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## THE PLANNING PROCESS IN LATIN AMERICA

A. Introduction

One of the most interesting processes that has taken place during the last years in the Latin American Continent, is that which is related to planning. The problems and discussions of planning have concerned especially its conception, field of action, organization and evolution.

Although there has been a planning process for many years in the region, it is only from the sixties that it has progressively been adopted in a wider degree. This is due to the growth crisis which becomes more and more evident in the majority of the Latin American countries and to the prospect of spreading danger, in the area, from the Cuban Revolution.

To evaluate or discuss what has been done up to now, as far as planning is concerned, is not an easy task since there is a whole series of factors to be considered, among which we can point out the following: a) the diversity of countries in the continent and their variations in size, population and development achievements, b) the diverse short and medium term policies, c) the different strategies of development chosen in order to overcome the growth crisis or to maintain an acceptable rate of growth.

These aforementioned points have brought about the adoption of various planning types. We can understand planning as a search for the rationalization of a process, given at different levels, in different sectors, and whose positive or negative effects fall upon different social groups, depending on the type of predominant strategy, the way of development adopted, the decisional strength of the groups in power and the prevailing conjuncture.

The concept of planning is understood in different ways. As a basic requirement some consider the management of the processes of all economy sectors, private as well as state sectors, following the style of Eastern Europe. For others, it is enough to only emphasize the action in the state sector, which they point out can be the main engine of development.

Other specialists do not direct their attention to the problem of action unity or the executive agent, but to what the planning process means. For some the function of planning is to establish various governmental institutions such as Technical Offices or Planning Offices, for others it is the action of preparing development plans at different levels of time and functions. (1) These characterizations fail as they are centered more upon the methods than upon the ends or objectives. In our own words, planning means the use of various mechanisms and action instruments by a sector of society in order to rationalize, at maximum, the achievement of a determined goal.

According to this definition, we do not say that for the existence of planning it is necessary to have a socialist economy or a transitional society to socialism. We estimate that planning can be given in any socio-political-economic system, either capitalist or socialist. (2)

This process of planning will be given at different levels: global, sectorial, regional, urban, rural, etc. and will affect different unities, but will be differentiated in each system, mainly in accordance to four principal aspects: a) which interests will be affected negatively, b) which social groups will benefit, c) the degree of participation of the various population groups in the discussion, decision, action and evolution of the planning processes and d) achievements at different levels.

Based on this different types of planning will be organized or brought about. It is because of this same reason that on the Latin American Continent there is not one but many planning types, because the elements mentioned above are combined in various ways according to the prevailing real conditions.

To understand these combinations we should have to study the socio-economic history, in order to <sup>under</sup>grasp the root of the problem and to understand why the majority of countries, during the sixties, decided to adopt widely, planning instruments.

According to this, we are giving a summary of notions about the Latin American reality during the years 1950-1960, after which we are considering the reaction (through planning) of the power groups and their respective governments in a given situation, and the achievements after almost two decades of "planned development". The Cuban case will not be treated, since we consider that it diverges from the general planning



model adopted by the rest of the countries.

## B. The Structural Context

In this section we do not pretend, in any case, to give a general outline of the socio-economic history of the Latin American Region, but to point towards the conjuncture given in the last decades, which has a close relation to the search for planning systems in the Continent.

From the middle of the fifties, the majority of the countries showed clear symptoms of disruption and advancement to an open crisis, this crisis was already evident in the thirties and was momentarily interrupted by the Second World War. During the decade of the fifties a series of populist and nationalist governments, which appeared soon after the Second World War, were taken away from power by right wing "coups", by attrition or other means. There were Peron in Argentina and Vargas in Brazil, also along the semi-populist lines, followed by Ibañez in Chile, finished, while in Mexico began a reorientation of the system, with Cortinez (1952-1958) so far as social and agricultural policies were concerned.

The Latin American economy showed its weakness with a growth rate of not higher than 1,5 % per year, which meant that the gross national product would double each half century. The growth rate in countries such as Argentina, Mexico, Peru and Cuba were negative, as well as their balance of payments, growth of production by sectors, etc.

Although there was a momentary recovery by 1956-57, in the long term, if we consider periods of more than 10 years, the economic and social problems became more and more acute in the majority of the countries. All this is shown by low growth rates, high inflation, budget deficit, lowering or stagnation of the agricultural production, scarcity of employment for the greater and ignored population sectors, increase of the national debt, signs of exhaustion of the so-called import substitution process in the majority of the relative highly developed countries, high illiteracy rates, high infant mortality rates, etc.

