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UNITED NATIONS DEVELOPMENT DECADE

Note by the Secretariat

In December 1961 the General Assembly of the United Nations adopted resolution 1710 (XVI) designating the current decade as the "United Nations Development Decade in which Member States and their peoples will intensify their efforts to mobilize and to sustain support for the measures required on the part of both developed and developing countries to accelerate progress towards self-sustaining growth of the economy of the individual nations and their social advancement so as to attain in each under-developed country a substantial increase in the rate of growth, with each country setting its own target, taking as the objective a minimum annual rate of growth of aggregate national income of 5 per cent at the end of the Decade." The Secretary-General was requested to "develop proposals for the intensification of action in the fields of economic and social development by the United Nations system of organizations" in the light of this objective.

The ECLA secretariat was invited to prepare material for the Secretary-General's report entitled The United Nations Development Decade, Proposals for Action,<sup>1/</sup> which was submitted to the Economic and Social Council at its thirty-fourth session. In resolution 916 (XXXIV) the Council established the broad framework for future action and requested the Secretary-General to prepare, in co-operation with the regional economic commissions and other bodies and agencies of the United Nations family, a programme of detailed phased proposals for action with respect to the objectives laid down for the Development Decade.

On the basis of this resolution, the following six priority areas were tentatively selected by the Secretary-General, and ECLA was asked to put forward its proposals for action in relation to these areas:

1. Expansion of trade of under-developed countries, with special reference to the preparation of the International Conference on Trade and Development and its expected follow-up;
2. Promotion of national development planning, with special reference to projections and regional planning institutes;

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<sup>1/</sup> United Nations publication, Sales No.: 62.II.B.2.

3. Industrial development, with special reference to the setting-up of secondary industries in less-developed countries;
4. Application of science and technology to problems of under-developed countries;
5. Natural resources development;
6. Improvement of housing conditions, with special reference to the lowering of building costs in under-developed countries and self-help housing.

In establishing the work programme for 1963/64, the Commission may wish to take these guiding principles into consideration, bearing in mind that the six priority areas tentatively selected are of particular interest to its work. The first four have been included on a priority basis in ECLA's work programme for several years, and are now being explored in greater depth. The last two have also received attention from the Commission. In the case of natural resources, some work has already been done in the six country surveys of water resources carried out in collaboration with BTAO, and work is now proceeding to determine the state of knowledge of natural resources and ways of evaluating them. With respect to housing, the Commission has recently given priority to certain aspects of this subject, particularly planning, statistics and modular co-ordination.

If the secretariat is to make an effective contribution in these six priority areas, some additional resources are essential, and these are outlined below, together with the work envisaged for the next few years.

#### 1. Expansion of trade

Expansion of trade of under-developed countries, with special reference to the preparation of the coming International Conference on Trade and Development and its expected follow-up.

The secretariat has been requested to prepare a number of background papers for the meetings of the Preparatory Committee for the International Conference on Trade and Development, and discussions are in progress as to the documents to be prepared for the Conference itself. For the Preparatory Committee, brief papers will be prepared on the following topics:

/International trade

International trade in relation to national development planning, policies and institutions in Latin America;

Trade problems between countries of the region at a similar level of development, and any special problems affecting trade between the Latin American countries and the centrally planned economies;

Measures and action for the promotion of trade in primary commodities among the Latin American countries;

Measures and action for the diversification and expansion of exports of manufactured and semi-manufactured goods by Latin American countries with a view to increasing their share in world trade; and measures and action for the promotion of trade in manufactured and semi-manufactured goods among the Latin American countries;

Implications for the trade and development of the Latin American countries of economic groupings of developed countries and/or preferential trading arrangements; and similar implications of economic groupings of developing areas and/or preferential trading arrangements.

The close relationship between foreign trade activities and the level of regional income, together with the marked decline in Latin America's share of world trade, justifies the highest priority being given to research on possibilities for increasing the region's trade as an essential prerequisite for accelerating its development. The principal areas in which work is proceeding or which require exploration in the next few years are as follows:

(a) Common market and regional integration

Apart from general collaboration of a technical nature with the Latin American Free-Trade Association and the Secretariat of the General Treaty on Central American Economic Integration, the secretariat will complete a series of studies and start work on others, designed to accelerate the integration programmes and re-assess the methods for bringing about a Latin American common market. Such studies include an analysis of the progress made by ALALC and its prospects, trade policy and payments, tariff policy, a comparative study of exchange controls and other quantitative and administrative restrictions, a comparative study of the incentives for new investments - particularly in the industrial sector, factors affecting

/productivity and

productivity and its effects on the competitive position of the countries and of the different industries, transport in relation to the integration of regional markets, co-ordination of production policies and regulation of Central American trade in basic agricultural products, the role of agricultural products in the proposed Latin American common market, and so forth. In order to be able to cope with the preparation of material for the International Conference on Trade and Development and at the same time to intensify the work in connexion with ALALC and the Central American Integration Programme, the secretariat would require the following additional staff:

