organization of proposed works that appear in Annex No. 2, were ratified. In the same way, the register for the exposition of topics was opened.

The President of the meeting thanked for his election, and congratulated the participants to the Technical Meeting for their...
efforts. His proposal that the Chairmanship formed part of the Reception Committee to receive the representative of the President of the Republic, was approved.
Part II
OPENING SESSION

Representative of the President of the Republic

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

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

The international crisis has also affected developed countries, which demands greater planning efforts by our societies to insure their development through the conciliation of internal and external factors. This requires strengthening the long term approach in planning tasks. Equally important and related to the above, is the task of Latin American integration to which planning should contribute by designing new forms of cooperation, such as this Conference.

He pointed out that planning has ceased to be a stage of academic exercise. More and more it has become an effective and permanent instrument of Government.

After urging participants to achieve fruitful results, he formally declared the opening of the Conference.

The following expositions were presented prior to the opening speech:

Executive Secretary of CEPAL

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

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

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

The short term demand sometimes hinders us from visualizing the need for long term planning. For example, we need clear concepts on the role of planning to address such problems as a surplus in the balance of payments.

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

In the first place, rationality and minimal coherence to know the cost and reality of policies. Chance and free forces cannot substitute for planning.

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

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

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

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

Finally, the challenge of overcoming market limitations. It is important to stress that in spite of its usefulness, it lacks a social or temporary horizon and hence it is the State, that should perform a task of action and rationalization.
We have learned and experimented what planning should not be. We now must learn what it should be. Finally, let me tell you that planning should become the critical conscience of national policy on ultimate ends of economic development.

Representative of the Ministers and Chiefs of Planning

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

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

President of the IX COMIPLAN

7. Minister Chávez Que Lokopana expressed his appreciation for the designation of Peru as the seat of the Conference, which constitutes an important instrument of cooperation for the development of Latin American solidarity and integration.

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

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

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

All the speeches were satisfactorily received by the delegates. (Complete texts are included under Annex No 3.)
Part III

VISIT TO THE PRESIDENT OF THE REPUBLIC

Speech by the Conferences' Representative

8. He thanked for the opportunity given to greet the President of the Republic and for the seat that the President gave for the Conference, mentioning that these meetings are achieving a multiplying effect and short term programmed results. Simultaneously, advances are being made to face the challenge in long term planning, which is one of the fundamental topics of this meeting.

Speech by the Executive Secretary of CEPAL

9. He expressed his satisfaction at being in Peru and remarked the significance this event has for CEPAL, for it constitutes an opportunity of sincere exchange that allows to raise the standards of knowledge and fortifies Latin American solidarity. It also permits the programme of international organisms to be adapted to the countries' own experiences and needs.

He made known the fundamental topics of the Conference and mentioned the greater liaison of planning with the governmental decisions and current realities.

Presidential Message

10. The President of Peru expressed that it was pleasant to greet the delegates at the Government House, which is the House of the Peruvians, and that he was pleased with the delegates' presence, not only because Peruvian policy is framed within the everyday dealing and joint problems of Latin American countries and the Caribbean, but also because of the great Peruvian efforts in matters of planning, which should be done by all of us.

He mentioned, that years ago, planning was presented as theoretic concepts in a series of experiments, while now, without growing apart from the theoretic concepts, should and is coinciding with the...
factors that reality gives to each country, evaluated and analyzed to be projected in the future.

He remarked the influence that the international situation has in that reality, and consequently, in planning, which suffers frequent adjustments due to the changes that this situation introduces in the esteemed goals and resources.

The President also mentioned, that the need for planning comes out of the fact that while governments pass by, countries and people remain. He expressed his wish to the extent that the experiences to be presented serve each country to develop planning which will point out the road to be followed, and that it not only concerns the economic, but that it should be total, integrating the social aspects.

He asked for Latin American unity to jointly fight, because isolated there is not enough force to overcome the external factors. He emphasized that if the unfair economic world order is not modified, the development goals of each country will be hard to achieve. Finally, he wished the participants in the Conference a pleasant stay in Lima.
Part IV  

BASIC TOPICS OF THE CONFERENCE  

Exposition of the Rapporteur

11. The Chairman asked the rapporteur that he previously inform the Ministerial Meeting on the principal aspects at a technical level. The rapporteur pointed out the quality and quantity of the works presented as well as the frank and respectful discussion which had prevailed confirmed the wise decision of the I Conference in creating the System of Cooperation and Coordination.

Regarding the work programme of ILPES, he indicated that the results of the discussion were available in writing, with the object of receiving the observations of the Delegations and to present it to the Technical Committee of the Institute.

Regarding the national experiences in planning, they pointed out that due to their being contained in the former documents and in the report, in summary form, he would point out, aspects of particular significance. Among these are the following:

- Consolidation of the stage of formulation of the plans.
- Growing interest for their operativity and execution, connecting them with the government decisions and propiciating the daily and opportune use of the planning products.
- Integration of economic and social planning with the administrative reforms, as a means of achieving a clear assignment of responsibilities.
- Advancement in the formalization of the plans and their links with the budgetary instrument.
- Development of supporting and follow-up, among which there are the systems of informations and, above all, of evaluation, the usefulness and timeliness of which is linked to its clarity and simplicity.
- Use of flexible planning systems to face crises or difficult junctures, without giving up the long-term strategy, as well as resolving the uncertainty of long-term through options or alternatives.
- Role of planning in the improvement of the market economy.
- Usefulness of planning as an instrument of concentration in a mixed economy.
- Planning the expenditure in foreign currencies, in situations of crisis, or prosperity.
- The consensus on the target-image as a basis for the plans.
- Social content of planning, as part of a global system, to which it should give the main orientation.

12. **Planning, linkage at long-, medium and short term**

**COSTA RICA**

The Chief of the Delegation of Costa Rica referred to the first long-term planning efforts which only covered certain sectors, such as electrification and social security. Nowadays, he pointed out that an effort was being made to establish an integrated planning system which might stimulate the participation at all levels.

He referred to the new development plan 1979-82, which has different orientations from those which predominated in the past.

Planning will not be an instrument to rationalize an obsolete state paternalism. On the contrary, it should be imaginative with ample popular participation.

Planning will be the complete expression of the political governmental aspects. It will start with a better use and improvement of human resources and of the rational and economic long-term exploitation of natural resources.

The development plan "For a better Costa Rica for all", is based on popular participation in the extension of the democracy from the political to the economic sphere. To this effect, the
assumption of responsibility of all the people and their more adequate participation will be encouraged.

An important part in the implementation of the plan is the administrative modernization.

The Delegate of Costa Rica, referred to the establishment of the system of administrative reform, and to the decree signed by the President of the Republic, the Minister of the Presidency and the Minister-Director of the National Planning Office, which creates system of Administrative Reform as a fundamental support to the Planning of Economic and Social Development.

MEXICO

The representative from Mexico began his speech by indicating that an integral participational planning system includes plans to cover the short, medium and long term. Only with a perspective of development it is possible to revise the great national objectives. A target-image has been developed for the year 2000 which will orientate Mexican economic and social activities.

These long term strategies would result in short and medium term plans. The operational plan is a global instrument that enables coordinating and unifying public sector action, and also conciliates goals and objectives with the private and social sectors as well as with federations.

A medium term plan for 1979-1982 is being developed which will be expressed in annual operational plans.

The great national objectives which will be translated into the short term will be: job creation, increased rate of growth of popular sectors, reduction of inflation rate, the dynamization of the popular classes, the reduction of the Public Sector's deficit, and increased importation of capital goods and strategic inputs.

The medium term strategy includes three biennial stages closely related in terms of goals and objectives. In the first, 1977-1979,
the crisis has been overcome and economic reactivation has begun. The second, 1979-1980, will result in economic consolidation; in the years 1981-82 rapid growth with a more equitable income distribution will begin.

Efforts should be focused on the generation of the goods and social services which the nation requires.

The representative from Mexico referred especially to all exports, these liberated the country from its traditional stranglehold and will enable having economic relations with the exterior on the basis of new and complementary terms. Oil exports will support the State's capacity to introduce changes in the magnitude, composition and distribution of the social product.

The long term will include the decade of the 80's and will follow the complementary objectives in force: the creation of a productive patrimony and massive job creation. This will result in the achievement of the following national objectives: provision of minimal well being in food, health, education and housing for all the population, strengthening the country's capacity for self-determination to decide on the organization and operation of its economic and social system.

BOLIVIA

The representative from Bolivia, Minister of Planning and Coordination, began his speech by pointing out that the model of Bolivian economic growth requires reorientation to achieve the welfare of the majority sectors of the population. Economic growth this far has focused on the modern sectors of economy, more connected with the external sector in response to crossroads which have cyclically appeared in the country.

Planning patterns adopted this far in Bolivia have followed vertical lines based on industrial and mining progress.
He next referred to the National Planning System whose operation was begun in 1953. In March 1976 Government approved the Implementation of an integrated planning system which includes: long term, medium term, and operational annual plans. The sub-systems of execution programming, execution control, evaluation and revision have been organized. He next mentioned the development process to define the main constraints and orientate future actions.

We have concluded in the need for developing a new strategy emphasizing the concept of integral development conciliating economic growth with improved production and better income distribution. To this effect, the following will be undertaken: bisectoral or dual planning and horizontal planning, that is, to work in an interdisciplinary system which specifically includes the social variable.

He finally referred to the current process of long, medium and short plan development. He emphasized the need to continue working in new planning techniques in order to establish "the methodological bridge" between sectoral macro-economic projections and plan development for programmed areas and the satisfaction of basic needs by most of the population.

PERU

The Peruvian Delegate referred to the manner in which the National Planning System is facing the task of long-term planning. He pointed out that the concept of long-term planner must be wider than those of the visionaries and futurists, or the individual vision of any given member of society.

The establishment of long-term planning acquires its real concretion in the measure in which it translates and identifies with the future aspirations of society.

By long-term planning we understand the ensemble of attitudes, procedures and actions by means of which it is deliberately intended
to measure the course of social, political and economic aspects of the processes in the search for connected objectives, which translate the consensus of aspirations of the members of society.

He then referred to the experience of long-term planning in Peru and to the work which was started in the sixties up to the present efforts which take into account the energetic crisis, the demographic exploitation, unemployment, and demand for social development.

He pointed out as very important, the preparation of a demographic-economic model to analyze and establish alternatives to the population growth, and the economy.

He then referred to the methodology of the long-term Plan and specially to the diagnosis and to the Basic respective Studies.

He pointed out that the long-term methodology should be described from three different angles: conceptual angle, procedure point of view, and organizational level. On the conceptual level, the diagnosis is the target-image, the conception of modern development of the guidelines are included. From the procedure point of view, the diagnosis of the national reality, the basic document, the first version of the global plan, the compatibilization with the model and the preparation of the global plan and the sectoral plans are included.

From the point of view of organization, the work at the political and technical level was considered, making reference to the organizational structures for the planning process.

He then referred to the advances in the preparation of the national plan of long-term development and to the progress and difficulties encountered in these tasks.
Planning plays a major role in a socialist society, since plans are converted into laws and thus regulate economic and social activities.

A "Strategy for economic and social development" up to the year 2000 is currently being developed, in accordance with a decision of the First Congress of the Communist Party of Cuba held in 1975.

Work began in 1977. The initial task consisted in reconstructing the statistical series from 1960 to 1975 and placing them on a common methodological basis. A study on the present structure of the Cuban economy, which is the basis for the diagnosis and first forecast of the Cuban economy up to the year 2000, was then prepared.

These studies made it possible to determine the main problems to be solved and the principal variables of future development, and to prepare general guidelines at the government and Party level for carrying out various activities.

For the development of the Strategy, 44 inter-agency committees were established to study the key problems of the Cuban economy.

Cuba has had to organize these committees since it still lacks a vigorous system of research institutions and because of the inter-sectoral nature of the problems it faces.

These committees will develop more precise forecasts, preliminary figures and basic studies. Essentially, their function is to tackle problems freely in a first stage in order to define the basic issues involved in each.

The first results are expected in February-March 1979, on the basis of which complex forecasts will be prepared and in September of the same year figures will be available to show the resource possibilities and to serve as a basis for the preparation of the various programs for the sugar and agricultural sectors, the development of the national raw materials base, the production of spare parts, etc.

The first phase, or the formulation of the Strategy of Development up to the year 2000, will conclude in 1980. Subsequently, up to
1982-1983, the Long-Term Plan up to the year 2000 will be prepared on that basis. The Five-Year Plan for 1981-1985 will be formulated parallel and in coordination with the Long-Term Strategy.

These Five-Year periods in the Strategy ensure a close linkage between the long- and medium-term plans. The annual periods considered in the Strategy in their turn ensure a close linkage between them and the annual plans. These divisions, with the appropriate adjustments, provide the basic figures for the preparation of the respective medium and short-term plans.
JAMAICA

In connection to the problems that characterize the short, medium and long terms, the delegate from Jamaica emphasized the following:

1. Which are the fundamental criteria that distinguishes each one of the periods?
2. Which areas or sectors must be included in each one of the temporal phases?
3. Which type of instruments or mechanisms should be considered to characterize each one of the periods?

