

# CEPAL Review

*Director*

RAUL PREBISCH

*Technical Editor*

ADOLFO GURRIERI



UNITED NATIONS  
ECONOMIC COMMISSION FOR LATIN AMERICA  
SANTIAGO, CHILE / AUGUST 1979

## CONTENTS

The future of the international railways of South America. A historical approach Robert T. Brown	7
The basic needs strategy as an option. Its possibilities in the Latin American context Jorge Graciarena	39
The process of modernization in Latin American agriculture. Gerson Gomes and Antonio Pérez	55
Plans versus planning in Latin American experience Carlos A. de Mattos	75
The Brazilian economy: option for the eighties Pedro Sampaio Malán	91
Contemporary protectionism and the exports of developing countries Gary P. Sampson	103
Economic Policy: Science or Ideology? (Part Two) Carlos Lessa	119
Some CEPAL publications	145

## Plans versus planning in Latin American experience

*Carlos A. de Mattos\**

The last two decades have seen quite a boom in various activities connected with the subject of national planning in the countries of Latin America: these activities have mainly involved the preparation of various types of plans, the establishment of numerous bodies specializing in this field, and an energetic discussion of the scope, content, procedures, forms, techniques, results and prospects of planning.

In the beginning, planning was linked with very ambitious objectives and viewed as offering quite optimistic prospects, so that it gave rise to very broad expectations which were undoubtedly out of all proportion to what could be expected from the conditions prevailing in each particular country. As time went by, however, the planning machinery did not operate as expected and the results obtained were not in keeping with the targets originally set. This led to a state of generalized frustration and growing scepticism regarding the prospects of planning, which came to the fore in the controversy over the so-called crisis of planning.

Although a great deal has been written and many discussions have been held on this supposed crisis of planning, the topic in no wise appears to have been exhausted: no the contrary, it seems reasonable to assume that the analysis of the causes of the situation in question will permit further progress to be made in the discussion of the scope and prospects which planning can have in our countries. The present study takes the same line and proposes to review the forms which planning has taken in the Latin American experience in the last two decades and to analyse the position of these forms of planning with respect to the specific economic, social and political conditions prevailing here.

\*Staff member of the Latin American Institute for Economic and Social Planning (ILPES).

## I The origins of planning in Latin America

Although it cannot be ignored that planning activities had already been initiated in some Latin American countries by the middle of the century, and that they had increased in the 1950s, it must be emphasized that it was not until the following decade that these activities gathered real momentum.<sup>1</sup>

In fact, generalized official acceptance of planning as an instrument for "accelerating development" appears closely linked with the resolutions adopted at the Punta del Este Conference in 1961. In the course of this Conference—which undoubtedly marks a milestone of singular importance in Latin America's history of planning—the representatives of most of the countries approved a number of recommendations in which, after setting out an ambitious list of objectives whose attainment was deemed necessary in order to combat the ills affecting the region, they advocated the need to "programme" development.<sup>2</sup> This explicit recognition of the need to "programme" the economic and social process had undoubted significance since it helped to overcome a situation of widespread opposition to planning, an opposition originating in the political connotation which many governments had thus far ascribed to it which was obviously linked with the origins and subsequent development of planning in the socialist countries. It is precisely because of this opposition to all matters connected with planning that the less controversial term "programming" tended to be used at that time,

<sup>1</sup>See CEPAL, "Planning in Latin America", *Economic Bulletin for Latin America*, vol. XII, N.º 2, October 1967.

<sup>2</sup>The first point in the chapter entitled "Basic requirements for economic and social development" of the Charter of Punta del Este establishes: "That comprehensive and well-conceived national programs of economic and social development, aimed at the achievement of self-sustaining growth, be carried out in accordance with democratic principles." *Alliance for Progress. Official Documents Emanating from the Special Meeting of the Inter-American Economic and Social Council at the Ministerial Level*, Pan American Union, Washington, D.C., 1961, p. 12.

although in the last analysis both terms were given an equivalent content.<sup>3</sup>

The resolutions of the Punta del Este Meeting gave a decisive impulse to planning activities in Latin America and helped define the nature and content of the process. In fact, this Meeting, in specifying the conditions and machinery of the Alliance for Progress, established that a development plan was an ineluctable prerequisite for obtaining the necessary external financing. The need for plans introduced one of the distinctive features of this chapter of the history of planning in our region. In the last analysis, the Charter of Punta del Este and the establishment of the Alliance for Progress meant an undertaking to introduce or strengthen "systems for the preparation, execution, and periodic revision of national programs for economic and social development".<sup>4</sup> This, in its turn, meant that every country in the region must establish or strengthen the technical teams capable of preparing such "programmes".

In view of the fact that in most cases planning activities were actually initiated for the first time in this period, the preparation of plans appeared as a relatively new task and, therefore, lacking in tradition within the framework of the techno-bureaucratic activities of the Latin America countries.<sup>5</sup> Accordingly, in order to perform this task it was necessary to organize or reorganize the public sector units that were to carry out these new activities, which involved the need to establish the necessary technical cadres within a relatively short period. Thus, at a time when

the various countries were starting to establish their planning systems, the planner also made his appearance on the scene. This personage's most notable features deserve to be considered at some length, especially because of the influence he is bound to have on the results of the activities he is expected to undertake.

#### a) *The planner and his ideology*

The first—and surely the most important—to be noted is that the planner of the 1960s was linked with a current of Latin American economic thinking which, on the basis of an interpretation of the historical process of the countries of the region and of a conception of economic development, advocated the need to introduce certain changes in the economic and social structure and maintained that planning was the most suitable means for achieving this.

This thinking, which had its roots and most notable expression in the studies, interpretations and proposals of CEPAL, and particularly in Raúl Prebisch's studies,<sup>6</sup> was generated and consolidated in the course of the period following the Second World War, and quite soon acquired significant influence in the sphere of the Latin American countries. Thus, on the basis of the original formulations of Prebisch and CEPAL, a body of theory was elaborated on which many Latin American economists and sociologists of the time based their thinking, to which they in their turn contributed and which they helped to develop. Such is the case of Jorge Ahumada, Celso Furtado, Juan Noyola, José Medina Echavarría, Aníbal Pinto, Osvaldo Sunkel and others.<sup>7</sup>

In analysing the main problems affecting

<sup>3</sup>Thus, for example, one of the first CEPAL documents on the subject was *Introducción a la técnica de la programación*, United Nations, Mexico, 1955. This term is also used in another of the pioneering texts of the time: the class notes of Jorge Ahumada's courses at CEPAL, entitled *Teoría y programación del desarrollo económico*, CEPAL, Santiago, Chile, 1958. The same observations are applicable to the terminology used in the recommendations of the Punta del Este Meeting. It should be noted, however, that this distinction, which here was basically a semantic artifice, bears no relation to the difference established by some authors (Bettelheim, for example) who use the word "planning" to refer exclusively to the experience of the socialist countries, while reserving "programming" for the capitalist countries.

