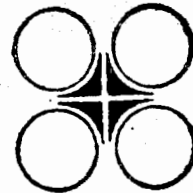


15586  
J. Ma  
CORPORACION CENTRO REGIONAL DE POBLACION



AREA DISTRIBUCION ESPACIAL DE LA POBLACION

THE ROLE OF RESEARCH IN THE USAID COLOMBIAN SECTORIAL  
CREDIT LOAN FOR URBAN AND REGIONAL DEVELOPMENT:  
DISSEMINATION ASPECTS.

RAMIRO CARDONA G.  
ELIZABETH DE CARDONA  
ALBERTO FULLEDA  
LAUREANO LADRON DE GUEVARA

ARCHIV  
FOX  
no. 3

presented in English upon the request of the conference coordinator.

Received from: AFNS \_\_\_\_\_  
IS \_\_\_\_\_  
PHS \_\_\_\_\_  
SSHR \_\_\_\_\_  
PRES \_\_\_\_\_

THE ROLE OF RESEARCH IN THE USAID COLOMBIAN SECTORIAL  
CREDIT LOAN FOR URBAN AND REGIONAL DEVELOPMENT:  
DISSEMINATION ASPECTS. \*

RAMIRO CARDONA G.  
ELIZABETH DE CARDONA \*\*  
ALBERTO FULLEDA  
LAUREANO LADRON DE GUEVARA

\* This document is presented in English upon the request  
of the conference coordinator.

\*\* The opinions expressed in this paper are solely the  
author's responsibility and not those of the institution  
for which she works.

025414



## TABLE OF CONTENTS

<b>INTRODUCTION</b>	<b>1</b>
<b>I. AREA OF STUDY</b>	
<b>POLICIES THAT AFFECT THE TERRITORIAL DISTRIBUTION     OF THE POPULATION</b>	<b>9</b>
<b>THE REGIONALIZATION MODEL</b>	<b>12</b>
<b>APPLICATION OF THE CREDIT</b>	<b>15</b>
<b>II. METHODOLOGY</b>	<b>18</b>
<b>INTERVIEWS</b>	<b>19</b>
<b>III. INTERVIEWS</b>	<b>21</b>
Julio Mendoza	21
Augusto Cano Motta	24
Antonio Urdinola	26
Antonio Alvarez Restrepo	28
Germán Bravo	29
Jaime Cepeda	31
Fernando Isaza	32
Jaime Angel	34
Jorge Ruiz Lara	36
Rodrigo Escobar	38
Miguel Pastrana Borrero	39
Guillermo Mojica	41
Roberto Arenas Bonilla	43
<b>USAID MEMBERS</b>	
Marshall Brown	45
Steve Weissman	46
Alan Cohen	47

INDIVIDUALS INVOLVED IN PERIPHERAL AREAS OF THE  
CREDIT DECISION

Leonel Torres	49
Germán Rocha	49
Hernando Gómez Otálora	49
Francisco Ortega	51
Benllini Galindo	51
Luis Palau Rivas	53
Fernando Pácheo Osorio	53

INITIAL IMPLEMENTORS OF THE CREDIT

José Vicente Mogollón	55
Rafael Paredes Infante	55
Virgilio Barco Vargas	56
Marino Rengifo	57
Bernardo Garcés	58
Rodrigo Gutiérrez	59

IV. RESULTS

(1) How does research reach the policy maker?	62
(2) Does research affect the policy maker when it reaches him?	67
(3) How do the decisions taken under the influence of research affect policy?	69
Implementation of the credit	74

V. CLOSING COMMENTS

Towards a formal model of policy formulation	79
----------------------------------------------	----

APPENDIX A	1
APPENDIX B	19

LIST OF MAPS AND TABLE

	Page
JERARQUIZACION URBANA: 1956 - 1966 METODO Y MALLA URBANA	14a.
CAMBIOS EN LA ESTRUCTURA ECONOMICA Y SALDOS MIGRATORIOS EN COLOMBIA	14b.
LA DISTRIBUCION DE LA POBLACION EN COLOMBIA	14c.
COLOMBIA REGIONALIZACION ACTUAL PROPUESTA POR EL MODELO DE REGIONALIZACION URBANA	14d.
LOCATION OF INDIVIDUAL IN THE COLOMBIAN PUBLIC SECTOR 1966 - 1974 ELABORATION AND IMPLEMENTATION OF THE MODELO DE REGIONALIZACION AND CREDITO SECTORIAL	20a.

## I N T R O D U C T I O N

In the course of the last few years the Organization for Economic Cooperation and Development (OECD) has coordinated studies of those methods that are employed by international donor agencies for the dissemination of the studies they finance. When the results of these studies were presented at a meeting in Paris in 1973, it was concluded that one area about which least was known was the dissemination of research results among decision makers in developing countries. Little if any was known about how these decision makers receive and utilize information, or about what dissemination methods they themselves consider to be most efficient according to their needs.

The Development Centre of the OECD, proposed as a second stage of their study, the coordination of the development of a series of case studies in various countries which would result in the elaboration of guidelines for a more efficient dissemination of research.

This concern of the Development Centre with the dissemination of research results in developing countries has been shared by other donor agencies and foundation, as is illustrated in a series of

recent meetings and publications.\*

Consequently, representatives of the Development Centre met with researchers of those research institutes in various third world countries that previously had expressed interest in a study of this sort. As a result of these meetings, a general proposal was elaborated in order to orient the study of how information reaches decision makers and the dissemination methods that are employed.

A number of hypotheses were formulated in regard to this query which can be summarized as follows:

- The volume and variation in quality of research are such that synthesising and screening methods have to exist between the research results are usable, timely, etc.

---

\*

---The Rockefeller and Ford Foundations announced as part of their program for financing projects in social sciences and population policies the study of the process of formulation of population policies, and patterns of communication and dissemination of studies of population policies among decision makers.

---In May 1975 CELADE and PISPAL held a meeting in Santiago de Chile on Political Structure and Population Policies. Among those areas mentioned for future study was the analysis of the role of socio economic research in the formulation of population policies.

--In Colombia the National Planning Department and COLCIENCIAS have shown considerable interest in this question in a series of meetings which were held with the research team of the CCRP and representatives of the OECD.

---In May 1975, the Discussion Group on health Population and Development in a meeting sponsored in Medellin by the Pan American Association of Medical Schools, recommended that research be conducted on channels and forms of communication between research and the policy making process.

- Different types of research require different methods of dissemination since they address different target audiences.
- Dissemination methods show different degrees of efficiency in reaching the intended users of research results.
- Research that has had the active participation of the utilizer and the sponsor in cooperation with the researcher will have a higher degree of effectiveness in being disseminated.
- Research translated into the local language is more widely distributed and its contents better known by the primary and secondary audiences.
- Cross cultural and interdisciplinary approaches to research problems have a greater likelihood of being effectively disseminated to both primary and secondary target audiences.

In order to establish the validity of these hypotheses, the general proposal suggested carrying out a series of interviews with the individuals involved in the formulation of policies. The objectives of these interviews were the following:

- To determinate what proportion of the intended receptors of the research results were aware of the existence of the specific studies and of their findings.
- To identify in what form the results of the studies were received and those factors that were important in determining if the research results were influential in the process of policy formulation.



- To examine a number of the studies that were identified as having been utilized by the decision makers in order to determine what methods were utilized in its dissemination.

In 1974 the Development Centre invited the CCRP to participate in a joint effort with other countries that would explore in further detail the problems presented above regarding the relationship between research and the policy making process. The Corporation accepted this invitation with great interest and selected as the specific case for the study the recent policies and actions of the Colombian Governments that have affected the territorial distribution of the population. This decision was based on the fact that in the last years the Corporation has carried out various studies of strategies and policies of development in relation to the territorial distribution of the population.\*

The research team of the CCRP commenced the case study by questioning the basic hypothesis that was at that time implicit in the design suggested by the Development Centre. This was done before embarking on the examination of how and by what methods information reached decision makers. This basic hypothesis is that indeed "research into economic and social development problems is used the policy making

---

\*

- Una nota sobre las políticas de Desarrollo Regional y Urbano en Colombia.
- Políticas del Estado y Movimientos de Población.
- La Fuerza de Trabajo en el Proceso de Desarrollo de la Agricultura Capitalista.
- Políticas Agrarias en Colombia.
- Política Industrial y Distribución Territorial de la Población.
- Políticas Urbanas y de Vivienda del Estado y Movimientos de Población en Colombia. El Reformismo Liberal.(1966-1970)

process by developing country government.

In this respect, it was recently observed concerning this project at a meeting of the Smithsonian Institute in Colombia that:

"In countries whose economics are centralised planned, channels of information are institutionalized and necessarily applied within the planning machinery. The case of Colombia is different. Is a policy of territorial distribution of the population possible in a system of free enterprise? Can the allocation of human resources (The population) be defined by the state when the allocation of economic resources is managed only indirectly by the state but basically by the private sector?"

The same observation holds true for the utilization of constitutionalized communication channels for disseminating information and research results. The determining factors are basically structural to the system itself. After the first interviews had been carried out it became evident regarding the utilization of research in the elaboration of policies, that if research had any relation with this process it was not due to its form of dissemination, or language. On the contrary, the determinants of the relationship between research and the process of political decision making seemed to be a function principally of some or the characteristics of the policy making process itself, and of the context within which this process operated.

The need to evaluate the effectiveness of certain dissemination methods in the light of the context of policy formulation itself led the CCRP research team to revamp the initial working hypotheses suggested by the Development Centre which had been limited to factors of form and method of the dissemination of certain research.

The subject of this particular study as a whole therefore became the influence of scientific research on the policy making process

that affects the territorial distribution of the population in Colombia. The dissemination factors involved in this relationship were also examined, given the fact that for this influence to occur information from research must reach policy makers and be accepted or rejected in their decisions. The dissemination of research results is necessarily the first step in influencing policy makers. However, the fact that research reaches policy makers is not sufficient. The CCRP study was interested in the influence of research on policy makers, and how this influence affects the policy making process as a whole. For this reason, in this case study, the influence of research on policy making is gauged by examining all three processes: (1) The dissemination of the results of the research, (2) The influence of the results of research on the decisions of the policy makers, and finally, (3) The effect of these "influenced" decisions on the policy making process as a whole.

The questions addressed are: (1) How does research reach the policy maker? (2) Does this research affect the policy maker when it reaches him? and (3) How does what he does under the influence of research affect the formulation of policy? In order to measure the last area --how does what the policy maker do under the influence of research affect the formulation of policy?-- it is necessary to examine the relative influence of the other structural determinants of the policy making process. The question, does policy itself modify, in this case, the territorial distribution of the population as it so purports to do, is part of another and is study only tangentially addressed in the present paper.

There are many facets to the relationship between policy making and research. For example, at times research is utilized after a decision has been made in order to justify this decision as rational or scientific. Here, however, the concern is limited solely to the analysis of:

- The manner in which information reaches the policy maker,
- The information he actually employs in his decisions, and
- The relative weight of the decisions he makes on the basis of this information in the specific policy making process.

The specific instance of policy making under study is the definition and negotiation by the Colombian Government with USAID of a Sectorial Credit Loan for Regional and Urban development. This loan represented a departure from the traditional mechanisms of regional planning in Colombia, in addition to being one of the few official policies that appeared to directly address the territorial distribution of the population in this country. It was an innovation, not since repeated by the USAID in their loan making policy. Specifically, therefore, this paper involves the examination of what research reached the policy maker who participated in the series of decisions that constituted the definition and negotiation of the sectorial loan for urban and regional development? What part of this research was utilized in his decisions, and what was the relative weight of these decisions in this specific process?

The Regionalization Model elaborated in the National Planning Department prior to the Sectorial Loan negotiations is included as part of the specific policy process. The reason for this is that although the Regionalization Model suggested a concrete policy to modify the distribution of this population, it was not a policy instrument in and of itself. Its link with the Sectorial Credit, however, cannot be denied.

The authors do not attempt at this stage to set forth any hypotheses in respect to the relationship described above from the point of view of the efficiency of the dissemination of research results. In

regard to the communication or dissemination aspects the study is more exploratory in nature.

What follows consists in five sections. This first is a brief summary of the area selected for the case study --policies that affect the territorial distribution of the population and in particular the Regionalization Model and the Sectorial Credit. This is followed by Section II Methodology of the study, Section III, the Interviews themselves, Section IV Results, and Section V Final Notes.

## 1.- AREA OF STUDY

### POLICIES THAT AFFECT THE TERRITORIAL DISTRIBUTION OF THE POPULATION: REGIONALIZATION MODEL AND SECTORIAL CREDIT (1)

Since its creation, the principal activity of the Spatial Distribution Area of the Corporation Regional Centre of Population has been the analysis of those policies and actions that influence the territorial distribution of the population, and the form in which these are integrated in national development plans. In 1974, the Area initiated a study on this issue which concerned Colombia and Chile under the auspices of the Program of Research Relevant to the Formulation of Population Policies (PISPAL) of the Latin American Council of Social Sciences (CLACSO).

The present study on the relationship between research and the policies that affect the territorial distribution of the population, is related to the project mentioned above. In addition, the overall policy study serves as a framework of reference. Therefore, it is necessary to review here some of the general aspects of the overall for the present inquiry policy study to explain the context of the dissemination study.

The four Colombian governments of the National Front (1958-1974) had different positions regarding the territorial distribution of the population in the country. The first administration attempted to return the migrant population to its place of origin; the second sought to stop more migrants coming to the cities, but provided services to those who had

---

(1) These notes form part of the study "Development Strategies and the Spacial Distribution of the Population" which is being conducted under the auspices of PISPAL CLACSO. One chapter of this report has been published in Colombia, Spatial Distribution of the Population, Cardona (ed) Corporación Centro Regional de Población, Bogotá, 1976.

already arrived. The third administration accepted migration to the middle ranked cities, in an attempt to avoid further migration to the larger cities. The fourth accepted migration even to the major urban centers (2).

The total or partial rejection of the urbanization process by various of the past administrations was based on the idea that rural-urban migration as a phenomenon was basically a product of the "violence" (3).

As migration had a negative cause, it too was negative. It was therefore thought that any remedial action on the "violence" would modify migratory patterns and the migrants would return to their place of origin (4).

One of the manners in which the administration, operating under the premises that migration was negative, sought to thwart further migration, was by restricting migrants access to official housing programs; Some even so far as to use armed force against the squatter settlements built by migrants in the cities.

- 
- (2) These four positions have been extensively studied in Asia by Aprodicio Laquian. The results of this study will be published short by IDRC, Ottawa, Canada.
  - (3) This explanation ignores the fact that migration from the rural areas is a result of the decomposition of the small farm, and the expropriation of the small parcel as part of the capitalist development of agriculture. See ANUC: "La lucha de clases en el campo colombiano". Ideología y Sociedad No. 6.
  - (4) This perception ignores that fact that even though there was an association between the rural violence and the migratory exodus, this does not mean that violence was its principal cause. The rural-urban migration was much more a product of rapid population growth, a reduction in mortality, and the penetration of modern, highly technified forms of production in Colombian agriculture.