According to the above mentioned, the delegate remarked that the characteristics of each period are special and need to be defined beforehand to achieve a high degree of temporal compatibility. In the long term, the investment decisions are predetermined by the demographic conditions and the available natural resources that each country has, which are fundamental elements to make decisions. However, there are certain sectors that in spite of the political changes continue having high priority.

Thus, the sectors on which there is a general agreement could be: Energy, Forests, Water, Soil preservation, Urban Settlements, Human Resources and Education and Science and Technology.

In relation to what is known as "strategy", due to ideological reasons, and available resources at a specific moment, should be classified as a concept of medium term.

In regard to medium term, this can be characterized as a period in which great decisions are adopted for the Economy and Society as a whole.

To have a precise planning during this period, appropriate information and evaluation systems are required.

In this way, if one has the above mentioned elements, one is able to build and develop that which is known as the "target-image".

On the other hand, during this phase, it is of extreme importance
the State's capacity to absorb and reduce the periodic "shocks" that the economic system suffers. In relation to this, there is lately a growing interest to know and adapt the necessary mechanisms to face the so called "Prosperous" or "apogee eras" due to external factors.

In the same manner and closely related with the above mentioned, it is necessary to define and limit that which is known as "Development Strategy". Therefore, it would be necessary to know and specify the mechanisms and policies for each sector emphasizing those which have a greater priority.

Finally, in connection to the short term period, this is characterized by the adequate and reasonable handling of monetary and fiscal variables. Conflicts of diverse natures which are difficult to foresee and administer, appear in this period. Hence, it is important to emphasize that between the Planning Offices and the Central Bank there is not always the necessary agreement to take care of precise problems of national interest.

To conclude, let me point out that the topic of choosing an adequate technology, is and will be an important and transcendental topic to our countries. What is important and urgent now, is to emphasize the need to make decisions on a socio-economic and sectorial level, consistent.

To finish, let me point out that the subject chosen on an appropriate technology is and will continue to be a subject of decisive importance for our countries. Anyway, it is important to point out the need of making decisions compatible at a macro-economic level and sectorial as well.

The Representative of Guatemala when talking about development plans and strategies, pointed out that search of common actions cannot be considered as a substitute for development plans, but on the contrary as a necessary complementation.

He added that every integration process implies a long-term
Planning: from this point of view, national planning organisms should be involved in the integration process.

Planning is too young, that is why responsibility in the integration organisms has fallen back on the economic organisms and agreement of countries.

He suggested to consider as a recommendation that countries give active participation to planning organisms in the integration mechanisms and processes.

13. Integration of Social Aspects in Planning

CHILE

As a consequence of the insufficient assignment of resources, Chilean economy developed very little which directly influenced in existing poverty. The first three years of this decade increased the above mentioned problems which reached a situation of hiperinflation and crack in economy. That was the situation in 1973 to which was added afterwards, the crisis of international economy and the strong impairment of exchange terms. That fact forced us to adopt a systematic policy of which we will discuss the aspects related to the designing of the economic and social systems, and the orientations of the social development policy.

The essential basis of the economic policy, is to use marketing as the instrument of assigning resources and foreign opening. The state should participate to avoid monopoly or to stimulate production of goods considered socially necessary. Its task is not to administer business that can better deal with private activity.

The model is based on the individual and his right to choose and determine the characteristics of the productive system. The State's role is relevant in the problem of social development to insure the equality of opportunities, and a good income distribution, and its great aim is to eradicate poverty from Chile.

/In these
In these 5 years much has been done in this respect thanks to the principles and policies that will be mentioned next.

There is no contradiction between the social and economic development as it is sometimes thought. The eradication of extreme poverty is impossible without higher rates of economic growth.

In the meanwhile, it is possible to move towards the eradication of poverty, by increasing, as it has been done, part of the product that is dedicated to social goods and services. At the same time, indirect taxes as well as inflation or high quotas of Social Security, which diminish working possibilities, have been suppressed or diminished for the poorest.

It has been tried, and at the same time obtained, the identification of the poorest groups in order to reach them directly with the Social Services which they require, avoiding thus the filtrations that in the past prevented their improvement.

/BRAZIL
The situation of the developing countries is very different from that of those which preceded them on the road to development, for various reasons. The latter bequeathed a target-image of what the developing countries are endeavouring to attain in a very short period of time. The time for fulfilling these expectatives should be determined by each country. At the same time, a society which moves towards a target-image can never, in the medium-term, compatibilize all aspirations, as past experience demonstrates.

Nevertheless, the developing countries can benefit from having come after, by taking advantage of technology, external saving, etc. But there is a danger of importing certain problems existing in the more developed countries, such as that of the environment.

Brazil has undergone enormous economic growth derived, above all, from industrialization, which at the same time created severe distortions, such as the great spatial concentration of productive activities accompanied by intensive urbanization and 'megalopolization'.

Investment grew more than consumption and the gross tax load increased considerably. The various wages and entitlements paid to workers, on the other hand, called for resources which grew much more than the tax load. (The present transfers consist of about one half of the net tax load).

Another distortion was the high concentration of income. From the political point of view, it was a question of shifting from a liberal regime, more juridically formal than realistic towards an authoritarian interventionist state, which is at present becoming more open and undergoing a process of liberalization.

It is important to point out that if growth was not accompanied by major benefits for the lower-income social groups, this is due, in great measure, to structural trends towards concentration which are natural during the first phases of development, and subsequently are reversed. At the beginning of the new development model adopted, social questions were marginal; but in the second plan they have become important
become important in their own right, on the basis of three principles:

a) The equal importance of social and economic development,
b) The priority of the poorer groups,
c) The shared responsibility of public and private sectors.

Social policy is not limited to the traditional social sectors, but has a global view of national objectives, aimed towards the basic objective of raising the incomes of those in a position of extreme poverty.

The bases of social policy are:

a) The linking of all social policy with employment and wages policy,
b) An aggressive policy of training human resources,
c) The strengthening of the situation of the workers,
d) Consumer protection.

This has led to the preparation of a social budget amounting to 15% of the gross product. Its implementation raises serious problems and calls for suitable instruments, and therefore a number of changes have been made.

a) The creation of new institutions and machinery specifically for social development,
b) The attribution of new functions to the existing Ministries,
c) The creation of special funds for social purposes,
d) Fiscal incentives to encourage the private sector to furnish educational services and provide food for the poorer classes of society,
e) The creation of bodies to supervise employment and wages policy.

It is worthwhile stressing some of the results which appear in greater detail in the document presented by this delegation.

The financial execution of the social budget amounted in 1977 to 63% of the forecast until 1979 and is expected to reach 90% in 1978. Some objectives have fared better than others, for example, the targets for primary and secondary education, the drop in open unemployment between 1972 and 1976, from 17% to 12.2% and
in hidden under-employment from 29% to 25%. According to the available data for 1977-1978, there are no indications of unemployment in spite of the drop in economic growth rates. In addition, the minimum wage grew much more in the poorer states than in the richer ones.

At present work is being done to link up fiscal and employment policies, etc., in order to improve the situation of the groups living in absolute poverty. Social development becomes a basic priority both in the production of goods and in the provision of services for the most deprived groups.
The delegate referred to the document presented by Ecuador and his exposition consisted of a description of achievements and problems, guiding principles on social policies, and principles of organization.

Achievements have been exceptional with respect to economic growth rates between 1972 and 1977 in matters of social services. But the model has had its limitations. It has strengthened above all, the urban middle class. There has been a 10 percent decrease at the lower sector. Since data refer to urban population, the substance of the matter seems to be the rural issue.

Open unemployment is only 3.6 percent which is very satisfactory, but underemployment should also be taken into account. Job creation has concentrated in areas of low productivity. In spite of scarcity of data, a study carried out by the Planning Board reaches the conclusion that marginality affects more than 50 percent of the rural population.

The growth of educational services has been higher than anticipated. But problems of desertion, repetition and learning irrelevance still persist.

The same promising phenomena of high growth rate accompanied by facts which lessen its significance has occured for other social goods and services.

Concentration of benefits on urban centers and slight attention to the rural population have continued.

It is evident that much has been achieved, but the problems of development are still dramatic.

The guiding policy principles are as follows. In the first place, a humanistic principle which will satisfy the deep aspirations of the people, granting much importance to cultural aspects.

In the second place, a principle of global integration of development objectives. Capital importance is given to rural development considered the rural dimension for development.
Its objectives are improved nutrition, fight against inflation, and the defense of the balance of payments and job opportunities which depend so much on the strengthening of agricultural and rural matters. Lastly, we intend to satisfy the basic needs. As an illustration, the delegate referred to foder.

To fulfill these philosophical and conceptual principles the JUNAPLA was reorganized and the mechanisms of dialogue and research-action were strengthened. Action must be consistent with research given the urgency of the problems. Micro planning techniques will be developed for this.

We must keep in mind that community contribution is basic in this task and particularly in the execution of planning which cannot progress without support of the masses.

COSTA RICA

The delegate indicated that he would refer to diverse rather than systematic aspects, since the latter are included in the document presented.

He emphasized his acknowledgement to the contribution provided by ILPES to higher education planning in Costa Rica, which is so important since it is increasingly evident that the real sense of this educational level should be questioned. In Costa Rica, 86 percent of the population is covered by social security. Issues passed by the autonomy of institutions which possesses resources or social goods, and inequalities in social planning are both very important.

Hence it is indispensable to integrate social and regional planning. Population plans, in turn should not be confused with family planning and the latter's Malthusian aspects should be rejected. A National Committee on Population Policy whose secretariat is exercised by the Planning Office has just been created in Costa Rica. It is important to begin improving the statistical system on the matter. In every aspect we intend to constantly come closer to man, who is the ultimate objective of development.

PARAGUAY
PARAGUAY

The delegate begins by referring to the various indexes which show the remarkable economic growth of Paraguay, together with notable advances in social development. All this is the result of planned policies which the Government has been following for over ten years, together with great political stability, law and order and respect for private property.

Recently, development perspectives have changed as a result of the appearance of entirely new variables in the socio-economic panorama of the country, such as the great binational Parana river hydroelectric project, which could lead to some adjustment of the development strategy contained in the Government's plans.

The impact of this great hydroelectric project is already making itself felt, in the form of a greater need for skilled manpower in all fields of national activity and increasing technification in agro-business, which have been taken into account in the current development plan for 1977-1981.

Rural welfare has been one of the basic objectives, and one out of every four families has benefited from Agrarian Reform in Paraguay.

Education and vocational training are likewise objectives of great importance within the overall strategy, together with regional planning, the first attempts at which are currently in the stage of elaboration and final review.

Among the social sectors, the greatest progress has perhaps been made in educational policy, due to its extended coverage. The indicators also show substantial progress in health matters.

Social aspects of development have become increasingly important and this is demonstrated by the inclusion of two new chapters in the 1979-81 National Development Plan, dealing with human resources and employment, and food and nutrition.

The principal task of the National Council for Social Development, primarily through its integrated rural development programs is to tackle the problems of rural development.
The above does not mean that there are no inequalities, which are inevitable in any development process, and which create the need for these new approaches tending towards a humanist conception of development.
I will try to briefly present some issues on the topic of planning since we all live in a world that is closely related, the decisions to be adopted in other spheres repercuss in different ways upon our economies. Strictly from an economic point of view, the most relevant facts of a conjunctural term could be:

1. As a consequence of the oil crisis, the majority of developing countries suffered a tremendous economic recession.

2. The existence of a great dollar superavit which generates a financial instability upon the majority of Latin American countries.

3. The relatively high foreign debt increased by the oil crisis. This situation creates growing problems on the international economic system.

4. The high foreign debt of socialist countries that in some manner affects our foreign trade.

As a consequence of the above mentioned problems, a great protectionist and dumping policies are generated.

On the other hand, due to the rapid growth of technology and the challenges that appear in topics such as water, food, and energy forces us to optimize resources.

In spite of difficulties, we must be aware of the necessity of a greater degree of solidarity among our countries. Simultaneously, planning presents itself as the most efficient tool to foresee and face the immediate future. From the point of view of the Argentina Government, we try to create a modern state.

Our experience makes us think in a smaller but at the same time stronger state. By means of this strategy, we hope to reduce over dimensionalism. In the same manner, we are trying to improve the principle of subsidiarity. This is what is meant by rationalizing state activity.
The second great reordering looks for a maximum opening of our economy. The present situation of economy in Argentina faces a high level of reserves and favorable commercial balance.

Summarizing, I could mention that all of our dealing tends to minimize our potentiality and project ourselves on international economy. As a complement to the above mentioned, we start off with the supposed failure of military authoritarism and the failure of demagogic democracy.

In this way, we look for the maximum participation and popular acceptance.