All these are direct symptoms of a structural problem which is related to: a) the unjust land tenancy system, b) the unequal distribution of income, concentrated in the hands of a privileged minority, a minority that controls the administrative and political elements, c) the ownership

of the main natural resources by foreign capitalists and d) monoproduktive specialization in one or two products.

According to the Economic Commission for Latin America (ECLA) average annual growth rates of the GNP, per capita, between 1950 and 1960 in some countries were as follows: Argentina 1,2 %, Bolivia -1,6 %, Brazil 2,6 %, Chile 1,2 %, Colombia 1,6 %, El Salvador 1,5 %, Guatemala 0,9 %, Haiti -0,2 %, Honduras 0,6 %, Mexico 2,8 %, Panama 1,9 %, Paraguay 0,1 %. (3)

Venezuela was the only country that showed growth rates higher than 3 % per year. These percentages show the low rate of growth in the economy of these countries and the long term structural crisis that was already appearing from the thirties and which was much more clear by the end of the Korean War with the fall of the international prices, the worsening of the terms of trade and the increase of the national debt.

The average inflation rates between 1955-1960 were very significant for the countries with more relative development: Argentina 37,2 %, Brazil 25,3 %, Chile 32,2 %, Uruguay 23 %. Only Venezuela and Mexico showed acceptable rates, with 5,9 and 2,6 % respectively.

On the level of income distribution, we can notice the injustice of the share. We can see in all countries a high concentration in the richest 10 % of the population, while the majority groups had incomes, just enough for subsistence. For example, by 1960-1961 in Argentina, Brazil and Venezuela, the poorest 10 % of the population controlled less than 2 % of the total income, while the richest 10 % of the population controlled approximately 42 %. This reflects the great concentration of the results of development and its effects.

So far as unemployment is concerned, about 28 million were without work or were only employed temporarily from a total of 65 millions of active people.

It is under this framework that planning systems of different kinds and conformation begin to be adopted in the Latin American countries.

### C. The Institutional Organization

With the elements noted before, we want to make clear that it was not, as has been contended, the Cuban revolution that originated the search for a reorganization of the superstructural framework in the Latin American countries; there were all the abovementioned aspects and the pressure from organized groups among the great majority of the people,



which brought home to the centre of power (national and foreign) the necessity of carrying out a series of reforms that would "modernize" the system.

Without any doubt the role that the Cuban Revolution played was contributory as an important factor in accelerating and defining this attitude, since sooner or later, the demands for a higher standard of living and for the right to a more just participation in the share of the results of development and power, would have constituted a challenge to many governments of the continent. Similarly, the negligent attitude of the groups in power and the rising misery in which millions of people were living, was an important factor.

Taking into account the studied elements of stagnation in the majority of national economies, the demonstrations of violence and the Cuban Revolution, which was giving another alternative for overcoming the underdevelopment, the groups in power began to follow different strategies.

Among those strategies we should distinguish those given on an international and national level so far as planning is concerned.

On the international level the first step was established with the Conference of Punta del Este in 1961, where the privileged groups in the USA and Latin America recognized the necessity of rationalizing, in a better way, the processes of decisions and investment and of carrying out some changes in order to modernize some structures that were insufficient or problematical. One of the fundamental instruments to achieve these goals would be planning.

The theoretical and practical guides were brought by ECLA, through various publications, conferences and seminars. The organization together with the Inter-American Development Bank (IDB) created, in 1959, the Secretariat of the Organization of American States (OAS), the Inter-American Committee for the Alliance of Progress, established a few years later under the name of Social-economic Inter-American Committee, and other North American financial institutions. These bodies were expected to undertake the organization and establishment of planning systems in various countries in the Continent, and evaluate plans, recommend technical foreign aid, evaluate the economic situation of each country and determine the loans needed to carry out some projects. (4)

In order to overcome the evident lack of specialists on planning,

the Latin American Institute of Planning (ILPES) was created in 1962. These specialists were to work side by side with the foreign advisers and professionals sent by the abovementioned organizations.

In a period no longer than 3 years, countries like Colombia, Peru, Haiti, Bolivia, Uruguay, Paraguay, El Salvador, Guatemala, Costa Rica and Panama welcomed a series of groups of foreign specialists who studied the possibilities of rationalization of the decision-making process and the establishment of planning offices. The majority of these countries accepted these commissions, since this was a basic condition for obtaining loans from the highly industrialised capitalist countries.