<sup>4</sup>See *Alliance for Progress*, *op. cit.*

<sup>5</sup>See CEPAL, "Planning in Latin America", *op. cit.*

<sup>6</sup>See, in particular, Raúl Prebisch, *The economic development of Latin America and its principal problems* (United Nations publication, Sales N.º 50.II.G.2); 1950; and CEPAL, *Theoretical and practical problems of economic growth* (E/CN.12/221), May 1951.

<sup>7</sup>Among a great deal of other testimony in this respect may be noted: Jorge Ahumada, *En vez de la miseria*, Santiago, Chile, Editorial del Pacífico, 1958; José Medina Echavarría, *Aspectos sociales del desarrollo económico*, Santiago, Chile, Editorial Andrés Bello, 1959; Aníbal Pinto, *Chile, un caso de desarrollo frustrado*, Santiago, Chile, Editorial Universitaria, 1958; Celso Furtado, *Desenvolvimento e subdesenvolvimento*, Rio de Janeiro, Fundo de Cultura, 1961.

the Latin American economies these authors gradually defined an original line of interpretation of development and under-development problems; according to Cardoso, "CEPAL produced ideas which, in their time, contributed to the understanding of some of the crucial problems of capital accumulation in the periphery and some of the obstacles in its way".<sup>8</sup>

Following these ideas, CEPAL then postulated certain lines of action which constituted the bases of a model to guide the countries of the region. The central elements of this model related mainly to the need for industrialization, the modernization of agriculture and the intensification and diversification of foreign trade. To all this should be added the fact that several of the economists who might be regarded as followers of this line of thinking, and subsequently CEPAL itself, went beyond the original proposals and—in the context of the internal logic of this model—advocated the need to introduce structural changes as a prerequisite for overcoming the situation of under-development affecting these countries.

All this gradually built up into a concrete development *ideology*<sup>9</sup> which was generally known by the terms of "structuralist" and also "developmentalist" thinking,<sup>10</sup> and as such it spread rapidly in Latin America through innumerable books, articles, meetings, seminars, discussions, etc. First CEPAL itself

and subsequently ILPES, through many courses aimed at contributing to the training of Latin American technical cadres in the field of development and planning, helped to spread even more widely this view of the situation in Latin America and of the action to be adopted in the future. Thus an intellectual climate was created to which an important part of the thinking of the time was ascribed.

It is within this context that the need for planning as a means of bringing the proposed development model into practice is postulated. Thus, during this period in the Latin American countries planning emerges and acquires indisputable importance linked with a concrete development proposal. This fact, which has been repeatedly analysed,<sup>11</sup> had marked influence on the manner of defining planning and the general orientation of activities then carried out in this field.

The situation prevailing in certain circles linked with intellectual life and political activity in the majority of the countries was highly propitious for the penetration of the developmentalist ideology and its procedures; the economic recession which was having far-reaching political repercussions (account should be taken of the difficult evolution of certain populist models, the situation of internal insurgency found in many countries, the emergence of the first Latin American socialist nation, etc.) offered an extremely fertile field for the advance of this intellectual climate. This should not of course, be exaggerated, since the actual influence of developmentalist

<sup>8</sup>Fernando H. Cardoso, "The originality of a copy: CEPAL and the idea of developments", *CEPAL Review*, N.º 4, second half of 1977, Santiago, Chile, p. 40.

<sup>9</sup>Leaving aside the involved discussion of the actual concept of the ideology, in this article it will be understood to mean viewpoints based on a values system and related to problems arising from the desired objective of social development; viewpoints which determine men's attitudes, or their readiness to follow certain behaviour patterns in specific situations and their actual behaviour in connexion with social issues (see Adam Schaff, *Histoire et vérité*, Paris, Anthropos, 1971).

<sup>10</sup>In this respect, F.H. Cardoso writes: "CEPAL's thinking generated ideologies and motivated action, opening out towards political practice" (F. H. Cardoso, *op. cit.*, p. 38). See also Albert O. Hirschman, "Ideologies of economic development in Latin America", in Albert O. Hirschman (ed.), *Latin American issues: Essays and comments*, New York, Twentieth Century Fund, 1961; and Aldo Solari and others, *Teoría, acción social y desarrollo en América Latina*, Mexico City, Siglo XXI Editores, 1976, in particular pages 585 *et seq.*

<sup>11</sup>In the report of an important Seminar held in 1965 it is affirmed that in the case of Latin America planning had come to be considered as the basic instrument for overcoming the state of under-development, a transition involving the radical transformation of both institutions and the economic structure (ILPES, *Discusiones sobre planificación*, Mexico City, Siglo XXI Editores, 1966, p. 13). Referring to planning activities in Latin America, Germánico Salgado said that ever since its beginnings planning had been associated with an interpretation of under-development (and development) having a decidedly political content. This content justifies the discipline it presupposes. It derives from an analysis of society which postulates a development policy based on structural change, one of whose results is the transfer of economic power to modern entrepreneurial groups and the State (Germánico Salgado, *Los primeros esfuerzos de planificación en América Latina. Notas sobre una experiencia*, mimeographed version, 1968).

thinking only reaches some intellectual circles, as for example certain groups concerned with the social sciences and political activities. At the same time, while this intellectual climate gradually widened, the postulates of CEPAL and developmentalist thinking began to be persistently attacked and combated by both the right and the left.<sup>12</sup>

As these ideas spread and gained popularity they influenced, first, the establishment of planning systems and, secondly, the actual content of plans. Thus, in 1961 the recommendations of the Punta del Este Meeting were adopted under the influence of these ideas and this intellectual climate. As noted earlier, the Charter of Punta del Este advocated the need to introduce structural changes and in some degree legitimized the use of planning as a means of promoting development.

When, in order to comply with these recommendations, the governments had to devote their energies to the task of establishing planning bodies and, therefore, to the recruitment of planners for the technical teams concerned, they had recourse mainly to a supply of technical experts from the sphere of this intellectual climate.

When the specialists thus recruited assumed their functions as planners, they did so accompanied by their whole stock of personal views and convictions which in the last analysis, as noted earlier, presupposed an ideology of social change. Hence it may be affirmed that the planners of the 1960s were not merely planners, but were essentially *development planners*. Planning and development thus became inseparable components of an approach to the design and conduct of economic policy. During this period the figure of the planner, conceived as the agent of social change and so frequently idealized in certain literature of the time, reached its zenith.