As it is expected, an economic system to the service of man, is foreseen. We are ready to collaborate with the rest of the countries, as a sovereign nation, in the searching for new vacancies to close the technological gap.

**VENEZUELA**

On behalf of the delegation from Venezuela, I consider that we live in an interdependent world that forces us to plan our decisions of macroeconomic impact. I also believe in the need of strengthening what could be called "collective selftrust", and try to establish and support a new International Economic order. Acting this way, we will be able to reduce our degree of dependency.

At the meeting in Buenos Aires, the need of strengthening Horizontal Cooperation as a mechanism to share experiences and resources, was emphasized.

Similar to the previous topic, the National Research and Training Center, constitute in themselves, great perspectives to solve great part of our problems in front of the present conjunctural term. We want to insist in the above mentioned means to achieve the goals that we hope to get.

/ECUADOR
The President of the Delegation from Ecuador said that in order to take care of a high degree of demands and expectations, he could point out the following areas of conjunctural term interest:

1. Our inclusion into the so called Dollar Economy presents serious difficulties and distortions for our foreign trade.

2. The cycle of our basic products creates a serious question as to the possibilities to strengthen the Industrial Sector. This is even more serious for Ecuador, due to the fact that it belongs to the Oil exporting countries; a condition that in some cases gives it a different treatment. In relation to the above mentioned circumstances, I will venture the following issues:

First, the present price system in my country, and the current consumption patterns cause that in 1985, the offer and demand may be equalled.

In this respect, we need to plan the internal market, as well as the foreign one. From the point of view of primary products, specially coffee, cacao and bananas, we find that these products present tendencies which are quite fluctuating. This, together with the prosperous industrial expansion, forces us to readequate all our incentives and in general, the fiscal and monetary policies.

In relation to imports, what worries us are the Importing Institutions at all costs, because in certain way it might increase our degree of dependency. Simultaneously, the increasing rhythm of our imports takes us to strengthen the planning process and look in the short term, for a group of factors that may take us to a more modern and autonomous state.

In relation to foreign debt, it is convenient to adopt a position that might be characterized as conservative.

Finally, facing the need of strengthening the integration process, my country has respected the acquired engagements at the
level of Pacto Andino, as well as with the ALALC. All of this is done without postponing taking decisions, on the contrary, the Planning Office works together with the rest of the Ministries.

COLOMBIA

Mr. Eduardo Wiesner, Minister of Planning of Colombia

I believe that the juncture topic is rather extensive, therefore, I will only make some reflections.

In the first place, I will try to define if we understand by juncture something typical instead of abnormal. In front of this, economic planning is rather restricted.

A second inflection refers to the interest in knowing possible implications of international juncture on a define country. All this will be conditioned to the market size and opening degree which is possessed.

In the same way, in the event that a long-term plan is formulated, problems of juncture will not be adequately entered upon with the economic planning conventional scheme.

In front of this, the fact of having a specific mode of exchange rate will rebound in a different way and therefore requires specific corrective policies.

It is important to point out the different circumstances with which countries are facing the international juncture. All this is analyzed in relation to what is known as "disturbance origin".

With regard to the Colombian case, the upgrowth of coffee prices presented us a special and maybe unique challenge. In front of this circumstance, economic planning put forward the problem of defining its nature, its duration and its possible effects in real and monetary terms. It is not easy to define this situation as the Colombian case was considered temporary. In this sense, the fact of keeping the exchange control having other options, faced the risk of losing an exceptional opportunity. Nevertheless, to continue with a /regressive scheme
recessive scheme would create a fascinating debate that is still present and free dogmatism.

To conclude, I do believe that the planning role in relation to all these problems is vital and of great significance.

The Executive Secretary of CEPAL, Mr. Enrique Iglesias expressed that in all the region, there is a significant change in terms of exchange as well as, in the opening degree. First of all, I will emphasize the following factors that demand a joint analysis:

The selection among inflation and debt rates, and employment level.

In the short term I would remark the following: The evaluation of the International Economic Juncture and its implications of protectionist character. In the same way, the monetary and financial flux poses serious questions and possibilities. However, I believe that no one has the exact answer. Other topic is related to the transnational enterprises and their implications on Latin American economies.

In regard to the above mentioned, the North-South dialogue generates great expectations of solidarity among the developing and industrialized countries. In accordance with the previously mentioned, the price of raw materials and transnationalization, are topics to be researched and analyzed.

In relation to the immediate, the Heterogeneity of our countries shows a defense capacity in relation to previous times. However, it is also true that the degree of debt was increased.

We must not forget the necessity to limit the amounts.

Finally, allow me to point out the urgency to develop our potential defense capacity. I would also worry about the diversity of our foreign trade and its limitations in relation to the size of internal and foreign market.

Our defense capacity will be greater in the degree that we integrate our economies. To achieve this, we must reinforce the unity among our countries, and search for a deliberate investment in a planned and calculated manner.
UNFPA

The population Fund Chief for Latin America and the Caribbean, expressed that together with the traditional activities supporting census, the Fund is collaborating in the formation and functioning of Population units at several Planning offices in the region, with the purpose of analyzing the following topics:

- Human Resources Planning.
- Studies on Internal and International migration.
- Demographic analysis to develop the national policies on population.

The Fund invites the technicians and the Ministers of Planning to exchange opinions and experiences at a meeting that will be held the first semester of 1979. This meeting besides having the above mentioned goals, will have a twofold reason: to congregate the technicians of the projects under execution in the region, and analyze with the Ministers the possible needs of technical and economic collaboration.

WORLD BANK

Allow me to greet you on behalf of Dr. Nicolás Ardito Barletta.

From the point of view of the World Bank, I would like to emphasize the need of strengthening the coherence that the Development Plan should have. In similar manner, it is useful, not only to design a Development Plan, but also to foresee all the possible implications that may come out of its application.

It is also important to emphasize the evaluation and follow up of the whole Plan of Development. It may also be relevant to emphasize all the logistic, financial and legal institutions that warrant the efficacy of all planning tasks.

Based on all the discussions at this Seminar, I consider that it is extremely important to strengthen the formulation and evaluation tasks.

/ The Bank
The Bank, with the support from the Planning Offices, is interested in creating evaluation and follow up systems. We must, consequently, adopt a methodology that in some cases needs to be detached according to branches and sectors of economic activity.

In this way, the learning process can be improved, and finally facilitate a correct assignment of available resources.

To finish, let me show my gratitude for all your issues and recommendations on the currently discussed topic.
On November 16, the Technical Committee of ILPES held a meeting in Lima Peru, with the occasion of the II Conference of Ministers and Chiefs of Planning of Latin America and The Caribbean.

In the absence of the President of the Technical Committee, Minister of Planning and Economic Policy of Panama, the Vice-President of the Technical Committee, Mr. Francisco Swett, President of the National Board of Planning and Economic Coordination of Ecuador, presided the meeting with the attendance of Ministers and Chiefs of Planning of the following countries: Brazil, Bolivia, Costa Rica, Cuba, Colombia, Chile, Ecuador, Guatemala, Honduras, Mexico, Nicaragua and Paraguay.

Representing CEPAL-ILPES, attended the Executive Secretary of CEPAL and Director in Charge of ILPES, Mr. E. Iglesias and the Director appointed by ILPES, Dr. Jorge Méndez.

The President in charge in the first place, congratulated the Narrator, Mr. Alfonso Cebreros Sub-Secretary of Programming in Mexico for the brilliant work accomplished in the preparation of the document and the proposals of recommendations.

Afterwards, the President proposed the Committee to consider as a basis the proposals from the Meeting of Technicians on the work program of ILPES. This procedure was approved by the committee.

The approved recommendations after exchanging ideas are presented as follows:

**Recommendations of the Technical Committee of ILPES on the work Program.**

The work program presented by ILPES, had the approval and support of the Technical Committee of ILPES. Almost all the representatives who intervened presented the recognition of their Governments for
the role accomplished by the Institute as generating centre of diffusor of planning advances in Latin America, as well as in the preparation of specialized human resources.

It was also emphasized with satisfaction, that the program work presented picks up with special accuracy the recommendations of the Technical Sub-Committee and those of the Ministerial Meeting in Caracas, for which it is certain that the V Phase of the program will register important advances in the works undertaken in the procedures used to achieve their objectives and for efficient use of resources of the Institute.

Talking about the convenience of strengthening them by all means, some delegates pointed out the importance of aspects referring to the linking and mutual support among the different programs in order to become reciprocally rich, as well as their greater relation and adaption to Latin American reality, which strengthens the possibilities of a dynamic and flexible action of ILFES to satisfy the specific needs of different countries, congruent situation with the recognition of plurality which characterizes our countries in every order.

The technical Committee approved the following recommendations:

1. To give special attention to investigations and counsellorships to support planning development in countries of small geographical size, specifically inserting the variable of space development. Results must be projected to the accomplishment of courses on the subject. It is also recommended to make special efforts so as to extend the services to non Spanish-speaking countries of the Caribbean, for which it was suggested that in the following Meeting to be held in Havana, this problem should be treated in a concrete way. Proposals for actions to be accomplished must be presented.
2. To significantly stimulate ways of horizontal cooperation among countries, having the contribution of countries with technical personnel or travel and stay expenses financing in order to achieve a better and greater utilization of available regional resources for planning as well as the proper programs of the Institute may utilize the direct experience of Latin American and Caribbean planners, making possible the exchange of experiences for the benefit of the interested countries. The integration of a regional inventory of human resources on the subject is recommended.

3. To accelerate and deeper the cooperation of ILFES with National Training Centres, so as to take advantage of their developed capacity and experiences, to improve the services rendered and the utilization of available resources by the Institute. A possibility to be evaluated is the periodical accomplishment of the Planning Central course or other sub-regional courses in different headquarters.

In general terms, ILFES must try to associate with National Centers for the accomplishment of International training activities in those centers provided that these and the respective Governments may collaborate in their financing.

4. To strengthen the importance of social aspects as a necessary component of global planning, giving special attention to the different programs of the Institute. In this sense, once the experience of the Social Planning Course is evaluated its continuity and development in the countries of the region must be considered.

5. To promote the systematic incorporation to the training programs of the results of planning praxis in Latin America and the new techniques to be elaborated in the principal training centers, which require to stimulate active participation of countries on the design, content and execution of said programs, as well as keeping a reciprocal relation with
relation with them. Special attention must be given to avoid common errors, to solve practical problems and to the clearness on how to apply recommendations on planning.

6. To develop the system or network or information for Planning and consider it as a common support to the different programs. Particularly, to link this project to the solution of language problems that have avoided a general diffusion of the services rendered by the Institute, as well as look for a deepened spreading to cover all planning work levels and its extension to all groups of interest within the countries. To give more attention to participation problems that planning involves, in order to achieve a basic consensus strengthening their possibility and relevance.

7. To give more attention to the development of assessment methods and systems for planning compatible with different characteristics and mechanisms of the same in the region, emphasizing the assessment of policies. It is particularly recommended to enter since now upon the periodic evaluation proposed by ILPES on the planning development in Latin America, with the purpose of issuing a periodical report useful to the countries.

It must be pointed out that this ambitious task has been taken into account but due to its importance it is convenient to start it as soon as possible.

9. In accordance with the recommendations (expressed in the Action Plan) of the recent World Conference on Technical Cooperation among developing countries recently held in Buenos Aires, and positions adopted at this respect by the Latin American countries in different forums, it is concluded to render the greatest support to the Horizontal Cooperation with the regions. Particularly, Africa and Asia which have been already contacted during the mentioned conference.

/In this
In this sense, the Board of ILPES is required to join to the efforts initiated by CEPAL and CEPA (Economic Committee for Africa) preparing proposals of Horizontal Cooperation with the participation of countries of the region and the support of CEPAL and ILPES secretariats. It is also determined to send to the conference of Planners of Africa to be held next month of December at CEPA's Headquarters, the greeting of the II Conference of Ministers and Chiefs of Planning of Latin America and the Caribbean and the support to initiatives of Cooperation to be prepared in mutual agreement between the Planners of Africa and the Cooperation and Coordination System among Planning Bodies of Latin America.

10. To study styles in order to grant academic to graduate students of ILPES courses, so as to perform and adequate assessment of the importance of said course.

11. To make additional efforts to canalize greater financial resources to comply with programs, to enlarge and improve them in accordance with the recommendations of International character, it is considered that it is an essential responsibility of governments to ensure that the Institute may increase its supporting capacity not recompensated. As a complement it is suggested to explore new systems of cooperation by means of charges in the work systems which will enable a more effective action of the Institute without expressively pressing the available resources. This is a task which will require the interest and decisive support from the countries to encourage the use of National Technical Capacities.

Finally, it is convenient to underline the meeting success expressed by its President, for its fruitful discussions, which was possible thanks to the sincere dialogues that prevailed and to the quality of the documents submitted by ILPES.

/When undertaking
When undertaking the financing subject, the President of the Technical Committee pointed out the great importance of the financial subject as it would be necessary to evaluate the new responsibilities assigned to ILPES in relation to the required resources.

