

INSTITUTO LATINOAMERICANO
DE PLANIFICACION
ECONOMICA Y SOCIAL



LIMITED
INST/L.17
December 1969
ENGLISH
ORIGINAL: SPANISH

THIRTEENTH SESSION OF THE GOVERNING COUNCIL
Santiago, Chile, 8 and 9 January 1970

REPORT ON THE ACTIVITIES OF THE
INSTITUTE IN 1969

•

•

•

•

•

•

•

TABLE OF CONTENTS

	<u>Page</u>
FOREWARD	
1. <u>Training Programme</u>	1
(a) Basic Planning Course at Santiago	2
(b) Special Courses	8
(c) Intensive Courses	8
(d) Collaboration with the Universidade de Campinas	10
(e) Seminar for Journalists on Development and Planning in Latin America	11
2. <u>Advisory Services</u>	12
(a) Development strategies	12
(b) Operational planning	16
(c) Project for advisory services to the Government of the State of Sao Paulo	18
3. <u>Research</u>	20
(a) Economic research	20
(b) Social research	22
4. <u>Projects</u>	25
5. <u>Co-ordination of plans and economic integration</u>	31
6. <u>Industrial planning</u>	33
7. <u>Human Resources</u>	36
8. <u>Natural Resources</u>	39
9. <u>Publications</u>	42

FOREWORD

The following report on the Institute's main activities in 1969, submitted to the Governing Council at its thirteenth session (Santiago, Chile, 8 and 9 January 1970), is divided into ten sections, reviewing in turn the work done in the fields of training, advisory services, economic and social research, projects, plan co-ordination and integration, industrial planning, human resources, natural resources, publications, and administration and finance. As the lines of policy and action it is felt desirable to follow are analysed in the document entitled "Proposals Submitted by the Director-General to the Governing Council Respecting the Future Activities and Financing of the Institute" (INST/L.18), the substance of the present report is confined to as succinct and exact an account as possible of the activities undertaken during the year 1969.

1. Training Programme

The total volume of training activities in 1969 can be seen in table 1, which also traces the development of the Programme measured in terms of the number of courses of different types offered in each year and the total number of participants.

The Basic Planning Course was held from March to December. In tables 2 and 3, respectively, the distribution of the trainees by countries of origin and by professions is compared with the corresponding figures for previous years. The composition of the student body by professions was as follows: 72.5 per cent, economists; 15 per cent, civil engineers; and 12.5 per cent, other professions.

As regards the distribution by special subjects in 1969, 24 participants followed the general programming course and 16 took public-sector planning. Table 4 shows the proportional significance of these figures in relation to the total number of specialists trained in these and other subjects taught in the Basic Course in the various years.

In 1969, training activities under the head of special courses took the form of the Course on Health Planning which has been given jointly with the Pan American Sanitary Bureau (PASB) since 1962 (see table 5).

With respect to intensive courses (see table 6, which also presents a summary of past activities), requests from the following countries were dealt with in 1969: (a) from Brazil, where three regional courses, attended in all by 101 participants, were held at Rio de Janeiro, Vitória and Brasilia, and the Institute co-operated in two post-graduate courses on industrial planning, one at the Universidade de Campinas and the other at the School of Business Management of the Getulio Vargas Foundation, in São Paulo; (b) from Mexico, where a course for 31 professionals took place at Monterrey, in the State of Nueva León; (c) from Peru, where a course of longer duration, attended by 30 trainees, was given in Lima; (d) from Central America, for which the course was held this time in Panama, with the participation of 48 trainees; and (e) from Bolivia, where a course for 38 participants was given at Santa Cruz de la Sierra.

/In addition,

In addition, the Economic Commission for Latin America (ECLA), the Institute and the United Nations Office of Public Information (OPI) felt it would be very useful to organize a Seminar which would give Latin American journalists specializing in economic affairs an opportunity of acquainting themselves with the most important studies and research in which ECLA and the Institute are engaged. This Seminar was held in December 1969.

The foregoing summary of the main Training Programme activities in 1969, with the accompanying illustrative tables, will now be followed by a brief description of each.

(a) Basic Planning Course at Santiago

The special subjects taught at the Basic Planning Course in 1969 were general programming and public-sector planning, and the participants numbered 40 in all.

In pursuance of the practice adopted in 1968, students who had difficulty with the subjects covered in the first term--statistics, economic analysis and social accounting--were given extra classes. The result was that the average performance of all the participants improved, and those who already possessed a more comprehensive theoretical background were able to supplement it by further study of those questions in which they were particularly interested.

Moreover, in the first and second terms--still with the idea of supplementing the subject-matter of the Course and bringing the participants into contact with research workers in the field of Latin America's economic development--a series of lectures was given, followed by discussion on topics allied to those dealt with in the curriculum.

Where general programming was concerned, priority was given to carrying still farther the progress in regional and social planning deriving from the relevant Institute studies. Stress was also laid on short-term planning, and demonstrations were given of the application of computer techniques in solving models of use for decision-making purposes.

Table 1
TRAINING PROGRAMME: NUMBER OF PARTICIPANTS 1952-1969

Specification	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	Total
I. Basic Course a/	10	12	17	8	14	14	19	18	-	61	74	75	68	51	67	62	58	40	668
II. Intensive Courses b/																			
(a) Number of participants	-	-	-	80	48	143	136	300	345	258	308	527	269 ^{b/}	392 ^{b/}	343	201	326	248	3 924
(b) Number of courses	-	-	-	(1)	(1)	(2)	(2)	(3)	(5)	(5)	(6)	(9)	(5)	(8)	(7)	(5)	(8)	(7)	(74)
III. Special Courses																			
Health planning																			
Educational planning																			
Planning for the housing sector																			
Course for trade union leaders																			
Annual operational plans																			
Human resources planning																			
(a) Number of participants											47	73	77	109	126	63	66	30	591
(b) Number of courses											(2)	(2)	(2)	(2)	(4)	(2)	(3)	(1)	(18)
Total	10	12	17	88	62	157	155	218	345	212	429	675	414	551	536	223	455	318	5 183

a/ The Basic Course is given annually in Santiago, Chile.

b/ Not including intensive training courses organized by the Institute and subsequently run by national agencies with the Institute's co-operation.

Table 2

TRAINING PROGRAMME: NUMBER OF PARTICIPANTS IN THE BASIC COURSE, 1952-1969

Country	1952	1953	1954	1955	1956	1957	1958- 1959	1959- 1960	1961- 1962	1962- 1963	1963	1964	1965	1966	1967	1968	1969	Total
Argentina	-	2	2	2	1	1	-	1	11	5	5	7	7	5	4	-	1	54
Bolivia	-	1	1	1	-	2	-	-	10	5	6	5	3	2	2	2	2	42
Brazil	3	2	1	-	-	3	1	1	9	9	11	7	7	6	8	11	5	83
Chile	2	2	2	4	3	2	4	2	5	9	10	4	5	6	7	9	8	84
Colombia	-	-	1	-	-	-	1	1	6	5	3	2	1	3	1	1	-	25
Costa Rica	-	1	1	-	2	1	1	-	1	4	3	3	1	2	1	-	1	22
Cuba	1	-	-	-	-	-	1	3	-	-	-	-	2	2	2	2	2	15
Dominican Republic	-	-	-	-	-	-	-	-	1	-	4	1	1	5	2	2	-	16
Ecuador	1	1	1	-	-	1	-	1	4	5	3	6	5	3	1	3	2	37
El Salvador	1	-	-	-	-	1	1	1	-	2	1	3	1	1	-	3	2	17
Guatemala	-	1	2	-	-	-	-	1	1	2	2	4	1	1	5	2	1	17
Haiti	-	-	1	-	2	1	-	-	3	3	2	1	-	2	1	-	-	22
Honduras	-	-	1	-	-	-	2	-	-	6	2	2	1	3	2	2	2	23
Mexico	1	1	-	-	3	1	1	1	-	3	5	5	3	7	8	6	5	50
Nicaragua	-	1	1	-	-	-	-	-	-	2	1	3	1	2	2	1	-	14
Panama	-	-	-	-	1	-	-	-	2	1	2	1	-	-	1	-	-	8
Paraguay	1	-	-	-	-	-	1	-	2	4	3	4	2	4	3	2	1	27
Peru	-	-	-	-	-	1	1	-	2	3	6	5	4	4	4	3	6	39
Uruguay	-	-	-	-	1	-	-	-	2	2	2	3	4	4	4	3	1	26
Venezuela	-	-	1	1	1	-	4	5	2	4	4	2	2	5	4	6	1	42
Subtotal	10	12	15	8	14	14	18	27	61	74	75	68	51	67	61	58	40	663
Other countries	-	-	2	-	-	-	1	1	-	-	-	-	-	-	1	-	-	5
Total	10	12	17	8	14	14	19	18	61	74	75	68	51	67	62	58	40	668