Husken and Nas have written on the two models that appear to operate in regard to the urbanization process. One of these, the integrationist model seems to have been applied to the regional development in Colombia. This point of view attempts to interpret the economic, political and cultural differences between the urban center and rural peripheral areas on the basis of a model of functional interdependence. The integrationist model perceives of the city as a vanguard or big brother for the rural areas. In this way, any development action on the urban areas will also positively affect rural areas. Under this model development programs are oriented towards urban infrastructure and services and utilize a basically indicative and therefore slightly effective or voluntary regional planning.

The other can be denominated the conflict model and refers to the conflict of interests that occupy a central point in the processes of domination and dependence that form part of the struggle for economic and political power.

One of the most recent positions on the urbanization process in Colombia, which illustrates the adoption of a model which can be called "developmentalist", was that adopted by the last administration. According to this position, urbanization was not only perceived as irreversible, but also considered a potential for development. The President of Colombia expressed this position in his message to Congress on July 20, 1971:

"...The aspects related to urbanization and housing undoubtedly have a vital importance given that today development is a phenomenon that is inseparable from urban growth, as is illustrated by the densely urbanized industrialized countries..."

And the National Development Plan "The Four Strategies" elaborated during his administration points out the following:



"... To pretend to restrict the movement of the people from the rural areas is equivalent to reducing instead of improving their mobility and augmenting competition in the already congested rural areas and perpetuating dualism."

"In this way, if the short-term objectives oriented towards augmenting the opportunities of urban employment are successful, the resultant demand will be concentrated on a smaller number of farmers, and this will solve the serious problem of raising salary levels in agriculture."

### THE REGIONALIZATION MODEL

The Regionalization Model was elaborated by the National Planning Department during the Administration of President Lleras Restrepo. It was designed as an instrument to act upon regional differences and lacks of equilibrium, under the assumption that these were not self-corrective within the economy and that a laissez faire policy only worsened the inequities of the system.(5)

One of the mechanisms established in the model to achieve a balanced regional development was the reorientation of migratory currents. Utilizing this mechanism some highly populated zones of low development potential could decrease their demographic concentration, in order that the remaining population augment productivity and earnings. The model affirmed that the repression of the migratory currents would be a grave error for a developing country and that rather these migratory currents should be stimulated and directed. The stimulation of selected urban center and colonization zones through the reorientation of migratory currents would be part of this policy. The Regionalization Model established a hierarchy of urban centers in order to determine the level and function of each of these in relation to the others on the basis of the principle that not all cities have the same

---

(5) See: "Políticas de Desarrollo Regional y Urbano, Modelo de Regionalización", Revista de Planeación y Desarrollo, Vol. II, Oct. 1970, No. 3

importance in the national and regional context. To establish this hierarchy the model employed three areas of variables: demographic, economic, and social. The model is constructed on the evidence that economic growth does not appear simultaneously in all areas, but that rather this occurs in selected points or poles of development that then transmit an influence of varied intensity on the economy in general. The economic growth of these poles is due to what are referred to as movier industries, which tend to concentrate in the development poles. These industries have two principal characteristics, the direct and induced influence of the activity of their sector on the other sectors of the economy and the concentration of the greater part of the activities of the movier industry in a reduced number of companies. These characteristics imply price control by these industries and control of their production on the sector and on associated sectors. The model established a hierarchy of urban centers in order to identify the development poles and the urban functions of national influence.

The Regionalization Model specified among the objectives of a policy of regional and urban development the following:

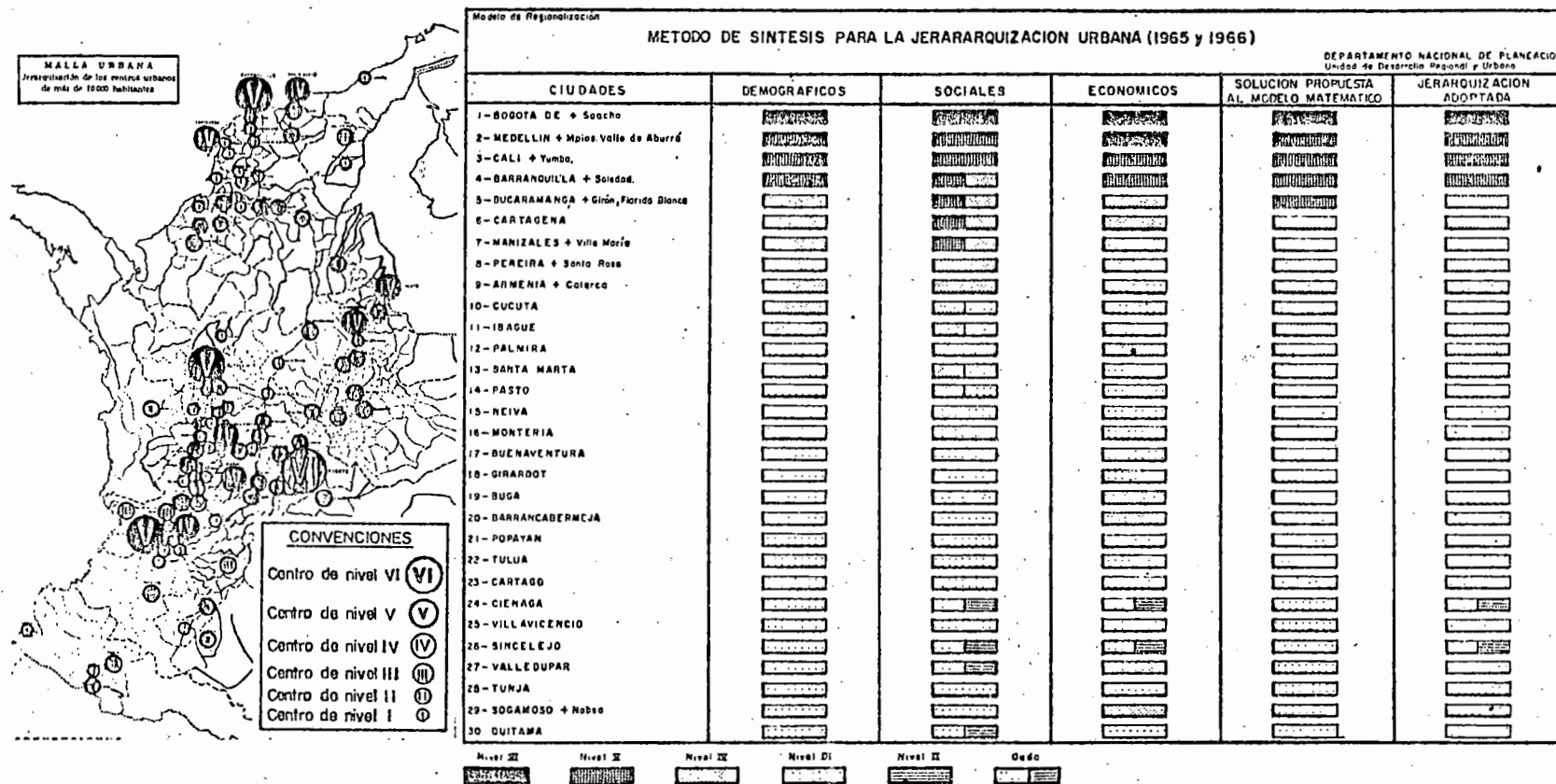
- The increase of the standard of living in the regions.
- The direction of the migratory currents.
- The establishment of a level of competence and regional efficiency.
- The profitability of public investments in the social sector.
- The joint action of the private and public sectors.

- The modification of the urban structure.

According to the documents of the National Planning Department, the purpose of the model was to rationally order the national territory in order to locate industrial investments with a criteria of efficiency within a modern economy. In addition the Model spoke of directing migratory currents away from the capital city of Bogota, while stimulating migration to selected regional centers. This last objective is based on the need to reorient migration in order to diminish social tensions in the short run and obtain economic expansion in the future.

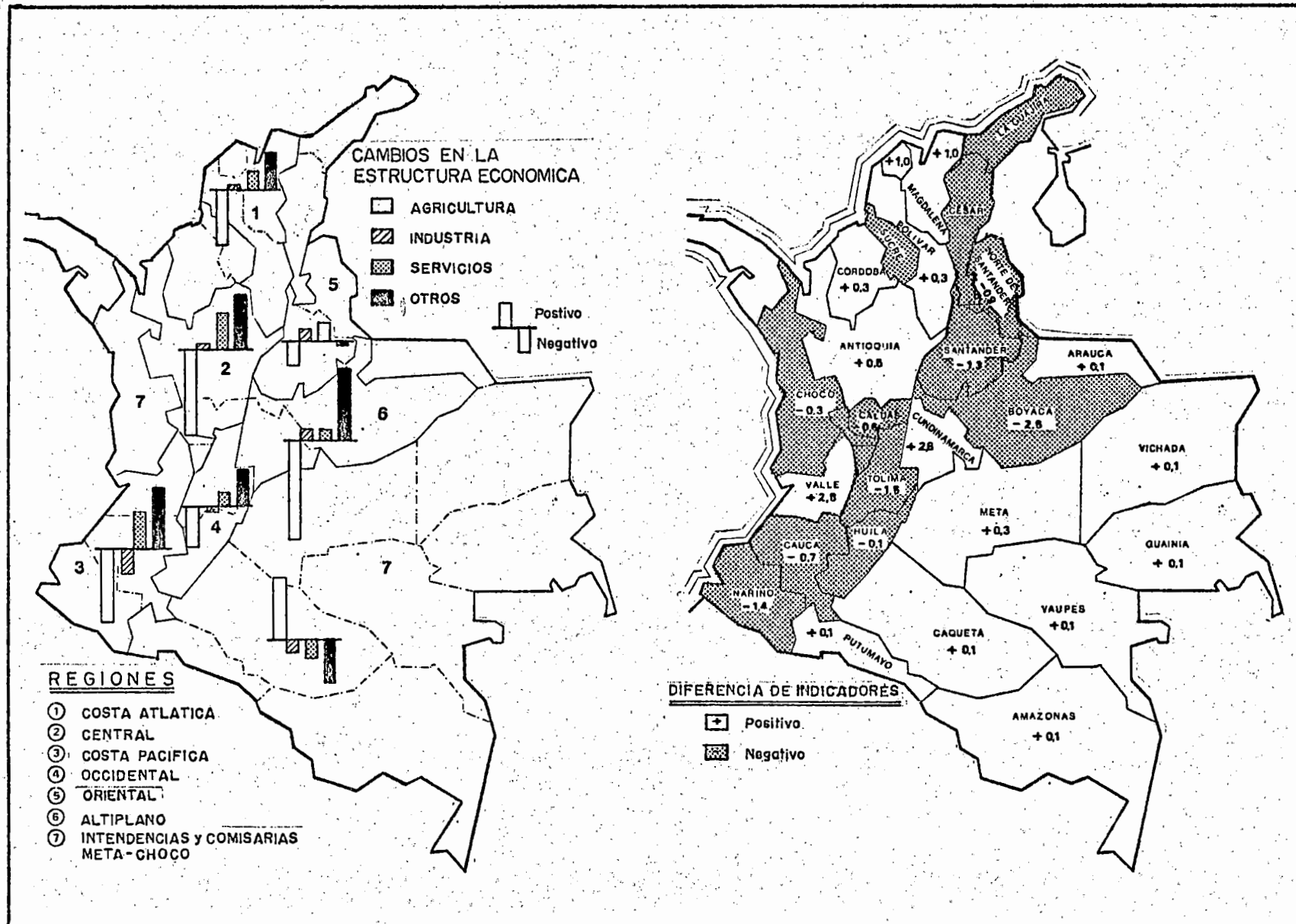
The following maps illustrate some of the aspects related to the spatial distribution of the population and the actual regionalization of the country as well as that proposed in the Regionalization Model.

# JERARQUIZACION URBANA : 1965 , 1966 .- METODO Y MALLA URBANA .



FUENTE : Departamento Nacional de Planeación - Modelo de Regionalización .1970

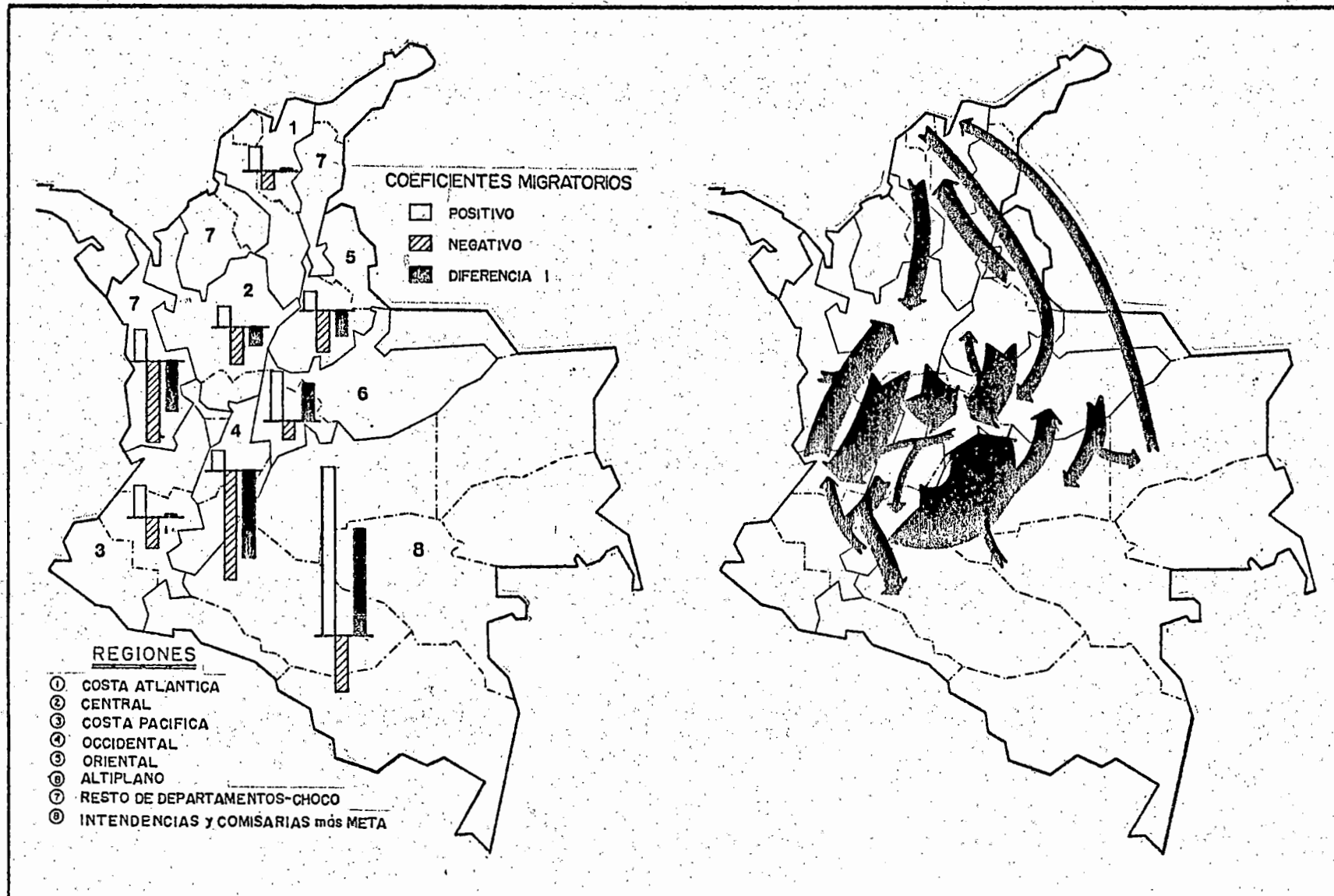
# CAMBIOS EN LA ESTRUCTURA ECONOMICA Y SALDOS MIGRATORIOS EN COLOMBIA.