On a national scale, the attempts to establish Planning Institutions date from the years near to the crisis of the thirties. These institutions are related especially to national, regional and specific local problems.

By 1939, the Production Development Corporation (CORFO) was created in Chile, because of the growth crisis that affected the country and the installation of the Popular Front, government that directs all its efforts to initiate a massive process of import substitution, with the state as the principal engine for the installation of strategic industries, such as steel, oil and electricity. With time, CORFO was setting up a series of Regional Committees for Development.

After the Second World War many isolated regional commissions were founded in various countries, as instruments for coordinating projects of irrigation, canalization, industrialization, etc., in some areas affected by droughts, earthquakes or floods.

By 1946, some Mexican states were affected by periodical floods. This induced the Government to create commissions in charge of the development of those regions.

In 1950, Peru was affected by a serious earthquake that brought about the coordination of rescue actions, reconstruction projects, etc. This was done through the so-called Departmental Development Corporations.

The National Department of Work against Droughts was created in Brazil due to the successive droughts that affected the North-East area.

By the time of the creation of the Alliance of Progress a rather large number of countries had already begun to set up the institutional basis for planning. Among these countries we have: Bolivia (1953) with the National Coordination and Planning Commission, Guatemala (1954) with



the National Economic Planning Council, Nicaragua (1952) with the Planning Office, Colombia (1951) with the Planning Office, Ecuador (1954) with the National Board for Economic Planning and Coordination, Brazil (1956) with the Development Council, and Venezuela (1958) with the Central Office for Coordination and Planning. (5)

In general, the functions executed by these institutions were: the establishment of development plans, evaluation of projects and sometimes the examination of the budget as well as proposals for sources of external financing.

Between 1961 and 1966, nearly all the countries of the continent adopted general planning systems with some sectorial or regional agencies. In the majority of the cases, these organizations were left as mere consulting offices, institutions for data processing or evaluation of projects and controlled by the President of the Republic. Very seldom were they created as analytical institutions at a ministerial level or superordinate to the Central Bank, Ministry of Finance or other important institutions.

We can mention some institutions created during the sixties: In Argentina (1966) the National Development Council (CONADE), Bolivia (1963) the National Economic and Social Development Council, in Ecuador (1961) the National Board for Planning and Coordination, Mexico (1962) the Ministerial Committee for Development Planning, Peru (1962) the National Planning Institute (INAP), Brazil (1964) the Ministry of Planning and Economic Coordination, Colombia (1963) the Administrative Department for Planning, Costa Rica (1963) the Ministry of Planning, and Chile (1964) the National Planning Office (ODEPLAN).

If we observe the series of institutions created, we cannot doubt that one of the major successes in planning attempts has been the institutional side.

#### D. The Sectorial Problem

It is in the sectorial area that the efforts for planning have been concentrated in the majority of the Latin American countries. This is due, mainly, to the institutional infrastructure they had before, i.e. the ministries, budget offices or corporations for institutional development and to the fact that the rationalization of the capitalist development process did not require, in the first instance, to worry about the regional development and even less about the social development. Their

main purpose was to rationalize the elements of which they disposed, in order to obtain the maximum profit with the minimum effort, risk and capital.

To achieve this purpose the State had to be used again. Through the enlargement of its functions by the new incomes obtained via higher taxes, rationalization of the bureaucratic apparatus and foreign loans, the State could establish orientations to the way of development choice. This way would be postulated through different development plans and by administrative readaptation.

These plans have had two features: to orientate private investment, especially the foreign one, to very defined economy sectors and to try to raise illusory hopes in the standard of living of the population by means of wrongly interpreted diagnosis and projections that are not fulfilled because they are separated from the socio-political context and because the capacity for concession among the groups in power in the respective countries is very limited.

Seeing the sectorial plans prepared by the various planning institutions, a series of elements can be concluded:

- a) they cover different periods of time and direct their attention especially to the medium and long terms plans,
- b) there are plans for all the economic sectors and sometimes for some sectors in particular, especially agriculture, industry and services,
- c) they treat the different problems in a very general global way, establishing diagnosis, projects and goals so extensive that it fails to see them separately or on an inferior level,
- d) the growth aims keep almost no relation to the real achievements,
- e) there is a widely spread belief that with the particular growth of some sectors of the economy its benefits are going to be distributed to all the population in an egalitarian way,
- f) the majority of the sectorial plans do not take into consideration the regional development,
- g) the projects that have been best studied are those carried out by the State,



- h) many plans contain general data on production, demand, employment, investments and finance achievements, without any specification on how this is going to be done or how those aims could be achieved. Many others do not contemplate the sectorial cooperation among the various departments and ministries, wasting human and financial resources,
- i) there are very few sectorial plans that include changes of a structural character, once the problems that have affected any sector are recognized,
- j) many times the sectorial plans are interesting academic exercises that do not have any relation to the real intentions of the privileged groups,
- k) there is a great deal of technicism in many of the plans, taking more care to develop intricate models of linear programming or an input-output table instead of analyzing some problems and establish feasible policies,
- l) a conscious use of statistics is shown, in order to hide acute problems that certain sectors of society and the economy suffer.

