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ECLAC/ILPES PLANNING UNIT

FOR THE CARIBBEAN:

BASIC PLAN OF ACTION



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I. INTRODUCTION: BASIC IDEAS

1. In a number of recent fora, attention has repeatedly been drawn to the need to provide the CDCC member countries, and in particular, those which are least developed among them, with increased technical co-operation in the field of economic and social development planning. The social, economic, historical, cultural and institutional characteristics of these countries differ from those in other parts of Latin America and the Caribbean. Their special nature often militates against any automatic transfer of experience. In addition, they are all small countries, both geographically and economically, and this imposes special considerations to be taken into account in devising approaches and procedures.
2. Moreover, the characteristics of the Caribbean economic structure - the dependence on the external sector, the degree of commercial openness and the great challenges to be met in the social field create the need for planning and co-operation, within a flexible programme of economic management, in order to overcome the structural problems prevailing in the economy of the subregion.
3. The fact that the Caribbean countries are for the most part islands generally with an interdependent economic structure, gives rise to the need for an approach to national economic development planning with a regional perspective.
4. In the case of the Caribbean countries, one of the major imperatives is to organize effective approaches to the development of national capabilities for economic planning and management. This implies a type of guided market economy involving selective intervention by means of well organized approaches to macro-economic and sectoral planning.
5. In this conceptual framework, planning is not viewed as a formula which is antagonistic to the market; instead, the need to execute an adequate balance between the two mechanisms is stressed. While it is recognized that the market is an effective mechanism for mobilizing productive resources and stimulating productivity and technological innovation, it is argued that there are important reasons for assigning

an active role to the state and hence to planning; in some cases this role would be one of corrective intervention, and in others one of promotion and leadership of the development process.

II. BASIC ACTIVITIES

A. Advisory services

6. In accordance with existing mandates and priorities established by governments, the ECLAC/ILPES (Economic Commission for Latin America and the Caribbean and The Latin American and Caribbean Institute for Economic and Social Planning) Planning Unit will assist the countries through its advisory programme. This activity will include collaboration in the preparation of plans, programmes and projects; evaluation of state sector performance; design of sectoral strategies; articulation of economic and social policies; incorporation of fundamental topics such as science and technology, the environment and demography into national development plans and programmes; design of plans to achieve self-sufficiency in food and implementation of plans to meet the basic needs of producers and consumers.

7. The management of national economies and the establishment of a sound macro-economic policy framework will be considered as one of the most important areas of external assistance.

B. Research activities

8. This activity will be oriented towards meeting the most pressing needs of the countries as regards the planning and national co-ordination of their economic and social policies. In this respect there is an identified need for greater articulation of the applicable economic and social policy tools and there is unanimous recognition of the need to strike an appropriate balance between state orientation and the market.

9. In short, the research activities will be oriented towards the design of public policies aimed to serve as compensatory measures to reduce disparities of income and employment and reassignment of the available resources in a manner compatible with economic reactivation and social development.

C. Training activities

10. In accordance with the Caribbean Development and Co-operation Committee (CDCC) guidelines, and in close collaboration with other institutions, the list of possible topics for training activities could be as follows:

(i) Planning the state sector: Public enterprises and services to meet the basic needs of the mass of the population;

(ii) Project planning and Economic Management: Design, formulation, evaluation, execution and follow-up;

(iii) Measures to meet the statistical needs of development planning: the statistical base for planning, development of information systems for planning, introduction of systems of social indicators for planning improvement;

(iv) Training with a practical approach to increase the countries capabilities in statistics and statistical appreciation, macro-economic and sectoral planning and economic policy formulation;

(v) National economic management issues and articulation of economic and social policies.

11. Following recommendations made by individuals and institutions, greater provision should be made for on-the-job training. The suggested approach must be continuous, innovative and flexible enough to adapt to the circumstances of particular countries. For effective action, all the above require a minimum of institutional co-ordination to avoid duplication of effort and waste of resources.

D. Horizontal co-operation

12. In 1980 the CDCC mandated the creation of six ad hoc working groups for planners in the fields of Agriculture, Energy, Manpower Planning, Physical and Regional Planning, Training and Transport. In 1983 the Secretariat was asked to focus its attention on Tourism and its Environmental Implications as well as the Role of Public Enterprises in Development. Since the formation of the working groups, a number of activities have been carried out and these have been reported to subsequent meetings

of the CDCC and of Planners. As experience with the working groups has grown, the Secretariat has gained new insights into their operation and utility.

13. At the same time a number of new subregional initiatives have also been underway which operate in parallel with and in some cases duplicate these working groups. In this context initiatives in the fields of Agriculture, Energy and Transport need to be borne in mind.

14. Training meanwhile forms a major plank of ILPES' activities in Latin America and appropriate courses can be adapted to the precise needs of the Caribbean. In addition, there have been a series of training initiatives for planners and project personnel sponsored by other international or regional bodies. In this respect the series of training activities carried out in 1985 by CDB/EDI/ILPES (Caribbean Development Bank/Economic Development Institute/Latin American Institute for Economic and Social Planning) in Economic Policy Analysis are worthy of mention.