Table 3

TRAINING PROGRAMME: DISTRIBUTION OF PARTICIPANTS IN THE BASIC COURSE BY PROFESSIONS, 1961-1969

Year or period	Economists	Civil engineers	Agronomists	Lawyers	Others	Total
1961-62	40	12	-	3	6	61
1962-63	54	11	3	6	-	74
1963	44	14	7	3	7	75
1964	42	17	3	-	6	68
1965	35	7	3	-	6	51
1966	49	7	1	2	8	67
1967	43	5	2	1	11	62
1968	42	5	2	-	9	58
1969	29	6	-	-	-	40
<u>Total</u>	<u>378</u>	<u>84</u>	<u>21</u>	<u>15</u>	<u>58</u>	<u>556</u>

Table 4

TRAINING PROGRAMME: DISTRIBUTION OF PARTICIPANTS IN THE BASIC COURSE BY SPECIAL SUBJECTS, 1961-1969

Special subject	1961-1962	1962-1963	1963	1964	1965	1966	1967	1968	1969	Total
1. General programming	16	23	14	13	16	22	17	17	24	162
2. Agricultural programming	-	9	14	13	12	-	16	-	-	64
3. Industrial programming	9	15	18	13	-	25	16	20	-	116
4. Budget programming	15	14	-	16	-	20	-	21	-	86
5. Public-sector programming	12	8	16	-	13	-	13	-	16	78
6. Transport programming	9	5	-	13	10	-	-	-	-	37
7. Human resources programming	-	-	13	-	-	-	-	-	-	13
<u>Total</u>	<u>61</u>	<u>74</u>	<u>75</u>	<u>68</u>	<u>51</u>	<u>67</u>	<u>62</u>	<u>513</u>	<u>40</u>	<u>556</u>

Table 5

TRAINING PROGRAMME: NUMBER OF PARTICIPANTS IN SPECIAL COURSES 1962-1969

Subject	1962	1963	1964	1965	1966	1967	1968	1969	Total
Health planning	20	35	34	37	37	30	25	30	248
Educational planning	27	38	43	72 ^{a/}	34 ^{b/}	33	-	-	247
Planning for the housing sector	-	-	-	-	31	-	-	-	31
Economic development and planning course for trade union leaders	-	-	-	-	24	-	-	-	24
Annual operational plans	-	-	-	-	-	-	13	-	13
Human resources planning	-	-	-	-	-	-	28	-	28
<u>Total</u>	<u>47</u>	<u>73</u>	<u>77</u>	<u>109</u>	<u>126</u>	<u>63</u>	<u>66</u>	<u>30</u>	<u>591</u>

a/ This course was held in Buenos Aires, and was attended by 72 trainees from 18 Latin American countries, of whom 46 were Argentinians.

b/ This courses was held at San José, Costa Rica, and was attended by 34 trainees from the five Central American countries, the Dominican Republic and Panama.

(ii) Vitória (Brazil). Between 28 April and 1 August, an intensive course on general planning and development questions was given for the central region of Brazil with the co-operation of the Faculty of Economics of the Universidade Federal de Espírito Santo. The total number of participants was 41, and the course enjoyed the support of ECLA and UNDP.

The following were the subjects taught: statistics, economic analysis, economic development, sociology, the economy of Brazil, social accounting, planning, project formulation and evaluation, economic policy in general and the economic policy of Brazil.

(iii) Brasília (Brazil). An intensive course on agricultural planning was held from 1 September to 12 December, with the co-operation of the Ministry of Agriculture of Brazil, ECLA and UNDP. It was attended by 30 officials from public agencies connected with agriculture.

It included the following subjects: statistics, economic analysis, economic development, the economy of Brazil, social accounting, agriculture in relation to economic development, agricultural planning, agricultural statistics, agricultural projects, and experience in respect of agricultural policy.

(iv) Monterrey (Mexico). Like the intensive course held at Vitória (Brazil), this was a course of the traditional type in which general aspects of planning and development were analysed. The participants, who came from various Mexican states, numbered 31, and co-operation was given by the Universidad de Nueva León, ECLA and UNDP.

The following subjects were covered: statistics, economic analysis, economic development, sociology, social accounting, planning, project formulation and evaluation, economic policy, agricultural planning, industrial planning and regional planning.

(v) Central America. From 12 May to 28 June 1969, a course on annual operational plans was given in Panama for trainees from Panama itself and from the whole of the Central American area. It catered for 48 participants, and UNDP and the Mexico Office of ECLA co-operated in the organization and running of the course.

It was split up into two parts; in the first, certain basic subjects were taught, while in the second the participants were divided into two

/groups to

groups to study the characteristics, problems and instruments of short-term policy and techniques for the formulation and evaluation of specific investment projects. The first part of the course dealt with the following subjects: economic statistics, economic analysis, development, integration and economic planning. In the second part, one group devoted its attention to statistical data and conjunctural analysis, annual operational plans and the national economic budget, the use of models in short-term planning, budget programming, and budgeting in relation to foreign trade policy. The other group studied specific development projects, project financing and industrial and highway projects.

(vi) Santa Cruz de la Sierra (Bolivia). This intensive course, also of the traditional type, was held at the national level from 19 May to 1 August, with the co-operation of the Universidad de Santa Cruz and UNDP. It was attended by 38 participants.

The following were the subjects taught: mathematics, statistics, economic analysis, economic development, social accounting, planning, project formulation and evaluation, economic policy, agricultural planning and industrial planning.

(vii) Lima (Peru). An intensive course of eight months' duration (from 3 March to 24 October) was given for 30 trainees, with the co-operation of Peru's Advanced School of Public Administration and of UNDP.

The first part of the course, taken by all participants, was concerned with general background, and the second with special subjects. The following were the subjects taught in the first part: mathematics, statistics, economic analysis, economic development, economic development of Peru, sociology, social accounting, planning, project formulation and evaluation, economic policy, regional planning, methodology of research, mass communication media, annual operational plans, economic integration, and international economics. In the second part the trainees were divided into three groups to take the following special subjects: external-sector planning, industrial planning and public-sector planning.

(d) Collaboration with the Universidade de Campinas

An agreement has been concluded between the Institute and the Universidade de Campinas (Brazil) relating to co-operation for a period

/of several

Table 6

TRAINING PROGRAMME: INTENSIVE COURSES, 1955-1969 a/

1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	Total number of participants
Colombia (80)	Brazil (48)	Brazil (61) Venezuela (82)	Brazil (64)	Colombia (98) Brazil (71)	Colombia (56) Brazil (50)	Brazil (49) Venezuela (66)	Brazil (45)	Brazil b/ (162)	Brazil b/ (140)	Brazil b/ (124)	Brazil b/ (137)	Brazil b/ (121)	Brazil b/ (99)	Brazil b/ (101)	278
				Argentina (72) Cuba (62)	Bolivia (124) Mexico (43) Uruguay (72)	Bolivia (41) Mexico (54)	Bolivia (38) Mexico (25) Uruguay (86)	Mexico (47) Uruguay (72) Ecuador (40)	Bolivia (60) Mexico (47)	Mexico (52)	Mexico (49)	Bolivia (32) Mexico (51)	Bolivia (38) Mexico (31)		333
															399
															230
															186
															36
															302
															292
															181
															64
80	48	143	136	300	345	258	308	527	269	392	343	201	326	248	3 924

a/ Not including intensive courses held at the national level on the sole responsibility of the governments concerned. b/ Since 1963, three intensive courses have been held every year in Brazil.