FUENTE : Censo de 1964.

Rinape

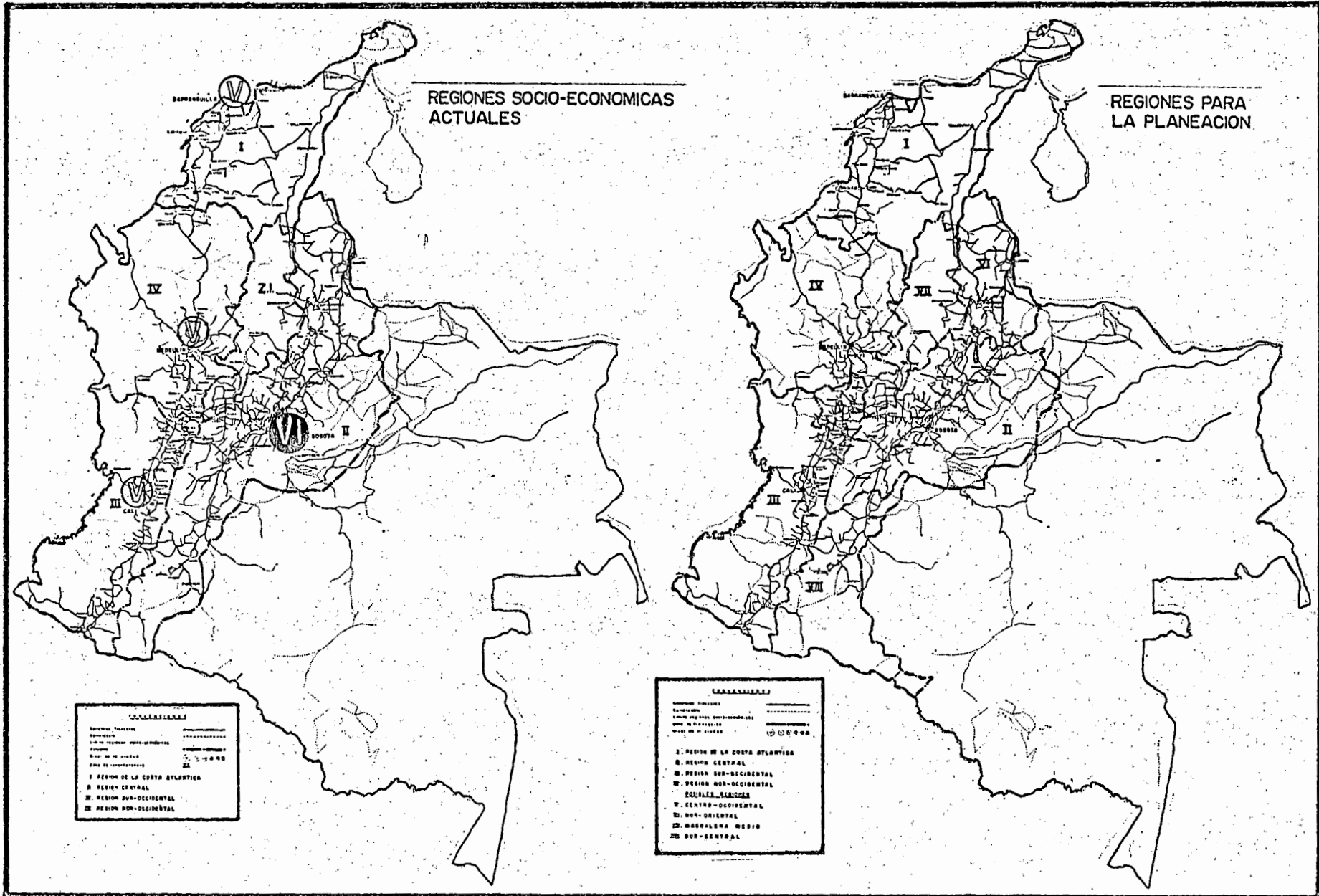
# LA DISTRIBUCION DE LA POBLACION EN COLOMBIA.



FUENTE : Censo de 1964

Rinope

# COLOMBIA. REGIONALIZACION ACTUAL, PROPUESTA POR EL MODELO DE REGIONALIZACION URBANA



FUENTE: Departamento Nacional de Planeación-Modelo de Regionalización. 1970

In July 1971 the Colombian Government signed a contract with the International Development Agency of the United States for a loan, in order to develop a program based principally on the recommendations of the Regionalization Model and with the purpose of strengthening the middle ranked cities and the marginal areas of the urban centers. This loan was the first planned effort made in the country to modify the pattern of population settlement which up till then had demonstrated a marked tendency to concentrate in the major cities. (6)

The objectives of the loan were to:

- Promote the economic development of the middle ranked cities\*, with emphasis on the promotion of labor intensive industries.
- Improve the basic infrastructure of services for the lowest income groups.
- Improve the level of local planning and public administration.

#### APPLICATION OF THE CREDIT

The Government found many obstacles to distributing the funds of the loan, in spite of the immense poverty of the cities that were to be the beneficiaries of the loan. Among these obstacles were the lack of

---

(6) Contract of the Sectorial Credit with the International Development Agency, for Regional and Urban Development, 514-L-063, August 1971. See appendix "A"

(\*) Middle ranked cities were considered to be those with populations between 30,000 and 350,000.



adequate information on the part of the local administrators concerning the existence and possibilities of the credit, a lack of capacity on the part of these administrators to elaborate adequate request for the credits and an absence of economic resources in the poorest urban centers which prohibited them from backing even a minimum level of credit. Perhaps one of the most serious obstacles to the distribution of the credit consisted on the rejection by the Municipal Councils of any suggestion to use the credit. This was due to the fact that an important proportion of the Municipal Councils were controlled by members of the opposition party (ANAPO) and for this reason there was a permanent conflict between them and the local administrators, majors and other employees; precisely those in charge of negotiating the loan.

These difficulties led to the fact that the funds of the AID credit were not distributed as planned. This forced the Government, through the National Planning Department, to look for other distribution mechanisms. For this reason, in 1972 the Planning Department formed a program of Municipal and State Technical Assistance, to facilitate communication with the municipalities and especially with those most related to the credit. This program offered technical resources to elaborate development plans in these cities, and then apply for loans within the credit.

This step was necessary given the inefficiency of the institutionalized process of regional development planning.

The decisions taken at the level of the President of the Republic and the Council of Social and Economic Policy, were supposed to be implemented on a sectorial level through the offices of planning of the Ministries and through these in the planning offices of the decentralized institutions.

On a regional level planning was supposed to be implemented through the planning offices of the States, and through these in the planning offices of the municipalities.

This system appears to be adequate in countries with planned economies, but it does not seem to function in Colombia where regional planning is voluntary and indicative. For this reason, in spite of the efforts to achieve a more rational distribution of the population, in which considerable time and effort were spent, the final result fell far short of the intended goals.

## II.- METHODOLOGY

The first step for this and the following sections of the study was the identification of the policy makers who were involved in this particular policy making process and potentially affected by research. This was accomplished through an analysis of the formal steps this policy was required to take and the public organisms this involved. In regard to the identification of specific studies, this study assumes that at the time the decisions that led to this loan were taken certain bodies of scientific knowledge concerning urban and regional development and the distribution of the population existed that were potentially available to the Colombian policy maker.

The interviews with these individuals touched upon the following questions:

- 1.- In what form did the research reach the individual, i.e. mimeograph, book form oral, mailed, or personally presented by the author?
- 2.- What part of the research that actually reached the decision maker was employed by him and in what way?
- 3.- What was the relative importance of the decision in which this research was employed in the specific policy making process under examination?

These three aspects described above constitute internal dimensions of the relationship between research and policy making. They form the ground work for gauging the effectiveness of the policy making process as a whole, and thereby research in modifying the territorial distribution of the population in Colombia.

## INTERVIEWS

The purpose of each interview with the Colombian policy makers involved in the definition and negotiation of the Sectorial Credit Loan for Urban and Regional development was to determine, broadly,

- 1.- The structural factors underlying the specific policy making process as a whole.
- 2.- The policy maker's decisions within this process.
- 3.- The information he utilized in reaching these decisions, and in the case in which he utilized research results.
- 4.- How and in what form these results reached him.

In the interviews, research is not defined by any established parameter. Rather, the information sources in general of the participants were recorded in order to examine the overall picture of types and levels of information.

The following is the transcription of those aspects of the interviews that contributed to the analysis of these facets of the relationships between research and policy making in the specific policy issue.

The interviews were conducted in no particular order, although many times one interview would lead to another.

For the sake of analysis, the interviews have been organized according to four areas of the policy making process in which those interviewed participated.

1. The first are those individuals directly involved in the process that led to the Sectorial Credit Loan, including members of the National Planning Department who worked in the elaboration of the regionalization model, given the apparent link between this model and the credit.
2. The second area is composed of individuals who were involved in certain peripheral or specific and principally monetary aspects, of the Sectorial Credit.
3. The third area includes various of the initial implementers of the credit.
4. The fourth are representatives of the private or official sectors, not directly implicated in the credit but who can be considered potential "behind the scenes" informal policy makers or "influentials" in this process.

The information that follows is based on the data from the interviews with those individuals identified at the beginning of each section.

It is important to stress at this point that two of the members of the research team of the CCRP were at one time or another directly involved in many of the steps of the process described in the following section. In spite of this proximity with the process all the information reported in this is a product of the interviews. If this information appears to diverge from the "reality" of the happenings, this serves to further illustrate the gap that exists in a general understanding of the nature of the policy making process and of the role of research in this.

LOCATION OF INDIVIDUAL IN THE COLOMBIAN PUBLIC SECTOR 1966 - 1974. ELABORATION AND IMPLEMENTATION OF THE MODELO DE REGIONALIZACION AND CREDITO SECTORIAL

	7/66	67	68	69	AGOSTO 7/70	71	72	73	AGOSTO 7/74
<b>PRESIDENTE</b> Asesor Econ. Asesor Jurid.	CARLOS LLERAS RESTREPO <small>Rodrigo Bolero</small>				MISAEAL PASTRANA BORRERO <small>Rodrigo Escobar</small>				
<b>DEPTO. NAL. DE PLANEACION</b> Jefe Secretario Jefe UDRM Jefe DER Tecnico 1 Tecnico 2 Tecnico 3 Tecnico 4 Jefe UCP Tecnico 1 Tecnico 2 Jefe UINF Jefe URM Jefe DEDM	Edgar Gutierrez Castro Augusto Cano Molta Julia Mendoza Duran Edgar Revelliz Jaime Cepeda Jaime Angel German Bravo Alicia Puyana Jaime Concha				Jorge Ruiz Lara Roberto Arenas Bonilla Luis Eduardo Rosas Ramiro Cardona Alb. Fullea Jaime Angel German Rocha Rafael Marino Jaime Concha Victor Ojaris Javier Toro Guillermo Mojica Hugo Escallon Jaime Gomez				
<b>MINIST. DES.</b> Ministro Viceministro Jefe Des. Urb. Jefe Sac. Priv.	Antonio Alvarez Restrepo Hernando Gomez Otalora				Jorge Valencia Jaramilla Jaime Mejia Daniel Arenas Santiago Araoz Alfonso Hansen Villamizar Hernando Agudelo Villa Alejandra Figueroa German Mandata Enrique Low-Murillo				
<b>MINIST. HACIENDA</b> Ministro Viceministro Jefe Cred. Pub. Jefe Presup. Jefe Impuesto	Augusto Espinosa Valderrama Hernan Vallejo Rafael Arango Toro				Alfonso Patiño R. Rodrigo Lorente Hugo Palacios Mejia Fernando Pacheco				
<b>I. C. T.</b> Gerente Subgerente Jefe de Pla.	Fabio Robledo Isoza Luis Alberto Villegas Moreno Rafael Stevenson				Alberto Vasquez Borrero				
<b>EXCO. REP.</b> Gerente Director Fondo	German Botero De Los Rios Benlivi Galindo								
<b>J. MOR.</b> Asesor 1 Asesor 2	A. Lopez Toro Hernando Gomez Otalora Jorge Ruiz Lara Leonel Torrez				Francisco Ortega Rafael Paredes				
<b>INFOPAL</b> Gerente Subgerente					Rafael Paredes				
<b>ALCALDES</b> Bogota Medellin Cali B/quina C.1 C.1 2	Virgilio Barco Mariano Restrepo Ricardo Gonzalez				Emilio Urrea Abel Carbonel Carlos Alban Holguin Carlos Holguin Sardi Ramon Emiliani Roberto Guido Levy Anibal Fernandez de Soto Eduardo Osio Vicente Negro Humberto Salcedo				
<b>A. I. D.</b> Director AID	Leonard Kornfeld Stephen Weissman				Marvin Weissman Ailon Cohen				

### III.- INTERVIEWS

The following are the English versions of the interviews conducted by the various members of the CCRP research group.

#### Julio Mendoza

Julio Mendoza was the first head of the Unit of Urban and Regional Development of the National Planning Department. Under his direction the "Modelo de Regionalización" was developed, and the negotiation for the Sectorial Credit initiated.

Mendoza feels that it was due to the elaboration of the regionalization model that the international agencies and in particular USAID became interested in the Sectorial Credit Loan for Urban and Regional Development in Colombia. In addition, Mendoza cites the existence of a number of other studies in the region, and international conferences which touched upon the spatial distribution of the population. These studies were carried out in Chile, Brazil and Venezuela. The French economist Beauville worked directly on the concept of middle ranked cities in Brazil during this period. Mendoza sees the urban and regional sectorial credit as quite a departure from the traditional focus of economic growth of the USAID and feels that this departure was due to the influence of the regionalization model.