It might, however, be asked how and why this type of planner was recruited. In this respect, it may be noted that the task of recruitment was performed without assigning any particular attention—beyond certain fairly broad limits—to analysing what future

planners thought about the orientation which ought to be given to economic policy or the conception they had of planning. In other words, there was no great interest in identifying the degree of adherence of the recruited planning personnel to the ideological basis for the decisions which the agents in power were prepared to adopt. This mode of action was to some extent influenced by a conception which ascribed a relatively neutral character to planning<sup>13</sup> and which, therefore, took a markedly technocratic view of the role of planners.

In following this procedure it was not taken into account that besides some consensus regarding certain broad aims—generally related to indicators of levels of well-being such as those which were in any case advocated in the Charter of Punta del Este—agreement concerning the orientation of the process was of fundamental importance. For example, this meant evading the fact that although agreement may be achieved among all the agents of a certain process in connexion with general objectives such as the improvement of income distribution, such agreement tends to vanish when the orientation of the specific process that will have to be undertaken in order to attain such objectives is established and, even more so, when the relevant economic policy instruments are defined and their actual cost can be assessed. Unless a common ideological basis exists, profound and, in most cases, insuperable differences of opinion are then seen to arise.<sup>14</sup>

Since this was the procedure followed, there were no major obstacles in the way of planners being recruited from the ranks of the developmentalist current of thought, particularly as its postulates generally coincided with those of the Alliance for Progress, and this was also one of the most important purposes for which the plans were to be prepared. It might be asked, therefore, what influence this conception had on the planning activities carried out during this period.

<sup>13</sup>See a discussion on the supposed neutrality of planning in Aldo Solari and others, *op. cit.*, pp. 588 *et seq.*

<sup>14</sup>See Edgardo Boeninger, *Procesos sociales, planificación y políticas públicas*, ILPES, Santiago, Chile (mimeographed version), pp. 75 *et seq.*

<sup>12</sup>See F. H. Cardoso, *op. cit.*; and A. Solari and others, *op. cit.*

### b) *Planners and the content of plans*

In order to analyse the influence of this conception on planning activities, it would seem useful first to define the role which the ideology of the various agents involved may have in the planning process. For this purpose, the first point to be made is that any decision to plan, originates in a view or image held by a group of agents regarding the future of a specific entity. This image, which is envisaged as the final objective of the process, contrasts with an existing situation which to a greater or lesser extent is considered unsatisfactory. It expresses the intentions and expectations of the agents supporting it in relation to the future of the entity considered and reflects a system of value judgements concerning its structure and operation. That being so, any image-objective is based on the ideology of the agents proposing it and refers, with greater or lesser precision as the case may be, to a specific development style<sup>15</sup> it is wished to adopt. Consequently, the orientation of a planning process—and, in particular, of a plan—emerges from the content of this image.

Once the agents controlling the decision-making process have outlined an image and established their determination to translate it into practice, the initial activities of the planning process will be designed to identifying the system of actions which will make up the strategy to be adopted in order to attain the image. Taking into account the fact that this is a planning problem, in identifying this group of actions it will have to be kept in mind that they should be efficient, coherent, compatible with the situation and consistent with the image. In order to obtain these conditions, some theoretical framework for the structure and operation of the entity to be planned will have to be taken as a basis.

Although, in Latin America's practical

<sup>15</sup>Graciarena says, in this respect, that "a style is the specific and dynamic modality adopted by a social system within a particular context and at a particular moment in history", and adds: "...a style is the strategy of a coalition of social forces which impose their objectives and interests until it comes to an end as a result of its implicit contradictions". See Jorge Graciarena, "Power and development styles", *CEPAL Review*, N.º 1, first half of 1976, Santiago, Chile, pp. 186 and 189.

experience of planning, such theoretical bases have generally been confined to elements of economic theory, it would be desirable for them to relate comprehensively and coherently to the operation of society as a whole: in other words, the proposed action should be based on a general theory of society, provided this is available. It is not difficult to see that this restrictive approach to the theoretical framework adopted constituted a major limitation on the proposed strategies while it meant considering only the behaviour of the economic system and, therefore, under-valuing the effects of the proposed actions in social and political terms.<sup>16</sup>

The theoretical bases chosen must be compatible with the ideology of the agents upholding the image, while it is assumed that they should be the bases for the decisions that must be adopted by those agents concerning the actions of the process. This is of fundamental importance in order to achieve the necessary compatibility between the proposed action and real action.

This theoretical framework is the fulcrum for all the activities undertaken in order to define planning activities: analysis of the existing situation and establishment of the relevant analytical model, establishment of the normative model based on the image, carrying out of diagnostic studies, and design of the strategy.<sup>17</sup>

If consideration is given to the interrelationships existing among these various activities, the fundamental importance of ideology

<sup>16</sup>In this respect, the assertion by Octavio Ianni with all its implications seems fairly apt: the two basic components of planning are the *economic structure* and the *political structure*; but planners generally deal only with relations and processes connected with the economic structure. Political relations and processes, however, are always involved as well. Therefore, in the last analysis, planning may be said to be a process which begins and ends in the sphere of power relations and structure. Octavio Ianni, *Estado e Planejamento econômico no Brasil (1930-1970)*, Rio de Janeiro, Editorial Civilização Brasileira, 1971, p. 310.

<sup>17</sup>Generally speaking, the terms established by Jorge Ahumada for the various activities involved in the planning process have been maintained in this review. See Jorge Ahumada, "Notas para una teoría general de la planificación", *Cuadernos de la Sociedad Venezolana de Planificación*, Caracas, March 1966, vol. IV, N.ºs. 4-5.

in building up and establishing the planning process may be observed. As in every socio-economic context, different ideologies supported by different groups of agents co-exist, as also do various image-objectives; and this also involves the need to choose between different theoretical frameworks.<sup>18</sup> A clear example of the co-existence of optional ideologies, images and theoretical frameworks is provided by the programmes of action presented by various political forces in the case of societies institutionally organized under forms of representative democracy.

Now, in situations of relative political stability, of the many images co-existing in a national society at any historical point in time only one is really politically viable, namely, that which is supported by the agents controlling the actual decision-making process, or decision-makers.<sup>19</sup>

Within the context of the preceding considerations it is interesting to analyse what happened in the Latin American countries when the first plans began to be prepared at the time of the Alliance for Progress, since this period is felt to have had a fundamental effect on the subsequent development of planning in the region. First and foremost, it should be noted that although the need to prepare plans had by then been admitted, this did not mean that the idea underlying the need for planning had been accepted; essentially, it may be said that the real scope of planning was not fully understood.

Furthermore, although there is no doubt that the Latin American governments had formally accepted the content of the Charter of Punta del Este, it is none the less true that in practice they showed no real willingness to implement the recommendations it contained, particularly as some of the measures concerned had a high social cost which, in many cases, directly affected the interest of the govern-

<sup>18</sup>Obviously, this means recognizing the importance of the ideological conditioning of social theory and, in particular, economic theory. On this subject, see Ronald L. Meek, *Economics and Ideology and Other Essays*, London, Chapman and Hall, 1967; and an analysis on Latin America's experience in Aldo Solari and others, *op. cit.*

<sup>19</sup>See Jorge Graciarena, *op. cit.*

ments' actual bases of political support.<sup>20</sup> An analysis of the situation prevailing in the countries of the region shows that, in practice, most of the Latin American governments had a very different conception from planners of what the orientation and content of the economic policy process should be. In the last analysis, the difference was of an ideological nature and was reflected in a different image-objective, even though in many cases this was not clearly stated.

