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NEW ORGANIZATION AND FUTURE ACTIVITIES OF THE
LATIN AMERICAN INSTITUTE FOR ECONOMIC
AND SOCIAL PLANNING

(Proposal of the Governing Council of ILPES)

Note by the secretariat

In connexion with agenda item 4, the secretariat has pleasure in sending the delegates attending the eighth extraordinary session of the Committee of the Whole of the Economic Commission for Latin America (ECLA) the attached document entitled "New organization and future activities of the Latin American Institute for Economic and Social Planning" (INST/40). This document is based on the report which was considered at the seventeenth session of the Governing Council of the Institute held in New York in November 1973 and submitted for the attention and approval of the Governing Committee of the Council of ILPES which met in Lima on 1 December 1973. The attached text embodies the results of this meeting.

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INSTITUTO LATINOAMERICANO
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NEW ORGANIZATION AND FUTURE ACTIVITIES OF THE
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I. THE NEW LINES OF ACTION OF ILPES

1. The planning of development is a vast field with innumerable possible aspects, to deal with which a very large fund of resources would be required. In order to define the Institute's new lines of action it is therefore essential to choose topics which represent basic concerns of this institution. This choice should be selective, and should be based on the needs of the governments, which are extremely dynamic.

2. The efforts made to identify the problems which most concern governments, and the evaluation of the present and potential capacities of the Institute, enable two major categories of topics to be distinguished:

(a) The topics included under traditional activities are so described because for some time now they have formed part of the normal programmes of work of both the Institute and the planning offices of the countries. The experience accumulated has enabled significant progress to be made in these spheres, and today these tasks are tackled much more precisely and in much greater depth. At the same time, however, efforts need to be continued in this direction. The planning of development, even in the areas where the most sustained studies and repeated experiments have been made, is still of undeniable complexity, and the theory of planning in Latin America still does not constitute a neat, cut and dried body of knowledge. A large number of problems exist to which no solution has been found even in theory. An Institute which takes planning as its basic task should reserve no mean share of its potential in order to continue to elucidate problems in the traditional sector. Moreover, if the dynamic and varied nature of Latin American societies is borne in mind, it must be agreed that research and experimentation in such areas as global, sectoral and regional planning, integration, and project formulation and evaluation needs to constitute a permanent task of the Institute, so as to make available work methodologies which are in accordance with the changing realities of the countries of the region.

As already stated, progress has been achieved in a number of areas, but where there is perhaps most need for redoubled efforts is in the field of the links between global and sectoral or regional planning, between the planning of strategies and that of short-term plans, between the economic and the social and political aspects of a plan, between the paths followed by real and monetary variables, and so forth. In short, continued progress is essential in the integration of bodies of knowledge into a broader interpretation of planning processes in Latin America.

(b) There is also a group of new topics which have arisen both as a result of requests from governments and in the light of the views which have been taking shape within the Institute itself and UNDP.

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Although this is not a question of areas or topics which are completely new to the Institute - sustained work has already been done on many of them - they contrast with the others in that, generally speaking, they constitute more recent items which require additional effort. These topics are briefly listed and commented upon below.

It should be noted that the first five of these should be considered as areas of work calling for renewed emphasis, rather than as new topics proper. This is so because their due consideration requires fuller theoretical knowledge and because proper attention to them is crucial for success in defining and implementing the plans.

(i) Relation between planning processes and the institutional structure of countries

A noticeable gap in the planning experience of the region is shown up by the instances of the adoption of machinery and strategies which do not take full account of the institutional and political context which they have to serve. Gaps of this type are perfectly comprehensible, however, in view of the complexity of the process involved, which is still young in terms of years and which provokes antagonism between sectors of the economy and power groups. These gaps are also to be explained by the vicissitudes into which the practical application of planning has been forced by the frequent changes and crises in the policies and strategies of the Latin American countries. Such problems can be partly solved through studies and research which make it easier to arrive at diagnoses covering social and political realities in greater detail and give a better orientation to the formulation of plans so as to ensure their viability. The nature and dimensions of the institutional conditions must be identified in each case, since this is the only way to work realistically in the design of plans.

(ii) Planning and the social objectives of development

The economic development of many of the countries of the region, which has achieved no mean success in several cases, contrasted with the persistence and even the aggravation of social problems, indicates the need for a deeper analysis of a type of compatibility which will take increasing account of social and institutional variables and processes.

