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Expert Meeting on Crisis and
Development in Latin America
and the Caribbean

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It is a great satisfaction for me, so soon after having assumed my new functions, to be opening this meeting which was an initiative of Enrique Iglesias and is of such great importance for ECLAC.

I should like to begin by paying a very sincere tribute to Don Raúl Prebisch and to Enrique Iglesias, who have given us the pleasure of joining us here this week. Don Raúl, as the creator of the Commission, and Enrique, as one of the driving forces behind its subsequent progress, represented milestones in the life of this institution, and it was a privilege for me to work with them and enjoy their friendship.

I also have great pleasure in giving my warmest welcome to the distinguished personalities who have been so kind as to accept our invitation to participate in this dialogue. The impressively high level of the participants in this meeting indicates, to my mind, that this will be a most fruitful encounter.

I should also like to make particular mention of the help we have received from the United Nations Development Programme, the Third World Foundation and the Ibero-American Co-operation Institute, which has largely made possible the holding of this meeting.

The fact that the experts invited to this event are taking part in it in a strictly personal capacity will, I hope, make possible a spontaneous exchange of ideas without this, of course, in any way committing the institutions with which the participants are associated.

We have tried to ensure that those participating in this meeting represent the diversity of situations existing in the countries of Latin America and the Caribbean as well as the views held in the developed countries. This, I believe, will do away with any temptation to indulge in easy generalizations, while at the same time it will give rise to a lively interest in the exchange of experiences and points of view.

It also seems to me to be extremely promising that we will be having the benefit of the viewpoints of different social sciences. Each of our disciplines tends to see the situation from its own point of view, but they nevertheless belong to an indivisible whole. The multidisciplinary nature of the participants in our debates will also give us an opportunity to integrate the different viewpoints into an interpretation which is closer to the actual reality.

It is interesting to note that our participants include personalities linked with the public and private sectors, academic and labour circles, and international and regional organizations. This mirrors the combination of reflection and action which has always been an important goal of ECLAC.

We see this meeting as the starting point rather than the conclusion of a process. The items on the agenda will be of concern to the countries of Latin America and the Caribbean for years to come, since the effects of the present crisis will continue for some time. The implications for our region of the changes which are taking place in the international economy will reveal themselves in a gradual manner. In line with the mandate given to us by the member governments of ECLAC at the twentieth session of the Commission, held in Lima in April 1984, we have organized this dialogue in order to make a global analysis of the challenges and options facing the countries of the region. We also hope to contribute, within the measure of our possibilities, to the various discussions that will be held on these topics in the future.

As regards the immediate future, in line with the mandate received from our member governments we plan to present the results of this event to a session of the Committee of the Whole of ECLAC which will be held next August in Buenos Aires.

This week's deliberations will be of enormous value for our future work. We hope that you will give us ideas and guidelines which will allow us to impart greater realism and solidity to the contribution our Secretariat can make to the countries in clarifying some of the main topics involved in the definition and application of development strategies and economic and social policies.

I should like the future work of our Secretariat to achieve a harmonious combination of continuity and change. Continuity, in the sense of remaining true to certain principles and lines of action which have inspired the work of ECLAC from its inception. Change, in the sense of constantly reviewing our ideas and our work in order to ensure that they are in keeping with the real conditions of the region.

I think we must be open to all ideas and theoretical concepts, whether they come from inside or outside the region. At the same time, however, I believe that any theory is only valid to the extent that it correctly interprets reality and makes it possible to draw policy conclusions which are adapted to that same reality. The present situation of Latin America, which of course is very different from that prevailing several decades ago, and the crisis affecting most of the countries of the region call for a fundamental review of ideas and proposals. For our part, we are fully disposed to examine our thinking objectively and without prejudice in order to ensure that we approach our tasks properly.

The contrasts between transformation and heterogeneity which have characterized the development of the countries of the region in the last forty years constitute a starting point which cannot be left out of the reckoning when designing development strategies and economic and social policies for the years to come. In these strategies and policies it will be necessary to combine and reconcile economic, social and political elements, and in some cases this will provide a very interesting intellectual challenge. It will be necessary to advance towards greater democratization and participation, while at the same time maintaining the social discipline required in order to achieve the accumulation of capital needed to allow the region to grow. It will be important to attain greater autonomy with respect to the exterior --something which has been seriously affected by the crisis and the growth of the external debt-- and at the same time to transform the structures of production. We will have to strive to normalize the functioning of our economies by applying adjustment and stabilization policies, while at the same time achieving economic reactivation and laying the basis for dynamic development. Finally, a deep-seated ethical element must be introduced into the efforts needed to overcome the present crisis, so as to share the burdens and fruits of this process equitably.