Each one of these elements appears more or less sharply in every country, depending on the strategy of development adopted and the socio-politic-economic situation existing in a determined period of time. The experiences and achievements of Brazil will be clearly different from those of Argentina, Chile or any other country, because the development projects of each one of those countries have been given on basis and conditions completely different, the only links are that

- a) those plans conceive the way of a capitalist development as the great alternative,
- b) certain mechanisms of external exploitation are given,
- c) various symptoms of underdevelopment and deterioration of the structural situation can be observed.

During the last two decades we have many institutions with sectorial character that have been created or re-structured. For instance, in Colombia the Planning Committees, presided by the respective ministries, establish the general orientation of the sectorial policies. In Costa Rica, sectorial institutions in all ministries were created as well as in decentralized and autonomous entities. In El Salvador, Committees in the Ministries of Public Works, Agriculture and Cattle Raising, Education and

Health, were organized. In Brazil, centers of sectorial planning and also institutions for the development of specific problems, such as the Executive Transport Policy Group, have been installed.

On the basis of these sectorial institutions and technical offices for planning, many plans for sectorial development have been executed in all the countries of the Continent. We can name some: In Bolivia: The Economic and Social Development Plan for 1962-1971 and The Two Year Sectorial Development Plan; in Brazil: The Target Plan 1957-1961, The Three Year Economic and Social Development Plan 1963-1965, The Government Program for Economic Action for the years 1964-1966, The Ten Year Economic Development Plan 1967-1976, The Strategic Program for Development 1968-1970, The National Development Plan 1971-1975 (First National Development Plan 1972/74, Second National Development Plan 1975/79); in Panama: The Economic and Social Development Program 1963-1970 and The National Development Strategy 1970-1980; in Peru: The Public Investment Plans, The National Development Plan 1967-1970, The Short Term Plans, The National Development Plan 1971-1975 and The Long Term Strategy for National Development; in Venezuela: up to now, five of the so-called National Development Plans have been executed. (6)

It is usual to see in these plans beautiful phrases about "the necessity to achieve integral development of the national community" (Plan 1971-1975 for Peru), or that the income is going to be redistributed, that full employment will be achieved, etc. This is expressed concretely in plans, established vaguely and generally, without specifying how the goals are going to be achieved.

We can take, for example, the main objectives of the First National Development Plan 1971-1975 in Brazil (7):

- a) maintain annual rates of growth of the national gross product between 8 till 10 %,
- b) expansion employment rates, to arrive up to 3,2 % in 1974,
- c) reduction of the inflation rate to a level of 10 % by 1973,
- d) wide diffusion of the result of the economic progress in social and regional terms,
- e) social transformation to modernize the institutions and to accelerate growth,
- f) better income distribution to maintain an open society and
- g) political stability and internal and external security.

On the other hand The Economic and Social Development Program



in Panama for 1963-1970 formulated the following specific goals:

- a) achieve a sustained long term growth of at least 2,5 % yearly of the national gross product,
- b) put the benefits from the economic development at the disposal of all the Panamanians by a more egalitarian distribution of income, wealth and opportunities,
- c) achieve more efficiency in the process of production by means of a balanced diversification of the regional and functional economic structure,
- d) <sup>Impulser</sup> prompt a program of agrarian reform through a better rationalization and knowledge of the land tenancy system, credit and technical assistance,
- e) promote a more efficient utilization of the land,
- f) provide every child with, at least, primary school,
- g) increase occupational education opportunities and extend the teaching, giving participation to the private sector in this heavy task,
- h) improve health benefits by completing hospitals and health center network that would integrate a system of preventive and curative medicine, emphasizing at the same time the construction and maintenance of water supply and <sup>abandoned</sup> sewage systems in the most densely populated centers,
- i) achieve a considerable increase in house construction for families with a low income level,
- j) contribute to the achievement of a Latin American Common Market,
- k) widen the freedom framework and strengthen the country's institutions.