In the analysis of the various aspects of public-sector planning (the course on which was followed by 16 participants), stronger emphasis was placed this year on the interpretation of its past evolution, with the aim of helping to establish sounder criteria for determining the function that the public sector should fulfil in the various Latin American countries. Importance was also attached to the role of the State in relation to regional planning and natural resources.

(b) Special Courses

The usual course on health planning was held again at Santiago, in co-operation, as always, with the Pan American Sanitary Bureau. It was attended by 30 Latin American professionals and its duration was 16 weeks.

Advantage was taken of the provisional findings of the studies and research being carried out under the Pan American Programme for Health Planning by the Pan American Health Organization (PAHO), with the collaboration of the Institute.

The teaching model comprised analysis of the decision-making system in this field, with illustrations taken from actual health policies. The teaching given on the administrative and sociological aspects of health planning was expanded, and concepts and techniques for investment projects in this sector were accorded more comprehensive treatment.

(c) Intensive Courses

The following is a brief account of the intensive courses held in 1969:

(i) Rio de Janeiro (Brazil). The intensive course on planning for the housing sector was given from 5 May to 31 July, in collaboration with the Ministry of Planning of Brazil, ECLA and the United Nations Development Programme (UNDP). It was attended by 31 participants holding technical posts in national and state agencies concerned with the housing problem.

In addition to introductory material relating to statistics, economic analysis, economic development, sociology, economic policy and demographic questions, the first part of the course dealt with the problems of housing and development and town planning. The second part took the form of a seminar on housing-sector programming.

/(ii) Vitória

of several years in post-graduate courses on planning. As the first step in its implementation, a course on industrial planning was held from 3 March to 4 July 1969. It was attended by 13 Brazilian professionals from different parts of the country, most of whom were university professors or lecturers.

The following subjects were covered: mathematics, industrial statistics, economic development theory, Latin American industrial development processes, industrial planning (the focal point of the course), mathematical programming, industrial sociology, economic integration, the chemical industry, projects, small and medium-scale enterprises, industrial development processes in Brazil, specific industries and case studies.

(e) Seminar for Journalists on Development and Planning in Latin America

In the first fortnight of December a seminar was held in Santiago, under the sponsorship of the United Nations Office of Public Information, for Latin American journalists specializing in economic affairs. The aim was to bring them into contact with the work done by ECLA and the Institute in the field of economic and social development and planning.

The following topics were discussed, in addition to others of interest to the participants: objectives of the United Nations in general and of ECLA and the Institute in particular; Latin America's major development problems; social problems in Latin America; natural resources; sectoral development problems (transport, agriculture, industry, trade policy); economic and social development planning (planning experience in Latin America); integration in relation to development; the public administration in relation to development; development projects; training; and development strategies for Latin America.

2. Advisory services

During 1969 the Institute's advisory services continued to pursue two major objectives: (a) co-operation with the Latin American governments in the formulation of strategic development policies which will provide a basis for the preparation of medium- and short-term plans; and (b) assembly of further background material for the consideration of various alternative approaches to the future development of Latin America in the light of the real conditions prevailing in each country.

(a) Development strategies

(i) Minas Gerais

The Institute has concluded a co-operation agreement with the State of Minas Gerais (Brazil) for the formulation of a long-term development strategy, at the over-all and sectoral levels through which it will be possible to identify the principal measures that should be adopted for the future development of the state, and likewise to establish bases for drawing up medium- and short-term plans. Perhaps the most outstanding feature of this agreement is its integral approach to the state planning problem. It provides for the Institute's collaboration not merely in the matter of strategy but also in the institutional and technical remodelling of the state planning system, the setting-up of machinery for operational plans and performance budgets with a view to the implementation of the development strategy and the medium-term plan, and the restructuration and modernization of the statistical system.

In pursuit of these lines of action, two missions were carried out (in March-April and October-November), and the following work targets were met. During the first mission, the basic data available on the economic development of Minas Gerais were analysed, so that a preliminary diagnosis of the development in question could be formulated and the various options for the state's future development could be identified and examined.^{1/} With regard to the restructuration of the state planning system and its entry into operation in its new form, the Institute collaborated

^{1/} See Government of the State of Minas Gerais, State Development Council, Planning and Control Office (Conselho Estadual do Desenvolvimento, Gabinete de Planejamento e Controle), Bases para uma estratégia de desenvolvimento.

in the internal organization of the Gabinete Estadual de Planejamento e Controle (State Planning and Control Office), as a first step towards subsequent co-operation in the organization of the planning system with the agency responsible for administrative reform,

Furthermore, with a view to the establishment of a basic quantitative framework for planning, in the course of short missions in October 1968 - February 1969 assistance had been given in the organization of a working group to deal with regional accounts. During the March-April mission, a basic programme for the organization of a statistical information system for planning was drawn up, and is now under consideration by the Legislature as part of a project for the organization of the planning system.

The analysis of the various future development options for Minas Gerais was intensively discussed by state experts during the period immediately following the first mission. This process culminated in a workshop which was held at Santiago in September, and in which the highest planning authorities from the State of Minas Gerais and from the Banco Nacional de Desenvolvimento Economico (BNDE) participated, together with Institute and ECLA authorities, and the experts directly concerned in the agreement, as well as some from other Divisions of the Institute. The official contact implied by this workshop with representatives of the institutions directly linked to the development process was of great value, inasmuch as it provided guidelines for improving upon the original document and designing the next phases of the work.

During the second mission, the earlier task of analysing options was superseded by that of defining a development strategy. Accordingly, the key components of the image-objective which it is hoped to attain by the end of the next two decades were explicitly defined, and the strategic programmes and projects involved were provisionally identified. Thenceforward, both at the over-all and at the sectoral level, attention was concentrated on the search for a spatial development pattern which would be consistent with the basic objectives established in the strategy, especially with regard to surmounting the difficulties deriving from marginality, income distribution and the inadequate size of the domestic /market. Herein

market. Herein perhaps may lie the essence of the work done in this second phase, in so far as the aim pursued was the identification of promising regions and areas within the state which might be functionally capable of attaining the objectives in question. This regionalization, although of a preliminary nature, undoubtedly constitutes the basis for specifications at a later stage, in terms of concrete programmes and sectoral projects.

All this material, both sectoral and regional, was utilized in a first approximation to quantitative assessment of the variables relevant to the strategy, on the basis of a simple model through which the development effort could be evaluated, together with the new urban-space pattern required, the rural space structure, and the strategic functionality of each internal region.

At the close of this second phase of the programme of work, guidelines were laid down for the ensuing phases, which will consist, in the first place, in more precise quantification of the over-all sectoral regional sequence, and, secondly, in the co-operation of specialists at the level of specific sectoral programmes and projects.

(ii) Ecuador

During the first half of 1969 the government of Ecuador, through the Junta Nacional de Planificación y Coordinación (National Planning and Co-ordination Board) requested the Institute for advisory assistance in the preparation of an analysis of Ecuador's prospects under the subregional integration programme of the Andean Group. This collaboration was organized in three major phases. The first of these --i.e. the preparation of the basic study with a complete team of generalists and sectoral experts --culminated in a provisional document entitled "Bases para una estrategia de desarrollo en el contexto de la integración subregional". During the second, the guiding principles embodied in the document were discussed and brought to fuller maturity by working groups at the Institute headquarters. To this end, a team of Ecuadorian experts, headed by the Technical Director of the National Planning Board, went to Santiago, where they spent three weeks reviewing the provisional document, with the co-operation of various

/ members of

members of the technical staff of the Institute and experts from the Joint ECLA/FAO Agriculture Division. Thirdly came the final discussion of the document by the National Planning Board, for which purpose an Institute team went to Quito to co-operate with Ecuadorian experts in the analysis of the document and to open the discussion with representatives of the other departments of the public administration of Ecuador.

One or two features of this co-operation are of particular interest. For the first time, definite emphasis was placed on the clarifying of a national development strategy in the context of a subregional integration movement, and this entailed interpreting and analysing in depth the nature and scope of the implications that the Andean Group's integration process would have for Ecuador. Secondly, from another standpoint altogether, the modus operandi adopted made for close co-operation between the Institute team and the technical staff of the National Planning Board, with the result that a high degree of continuity was achieved.