That is to finance ILPES activity for government contribution and other contributions that may assure the accomplishment of their activities. The delegate from Colombia emphasized the need of having financial resources required for the accomplishment of the ILPES program so that the new Director of ILPES may comply with the assigned responsibilities. He suggests that proposals for contribution be more concrete.

The delegate from Colombia added that an adequate presentation of financial requirements for the compliance of programs could be of great utility for the United Nations Program for Development for the consideration of ILPES contributions.

The Technical Committee supported the initiatives of the President and Delegate from Colombia.

The Representative of Honduras proposed the establishment of a system for evaluating the compliance of recommendations which was supported by the committee.

The director assigned by ILPES was deeply pleased with the proposal of analyzing ILPES activities in order to stimulate resources requirements.

The Delegate from Mexico suggested the convenience of incorporating to ILPES research comparative analysis of long-term development strategies in order to suggest the directions of the activities of the Institute.
Part VI

RESOLUTIONS OF LIMA

The Ministers and Chiefs of Planning of Latin America and the Caribbean, who met in Lima with occasion of the II COMIPLAN, agree the following:

1. To confirm the importance of the Cooperation and Coordination System, which during its second year has enabled to bring up to date and increase our knowledge on the advances and hindrances of planning in Latin America and the Caribbean. The experience exchanged resulted from this is of greater usefulness each time for the countries and international and regional organisms, specially for the ILPES programs.

2. Intensify experience exchange among governments of this region with regard to development planning, so as to consolidate the cooperation system among planning organisms created with occasion of the II COMIPLAN by means of a permanent operation of the system, in such a way that formal meetings may constitute the termination of annual work periods and may concentrate their efforts in the analysis and controversy of the works submitted by the countries, which will be distributed on time. ILPES must contribute to these meetings by preparing conceptual or synthetic works as a complement of those submitted by the governments.

3. To point out the increasing importance of the present international economic juncture, and concrete cooperative actions among developing countries; therefore, planning organisms should create more convenient mechanisms in order to direct such cooperation for the benefit of the countries of the region.

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

4. To emphasize the great importance of planning as an instrument
of rationalization and development foresight of the countries
of the region, from an integral treatment perspective of
economic and social aspects of short, medium and long terms,
and sectorial and regional aspects as well.

5. To underline the great importance of the social aspects of
development with the purpose of overcoming the needs of the
countries of the region, particularly, extreme poverty
conditions, within the frame of the different development
concepts from the participating countries. Such aspects
should be considered as a consistent and structural element
of every planning exercise and handled simultaneously with
the same significance of those of economic character within
a whole scope.

6. To continue with common efforts, in order to standardize the
planning terminology used to determine the criteria for
defining duration and content of the different temporary
horizons, as well as their linking mechanisms.

7. To put special attention in planning for the utilization of
every country potential and the possibilities offered by the
processes of regional and subregional integration, in order
to establish a greater development in relation to our capacity
of liable and proper efforts. It is recommended to promote
the active participation of the planning organisms in all
areas related to the Latinamerican and Caribbean integration.

8. To underline the importance of short-term planning in front
of hindrances imposed to development by the international
conjuncture emphasizing its reducing role of uncertainties
and rationalizer of decisions, in order to preserve the

/basic long-term
basic long-term objectives, an essential task which is increasingly being assumed by the countries of the region.

9. To recommend that the subjects among others, to be discussed in the following meeting be: Planning and Integration; Regional or Governmental Planning; Technological Development and Planning.

10. To point out the will of intensifying the support of the accomplishment of ILPES work program, within the frame of an adequate consideration and deliberation of interests from all member countries and the problems affecting Latin America and the Caribbean.

11. To recommend to the meeting of CEPAL on its eighteenth session period to support the recommendations from this meeting and to carry on with the efforts in order to provide ILPES with enough resources so as to meet the increasing requirements of the governments.

12. To thank the constant support of the United Nations Program for Development and request them to continue supporting ILPES activities in accordance with government priorities.

13. To satisfactorily note the important contributions given by several governments to the Institute, in order to improve the composition of its budgetary resources.
Part VII
CLOSING SESSION

At the closing session, agreements and recommendations of the Conference (under the title of Resolutions of Lima) and the Rapporteur's report were approved. With respect to the next conference, the Delegations agreed with pleasure on the proposal from the Delegate of Guatemala to be the host of the III COMIPLAN.

The President of the Meeting closed the Conference underlining that it had been of particular importance for strengthening Latin American cooperation and planning progress.

TRINIDAD AND TOBAGO

I would like to point out the refreshing atmosphere in all of our discussions which are of great use for the correct exercise of our planning task.

I express my gratitude for all the valuable and stimulating things received during these four days of dialogue and study.

GUATEMALA

The Delegate of Guatemala pointed out that he had the pleasure to offer his country as host for the third meeting of Ministers and Chiefs of Planning of Latin America and the Caribbean. He said the reasons for making that offer were:

In the first place, the need that Central America be the centre of a common Latin American nation with occasion of the IIIrd. Meeting of Ministers and Chiefs of Planning of Latin America and the Caribbean.

Secondly, that the Secretary Office of Planning will reach 25 years of existence, that is, its silver anniversary.

And in the third place, to take advantage of this opportunity, congregating in this Conference all distinguished personalities who

/in the
in the past encountered Planning in Latin America. On the other hand, he stated that his country wanted to have the privilege of hosting them that they would be warmly welcomed and with the characteristic cordiality of the Guatemalan people. He added that it will be difficult to overcome the cordial attentions received from Peru, but everything possible would be done. The Minister of Guatemala also added that we would have the opportunity to observe three cultures: the Pre-Columbian, the Colonial Culture in ancient Guatemala and our present modest Guatemalan Culture. He ended his offer by pointing out that Guatemala was expected to become another milestone in which all Latin American people would continue their efforts of cooperation and integration by means of Planning.

MR. GABRIEL VALDES, DEPUTY ADMINISTRATOR OF UNDP FOR LATIN AMERICA

Mr. Valdés began his statement by thanking General Chávez Quelopana and his colleagues for the frank, sincere and friendly way in which the meeting had been conducted. He added that this type of meeting was badly needed in Latin America, that a wide range of thoughts, ideas and models were being presented, and that significant progress had been made in planning as a government instrument.

He went on to say that the Project in support of ILPES was UNDP's most important programme, and he was very satisfied with the way in which the Institute was operating within the CEPAL system.

He had pleasure in wishing the new Director of ILPES, the well-known Latin American economist Mr. Jorge Méndez, every success in his task. His abilities would ensure better service by ILPES to the countries of the region.
As regards the financing of UMDP projects in Latin America, he announced that a reduction was expected and it was necessary to rationalize the resources being assigned to co-operation in planning.

He referred in particular to the Conference on Horizontal Co-operation in Buenos Aires and stated that the implementation of its recommendations would bring about a greater degree of integration and solidarity among the countries.

With respect to action by the State and its relationship with planning, he said that the modernization of the administrative legal system together with other measures was of basic importance in improving the efficiency of public action in the attainment of development objectives.

Referring to the international situation, he stressed the persistence of Latin America's vulnerability and the urgent need for closer co-operation in the region.

VENUE FOR THE THIRD CONFERENCE OF MINISTERS AND HEADS OF PLANNING

The representative of Guatemala offered his country as the venue for the third meeting of Ministers and Heads of Planning of Latin America and the Caribbean. The reasons for the offer were:

Firstly, the need for Central America, on the occasion of the third Meeting of Ministers and Heads of Planning of Latin America and the Caribbean, to be the centre of the common Latin American effort.

Secondly, the fact that the Planning Secretariat would be completing its 25th year of existence and celebrating its Silver Anniversary.

And thirdly, in order to benefit from the opportunity by bringing to the Conference the major personalities who in the past had promoted planning in Latin America.

/His country
His country wished to have the privilege of serving them, and would receive them with open arms and with proverbial Guatemalan hospitality. It would be difficult to surpass the enormous efforts made by Peru, but everything possible would be done. The opportunity would be given to show them three cultures: pre-Columbian, Colonial Culture in old Guatemala and the modest culture of Guatemala today. He hoped that Guatemala would be another milestone at which all Latin Americans would continue with their efforts for co-operation and integration through planning.

The Conference accepted the offer with unanimous applause, and the Chairman announced that the choice of Guatemala City as the venue for the Third Conference of Ministers and Heads of Planning had been approved.

STATEMENT BY M. JORGE MEITOEZ, DIRECTOR-DESIGNATED OF ILPES,
AT THE CLOSING MEETING OF THE SECOND CONFERENCE OF MINISTERS OF HEADS OF PLANNING OF LATIN AMERICA

This meeting in Lima has provided me with a perfect opportunity to begin to see the kind of work programme which ILPES needs if it wishes to fulfil its role ever more efficiently in the Latin American region.

I have drawn a number of lessons from these four days. In the first place, I have noted three points which should serve as a basis for the work of ILPES: the first is that ILPES has proved useful in strengthening the idea of planning in Latin America, and that it can continue to be so. This feeling of support, of interest has been observed among the participants in this meeting in Lima, and is vital for promoting ILPES to continue its efforts.

I can see that the governments believe in the need to have a regional body to carry out a number of tasks which the countries could not fulfil as a group on their own account. That the countries feel that there are
many issues which require research at the regional level, that they consider that the planning courses are necessary, that there are some field of advisory services where the presence of an international agency can be useful, and finally that the system of Co-ordination set up in Caracas needs a secretariat to keep it running.

The 2nd fact that I have noted during these days of discussion, at the two levels at which it has taken place, is that planning, as an instrument for ensuring rationality in economic policy, has established itself more firmly that ever in our region. All the countries plan to a greater or lesser extent. In other words, development planning is thriving particularly vigorously in Latin America at present, and that is a very natural cause for satisfaction and promise for ILPES.

More and more countries are ready to use planning as a formal guide for the aims of government, however different their models of development may be. All the countries are convinced that it is not enough to solve short-term problems, but that medium-term and long-term objectives must be laid down, whether expressely or tacitly, and that some sort of rational system must be adopted in pursuing these objectives.

The third fact that I have observed clearly is the varied and specific identity with which the countries are practicing the idea of planning, the conviction with which they are designing and implementing their own ideas on development, forming a fine and varied collection of models. In this regard, Latin America today is very far from the uniformity it manifested in the 1960's as far as the programming model is concerned; moreover, some planners and economists in Latin America have introduced genuine innovations in development policy in the past 15 years ranging from the comprehensive

/implementation of
implementation of models based on market forces to the first Latin American socialist experiment, passing through other models designed to seek an acceleration of exports of manufactures through vigorous industrial growth, models which have tended to place renewed emphasis on agriculture, models involving profound social change within a mixed economy where the private sector retains an important role, and so on and so forth.

I do not believe a continent exists where there has been such a diversity of development policies and where so many of the models must be regarded as relatively successful, since almost all of them, at least in the short run, have produced satisfactory results, and sometimes spectacular ones.

Almost all these achievements, in terms of model formulation and policy adoption, have been indigenous. Latin America, in this respect, has demonstrated singular ingenuity, personality and independence.

What, then, can ILPES's role be? This role can be as ambitious as that played by CEPAL or by ILPES itself in the 1st. part of the 1960's, when the capacity of the countries to formulate their own plans was much smaller. But it can continue to be fairly important.

In what form, then, should this role be conceived? As I said in the technical meeting, a first, inevitable task within ILPES will be to carry out a major review in the coming months on the present capacity of the Institute to respond to the region's needs, list them, identify possible sources of financing to carry out a programme. This task of reviewing will have priority. However, even before it is formally carried out, some ideas may be advanced on the role of ILPES in its new stages. The discussion in recent days illuminates rather clearly some aspects
some aspects of what will have to be included in a programme of work.

In the first place, I believe that the teaching, the training function will need to be maintained and extended, taking care that the new topics, and the new concepts, the various alternative ways of planning and development strategies, remain properly covered. I see a great need for skilled personnel in planning, arising precisely from the awareness that is spreading so widely that planning is an important instrument for implementing a development policy and that requires specially trained personnel.

This teaching function, plus the capacity to examine thoroughly some concrete issues related to planning or forming part of them, at the same time increasing knowledge of the issues, will enable ILPES to fulfill five basic functions: (a) to offer ideas, concepts and suggestions which the countries of the region can use to enhance their own knowledge; (b) to provide advisory services in general fields in terms of the imperatives of development strategies, to countries which so request; (c) to provide advice in some more specialized issues or fields; (d) to continue to serve as a Secretariat for the system of Co-ordination, with increasingly active participation; (e) to contribute to promoting some regional or subregional aims, such as the consolidation of the integration processes, or co-operation among the countries of the region to deal with possible additional distortions of the world economic situation. In these respects, the work which ILPES might be urging as necessary is important.

Some of the issues in which we must make progress as a matter of priority have been the subject of discussion during the meetings of these four days, or have been mentioned by the delegates or by the international agencies. It is necessary to go into them in more detail.
as soon as possible, gauge how fast they can be done, and calculate
the relationship between the efforts required, their cost, and our
available resources.

