

**CHAPTER 4. INSTITUTION BUILDING WITH THE OAS:
THE INTER-AMERICAN CENTER FOR
REGIONAL DEVELOPMENT (CINDER)**



During the 1970s the regional planning movement spread rapidly throughout Latin America as it did in much of the less developed world. Most nations of Latin America created one or more regional development corporations. A few countries, such as Venezuela, Colombia and Bolivia, blanketed their entire national territories with them. The new layer of government was both funded and, in theory at least, coordinated by the national governments. Through creation of these agencies, unencumbered by the encrustations of history, governments hoped to achieve the benefits of decentralization while retaining central control.

In response to the rapidly growing interest in regional planning and development, the Organization of American States (OAS) created its own Program (sometime later, Department) of Regional Development. One of the initial efforts of the Department was to establish in 1976, in collaboration with the government of Venezuela, the Inter-American Center for Regional Development (CINDER). It was created to serve as training and research support for the evolving regional development movement. It was also to serve as my introduction to assisting with creation of a development agency heavily underwritten by an international aid agency.

In reality, CINDER was as much a Venezuelan as an OAS concept. Venezuela was riding the crest of the oil boom of the 1970s. Its struggle with an incipient democracy was receiving enormous publicity. It had, for the first time in its history, successfully passed the office of the presidency from one political party to another. It was being widely touted as a new international power; and, according to the press of the day, many ranking members of the political and business communities of Venezuela shared this Olympian view. Accordingly, CINDER evolved as a cooperative effort of Venezuela and the OAS. The center's primary responsibility was to provide training for the professional planners of the regional development agencies of Latin America. It was also expected to undertake practical research, extend technical assistance, and act as a focus of information for such agencies.

The location of CINDER was Maracaibo, situated on the banks of the famous lake that bears the same name, and the capital of the state of Zulia. After Caracas, Maracaibo is the largest and most important city in Venezuela and the center of the country's petroleum industry. According to the agreement, the government of Venezuela was to provide the physical facilities, logistic support, and a minimum annual contribution of US \$150,000, the major purpose of which was to support two, full time professionals, one of whom would serve as co-director of the center. In turn, the OAS would make a minimum annual contribution of US \$100,000. This was to support any needed short term consulting assistance as well as two full-time professionals, one of whom was to serve as the other co-director of the center. It was expected, although not stated in the accord, that the government of Venezuela would pay for the fellowships of the course participants who came from Venezuela, while the expenses of those who came from other countries would be borne by the OAS. For several years the government of the Netherlands assisted the OAS with this responsibility.

A small board of directors was provided. It included the head of the development corporation for the state of Zulia (CORPOZULIA); the rector of the nationally-supported university in Maracaibo, the University of Zulia; the director for regional spatial planning of the central planning office of the national

government (CORDIPLAN); and the director of the Department of Regional Development of the OAS. The chairmanship of the board was to be in the hands of one of the Venezuelans.

A notable feature of the accord was that Venezuela was more than simply assisting with the financing of an inter-American training center. In every particular its contribution to the effort was to be greater than that of the OAS, and its voice was to be the dominant one on the governing body of the new organization. 1/

Soon after the signing of the formal agreement, the government of Venezuela and the OAS appointed the co-directors of CINDER. The representative of the OAS was an experienced regional planner from Chile, who had been associated with a much publicized regional planning project in that country. The other had been director of planning for CORPOZULIA but had limited training and experience in regional planning.

I arrived in late 1976 soon after the initial appointments had been made. My primary assignment was to advise on the post-graduate course in regional planning which was to be the cornerstone of CINDER's program of assistance to regional development agencies. It was a deeply satisfying assignment, due in large measure to the qualities of the co-director appointed by the OAS. He was knowledgeable, personable and totally involved in the process. We worked together for several months, frequently late into the evening. We sought to express accurately and succinctly the pedagogical approach we believed should be taken, the central elements of the course, the objectives to be achieved at each stage, and the various teaching methodologies that should be employed. It was also a somewhat awkward exercise, for the co-director appointed by the government of Venezuela never expressed interest in the course. He was pleasant, obviously co-responsible for the operations of the center but, presumably, with talents that were to be directed to other concerns.