In these circumstances, in which there was certain formal support for the resolutions of the Punta del Este Meeting, but as a rule the agents controlling the decision-making process did not establish precise directives for the design of the normative model which was their goal, planners tackled the preparation of the required plans on the basis of the directives emanating from those resolutions and their own convictions.<sup>21</sup> Thus, the planner's activities centred on the preparation of plans, a task which he performed in accordance with a certain methodological orthodoxy (which will be analysed later in this article) and tackled on the basis of the ideology to which he subscribed, with the support of the theoretical frameworks which were compatible with that ideology.

On this basis the planner worked out and proposed an image of social change which led to the polarization of his concerns in the area of medium- and long-term action and tended to relegate to second place concern with conjunctural problems and short-term action.<sup>22</sup>

Even though the plans prepared in this manner were often formally approved, only in a

<sup>20</sup>See Aldo Solari and others, *op. cit.*, pp. 583 *et seq.*

<sup>21</sup>In this respect, Cibotti and Bardeci say that the politician for his part, did not explicitly state his objectives for inclusion in the plan, so that in the absence of any clear definitions the planner tended to introduce his own ideas. R. Cibotti and O. J. Bardeci, *Un enfoque crítico de la planificación en América Latina*, ILPES, Santiago, Chile, 1970 (mimeographed version). See also CEPAL, "Planning in Latin America", *op. cit.*, p. 121.

<sup>22</sup>Referring to this problem, Cibotti and Bardeci say that the planner generally presented a set of solutions based on a structuralist concept of development which failed to provide an immediate remedy for the symptoms which were a source of concern to the politician. The character which the planner ascribed to the problems went straight to their root and aimed at a change in the



very few cases did they reach the phase of implementation. The basic reason for this may be found in the ideological differences existing between decision-makers and planners. So long as plans were useful documents in support of certain negotiations for obtaining external financial assistance decision-makers had no particular objection to using them or even approving them. When it was a question of starting to implement them, however, for which purpose it was necessary to adopt and implement the economic policy measures proposed in the plan, the differences between the concept of planners and that of decision-makers soon emerged. In line with the differences of opinion which, as has already been mentioned, were in the last analysis of an ideological nature and were therefore reflected in disagreement as regards the development strategy, the decision-makers did not adopt the decisions proposed by planners and, consequently, the stage of implementation started with an indefinite process of postponements and the plan eventually became a dead letter.

In short, when the seductive idea of planning which had always been somewhat abstract and elusive started to assume more concrete proportions in the form of a group of economic policy proposals, the supposed political viability of the plan rapidly diminished.

During this stage, the basic notion that planning is a means of conducting the political process was discarded. Planners tended to ignore the importance of the ideology upheld by the agents controlling the process, and in so doing they converted their activities—as pointed out by Foxley—into a mere theoretical exercise.<sup>23</sup>

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development pattern. From the politician's point of view, this had the drawback of not offering a quick remedy for critical situations and, moreover, the proposed changes affected the dominant groups' interests, which further aggravated the difficulties faced by the political power. R. Cibotti and O. J. Bardeci, *op. cit.*, p. 6.

<sup>23</sup>According to Foxley, this process has been nothing more than a theoretical exercise participated in almost exclusively by planning experts and having as its most important stage the preparation of a document (the plan). Alejandro Foxley, *Estrategia de desarrollo y modelos de planificación*, Mexico City, Fondo de Cultura Económica, 1975, p. 18.

Meanwhile, in most cases the day-to-day economic policy of each country continued without a long-term solution and without being significantly modified by the action of planning teams. This means that, as in the past, such policy continued to be the responsibility of those bodies of the public administration which had traditionally performed this function, i.e., ministries of finance, budget offices, central banks, etc. At the same time, planning departments, which had made their appearance with unusual impetus in the countries' public administrations, did not manage to play the role which in theory had been assigned to them and in many cases merely vegetated in second place.

Apart from these considerations, it should be noted that there have been a few occasions when there was ideological agreement between decision-makers and planners and when the processes concerned show that some of the economic policy measures proposed in the plans began to be adopted. However, because of other factors more closely related with the specific economic, social and political conditions prevailing in the individual countries (although also with the planning procedures and methods adopted, as will be analysed below), the area of political viability of the plans gradually diminished throughout the actual process, and eventually here too the plans were discarded.

To sum up, as a result of the absence or contraction of the political viability of the plans it may be observed that since the beginning of the 1960s many Latin American countries have had plans but have lacked effective planning processes based on such plans.<sup>24</sup> This distinction between plans and planning is important in analysing the problem considered here, it being understood that the first term refers to a formal document, while the second relates to a political process of decision-making and

<sup>24</sup>In this respect, Prebisch, in an early appraisal of planning experience in the Latin American countries, says: "The most significant advance has been achieved mainly in the first phase, that of conception. Much less progress has been made in planning proper, although there are signs that the Governments are beginning to recognize the significance of this fact". Raúl Prebisch, *Towards a Dynamic Development Policy for Latin America*, United Nations publication, Sales N.º 64.II.G.4, New York, p. 58.

practical action. It is precisely this fact —the availability of plans and the absence of planning processes —which is the origin and principal basis of the controversy over the planning crisis. In the light of the foregoing observations it would seem more reasonable to maintain that what was affected by the crisis was not planning as such but a specific way of visualizing planning linked with a certain concept (ideology, image, model, style, theory, strategy) of development which lacked viability in the objective circumstances prevailing at that moment in Latin America's history.

(c) *Planners and planning procedures*

A second point which it is of interest to analyse in connexion with Latin America's planning experience in this period concerns the planning procedures, methods and techniques adopted in carrying out the activities involved. In this respect, it may be affirmed that the teams of planners which carried out these activities in the Latin American countries in the period considered —because of both their professional training and their previous experience— basically subscribed to the concept used in the planning processes that were being carried out at the time in some capitalist countries of Western Europe, such as France, the Netherlands, the Scandinavian countries and others.