Little by little we will have clear ideas concerning the degree
to which we can fulfill the central objective - that of finding out
each about a series of subjects and making that knowledge available
to the countries of the region. It would appear that the central
subjects can already be defined. For example, it will be extremely
important for ILPES to be able to continue systematically with advances
in the region's planning systems, interpret such advances, compare
them and submit the results of that operation through its normal work,
and this forum of the System of Coordination of Ministers of Planning.

For example, one objective would be to present the results of
this work for one or two years. This would serve not only as an
excellent instrument for disseminating ideas, realities, problems
but also as a basis for concrete discussion on the issues of planning
which will enrich the conceptual picture of the region in these areas
of knowledge. Furthermore, this would guarantee ILPES a very active
role in these meetings, something I regard as important in order
to ensure the vigour of the Institute and strengthen its identity
vis-a-vis the planners.

In the short statement I made at the technical meeting I mentioned
other issues as possible subjects of immediate interest. The Balance-
of-Payments boom, especially that due to intense changes in the levels
of international prices for some basic export commodities, as has
happened with coffee or petroleum, deserve to be studied in terms of
the best way of taking systematic advantage of them in order to increase
the rate of development. This aim, which is apparently easy to achieve,
nevertheless represents a complicated challenge because of the monetary,
exchange implications,
exchange implications, the alternative methods of appropriating the additional resources which generally accompany the boom. This is pre-eminently an issue for planning of the use of resources, which merits detailed examination, which perhaps might be carried out at the regional level, at least among the countries which are subject to the phenomenon. ILPES might perhaps take the initiative, together with CEPAL, of preparing a paper on this subject, and promoting a meeting to study the policy alternatives in this field.

The problems which may arise henceforth in connection with international economic circumstances also merit continued joint examination by the planners. ILPES must be ready to contribute suggestions or projections concerning the possible type of co-operation among the planners of the region in the face of any changes in the conditions of world trade, or of international finance. The forces at work today are of such magnitude, have such an unpredictable capacity for change, and these changes can have such a profound effect on the Latin American economies, that it is certainly worth while having consultation machinery ready among planners, common strategies to deal with new circumstances, and so on.

ILPES must also move forward on other fronts, some of which have been fully outlined in the meeting of Ministers.

The links between the policy designed to achieve the social objectives and economic growth, for example, were set out by various delegations in a fairly comprehensive manner. It seems clear that they can be made compatible. However, it would be useful for ILPES to indicate the nature of these links between social objectives and economic objectives. The same applies to the need to synchronize regional development programmes and national programmes.

Another area
Another area in which ILPES must show itself ready to enter again - for it was already involved in it a few years ago - is the area of economic integration.

The Andean Pact, for example, whose vigour is largely based on sectoral programmes, might need now studies on what these programmes represent within the development plans and policies of the contracting countries, and also new suggestions for a regional development strategy.

The operational part of the sectoral programmes, investment in the products allocated to the different countries, might be much more fully motivated if they were understood as a necessary part of growth objectives, co-ordinated on the basis of a common point of view on a regional strategy. ILPES is very interested in co-operating with the Board of the Cartagena Agreement in a project which may be agreed upon in this field.

Care in selecting which of these issues must be incorporated in the ILPES work programme will permit the formulation of projects which would be communicated to agencies potentially capable of receiving financing when the available resources are insufficient. I am confident that if we clearly demonstrate what needs to be done, how it is to be done, and why the outlay of additional resources is justified, we will be successful in our expectation of persuading these international agencies, particularly UNDP, to assist us a little more.

Through this entire effort, ILPES would find itself identifying where there are operational or conceptual gaps in planning in the various countries - gaps which ILPES could fill, either because some countries need to learn what others are doing, or because ILPES has succeeded in clarifying ideas, gathering together concepts which are useful, or can co-ordinate efforts.
co-ordinate efforts by means of the promotion of discussions at the regional level.

Throughout this endeavour, in addition to support from UNDP, which we earnestly hope will continue, great benefit will be drawn from contacts, co-ordination and co-operation with other regional and international bodies which in one way or another are involved or working in fields related to Planning, such as ILO, especially through PRALC, the World Bank, IDB and the Board of the Cartagena Agreement.

Standing behind ILPES' effort - it is almost unnecessary to say - will be the good auspices, support and guidance of CEPEAL. With that guarantee and backing I shall lead ILPES with great optimism.
STATEMENT BY GENERAL JORGE CHAVEZ QUELOPANA, HEAD OF THE NATIONAL PLANNING INSTITUTE, AT THE CLOSING MEETING OF THE II MEETING OF MINISTERS AND HEADS OF PLANNING OF LATIN AMERICA AND THE CARIBBEAN
Lima, 18 November 1978

Ministers and Heads of Delegation,
Mr. Gabriel Valdés, Deputy Administrator of the United Nations Development Programme
Mr. Enrique Iglesias, Executive Secretary of CEPAL,
Mr. Jorge Méndez, Director-Designate of ILPES,
Representatives of International Organizations,
Authorities and Officials:

For myself, a man who complemented his academic training with military training, it is a singular privilege to address you. There is an old saw which says: "There is no debt which is not repaid; there is no time limit which does not run out". Today this Conference, which I believe has achieved highly positive results, comes to an end. At its completion, we are providing an epilogue for this meeting, which has had the virtue of gathering us together with our brothers from America. Once I said in Caracas that the planners are following the route of the Liberators. And I believe that this is clear proof, since when one contemplates Latin America's problems, now that political independence has already been achieved, economic independence, which we all yearn for, still remains as a beginning of all the long-deferred hopes of our peoples. There are a few points which I should like to mention to you, because in some way they confirm what we have achieved with this II Meeting of Ministers and Heads of Planning of Latin America.

Firstly, the personal mingling which has permitted greater communication
and great understanding among us. I should say an intellectual agreement. But above and beyond that, the most interesting element, the institutional agreement, because to the extent that we strengthen the institutions we shall also be strengthening our peoples.

Secondly, the technical quality of the various contributions and experiences. This already demonstrates a Latin and Caribbean America which is consolidating its approaches at the theoretical and practical levels, and this is interesting because the judgements are increasingly lucid, the mastery of the theoretical systems, the methodological instruments, is increasingly greater, and the research, too, is increasingly thorough. Three elements: theory, methodology and research, which provide a backbone for scientific progress.

I sincerely believe, moreover, that this revitalization of communication is another of the positive achievements of this Conference. I express myself in these terms because the developing countries are destroying the disintegration and lack of communication which were once their distinguishing mark. While at one time there was a conspiracy of silence in tackling Latin America's problems, today we can reassure ourselves because an illuminating dialogue has begun which can lead us along the road of truth and the best response to our own, special problems. For although it is true that we are similar in many ways, there are also certain differences, but differences which, fortunately for Latin America, can be transformed into a dialectic which converts disagreement into agreement.

This Conference has, I believe, achieved another of the objectives, it is the strengthening of our System of Co-operation and Co-ordination among Planning Bodies, and here, undeniably, flourishes not only what is provided by our cultural heritage but what is given to us by our brotherly links.
brotherly links and the spirit of solidarity which guides all the peoples of the Latin American continent. The common determination shown at all levels and during the whole meeting was the most striking feature. However, I believe that his abundance and generous deployment of energy is also a demonstration of the concern of Latin American leaders, increasingly obstinately and persistently, feeling the throb of Latin America, feeling that the problems are sometimes beyond our capacities, to solve them; but with the certain and valid hope that we are at least blazing a path for future generations. And here I agree with Gabriel Valdés, that the old have much to teach the young. And because precisely in these very highly skilled technical bodies, most of them represent the vital breath of resurgence in Latin America. Better understanding of our national circumstances and of the ways in which we are fighting to emerge from under-development. In the context of the hemisphere and the world as a whole I think that this too is interesting.

The view of each of us in posing our problems and solving them is intellectual power, it is also assuming a specific vis-à-vis the world and life. But what is interesting is that, aside from ideological differences, we are following the path of a common destiny which is to give the national majorities what they demand, and demand urgently and pressingly. I believe that, to the extent that we can meet these demands, planners will be fulfilling their responsibilities.

The influence of international circumstances is also very clear when one often has a very clear perception of one's helplessness and tends to sink into a pessimistic view in which perhaps the options are of dependence and not of independence, however much we may in international meetings have wished to seek in semantics a way of
coming to terms with interdependence. And this, I believe, is a great challenge for Latin America because often the options presented to us, as Gabriel Valdés and Enrique Iglesias indicated, are options of haggling. What we can demand is very little, but we have still not had the courage in practice of this joint action referred to by the Minister from Venezuela, Lorenzo Azpurúa; because we think that the day when this multiple action takes concrete form in a prevailing praxis I think that it will also be the moment when Latin America stands on its feet for the benefit of future generations.

I also believe that the conclusions and recommendations as well as all the documentation presented and discussed represents a significant indication of the fulfilment of the purposes which has guided the II Conference of Ministers and Heads of Planning.

And, finally, the consensus and agreement at the ministerial level inspires us to continue along the road of solidarity and co-operation. I think that the better framework with which we are closing this Conference is the undeniable result of the convergences and agreements among the different governmental approaches which we represent here.

Permit me, before concluding, to express gratitude to all the persons, public or private bodies which with their generosity and labour have provided the necessary support for the complete achievement of our tasks. We reiterate to all of you our increased gratitude for what you have enabled us to provide. This is another of the major lessons. Each day which passes, each day, each minute which goes by, men whatever our chronological age, continue to learn.

And, finally, our people and our government will always be fully prepared to have you among us endeavouring to consolidate, if I may say so, the traditional links of friendship, brotherhood and broaden our agreements in a world in which only solidarity and integration will make us free and sovereign. Thank you very much.
ANNEX 1

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/ANNEX 2
ANNEX 2

AGENDA

A. Meeting of Technical Experts in Planning

1. Opening of the Technical Meeting

2. Introduction of the ILPES Programme of Activities by the Executive Secretary of CEPAL and Acting Director of ILPES

3. Topic: ILPES Programme of Work

4. Topic: National experience in Planning

5. Final report and closure of the Meeting of Technical Experts

B. Meeting of Ministers and Heads of Planning

1. Opening of the Meeting of Ministers and Heads of Planning

2. Visit by the Heads of Delegation to the President of the Republic

3. General introduction on the II Conference of Ministers and Heads of Planning: Statements by the Minister, Jorge Chávez Quelopana, and the Deputy Administrator of UNDP and Regional Director for Latin America, Mr. Gabriel Valdés

4. Report by the Rapporteur of the Technical Meeting on national experience in planning

5. Topic: Links between long-term, medium-term and short-term plans

6. Topic: Integration of social aspects in planning

7. Topic: Planning and international economic situation

C. Meeting of the Technical Committee of ILPES

1. Report by the Rapporteur of the Technical Meeting on the ILPES Programme of Work

2. Topic: ILPES Programme of Work

D. Final report and closure of the II Meeting of Ministers and Heads of Planning
STATEMENT BY LIEUTENANT-GENERAL JORGE TAMAYO DE LA FLOR, MINISTER OF AVIATION AND COMMANDER-IN-CHIEF OF THE PERUVIAN AIR FORCE, ON BEHALF OF THE PRESIDENT OF PERU

At the special request of the President of the Republic, I have the honour to extend a cordial welcome on behalf of the Revolutionary Government of the Armed Forces and People of Peru to the leading figures and representatives of the countries assembled here.

It is a source of great satisfaction to us that our country should be the venue of an event of such importance and influence as the Second Conference of Ministers and Heads of Planning of Economic and Social Development, that is to say, the very essence of our future development. The happy initiative which made Caracas the venue of the first meeting of planning bodies of the region is being consolidated in Lima in the shape of a permanent forum for the discussion of our development planning problems, a task of the greatest importance and responsibility in view of the historical circumstances prevailing in Latin America.

We are aware of the grave problems that are besetting the whole world today and are affecting the entire developing world; the developed countries themselves, formerly with such confidence in the inexorable laws of self-sustained growth and the inevitability of their own progress, today face serious problems which question the very bases of their development and power. Our Latin American region, as an integral part of the developing world, has been seriously affected by the world recession, and we have pointed out at various international forums that the only global solution is to replace the present unfair international economic order by a new international economic order that will take into account the needs and interests of the less developed countries, whose just aspirations have long been deferred.

We cannot
We cannot but consider that the problems now facing our countries are indeed linked with the world situation, but since we are realistic we must emphasize that there is a great deal that can be done through our own efforts. It is in this context that we visualize the importance of planning activities in our countries. To find a path that will lead our societies towards their future development, harmonizing and taking care of external and internal factors that affect them in a constantly changing world in a state of crisis, represents a challenge to the imagination and creativity of Latin American planners.