It was a given that the course was to be for six months. This had been a joint decision of the contracting parties in arriving at the basic agreement respecting the

nature of the new organization and the various types of support it would require. However, for the OAS-appointed co-director and myself it was a matter of grave concern. Although six months is not a complete academic year, given the projected intensity of the course and with all of the travel and international correspondence required, to many it would certainly give the impression of consuming a full academic year.

In Latin America, when someone makes such a commitment of time and energy for post-graduate study, the person expects to earn a *Maestria* and thereafter to be referred to as *Doctor* or *Doctora*. This is not an insignificant matter where those with such titles are relatively few, and the titles normally signify a university scholarship for study abroad. Virtually everyone I knew from that period who had received such an honor prominently displayed an engraved replica — often done in silver — of the diploma. However, CINDER, not being an accredited academic institution, was unable to offer such a prize. Further, for someone who is performing an important role in a development agency, six months is a very long time to be absent from the office.

In addition, there was no prospect of overcoming the repellent climatic conditions of the host site. Maracaibo is a thriving city, much of it physically attractive. However, it has a notoriously inhospitable climate: high humidity — occasioned by its lakeside location; high temperatures — the result of a sea level site close to the equator; and very little movement of air — due to high surrounding mountains. Given this series of negatives, plus the lack of an established reputation, the OAS co-director and I felt that CINDER had to offer from the outset a superior training experience. It would only be in this way that, over time, CINDER would be able to attract participants of high quality who would return to their respective development agencies and demonstrate the benefits of professional training received at CINDER.

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The basic premises upon which we constructed the course, were:

- It should be directed at training members of the professional staffs of regional development agencies, exclusive of top management.
- It should be as practical and as immediately useful as possible.
- In contrast to the academic orientation of a university to the individual student, the client should be the regional development agencies rather than the individual trainees.
- Those who attended the course should not be thought of as students; rather they should be considered and treated as professional colleagues.
- It should encourage participants to criticize and help improve every aspect of the course. Therefore, every component of the course should have a clear and concise set of objectives to serve as reference points for evaluation.
- In keeping with the practical nature of the course, stress should be placed on exercises that emphasized the active involvement of the participants and that simulated, as closely as possible, real life situations.
- The sequence of subjects should be essentially that required for analyzing and stimulating the development of a region, i.e., identification of the primary economic opportunities and the principal obstacles to their realization, followed by the design and execution of the strategic actions required to take advantage of the opportunities and overcome the obstacles.
- It should seek to do more than provide knowledge, it should seek to improve analytical abilities, skill in expressing ideas and concepts, and ability to work in interdisciplinary groups.

- It should culminate in a practical field exercise of several weeks duration which reinforces the central themes of the course.
- Although there should be an effort to deal with the different types of regional development situations encountered in Latin America, there should be a minimum of emphasis on metropolitan regions, e.g., those that incorporate capital cities.
- Lastly, it should not be assumed that the course would always extend for exactly six months, rather it should shift to meet the requirements of the client group.

As finally developed, the principal elements of the course included a logical and, presumably, comprehensive sequence of activities in the process of regional development planning; for example, examination of the type, content, and research methodology for undertaking successive rounds of basic studies, exploration of the various instruments available to effect development in both rural and urban settings, formulation of investment projects, and evaluation of the probable impacts of varying sets of development efforts. The basic content and purpose of each of the principal elements of the course were briefly described along with what the course participants were expected to be able to know and to do upon the conclusion of each of the principal elements.

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Matters started off well. The financial resources promised by the government of Venezuela and the OAS were immediately forthcoming. Both contributors soon provided their second professional to round out the basic staff. A small but attractive building was provided by CORPOZULIA near the campus of the University of Zulia. Plans were set afoot to extend and adapt the building to CINDER's requirements and to have CINDER acquire the property — all of which subsequently transpired. Over and above its formal obligations, OAS

headquarters in Washington, D.C. made staff professionals available to conduct segments of the training course.