This activity culminated in the preparation of a synthesis for information purposes, specifying, on the basis of the strategy formulated, the lines on which Ecuador could participate in the subregional integration process.

(iii) Peru

During the year 1968 the Advisory Services Division co-operated with Peru's Instituto Nacional de Planificación (National Planning Institute) in the formulation of a development strategy.

In 1969, following up the work done in the preceding year, two short missions rendered advisory services to the same agency in the formulation of a technical assistance programme consistent with the main requirements deriving from the development strategy. An application was also submitted to the Institute for advisory assistance in establishing the bases for a medium-term plan. Since the Government of Peru was extremely anxious that a development plan which would serve as a guide to vital economic policy decisions should be available at the earliest possible date, working groups were set up to activate the

/programming areas

programming areas mapped out in the development strategy, so that a considerable number of projects, both sectoral and regional, might be either ready or in course of preparation during the first half of 1969.

(b) Operational planning

Two types of co-operation may be distinguished in this field:

(i) collaboration linked directly to the strategy medium-term plan-operational plan sequence; and (ii) specific advisory services to planning agencies or to institutions connected with a particular sector of the economy.

(i) Advisory services to the State of Minas Gerais in relation to budget programming

Pursuant to the clause in the Institute's agreement with the State of Minas Gerais relating to the restructuration of the state planning system, the Division co-operated with the Gabinete Estadual de Planejamento e Controle in establishing the performance budget system and setting it in motion. The main activities undertaken may be summed up as follows:

During a preliminary mission, the programme of work for the year was drawn up. Bases were established for a training programme in this field, criteria for a handbook on budget formulation were discussed, and working groups were formed to begin preparing the draft budget for 1970;

Two intensive courses on budget programming were organized for the agencies of the central administration of Minas Gerais, in which special emphasis was placed on questions relating to the phase of budget formulation. The first was an advanced course for officials from the Annual Plans and Budget Division of the Gabinete Estadual de Planejamento e Controle and from the Departments of Economic and Social Affairs; the second was a parallel but less intensive course at the intermediate level, dealing with the same subject but in less depth, and designed to train assistants or collaborators for the officials taking the advanced course. The responsibilities of the Institute were confined to direction and co-ordination. These courses began in March, and were prolonged until the end of September by a period of practical work in connexion with the specific task of formulating the draft budget;

/ A handbook

A handbook on performance budgets (Manual de Presupuesto por Programas) was prepared for the state's central administration agencies and others of a similar character. The part relating to budget formulation was completed, which meant that the target envisaged was attained;

Advisory services were rendered in connexion with the drafting of the central administration's performance budget for 1970. They comprised integral revision of the budget categories; drawing-up of forms and of the relevant instructions; guidance in the recording, study and processing of data at the level of each programme, of each state department and of the whole budget; co-operation in designing the structure and presentation of the document containing the draft budget for 1970.

(ii) Advisory services to Honduras in relation to operational planning

The purpose of these advisory services, provided during the period 19 May - 6 June 1969, was to prepare methodologies appropriate to real planning conditions in Honduras. The mission, which was composed of four experts, concentrated its attention on discussing with national officials the methodological aspects of a system of annual operational plans and its adaptation to the special conditions prevailing in Honduras.

(iii) Advisory services to the Chilean Development Corporation (Corporación de Fomento de la Producción de Chile - CORFO)

The advisory assistance given to this agency in relation to performance budgets was continued in 1969. The first step was the formation of a working group at the level of the Office of the Executive Vice-President, which, in conjunction with the Institute experts, undertook the following tasks:

Analysis of the present situation of CORFO and of its dependent enterprises and agencies in respect of budget operations and organization;

Establishment of the bases for introducing the performance budget system in CORFO and its dependent agencies, and preparation of a handbook on budget formulation;

/ Advisory assistance

Advisory assistance in the preparation of the provisional budget for 1970, in collaboration with the Office of the Financial Manager and the various executing units, and of a preliminary draft budget for approval by the Board of Directors;

Preparation of a handbook on budget execution and control, and, in collaboration with the Office of the Financial Manager, establishment of financial information systems;

Organization of a training programme in Santiago and the provinces for those concerned with programme implementation and for the heads of budget sections of CORFO's dependent institutes and agencies.

The activities carried out in 1969 gave effect to all the basic provisions of the agreement between the Institute and CORFO.^{1/} The advisory services described were rendered in close collaboration with the Budget Office of the Ministry of Finance and in conformity with its norms. Furthermore, the Institute's advisory services had an opportunity of helping to formulate recommendations designed to improve the organization and operation of the Office of the Manager in charge of Subsidiaries.

(c) Project for advisory services to the Government of the State of Sao Paulo

At the end of November 1969, while the second mission was working in Minas Gerais (Brazil), the Government of the State of Sao Paulo displayed interest in obtaining advisory assistance from the

^{1/} The documents in whose preparation the Institute co-operated under the terms of the agreement comprised a first handbook on the organization and functions of CORFO; a handbook on budget formulation; a provisional budget for 1970; a preliminary draft of the budget for 1970 (including the budget of the central office of CORFO, of the regional institutes, of subsidiary enterprises and of subsidiary institutes); and norms for budget execution, control and evaluation in 1970. Their respective titles were as follows: "Manual preliminar de organización y funciones de CORFO"; "Manual de formulación del presupuesto"; "Presupuesto preliminar para 1970"; "Anteproyecto de presupuesto para 1970 (presupuesto de CORFO Central, de Institutos Regionales, de Empresas Filiales y de Institutos Filiales)"; and "Normas de ejecución, control y evaluación del presupuesto de 1970".

Institute, for one year as from March 1970, in the formulation of a development strategy for the State of Sao Paulo, in other studies relating to operational aspects of the planning system and in a development training programme to be carried out in conjunction with the Getulio Vargas Foundation. During the month of December, in addition to the direct negotiations conducted with the Ministry of Foreign Affairs of Brazil, two representatives were sent to Santiago by the State of Sao Paulo and the Getulio Vargas Foundation to discuss the bases for a co-operation agreement. It was decided in principle that a reconnaissance mission should be sent to Sao Paulo in January 1970 to study in greater depth the forms that the Institute's co-operation should take. The Resident Representative of UNDP in Brazil took part in the Santiago talks. The Government of the State of Sao Paulo has offered the Institute a contribution against the costs of its various activities, substantial enough to be a sufficient indication in itself of the importance of the work in prospect. For the Institute, this work means a great deal, not only in terms of responsibility, but also from the intellectual and operational standpoints.

3. Research

(a) Economic research

The Institute's activities in this field (setting aside those already reviewed in other sections of the present report) were grouped under two major heads in 1969: (i) analysis of the constituent elements of an integration-oriented development policy for Latin America; and (ii) monetary and financial programming.

(i) Integration-oriented economic development policy for Latin America

The subjects tackled related primarily to three of the components of development policy: regionalized import substitution; export of manufactures; and employment policy and its influence on the expansion of the domestic market. In addition to the analysis of the special features of each policy, particular attention was devoted to its effects on the external sector and on employment.

In July 1969 the latest and most comprehensive version of the study entitled "Elementos para la elaboración de una política de desarrollo con integración para América Latina" was completed, and the mimeographed text which was circulated for criticism and comment is at present undergoing final revision. In this version such important topics as employment, the external sector, science and technology, etc., are studied in greater depth.

The above-mentioned document was presented at the second seminar on national development with integration, which was held in Mexico City in August 1969 at the Colegio de México, and was organized by the Institute in co-operation with the Latin American Demographic Centre (CELADE) and the Latin American Council for the Social Sciences (CLACSO). The seminar was attended by representatives not only of CELADE but also of semi-public and university centres for economic studies in several countries which are, participating in the research in co-ordination with the work of the Institute. These centres also presented the findings

of the studies they are carrying out, and the seminar provided favourable conditions for programming the continuation of the research and the forms that collaboration with the Institute should take.

Moreover, in conjunction with CELADE, the Institute has begun work on a programme relating to population policies under which this subject is being studied much more fully than in previous analyses.