The organization of the society of the future is a responsibility which no planner can elude and is one of the tasks that planning has dealt with most actively in Peru. The long term is one of the richest and least explored concepts in Latin American planning. For years we have been accustomed to think exclusively in terms of short- and medium-term problems, limiting planning to the instrumentation of certainly more manageable but less far-reaching variables for an understanding of the historical situation we are confronting. Those who draw up a balance-sheet of the state of planning in Latin America will no doubt find well-implemented planning systems and organs with coherent and suggestive short- and medium-term plans and adequate programming machinery. However, our planning must now face the long-term challenge of visualizing the changes we wish to introduce in consonance with our own national situation.

But a task which is just as important as this and associated with it is Latin American integration. So much has been said and so little has been done towards the integration of our countries. We must not and cannot slacken in our efforts to construct effective machinery for the integration of our nations, with emphasis on the common points linking us.
linking us rather than on the differences between us. Planning must contribute to these integration efforts through the design of new forms of co-operation in the economic and social development field, one of which is the organization of this Conference. But we must redouble our efforts; keeping in mind that the real card with which the Latin American countries can negotiate in the present world situation is our unity and solidarity.

Planning in Peru has now been in practice for 16 years and we believe that considerable progress has been made in recent years in the difficult task of planning and programming economic and social development in our country. The stage in which planning consisted of an academic exercise with no practical value or linkage with the structural problems that affected our society and our economy is now over. Today, in contrast, we face the difficult challenge of building a planning system which will not only be an effective government instrument, but will constitute an actual function of the State, as laid in the Government's "Tupac Amaru" Plan.

The integrated and continuing character of development planning has been consolidated in the course of the last few years by the periodical formulation and evaluation of short- and medium-term plans, and by the initiation of the activities involved in formulating the 1978-1990 Long-Term National Development Plan. The preparation of this Plan will cover a sufficient period to permit the reorientation of our production structure in an endeavour to make it efficient and more independent vis-à-vis the fluctuations in the world economic situation. In this task, which presupposes a high degree of co-ordination of wills and national unity, we shall primarily seek complementarity among the various ownership sectors, so that each will contribute freely and consistently to the economic and social development of our country.

The task
The task before you now is of the highest importance for the historic destiny of our peoples. Much is expected from the deliberations and conclusions of this Conference. The Revolutionary Government of the Armed Forces of Peru feels particularly proud of having helped to bring about this important meeting, with the valuable contribution of the Latin American Institute for Economic and Social Planning.

On behalf of the President of the Republic I declare the Second Conference of Ministers and Heads of Planning of Latin America and the Caribbean officially open.
STATEMENT BY MR. ENRIQUE V. IGLESIAS, EXECUTIVE SECRETARY
OF CEPAL AND DIRECTOR OF THE LATIN AMERICAN INSTITUTE
FOR ECONOMIC AND SOCIAL PLANNING (ILPES)

I should like to open the proceedings with a very special message
of thanks to the Government of Peru which, with its proverbial generosity
in events of this kind in Latin America, has welcomed us here once again.
In particular, I wish to express to our old friend General Chávez
my own and CEPAL's recognition of all the devotion, enthusiasm and
guidance he has brought to this meeting, which is to a great extent
the result of the efforts of his colleagues and himself.

I also wish to express my gratitude to the Ministers and Heads of
Delegations for the constant support they have given to the System of
Co-ordination and Co-operation among Planning Bodies of Latin America,
as borne out not only by their presence here at this Second Conference,
but also by all the studies and contributions they have brought with them.

According to the bases laid down at the first Conference held in
Caracas just over a year ago, these meetings constitute a vigorous
instrument of mutual knowledge among the countries of the region through
their planning institutions. Moreover, as already shown by these two
Conferences, and particularly the Technical Meeting which ended yesterday,
they are also an invaluable basis for co-operation through the exchange
of experience, and from that point of view I venture to say that this
meeting is undoubtedly a highly valuable instrument upon which similar
efforts in other parts of Latin America should be based.

This is a further expression of the rich continental solidarity
we enjoy in this and other fields.

For ILPES and CEPAL these meetings are also a special opportunity
for contact with the governments, for discussing their programmes and
especially for gaining experience of the best ways of being able to
serve the governments of the region. We therefore consider that these
meetings are fundamental elements for infusing vigour into our activities in the region. We are convinced that through these meetings our programmes will improve and our presence in Latin America will be much more effective.

Listening to the discussions of the representatives of ministries in the last few days we could not help thinking how time had passed and how the planning effort in Latin America had grown since the pioneering experiences of the 1950s and 1960s, when the need for planning activities was first somewhat tentatively broached. It was not easy for this idea to permeate the national administrations. Today, however, those who observe these situations and attend the meetings must recognize that a considerable consolidation of the planning effort has taken place.

There are planning ministries and bodies in all the Latin American countries today, and in all of them there is a deep-rooted concept of the role which this planning effort is called upon to play; everywhere there is a common concept and language; the very experience of these meetings shows that there is a common basic language to which we can now refer and which is essentially the product of this planning effort.

It would be utter ingenuity on our part, however, if we failed to recall and, moreover, to point out that the circumstances underlying that idée-force with which CEPAL was so actively occupied in its early stages have changed considerably, as have world conditions, our own Latin American region and, I would also say, the ideas and concepts underlying the emergence of these planning efforts.

At the world level we have experienced an unprecedented technological revolution; a revolution of production and well-being and also, why not admit it, the more marked appearance than ever of the profound ambivalence between an affluent and a poor and underprivileged world.

In our region too we have advanced to the point of finding ourselves
in a new Latin America, where a new production structure is accompanied by a new social structure, a new Latin American society, the emergence of new economic, social and political systems, and magnificent geographical conditions which open up the whole spectrum of ideological possibilities in the orientation of our economic, social and political systems. Latin America has also become more heterogeneous. The question we ask ourselves and which we were asking ourselves at the technical meeting is: have the concept, idea and instruments of planning also changed in consonance with these transformations? I believe they have changed a great deal. I believe that certain great utopias in connexion with planning, certain broad concepts which have been invalidated by events, are now a thing of the past. No longer does anyone advocate a purely rhetorical, formal or decorative type of planning, as has at some time been stated. Nor is anyone thinking of planning as a mere requirement or bait for international financial co-operation. Neither is there any talk of planning as a paradigm which is indiscriminately and uniformly applicable to every one of our countries. Although we have made considerable progress, however, this is one of the more dynamic concepts which most urgently call for review and continuing change.

Doubts about planning in Latin America still persist; they come from different quarters, from those who are legitimately concerned about what I would describe as the tyranny of the short-term, which makes it more and more difficult to have time to think about the medium and long-term. Therefore, it becomes more difficult to embark on the frequently all too slow planning exercises which do not always yield short-term results.

Moreover, the false dilemmas regarding the possible co-existence of planning systems and machinery and the private sector still continue,
as though it were not possible to achieve perfect reconciliation between the general mutual interests expressed in the plans and those of the private sector forces in the management of a mixed economy.

Another factor is the disbelief stemming from possible boom periods in the balances of payments which often undermine the importance of looking ahead or anticipating long-term problems.

I think it should be realized that few initiatives, few government instruments, need to have their credibility constantly bolstered more than programming in mixed economic systems such as those prevailing in most of Latin America.

That is why we must have clear ideas and take special advantage of these meetings to reflect on what should be the present role of planning in Latin America and in this world with the kind of countries we live in now.

Although we have to acknowledge that some progress has been made and that we are aware that each country constitutes a unit in itself which must therefore be viewed through the prism of its own conditions, we must also take into account the fact that all the countries are facing certain common challenges which today provide a new dimension or renew the old dimensions and, therefore, the belief and confidence in the need for the orderly planning of our economies.

I would recall here five major fronts which in my view are perhaps today the five broad channels through which the idea of planning should be strengthened and revitalized.

The first, without a doubt, is rationality, which is the motivation and raison d'etre of planning. I would say that the planning effort consists basically in providing the exercise of the government function with a minimum of rationality and consistency, and a minimum use of

/that enormous
that enormous power which in the modern world is the power of information.

Planning centres in Latin America continue to be the major focal points of information, and we cannot chart our course in the world today without a minimum of information, a minimum of consistency and rationality, in order at least to know the cost of our policies and the feasibility of certain options, and to sound the alert through indicative "flashes" on public and private management as to what such and such a government option may mean.

In this world of confusion which covers every possible point on the spectrum - because confusion reigns from the realm of ideas to that of action - I believe today even more than yesterday that a minimum of rationality, orientation and guidance is becoming increasingly necessary whatever the role the governments may wish to assign to the planning effort.

The temptation in moments of crisis is to throw overboard any attempt at rationality and to think it would be better for luck or the free play of forces to dictate the course of events. I consider it has been a grave error at a time of such uncertainty that there has not been the minimum support for this need for rationality in the region and in the handling of world issues.

I consider that a second front of which planning is just as sought for today as yesterday is that on which the governments are increasingly faced by a huge expansion of areas of interest that range from environmental problems to problems of the habitat, or the complex problems involved in science and technology. In connexion with all this, there should be frontiers of knowledge that will gradually instill in the countries the necessary concern which would be increasingly integrated with the concerns of daily life.

/I believe
I believe that in this respect planning has a spearhead responsibility in thinking, in national discussion and in the handling of policies in these important frontier areas.

A fourth front for us is the challenge represented by the international situation. Rarely has the human race passed through a period of such confusion, as I have just said, and rarely have the scenarios in which we must define our policies been so changing and presented such variations. It is difficult to predict the future, but there should at least be alternative scenarios in which to establish the possibilities of our policies.

I think that one of the great planning tasks in our countries is to determine what place our countries will occupy in the international situation in which we are living.

What is the purpose underlying our countries' relationship with the world? How are these links forged and what does all this mean in terms of national options?

Today, as distinct from 20 or 30 years ago when we handled our policies in stable situations, among linear ideas of progress, we are faced with recessions, great fluctuations and upheavals in the international situation, and signposts, guides and elements are more than ever required to indicate the alternative possibilities of change at the world level and the significance of all this at the national level.

A fourth front which seems important is what I would call the great challenge of the century, of the end of the century, which will be a major reconstruction of our States, their modernization, and their adaptation to the changing conditions of societies and the times.

I am more than ever convinced, whenever I have the opportunity and the privilege of observing what is happening in Latin America and
the world, that although this great task of reconstruction of the State is undoubtedly a great political task, it is also a great task of rationalization and administrative construction, from the establishment of cadres to the review of institutions.

I consider that planning bodies have a vital part to play in the reformulation and remodelling of the modern State in Latin America, and I think that in any circumstances this will no doubt be one of the major challenges that lie ahead in the construction of our societies.

Finally, I wish to say that the fifth front, which I would like to recall very briefly, is the challenge of overcoming the known limitations of market management through an effort at the national level.

Nobody could be ignorant of the existing market possibilities and achievements. Suffice it to observe contemporary history to discover that through the market there are important renewed forces which countries using the market as a government instrument have discovered.

Nor could anybody be unaware that central planning systems have achieved highly successful results, as borne out by the progress made in huge areas of the world.

Referring in particular to the market philosophy, which is that basically prevalent in most of our countries, I think it is important to recall once again that without detracting from the merits of the market, it has considerable limitations and, as has so often been said in our institution, it has no social or time horizon.

In other words, without prejudice to its enormous potential, which would have to be utilized to the full, it is important that there should be some kind of concern for the social aspects which normally or frequently are inadequately tackled by the market, and this is the modern State's responsibility.
The other concern would be with the time horizon, with the medium and long-term which are generally ignored when our action is left only to the free play of market forces. I think, therefore, that the planning effort involves a considerable task of warning, knowledge and rationality in order to be able to chart a proper course in the face of the heavy responsibilities involved in the handling of our policy today.

In conclusion I would say that we have learned a great deal about what planning should not be, and perhaps our great task is now to perfect our ideas about what it should be. I am convinced that the world needs and cannot progress without a large dose of rationality in order to grow, to make good use of our production resources, to accumulate, and to reconcile the different variables. We have done a great deal and have learned a great deal. It would be a gross historical error to believe, however, that economic rationality alone is enough to handle these variables. We must keep constantly aware of where the system is leading us, whom it benefits, whom it excludes, and how the forces operating in an economy may be reconciled in order to achieve the social objectives which, in the last analysis, are the major objectives of any society.

In this respect, I feel that planning should be something of a critical conscience of the large-scale social engineering projects upon which we are embarked. A critical conscience which, somewhat like a Socratic gadfly which is a constant stimulus to thought about the ultimate meaning of development, asks itself where the productive forces of our countries are finally leading us. If that were its function - however each State may define it in accordance with its own sovereign rights - I believe that the reformulation and rethinking of planning from that point of view will basically mean that the institutions
directed by you will overcome the two great dangers threatening all institutions, i.e., sclerosis and, what is much worse, irrelevance.

I wish you all every success and hope that these meetings will serve for a frank exchange of ideas such as that which we have had hitherto, and thus that we will all improve our capacity for action and strengthen our common ideals.