At the outset, a research project was undertaken by the staff to identify the salient characteristics of the regional development corporations in Latin America. 2/ In order to provide guidance to CINDER and to create a forum for the exchange of ideas and experiences, efforts were also made to have the directors of the corporations meet and form a loose organization, which acquired the acronym ALCORDES.

Despite the positive beginning, the anxieties the OAS co-director and I harbored proved prophetic. Selecting Maracaibo as the site of the center was, indeed, a blunder. Years later I learned that Caracas had been the location initially agreed upon by the OAS and the negotiating officials of the Venezuela government. However, when the matter arrived on the desk of Carlos Andres Perez, then in his first term as president of Venezuela, he vetoed the idea and insisted that CINDER be located in one of the cities of the interior. Maracaibo, as the second most important city of the country and the principal one in a key region, seemed to the president to be the logical choice. Because the principal promoters of the scheme were the University of Zulia and CORPOZULIA, it also made political sense to place the center close to these key supports. Unfortunately, a result of the selection was that CINDER was cut off from access to the pool of talent and the flow of ideas and influence available in the capital — a situation largely remedial fifteen years later but a serious drawback at the time.

As feared, circumstances worked against attracting the uniformly high quality of course participant required by the type of action-training envisioned. Directors of the regional development corporations proved reluctant to let the better members of their professional staffs leave for six months. For their part, potential course participants were uncomfortable with the idea of being absent from their organization for an extended period without returning with a recognized graduate degree. The solution proposed by Venezuela was to increase the length of the course and convert it to a bona fide Master's degree program within the university, while the solution proposed by the OAS was to shorten it and have

CINDER deal exclusively with shorter-term, intensive training courses. Unfortunately, it was not possible to effect a compromise, and the course remained at the same awkward length of six months.

Other circumstances further prevented the course from attracting a uniformly high quality of participants. Because CINDER served all of Latin America, it was important that as broad a representation as possible of both countries and agencies be promoted. Consequently, in order to achieve such representation, an inferior candidate would often be substituted for a superior one. Years later, in a discussion with the first OAS co-director, he estimated that the various factors working against the nomination and selection of the best members of the professional staffs of the regional development agencies meant that probably only about half of the participants selected each year possessed the qualifications originally envisioned. One of the results of this situation was that the dynamics of the participatory training approach were significantly reduced and often completely lost. The time and energy of the staff were frequently squandered in dealing with basic explanations rather than stimulating constructive interaction within the group.

The need for broad representation in each course also limited opportunities to select three or four participants from a single agency (or small group of cooperating agencies) in order to help create a critical mass of expertise. While this is a tactic denied to regular educational programs, it is one often pursued by training institutes that have a well-defined client group.

The training effort was further diffused when many of the national planning ministries of the governments that created regional development corporations insisted that admission to the annual training course should be open to members of their own staffs. While the possibility of having a larger pool of candidates would seem to insure a better grade of candidates, this insistence reduced the sense that there was a specific client at whom the training was aimed. In the usual group of 25 to 30 participants, ten or more countries might be represented. This meant that many countries, if they were represented at all, might have only one or two participants. These would be negligible figures, particularly in those instances

where some of the participants were not significant contributors to the work of their respective development agencies.

While the overall quality of the participants made it difficult to achieve the dynamic character envisioned for the course, the professional staff of the center also never achieved the ability to perform in the manner envisioned. A major part of the problem was simply the small size of the staff. The enormous number of mechanics involved in mounting annually a lengthy course encompassing an array of concerns made it impossible to devote the time and energy necessary to create and then direct each of the course's many components. While the Department of Regional Development of the OAS sought to assist by sending specialists for short periods to handle particular segments of the course, such persons were primarily lecturers rather than experienced trainers capable of achieving a high level of interaction among the participants.