The Division collaborated with ECLA in the preparation of a study entitled "The Trade and Domestic Savings Gaps and Structural Unemployment in Latin America" (E/CN.12/831 and Add.1), which was presented at the thirteenth session of the Commission (Lima, Peru, April 1969).

During the year measures were taken to step up the Institute's co-operation with national research centres, which has proved to be extremely valuable and fruitful on account of its multiplier effects. Besides taking part in the proceedings of the above-mentioned seminar in Mexico City, the Institute co-operated for short periods with the Centre for Development Studies, (CENDES) of the Universidad Central de Venezuela, with the Colegio de México and with the Universidad Nacional de Ingeniería of Peru. An expert from the Torcuato Di Tella Institute in Argentina spent three months working in Santiago, with the collaboration of the Institute, on the conduct of the research which the two institutions are carrying out on a co-ordinated basis. The Division also participated in the various meetings held by CLACSO in different parts of Latin America during 1969.

(ii) Monetary and financial programming

In January 1969 a workshop on monetary and financial programming was held at the Institute headquarters with the participation of three foreign experts. The discussions were based on a selection of the documents presented at the seminar which had been held in Santiago at the end of 1967, the account of its proceedings, and the research conducted by the Institute. The experience of Chile, France and Uruguay in the field of monetary and financial programming was also reviewed at this meeting.

As a result, work proceeded during the year on the preparation of a document which will be issued in 1970, and which contains a summary and analysis of the discussions held. The first part of this text deals with the problems of formulating monetary and financial policy, and the second with the incorporation of this policy as an integral part of economic planning. The study, of which the final draft is now being prepared, will be supplemented by selected papers presented at the above-mentioned meetings by the participants, and reflecting their respective countries' experience. Thus, the book in course of preparation will comprise a general section covering the prospects afforded by monetary and financial programming, especially in relation to the planning process, and another which will illustrate the problems concerned by means of studies relating to some of the Latin American countries and France.

(b) Social research

Among the studies completed in 1969 (several of which were carried out in their entirety during the year) were those on the problems of children and youth in Latin America which were undertaken with the collaboration of UNICEF, and will be published in a collected edition early in 1970 as one of the Cuadernos del Instituto. Among the subjects analysed are the situation of children and youth in the economic and social complex in Latin America; youth prospects in El Salvador; the female labour force in Peru, etc.

The Division co-operated with the Instituto Colombiano para el Bienestar Familiar (Colombian Institute for Family Welfare) in the establishment of methodological guidelines for a diagnosis of Colombia's situation in this respect, to be presented at a congress which will be held shortly at the national level, and with the Planning Office of Paraguay in respect of methodology for social research on the youth situation in that country. Both these studies also formed part of the UNICEF-Institute programme.

For reasons beyond the Institute's control, the research which was being conducted in co-operation with CORFO on industrial workers in Chile had to be suspended halfway through the year, but it may perhaps be resumed in 1970.

The programme on industrial entrepreneurs was expanded by the introduction of a study relating to Mexico, which was initiated early in 1969 in co-operation with an OECD expert and with the support of the Colegio de México. The findings of the survey carried out have already been entered on IBM cards, although for the time being the analysis of the data has had to be left pending, for want of resources.

A study on the rural structure in Chile which was undertaken by the Freie Universität, Berlin, and in which the Institute collaborated, was completed, and advisory assistance was given to the Pontificia Universidad Católica of Peru in its study on industrial entrepreneurs in that country.

Towards the end of November a start was made on the studies required for the preparation of a report on the position and attitudes of university students in Latin America. This research is being conducted at the request of IDB.

Under an agreement with UNICEF, research on the structure of the family in Santo Domingo was designed, and a questionnaire was drawn up for the purpose of collecting the relevant data in 1970.

Headway was made in a study on the relations between the State and economic development, which will be pursued on more searching and comprehensive lines during 1970; and a short paper on the political premises for a development strategy was drafted for incorporation in the collection of controversial writings on this subject which is to be issued by the Institute in the near future.

At the end of November 1969, following the conversations held with UNICEF in order to concert a new co-operation agreement, the following programme of work was drawn up, under which some of the activities already under way are to be continued, and new fields are to be explored:

(a) Research on sociological interpretations of development, the aim of which is to make a systematic study of the interpretations put forward by writers inside and outside the region;

(b) Research on the State and development in Latin America, with the objective of formulating a general framework of theory respecting the relations between State and development, on the basis of the Institute's existing stock of studies and material;

(c) Research on the social aspects of occupation and employment in Latin America, with a view to systematizing the material collected, probing more deeply into the sociological problems of employment and occupation and supplementing other Institute studies;

(d) Research on social structure and ways of thought, in the form of a survey of the structural determinants of the rigidity or flexibility, breadth or narrowness of the individual's conception of the world and his own position in it, and his evaluation of both, with special reference to the styles of thinking of young people;

(e) Research on the family, children and youth, with particular emphasis on the attitudes of young people and on educational systems; and

(f) A systematic inventory of research on marginality in Latin America, culminating in the formulation of a general framework of theory with respect to social action and marginality.

4. Projects

In 1969 the Institute's activities in this field were focused mainly on the preparation of the guide to project formulation and evaluation and the handbook for project-designers, a task to which concentrated effort will still have to be devoted in 1970. Progress was also made with a document assembling and systematizing experience relating to the integrated development of agricultural areas. In contrast, direct activities in individual countries, although intensive, in range and scope fell somewhat short of expectations.

With regard to the Guide and the Handbook, it should be recalled that the proposal to prepare basic tools of this type for the work of project formulation was put forward at an earlier session of the Governing Council. Subsequently, an agreement between IDB and the Institute was signed in September 1968, with the result that three out of the five members of the permanent staff of the Projects Division were assigned to the task in question, and the services of a specialist of wide experience and well-attested ability were engaged. The team thus formed embarked immediately upon more detailed study of the requirements that would have to be met in this field, and, in that light, of what should be the slant and content of the manual to be prepared.

The results of this first stage of the work found expression in an annotated table of contents, with an appended outline of the objects and characteristics of the prospective handbook. These documents provided a basis for joint discussion with IDB officials, in mid-1969, respecting the lines on which the work should be continued and how it should be adapted to the terms of the agreement with the Bank on the preparation of a project guide.

At these discussion meetings, views were exchanged on the viability and usefulness of a handbook for project-designers comparable to engineering manuals, in consideration of the difficulties that had to be surmounted by project-designers in developing countries, including the innumerable

/investment decisions

investment decisions unrelated to negotiations for external financing, as well as compliance with the Bank's requirements for its project analysis purposes. The conclusion was reached that the work should be divided into two parts.

The first of these is to consist in the preparation of a Guide intended to consolidate, systematize and complement the indications and instructions issued at different times by IDB for the presentation and evaluation of projects of various types. This guide will not duplicate or reproduce the content of other documents, but will be supplementary to the norms established by the Bank, and will be of use not only to those responsible for preparing or analysing applications for loans to be submitted to international financing agencies, but also to anyone and everyone who may find IDB's experience of assistance--through the Guide--with respect to the form and content of the documents involved in the presentation of a project. Given the collaboration of the consultant engaged by the Bank, and access to IDB's wealth of experience, the text of the Guide should be completed within the year.

The second aim to be pursued is the preparation of the Handbook, a more ambitious undertaking through which it is hoped to remedy what is basically the worst deficiency in current project activities, i.e., project formulation prior to the phase of detailed engineering. A more detailed account of the objectives and characteristics of the Handbook will be found in the relevant document presented at this session of the Governing Council.^{1/}

All that need be stressed here is that the work in this field undertaken to date by various institutions has been of great value (in particular the United Nations "Manual of Economic Development Projects", by Julio Melnick, which, although written primarily for teaching purposes, is used for operational ends in default of a more appropriate tool). In fact, the careful analysis of the many texts and documents available was precisely what led to the conclusion that a special effort had to be made to provide the different persons who prepare projects, evaluate them, and take decisions

^{1/} See Information document N° 1.

as to their execution with a handbook fulfilling the following requisites: (a) enabling the problem of project design and analysis to be dealt with as an integral whole; (b) adopting an eminently operational approach; (c) offering the advantage of accessibility; and (d) facilitating interdisciplinary collaboration among the various professionals participating in project activities.