/STATEMENT BY
STATEMENT BY MR. LORENZO AZURUA MARTURET, MINISTER OF PLANNING OF VENEZUELA, ON BEHALF OF THE DELEGATIONS ATTENDING THE MEETING

Thanks to the generosity of the Ministers and Heads of Planning, I have been entrusted with the honour of pronouncing the opening words of the Second Conference of Ministers and Heads of Planning of Latin America. On this occasion I have great pleasure in welcoming all the participants in this important event.

At the meeting held in Bogotá on 12 September 1976 the Technical Sub-Committee of the Latin American Institute for Economic and Social Planning (ILPES) decided to hold the First Conference of Ministers of Planning in Caracas in April 1977. It was there that we agreed to establish the System of Co-ordination and Co-operation among Planning Bodies of Latin America. We are meeting here precisely to comply with the agreements adopted on that occasion, and in holding this Second Conference we are fulfilling the mandate we received of meeting annually and thus constituting the first organ of the System we established.

On behalf of everyone here I wish to thank the Government of Peru, its President and its Minister of Planning for their courtesy in giving us the opportunity of meeting in this beautiful and hospitable country with the aim I have mentioned.

There is no doubt that in the developing countries planning constitutes an indispensable instrument for accelerating their economic and social development. Our resources are scarce and they must be utilized to the full in order to meet the growing requirements of the broad masses. We must undertake in only a few years such demanding tasks as the industrialized countries took decades to complete.

Today, in conjunction with the capital formation process, there must be a redistribution of income in favour of the weaker population sectors. Progress can no longer be made on the basis of exploiting /the wage-earners
the wage-earners, but only on that of social justice, i.e., a fair
distribution of the wealth that is being created and the establishment
of a new society in which man can attain his cultural, spiritual and
material fulfilment.

These principles are not only valid at the level of our individual
countries but they must extend to the international sphere through the
establishment of a new economic order that will make for more equitable
relations among all the countries of the world. Accordingly, we
should redouble our efforts to achieve this new international economic
order, so as to attain lasting peace and defeat the poverty and
under-development afflicting some three-quarters of the world's population.

Our nations have an immense task before them. Planning, if utilized
with clear and precise objectives, can contribute to this task and
formulate solutions to the new economic and social development problems
that arise.

Among the most important problems in Latin America during the
last few years is inflation.

To the Venezuelans this was a completely unknown problem. We had
enjoyed price stability for several decades. Now we are facing strong
inflationary pressures from both outside and inside the country. We
have had to carry out a radical reform of our financial and administrative
system in order to palliate the harmful effects of imported and internal
inflation. In the last few years, other countries have seen their
economies affected by unprecedented rates of inflation.

Associated with this topic, and no less important, is the fact that
the developed countries have their own problems, their own solutions,
and consequently history has shown that unless we pool our own efforts
to provide the means and machinery to solve our problems we will never
find a solution satisfactory to all.

/Venezuela has
Venezuela has maintained that every one of the countries represented here has something to contribute, something which is common and peculiar to us, and that if we establish a horizontal co-operation system we shall have taken more than one step towards the consolidation of a path that will lead to the established goals. The Government of Venezuela will feel satisfied if the Second Conference of Ministers and Heads of Planning of Latin America ends with the conclusion of one or two concrete and significant agreements that can be implemented in the short and medium-term. Technical co-operation will some time have to be the subject of such an agreement, so why not now?

In considering international technical co-operation, a topic much discussed at the recent meeting of developing countries held in Buenos Aires under the sponsorship of the United Nations, we must bear in mind the indisputable link between this subject and planning.

Technical co-operation is a necessary auxiliary instrument of planning and should be treated as such. It can be used with favourable results for the recipient provided a national policy on international co-operation has been defined beforehand: if correlation exists at the national level between the various sources of external co-operation and the country's economic, social, scientific, educational and cultural policies, and co-ordination by a government body with sufficient authority and knowledge of these activities, permitting a decisive control over internal factors, such a body should undoubtedly be the planning office.

Planning and co-ordination could be considered within this context as the introduction of a measure of order in the distribution of all the co-operation provided and promised and its more effective and productive utilization in the country's development programmes according /to the
to the appropriate scale of priorities. Both the policy and the strategy governing the co-operation received are integral parts of a country's development policy. Therefore, they should both be integrated, thus avoiding the apparent or existing contradictions between them. It is not enough, for example, to prepare national development plans with specific projects without first estimating the probable resources available and the quantitative probability of success in increasing domestic resources and in consumption discipline, and then simply to insert the figure for foreign co-operation, including technical co-operation, needed to cover the arithmetical sum in the planning documents. There must be an increasingly rational correlation between the policy governing the provision of foreign co-operation to a country and planning policies.

Optimum use cannot be made of technical co-operation without, in fact, analysing the absorption capacity of the institution receiving it, ensuring that a national effort has actually been made and that such co-operation merely constitutes support for that effort, that the co-operation is consistent with the country's sectoral and global priorities, and that the request was made because of the scarce availability of national resources and does not involve the substitution of national capacities.

Within this whole system the multiplier effect of technical co-operation is a vital factor; it is the duty of every country receiving technical co-operation, once it has been absorbed at the national level, to offer to exchange the experience with other third world countries.

A highly advantageous and low-cost interrelationship and co-operation among developing countries could be initiated in this area, for which the necessary instruments should be provided as soon as possible, on the basis of the successful results of the Buenos Aires Conference and
Conference and the adoption of a plan of action for the attainment of specific short-term goals, the implementation of which, from a realistic point of view, should start at the regional level.

If technical co-operation is a supporting instrument in the planning of development projects, a meeting of Ministers and Heads of Planning at the regional level is the best occasion on which to take the first steps towards the instrumentation of the plan of action for co-operation among developing countries.

In this respect, Venezuela has a specific proposal to make, a proposal which we have already put forward and has been well received at other international forums; but we consider that this is the forum where the first steps can really be taken to instrument such co-operation at the regional level.

The instrument we suggest consists of national research and training centres of multinational scope, which in our opinion is one of the least costly instruments and at the same time the most versatile and effective in promoting co-operation and ultimately integration among ourselves.

This instrument should be developed, co-ordinated and planned at the level of planning offices. It is a subject which may give rise to controversy with other institutions of the same government, but, as I said before, development policies cannot be divorced from co-operation policies since they undoubtedly complement each other.

It has therefore seemed the right time to deal with this subject which is so important just now when the international economic situation has not favoured our countries and the dialogue with the north has become more difficult.

One of the priority problems we have always had to face is that related to human resources. Our region is generally characterized by
its accelerated population growth; our countries, with a few exceptions, fall in the category of those with the highest rates of population growth in the world. We are called young countries and are normally associated with youth because of our comparatively recent appearance in history, but it is often forgotten that we are young because our population is composed of so large a proportion of children, of inactive population which requires training.

Therefore, our first duty as planners, would seem to be to attain employment opportunities to meet the demands of the population annually joining the labour force, and to establish adequate remuneration that will in time satisfy their needs.

All this can be achieved only if we have healthy and educated people, collectively and individually sure of themselves, with housing, transport and recreation.

This involves wide-ranging social problems. On the one hand, new activities must be created in the various regions of each country, some of which are depressed areas. On the other hand, the explosive growth of the big cities has led to the emergence of marginal districts, poverty belts or shanty-towns, at the same time causing grave social problems. This situation is found in all our countries in differing degrees and with different characteristics.

Accordingly, there is a pressing need common to us all to adopt urgent measures in the field of regional and urban planning within the whole context of social planning; or possibly we should take the opposite action, seeking solutions in the social field and designing regions and cities in accordance with our social situations and foreseeable future progress.

Apart from the area of these solutions and problems, we planners are facing
are facing a much more difficult challenge, that is, to determine what we wish to become as a society, the place we should occupy in the concert of nations, what we want from our fellowmen, where we are going, and how we should move in time. This third and last item of the agenda requires us to discuss problems ranging from those falling virtually in the area of philosophy to the actual problem of concrete national planning over a period of four years, to seek the stages along the road, to determine strategies and to establish a methodology for achieving the desired goal in the shortest possible time and involving the least effort and cost. All this may be summed up in a single phrase: long-, medium- and short-term planning.

A great deal has been said about the need for the integration of peoples, regions, nations and continents; history shows us all kinds of attempts in this respect: warriors with their wars, conquerors with their conquests, colonialism, slavery, in a word the tales of heroes we read in our history books. If we have progressed in any direction in this last quarter of a century it is in the methods employed to seek integration. That integration is necessary is not in question; what we are discussing is how to bring it about. Integration is a long-term goal and to achieve it we require short-term stages and action. In this respect, Latin American or regional integration essentially requires the methods, discipline and attention of planning. Let us remember that we are faced with problems of all kinds, but that hitherto they have all been of a casuistic and isolated type within specific sectors and in no general context that might express what we hope to achieve as a whole and in the form of individual benefits.

It is the duty of Planning Ministries or Offices to adopt a more belligerent attitude to the integration process. We possess a whole synthesis of information on the performance of our countries. We attempt to dictate
to dictate lines of action for the development of our nations, but we are not considering the true value of an important aspect of the problem and its solution. What are we seeking through integration? How can we promote it? How can the obstacles be overcome? If integration among nations is necessary and if we are to achieve it, let us include it in our long-, medium- and short-term plans.

We cannot and should not continue to act individually. Our common interests, the similarity of our problems, the affinity of our customs, the urgent demands of our peoples, all point to integrated action which would in no way jeopardize the integral independence of each of our national communities. To unite our efforts in a relationship that is respectful and conscious of its responsibility, with the aim of achieving through concerted planning a fair, healthy and happy life for all our peoples, in which the private and the public sector fulfil their proper roles is the challenge which planners must face with resolution if we wish to justify our action at present and in the future.

That is what my country understands, what our President, Mr. Carlos Andrés Pérez, firmly believes, and that is why we are here to represent Venezuela with the firm purpose of contributing to the complete success of this event, whose happy outcome we are hoping for with all our hearts.
STATEMENT BY BRIGADIER-GENERAL OF THE PERUVIAN ARMY JORGE CHAVEZ QUELOPANA, PRESIDENT OF COMPLAN II AND HEAD OF THE NATIONAL PLANNING INSTITUTE OF PERU, AT THE OPENING MEETING
Lima, 17 November 1978

This is a singular occasion for Peru on which the deference and high honour accorded to it through your generosity has meant the privilege of acting as host to the Second Conference of Ministers and Heads of Planning of Latin America and the Caribbean.

We are taking up the path of history anew in a crusade which does great honour to governments and peoples alike because of the interest they have shown through their support and presence in coming to Lima from every part of the region. We are identifying ourselves with the common aim of attaining levels of well-being and security compatible with the dignity of human life, within our particular conditions and circumstances, in response to the challenge presented by the present era so pregnant with disequilibria and inequalities.

We believe that this Second Conference marks a historical milestone in the whole process of development co-operation, because in the face of today's challenges it is called upon to act as a forum to endorse the liberating mandate of those who, convinced of their common destiny, adhered to the supreme ideal of building one great nation. We should therefore look beyond our immediate surroundings and analyse the world we are living in and explore the meaning and importance of history.

Concern for Latin America's development runs parallel with the emergence of planning in the majority of the countries of this continent. As frequently happens in the course of history, the problem of our under-development had not come home to our governing élites until life itself and the action of students of the real situation prevailing in the region, associated with or belonging to agencies of the United Nations /system, unquestionably
system, unquestionably helped to bring out the problem of the subsistence of outmoded structures and the need for development based on the fundamental pillars of structural change and integration.

I would mention here the important role and practical work of CEPAL, an organization resulting from a Latin American need, and which, apart from its excellent and vulnerable points, has led the process of developing a consciousness regarding our situation and has played a pre-eminent role in changing the mentality of Latin American leaders. Those who renewed yesterday with Raúl Prebisch and renew today with Enrique Iglesias the interpretation of the real situation in Latin America and its possible solutions should enjoy sincere recognition of their fruitful task and its historical projections.

The development of an intellectual consciousness preceded some changes of attitude among the dominant political élites, which coincided with a certain modernizing trend on the part of the United States. Thus, planning spread in the region during the early 1960s, when the situation created by serious problems in a sub-hemisphere which had thus far not been given due consideration became all too evident.

Planning in Latin America has shown a dynamic impetus which gives food for thought. In its long course it has made contributions and overcome opposition and incomprehension with respect to what it has meant, even in spite of explicit recommendations stemming from regional events and agreements in the early 1960s.

Planning emerged in Latin America with a new message of rationalization, organization, priority objectives, and optimization in the employment of resources to ensure efficiency and effectiveness and promote production, all of which are concepts of modern administration. Its effect therefore was to disrupt traditional mental states and arouse apprehension and misgivings, but
misgivings, but the force of circumstances were immeasurably stronger in the form of the urgent need for this instrument of action of the modern State and the societies supporting it.