The form planning had taken there, once the main problems deriving from the war had been solved, constituted a functional answer to the type of problems arising in those societies, notable for their extraordinarily consolidated and stable institutional situation and relatively high level of development. In the framework defined by the parameters of this situation, planning was a suitable instrument for endeavouring to correct or strengthen certain trends detected in the operation of the system, without the necessity —in most cases— of any drastic structural changes. As such, planning was essentially indicative and in the nature of an instrument of adjustment.<sup>25</sup>

This form of planning —which in its more

general formal aspects was directly based on the methods and techniques developed by the socialist countries, in particular the USSR— centred on the task of preparing a plan, which was conceived as a global and aggregative document designed to serve as a frame of reference for orienting and controlling the course of the different variables throughout the planning period. This experience gradually established a certain orthodoxy as regards planning procedures, with the plan as the basic element of the process. Thereafter it was difficult to conceive of planning without relating it to this document, which shall henceforth be called the book-plan and which was the initial and central element of the process.

This orthodoxy also extended to planning methods and techniques, which were likewise transferred to the Latin American experience without much previous adaptation. Such is the case, for example, with the method of going through certain stages in the preparation of a plan, with certain types of macroeconomic models directly based on those used by the Tinbergen school and also with input-output techniques, whose use was systematically advocated as an instrument for the sectoral breakdown of a plan, without much importance being given, for example, to its relative uselessness for economic forecasting in those cases where it was planned to introduce significant structural changes.

These procedures, methods and techniques were very well known and widely accepted in Latin America. If the planning texts prepared during this period in the Latin American countries are reviewed it is quite clear that they were based on data deriving from the European experience.<sup>26</sup> Similarly, if the literature most widely disseminated among and used by Latin American planners is examined it will be seen that it basically consisted of texts prepared by experts who had supported or co-operated in the planning experience of those European countries.<sup>27</sup>

<sup>25</sup>See, for example, CEPAL, *Introducción a la técnica de la programación*, op. cit.; Jorge Ahumada, *Teoría y programación del desarrollo económico*, op. cit.; and Pedro Vuskovic, *Técnicas de planificación*, ILPES, Santiago, Chile, 1965.

<sup>27</sup>For example, the works of Pierre Massé, Jan Timber-

<sup>25</sup>See A. Foxley, op. cit., p. 15.

These being well known and accepted planning procedures, Latin American planners endeavoured to introduce them in the countries of the region.

Therefore, to sum up the aspects analysed thus far, it may be observed that the postulates of social change and adjustment planning procedures assumed concrete form in the planning activities that were carried out in most of the Latin American countries. In the last analysis, this meant placing planning procedures which were employed in the *adjustment processes* at the service of a concept involving planning for the introduction of a *process of change*.

In these circumstances, the book-plan proved too rigid and static an instrument *vis-à-vis* the requirements of a highly unstable and changing situation, as was (and is) that of the Latin American countries. The book-plan presupposes as an implicit hypothesis the medium-term continuity and validity of the goals, the behaviour envisaged for the different variables considered, the strategy, and the proposed economic policy measures. This in its turn means a certain constancy in the entity subject to planning which is difficult to imagine in the case of a developing country.<sup>28</sup> The history of that period showed that it was impossible to assume such constancy and, therefore, that most of the plans died as soon as they were born.

Even in those cases where some agreement existed between the planners' image and that of the agents controlling the decision-making process the procedures based on the book-plan concept were not suitable for the conduct of a process so full of contradictions as

those characterizing a peripheral capitalist country.<sup>29</sup> The very publication of the complete plan, announcing beforehand the main measures that were to be adopted through the whole planning horizon, helped right from the beginning of the process to create more conflict than would have been generated by each economic policy measure considered individually. Thus finally reducing the area of political viability of each and every one of those measures.<sup>30</sup> Those groups which felt that their interests were injured by the proposed changes, knowing the content of the action envisaged, tended to organize themselves in advance to combat the implementation of the plan, and to the extent that such groups were the expression of an actual source of power, their opposition gradually restricted the possibility of the plan's implementation.

In short, from the analysis made thus far it may be concluded that planning activities in their initial stages were marked by the following two aspects which helped to detract from their effectiveness and to a certain extent doomed them to failure from the outset:

(a) In a good many cases the image-objective adopted by planners as a basis for plans was incompatible with the economic, social and political conditions prevailing at that point in history and was not adapted to the practical intentions of the agents controlling the decision-making process; thus, it lacked political viability.

In the last analysis, this means that the necessary conditions did not then exist for carrying out an integrated planning process based on an image with a developmentalist content. However, it does not imply the absence of conditions for planning on the basis of images with a different content: something which, as will be seen, occurred later.

(b) The procedures adopted were based on a concept of adjustment planning which might prove functional under the conditions

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gen, H. Chenery, V. Marrama, etc.; a review of the catalogues of the leading Spanish-language publishers specializing in the subject at the time confirms this statement.

<sup>28</sup>Today it is customary for planners to reject the rigidity of the book-plan. For example, João Paulo Dos Reis Velloso, former Minister of Planning of Brazil, says: "In short, recognizing the unforeseeable nature of the global magnitudes involved in the world recession, we shall consider a type of planning geared to results and the coordinated implementation of programmes, using indicators for specific purposes in a continual process of revision" (unofficial translation), *Actualidade do II PND*, IBCE, São Paulo, December 1975.

<sup>29</sup>Consider, for example, the different procedures used in Peru's experience from 1968 onwards in the conduct of economic policy involving important socio-economic changes.

<sup>30</sup>See ILPES, *Discusiones sobre planificación*, op. cit., in particular pp. 14 et seq.

prevailing in developed countries but was not suited to the situation and social dynamics of developing countries.

Other factors such as the absence of operational machinery in planning systems, inadequate co-ordination between plans and public sector budgets, lack of projects, non-existence of appropriate statistical information systems and premature institutionalization of planning were other causes indicated as being responsible for the meagre results obtained by Latin American planning during this period.<sup>31</sup> The foregoing analysis, however, tends to show that these factors have only a marginal effect and that the essential reasons are not these but basically the limitations imposed by

the economic, social and political conditions prevailing in the individual countries.

The comments made thus far are not intended to deny that the process carried out during this period had some undoubtedly positive aspects. This is not the place to review those achievements, with which many studies have already dealt in detail, but it is interesting to note that this process led to a fuller knowledge of the situation in the various countries and laid the bases for the subsequent adaptation of planning activities. It would be difficult to explain the present situation of planning in Latin America without the background of the experience gained in the Alliance for Progress years.

## II

### New modes of planning in Latin America

The last few years have witnessed important changes in the Latin American countries. Within the context of these changes several countries have defined and adopted new national models or projects as a basis for the action characterizing their respective processes. In general terms, these models constitute specific proposals for the transformation of a situation which the agents controlling the national decision-making process have considered unsatisfactory. The orientation and specific content of these national projects have differed according to the country, as also have their level of explicit detail, degree of internal coherence, political viability, social cost, etc.

In any case, all these projects are conditioned by the ideology of the agents supporting them and fairly explicitly involve a normative model and a strategy for achieving it. They therefore constitute a frame of reference for the definition of economic policy instruments which will shape and characterize the process aimed at the realization of the pre-established image.