In spite of the shortcomings, the courses appear to have been well received by the participants. In response to questionnaires distributed at the end of each course, the participants expressed satisfaction with the course. However, such immediate responses were of limited assistance in evaluating the principal objective of the training — which was the improved performance of the trainees upon return to their respective agencies. Unfortunately, neither the financial resources nor the staff time was available to carry out the type of periodic on-site evaluation that would identify successes and failures and suggest useful modifications of the training effort. The critical questions for such client-oriented training are: How have the trainees been received upon their return? What have been the responses of their superiors, their co-workers, those they supervise? What are they actually applying from their training? After six months or so, are they still even with their sponsoring agency?

All types of problems are likely to arise when trainees return to their parent agency. Jealousies are frequent. Supervisors are afraid of those with superior knowledge. The returnees are often given new assignments completely apart from what they have just learned. In many, if not most instances, development agencies make little or no effort to have a returning trainee share his or her experience with

colleagues. Consequently, much of what is learned simply withers away. To understand and help resolve such impediments, successful professional training requires a level of resources and monitoring capability that CINDER never was able to achieve.

The small size of the basic staff also sharply limited the center's ability to engage in useful research or provide technical assistance to Latin America's regional development agencies. Periodic formal evaluations of the center consistently called attention to the need to expend greater effort in these activities. 3/ Unfortunately, little was ever accomplished. Under the best of circumstances, the capacity to perform useful research on regional development problems or provide professional planning assistance is achieved only over time and with great difficulty. Both activities require a level of financial and human commitment considerably above the level of effort possible by such a small operation as that of CINDER's.

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Despite the many difficulties, it is possible that if the economy of Latin America had remained in equilibrium and the field of regional planning and development had remained more or less static, accumulated experience would have gradually led to the improvement of the operational capability of CINDER. Unhappily, such conditions were not to exist. During the 1980s, the economy of Latin America went into steep decline, while, simultaneously, the field of regional planning and development underwent profound change. The euphoria of the 1970s, with the world economy awash in petrodollars and most developing countries assuming astronomical debts, turned to panic in the 1980s. Although it is virtually impossible to comprehend, the external debt of Latin American countries in the decade 1973-83 increased over eight hundred percent while that of Venezuela was truly stratospheric — over six thousand percent. 4/

With the crash of 1981-82, matters in Latin America quickly began to come unstuck. Demand, and therefore the prices for virtually all exports of the region, including petroleum from Venezuela, fell precipitously. The resulting economic

burden for the countries of Latin America was crushing and triggered years of the most strenuous efforts to renegotiate external debts and impose national austerity measures. With the dramatic decline of the Venezuela economy any realistic notion of its playing a significant role on the international scene vanished. Indeed, the country began a protracted struggle to preserve its own fledgling democracy. In the face of this situation, the national government could not see its way to increasing, or even maintaining, its financial support for CINDER.

The economic turndown also had an impact upon the OAS. From the beginning its position in respect to CINDER was more complex than that of the Venezuelan government. CINDER was only one of a number of inter-American training and research centers which received support from the OAS, whose relationship to CINDER always had to be put into the context of a much broader series of concerns. This expresses itself in a competitive environment within the OAS that has limited the organization's role in support of such institutions. Opposition has been particularly strong from the English-speaking countries of the Caribbean, which have objected to training activities offered exclusively in Spanish. As a consequence, over the years the OAS has sought to direct its assistance to training and research centers where the facility supported is simply one small component of an effectively operated national institution, and the financial assistance of the OAS is used exclusively to help provide fellowships for those outside the host country. 5/

As a result of the gradual reduction in the level of financial support, after a few years the concept of co-directors for CINDER was abandoned, the OAS-supported co-director was withdrawn, and financial assistance by the OAS for personnel costs was eliminated. As fellowships for the six months course were extremely costly, support for it was also gradually reduced, and, by the end of the 1980s, the training course was reduced to three months and then eliminated altogether. Only sporadic support for a few fellowships for short term training exercises was being contributed each year by the OAS.