Mendoza defines the "Modelo de Regionalización" as the first step in an effort to clarify the urban situation of the country, especially in regard to the spatial distribution of the population. The concept originated in the idea of the territorial organization of the population discussed and studied in Belgium and France. Mendoza added some economic variables to this type of analysis for the

Colombian version of the model. The group he organized in the Unit brought with them the technology and the terminology of this school of thought. He himself had written a doctoral dissertation applying the scheme to the Valley of Cauca. These concepts had later been applied in the Valle University where Edgar Reveiz added the variable education to the analysis. The theory of Lebreve was also used in the work of Mendoza. The group that Mendoza brought with him to the Planning Department all had an European oriented education in regard to development theory. He explains that they got on quite well in the Planning Department in spite of the heavy influence of North American Models of development and economic growth prevailing in the department as a result of the graduate training of other members in the United States.

With Jorge Ruiz Lara, the director of the National Planning Department, Mendoza designed the implementing mechanisms of the credit, these being the Industrial and Urban Development Funds. The Urban Development Fund (FFDU) had already been used during the Lleras administration by channeling funds from the Central Mortgage Bank. In addition, due to the size of the loan, the Institute of Territorial Credit (ICT) was also included among the implementors of the loan for the construction of low cost housing. The choice of these instruments for distributing the credit was based on the fact that the only way to influence migration is through the manipulation of employment opportunities, hence the investment in industry and services.

With the change in the direction of the National Planning Department during the first year of the Pastrana administration, a radically different concept of urban and regional development than that proposed in the regionalization model was set forth in the national development plan of the Pastrana administration: The Four Strategies.



According to Mendoza, the purpose of the Regionalization Model as a policy instrument was the more equal distribution of the population. The first objective of the Model was that Bogota not continue to grow in an unbalanced manner in respect to the two following cities in size -Cali and Medellin-. The second purpose was that these three cities not continue to grow in disbalance with the cities that surround them geographically.

Under Pastrana, 90% of the constant value building bands UPAC, issued massively during his administration in an effort to channel savings and create employment in the construction industry, were concentrated in Bogota, Medellin and Cali -the three largest cities-. The effect of this was just the opposite of the Regionalization Model, the increased concentration of the population.

Mendoza points out that in one analysis, the last census, it is evident that urban concentration has increased drastically and Bogotá has outstipped Cali and Medellin in population.

Mendoza is the individual who was closest to the entire process of the elaboration of the Model of Regionalization and the Credit as an insider and participant. He was obviously a policy maker reached and deeply influenced by the results of research through training abroad participation in international conferences, and contact with other national researchers. Mendoza applied the concepts of research in his policy decisions. These policies had some effect on the actual territorial distribution of the population. However, with the change in policy in the following administration, Mendoza himself demonstrated how these decisions based on research had no real influence beyond an academic and theoretical level on the territorial distribution of the Colombian population.

Augusto Cano Motta

Cano, an economist, was assistant director of the National Planning Department between 1965 and 1968, and the Secretary General of the Department between 1969 and 1970. It was during the period between 1966 and 1970 that Edgar Gutiérrez Castro was appointed director of the Planning Department by President Lleras, Julio Mendoza was the head of the Regional and Urban Development Unit, and Edgar Reveiz worked within this unit.

Cano was an observer of the process in the period during which the Regionalization Model was elaborated and he participated in the negotiations for the Sectorial Credit Loan.

Cano, an important administrator, made decisions of some weight in the organization of the Planning Department during the period when the model was elaborated and the credit negotiated, based in part on the advice of foreign consultants. These decisions, had specific effects on the policy making process in that they determined the type of planning which was to be carried out by the Colombian government, and constituted a move towards sectorial planning and away from the traditional project orientation of the department. As a result, it can be affirmed that the type of "research" which affected the administrative level of planning was in the form of consultants from foreign banks and foundations who exerted pressures on the Colombian planners to better define the priorities of the development process in which their funds were involved, and more towards a more "sectorial" planning approach.

The Regionalization Model formed an essential part of this newly introduced sectorial planning approach.

The model was perceived by Cano as a descriptive diagnosis of the different cities of the country, that ordered these according to a number of specific criteria using health, education and economic indicators. The information was organized utilizing the development poles theory. With this analysis each city could be compared in certain aspects with the average level for all the cities of the country, permitting a rational regional distribution of government expenditures.

The regional diagnosis was completed in 1969, to be used in the 1969-1973 development plan, which more than a development plan was a sectorial description of the country and a guide for public investment. Although the model established certain guideline and was used to justify some investment, it functioned quite independently from the USAID Sectorial Credit.

Dr. Cano, a participant and observer of the USAID, DNP negotiations for the Sectorial Credit Loan conceives of the regionalization model as a stimulus and a point of departure for the Credit, yet quite an independent enterprise. The DNP was interested in regional development and USAID, also interested in regional development, used the "Modelo de Regionalización" as a starting point for conversations. The research information utilized in this process came from the Colombian Ministries in the form of raw empirical data in the case of education, health and economic variables, while the instruments of analysis used in the model were brought by Drs. Mendoza and Reveiz, fresh from graduate school in Europe and eager to apply the models they had learned. Yet, this model had little effect on the formulation of the basic terms of the Sectorial Credit. Its role was more one of bringing the urban and regional development issue to the attention of the USAID personnel, who were also independently interested in the area.

These individuals (Leonard Komfield, and Stephan Wiesman) employed information from the National Planning Department in a document they wrote in English on regional and urban development, and then, they began to speak of a sectorial Credit Loan to develop these activities. The personal interest of those functionaries coincided with the widespread interest in regional development in the country, and this coincidence concluded in the Loan.

In conclusion, as an observer Dr. Cano, an important member of the National Planning Department during the period when the Regionalization Model was developed and the negotiations for the Credit initiated, perceives that although outside data and models of analysis were employed in the elaboration of the Model, the Model in itself was of slight importance in the negotiation and formulation of the Sectorial Credit for Urban and Regional Development. This credit was more a product of an interest of specific identified members of AID in Colombia, in the urban sector. These individuals utilized the Regionalization Model in a document they wrote in English in order to justify to the Colombians a sectorial credit in the area. On the other hand, outside research in the form of foreign advisors was important in the adoption of the sectorial planning approach in the DNP approach which was ultimately responsible for the Regionalization Model.

#### Antonio Urdinola

Urdinola worked with Edgar Gutiérrez and Augusto Cano in the organization of the National Planning Department during the first part of the Lleras administration as the director of the Unit of Industrial and Agrarian Studies.

In the opinion of Urdinola, the regionalization model was the product of Julio Mendoza and his employee Edgar Reveiz. Both had been hired by Edgar Gutiérrez who considered that France was far ahead in the areas of regional planning. For this reason, Mendoza who had studied in France and Belgium was brought into the Department. According to Urdinola, Mendoza considered his function in the Department almost exclusively in terms of the development of the regionalization model. Mendoza was given the task of finding a solution to the regional distribution of the national budget. For this purpose, Mendoza resorted to the theoretical instruments of the French Regionalization Model he had acquired during his studies in Europe.

Although Urdinola contributes little to our knowledge of the information employed in the model, and had left the DNP before the Credit was negotiated, he indicates that Mendoza was hired because of his educational background in the Franco-Belgian school of regional development and was directed to establish a scheme of regional distribution of the national budget. In other words, the fact that the regionalization model followed a given theoretical scheme was not accidental. Mendoza was specifically hired because of his research background in the Franco-Belgian school.

His perception of the influence of research on the policy making process for this case, is that individuals are hired because of their academic background, as an indirect manner of acquiring the research and knowledge of a certain school of thought with which the policy maker is in accord.

Antonio Alvarez Restrepo

Dr. Alvarez Restrepo held an important Cabinet Post during the first two years of the Lleras administration (1966-1968) as the Minister of Development. Lleras had full power over the National Planning Department, according to Alvarez, and the planning of industrial development was assigned first priority. His planning focus was clearly expressed in the Constitutional Reform of 1968 which gave the Government the ability to establish norms to encourage regional and industrial diversification. Alvarez affirms that Dr. Lleras was worried by the disorderly form in which Bogota, Medellin and Cali, the three principal cities of Colombia, were growing, principally as a result of the peasant migration from the rural areas. One of the solutions stated for this problem was the reorientation of this migration to the middle-ranked cities, by stimulating the industrial development of these cities, hence their demand for labor. He affirms that he was the first member of the Lleras government to mention the theory of development poles of Francois Perroux in relation to this preoccupation of the president.

Alvarez assumes a logical link between Dr. Lleras's concern with the theories of Perroux and the fact that Gutiérrez, who was named head of the National Planning Department, had carried out studies with individuals who were familiar with these theories.

In addition to Perroux, Alvarez himself claims to be personally acquainted with extensive literature on regional development and diversification, and industrial development. In particular, he mentioned the cases of Sao Paulo, and Monterrey, Mexico.

Alvarez appears to be one of the routes by which many of the initial theories which led to the regionalization model and perhaps to the Sectorial Credit reached the Colombian Policy Makers. In addition to

his own role in policy, he seems to have linked many of the concerns of President Lleras with the research and experiences of other countries in the area. He also claims to have been indirectly responsible for bringing Gutiérrez to the National Planning Office by informing Lleras of the theories of Perroux. Alvarez says he is an extensive reader of research results and reports.

### Germán Bravo

Bravo, a demographer and sociologist, worked in the National Planning Department during the Lleras administration in the Urban and Regional Development Unit under Mendoza. His interview is concerned mainly with the type of information sources that were employed in the elaboration of the Regionalization Model.

Bravo feels that the initiative behind the elaboration of the Model was the work that had been carried out in Europe by Mendoza. Utilizing these formulas, Colombian data was in effect filled in to produce a native model. The Model was then consulted with, and sold to the President and to the Congress.

Bravo explains that under the direction of Mendoza, the director of the Unit of Urban and Regional Development, a preliminary document on interdepartmental migration was completed in 1968, employing the methodology of analysis used by Mendoza in his doctoral work at Lovaina, and the theories of Perroux and Beauville of the Instituto de Altos Estudios de Paris. The attention of the unit was focused on the lack of regional balance which caused migration currents from a backward zone to a relatively more developed zone. The unit commenced the study of regional balances using as an indicator migration flows.

The availability of data limited this work, and for this reason the indicators selected were chosen on the basis of existing primary information sources. The methods of analysis employed included those utilized in Methods of Regional Analysis of Walter Isard, in particular the Fisher Formula to discriminate relative "weight" of each city and place these in hierarchical order, and the gravitational formula of Reilly, as an instrument to measure the attraction force of each city in terms of migration flow and economic distance between centers.

The data used was: that which had been collected by the Instituto de Crédito Territorial regarding housing deficits, that of CEDE on unemployment; and that of income distribution of Daza. The study that had been conducted by ASCOFAME, was used to complement the Colombian Census Data. The work of Alvaro López Toro, CEPAL, CELADE, Miguel Urrutia and Sandoval, and the Lebre Mission and Currie Mission of the World Bank, was used as general contextual data. The Library of AID was resorted to for specific documents such as the study of Eugene Havens on the slums in Barranquilla, and the documents of Population and Development of Schultz and McGreevey.

The unit made occasional presentations of the Model outside of the Department which were received with little enthusiasm and the model was usually labeled utopian. Nonetheless, Mendoza carried out a certain amount of promotional activity with some success, in order to achieve the support of the Congress by explaining to members of it, the need to employ an instrument such as the model to identify necessary investments in the different regions.

It was the general impression of the professionals of the Planning Department working in the Regional and Urban Development Unit, that President Lleras was not aware of their activities. In 1968, President Lleras visited the Department for three days during which presentation was made of these models which he received with enthusiasm.



The picture presented by Bravo is that of a group of highly qualified and well documented professionals who on their own initiative, and on the basis of their training abroad, applied foreign models to national data and came up with the regionalization model. After this it was their task to convince the political sector of the validity and utility of their model.

### Jaime Cepeda

Cepeda, an architect with specialization in urban planning and transportation, worked with Mendoza in the Unit of Urban and Regional Development during the administration of Lleras.

According to Cepeda, the form in which research reached policy makers was principally in the person of foreign consultants and Colombian professionals who had studied abroad.

As a participant observer, Cepeda claims that the principal actors in the elaboration of the regionalization model were Julio Mendoza, Edgar Reveiz and Bernard Comby. Comby was a Swiss Economist with specialized training in Regional and Urban Development who was employed as a consultant in the Unit. Mendoza and Comby worked out an analysis of the regional-urban problem in Colombia using as a reference point the French theories of development poles.

Edgar Reveiz was hired by Mendoza, as the head of regional studies. Reveiz had studied in Paris, and written a model of educational regions in the Cauca Valley. He began to work on the preliminary documents of the model..

Cepeda is of the opinion that the regionalization model was really not a model at all and that rather this simply constituted an

analysis of cities with the purpose of placing these in hierarchical order and defining their radio of influence, utilizing the methods of Perroux.

The Model did influence policy in two specific cases, according to Cepeda: The first was to develop the concept of regional planning in the Constitutional Reform of 1968 which stated that the areas of regional planning did not necessarily have to coincide with State lines. However, in spite of this article, the institutionalization of the Model did not produce positive results at a Congressional level. The second instance in which the Model influenced policy was an argument to back up the offer by USAID to finance the Urban and Regional Sectorial Credit.

According to Cepeda, research reached Colombian Policy Makers in this specific case by two routes, foreign consultants, and Colombians trained abroad. The research was applied as was the case of the Model, for political reasons, to establish regional as opposed to State (Departmental) level planning; it was then used to justify a specific instance of foreign assistance, the Urban and Regional Sectorial Credit Loan of USAID.

#### Fernando Isaza

Isaza, an electrical engineer, with advanced training in mathematics, managed the statistical aspects of the Regionalization Model while employed in the National Planning Department.

For the statistical operations he carried out in relation to the Model, Isaza used: the book by Walter Isard on methods of regional analysis, the gravitation model of Reilly to define the attraction of the population to the different urban centers, and the formula of

Fisher in order to put the urban centers in hierarchical order according to a series of variables.

The statistical information was acquired in the bulletins of the National Department of Statistics, the Bank of the Republic, and the Institute of Industrial Development. In addition, a questionnaire was directly applied by the National Planning Department to the Hospitals, which was later used by the Ministry of Health. An Educational Census that had been carried out by the Ministry of Education was also utilized.

According to Isaza, the Urban and Regional Development Unit attempted to establish with the Regionalization Model, a theoretical backing for the existing regional divisions of the country, utilizing as sources the theories of Perroux, Beauville, Triverzen, and the Annals of the Conference of Regionalization held in France.