Merely as an example of this type of

situation, mention may be made of the experience of Brazil since 1964 and of Peru between 1968 and 1975. Leaving aside the differences existing in the content of the normative models defined in both cases, it may be observed that, although there was no book-plan such as those of the Alliance for Progress period, each process was progressively defined according to the content of the respective models and, generally speaking, the broad lines of economic policy were reasonably coherent.

One conclusion drawn from the analysis of cases such as those mentioned above is that they can be said to represent practical examples of the form which planning may take in a capitalist economy. This statement may appear disputable and even unacceptable if judged in the light of the formal canons of planning theory established by the currents of thought most in vogue in Latin America. It may be more easily accepted, however, if those experiences are observed from a less orthodox position as regards planning concepts, methods and techniques.

#### (a) *The role of planning in capitalist countries*

In order to discuss the foregoing proposition it will be necessary to consider the concept of

<sup>31</sup>See, in particular, CEPAL, "Planning in Latin America", *op. cit.*, pp. 120 *et seq.*; and ILPES, *Discusiones sobre planificación*, *op. cit.*, pp. 37 *et seq.*

planning in its broadest sense, to identify the elements characterizing a planning process proper and, in particular, to define the role of planning in the setting of the capitalist countries.

In the first place, therefore, it is necessary to determine on the basis of what aspects a specific economic policy process can be considered to be a planned process. Taking into account that the term "planning" tends to be used either in a general and indiscriminate way or in a highly restricted manner, this discussion is important in order to be able to define a frame of reference for analysing the problem concerned.

On the one hand, it may be observed that when the concept of planning based on certain excessively broad definitions has been used, the tendency has been to describe as a planned process any economic policy process where there is a certain degree of State intervention in economic life. This leads to the extreme of stating that from the moment the State starts to intervene in the operation of the economic system it may be called a planning process. This manner of dealing with the problem tends to blur the true content of a planned process and to justify the assertion in the title of the study by Wildavsky: "if planning is everything, maybe it's nothing".<sup>32</sup>

On the other hand, an important current of present-day economic thought tends to deny the possibility, or to restrict the scope, of planning in capitalist economies. In essence, it is maintained that planning is only possible in an economy where the means of production are state-owned. This position has usually been upheld by certain theorists of Soviet planning, and also by some Latin American economists who subscribe to that theoretical concept.<sup>33</sup>

Between these two opposing concepts it is possible to define a position which, while recognizing that the concept of planning in its

more general terms is the same for capitalist economies as for centrally planned economies, contends that planning has a substantially different theoretical basis and methodology for each of those contexts. According to this approach the possibility of planning in capitalist economies is admitted, but at the same time it is considered that the specific rules of the game in force in these economies determine that the practical scope, modes and possibilities of planning are in this case very different from those which it may assume in a centrally planned economy.<sup>34</sup>

These considerations are founded on the basic assumption that planning moves within the framework defined by the fundamental parameters of a given system which cannot be changed merely by its own action. In other words, those who think that planning itself makes for a change of system are basing their attitude on a concept of the situation which excludes any analysis of what the specific economic, social and political conditions of each system may determine as being possible. It is only once a change of system has been decided and politically legitimized that planning can be used as an instrument for bringing it into practice through a coherent and rational economic policy with objectives defined by the power structure. This has occurred in all cases of radical political changes

<sup>34</sup>In a recent study on the subject, Enrique Sierra defines the role of planning in a capitalist economy in the following terms: "A huge public sector with manifold functions calls for a method which will give its activities some coherence, provided the conflict of social and other interests so permits. This is the most elementary reason for planning in the present industrialized and developing capitalist economies. The immediate role of plans is to guide the socio-political process of economic policy, centring the class and interest struggle in a specific direction and reducing the degree of anarchy of the process. To translate the government's political programme into goals and objectives and provide it with a consistent strategy is the immediate purpose of planning activities during a period of government. To help establish a clear-cut action strategy and a coherent policy of objectives, through the pooling of social forces and the arousing of consciousness with a view to breaking the state of under-development, is the function which, transcending the temporary character of an administration, national planning is expected to perform in the peripheral capitalist countries." Enrique Sierra, *La planificación nacional en el capitalismo* (unpublished study), Caracas, Venezuela, 1977.

<sup>32</sup>Aaron Wildavsky, "If Planning is Everything, Maybe it's Nothing", *Policy Sciences*, Amsterdam, June 1973, vol. 4, N.º 2.

<sup>33</sup>See, for example, L. A. Kadishev and G. M. Sorokin, *Leyes económicas y planificación socialista*, Mexico City, Editorial Grijalbo, 1969, especially pages 65 *et seq.*; and Arturo Guillén, *Planificación económica a la mexicana*, Mexico City, Editorial Nuestro Tiempo, 1971.

in history, where planned economic policy has been a means for bringing about the change.

In the last analysis, planning evolves within the limits imposed by the economic, social and political conditions of each situation, and only within those limits. What is stressed here is that the logic deriving from the rationality of the system, in its specific situation and place in history, must in all cases be considered as the basic framework of the problem. Accordingly, in a capitalist economy the elements defining this type of system constitute essential items of information for planning, and only on that basis can the elements of the process then be defined.

As noted earlier, when planners themselves assume the role of agents of social change but prevailing conditions are not actively favourable to such changes, their efforts become a mere theoretical exercise. In short, the planner is a State employee and this to a certain degree establishes the essential co-ordinates of this work. Historically, this has been so whenever the planner has genuinely performed his function as such, whether in the framework of a socialist or a capitalist economy.

To revert now to an earlier question, what are the characteristics that a policy-making process must have in order for it to be considered as a planned process? In the first place, a planned process is considered to be made up of a group of decisions concerning objectives and means which, with the help of a number of planning instruments and techniques, determine a sequence of coherent measures that are defined and implemented within a certain time horizon in order to achieve some pre-established objectives. Hence, it may be inferred that the essential elements of a planned process are: an image-objective which makes it possible to define a normative model, and an action strategy which is the basis for shaping a coherent economic policy sequence.

In the light of these considerations it may be established that planning relates to a political process aimed at the attainment of pre-established objectives, independently of their specific content. That is to say, the objectives may be associated with the implementation of an economic and social development process, but even though this may be desirable it is not a

necessary condition. In other words, planning thus defined does not necessarily have to be development planning; it could quite well be a type of planning aimed at higher growth objectives without any side preoccupations with respect to the distribution of the fruits of that development process. On this subject, attention is drawn to the words of Jorge Ahumada to the effect that it is possible to plan for justice and injustice, for virtue and for vice.<sup>35</sup>

An extreme example of this view of planning might be a process conceived in terms of a normative model postulating a return to a system ruled by the principles of economic liberalism, the strategy for which might postulate a group of economic policy measures aimed at restoring to the market its functions of assigning resources.<sup>36</sup> In this case, perhaps the consistency and viability of the final objectives may be questioned but not the fact that it is a planned process.