To that end, the content of the Handbook will include, in appropriate degrees of operational detail, the project-designer's specific working techniques, and will cover such essential constituent elements of a project as market studies, evaluation of alternatives, formulation of budgets, investment and financing schedules, determination of costs and income and financial programmes for operation, feasibility studies at the various levels of precision required in the different stages of the project, continuing evaluation of the project during the designing process in the light of the diverse criteria rendered applicable by the objectives served, etc.

The preparation of the Handbook calls for more resources than the Institute itself can command, although it has allocated to the work a large proportion of those it possesses in the appropriate field. With a view to supplementing them to the extent required, it is approaching various international agencies and national planning and development institutions, on whose co-operation it is relying to enable it to complete the Handbook in the first half of 1971.

Considerable headway was also made in the course of 1969 in drafting a guide to the application of a method of formulating integrated agricultural development projects. As previously stated, the method of work in question stems from a number of specific experiments carried out in several Latin American countries, in which the Institute was invited to give advisory assistance in the development of basically agricultural areas. Projects of this type may constitute an operational instrument for establishing linkage between planning decisions and executive action in relation to rural reform. In effect, they are development programmes for an area or subregion in which the whole body of activities required for their implementation--services, investment and studies--is set forth in operational

/terms. It

terms. It is this executive character, together with the fact that it forms a unit of action, which gives such a programme of activities the characteristics of a project. A document which was presented at the seminar on social aspects of regional development held in November 1969 gave an account of the objectives and special features of projects of this kind, assessing their value as instruments of agricultural development. Owing to the other commitments of the expert responsible for this work, the final text will not be ready for publication until mid-1969.

The last points to be made in connexion with research in the field of projects relate to the Institute's collaboration with IDB in the analysis of a study on criteria for the identification and evaluation of integration-oriented physical infrastructure projects, and to the preparation of a fairly detailed programme for continued research on the evaluation of integration projects in general. The implementation of this programme has had to be postponed, however, in favour of the concentration of effort on the Guide and Handbook.

As regards direct activities in individual countries,^{1/} advisory services were provided to the planning agencies of Honduras and Peru in relation to the work programmes of their project units; the Government of Bolivia was given advisory assistance in determining the criteria applicable to the selection of projects for inclusion in the 1970 national budget; and the Institute continued to co-operate with the Permanent Secretariat of the General Treaty on Central American Integration (SIECA) and with IDB in preparatory work for studies on multinational projects in Central America, which were regrettably interrupted by events that are common knowledge.

^{1/} It seems worthwhile to review some of the main difficulties encountered in the course of the activities initiated in 1968 with a view to incorporating in the Institute's programme of work an advisory service to governments in the field of project preparation. These difficulties suggest that it would be advisable either to modify the original scheme or to obtain enough additional resources to carry it out efficiently, or else to switch over to a new approach, concentrating on the formulation of preinvestment programmes, as suggested in the Director-General's report (INST/L.18).

(cont.)

The Institute also resumed its collaboration with the Government of Venezuela, through the Corporación de los Andes (Andes Development Corporation - CORPOANDES) in the execution of the Alto Llano Occidental project, to which the Government assigns high priority in its development plans for the next five years. The Venezuelan authorities reaffirmed their interest in continuing to obtain advisory services from the Institute (on the basis of reimbursement of expenditure) in completing this project --which is really a plan-project of a subregional character, designed to promote the development of a vast area in Venezuela--and bringing it up to the stage of execution. This purpose was served by two missions in 1969. The first co-operated with Venezuela's planning agency, the Oficina Central de Coordinación y Planificación (CORDIPLAN), in assessing the status of the project, in order to determine what still had to be done to complete it and define the initial requirements for putting it into execution. The second gave assistance to CORPOANDES in the consolidated presentation of the preinvestment programme for 1970 with its justification. It was likewise decided that at the beginning of 1970 a mission should be sent to co-operate for three months with a team of technically-qualified national and local

1/ (cont.) Despite the encouragement and support received from the IDB authorities and from the United Nations, the Institute's endeavours to promote the preparation of projects--some ten possibilities for feasibility or prefeasibility studies have been explored--have thus far borne little fruit. This is not the place for a careful analysis of each instance. But a few useful lessons may be learnt from the experience. In the first place, delays or changes in the adoption of decisions are among the principal causes of the shortage of projects, and account to an unexpected extent for the fact that only a tiny proportion of the project studies examined are actually carried through. Secondly, promotion activities on the part of other institutions (mainly private and extra-regional), which are often backed by solid offers of financing, exert a stronger influence than would appear at first sight on the allocation of resources for project studies, especially in the smaller countries of the region. Thirdly, there is one very encouraging development: in many Latin American countries national firms of consultants have recently been growing up, whose ability to carry out studies is being demonstrated with increasing success. Lastly--and this may perhaps be a decisive factor--entry into the field of project preparation calls for considerably more substantial resources than the Institute has at its disposal, given the financial limitations by which all its activities are affected.

/personnel in

personnel in completing the final presentation of the project in its entirety, revising the estimates of financial requirements for the first phase, preparing a synthesis of the project appropriate for submission to the highest authorities of Venezuela and of international financing agencies, finishing the programming of agricultural services, and defining the programmes of work for each of the principal operational projects in the first phase.

It should be mentioned in conclusion that in pursuance of suggestions made at the informal meeting of the Governing Council held at Mexico City in September, consideration is being given to the question of what activities the Institute could undertake in the field of preinvestment, through national, sectoral or regional programmes whereby ideas for projects could be identified and ranked in accordance with the priority criteria established in development plans, and the studies required to determine their feasibility and put them into execution could be systematically carried out. This activity might prove a valuable instrument not only for more efficient utilization of existing preinvestment resources, but also for tightening up the linkage between the formulation of development plans, policies and programmes and their crystallization in specific projects. In order to explore this possibility, it is hoped to draw on the experience of the countries themselves and of international agencies such as IDB and the United Nations Development Programme (UNDP) which have been operating in this field for several years past.

5. Co-ordination of Plans and Economic Integration

Studies and research on international co-ordination of development plans began to engage the attention of the Institute, as well as of ECLA, in consequence of the establishment of the Central American Common Market, and, later, during the process of formation of the Andean Group. Reference must now be made in some detail to this latter movement, in connexion with which a joint ECLA/Institute study is under way.

In August 1968, at the request of the Joint Commission of the Declaration of Bogotá, the Institute and ECLA presented at its Cartagena session a document relating to a programme of work on linkage between national development plans and the integration process of the countries signatories to the Declaration of Bogotá ("Programa de trabajo sobre las vinculaciones entre los planes nacionales de desarrollo y el proceso de integración de los países de la Declaración de Bogotá"). It analyses plan co-ordination on the basis of a common development strategy for the subregion, adopting the Andean Group's guiding principle of industrial development, although attaching great importance to the role of agriculture and forestry, the energy and mining sectors, natural resources in general, and transport, in relation both to economic and social development and to the integration process. Special emphasis is laid on the location problem with reference to the expansion of the economic space, the creation of new nodes or dynamic centres of development, and the resettlement of population groups living in saturation and unemployment areas.

More recently, when the chiefs of planning offices of the countries of the Andean Group met at Lima in October 1969, they studied the question of plan co-ordination, and requested the ECLA secretariat and the Institute to prepare a preliminary document on criteria and methods for joint programming and on the industrial potential of the subregion, giving due weight to the comparative advantages of the various countries

/and to

and to the balanced development of the area, and indicating the pertinent measures required. They also asked the secretariat and the Institute to study the reports prepared by the different planning agencies with reference to methodological instruments for joint programming, and to provide the necessary technical advisory services for their future meetings. The study requested is already in course of preparation, and will be transmitted to the Andean Group authorities early in 1970.

6. Industrial planning

During the year 1969, research activities in the field of industrial planning were focused primarily on employment, in connexion with which the Institute has undertaken several studies. One on employment in the manufacturing sector has been completed, and was recently published in series II of the Cuadernos del Instituto, under the title of Consideraciones sobre ocupación industrial.