Two different countries with two different plans in two different realities.

What have they achieved among all the points enunciated?

This is not very difficult to enquire since many of the goals are established at macro-levels and it is just in this level that the statistical data are accessible. The great difficulty lies on comparing data that could represent the impact of such plans on the different groups of the society and in some locations of the geographical space.

If we take the Continent as a whole, in almost two "development decades" with different plans, the advances achieved have been minimal

and changes of certain magnitude are observed only in very particular sectors of the economy.

When we look, for instance, at the changes in the growth of the gross national product, per capita, an increase of 0,8 % is noted between the decade 1950-1960 and the decade 1960-1970, and of 0,9 % in the five year period of 1971-1975 in comparison with the period 1950-1960, all these in spite of the positive conjuncture in the terms of trade from which the continent benefited until 1973 when visible signals of weakness in the international market began to be seen, except for the oil prices. What happened with these additional incomes? At least, it can be asserted that they did not benefit all the population. (8) The growth of the gross national product is concentrated in two or three sectors: manufacturing industry, electricity and public services, while sectors such as agriculture and mining show a total stagnation and a clear tendency to loose positions, which is very serious since these last two sectors account for 42 % of the total employment.

The inflation rates have shown a tendency to accelerate at very high rates. So, while in the decade from 1960 the majority of the countries showed inflation rates lower than 9 %, to-day a great deal of countries have rates higher than 9 %, coming up to record rates of 800 % in Chile by 1974 or 390 % in Argentina by 1976.

There is no country in the continent, with the exception of the oil exporters, that do not show a worsening in the balance of payments. To give only one example, between 1970-1975 the trade deficit accumulated came to 35.000 million dollars and towards the end of 1976 the public external debt exceeded 67.000 million dollars.

Considering the concentration of the gross national product, we can see that the only countries that show average rates of growth higher than the continental average growth rate for the period 1960-1975 are Brazil, Mexico, and some Central-American countries, especially Panama. This shows that the growth is not only concentrated on sectorial levels but also on country levels.

Where are the achievements? These are evident. Only in few economic sectors through the increase of the manufacturing production, of energy, the steel production, cement, machinery and equipments.

What is the price? High inflation rates, higher national debt, high concentration of agricultural and industrial property, higher dependency, high levels of unemployment, tax increment, etc.



Who has been benefited? In any case it has not been the great majority, since not even in countries that have had high growth rates during many years, as Brazil, can we see that the great majorities have ameliorated their living standards.

There have been no changes in property or in income distribution. The changes have not come about either in the critical years, or in the economic favourable years.

There have not been so great advances in standards of living, employment or housing, as we can see in different indexes. According to the International Labour Organization (ILO) around 130 million of Latin Americans live in conditions of "extreme poverty".

If we see the housing deficit in some countries, for two different years, we can observe the following deficits, according to ECLA (1973):

| <u>COUNTRY</u> | <u>YEAR</u> | <u>HOUSING DEFICIT</u> |
|----------------|-------------|------------------------|
| Argentina      | 1955        | 1.200.000              |
|                | 1970        | 1.726.000              |
| Brazil         | 1960        | 6.500.000              |
|                | 1970        | 10.000.000             |
| Chile          | 1960        | 454.000                |
|                | 1970        | 585.000                |
| El Salvador    | 1961        | 60.000                 |
|                | 1969        | 178.000                |
| Nicaragua      | 1960        | 128.000                |
|                | 1969        | 209.000                |

Very few countries improved their housing deficit, during the last two decades.

Other figures that can show the spread of benefits, are those indicating the disposal of drinkable water of the urban population. (ECLA 1977)

| <u>COUNTRY</u> | <u>1962</u> | <u>1975</u> |
|----------------|-------------|-------------|
| Argentina      | 90 %        | 76 %        |
| Brazil         | 85 %        | 87 %        |
| Mexico         | 85 %        | 70 %        |
| Peru           | 90 %        | 72 %        |
| Venezuela      | 85 %        | 90 %        |
| Colombia       | 90 %        | 86 %        |

In absolute terms there was indeed a small change of the average income in some working sectors, but when the analysis is done at the level of real prices, we cannot make the same statement - not even in the case of countries with high growth rate as Brazil.

For example the evolution of the real minimum wages in Guanabara state showed in 1964, an index of 105, in 1967 of 89, in 1970 of 85 and in 1973 of 89. (9) (10)

When we examine the distribution on the different population groups we see that in the same country, towards 1960, the poorest 60 % of the population controlled 25 % of the national income, proportion that ten years later decreased to the 20 % level, thanks to the "Brazilian Miracle". On the other side, the richest 40 % of the total population controlled 75 % and by 1970 comes to control 80 % of the national income.