#### (b) *Planning without plans*

Reverting to the aforementioned experiences of Brazil and Peru—considered here by way of example—it may be observed that both fulfil the above-mentioned requirements: the existence of an image that has served as a basis for the formal establishment of a normative model and for the definition of a strategy and the establishment of a process shaped by a coherent set of economic policy instruments.<sup>37</sup> Under the circumstances it should be recognized that these are practical planning experiences, even though the procedure adopted may be different from that established by the orthodox approach prevailing in the 1960s, mainly because in neither of these cases is a book-plan the true guiding thread of the process.<sup>38</sup>

<sup>35</sup>Jorge Ahumada, "Notas para una teoría general de la planificación", *op. cit.*

<sup>36</sup>See Roberto de Oliveira Campos, "A experiência brasileira do planejamento", included in M. H. Simonsen and R. O. Campos, *A nova economia brasileira*, Rio de Janeiro, José Olympo (ed.), 1974. p. 50; and Octavio Ianni, *op. cit.*, pp. 301 *et seq.*

<sup>37</sup>See Roberto Cavalcanti de Albuquerque, "Planejamento do governo no Brasil", IPEA, *Boletim Económico*, Brasília, January-April 1975, Nos. 1-2.

<sup>38</sup>The validity of this statement is unaffected by the simultaneous existence of a book-plan and of the parallel

This system of planning in Latin America has gradually taken shape in practice in tackling specific situations that have so required. In every case it has been the result of the conviction that in order to emerge from a certain undesired situation towards a desired situation (that postulated by the normative model) a broad set of economic policy measures is required, which could hardly have been envisaged from the outset.

In the last analysis, this is a conception of how to conduct the planning process in which the strategy tends to become the key element of the latter, in the form of a general framework that ensures the coherence and continuity of economic policy.<sup>39</sup> The procedure of articulating the various decisions of the planning process according to a strategy conceived as a basis and guide for the economic policy adopted during the planning period represents a practical answer to the empirical evidence that the book-plan is inadequate for the economic, social and political conditions characterizing the situation of the peripheral capitalist countries.<sup>40</sup>

A strategy defined as a result of a comprehensive and continuing analysis of the situation leads to the identification and definition of the basic measures which must be introduced during the planning period, considering both their political viability and

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work of planning bodies on the preparation of plans. In the case of Peru, for example, it may be noted that although there was no interruption in the operations of the National Planning Institute (INP), which continued to prepare plans, in practice it was the Advisory Committee of the Office of the President of Peru (OCAP) which really prepared many of the first measures involving structural changes. Thus OCAP, particularly during the initial period of the process, actually operated as a parallel planning body and as an interpreter of the guiding principles of the normative model established by the Government of the Armed Forces. A case in point, for example, is the Agrarian Reform Law which was prepared in the utmost secrecy by OCAP, while INP was also engaged in the preparation of draft legislation on the subject, which came to a halt when the OCAP law was suddenly promulgated by President Velasco Alvarado on the occasion of the celebration of the Day of the Indian on 24 June 1969.

<sup>39</sup>See an analysis of the strategy concept in Carlos Matus Romo, *Estrategia y plan*, Santiago, Chile, Editorial Universitaria, 1972.

<sup>40</sup>The Peruvian process initiated in 1968 is once again a good example of the procedure described here. The "Inca Plan" and the "Ideological bases of the Peruvian

their technical feasibility. Essentially, the strategy involves a group of proposals aimed at influencing the system's operation and designed in terms of the normative model and its theoretical bases.

In the specific dynamics of a capitalist economy, the strategy thus conceived constitutes a more flexible framework than a book-plan, since it enables the various short- and medium-term economic policy measures to take shape gradually and give content to the process according to a general sequence which can be constantly revised and adjusted. This being so, to the extent that the various economic policy instruments which are introduced throughout the period serve as feed-back to the process, they also increase or reduce the political viability of future action and, finally, of the planning strategy itself, so that every measure requires an analysis of its specific viability. In this mode of planning, short-term economic policy plays a fundamental role in charting the road towards the image.

The dynamic character of this system also affects all the other elements involved in the practice of planning, such as diagnostic studies, forecasts and consistency analyses. Thus the diagnostic study, which has generally been tackled as a global task prior to the preparation of the plan, tends to be replaced by a continuing diagnosis which accompanies the decision-making process in each of its stages. The same observations are applicable to forecasts and consistency analyses. In view of the dynamic and changing nature of the process, forecasts and consistency analyses made on a global basis for the medium term, as was envisaged in the book-plan system, tend to become an academic exercise, losing much of their significance from the standpoint of action.<sup>41</sup>

In this context, the tasks of diagnosis, forecasting and consistency analysis acquire particular importance in the face of each new

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revolution" constituted the real normative bases of the process and were the point of departure for defining the main economic policy measures characterizing that stage. See, in this respect, Ernst J. Kerbush (ed.), *Cambios estructurales en el Perú, 1968-1975*, Lima, Editorial ILDIS, 1976.

<sup>41</sup>See João Paulo dos Reis Velloso, "Opção, económica", *O Estado de São Paulo*, 9 November 1976.

decision, for since any important future economic policy measure is bound to have complex and diversified repercussions on the system, its definition calls for very careful analysis through diagnostic studies based on both theoretical and empirical knowledge concerning the structure and operation of the system as a whole, for which purpose it will be necessary to perform forecasting and consistency tests on the basis of the same theoretical and empirical bases.

The repercussions of each policy measure alter the prevailing situation and at the same time contribute new elements which must necessarily be taken into account in terms of diagnoses, forecasts and consistency tests for future action. It may so happen, for example, that some unexpected repercussions of a given measure will reduce the viability of the future action envisaged, leading to a new approach to the situation, and adjustment of the strategy and a reformulation of future action.

The review, appraisal and reformulation activities carried out continuously over the established time horizon are of fundamental importance in this mode of planning, since they give it a more dynamic and flexible character than that of planning via the book-plan. Thus a strategy serving as a real normative guide which ensures that the decision-making process is both consistent and rational makes it possible gradually to chart the actual course to be followed. It may therefore be said that when planning comes up against the formal global plan in this manner it can only be perceived in its entirety *a posteriori*, as an *ex post* result of the summation of the short-, medium- and long-term measures adopted during the period considered.

Finally, this would be a planning process whose development did not require the existence of an explicit plan formally established beforehand. It may thus be observed that, in contrast with the experience of the previous decade which was characterized by the proliferation of plans but the almost complete absence of specific cases of planning, it is now possible to talk about the existence of planning processes, with the absence, however, of book-plans.