Through this study, which is of a theoretical and empirical character, the Institute seeks to shed some light on one of the most vital problems inherent in the planning of development in general and industrial development in particular. It is common knowledge that the position in respect of unemployment and under-employment is becoming increasingly critical, as an essential result of the lack of dynamic impetus in the development and industrialization processes. Vis-à-vis this situation, "employment policy"--which to a large extent is identical with "development policy"--is ill-defined in many widely-varying respects. In this context, a survey of the employment problem in Latin America, with special reference to industry, is followed in the study by the consideration of policies aiming at maximum employment, within the limits set by long-term development objectives for the over-all economy and for the manufacturing sector.

Among the principal factors affecting industrial employment, the study singles out the structure of production for careful analysis, both from the standpoint of its direct influence on the number of jobs created, and from the angle of the multiplier effects on employment opportunities produced by better-integrated structures. Here there are manifest links between some of the primary objectives of industrial development and the goal of full employment. For example, the need to activate the industrialization of natural resources and to push ahead more vigorously in the manufacture of intermediate and capital goods is completely in accord

with a structure based on production chains whose greater dynamic capacity implies that the indirect effects of expansion on employment are greater.

Salient aspects of the relations between technology and productive efficiency on the one hand and employment on the other are also studied. It is energetically contended that the results of the introduction of new techniques are negative only within the slow development pattern characteristic of most of the Latin American countries, which follows models that are somewhat deficient with respect to the over-all dynamics of development and employment. In the same connexion, the industrial concentration process and its impact on employment are analysed, with special emphasis on the problem of small-scale industry.

The other fairly ambitious study that is worth mentioning is the report on Latin America's main industrial development problems ("Principales problemas de la industrialización latinoamericana") which was prepared at the request of the Director-General. In it the problems in question are reviewed in the structural context and with reference to the industrial strategy sketched in outline in an earlier document, also published as one of the Cuadernos, under the title of Consideraciones sobre la estrategia de industrialización en América Latina ("Notes on Industrial Development Strategy in Latin America").

The new study analyses the general framework within which Latin America's industrial development process is taking place, as a determinant of its characteristic features--both vices and virtues. This setting is described in terms of the natural environment, economic factors, social and cultural questions and certain political issues. Stress is laid on the relatively passive role of industry vis-à-vis the major development problems and on its sluggish growth, as well as on the most important structural causes of this state of affairs. The development responsibilities that industry should assume are likewise defined. Particular attention is drawn to the necessity of seeking industrial development patterns compatible with the characteristics and problems of the region as a whole and of its individual countries, not merely transplanted from other parts of the world but having a distinct "personality" of their own.

/Work in

Work in the field of industrial planning also included activities of a different sort. Those classifiable under the head of training are described in the relevant section of the present report. Furthermore, the Institute participated in meetings and discussions, of which the most outstanding were those relating to the industrial policy of Chile (CORFO) and the session of the Latin American Regional Group of the Advisory Committee on the Application of Science and Technology to Development (Santiago, Chile, August, 1969).

7. Human Resources

The research on the human resources situation in Latin America which had been started in 1968 was continued on more specific lines in 1969 at the national level, with a view to the presentation of certain quantitative data that are essential for preparing a country-by-country manpower diagnosis. The various indicators having been revised, studied, expressed in comparable terms and processed, the next step was to analyse and quantify new variables that are considered indispensable for the Institute's other studies, and especially for research relating to the formulation of regional and national development policies, since employment policy should form part of these and should be explicitly defined within the frame of reference they provide.

It was thus possible to determine the occupational structure of the labour force in each of the Latin American countries, and likewise to investigate and compare levels of overt unemployment as well as of under-utilization of manpower through estimates and analyses of unemployment equivalent.

Such background information will facilitate the attainment of the objectives that any and every human resources policy should pursue, i.e., full utilization of available manpower and achievement of productive employment levels which will ensure that the growth targets set up are duly met.

During the second half of the year a study on the unemployment situation in Latin America, which is to form part of a more comprehensive piece of research on employment that the Institute is carrying out, was revised, expanded and completed.

In addition, an employment policy model was formulated, establishing targets for the absorption of unemployment and under-employment at the level of economic sectors, since the use of human resources is far from efficient, as can be seen from the low sectoral rates of productivity. If existing conditions remain unchanged, the probabilities of a significant

/increase in

increase in the economic growth rate are remote, especially as the unsatisfactory productivity rates are closely related to the current structure of production and levels of technology, which suggests that the employment and manpower problem is likely to become more serious still. Hence the need to evaluate development programmes in the light of employment objectives and to formulate explicit manpower policies in the context of over-all economic policy.

The relevant research having been brought to a conclusion, a general human resources bibliography was drawn up, and proved to be of use to working groups in the Institute and in the countries of the region, as well as to the training courses.

Lastly, upon completion of the work of revising, arranging and updating a document on human resources policy in relation to the economic and social development of Latin America ("Hacia una política de los recursos humanos en el desarrollo económico y social de América Latina"), it was issued as one of the Cuadernos del Instituto under the title of Los recursos humanos en el desarrollo de América Latina.

Apart from this research, the Institute also collaborated in the work of organizing the advisory services provided in Ecuador under the Ottawa Plan by its Santiago Group, and of suggesting guidelines for the activities of the Santiago Group attached to the ILO Regional Employment Programme for Latin America and the Caribbean Area (PREALC), through participation in the meetings of the PREALC Technical Committee and through continuing contact and discussion with the members of the Group.

Furthermore, in the field of training activities--besides sharing in those of the Institute itself, as described in section 1 of the present report--the Unit co-operated with the ILO in the courses it held in conjunction with the Ministry of Labour and Social Security of the Government of Chile. Subjects relating to basic economic theory were taught in the courses given at Santiago, Concepción and Antofagasta (Chile). Another activity undertaken in the second half of the year consisted in participation in the Course on Human Resources Planning

held by the ILO Inter-American Centre for Labour Administration (Centro Interamericano de Administración del Trabajo - CLAT) in Peru. On that occasion the subjects taught were general programming, human resources planning and economic policy.

Lastly, a start was made on the preparatory work for the Training Course on Human Resources Planning and the seminar on the employment situation and development in Latin America which are scheduled to take place in the Institute between 18 May and 28 August 1970. In this connexion, visits were paid to the institutions in Argentina, Brazil, Paraguay and Uruguay which are interested in participating in the course.

8. Natural Resources

In the field of research, headway was made in the study on rural saturation areas, the object of which is to analyse the production potential of the land as compared with the present degree of utilization, in order to deduce future development prospects, with special reference to rural employment. Advantage had already been taken of advisory assistance missions to try out the methodology tentatively worked out in the course of this research. During 1969 these field tests were extended through the experiments carried out in Ecuador and in the State of Minas Gerais (Brazil). The methodological bases in question were set forth in a document published during the year as one of the Cuadernos del Instituto (Series II: Anticipos de investigación), under the title of Metodología de evaluación de los recursos naturales. Work was completed on a first draft of the study on policies for the development of new land in the humid tropical zones of Latin America which is being carried out under the Institute's agreement with Resources for the Future, Inc. The broader aspects of the question were analysed, and some twenty land settlement projects were visited with the aim of evaluating the results of the planning and launching of this type of activity. Thence conclusions could be drawn that would be useful to countries possessing large areas with a humid tropical climate, which represent a significant source of rapid economic and social development. The study, begun in 1967, was suspended during part of that year and of 1968 to enable the author to issue a report requested by IDB on several of the projects concerned which had received financial co-operation from the Bank. This evaluation unquestionably redounded to the advantage of the research, as it afforded possibilities not only of obtaining valuable background data on the projects, but also of benefiting by contact with the IDB authorities partly responsible for putting them into operation and determining the lines on which they should be run. In 1969, moreover, opportunities arose of comparing Latin America's experience with others of a similar nature in tropical zones in Australia and Indonesia, and of

/exchanging impressions

exchanging impressions with experts on the subject in international centres and specialized institutes in Europe.