1 P4 12 months (1963/64)

2 P3 24 months

(b) Latin American trade with other areas

Among the studies under way or to be carried out in the next few years are the analysis of Latin America's foreign trade in the post-war period (trade in traditional products, prospects for expanding production of Latin American export commodities, changes in the composition of Latin American imports from industrialized countries, terms of trade and their influence on the rate of economic development, co-ordination of trade policy and relations with the European Economic Community, etc. For this purpose, the secretariat estimates that it would need:

1 P4 or P5 12 months (1963/64)

1 P3 12 months (1963/64)

2. Development planning

Promotion of national development planning, with special reference to projections and regional planning institutes

The ECLA secretariat will intensify its research work on questions relating to the economic development planning of the countries in the region. In broad terms, its activities will include: (i) economic and social analysis; (ii) studies of economic and social development policy; (iii) planning; (iv) projections of the Latin American economy; (v) statistical and technical information; (vi) social and administrative organization.

/(i) Analysis

(i) Analysis of economic and social development. Studies of the countries in the region will be intensified in order to evaluate their development and identify the economic and social factors which limit it. This analysis will pay very special attention to the national plans that are being carried out. One aspect to which particular importance has been assigned, and on which work has begun, is the pattern of income distribution in the Latin American countries and economic and social development policy. Other important problems of Latin American development are those relating to the various aspects of agricultural economy, where insufficient development has seriously hampered general development, and to industrial development and the function of public investment. Demographic studies will have to be intensified in view of the exceedingly high rates of population growth of the countries of the region, with all that this implies as regards levels of employment and cost of social services.

Work on these problems calls for the following additional staff:

1 P4 12 months (1963/64)

(ii) Studies of economic and social development policy. A systematic analysis needs to be started covering the different measures, alternatives and institutional reforms which should be included in a development policy suited to the economic, social and institutional conditions prevailing in Latin America. For this work, one additional staff member is required:

1 P4 soc. 12 months (1963/64)

(iii) Planning. The specific studies of techniques of planning and the work of direct advice to Governments for the formulation of development plans will be centralized in the Latin American Institute for Economic and Social Planning. ECLA, through its various Divisions, will help in matters relating to methodological research and the integration of economic and social planning, and in studies for the formulation of development policies.

The Institute is responsible for the organization and direction of technical groups to advise Governments, and for the training of Latin American civil servants and other professional persons in planning techniques.

/(iv) Projections

(iv) Projections of Latin American economy. Since its inception, ECLA has worked on economic and social projections for the region as a whole and for individual countries, and has been working out a technique for making these projections. Work in this field will be intensified with a view to formulating projections for the region as a whole and for individual countries in a systematic way so that they can be kept permanently up to date. At the same time, greater resources will be assigned to the exploration of projection techniques. It has been decided to create a Projections Centre within ECLA which will work in co-ordination with the Institute and will be responsible for all such matters. This regional Centre will work with the United Nations Economic Projections and Programming Centre set up under General Assembly resolution 1708 (XVI).

In order to carry out this programme, a senior economist specializing in projections is needed, together with one assistant, i.e.

1 P5 12 months (1963/64)

1 P3 or P2 12 months (1963/64)

(v) Statistical and technical information. The scarcity and poor quality of statistical and technical information in the region is a serious obstacle to carrying out work on analysis and planning. ECLA will intensify its work on methodological research and will encourage, directly or through other institutions, the holding of meetings and seminars to assist countries in improving statistical and technical information. Direct advice to Governments through specialized technical missions will be essential in order to improve the statistical level of the countries in the region.

(vi) Social and administrative organization. A research programme has been planned covering the various aspects of social organization in relation to the development of the countries in the region, and work will continue on studies of the administrative and technical organization best suited to the formulation and execution of development plans in the Latin American countries.

One additional staff member is needed if this work is to be given the priority required under present conditions, i.e.

1 P4 12 months (1963/64)

### 3. Industrial development

Industrial development, with special reference to the implantation of secondary industries in less-developed countries

The ECLA secretariat has been working intensively on industrial development problems over the past few years, and the results of many of the studies were presented at the Seminar on Industrial Programming organized jointly with BTAO and the Headquarters Division of Industrial Development and held at São Paulo in March 1963. The work on industry can be carried forward without additional staff, since three regional industrial advisers have been assigned to the secretariat. Some of the projects now in progress, relating specifically to secondary industries, are indicated below:

(a) Iron and steel industries

The ECLA/ILAFA/IDB study on Latin American steel-making is the main activity in this field. An analysis of the prospects for steel-making in each of the Latin American countries, and of the possibilities of complementation of production facilities in the region, is envisaged. A project on economies of scale in the steel industry, in both conventional and new processes of steel-making, is also under way.

(b) Mechanical industries

The studies on the manufacture of heavy industrial equipment in Argentina and Brazil will be followed up and studies will be undertaken on the manufacture of heavy industrial equipment in Chile and Mexico, on mechanical construction in Venezuela, Colombia and Ecuador, and on the automotive industry.

(c) Chemical industries

A progress report on the Latin American chemical industries will be prepared, as a sequel to the recent ECLA comprehensive report, and advice will be given for carrying out development programmes on the subject.