In any case, it may be observed that

although the mode of planning without plans may be considered as a new departure in the Latin American countries, it is not so, either in theory or in practice, in other parts of the world.<sup>42</sup> It has often been stressed that achieving the implementation of a planned process is more important than having a plan, since the latter is not a necessary or sufficient condition for the former. These two methods have already been expressly set against each other in a typology established with the purpose of characterizing the essence of planning.<sup>43</sup>

The approach to and analysis of this manner of undertaking planning activities does not mean completely denying the validity of the mode of planning based on a book-plan, which may be adequate in the context of certain economic, social and political conditions; rather, the main purpose of this part of the analysis has been to endeavour to show that it is illusory to continue to consider that only those cases adhering to the orthodox procedure of a plan represent planning. It is nevertheless important to note that, because of its capacity to adapt to the complexity of the various stages of the process, this type of decision-making process seems better suited to the actual situation of peripheral capitalist economies of the type predominating in the Latin American countries.

#### (c) *New modes of planning, planners and planning bodies*

Lastly, some comments may be made as to how this whole process has affected planners; in this respect it can be said that the modes of planning adopted in some Latin American countries in the last few years have reflected the gradual disappearance—especially at the peak levels of responsibility of planning

<sup>42</sup>See, for example, Albert Waterston (1965), *Planificación del desarrollo. Lecciones de la experiencia*, Mexico City, Fondo de Cultura Económica, 1969, pp. 104 *et seq.* This mode of planning is also clearly set forth in the systematic view of Brazilian planning presented by Jayme Costa Santiago, *Os sistemas de planejamento e a importância dos projetos*, Brasília, Editorial CENDEC, 1976.

<sup>43</sup>Faludi compares them as two opposite modes of planning: "The Blueprint Planning vs. the Process Mode of Planning". See Andreas Faludi, *Planning Theory*, Exeter, United Kingdom, Pergamon Press, 1973, pp. 131 *et seq.*



teams— of the planner ideologically divorced from the concept prevailing among the agents who in practice control the decision-making process. This fact, which in most cases has meant the political ostracism of the planner seen as an agent of social change, has found expression in the search for and selection of planners in terms of their ideological adherence to the political conduct of the process and of their identification with its essential content. In these cases, therefore, the first characteristic looked for in a planner is related to his political convictions. This is because the content of an actual planning process depends on the objectives and procedures which the agents controlling the decision-making process are prepared to adopt, rather than on the planners' own concepts.

In these circumstances, the much idealized agent of change is gradually giving place to a planner who, as such, has to move in a framework of unequivocal and clearly demarcated rules. This view of the planner is not intended to belittle his technical calibre or his functions but rather to place his role within the framework of the conditions in which the decision-making process is currently developing in a peripheral capitalist country. This is not a novel aspect, since the planner's work has been so characterized in every specific planning experience of both capitalist and socialist countries. France on the one hand and the Soviet Union on the other provide highly illuminating examples in this respect.

It may also be noted that planning functions have once again tended to shift to the specialized institutions of the State bureaucratic apparatus which has traditionally been responsible for the conduct of economic policy. This has occurred because the bodies specially set up to assume responsibility for planning—or more specifically for the preparation of plans— never became fully integrated in the techno-bureaucratic structure of the Latin

American countries. With only a few exceptions these bodies were left—after the initial “impact” on their incorporation in the decision-making process—to perform a subsidiary function and gradually lost all their powers over the actual process of economic policy formulation and decision-making.

So long as plans constituted an actual requirement—inasmuch as their existence was necessary in order to seek external financial aid within the framework of the Alliance for Progress—the need for planning offices was justified and they had a certain operational status, although of course, as already noted, their specific activities did not go much beyond the mere preparation of formal plans.

At the same time, the specific bodies of the State economic area (ministries of finance and/or economic affairs, central bank, budget office) never really lost their actual role in the process, especially with respect to short-term policy. Whatever they may have lost, moreover, was rapidly recovered, thus contributing to the further displacement of those new bodies which were never operationally integrated in the decision-making process.

Bearing in mind that many of the models which the Latin American countries are currently endeavouring to put into practice were so conceived that the course towards the desired situation is basically being shaped in terms of short-term measures, the transfer of the task of designing these measures to the traditional bodies cannot but be regarded as reasonable, provided it is subject to centralized guidance.

In short, the modes of planning analysed above have resulted in a different characterization of the planner and in the transfer of the functions of designing and conducting economic policy to various public administration units, at the expense of the functions which had previously been formally assigned to planning offices.

### III

## Conclusions and final considerations

The following conclusions may be drawn from the analysis made in the preceding section:

(a) With regard to the period considered, it is possible to talk about a planning crisis, but this must be understood to relate to a specific mode of planning and to a normative model which was associated with that mode during the period, that is, to planning visualized as a process initiated and supported by a book-plan and a model of social change. Since this constituted the generic manner of visualizing planning at that time, when it was found to be inoperative it was assumed that the crisis affected planning proper.

(b) Subsequently, an alternative system gradually developed and was adopted in several countries of the region, whereby a previously fully formalized plan was not a prerequisite for carrying out a planning process. This gave rise to a more pragmatic manner of conducting the economic process on the basis of the guiding principles of a pre-determined normative model. In these cases it seems perfectly possible to talk about the existence of planning; therefore, the term "planning crisis" would not be applicable here.

To sum up, it can truly be said that there has been a planning crisis in Latin America, provided it is added that the crisis affected one mode of planning. That crisis was followed by the emergence of less orthodox but more efficient forms of conducting the economic process under the specific conditions prevailing in the peripheral capitalist countries at that juncture in history.

This in no way means, however, that such planning processes are leading to results which mean the effective solution of the most serious problems affecting these countries. Although

the use of certain growth models tried out in the Latin American countries in recent years has given successful results in connexion with some of their main objectives, it is also true that it has aggravated certain chronic problems in the region. This is so, for example, in the case of problems related to the distribution of the fruits of growth and to general living conditions, which have shown a distinct tendency to worsen in many of the Latin American countries.

In these circumstances, it is not difficult to foresee that the social pressures created by the use of these models will gradually reduce the possibility of continuing to use them indefinitely, and that sooner or later they will have to be changed; the inclusion of broader social objectives in planning processes will then be inevitable.

These and other problems affecting the countries of the region are leading to a new approach to the growth models that have been used in them, and to a deliberate search for new styles of development. Undoubtedly, the need to find solutions to these problems by means of new models will spur on the efforts to ensure maximum efficiency and coherence in economic policy processes, and planning will therefore continue to be an unavoidable requirement of the socio-economic processes of our countries.

All this makes it necessary to continue to explore the role and modes of planning within the framework of the economic policy process of peripheral capitalist countries, and this involves an effort to define the role of planning and planners in relation to the situation in these countries, without sticking too closely to formulas which may not be suited to their economic, social and political conditions.