/(iii) Economic

(iii) Economic policy and planning

One of the most crucial problems in formulating planning schemes in the region is that of dealing adequately with the relations between the programmes and plans and the different instrumental policies and between physical and monetary variables. Although intensive work has been done on this matter, the content of plans still displays shortcomings in the handling of economic policy instruments. The insistent requests from governments in this regard give this topic a degree of priority which is beyond question.

(iv) Planning models and techniques

The planning offices of the Latin American countries have an ever-increasing need for more highly perfected models and techniques to solve the problems raised by development processes. In many cases, such methodologies have had to undergo substantial changes in order to include numerous social and even institutional variables.

This is a field to which ILPES has given priority attention, but it still needs to be strengthened through systematic research which will help towards an acquaintance with all the progress achieved in this area. This research should be directed towards analysis of the possibilities of adapting the new techniques to Latin American conditions and towards the attempts to create methodological forms designed in the light of the actual conditions prevailing in the region.

(v) Relations between planning and economic integration

Integration schemes increasingly tend to provide for the programming of many of their activities and the co-ordination of the development strategies and development plans of the member countries. Although progress has been made here and the Institute has freely given its collaboration (mainly with the Andean Group and the Central American Common Market), it appears necessary to heighten and extend these efforts. A continual need is also felt to study the possibilities for complementation and convergence among the existing integration groupings. These possibilities will become more clearly discernible as progress is made in the continuing process of interpretation and synthesis of Latin American integration as a whole.

/(vi) Planning

(vi) Planning and forms of enterprise management

New forms of management of enterprises have emerged in Latin America, and some governments have even expressed their intention of promoting some of these forms. Semi-public enterprises, public enterprises and labour-managed and worker-participation enterprises and management machinery, raise a whole new set of problems, both as new mechanisms and as new planning objects. Private enterprise too is undergoing substantial changes in its forms of organization.

Governments must adopt concrete measures in these areas as part of their development plans.

It would seem appropriate for the Institute to tackle this group of topics so that future requests from governments for advisory services can be answered with proposals that have all the soundness resulting from thorough analysis of the questions involved.

(vii) National and regional planning

The problem of the structure to be given to the geo-economic space of the countries is a long-standing concern of the Institute and is now daily revealed as a growing matter of interest to governments. The work begun on regional planning has started to deal with this topic, but it is becoming necessary to tackle it in greater depth - as a part of global and sectoral planning - in the light of the internal disequilibria of the countries and the opportunities offered by integration. The study of the rational and efficient exploitation of the resources of each country through regional development strategies, taking into account such matters as poles of development, industrial complexes, problems of urban agglomerations, marginality, etc., should serve as the backing for increased work on advisory services, training and research into this subject. The topic of increasing urbanization is of special interest in this context.

(viii) State planning and administrative structure

Each country, at every stage of its development process, requires its own modalities and forms of State organization. One of the most important aspects of planning is the analysis of the State's administrative capacity to formulate development strategies and plans. In this matter there is extensive scope for research and for the incorporation into training and advisory services of the conclusions reached.

/(ix) Relation

(ix) Relation between planning and technological policies

The consequences of the large-scale absorption of technology on the possibilities and modalities of development in the countries of the region have been studied and analysed in numerous centres using a critical approach, mainly with a view to determining their effects on employment, autonomy of decision, the balance of payments, etc. Also of interest in planning is the analysis of the possible options which the countries really have vis-à-vis imported technology, both as regards the establishment of a selective policy in this respect and as regards the real possibility of adapting and diffusing such technology, without prejudice to effective action aimed at the scientific development of each country and the creation of its own technologies.

Furthermore, the incorporation into plans of goals and policies connected with technology implies both global consideration of the matter and consideration at the sectoral level (sometimes very specifically), as well as attention to operational aspects.

Briefly, what is involved is the inclusion of technology in development plans as an explicit variable.

II. RELATIONS BETWEEN ILPES, ECLA AND UNDP

The Latin American Institute for Economic and Social Planning came into being as an autonomous institution under the "aegis" of ECLA. Throughout its existence it has been assisted by the United Nations Development Programme, which has supplied most of the resources ILPES has had at its disposition.

Those responsible for giving the Institute its present form of organization were very conscious of the advantages of an autonomous and independent organization.

Financial and administrative reasons, however, point to the need to make certain changes in order to give governments more influence and responsibility in the high-level orientation of the Institute's activities and to make possible a greater integration of its work with that of ECLA.