The most favoured sectors have been the great owners and business men.

In absolute terms: the Brazilian Miracle has meant that the workers have increased their average income in 20 dollars, while the privileged groups have increased theirs in 2.300 dollars.

These are some of the results of the strategy of development in Latin America, one of the main tools of which has been sectorial planning.

#### E. The Spatial Level

The almost complete absence of specific regional plans have been the common characteristic in the implementation of sectorial plans in the geography of each Latin American country.

This is due to the fact that the investment and economic concentration are located in two or three main cities in each country. This has prevented the groups in power from taking care, from the very first moment, of problems of regional unbalance or privileged regions as well as from establishing general systems of regional planning.

From many years ago, two aspects have been studied and worked in Latin America. The first has to do with the creation of autonomous corporations, with public or semi-private characteristics in order to prompt the economic activity of definite areas which have suffered from natural catastrophes, show stagnation symptoms or those located in limited boundaries, being considered important from a geo-political point of view.



The second aspect pertains to regionalization, which means the search for division of the geographic units, according to different historical, economic or social elements.

Between 1946 and 1952, due to floods and irrigation problems, a series of River Basin Federal Commissions for hydrographical basins of the rivers Balsa, Fuerte, Grijalva, Usumacinta, etc. were created in Mexico.

The Superintendency for the San Francisco Valley development existed in Brazil already in 1948 and a few years later the National Department for Works Against Droughts was created, followed by the creation of SUDENE, an institution, with the aim of taking care of the development of the North-East part of the country.

In Colombia, 1954, the Autonomous Corporation of Cauca Valley was established, and a year later in Chile, the Valley Ñuble Development Plan was also established, followed by CONORTE (Coordination for the Northern Zone Commission) and the Board for Progress of Arica in 1959.

In all these institutions, the North American experiences were copied, especially those carried out in the Tennessee Valley, with the belief that one area could develop efficiently, if independent from the generally prevailing conditions in the rest of the country. (11)

As for regionalization, the internal division of the countries was taken into account according to administrative or natural factors, but separated from the national reality. These regionalizations did not have any other aim than to establish a certain division within a country and they were characterized by the lack of concrete purposes and by their descriptive character.

A typical regionalization was the one presented by the Chilean Production Development Corporation, around 1952, under which the country was divided into 8 large regions which include 25 provinces and in which neither the purposes nor the benefits were specified.

In reality, the only purpose of such divisions was to use them as a means of publication for the adoption of a certain methodology that would facilitate the statistical management adopted in larger regions.

This explains, partially, the lack of uniformity of criterion and scientific instruments.

Regionalization was never thought as a first step for planning and after that to make possible continuing the search for a system of regions

that would permit a further organization, discussion, implementation and segregation of sectorial plans on spatial level.

Depending on the various plans launched at the beginning of the sixties and because of the preference given to the sectorial planning, the next step was to put into practice the development policy in certain isolated regions, i.e. borders, hydrographical basins or problematical areas. Consequently, during 1960 many regional agencies appeared, agencies that insistently tried to achieve development for some areas that up to this point had been isolated from the national context, and in order to accomplish such a task, special facilities were given to the national and foreign investments.

The majority of the aforementioned countries widened their regional plans while other started new projects. In Argentina, for example, the "Rio Dulce" Corporation was installed in 1966, with the idea of promoting agricultural and industrial development. In 1962 the Valley Corporation was created, with the purpose of colonizing some territories in the Catamarca Region.

By 1967, the Amazonian Development Superintendency was organized in Brazil, establishing at the same time the Manaus Free Zone and creating the Interstate Development Commission for the Bacia, Paraná-Uruguay areas.

Existing at the same time in Chile were: the Corfo Norte, Corfo-Chiloé and Corfo Aysén Institutes.

In Colombia we have the following Corporations: Magdalena Valley, created in 1960, Sabana de Bogota in 1961, Quindío in 1967, and the National Corporation of Chocó in 1968.

Other aspects can also be taken into account with regard to this type of policy, such as: the consideration of the development of metropolitan areas, the attempt to build a development poles policy, the direction towards the establishment of a new regionalization type, on the basis of a national planning system to continue with the setting of regional offices.

If we examine the first of the aspects mentioned, the consideration of the metropolitan areas, we see that they did not search for a change in the relations (which have always prevailed) between the more important centers and the rest of the country, but for the rationalization in the use of urban space.