In the light of the achievements and changes registered in recent decades, the elements of heterogeneity that still persist, and the consequences that will continue to derive from several years from the present crisis, three challenges which the countries of the region will have to face in the coming years may be distinguished:

First of all, the region will have to gradually overcome the consequences of the crisis, reconciling the adjustment and stabilization policies which will continue to be necessary with the attention that it will be necessary to give to the reactivation of the economies and expansion of the apparatus of production, while at the same time ensuring an equitable distribution of the sacrifices that these adjustment and stabilization policies will bring with them.

Secondly, it will be necessary to ensure that our medium- and long-term development strategies give a clearer response to such elements of structural heterogeneity as the underemployment of labour and critical poverty, which did not undergo any appreciable reduction in the past even in periods of relatively dynamic growth and which have now got even worse with the crisis.

Thirdly, it is necessary to make a careful appraisal of the implications for Latin America and the Caribbean of some important changes in the fields of technology and production which are taking place in the developed countries. The appearance in those countries of such new technologies as microelectronics, robotization and numerical control can substantially reduce the comparative advantages which the region was gradually winning in production processes involving the intensive use of labour. The new biological technologies which the developed countries are using more and more may significantly alter the comparative advantages of the region in sectors of production based on natural resources. The challenge for our countries, in this case, is to make a proper interpretation of the significance of these changes and prepare our economies so that they can compete successfully in the world of the future. It would be truly lamentable if, at the end of this crisis, the countries of the region found that they had oriented their development strategies to prepare for the world of the past rather than the world of the future.

However, there is no reason why the magnitude of the present challenges should give rise to pessimism as regards the future on the part of the Latin American countries. During the crisis of the 1930s, when our economies were violently shaken by external events, decisions were taken which led to processes of industrialization, and these in turn gave rise to half a century of development and to profound changes in the economies and societies of the region. We can be confident that in this case too we will be able to react with a combination of imagination, realism and energy in order to find suitable solutions and carry them out in a decisive manner.

The central objective of this meeting is precisely to help to understand the real situation of our countries and the world context and to examine options for successfully tackling the three challenges which I have just highlighted.

The Secretariat is presenting six documents at this meeting. In the document subtitled "Change and crisis: Latin America and the Caribbean 1950-1984" a long-term analysis is made with a view to determining the possibilities and limitations of the social and productive structure of the region. In the document subtitled "The onset of the crisis and the economic policy response: effects and options" the consequences of the crisis are analysed, the adjustment and stabilization policies applied are evaluated, and an analysis is made of some changes which could be carried out in these policies in the years to come in order to make adjustment and stabilization compatible with reactivation and the resumption of the growth process. In the document subtitled "Challenges and options for future development" an examination is made of the alternatives and opportunities which the region might have in the long term for overcoming the structural problems of the past and for preparing itself better to respond successfully to the changes in the international economy. The main ideas in these three documents are presented in an abbreviated form in a synthesis document entitled "Crisis and development: the present situation and future prospects of Latin America and the Caribbean". Two other documents, one entitled "A view of the Caribbean" and the other entitled "Central America: bases for reactivation and development" deal with the more specific problems of those subregions.

We will also have before us a select set of contributions made by research centres and experts participating here in the meeting. I should like to take this opportunity to express my warmest and most sincere thanks for these contributions, which provide us with a magnificent base for our dialogue.

I should like to make it clear, however, that the meeting is not intended fundamentally to discuss these contributions or the Secretariat documents. The backbone of this meeting is provided by the suggested Guide for discussion of the items on the agenda.

In this Guide, we put forward a number of carefully considered queries, divided into six parts which correspond to the six working meetings to be held between tomorrow (Tuesday) and Thursday. On Friday morning we will have a synthesis discussion on the basis of the views expressed at these six meetings.

I should like once again to express our deepest gratitude for the presence at this meeting of personalities of such a high level and for the contributions received.

I hope you will excuse us for the physical inconveniences which we have to put up with on this occasion and that you will also forgive us for the delay with which --for reasons beyond our control-- we have made available the Secretariat documents.

In the ECLAC Secretariat we have great hopes that this meeting will help us to clarify some of our doubts and define more clearly a programme of work which will help us to seek more effectively in the years to come lines of action which are in keeping with the current challenges.

Finally, I should like to stress the importance of continuing this dialogue and especially of joining forces systematically with the research centres and experts who are with us today. The region needs intensive collaboration among the institutions dealing with these matters in order to strengthen their capacity to provide the countries with clear views and profound reflections in this crucial stage of our history.