(d) Textile industries

The studies on the textile industries of Chile, Brazil and Uruguay will be extended to Peru, Colombia, Mexico and Argentina (members of ALALC), and probably also to Venezuela and Bolivia. Follow-up work will be carried out in the countries already studied (Chile, Brazil and Uruguay).

/Another activity



Another activity will be the preparation of a manual for programming the modernization and development of the textile industry.

(e) Timber industries

The ECLA/FAO/BTAO Pulp and Paper Advisory Group for Latin America will continue to give advice to the Latin American Governments.

(f) Industrial seminars

In addition to the Seminar on Industrial Programming which took place at São Paulo in March 1963, other seminars will be held on Industrial Policy (Mexico, 1964), and possibly on Machine Construction (Argentina), and Chemical Industries Development (Venezuela, 1964-65).

#### 4. Science and technology

Application of science and technology to problems of under-developed countries

ECLA's current work in this field is concerned exclusively with technological research activities as applied to the transforming industries, excluding for the time being such problems as research relating to the progress of science which has no immediate application in manufacturing industry; research on agriculture, stockbreeding, forestry and fisheries; research relating to geology and mining, except the processing and preparation of some minerals in order to make them more suitable for industrial application.

A pilot study is being completed, the research being confined to certain problems in Argentina, Brazil, Chile and Paraguay. The study will consist of the following: a brief enumeration and description of some technological problems affecting several Latin American countries, for purpose of illustration; presentation of some examples of the different types of research institutes concerned with these problems in the countries covered by the study; analysis of a group of problems and drawbacks common to several of the institutes in these countries; a brief indication of possible future action in the area of applied research.

This study will be followed by a series of monographs relating to specific problems, for distribution to the directors of technological research institutes in the region. For the consideration of these documents,

/ECLA and

ECLA and OAS will jointly convene a small working group consisting of directors of research institutes in Latin America, Europe and the United States, which will advise ECLA, OAS and other organizations on the following matters:

- (a) The desirability and possibility of establishing a permanent mechanism for co-ordinating technological research activities and publishing, within Latin America, the results of research carried out by existing institutes;
- (b) The possibility of concentrating technological research relating to certain problems in those institutes in the region which appear to be best equipped to carry it out;
- (c) The institutional framework within which research centres can operate most efficiently;
- (d) The possibility of obtaining technical assistance and financial aid from appropriate international agencies, with a view either to strengthening a specific centre or to studying, with the co-operation of several centres, a specific problem affecting several countries.

#### 5. Natural resources development

Although ECLA's work programme has no specific project relating to the study of natural resources as such, the planning efforts started by Latin America have enhanced the interest in a better knowledge of natural resources in the region, which to date has tended to lag behind other research activities. In order to carry forward this work, the secretariat would need:

1 P4 12 months (1963/64)

The secretariat will complete a first report on natural resources in relation to economic development of Latin America. At the same time it will continue to organize special missions on water resources, in order to extend to other Latin American countries the type of research already done in several of the countries of the region. In this work, special attention is paid to the economic factors of water utilization, use for multiple purposes, the legal aspect and the development of hydro-electric potential, both on a national basis and in relation to problems of energy resources affecting the region as a whole.

/These activities

These activities will be complemented by those of the Latin American Institute for Economic and Social Planning, where a special Division has been established for Transport, Natural Resources and Regional Planning. Moreover, preparatory work has started with a view to including among the specialized courses of the training programme one specially designed to cover techniques for the reconnaissance of natural resources.

#### 6. Housing conditions

Improvement of housing conditions, with special reference to the lowering of building costs in under-developed countries and self-help housing

As a whole, Latin America has a serious housing deficit, and in order to remedy the situation within a short period, a very high proportion of total investment resources would have to be assigned to housing. The secretariat's work in this direction is closely connected with the more general problems of planning of Latin American development. Consequently, special attention is being paid to two aspects: housing statistics and the formulation of a methodology for the planning of housing as an integral part of a general development plan. Studies are also being carried out in connexion with the Central American integration programme, on housing requirements and on the application of modular co-ordination in the field of low-cost housing. Since this is a new activity, the following additional resources are required:

1 P4 12 months (1963/64)

1 P5 12 months (1963/64)

/The staff

The staff requirements set forth in the present note are summarized below. They are all directly related to the additional work involved in meeting the targets set for the Development Decade.

|   | P5 | P4       | P3 |   |
|---|----|----------|----|---|
| Trade and integration                       |    | 1        | 2  |   |
| Trade with other areas                      | 1  |          | 1  |   |
| Analysis of economic and social development |    | 1        |    |   |
| Economic and social development policy      |    | 1 (soc.) |    |   |
| Projections                                 | 1  |          | 1  |   |
| Social and administrative organization      |    | 1        |    |   |
| Natural resources                           |    | 1        |    |   |
| Housing                                     | 1  | 1        |    |   |
|   | 3  | 6        | 4  | for 12 months each<br>in 1963/64 or 156<br>man-months |

To these must be added the necessary supporting staff, including research assistants, statistical clerks and typists, say 20 of general services grade.