Isaza believes that the Urban and Regional Sectorial Credit Loan would have occurred with or without the Regionalization Model. This is because the Rockefeller Mission, which was brought to the country under the auspices of the AID, had recommended that attention be paid to urban problems and that resources should be assigned regional and urban development. However, Isaza affirms, the Model did make the negotiation for the loan between the Colombian Government and the USAID somewhat easier.

In other words, according to Isaza, research does indeed reach the Colombian professional and Policy Maker. This depends to a great extent on the location of the graduate studies of the Colombian professionals. When it comes to the influence of research on the specific policy process under examination he feels there is little effect, due in part to the independent direction of the U.S. foreign loan policy.

Jaime Angel

Angel worked in the Unit of Urban and Regional Development during the elaboration of the Modelo de Regionalización and the negotiation for the Sectorial Credit. He was personally in charge of many of the technical aspects of the negotiation for the loan.

Angel identifies two causes behind the formulation of the Modelo de Regionalización. These were:

- 1.- The obvious lack of balance of the Colombian regional development which created "fertile ground" for the elaboration of the model, and
- 2.- The group of professionals who came to the Planning Department with backgrounds in higher education in France and Belgium who had written their doctoral thesis on regionalization schemes. This orientation included the concepts of decentralization of development, development poles and other theories of Francois Perroux.

It was due to the influence of the National Planning Department during this period, affirms Angel, that policies derived from the Regionalization Model went into effect through the other branches of the Government, even before the Model had become official policy. This occurred through the actions of the decentralized institutions, who oriented their investment programs according to the Regionalization Model. Angel claims that it was because of this early implementation that AID picked up on the Model and suggested the Sectorial Credit as a mechanism to finance the policies derived from it. The first conversation of the DNP with AID concerned a loan of around US\$50.000 to implement the policies of the Regionalization Model.

Angel explains that another reason why AID was interested in the Colombian urban and regional sectorial loan was that they were anxious to experiment with a similar loan in the United States. However, the principal determinant behind the AID loan was that the members of the agency had detected the need to inject capital and resources in the different zones of the country in order to reactivate the regional economies and counterbalance the discontent in those sections of the country, which had become evident in the overwhelming victory of ANAPO, the opposition party, during the recent presidential elections.

The first draft of the loan was drawn up by AID and discussed in the Planning Department. AID also proposed the integration of some foreign assistance for the loan in the person of foreign advisors.

The loan was originally to have been administered by the Ministry of Development. However, due to the low operative capacity of the Ministry, following the suggestion of AID, the administration of the loan was transferred to the Planning Department. The point of greatest AID pressure in the negotiations for the loan was during the selection of the implementing organisms. AID succeeded in channeling the majority of the funds through private commercial banks. Angel observed that the members of the Planning Department in line with the policies suggested in the Regionalization Model, were more interested in having these funds distributed directly.

USAID, on the other hand, insisted that the credits be recoverable at all stages, including the final beneficiaries of the loans who should pay these back through tariffs for services or valorization payment. For this reason, the majority of the funds went towards the pavement of roads financed by valorization. Due to these some AID pressures, the funds were administered by the Financial Funds for

Urban Development and Industry as discount funds for the loans that the commercial banks made to the municipalities and industries as part of the AID policy to favor the financial sector.

In conclusion, the policies of the Model of Regionalization were applied in the public sector especially in regard to investments in health and education. However, due to the counterbalance of USAID in favor of the private sector, the bulk of the funds of the actual loan were channeled through the commercial banks and directed towards those few projects that could be financed through valorization. In this manner, the Model was more a starting point for discussion than the groundwork for the formulation and implementation of the loan.

The form in which research results and theoretical concepts reached the policy makers was principally through Colombians who had studied abroad and then joined National Planning Department.

#### Jorge Ruiz Lara

Ruiz Lara was the last head of the National Planning Department and continued as the first head of the National Planning Department under President Pastrana. He was preceded by Gutiérrez Castro, and followed by Roberto Arenas.

According to Ruiz Lara, the Regionalizacion Model was used to look at the distribution of various factors within the middle ranked cities. Ruiz Lara affirms that the Model had little effect on the policy making that went on at the moment it was formulated. He explain that the political weight of the country is in the Departments, therefore, the budget can be justified by Departments but not by regions. Congress, in approving the budget makes this point very clear. However, both the Junta Monetaria, the National Planning

Department, and AID had great interest in the Sectorial credits, hence the reason behind the credit was not the Model, which had little effect because it was too wide ranging, and had little immediate ground for application. For example, if the Model had been carried to the end and had provided more exact data on the development poles, it would probable have been more useful in policy making in this way providing more possibilities and alternatives.

On the other hand, Ruiz Lara, a previous advisor of the Monetary Board, places the origin of the Sectorial Credit in the rampant inflation during the period of 1964-1965, and the decision of the government to give some direction to the budget payments; in other words, the beginning of central planning in the national budget. This direction was accomplished through placing sources of working capital in different areas. This was one of the reasons why the decision was made to distribute the Sectorial Urban Credit through valorization within the region. The idea was not to subsidize, but rather provide seed capital for the regions that could be recovered through valorization.

Ruiz Lara believes that there was little effect of research on this particular policy instance, or on policy making in general, in Colombia, except when basic descriptions and mainly technical data is provided by research. Ruiz Lara affirms that the only place he knows where research is used is in Monetary policy in Colombia, for example: research and literature on inflation.

In other words, the moving forces behind the Sectorial Credit, according to Ruiz Lara, was the inflation of 1964-65 and the move towards central and sectorial planning by the Government, as opposed to the arbitrary distribution of the budget by Departments as favored by the Legislative branch; hence the motivation was essentially political. The Regionalization Model or other research had little effect on the decision because this was eminently descriptive and had little ground for application, i.e. policy alternatives.

Rodrigo Escobar

Rodrigo Escobar was the Economic Secretary to President Pastrana. He had worked closely with the President during the campaign. Although not directly involved in the policy decision related to the Regionalization Model and the Sectorial Credit, he was close to the President and in this manner presents Pastrana's account of the Model and Credit. During the presidential campaign and as Economic Secretary of President Pastrana, Escobar tried to put into effect the concepts of regional balance and decentralization, which he had first learned of while studying in Paris through direct contacts with Julio Mendoza and Edgar Reveiz. This was difficult during the first year of the administration due to the resignation of Jorge Ruiz Lara and the subsequent resignation of a great part of the staff of the National Planning Department. Ruiz was replaced by Roberto Arenas as the head of the Planning Department. However, a break in the continuity of the planning process could not be avoided. This was further complicated by the problems involved in actually implementing the Regionalization Model as policy.

One of the policies of Pastrana while president was to recover the power of the executive especially that represented by the city majors. These majors, appointed by the President, were being blocked by the elected city councils. For this reason Pastrana was eager to channel funds directly to the municipalities through the executive branch, in particular, those funds from the AID Urban Regional Sectorial Credit.

The policies related to the Regionalization Model and the Sectorial Credit were snowed under later in the Pastrana administration in relation to his other policies such as the UPAC building bonds.

Escobar affirms that it is difficult to adopt a coherent policy in regard to urban and regional development. This is due to a lack of adequate and effective instruments to enact this policy. Regarding



decentralization it is far easier to carry out development plans in the larger urban areas where everything is already set up. For this reason, the Regionalization Model was so hard to implement. The situation is further complicated by a lack of adequate regional communication systems. There are very few regional planning organisms. There are many more sectorial planning organisms.

In conclusion, Escobar sees the flow of research as existing and was obviously informed and knowledgeable of the Regionalization Model and the Sectorial Credit. However, due to the structural barriers within the government in regard to regional planning, and also the enactment of another policy by Pastrana for urban development, with the effect of further concentrating the population in Bogotá, Medellín and Cali, these policies were of little effect in the territorial redistribution of the population.

#### Misael Pastrana Borrero

President Pastrana was in office between 1970 and 1974, when the final negotiations of the Sectorial Credit were carried out and the contract with USAID signed.

In regard to the Sectorial Credit Loans, Pastrana explained that before these the norm of the international financing agencies had been project oriented credits. These project-oriented loans made the elaboration of the national budget extremely difficult and were hard to control. For this reason, he welcomed Sectorial Credits with the inclusion of social and not just economic growth aspects.

According to President Pastrana, the objective of the Urban and Regional Sectorial Credit loan was to direct migration away from the

largest cities and towards the middle ranked cities. This was to be achieved by fortifying industrial investment and providing education and health services in the middle ranked cities.

Foreign financial assistance was needed for this purpose due to the low financial operative capacity of the FFDU given that with the funds from the Central Mortgage Bank were used up. Not enough credit was being supplied to the urban areas and especially not to the middle ranked cities. The interest of the Colombian government coincided with that of USAID, which was hanging its loan policy to include more social aspects and not just those of economic growth. In spite of this fact, it was necessary for the National Planning Department to convince AID to make the loan available to Colombia for this particular purpose.

President Pastrana affirms that there was no contradiction between the policies advocated by the Regionalization Model and the constant value building bonds introduced as a development strategy during his administration (UPAC). On the contrary, one complemented the other to the degree that what UPAC did was create housing for those who could afford the constant value system while at the same time it created employment in the construction industry for the lower classes who could not afford this system but who could later receive the benefits of the other systems of credit for their housing needs, (for example, those funds of the Central Mortgage Bank and the Institute of Territorial Credit).

President Pastrana feels there is much research available to policy makers including that which has been carried out in the country. The problem is that this research is not utilized due to inefficiencies in the management of the data. In regard to pressures to use research, he mentions that indeed the international agencies demand quite a bit of research for their loans. On the other hand, Pastrana feels that the national universities are not very capable of feeding research

into the policy making process due to a lack of coordination between their areas of research and the real needs of the government. He further affirms that there is no research on a long range basis in the country.

While he was President, he identifies as his main sources of information and research direct contacts with his ministers, head of decentralized institutions and special advisors. He learned of the Regionalization Model and the Sectorial Credit from these sources.

In short, President Pastrana presents a picture of a executive who was informed of research mainly through personal contacts with his staff and advisors. He sees the Colombian government as the originator of the policy of credit with the USAID, and on a political level justifies the policies which created just the opposite effect of those suggested by the Regionalization Model and the Sectorial Credit, i.e. the centralization of the population, as a part of a global policy of housing and employment.

#### Guillermo Mojica

Mojica is an architect with graduate studies in education in the U.S. During the period under study as head of the Unit of Human Resources of the National Planning Department, he was in charge of the education and health aspects of the Sectorial Credit Loans of the USAID.

Mojica claims that the Regionalization Model was not applied and was unrelated to the reality of the country. However, was employed for diverse and even contradictory political ends. The first was the regional planning orientation it exposed which served to diminish the power of the urban centers and augment that of the central government and the regions of the country when ANAPO, the opposition

party, had won the recent elections precisely in these urban centers. Later, the Sectorial Credit attempted to balance the power of the urban centers by permitting the direct distribution of funds by the central government in the cities in order to rally support for their policies.

The members of the AID Mission and in particular Kornfield, used the Regionalization Model as a justification for the Credit though there was little connection between these. The phrase employed by AID to describe the orientation of the credit was "a process of competitive emulation of the cities", a typical North American concept of credit, with little relation to the Regionalization Model.

On the other hand, President Pastrana according to Mojica wanted to employ the funds of the credit for distribution as soft terms loans for political ends. He claims that the director of Planning under President Pastrana, Roberto Arenas, who had inherited the loan from the past administration, of Lleras, wanted to use the funds to win over majors and governors.

Mojica sees the Regionalization Model as quite affected by foreign research models, in his words, it looked like an academic exercise of a North American graduate student, and in no way constituted an instrument for political decision making. This was due to the fact that the Model was influenced by the concepts of poles and balance of the French planning school, and had no relationship with the reality of the country. It was simply a description of the situation, which accepted a priori, certain tendencies of physical and economic growth. The recommendation of the Model rationalized the existing situation with no intention of modifying this. The group of Mendoza and Reveiz, according to Mojica, mechanically reproduced what they had learned abroad in a reality which had nothing to do with that of the country. There were Harvard Advisors working on the Model and later on the Credit who were not employees of the Planning Department. These were

working and researching their Ph.D. thesis, and for this reason, the documents they produced as part of the Model were very academic and did not serve as references for specific projects.

The principal form in which the research reached the policy makers was through the graduate studies abroad of Colombian professionals and foreign consultants and graduate students in the Planning Department.

In conclusion, the Model was indeed a product of the results of research which reached the Planning Department through professionals who had studied abroad. However, on a policy level, the Model served a number of purely formal functions in line with the political motivations of the different individuals who managed the Sectorial Credit.

#### Roberto Arenas Bonilla

Arenas, an engineer, economist and political figure was the head of the National Planning Department between 1970 and 1973, for the last part of the negotiation for the Sectorial Credit Loan during the administration of President Pastrana. After leaving the Planning Department, Arenas became Minister of Government of this administration.

Arenas affirms that the Regionalization Model was the theoretical reply to the many problems of lack of regional balance with which the country was plagued. The politicians from the different regions of the country were clearly conscious of this situation in regard to the employment opportunities and credit availability in their regions.

Arenas feels that the functionaries of AID were indeed interested in the Regionalization Model. However, they had to be persuaded to allocate the Sectorial Credit Loan for Urban and Regional development as they were not completely convinced of the intentions of the Planning Department in regard to the Model. Arenas thinks that, perhaps the hesitancy of AID was due to the traditional orientation of AID towards rural development loans.

Arenas concludes that there was no contradiction between the Sectorial Credit for Urban and Regional development, which he in effect had inherited from the Lleras administration, and the urban development policies enacted under Pastrana. The Sectorial Credit, in effect, had as one of its objectives the decentralization of population and investment. The urban development policy under Pastrana was eminently one of increased urban development through the issue of constant value building bonds to direct existing private savings in the city and create employment opportunities for the existing migrant in large urban areas in the labor intensive construction industry.

Arenas cites among the research with which he is familiar and which eventually influenced his actions the work of Lauchlin Currie, who had written various books and articles, the most well known of which being "Operation Colombia". The understanding between Arenas and Currie led Arenas to bring Currie to work with him in the Center of Research for Development of the National University where Albert Berry was also employed. Both became his principal advisors while he was in the National Planning Office. These individuals constituted the principal sources of research for Arenas.

In short, in regard to the use of research in the policy making process for the distribution of the population under President Lleras, Arenas sees this policy as primarily based on political motivations, i.e. the

obvious lack of regional balance in the country, and the political and economic problems this represented, and not on research. However, when he comes to assessing the motives of the administration with which he collaborated in regard to research he identifies two specific research sources utilized in the design of a national policy which greatly affected the territorial distribution of the population.

#### USAID Members

The interview with the various members of USAID who were involved in the Colombian Urban and Regional Sectorial Credit Loan are included in this section although they are not Colombian Policy Makers. These individuals represent the other side of the negotiations with the Colombian Policy Makers. They, themselves served as sources of research for the Colombian Policy Makers. These interviews are principally concerned with the motivation behind the actions of the USAID official and the research he employed.