These considerations also coincide with the need for unity of work and co-ordination of activities so as to avoid unnecessary dispersion of effort.

In view of the foregoing, the majority opinion of the Governing Council has reached a consensus on the desirability of the following recommendations on the relations between ILPES, ECLA and UNDP:

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1. In view of its functions, the type of services it provides to the region and to individual countries, its relations with other United Nations agencies and its position among them, ILPES should conserve its own identity, whatever form its future organization may take.

Furthermore, ILPES should be an agency of ECLA. Although its functions differ from the group of activities of the secretariat of the Commission, it should answer to the same authority and pursue the same general objectives.

A form of institutional organization based on these principles would enable UNDP to design an assistance project for strengthening and developing ILPES within the framework of close links with ECLA and a programme covering a group of specific activities to be determined jointly by UNDP and the Commission.

In accordance with the foregoing principles, ILPES would become an ECLA Institute for Economic and Social Planning, with the objectives defined in Section I of this document.

For its part, UNDP would assist ECLA in strengthening and developing its Institute for Economic and Social Planning, through a special project.

2. Subject to obvious differences resulting from the application of the principles described in the previous paragraph, ILPES, as part of the ECLA secretariat, would have features similar to those of a programme, and its activities and operations would be run by a Director responsible to the Executive Secretary of ECLA. The Director of the Institute would be designated in accordance with a procedure laid down by the Secretary-General of the United Nations.

The nature of the functions of the Director of ILPES and the responsibilities they involve call for the appointment of a person with such experience, training and knowledge of the region, as well as prestige within it, as would provide him with sound capacity for the intellectual and organizational administration of the Institute and at the same time help to gain the support of countries and other institutions for its work.

The Institute's staff would consist of a body of officials financed from the regular United Nations budget and from funds supplied by governments or institutions which provide ECLA with resources with a view to strengthening and developing planning activities in Latin America. The acquisition and administration of these funds for use by the Institute would be the responsibility of ECLA.

/Whenever appropriate,

Whenever appropriate, the secretariat of the Commission will promote the execution of co-ordinated work between the Institute and the different divisions of ECLA which make possible the common use of the work of the staff. Thus, the Institute could use available experts in the sectoral action units existing in ECLA, while ECLA could make use of Institute experts.

The above proposal in no way contradicts the principles laid down earlier whereby the Institute has specific work to carry out, to which it must give the priority called for by governments in matters of advisory services, training and research for planning.

3. Through an assistance project, UNDP would provide the resources needed to make use of the services of qualified professionals in the tasks defined as "new" and in the areas which will constitute the foundation for the future work of the Institute. All this would of course without prejudice to support for work designated as traditional.

UNDP would also provide the necessary equipment for attaining the objectives of the Project, as well as resources for contracting services, special training needs, administrative support staff, etc., in accordance with its established practice.

4. ECLA and UNDP would be jointly responsible for the implementation of the Project in such a way as to achieve its objectives.

In this context, the Executive Secretary of ECLA would be responsible both for the Institute as whole and for the UNDP Project of assistance to ECLA. His duties would include participation in the review and supervision of the Project and in the adjustments it might be necessary to make during its implementation.

UNDP would be responsible for the organization and execution of the Project, the administration of the activities carried out by staff assigned by it to the Project, and the provision of the technical support required for the effective implementation of the Project.

ECLA would establish a standing Committee for Economic and Social Planning, made up of ministers in charge of planning or their delegates, to act as a higher directive agency for the activities of the Institute and to be an advisory body for the Executive Secretary of the Commission both in carrying out the programmes of work of ILPES and in evaluating their results.

This Committee would in turn nominate an Executive Sub-Committee made up of five or seven representatives; this would have the same responsibilities as the Committee when the latter is not in session.

The adoption of the measures and of the type of organization described above would require the modification of resolution 220 (AC.52) adopted by the Committee of the Whole of ECLA at its Ninth Session.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

In the second section, the author outlines the various methods used to collect and analyze the data. This includes both manual and automated processes, as well as the use of specialized software tools. The goal is to ensure that the data is both reliable and easy to interpret.

The third part of the document provides a detailed breakdown of the results. It shows that there is a clear trend in the data, which is consistent with the initial hypothesis. This finding is significant as it provides strong evidence for the proposed model.

Finally, the document concludes with a series of recommendations for future research. It suggests that further studies should be conducted to explore the underlying causes of the observed trends and to test the model under different conditions.