Apart from a number of favourable factors, planning encountered obstacles and problems, due in some cases to our own limitations and in others to the influence of some sectors for which planning was virtually a utopia; once a development planning system was instituted, they did everything they could to minimize its action and limit its scope, and even today they continue their efforts to prevent the fulfilment of planning objectives.

Planning has reached the point it was meant to reach; the aim is that it should be increasingly realistic and pragmatic, in the last instance within the possibilities offered by our countries' actual and resources potential. Although there are marked inequalities of every kind and the masses in nearly all our countries still have no possibility of realizing their hopes or achieving full participation, yet some progress has been made in many fields and aspects of economic and social development.

An appraisal of planning experience in Peru was presented at the Technical Meeting, at the opening of which I put forward the substantive elements of a planning doctrine which, embodying certain general principles in force, has some bearing on our problems and the course of our process of change.

Observing calmly from a distance, in view of the time that has elapsed, and considering the progress and limitations of our action, which caused us to err sometimes for want of realism and sometimes for want of imagination or boldness, we must keep in mind that, despite all its limitations, planning is a positive fact today in the majority of our countries, and
countries, and that in the last analysis we all have the fundamental
task of perfecting this instrument without which there can be no
development.

We are living in a dramatic world marked by continuing conflict
between integration and disintegration, construction and destruction,
justice and inequality, hope and disillusionment, wealth and poverty,
abundance and scarcity, all of which leads to a sequel of problems
that add up to the anguish of survival. Hunger, exploitation, poverty,
marginality, unemployment and pollution call for the creative effort
of discovering new options for the genuine development of our peoples.

Peru, like all your countries, is implementing an external policy
in support of the establishment of a New International Economic Order;
it is making a considerable effort to achieve development through important
changes in consonance with the conception of a person as an end rather
than as a means, and with a humanistic perspective aimed at a new social
order. Development planning, then, can only be considered within the
general preoccupation of achieving for our underprivileged peoples, who
are victims of the lacerating sequels of backwardness and injustice, a
social and economic order which, by imposing a stricter rationality, will
carry us along the road to progress, not as a simple increase in
consumer goods but primarily as the genuine fulfilment of the hopes
of those who a century and a half ago gave their lives for freedom
and our nation.

With the aim of making the embodiment of human rights an authentic
process, planning seeks to orient and rationalize all resources and
potentialities so that they may serve not to maintain privileges but
to benefit the whole country, and particularly the long neglected
marginal masses.

/The value
The value of planning increases as the function of planners is committed to the struggle for national change, the result therefore being a committed form of planning in which the technical side serves an ideal in conflict or competition with others.

The commitment or vocation of existing at the service of a genuinely national and not alien society is what gives planning its national character, rather than the necessary but insufficient circumstance of occurring in a country with certain legal regulations.

Since present-day economic and social technology presents what might be called invariable elements, however, the national character of planning also derives from its creative adaptation to the service of a country in which the people, not the privileged or power groups, are its masters.

Confrontation with elements of an oppressive social system and its dogmatic institutional organization, as well as the barriers that must be overcome by means of a dialogue rather than through the imposition of authority as the main form of conduct and decision, has caused planning to adhere to the central values of the present-day democratic ideal of those who are taking their first concrete steps towards realizing it.

Democratic forms of planning vary according to the degree and style of democratization of the societies concerned. Progressive democratic planning is conceivable, however, not in a truly regressive society, but only in a gradually democratic society.

It depends on social change as a whole, owing to its specific characteristics and the differentiation between types of economic, social and political agents, whether or not planning is adopted, which does not mean that this in itself makes it effective, since that depends on the political will to put it into practice, upheld by the social will.
social will to make it viable by means of dialogue and the achievement
of consensus marked with the values of change, not conservatism.

I believe that the idea and meaning of your presence here is to
give full force to the shared desire to convert this event into a means
of communication and co-operation among planning bodies of Latin American
and the Caribbean, an enterprise which is associated today with
development options that:

- will secure real economic independence, which is the cornerstone
  of real and effective sovereignty;

- will represent an improvement in the terms of trade which are
  intolerable in various areas of international relations;

- will ultimately be oriented towards satisfying the basic material
  and other needs of the population, which of course include
  human rights;

- will be defined in terms of its central values and characteristics
  by the people, who are the subject, not the instrument of
  development;

- will depend on the energy and potential of the members of society
  and their natural and cultural environment;

- will be ecologically satisfactory and provide for the use of
  manageable technologies accessible to large social sectors,
  and will be based on structural changes in the institutional
  order of society.

This does not admit of one development formula which excludes all
the rest; but the validity of the proposals should be clearly reflected
in the national and international dimension.

Conscious of the internal limitations and particularly those which
appear to be exogenous but are becoming increasingly endogenous, we should
/see much
see much more clearly in the existing circumstances that there are problems involved in international economic relations which will continue to have adverse effect on us, possibly because they are related to the essential characteristics of the developed countries, especially the capitalist States, or because we may lack sufficient knowledge about them, or what is known about them is not widely disseminated.

This has a great deal to do with the effectiveness of international strategies, whose results are far from satisfactory; and in this respect instead of objectives that are too extensive in scope, it might be best to identify priority areas of co-operation to supplement our own and take advantage of one another's experience in fields in which each has something to offer, such as:

- studies and research;
- social planning;
- technological programming;
- multisectoral project management;
- questions connected with adapting the administrative apparatus to the structure of the State;
- evaluation and, in particular, implementation of plans and follow-up action;
- characteristics and operation of public enterprises or institutions whose power is beyond all control.

The life of international relationships takes advantage, and should do even more, of the resources of those who practise planning to provide criteria and proposals for reducing areas of conflict and expanding areas of co-operation, in the same way as planning does or can do in the countries themselves, provided it has the appropriate material, technical or intellectual support, and not only the political
planning will of the government and the community, but also a social consensus marked by dialogue rather than by implacable confrontations.

In the Caribbean and in Latin America, particularly in the Andean sub-region and Central America, just as we are advocating development measured by the actual fulfillment of collective human needs, so also horizontal co-operation may develop, with the necessary adjustments, and measured by the effectiveness and perhaps the original nature of our exchanges and by our increased capacity to achieve development compared with other areas.

Peru's deep-rooted American and third world vocation makes us think that events such as the present Conference help to create new possibilities for development and planning, for the generation of new action on the basis of equal opportunities, with the adoption and dissemination of knowledge and experience among members of singularly responsible bodies, and for discussing with feeling and sensitivity the actual situation confronting us and the effort we are making to solve the complex and diverse development problems of our nations. Planning experience among us is extensive and wide-ranging, because of our similarity and the common features in our cultural heritage, and because of differences and peculiarities resulting from specific situations and our particular history.

The course followed by our nations has shown their dependence on certain key resources and technologies. We are therefore conscious that development starts within our own frontiers and demands a great national effort to employ our capacity to utilize our own means as the most effective mechanism to meet the continuing and demanding challenges along the road to a better international community of sovereign nations. Only thus can we comply with the progressive nature of history and accede from a project based on national autonomy to a multinational essentially pacifist integration project.

/It is
It is a challenge to our own potentialities to encourage the developing countries to use their capacity to forge ahead by their own efforts, and to stimulate their creative ability to solve their development problems by their own means according to their needs, aspirations and values.

It is also a challenge to their exchange potential to promote and consolidate the collective capacity to use their own means through the transfer of experience, the common use of resources and the development of supplementary capacities, a course which increases our capacity to achieve our own development and, therefore, the integration we all desire.

In this spirit, and after the fruitful Technical Meeting which has just concluded, we are certain that we can identify, extend or strengthen areas of consensus, establish programme priorities and commit ourselves to renewed efforts to achieve our common aims and ensure that the results are more widely disseminated and more clearly reflected in our action.

Allow me finally to introduce an innovation in the social and generational fulfilment of an imperative historical commitment that has been handed down to us by our liberators; integration, in the last analysis, is a condition of satisfactory survival in terms of human dignity, which demands a broad and generous view because the task is hard and the road is difficult.

It therefore calls for:

- Efforts of every kind at all its levels and in all its dimensions.
  Only work, unlimited self-denial and the generous expenditure of energy can make this regional project which is our common aim materialize, because it is such efforts that dignify man, institutions and nations alike.

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- A frank and honest struggle which gives meaning and content to life, within the terms dictated by the human state, through well-considered and well-balanced action, without surrender and, if necessary, with wholehearted dedication.

- Generosity and solidarity to offer and share our Christian and universal cultural heritage on the basis of common ideals.

- An integrating vocation which raises us above the favourable or unfavourable circumstances and the differences inherent in our national identity to redeem this great Latin American community.

- Creativity, perhaps the greatest challenge to the talent and intelligence of our men and women, so that, with an enlightened mind, they may chart a historical course that will lead to the realization of Latin America's hopes, and thus among the options offered by the world we may visualize the region's global answer to that which we have the approaching by successive stages for a long time.

- Determination to fulfil our historical role, because time does not stop, so that history, which does not easily forgive, will absolve us for having responded to Latin America's appeal in this hour and projected it towards a future which its peoples are so anxiously and impatiently awaiting.

Only thus will we have fulfilled our transit through history, and that will be the best tribute we can pay to our liberators.
It is a particular pleasure to receive you for a few brief moments in this Government House, the home of the Peruvians, at the outset of your work at the ministerial level.

We welcome you here, among other reasons, because Peruvian policy is at present closely integrated with the common tasks and problems of the Latin American nations, including our brothers in the Caribbean.

This in itself is important to us. The communication you will have in the next few days of activity in connexion with the important subject of planning will be highly positive for our peoples. Here in Peru — as you will realize when you talk to our Head of Planning — we are making great efforts in this field. I believe it is necessary for our country, and in fact for all our countries, to make these planning efforts. We recall today that years ago planning was represented as a group of essentially theoretical concepts. There were times — and you will remember them perfectly — when planning comprised a series of experiments. At the present stage, however, without of course discarding the theoretical concepts which always serve to enlighten us, planning should be closely linked with real factors. As we all know, in this evolution and in these problems that affect the whole world, which is constantly experiencing one situation after another in different periods of its history, we find, I repeat, that we not only have to value and analyse the factors of the actual situation prevailing in each of our countries in order to project the future, but planning in any of our countries today is carried out in a marked international context.
Economic, financial and monetary factors which exist at the world level have a considerable effect on planning in a developing country. It frequently happens - and no doubt it has also occurred in your own countries - that in medium- or short-term projects we have laid down objectives in terms of specific estimates of resources which at the time, even on the basis of pessimistic estimates, could feasibly be achieved. Then come the monetary problems, the problems of world prices, those unfair terms that are currently affecting our external trade, and all those cautious forecasts made in the country are appreciably reduced, which compels us to adjust our plans in line with new factors and estimates.

Certain criticisms have been made at the level of Peruvian policy. For example, I have read in some articles in newspapers and periodicals which, within the freedom of the press currently existing in Peru, question how this Peruvian Government which has already established the objective of political transfer can be contemplating important projects for the country. What a tremendous mistake if our country's politicians are thinking in those terms! Governments come and go. Yesterday we had one government, today we have another, and tomorrow there will be yet another. Governments do not last, but the country and people remain. This explains the need for planning.

I believe that with your experience born of earlier confrontations and the continuing studies by international organizations to which we all belong, added to that obtained in your own countries, you can perfectly well expound your knowledge for the benefit of all our countries, so that it will form part of a planning system that will always be an example in the region.

In earlier years, in Peru - and no doubt in your own countries as well - the talk was strictly about economic planning, deprived of the/whole context
whole context in which we ought to view planning, that is, the social and the economic criterion, the sum of which means development planning.

Within these horizons - of which I think we are all already aware - we must also be united, not only in our studies and at these conferences, which are so important, but also in spirit in order to wage a common struggle - all of us together because individually we are not strong enough - which will enable us to overcome these external factors that are also overwhelming our economies, whatever our internal faults and errors. It is difficult to govern without making some mistakes; I think this happens in all our countries. But in the face of the external factors which we are powerless to control, which do not depend upon our will, we must unite and close our ranks. I refer to what is also a Peruvian theory, a theory which involves fighting against the unfair international economic order, because unless the world economic order changes, each of us and each of our countries may make a supreme effort - in fact we shall have to do so and continue our struggle - but the development goals for our nations will still be difficult to attain.

I hope you will have a pleasant time in Lima, a city which has so much Latin American tradition and which is a little stirred today because we have opened the flood-gates which held down our people's political demonstrations. Today the people hold demonstrations, and sometimes agitators sway the crowds to break public order. It is our duty then to defend it. But today our people express their views freely in public places; and we respect their views. I wish you a pleasant stay in Lima.
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(Lima, Peru, 15-18 November 1978)

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/COSTA RICA
COSTA RICA

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   **Topic B:** Experiencias relacionadas con la integración de los aspectos sociales en la planificación.

   **Topic C:** Algunos comentarios en relación con la experiencia de la vinculación de planes a largo, mediano y corto plazo en Costa Rica.


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ECUADOR


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