#### Marshall Brown

Marshall Brown works in the loan office of AID. In regard to the Colombian Sectorial Credit Loan for Urban and Regional Development he affirms that he had no direct contact with this particular loan.

However, given his general knowledge of the AID loan making policy, during this period, he said that the Sectorial Credit in Colombia was probable invented to justify old AID programs under new packaging. At this time AID was changing its loan policy from a specific project approach to a sectorial approach. The Urban and Regional Sectorial Credit permitted USAID to continue with some of its specific projects such as loans to industry, under new packaging.

Steve Weissman

Weissman, an expert on urban planning, was an AID employee in Colombia during the period when the Sectorial Credit Loan was negotiated. Weissman affirms that he was hired and sent to Colombia in 1969 specifically to work on the Urban Sectorial Credit. He claims that the loan was drawn up by AID on the basis of the Regionalization Model documents of the National Planning Department.

Mendoza and Reveiz, the Colombians, made the first contact with AID concerning the possibility of the Urban Regional Loan. After this first contact the AID Mission did some research on its own in the different cities to see how the loan could function and its structure. This research was conducted in Cali, Medellín and Neiva among other cities. These areas were selected upon the suggestion of the Planning Department.

The idea to use the Financial Fund for Industry as one of the administrators of the loan came from the Planning Department. However, it was the idea of USAID to utilize the Financial Fund for Urban Development as the urban administrator. AID also suggested that the loans be applied and used in those projects that recovered the funds through valorization. He is not sure who suggested the use of ICT, since at the moment this occurred, AID was trying to get out of housing and into supporting only experimental housing. Weissman affirms that basis for the Sectorial Credit was the fortification of the intermediate cities in the country. AID's source in designing the loan was the data on public financing from the Banco de la República. The idea of AID was not to take the money of their loans away from the big cities but to put in more money for other areas and eliminate the monetary bias against the middle-ranked cities.



The migration argument never had much weight in the design of the Sectorial Credit, says Weissman "as a practical matter the rural-urban migration was never important at all. As a matter of fact I never believed that the Sectorial Credit Loan would alter migration patterns in Colombia".

According to Weissman, the Regionalization Model was merely a first step in beginning consultations with the National Planning Department on the Sectorial Credit. He does not agree with the basic premises of the Regionalization Model, the utilization of investments in industry and services in middle ranked cities in order to create employment opportunities and redirect migration away from the larger cities. Furthermore, he affirms that the data used in designing the credit was monetary data of the Bank of the Republic, and had little to do with the Regionalization Model. Weissman cites a number of direct policy inputs of AID with design of the loan.

#### Alan Cohen

Cohen, an economist, replaced Weissman in Colombia. When he came to AID-Colombia his first task was to monitor the first Sectorial Credit study the capital markets in Colombia, and check that FFDU was distributing the funds as stipulated in the contract with AID.\*

---

\*

Both the contracts of AID for the urban sectorial loans to the Colombian government included a clause that the urban loan be evaluated. AID felt the need for this evaluation given the rather novel character of the loan and the utilization of the middle ranked cities as recipients of the funds.

Cohen sees the justification of the loan set forth by the Colombian government as a macro-level social investment rather than as sound economic policy. The Colombian government at this time, according to Cohen, appeared "more willing to spend money for social causes and the Urban Sectorial Credit was a good excuse for AID to get in on the act".

Cohen affirms the loan was "sold" at the Washington Office of AID because it "sounded like a good idea". However, he personally tends to agree more with Mr. Currie, the advisor to the National Planning Office under Roberto Arenas, that it is better business to promote the big cities, these being a sounder investment given economies of scale. At the time of the credit, USAID saw the middle ranked cities as a sort of countervailing, more democratic power in relation to the larger urban centers. "That's why it sounded like a good idea", Cohen concludes.

The issue of rural urban migration in the Credit was, according to Cohen, a myth that was hardly even mentioned in the second Credit. He finds it hard to believe that a Credit of this kind could in any way stop or modify rural urban migration.

In regard to the evaluation of the Credit Cohen claims that the FFDU had a terrible time starting the implementation of the loan. AID had to find out where the problems were, and for this reason talked to private bankers in Cali, Medellín and Cúcuta, and to the Valorization and ICT Offices in Medellín.

Cohen appears to affirm that the main reason behind the Sectorial Credit was that at this time the Colombian government appeared to be more willing to spend money for social causes and the Urban Sectorial Credit was a good way for AID to get "in the act". At the time of the credit USAID saw the middle ranked cities as a

countervailing economic and political power. The research used by the Colombians of the DNP, Perroux, development poles and spheres of influence, etc., had little to do with AID policy motivation. It appears that many of the sources of information of USAID came from the Colombian private sector.

#### INDIVIDUALS INVOLVED IN PERIPHERAL AREAS OF THE CREDIT DECISION

##### Leonel Torres

Torres was a member of the Monetary Council in 1970. He remembers very little about the actual decisions that went into the Urban and Regional Sectorial Credit Loan. He recalls that a good climate existed in regard to AID mainly as a product of AID employee Marvin Weissman, whose diplomatic capabilities, personality, and permanent contact with the national economic team at the time made the AID measures well accepted.

##### Germán Rocha

Rocha was employed in the National Planning Department when the Model was elaborated and the Credit negotiation. He affirms that the Sectorial Credit was overtly a policy to put into effect the theory of development poles. However, this was simply a technocratic justification for the demands of the international funding sources. The main purpose of the Sectorial Credit was political.

##### Hernando Gómez Otálora

Gómez Otálora was the Minister of Development during the first years of the Lleras administration. In this post he participated in the

meetings of CONPES (Council of Economic and Social Policy) with the President, other ministers, and the director of the Planning Department. During the period under analysis Gómez recalls that the policy considerations discussed and implemented in CONPES in regard to urban and regional development were the application of resources for urban-regional development and the contribution of non-inflationary resources for urban development from the Bank of the Republic.

As a result of the scarcity of financial resources for urban and regional development programs, Gómez Oñalora established contact with Marvin Weissman of USAID and suggested that the Colombian programs of urban development be financed with AID funds. National capital was not available due to the high level of internal interest rates for loans set by the monetary council.

In regard to the influence of research on this aspect of the Sectorial Credit, Gómez affirms that the tendency in financial policy was to bend to local pressures rather than to work for a policy of rational resource allocation. This was particularly the case in the distribution of energy resources and investments. In short, the real pressure on the CONPES came from regional political forces.

According to Gómez, who speaks mainly of the monetary policy of the Sectorial Credit, the initiative of the loan came from the Monetary Board based on the need for additional funds for urban and regional development with lower interest rates. Their interest in regard to the form and distribution of the loan seems to have coincided with that of AID in that these go towards the pavement of roads financed through valorization. Gómez sees research as playing a slight role in the actual distribution of these funds as this was more a question of regional political interests than that of planning.

Francisco Ortega

Ortega was an advisor of the Monetary Council who had the most contact with the Sectorial Credit. Ortega had a general notion of the Regionalization Model and feels that this had little effect in the monetary policy of the government.

In regard to the selection of the implementing organism of the Sectorial Credit, Ortega claims that the Bank of the Republic was not chosen, upon the suggestion of AID, given the difficulties of the Bank in recovering payment on direct loans. The municipalities are not particularly concerned with repaying a loan that is made to them by a government institution. The idea of AID was to utilize private banks which have better control mechanisms for recovering loans to the municipalities.

The main point of the observation of Ortega was the role of AID in channeling the sectorial loan through private instead of State banks for the recovering of the funds. In regard to the role of research Ortega affirms that in the case of the loan the Model was not applied for the monetary aspects, and that the negotiation for the terms of the loan were not based on research.

Benllini Galindo

Galindo was connected with the implementation stage of the Sectorial Credit as director of the Financial Funds (FFDU FFI). He was also involved in the negotiations with AID prior to the signing of the contract.

Galindo has a rather general notion of the Regionalization Model as a mechanism to decentralize urban areas by directing rural migration

to middle ranked cities. Each of the financial funds had a problem in respect to carrying out this objective. For example, the financial Fund for Industrial Development utilized the credit funds to make loans available to new industries and to fortify existing industries in middle ranked cities. This was accomplished by augmenting the discount rate on the loans given by commercial banks to these industries. The traditional discount rate of 65% was raised to 80% for the case of industries located in these cities, with the hope that this would increase credit given by commercial banks in these regions. The Department of Credit directed by Galindo considered this to be a difficult mechanism for the distribution of the credit. Nonetheless, it had been selected by AID.

In spite of the incentives for industrial credit in the middle-ranked cities, the ratio between credit located in the large urban areas and that located in the middle-ranked cities changed only slightly with the new discount rate, from 80% in the large areas and 20% in the other regions to 70% in the large urban areas and 30% in the other. The real beneficiaries of this system according to Galindo, were the middle men, the commercial banks. A similar situation existed for the Financial Fund for Urban Development where the discount rates were also altered to favor loans to the middle-ranked cities. The ratio in the case of this fund was less skewed in favor of the large cities. However, the real beneficiaries continued to be the commercial banks.

In short, according to Galindo, in spite of the fact that the loan was based on the Regionalization Model, due to the operational set up of the financial funds through which the loan was channeled, the objectives suggested by the Model were not achieved. On the contrary, the real beneficiaries of the Credit were the commercial banks who acted as the distributors of the loans.

Luis Palau Rivas

One of the stages in the implementation process of the USAID loan concerned the approval and application of this within the legal quotas for external credit. This is processed through the National Office of Public Credit of the Ministry of Finance. At the time when the Sectorial Credit was processed this office was directed by Palau.

Palau's knowledge of the Model is quite scanty. He believed that its main objective was to achieve a regional balance in the country and that this was also the motive behind the Urban Regional Sectorial Credit. He claims that the research used in this loan came from the National Planning Department and the World Bank.

Palau remembers that the loan was approved with little resistance in the Interparliamentary Commission of Public Credit in spite of it being U.S. originated. The loan was approved because it was not a "tied" loan and given the fact that it would be distributed regionally.

Palau makes the connection between the Regionalization Model and the Sectorial Credit, and identifies the World Bank as a source of research. He affirms that the loan passed Congress mainly due to its regional applicability.

Fernando Pacheco Osorio

Pacheco as an employee of the Ministry of Finance participated in the legal processes of the Sectorial Credit within the Interparliamentary Commission of External Credit.

Pacheco affirms that he first learned of the Regionalization Model in his dealing with the Sectorial Credit. He believes that before the

Colombian Model there were a number of studies carried out in the United States on the concentration of the population in a few cities, and related policies. Pacheco does not remember exactly where these studies were done, he thinks it was at Princeton University.

It was on the basis of these studies that USAID decided to apply policies designed to avoid the concentration of the population in only a few cities. After studies in various other countries of the region, they identified Colombia as a country of cities, in addition to being the country with the most appropriate institutional structure to execute a program of regional development with a Sectorial Credit Loan.

The Credit was approved by the Interparliamentary Commission of External Credit, after the loan had been presented by the Minister of Finance, Rodrigo Llorente, and the head of budget coordination of the National Planning Department, Rafael Mariño. The Credit was accepted by the Congress due to its regional applicability.

According to Pacheco, there was quite a bit of research which went into the Sectorial Credit, the least of which was the Regionalization Model of the National Planning Department. The rest were studies which had been conducted in U.S. Universities or in other Latin American Countries by USAID. The loan passed Congress due to its potential regional benefit.



INITIAL IMPLEMENTORS OF THE CREDIT

José Vicente Mogollón

Mogollón was the general secretary of the Ministry of Public Works between 1967 and 1969 when the Regionalization Model was elaborated. This is the Ministry in charge of the construction of all public works and highways. In spite of the connection and the eventual utilization of the credit funds for urban highways, Mogollón affirms that he had no knowledge of the Regionalization Model or other studies of the Planning Department during this period. He explains that the main operating criteria of the Ministry during the period was the profitability of the investments.

One of the potential principal implementors of the Model and the Sectorial Credit had no knowledge of either, yet he operated in the Ministry under criteria very similar to those eventually imposed on the Sectorial Credit, the profitability of the loans.

Rafael Paredes Infante

Paredes was the Executive Director of INSFOPAL (Municipal Development Institute), an organization which administered a sizable portion of the second Sectorial Credit. He had no knowledge of the Regionalization Model. The funds assigned to his institutions were not allocated within a regional development strategy. AID itself seemed to have no knowledge of what these funds were designated for, claims Paredes.

No meetings were held with AID, and the government set no criteria or policies in regard to the funds INSFOPAL was assigned from the Sectorial Credit. He never met with the credit negotiation.

In short, one of the principal implementors of the loan had no contact at all with the research or planning processes behind these. He claims that in Colombia planning utilizes very little research in addition to the fact that the plans are not disseminated nor are the results of the plans evaluated. Each administration acts under its own criteria.

Virgilio Barco V.

Barco was the mayor of Bogotá between 1966 and 1969 when the Model was elaborated. This Model directly concerned Bogotá, the capital and biggest city of the country, and the city which registers one of the highest rates of rural-urban migrations.

Barco claims that he had no knowledge of the Model during the period of his administration, nor was he consulted nor did he participate in the elaboration of the Model or the Credit. He attributes this to an absolute lack of coordination within the planning process of the Public sector.

In contradiction with the basic policies suggested by the Regionalization Model, Barco affirms that as mayor he believed that the city of Bogotá should remain a central power given the economic and political needs of the city as the capital of Colombia.

Barco comments on the Sectorial Credit on a general level to the effect that the funds from foreign agencies and banks are quite insignificant in comparison with private savings and commercial funds available, and that actually these loans have little effect on the budget for urban and regional development.

In regard to his utilization of research as mayor of Bogotá, Barco claims that there was no time to utilize research nor was there time

to commission the necessary studies. Barco points out that one of the many problems in the use of research in the policy process is the timing of the research results. These always reach the policy maker too late. In addition, Colombia does not have reliable sources of data and statistics on which policy decisions can be based.

One of the main potential actors in the Regionalization Model during the Lleras administration had never heard of it, much less had he participated in the negotiations or design of the Sectorial Credit.

### Marino Rengifo

Marino Rengifo was the mayor of Cali, during the administration of President Lleras (1966-1970). He later became the governor of Valle under President Pastrana.

As mayor and later governor, Rengifo succeeded in channeling almost one third of the Sectorial Credit for Urban and Regional Development for Cali and the surrounding Valley of Cauca.

As mayor, Rengifo had brought Lleras to Valle to observe the 1968 Development plan of Cali. He set up a dynamic planning office and with the assistance of Mendoza formerly from the National Planning Department, he presented a request, for over 100 million pesos, one third of the Sectorial Credit for Urban and Regional Development, which was subsequently allocated.