15. The establishment of the ECLAC/CELADE (Latin American Demographic Centre) Demographic Unit at the ECLAC Subregional Headquarters for the Caribbean in Port-of-Spain also provides a new resource to assist planners to discern population trends and so better fit development strategies to peoples' needs. Manpower Planning is therefore an area in which ECLAC might be able to provide an improved service for the future.

16. The activities in the field of Physical and Regional Planning have also been expanded to focus on the multidisciplinary relationship between tourism, resource use, the environment and development in a joint ECLAC/UNEP (United Nations Environment Programme) project.

17. Future activities in the working groups could focus on the multidisciplinary relationship between resource use, environment and development and specially on methodologies to facilitate the choice between tourism and other potentially conflicting use of natural resources and planning and management of the coastal zones.

18. In the light of these developments and since the working groups are essentially an exercise in technical co-operation among the member countries which requires the active participation of planners in their

respective fields, both in terms of time and intellectual input, a strong case can be made for a rationalization of activities particularly in the fields of Agriculture, Energy, Training and Transportation, so that the already overworked planning institutions can derive the maximum benefits from such technical co-operation at minimal costs.

19. The establishment of an integrated programme of activities by ECLAC and ILPES provides governments with the opportunity to review the situation and the scope of the working groups in the light of changing needs. The governments might therefore wish to consider whether in the fields of Agriculture, Energy and Transportation, ECLAC might investigate the areas in which it might complement the work already being done in the subregion while placing greater emphasis on areas such as Tourism Environment and Manpower Planning.

III. PUBLICATIONS

20. It is planned to publish a biannual "Planning Review" which will be the basic communication medium of the ECLAC/ILPES Planning Unit. The publication will be designed to reach a wide audience and focus on articles about, or of special interest to, the Caribbean. It is hoped that "Planning Review" will stimulate greater dialogue among economists, particularly planners, in member countries of the Caribbean Development and Co-operation Committee.

IV. APPROACH

21. Since no unified methodology has been established for the activities that are envisaged, the following approach has been suggested:

(a) The analytical methods and techniques to be used will have to be in keeping with the available planning capabilities and with the specific conditions in each country;

(b) Local 'know-how' will be used to the greatest extent possible;

(c) The co-operation of competent professionals will be sought in the design, execution, evaluation and follow-up of the activities to be undertaken;

(d) The co-operation of competent subregional institutions, national centres and the main public corporations will be sought and integrated into this effort.

V. CONSULTATIONS WITH THE GOVERNMENTS

22. Provision has been made for a preparatory mission to the Caribbean to identify priorities, agree upon mechanisms for participation, define activities, decide upon machinery for evaluation and consultation and, in general, to act on behalf of the governments in receiving suggestions, recommendations and criteria for the development of the Unit.

VI. ARRANGEMENTS CONCERNING THE SUPPORT OF THE GOVERNMENTS

23. It is important to emphasize that the contribution and participation of CDCC member countries are vital. Without their support, the fulfilment of the basic objectives of the programme will be seriously affected and in this respect some concrete arrangements have to be made in the near future.

VII. FINAL COMMENTS

24. Comprehensive planning of the type to be undertaken by the ECLAC/ILPES Planning Unit should ultimately have a visible effect on the improvement of the institutional and operational capacity of the public sector planning mechanism. It should also help to increase the countries' capacity for absorption and mobilization of resources by providing assistance in key areas of the public sector. This will include promoting a more widespread understanding of national economic management issues, support for institutional development and for national planning systems, strengthening participation processes through increased emphasis on subregional planning, administrative planning, the decentralization of functions and decision-making.

25. In the context of expanding the countries' capacity for absorbing resources, particular attention will be devoted to training in project management, national planning, administration and rationalization of the institutions concerned and their procedures, and generally speaking, to more efficient organization and management of the public sector as a whole.

26. The future work plan must therefore build upon ongoing efforts to strengthen practical research aimed at reducing the lag which exists between traditional systems of economic planning and administrative planning. This approach is intended to foster a better understanding of administrative problems, the complexities of the public apparatus and the crucial issues related to the political economy of public management. In short, the aim is to improve the integration of the global planning system guidelines with the institutional demands that they create, to promote the administrative adjustment needed for better plan implementation and to design appropriate administrative procedures for an efficient and democratic execution of macro-economic policies.

27. Finally, these activities will also involve collaboration with other institutions in the development of an appropriate institutional capacity for the national management of social policies. The nature and extent of the effects of the international recession on Caribbean countries vary, but these nations exhibit broad similarities and have suffered severe consequences. Dealing with this situation calls for selective compensatory measures and innovative inter-institutional projects with a high level of popular participation and intraregional co-operation.