The economic plight of the 1980s meant that not just Venezuela and the OAS were finding it difficult to sustain support for CINDER. All of the countries of

Latin America were cutting back on financing regional development agencies. The trend was not driven entirely by financial difficulties, nor was it limited to Latin America. Rather it was closely related to a rising interest in the less developed world in decentralizing government to a country's basic, long-established political entities — to state and municipal governments that have strong local representation and financing capability. Neither of these qualities is characteristic of regional development corporations.

The growing interest in decentralization was not primarily altruistic. In large part it represented an effort to shunt financial responsibilities onto others' shoulders. However, disillusionment was also setting in with the concept that the primary engine of economic development was the central government. The International Monetary Fund and the World Bank were increasingly pushing economic restructuring programs that emphasized reduced government and increased private action. And the Reagan-Bush administrations, major influences on the policies of multinational development agencies, were loudly opposing any action that encompassed the word planning.

In 1987, the United Nations Centre for Human Settlements (Habitat) invited me to participate in an experts' meeting to discuss the general state throughout the world of regional planning and development. What emerged from the sessions was a picture of national governments gradually withdrawing from support of a system of centrally coordinated and financed regional development agencies. Instead, efforts were being concentrated on efforts to strengthen state and local governments. Assistance to regional development agencies was taking on a highly selective focus. The report prepared on the situation of Colombia reflected the situation of many nations when it stated that the regional development corporations of that country, ". . . have become removed from the mainstream of development activities. The current trend in Colombia is either to eliminate these institutions or to transform them into specialized agencies focused on issues like environmental protection." 6/

The practical result for CINDER of such changes was that its clients, the regional development corporations, were being provided with fewer financial

resources by their respective governments and were being perceived, particularly by the OAS and the government of Venezuela, as becoming less significant as promoters of development. In some instances, they were in danger of simply withering away.

When I revisited Venezuela in 1993, only two of that country's regional development corporations appeared to have retained any vigor. One was CORPOZULIA whose boundaries coincided with those of a single state and, therefore, was not in fact a regional entity. Further, the corporation had its own sources of revenue — derived principally from involvement with the coal industry — and worked closely with the state government to promote economic development. The other regional development corporation, CORPOANDES, which served a small set of Andean states, was essentially an economic research and information center. 7/

Apart from the economic problems of Latin America and the growing pressure for decentralization of the functions of government, the creation of an additional level of government — one set between the central government and the states or provinces — simply didn't seem to be working anywhere. What did appear to work at the regional level was a more restricted model that aimed at resolving a small group of highly visible issues often having to do with the exploitation of a particularly resource-rich region or the combating of severe environmental degradation. In recognition of the changing perceptions, the name of the Department of Regional Development of the OAS was changed in 1992 to the Department of Regional Development and Environment.

The programs with which the Department increasingly became involved were not only those that had a strong environmental focus but also encompassed geographical areas where the central concerns could not be addressed successfully by a single government entity. Most notably, these were environmental conditions that extended across national frontiers. Interestingly, too, in light of the influence of the Tennessee Valley Authority on the origins of the regional planning movement, the development problems of major river basins began to resurface. As a result, a prototypical program with which the OAS became involved at the

beginning of the 1990s was planning the development of the border areas of the Amazon Basin, a vast area whose level of well-being impacts directly on eight countries of South America.

The shift in focus of the regional development movement that took place between the mid-1970s and the early 1990s left CINDER adrift in uncertainty. When I visited the institute in 1993, I found the small professional staff struggling to survive in the face of declining interest and financial support by both the government of Venezuela and the OAS. Later, in conversations in Washington D.C. with officials of the OAS, I sensed that they would like to see CINDER survive, that it was possible that CINDER could continue to make a useful contribution. However, its survival would probably only be possible if it were absorbed by a major institution, such as the University of Zulia, and it were assured of strong national support. At the time, neither of these conditions appeared likely. By 1997 the question of survival was moot: CINDER, along with the great majority of regional development corporations and OAS-supported training centers in Latin America had disappeared.