Up to now many studies and plans have been carried out by foreign experts in Sao Paulo, San Salvador, Bogota as well as Santiago de Chile, Mexico City and their surroundings.

With regard to the second aspect, the Development Poles, the establishment of an incentive policy to the private investment has been tried in order to encourage, indirectly, the development of some areas or certain geographical points through the colonization of a definite territory, establishing a settlement that would break the predominancy of other urban centers, or, of the reactivation of the economy of some stagnant areas.

It seems curious, but can be explained, that the grounds for development of some poles had been the state investment in road infrastructure, electrification and other services.

The most remarkable experiences in this field are: the Brazilian federal capital Brasilia, the installation of the "Reconcavo Baiano", the creation of the Venezuelan Corporation of Guyanas, the creation of Guyana City and the setting up of a siderurgical complex with a foundation on the regional resources, the Concepcion Development Programme in Chile, in which they set up a series of high capital input industries, such as the petrochemicals and the creation of the Development pole in Monterrey, Mexico.

Besides the "success" of these five programmes, from the point of view of the concentration of some economic units, all the other attempts have had negative results, as in the Chilean case, where other poles were established: Antofagasta, Valparaiso, Talca, Arica, Punta Arenas, La Serena, Coquimbo, Valdivia, etc.

It was proved once again that the private capital is not used where the establishment of social welfare works can be needed, that this policy has only served to accentuate the concentration of wealth in a few hands, through the space concentration. It has not had any effect in the spread of development, in the change of the people's living conditions in certain regions and even less to stop the growth of the metropolitan areas.

There have been deep discussions, among the Latin American intellectual circles about regionalization, how regionalization functions, what regionalization means and what the aims of regionalization are. Many attempts at regionalization have been made without the slightest knowledge of what the purposes of such a process were.

Argentina, Chile, Peru, Venezuela and Mexico show the highest advances on this subject, after having established many socio-economic regions and the delimitation of the spatial structure.

If we take into consideration the Chilean case, it is notable that around 1967, eleven regions and a metropolitan zone were established on the basis of different indicators, i.e. physical, economic, demographic, health, housing, education and political participation.

Although this realization is a positive one, it does not take into account the regional historical evolution or the relative weight of the factors that have been used to regionalize. The urban system was defined a priori, without a study that would permit the establishment of an urban hierarchy, according to the real functions that the different urban centers held. The study scale was a very wide one (provinces), this obstructed the perception of non-equilibrium on minor scales, etc. (12)

Once a certain mechanism for the division of the country was adopted, a series of regional planning offices were set up.

In Chile we have the Regional Planning Offices (ORPLAN) for each region, in Peru, four regional offices were created: Southern Regional Office (ORDESUR), Northern Regional Office (ORDEN), Central Regional Office (ORDECENTRO) and the Eastern Regional Office (ORDE-ORIENTE).

On the basis of these regional agencies, the purpose was to create specialized institutions in which advisors and data collectors could work for smaller space units than the country. Generally, these offices have been isolated from an integrated regional plan system that could express the national development plan in a spatial way.

<sup>11</sup> One of the few attempts on this subject is the Chilean case during the Popular Unity Government, with the installation of medium term regional development plans (1971-1976), but those attempts were frustrated after the military "coup" and the new political-economical and social orientation which would prevail, where a regional development policy is considered unnecessary.

What results has the regional planning had?

It is rather difficult to pronounce any judgement on the subject, due to the lack of adequate statistics, although it can be noticed that as long as the idea of widening the economic space in the continent is taking form, timid attempts at the consideration of the spatial variable



have started, but taken as one of many elements for a better rationalization of the capitalist development.

This means that in the countries in which the carrying out of plans with a regional character has been considered, it has been with the only intention of providing the privileged groups with a basic instrument that would allow a better visualization of their infra-structural needs and their possibilities of investment or in order to put down the increasing demand for higher standards of living of some regional groups.

The common characteristic in the majority of the plans is that they have not been implemented.

The utilization made of the spatial variable has been of concentrating, in the sense that each country has taken into account restricted aspects of the geographical space (the case of the development poles and the metropolitan studies) and when areas of some importance have been considered (the case of the river basins), the central government has not provided them with enough resources, giving the major responsibility to the local groups or to their financial capacity. Nor has the central government stimulated a certain type of strategy by which the more underdeveloped areas are completely dependant, for their development, on the more industrialized ones (see the case of the North-eastern part of Brazil in relation to Sao Paulo).