When asked about his utilization of reference material and his knowledge of the Credit and the Model, he claims that his knowledge was mostly achieved during his experience in Bogotá as Senator and his contacts with the National Planning Department in the persons of Mendoza and Reveiz. The Planning Office set up in Valle was on a

level similar professionally to the National Planning Department and for this reason Cali was able to successfully apply for the loan.

Bernardo Garcés

Garcés, also from Cali was another credit "implementor". Garcés had been Minister of Public Works during the Lleras administration. During the presidency of Dr. Pastrana he set up a foundation in Cali dedicated to industrial development. Garcés had no knowledge of the Regionalization Model and doubts that the Sectorial Credit was based on research.

Given his political contacts in Bogotá, Garcés knew the director of AID in Bogotá. This director gave Garcés the documents of the Sectorial Credit. The personnel in AID during the administration of President Pastrana were the same as they had been under President Lleras. For this reason Garcés had easy access to them. The members of AID suggested he use the credit. Garcés was then able to deal directly with the National Planning Office and negotiate funds for the Cali organization, a non profit foundation dedicated to attract industry to Valle and improve the image of Cali for investment.

In regard to the utilization of research, Garcés feels that little is employed in the government, although he mentions the team from Harvard which worked on a transportation model in the National Planning Office when he was Minister. However, this was of little use due to its lack relevance to national conditions.

In closing, Garcés claims that one of the problems is that the government takes into account too little of the research which is carried out in the private sector.

Rodrigo Gutiérrez

Gutiérrez, an influential member of the private sector and finance community, together with other representatives of the private sector, formed part of an advisory committee for President Pastrana which was essentially concerned with the UPAC, the constant value building bonds, and later with the cities within the city program. At this time the Regionalization Model and the Sectorial Credit according to Gutiérrez were "out of style".

Gutiérrez feels that the Sectorial Credit loan from AID was undertaken by the Colombian government in spite of contradictions with the national policy because they were "cheap" funds. The program was not important in the face of the extreme economic needs of all sectors of the country. According to Gutiérrez, President Pastrana was eager to distribute these funds in the fastest and most politically expedient fashion, in a manner which had little relation with the aims of the Regionalization Model.

In his own activities with the President, Gutiérrez states that the principal sources of research were the studies of Lauchlin Currie and those of the liberal political group, Integration. On a more general level, Gutiérrez considers that very little research is used in the process of policy formulation and that political decisions are taken almost on intuition. The scant research used is employed to justify or prove hypotheses involving decisions that have already been adopted. This research is carried out by those individuals in favor of the policy. On the other hand, Gutiérrez affirms that much research from the private sector is employed in public policy making.

Gutiérrez, an influential member of the private sector, reports an utilization of research which is almost entirely dependent on the policy making process. In addition, he attributes a direct political motivation

to the utilization of the Sectorial Credit by President Pastrana. His interview makes quite clear the discontinuity of the territorial distribution policy of the various Colombian administrations.

#### IV.- RESULTS

This study attempts to gauge the influence of scientific research on the policy making process that affects the territorial distribution of the population in Colombia. This is done from the point of view of an specific policy instance -- the Urban and Regional Sectorial Credit Loan granted to the Colombian Government by USAID.

According to the objectives of the loan, this was one of the few instances when the Colombian Government attempted to directly legislate and influence the territorial distribution of the population.

Objectives: The Government of Colombia intends, with support from this loan, to undertake a regional and urban development program to achieve the following objectives:

- 1.- Divert some rural migration from the major to intermediate cities, (30,000 - 350,000 population);
- 2.- Promote economic growth of intermediate cities;
- 3.- Improve basic infrastructure services to low income areas in four major cities and for all income areas in other cities, and;
- 4.- Improve local planning and public administration.

A great deal of the negotiations for this loan of over 100 million dollars, was based on a planning and research instrument known as the Regionalization Model which was elaborated in the National Planning Department. For this reason, although the model does not represent policy in that: (1) the National Planning Department alone does not make policy, and (2) the model had no major implementing instruments, it is included in this analysis of research and policy making as part of the Sectorial Credit.

The communication or dissemination factors involved in the relationship between research and policy form part of this study, given that in order for any influence to occur, information from research must reach the policy maker. The dissemination of research results is necessarily the first step in influencing policy makers. However, it is not sufficient. This study examines the influence of research on policy makers, and how this influence eventually affects the policy making process as a whole. Therefore, all three processes are examined: (1) the dissemination of the results of research; (2) the influence of the results of research on the decisions of the policy makers, and (3) the effect of these influenced decisions on the policy making process as a whole.

The following reviews the overall information provided in the interviews in regard to these three questions: (1) How does research reach the policy maker? (2) Does this research affect the policy maker once it reaches him? and (3) How does what he does under the influence of research affect the formulation of policy? In order to answer the last question, it was necessary to place the influence of research on the policy making process in a relative position in regard to other pressures on the policy formulation process.

The final section of the report attempts to reach a number of conclusions about this relationship in the context of policy that affects the territorial distribution of the population in a country with the characteristics of Colombia.

(1) How does research reach the policy maker?

The manners in which research results reached the Colombian policy maker appear to fall into a limited number of categories, and vary according to the level and activity of the individual interviewed. In addition, for this specific case study, there are two distinctly different types of research involved. The



first is that which attempts to apply globalizing and explanatory concepts to different situation, i.e. theoretical and model building research; and second, that research which is basically concerned with descriptive, empirical data on different aspects of the national reality.

The first type of conceptual or model building research, in the vast majority of the cases, reached the Colombian policy maker through his own graduate studies abroad, or that of his employees or colleagues. This is the case reported in the interviews with Julio Mendoza, Head of the Unit of Urban and Regional Development, his employees: Germán Bravo, Jaime Cepeda, Fernando Isaza, and Jaime Angel; and Guillermo Mojica, Head of the Unit of Human Resources of the Planning Department. The identification of graduate studies abroad as a source of type I research is coupled in some cases with the identification of foreign advisors and researchers as additional sources of this sort of research. This is the case of Jaime Cepeda, and Guillermo Mojica. Only one individual, Julio Mendoza, mentioned international conferences and experiences in other countries as a source of research of this model or conceptual type.

In the specific policy making process under examination, these foreign models and concepts were those of the Franco-Belgian school of Urban and Regional Development, that included the theories of Perroux and Beuaville, such as development poles, etc. The instruments of analysis that accompanied these were the formulas of Fisher, and Reilly presented in the book of Walter Isard(1). The individual who identified graduate studies abroad as the way by which research reached policy makers was for the most part a non-political professional working at a technical level within the planning process.

---

(1) Walter Isard, Methods of Regional Analysis.

Cano Motta, Secretary of the National Planning Department, presents a variation of this type of research transfer. The foreign models he reports concern the nature of the planning process itself, and not merely urban and regional planning. He identifies foreign consultants and advisory missions from foreign foundations and banks as those responsible for the new orientation in the Colombian planning process undertaken during the government of President Carlos Lleras. This new orientation was relevant to the Sectorial Credit for Urban and Regional Development in that it established the administrative basis in order for this to occur in the Planning Department.

Another twist in the relationship, between study abroad and national research is presented by the Head of the Unit of Industrial Development, Antonio Urdinola and Minister Antonio Alvarez Restrepo. Although both agree that study abroad is the principal manner of importing research, nevertheless, they feel that this is not accidental. Urdinola affirms that the Head of the Planning Department hired his professional team because of their identification with a certain school of thought, while Alvarez Restrepo feels that the Head of the National Planning Department himself was hired by President Lleras because he had worked with this school. In both cases the school referred to is the Franco-Belgian school of urban and Regional Development.

Alvarez Restrepo himself claims to be an extensive reader of research from abroad and of experiences in other countries. Rodrigo Escobar also relates research to study abroad, in this case his own study.

The second type research, empirical descriptive data about the national situation, appears in this specific case to have been actively sought by the planning process after the foreign models had been adopted. In other words, with this type of

research the question of dissemination is secondary. The individuals who were most closely involved in this type of data collection and model filling, Germán Bravo and Fernando Isaza were employees of the National Planning Department, quite well acquainted with the great majority of the research that has been undertaken in the country and even in the region.

Among those interviewed there are three exceptions to this general pattern. All three are of a higher political position. Jorge Ruiz Lara, who was director of the National Planning Department during the transition period between Edgar Gutiérrez and Roberto Arenas, feels that very little research effectively reaches the Colombian policy maker with the exception of monetary studies and especially that research which concerns inflation. This point was also mentioned by Antonio Urdinola and Leonel Torres of the Monetary Council, who demonstrated the particularly efficient dissemination of monetary research in the Colombian policy making process.

President Pastrana during his administration reports to have received the results of research mainly through contacts with his staff and other members of his government. Roberto Arenas, who replaced Ruiz Lara as Head of the National Planning Department, and later became Pastrana's Minister of Government, identifies his own sources of research as two foreign experts with extensive work in Colombia, Lauchlin Currie and Albert Berry. However, in regard to the policy decision under study he identifies no specific study.

For type 1 research - conceptual models - study abroad and contact with foreign advisors and researchers appears to be by far the most important dissemination method. In addition, this appears to have a certain continuity to the degree that those who studied abroad actively maintain contact with their field. There is some question as to whether the individual is chosen because of this specific research background or if this back-

ground is let into the policy making process inadvertently.

Type II empirical research is actively sought by the policy making process once models have been accepted. There were no problems mentioned in the interviews of inaccessibility, language, scarcity of copies, etc. of this type of data. However, observations were made as to its lack of reliability.

Those few individuals interviewed of more political than technical positions appear much less confident and more cynical of research sources in the policy making process and of their application.

In regard to the initial hypotheses for the dissemination study suggested by the initial design elaborated by the Development Centre (2) and reported in the introduction, the following can be observed:

1. Indeed there are synthesizing and filtering methods for research within the policy making process; basically in the case of conceptual research, these are constituted by the location of graduate training and the selection of professionals with graduate training of different schools.
2. Different types of research require different methods of dissemination, as they are directed towards different audiences. Here the most important differences observed are between the technician and the politician (although the difference between these two is not always so clear), and between conceptual research and empirical data collection.
3. Dissemination methods demonstrate different degrees of efficiency in reaching those to whom they are directed. In this case study there are studies which were more successfully disseminated than others. However, the acceptance of a certain conceptual position or type of research, will

---

(2) Robert Batscha, "Evaluation of Dissemination", OECD, Development Centre, January 1976, p. 17.

not apparently be achieved solely through a better dissemination method. On the other hand, in regard to type II information, any manner in which dissemination efficiently is improved will generally make it more accessible and therefore increase utilization.

4. Those studies which have had the active participation of the utilizer and the sponsor will be disseminated more efficiently. This seems to be the case of the graduate training abroad of Colombian professionals. They returned to their country to apply research models to Colombian data and introduce these studies as research components in the Colombian policy making process.
5. When the study is translated into a local language, the area of distribution is wider and the decision maker can be better acquainted with the content. There is no evidence to support this statement in the case study. On the contrary, those studies cited with the highest frequency are written either in French or English. This might be the case in a national university, however, it does not appear to be so within the process of policy formulation.
6. There is a relatively greater success of dissemination of comprehensive, interdisciplinary research. Given the characteristics of the case study, it is difficult to gauge relative success. However, those studies mentioned in the interviews, by definition are of a comprehensive and interdisciplinary nature.

(2) Does research affect the Policy Maker when it reaches him?

This second query addresses the influence of those studies reported as having reached the Colombian policy maker, on the Sectorial Credit Loan. References to the Regionalization Model are included.

Almost unanimously, those interviewed concurred in the fact that the research mentioned in the first question, i.e. the Franco-Belgian models of Urban and Regional Development, the theories of Perroux and others, and the theoretical approach of development poles, led to the elaboration of the Model of Regionalization. This affirmation was made in one form or another by Augusto Cano Motta, Antonio Urdinola, Germán Bravo, Jaime Cepeda, Fernando Isaza, Jaime Angel and Guillermo Mojica all of the National Planning Department and also ex-Minister Antonio Alvarez Restrepo.

The same three individuals who differed with the majority on Question 1 - How does research reach the policy maker? - also dissented on Question 2. These are Jorge Ruiz Lara ex-Head of the National Planning Department, President Pastrana and Roberto Arenas also ex-Head of the National Planning Department.

Ruiz Lara feels that there was little effect of research on the particular case of policy making under examination, or for that matter on policy making in general in Colombia, except when this research provides basic, descriptive or technical data for policy makers. President Pastrana affirms that research exists in the country, but that this is not employed due to inefficiencies in the management of the data and a lack of coordination of research institutions with the real needs of the government. For example, he observes that at present no long range policy research is being carried out in the country.

Roberto Arenas claims that the research of Lauchlin Currie and Albert Berry, advisors to him as Head of the National Planning Department, did indeed affect him in his policy decisions in the Department subsequent to the negotiation of the Model and the Sectorial Credit. On the other hand, he feels that no

research was behind the Regionalization Model or the Sectorial Credit. Rather, he explains, these were based on the obvious problems of lack of regional balance in employment and credit opportunities.

It is apparent that these three statesmen are speaking on a different level than the bulk of the professionals who agreed that research did affect the policy maker. They are referring to the real influence of research on policy and not just the influence of research on planning, as in effect was the case of the Regionalization Model. With the exception of that policy enacted under the advise of Drs. Berry and Currie in the case of Roberto Arenas, they feel that research is not providing the input the policy making process needs. This point becomes more evident in the following discussion of the third question - How does what happened under the influence of research affect policy? - .

(3) How do the decisions taken under the influence of research affect policy?

On the basis of the information provided in questions 1 and 2, it is possible to affirm that in the policy making process under examination, research did indeed reach the Colombian policy maker. In addition, he was affected by this research to the extent that a model of an specific theoretical school of urban and regional development was elaborated using secondary data from national sources. The question here is if these series of decisions involved in the diagnosis and policy suggestions of the model affected the Colombian policy making process, and more generally, did this policy affect the territorial distribution of the population?

The first group of interviews definitely links the Regionalization Model to the design and formulation of the Sectorial Credit Loan. Those included in this group are Julio Mendoza, Jaime Cepeda, Jaime Angel and Guillermo Mojica of the National Planning

Department, and President Pastrana. Nonetheless, though each of these individuals attributes the Sectorial Credit to the Regionalization Model, they perceive quite the policy outcomes and utilization for the Credit as quite different from those set forth in the Model. In other words, the Credit was justified initially on the Model but the final outcome of the Credit diverged from the concepts and policy recommendations of the Model, thereby invalidating the linear relationship: research affects the decision maker - the decision maker affects policy.

Julio Mendoza who had been the Head of the Unit of Urban and Regional Development feels that the Sectorial Credit was based on the Regionalization Model. However with the change in administration, the Sectorial Credit was applied in programs different from those suggested in the Model, in effect tending to produce the opposite results.