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One of the belated lessons I learned from this experience, an experience reinforced by my earlier involvement with municipal development in Venezuela, is the precarious nature of public institutions created specifically to deal with a special set of development issues. By the end of the 1980s, after two decades of assistance from the United Nations, FUNDACOMUN, Venezuela's principal support mechanism for local government, was virtually moribund. Comparable to the situation of FUNDACOMUN, the volatile nature of the field of operation of CINDER, plus its heavy reliance on a single outside funding source, created an unstable situation.

The lesson has been learned. Multinational aid agencies are increasingly seeking out established institutions to serve as the instruments for dealing with critical development issues. In the field of training, international aid agencies such as the United Nations and the World Bank, instead of supporting creation of new

training institutes seek out established institutions, many quite small, that have, nevertheless, demonstrated their viability. An effort is then made to reinforce and expand upon the inherent capabilities of these institutions.

By the mid-1990s, the interest of the OAS itself was shifting even further away from the idea of its providing strong support to a few inter-American centers identified with the OAS in favor of the concept of a program which, working collaboratively with bilateral and multilateral agencies, assists a broad array of national training centers with international outreach capability. Through such an approach, the expectation is that a number of established centers can be strengthened and that the constantly changing requirements for training can be handled in a more flexible and, consequently, more effective manner — an approach discussed in Chapter 8, *Building Indigenous Training Systems*.

The history of CINDER was also a dramatic lesson in the weakness of technical assistance extended by a single donor agency which is unable to follow through vigorously, either with substantial loans or grants, or, alternatively, one whose financing ability is restricted but is accustomed to working closely with other support agencies which do have that capability. Although over the years the OAS has sought to assist the countries of Latin America in a variety of ways, it is primarily a political forum not a financing agency. It was established to help the countries of the Western Hemisphere come together, identify common difficulties (often of a policy nature), and adopt common solutions.

A particular ability of the OAS is to help negotiate arrangements whereby a member country of the OAS with special expertise in a particular subject extends technical assistance to another with more limited capability. It is a strategy particularly appropriate for an organization such as the OAS to promote. Hopefully, its employment will increase in the years ahead.

NOTES

1. CINDER was established on May 20, 1976 with the formal signing of the accord between the Government of Venezuela and the Secretary General of the Organization of American States (OAS).

2. The report of this research project, *Las Corporaciones Regionales de Desarrollo en American Latina: Analisis Preliminar*, provides an excellent overview of the organization and operation of the regional development corporations in Latin America at that time. (Maracaibo: CINDER, in collaboration with the Centro de Investigaciones Sociales sobre el Estado y la Administracion (CISEA) of Buenos Aires, June, 1977).

3. The two formal evaluations of CINDER and its operations were published as: *Centro Interamericano para el Desarrollo Regional (CINDER): Evaluacion de Actividades del Centro (1982-1986)*.

(Washington: OAS document: OEA/Ser.H/XIV, CEPCIES/1383, September 11, 1986); and,

Centro Interamericano para el Desarrollo Regional: Evaluacion de Actividades del Centro (1984-1989). (Maracaibo: CINDER, February 1-7, 1990).

4. *Cuando Venezuela Perdio el Rumbo: Un Analisis de la Economia Venezolana Entre 1945 y 1991*. (Caracas: Fundacion Estudios del Futuro, June, 1992) p.104.

5. A number of internal documents of the OAS have addressed the issue of its support of training centers. One of the most informative of the early 1990s is, "Report of the Group of Experts to Examine the Activities of the Inter-American Centers and Their Associated Projects." (Washington: AG/doc. 2844/92).

6. United Nations Centre for Human Settlement (HABITAT). *Institutional Arrangements for Regional (Subnational) Development Planning*. (Nairobi: UNCHS, 1989). p.20.

7. The Guayana Corporation of Venezuela (CVG), the national agency responsible for the planning and development of the widely reported on new industrial city of *Ciudad Guayana*, and for the exploitation of the energy producing resources of the city's surrounding area, was unique in Venezuela. It was structured considerably before creation of the nation-wide system of regional development agencies, for years was headquartered in Caracas, and was not shaped either in its direction or financing to promote local or regional involvement.