Even in countries with a more or less advanced regional planning system and experience the few achievements have been the accentuation of the urbanization process and concentration of the most important economic unities in the most developed urban centers.

For example in Chile, the most benefited area in the process of "regional arrangement" has been the metropolitan region, which in 1960 concentrated 39 % of the gross domestic product and in 1975 the 47 %. Also the higher part of the public investment and most of the new industries are concentrated there.

The result of these types of policies has been to continue with the irregular growth process of the regions, the centralization and concentration of investments, the financial-administrative and decisional machinery, with its well known effect on the majority of the people.

## F. Conclusion

In this paper we wanted to give an overview of the planning process in Latin America in order to demonstrate, in the first instance, that although it is the capitalist development strategy which prevails in the Latin American continent, planning exists as it is evident in various plans: sectorial, regional, urban, as well as in its objectives and implementation levels.

Because of the aims that have prevailed in the majority of the Latin American countries, when planning systems are introduced with different complexity degrees, these systems have shown their results in very limited fields of the economy and have helped precisely the groups that, directly or indirectly, had decided to introduce such instruments.

We advance the opinion that from the point of view of the power groups and big businessmen, planning has not been a failure. On the contrary, the income distribution has shown a major concentration in the hands of the richest group during the last decades, and there has not been any real change in the property system.

Considering the great majority of the population, the results of development have not spread, demonstrating once again that capitalist development, growth and general welfare do not go together, since the tendency to search for a growth type that will not affect negatively the position of the groups in power is inherent in the system itself.

After many decades of "development", the diversity of planning experiences that have taken place in the continent become clear. We can almost say that each country has adopted a different planning system according to its internal conditions, its relations with the exterior and its relative weight in the continental context.

According to the aforementioned reasons we admit that it is difficult to generalize about planning experiences in Latin America, although all planning and development strategies adopt capitalism as the only way. These strategies vary according to conditions proper to each country.

Peru, for instance, decided, between 1968-1972, to establish a whole planning strategy that would favour the development of a certain national bourgeoisie and established the basis for an industrialization process that would accentuate the import substitution process. Once such a process failed for the power groups, they adopted, from 1975, an open cooperation policy with foreign capital.



Mexico, on its side, saw that the import substitution process was already completely exhausted and that after an intermediate stage, in which measures that tend to widen the internal market were taken, the internal economic structure was readapted, beginning by what they called the second import substitution process, with which they intended, together with foreign capital, to localize high capital input industries and mechanize the agricultural sector with the idea that it could contribute to the industrial capitalization process.

Chile experienced, in less than ten years, three types of government in which different planning and development strategies were put into practice:

The Frei Government (until 1970) adopted a planning model by which an ample planning system was searched, a system that considered basically the sectorial aspects in relation to a capitalist modernization process that the country began to undergo. *die*

The Allende Government (until 1973) intended to adopt an integrate planning system, taking into consideration the global, sectorial and regional planning, with short, medium and long term plans, giving a great importance to the internal development, the social participation and the search for another model, where the state played a main role.

The Military Junta (from 1973) where all the aforementioned objectives were eliminated, the planning system was restricted to minimal levels, the weight of the development strategy is left in the hands of the private sector, i.e. in the hands of very limited power groups. The state limits its activity to the minimum level or allowed those in which it can act as a partner of the private capital or as a support for the development of certain infrastructure projects that would be used as a base for the posterior development of other projects for local and international capital. It means, to a certain extent, a concentration process by which monopolistic or oligopolistic conditions can predominate in various economy sectors without regard to the negative social impact.

Considering the above mentioned, a deep study of particular national planning cases is necessary (13), in order to be able to establish comparisons between different models, their organization, aims, evolution and achievements. Such studies will not be completed if the planning evolution is not considered within an economic, political and social context as well as the historical transformation that such context undergoes.

## NOTES

- (1) Line followed by ECLA and other International Organizations
- (2) See Rofman 1976
- (3) Data from ECLA (1964, 1966, 1968, 1972, 1974)
- (4) To verify this, the revision of the publications of the named organizations is recommended.
- (5) ECLA 1966
- (6) ECLA 1967, ILPES, OAS (1974)
- (7) ILPES, OAS (1974)
- (8) The sources are the same as note (3).
- (9) Index: 1965= 100
- (10) Data from the Banco Central & Fundação Gétulio Vargas
- (11) R. García 1972
- (12) See García R. (1972)
- (13) An interesting starting point is the study by Rofman, A. and Romero, L. (1974) on Argentina.



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