This research highlighted the serious obstacles that hamper the progress of land settlement projects in tropical areas which are difficult of access, as is the case with those on the eastern slopes of the Andes, where most of the projects evaluated are to be found. The gap between actual achievements and original targets was measured and its causes identified, outstanding among them being insufficient knowledge of the potential of the natural resources concerned, and the innumerable handicaps of institutional origin. In view of the hopes centred in such areas for the future solution of production and above all of employment problems in Latin America, the conclusions of the study are of great topical interest and are being carefully evaluated.

As regards other research conducted under the same agreement with Resources for the Future, Inc., progress was made in the editing of works completed prior to 1969. The most recent of these--an analysis of factor productivity and the use of resources in the agricultural sector in Chile--was read and discussed by several members of the Institute's professional staff with a view to its subsequent revision in 1970. The study was based on a sample of farms in one of the provinces of the central zone of Chile.

A summary of the study entitled "The Water Resources of Chile. An Economic Method for Analyzing a Key Resource in a Nation's Development", which was published in English in 1968 by Resources for the Future, Inc., was prepared for publication as one of the Cuadernos del Instituto. In this Spanish version major emphasis is placed on the methodological aspects of the text, which it is felt may be generally useful in water resources planning throughout Latin America.

A Spanish version of a study which was completed in 1968 and published in English in 1969 by Resources for the Future, Inc., under the title of "Natural Resources Information for Economic Development", was also prepared for publication. It appraises the economic efficiency of the activities producing information on natural resources, and, after analysing the experiences of Chile and Peru in this field, and other cases in the region, presents valuable conclusions respecting the planning of such services.

/Resources for

Resources for the Future, Inc., sponsored a seminar on the same subject which was held at the close of 1969 in Lima (Peru), and was attended by Institute specialists.

In the course of the year a good deal of time was spent on evaluating the results of the research programme which is being implemented jointly with Resources for the Future, Inc., and considering future lines of action in the field of natural resources. It was felt that the research programme should be so designed as to have a bearing on the topics of study to which the Institute assigns priority in relation to Latin America's basic development problems, and to constitute a form of co-operation in the training programme.

As a first step towards participation in teaching activities, several lectures on natural resources, development and planning were given in the special course on public-sector programming which formed part of the Basic Course in 1969, with the co-operation of guest specialists in general research on natural resources, mining, land, fisheries and forest resources.

Lastly, early in 1969 the Institute completed the work it had been doing in collaboration with the Institute for Latin American Integration (INTAL) through a staff member attached to the INTAL office in Buenos Aires. The chief areas of co-operation were the technical direction of research relating to the project for integrated development of the River Plate Basin, and the study of a joint programme for the frontier zone between Argentina and Chile.

9. Publications

The Publications Programme--which is still hampered by the lack of resources to which the Office of the Director-General has repeatedly drawn the Governing Council's attention--was given an impetus in 1969 which perhaps goes beyond the bounds of its possibilities, but which it will do its best to follow through. The Publications Committee, which was reorganized and expanded by the Director-General, drew up an ambitious programme for 1969-1970 with regard both to the Textos and to the different series of Cuadernos del Instituto. The programme is contingent not so much upon its actual implementation at the editorial level as on the technical completion of original texts which have been approved in principle for publication. If the work programmes and deadlines established are complied with, about 10 books and 15 Cuadernos will be published in the course of 1970.

In the Cuadernos series, the following titles were issued in 1969: Arturo Nuñez del Prado, Estadística básica para planificación, Parts One and Two; Estevam Strauss, Metodología de evaluación de los recursos naturales, and Consideraciones sobre ocupación industrial; Esteban Lederman, Los recursos humanos en el desarrollo de la América Latina; Nathaniel Wollman, Los recursos hidráulicos de Chile (summary of the study published in full in English by Resources for the Future, Inc.); and Louis Lefebvre, Notas sobre integración, bienestar y evaluación de proyectos. The first is included in series I (Apuntes de clase) and the others in series II (Anticipos de investigación). Shortly due to appear are the revised version of a Cuaderno by Osvaldo Sunkel, El marco histórico del proceso de desarrollo y de subdesarrollo (this will be the third edition, since the second--bringing the total number of copies up to 6,000--is on the point of selling out), and the English original of Louis Lefebvre's study entitled "Notes on Integration, Welfare and Project Valuation", which will be the first of the Institute's publications in English. It is hoped to include in this English series the report entitled "Discussions on planning" and a selection of the Cuadernos which are most in demand.

/With regard

With regard to the Textos del Instituto, the Editorial Siglo XXI, in Mexico, has in the press a work by Osvaldo Sunkel and Pedro Paz entitled El subdesarrollo Latinoamericano y la teoría del desarrollo. In Santiago (Chile), the Editorial Universitaria will shortly be publishing another of these Textos, namely, Los recursos naturales en el desarrollo económico. Medios y programas de información, by Orris C. Herfindahl. This is the first product in book form of the agreement between the Institute and Resources for the Future, Inc. At the time of writing, a text entitled Dos polémicas sobre el desarrollo de América Latina is being sent to press, and is expected to appear in print at the end of January or the beginning of February.

In November 1969 a new catalogue of Institute publications was issued in an edition of 8,000 copies, and is currently being given the necessary diffusion. It is hoped that the response will be even greater than in the case of the 1968 catalogue, with the consequent increase in demand for the Institute's Textos and Cuadernos. Despite the lack of resources, and minimal as is the sales and distribution machinery that it has been possible to set up, it is satisfactory to point out—not as indicating the success of promotion activities which have necessarily been inadequate, but as a sign of the general interest aroused by the Institute's publications—that sales in 1969 virtually doubled those of 1968, both in dollars (sales abroad) and in Chilean escudos. Sales in Santiago and in the Chilean provinces amounted (in net figures, including discount) to over 45,000 escudos. If instead of "administrative" figures, i.e. those for income received or pending, "publishing" figures were given, this sum would rise to at least 70,000 escudos, and would be significant inasmuch as the price of the Cuadernos is very low. The fact that this has been achieved in Chile, partly through direct influence on students and on the public at large, but above all because of the immediate and easy accessibility of the Institute's texts, suffices in itself to indicate what could be done in the other Latin American countries if the Institute had the resources to organize adequate promotion machinery. Even as matters stand, sales in Latin America in 1969 (again net of discounts) totalled more than 7,000 dollars, or practically twice the 1968 figure.

/Of the

Of the five titles issued by the Mexican firm of publishers with which publication agreements were concluded, three sold out in less than two years (editions of 6,000 copies) and have been reprinted. Among the Cuadernos (an edition of 3,000 copies) there is one title (Osvaldo Sunkel, El marco histórico del proceso de desarrollo y subdesarrollo) of which, as already stated, two editions have already sold out and a third revised edition is being prepared. As most of the titles published have been in great demand, if their distribution can be extended to several important countries which do not as yet receive them, the possibility of larger printings will have to be considered.

A long-cherished project is to materialize in 1970, and will do much to disseminate knowledge of the Institute's current work and to keep Latin America informed of its activities and projects. The first issue of an Institute periodical, which will appear at least three times a year, is scheduled for publication in March. In addition to a leading article on topical economic and social problems and a special article of the monograph type, this periodical will comprise one section for controversy and dialogue, another devoted to discussion of the planning process in Latin America and in the countries of the region, and yet another reviewing and summing up the Institute's studies, reporting on its activities and giving advance notice of publications in course of preparation.

INST/L.17

ECONOMIC COMMISSION FOR LATIN AMERICA

Committee of the Whole
Fifth Extraordinary Session

New York, 4-6 May 1970

LATIN AMERICAN INSTITUTE FOR ECONOMIC AND SOCIAL PLANNING:
REPORT ON THE ACTIVITIES OF THE INSTITUTE IN 1969
AND PROGRAMME OF WORK FOR 1970

Note by the secretariat

For the information of the delegations to the Fifth Extraordinary Session of the Committee of the Whole of the Economic Commission for Latin America, and in relation to item 4 (a) of the provisional agenda, the secretariat is herewith circulating the "Report on the activities of the Institute in 1969" (INST/L.17 and Add.1) and the "Programme of work and programme budget for 1970" (INST/L.19). Supplementary information will be provided by the President of the Governing Council in his statement to the Committee of the Whole.

•

•

•

•