The Model also served as a "back-up" to the offer of USAID, to finance the Urban and Regional Sectorial Credit. Angel, a technician in the Unit of Urban and Regional Development affirms that the policies derived from the Modelo de Regionalización were put into effect directly in the Ministries and the Decentralized Institutions due to the influence the National Planning Department had at this time. According to Angel it was for this reason, that USAID used the Modelo de Regionalización to justify the Sectorial Credit. However, Angel continues, the interest of AID was not principally to implement the policies suggested in the Model. AID wanted to experiment in Colombia with this type of loan for subsequent application in other countries. In regard to the Colombian loan, Angel feels there was an additional political motivation on the part of AID which was to reactivate the regional economies and counterbalance the regional discontent apparent in the 1970 presidential elections. The third objective of AID, which



resulted in a considerable divergence from the original policies suggested in the model, was AID's insistence that the loan be channeled through private banks and repaid through valorization. For this reason, Angel feels, the majority of the Credit funds went for paving roads, which was quite a minimal part of the Regionalization Model. In synthesis, according to Angel, the Regionalization Model was more a starting point for discussion than the groundwork for the foundation and implementation of the loan.

President Pastrana also feels that the Sectorial Credit was based on the Regionalization Model. In fact, he affirms that the National Planning Department had to convince USAID to make this type of innovative loan to the Colombian Government.

Guillermo Mojica of the National Planning Department, states that the Sectorial Credit was initially justified on the basis of the Modelo de Regionalización. However the final intention and effects of this Credit were quite different from those stated in the Model. In the first place, the regional planning orientation imposed by both the Modelo de Regionalización and the Sectorial Credit, according to Mojica was designed to diminish the power of the urban sectors and augment the power of the central government in an effort to concentrate greater political power in the executive branch in the face of rising regional political opposition. Mojica, also feels that USAID utilized the Model to justify a loan which in fact had little relation to the objectives of this.

Among those interviewed who perceive no real relationship between the Modelo de Regionalización and the Sectorial Credit are Augusto Cano Motta, former Head of the National Planning Department, who feels that although the model was used to establish certain guidelines within the Planning Department

to justify sectorial investment, it functioned quite independently from the Sectorial Credit. He considers the loan to be more a product of the personal interests of the members of AID in Colombia during that period, than of the Model itself.

Fernando Isaza, who worked on many technical aspects of the Model within the National Planning Department, sees little effect of research in general or of the Regionalization Model, on the Sectorial Credit. This Credit, he claims, would have occurred with or without the Regionalization Model, as the Rockefeller mission brought to the country in 1968, by USAID, had already recommended the need to pay more attention to urban problems. However, the Model did facilitate the negotiation with USAID, in spite of the independently-formulated loan policy of the US Government.

Jorge Ruiz Lara, former Head of the National Planning Department asserts that the Regionalization Model had little effect on policy making and was definitely not the determinant of the Sectorial Credit. These determinantes were basically political and monetary, on the basis of the decision of the Government to plan the budget more centrally after the inflation of 1964-65. This central planning was to be carried out by placing sources of working seed capital in the regions that could be recovered through valorization, using non-inflationary funds. In addition, he explains, the Model itself was difficult to implement as policy given its rather vague macro-level diagnosis and lack of concrete policy alternatives and instruments.

Rodrigo Escobar claims that it was difficult for the Government to put into effect the policy suggestions of the Model due to the break in the continuity of the Planning Department under President Pastrana with the resignation of Ruiz Lara. In addition, he cites the desire of President Pastrana to distribute the Sectorial Credit funds more directly among small and inter-

mediate size cities for immediate partisan political purposes. Roberto Arenas concurs that the Sectorial Credit was basically due to political motivation rather than to the Model.

A number of the peripheral interviews back up the positions described above. For example, Hernando Gómez Otalora, ex - Minister of Development under Lleras and Leonel Torres, advisor to the Monetary Board, concur with Jorge Ruiz Lara that the motivation behind the Sectorial Credit was essentially monetary rather than attributing this to the Model of Regionalization. Germán Rocha, technician in the National Planning Department and Rodrigo Gutiérrez, Private Sector, back-up those who state that under President Pastrana the funds from the loan were distributed more for political ends than for those suggested in the model. Francisco Ortega, advisor to the Monetary Board, and Bellini Galindo, Director of the Financial Funds, add further testimony to that of Jaime Angel regarding the interest of USAID to channel these funds through the financial sector and recover them through valorization, in effect distorting the objectives of the Model.

Luis Palau Rivas, Director of Public Credit and Fernando Pacheco Osorio his assistant, add a new dimension to the partisan political role of the credit in their explanations of how the loan was passed by Congress not because of the Model but due to its potential political application.

The three interviews with the staff of USAID throw further light on the real motivation of that agency in regard to the loan. Brown, the Washington loan officer, suggests that the loan was used to justify old programs under new packaging during a transition period in AID loan making policy from specific projects to a sectorial orientation. The Sectorial Credit permitted AID to continue with loans to private industry under new packaging. There was little mention made of the Regionalization Model by the AID staff.

The two field officers, Weissman and Cohen, former AID employees in Colombia, present a rather different picture of the loan than that of their Colombian counterparts. Weissman affirms that although the loan was based on the Regionalization Model the reorientation of migration, the backbone of the Model was never a serious consideration. He confirms that it was upon the suggestion of AID that the funds were channeled through the private financial sector, and recovered through valorization. The principal purpose of the loan, according to Weissman, was to eliminate the monetary bias against the middle ranked cities. Most of the information sources he used were from the private sector in Colombia.

Alan Cohen, identified the USAID motivation behind the sectorial credit as the fact that at this time "The Colombian Government appeared to be more willing to spend money on social causes and the loan was a good excuse for AID to get in on the act". The loan to the intermediate cities was justified on the fact that these were a democratic countervailing power to the larger urban centers. However, economically, Cohen states, he agrees with Lauchlin Currie that the large cities are a better investment due to economies of scale. Cohen reiterates the position of Weissman that migration never played an important role in the Credit. In effect, migration was a "myth" which never entered into the second credit. Cohen also identifies the information sources he used as basically, from the Colombian private sector.

#### Implementation of the Credit

Selected interviews were carried out with potential or real implementors of the Sectorial Credit in order to verify to what degree the implementation corresponded with the initial aims of the Modelo de Regionalización or the Credit. Two of the main executive officers of the Lleras and Pastrana adminis -

tration, Mogollón, Secretary of the Ministry of Public Works and Paredes Infante, Director of INSFOPAL, had no knowledge at all of the Model or of the Credit. Virgilio Barco, who as Mayor of Bogotá, was potentially affected by the Model, had no knowledge or connection with either the Model or with the Credit and in effect held contradictory positions to those of the Model in regard to the centralization of power in Bogotá.

Marino Rengifo, Senator and Mayor of Cali, and Bernardo Garcés, Ministry of Public Works, both from the Lleras Administration were in the Pastrana administration tremendously successful in channeling funds from the credits to the Region of Cauca Valley, where they were from; Rengifo as Governor and Garcés as Director of one of the private institutions allocated grant-aid from the Credit; One through contacts with leaders of the formulation of the Model and the other through his acquaintance with the members of the AID office in Bogotá while he was a member of President Lleras' cabinet.

## V. CLOSING COMMENTS

Among other individuals interviewed in the CCRP Case Study were the following five, who are important given their experience in the area of study, in spite of the fact that they had no direct role in the specific policy making process under examination.

Efraim Otero directs the Colombian Institute concerned with Science and Technology, and the National Technical Information System. In regard to the utilization of research in the Colombian policy making process, he states that one of the principal limiting factors is the absence of a national information system to disseminate the results of national and foreign research. In addition, he feels that there is a need for research which evaluates the role of technical assistance which comes into the country. In general, he concludes, a divorce exists between the policy making community and the scientific community.

Dr. Ernesto Guhl is a geographer who has conducted extensive work on the geographic regions of Colombia, in fact he has elaborated a regionalization of the country. He feels that in spite of his work he had no contact with the Regionalization Model or with the Sectorial Credit. Guhl considers that there is little use of research or evaluation in the Colombian policy making process. In addition, he points out an undue fixation on foreign research institutions and parameters among the Colombian "elitist" oriented scientific community.

When the Sectorial Credit was being implemented, the United Nations made a donation to the District of Bogotá in order to carry out an Urban Development Plan. Jonathan Smulian of the firm Llywelyn and Davis, was the director of a group of experts who developed this plan under the direction of a steering committee of Colombian planners and politicians. Smulian had little knowledge of the Regionalization Model or the Sectorial Credit. He affirms that in informal conversations with members of the Government he was told that no regional policy existed that could influence the growth tendencies of Bogotá. In the Steering Committee he was always told by Professor Lauchlin Currie that he should ignore the plan of the middle-ranked cities, i.e. the Regionalization Model.

Germán Samper, an architect, President of the Inter-american Planning Society, with long experience in planning, worked with President Pastrana during his campaign. One of the topics discussed was that of the middle-ranked cities. That was the last Samper heard of the Regionalization Model, in spite of the fact that he had been elected Council member for the City of Bogotá during the period 1970-1973. This City Council is basically political and had little contact or coordination with the District Planning Department or the National Planning Department.

Roberto Pineda has been the Director of the Centro Interamericano de Vivienda of the OAS in Bogotá, and is actually the Director of the Servicio de Información de Desarrollo Urbano. He has carried out extensive research on urban development and the territorial distribution of the population in Colombia. Pineda had no direct contact with the Regionalization Model or with the Sectorial Credit. He feels that these were in part a product of the political pressures put on the Government by the invasions of urban land that occurred in the 1960's. However, Pineda affirms that research did indeed have a role in the political decisions involving the spatial distribution of the population taken at this time. In particular, he cites the research conducted and conferences organized by Ramiro Cardona, and the research of the Colombian demographer Alvaro López Toro. In reference to the influence of research carried out abroad, Pineda mentions the studies of marginality conducted in Chile and Brazil, by Anthony Leeds.

Four of these five individuals present a number of the commonly voiced positions regarding the non-utilization of research in the planning and policy making process of an underdeveloped country. Efraim Otero attributes the divorce between the policy making and the scientific community to a lack of an efficient national information system. Guhl claims that this situation is a result of the elitist orientation of the Colombian scientific community which is out of touch with the real national problems, Samper sees a definitive break between politics and research, while Smulian reports an specific case of conflicting research

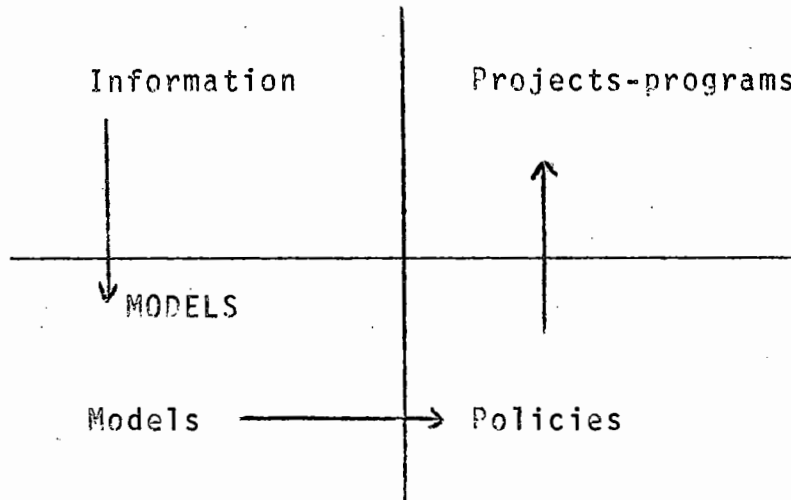
ideologies regarding the value of one particular research project. On the other hand Pineda holds a more optimistic view regarding the use of research in this and other instances of policy making in Colombia.

On the basis of the specific case of policy making that has been reviewed in this study it is possible to conclude that perhaps all the above positions are correct. Research is indeed reaching the Colombian policy maker with varying degrees of dissemination efficiency. There is a selection of information sources, especially in regard to different schools of research, however this appears to be quite intentional and cannot be blamed solely on the inefficient dissemination of other schools of research. In regard to an improved national information system, Otero is right. This could indeed operate more efficiently in order that the Colombian planner and policy maker utilize more reliable and complete data, including information from the private sector. The question is, as Guhl wonders, will further information bring the Colombian planner and policy maker closer to national problems or will it simply add more data to his imported model. Smulian observes an specific case when even imported models can conflict or contradict each other regarding policies in spite of information efficiency. Samper can be interpreted to be even more pessimistic in this sense. Perhaps the research planning and even the policy formulation could be improved, be made more efficient and relevant to national realities, but is this going to increase its role in politics. The power struggle which takes place and is continually manifest among the different interests that make up a society.



Towards a Formal Model of Policy Formulation

Further light is thrown on the different positions observed above with the following hypothetical process of policy formulation:



Information enters a process of policy formulation from many sources. This information is interpreted according to different models, or interpretations of how the many aspects of society function. These models may be drawn out and elaborated, as was the case of the Regionalization Model, or they may simply be personal "structuring devices". In the first case the formal model is represented in the graph by MODELS while the personal model is models.

And in line with certain definite interests, policies, or means to attain specific ends, for example, the decentralization of the population, are devised and applied in concrete programs and projects.

This process tends to function in the manner described above in centrally planned economies where, for example, the territorial distribution of the population is a policy objective which responds to the specific programs of various sectors and is conducted through planning.

What occurred in this specific Colombian case study? It has been seen that the first item that entered the Colombian planning and policy making process was not information but models brought from other situations and countries. Policies were suggested by these models. These policies were based on the belief that regional demographic and economic differences are not self-correcting and that a more rational or efficient distribution is the product of a concrete policy effort. One of the ways in which this policy can be achieved is by stimulating industrial development and providing services, in certain cities, thereby directing migration away from congested urban centers and leading to a more balanced and efficient economy.

This was the gist of the Regionalization Model. However the policies derived from, or justified on the basis of the model produced quite a different effect, or they simply did not produce any effect at all. Where did the breakdown occur in the Colombian policy making process?

The Regionalization Model was not the only model functioning in the Colombian policy making apparatus. A number of other models can be observed. AID was not so interested in migration as it was in recapitalizing and reducing political pressure on the intermediate cities through a loan which it would have a certain assurance of recovering. AID wanted to continue with the old program of financing industrial development and private industry, which was the outcome of the loan in addition to the pavement of roads. The Modelo de Regionalización was used to package the loan and the policies, but as the distribution and administration mechanisms of the loan were designed by AID the final effect was that which was desired.

Colombian members of the Monetary Board were interested in non-inflationary funds for overall urban development, they

had little concern for the redistribution of the Colombian population while on the other hand Colombian politicians were interested in the partisan political application of the funds.

These pressures, which can be understood as both external and internal factors that influenced the Colombian process of policy formulation can be summarized as follows.

The Model of Regionalization was produced during the height of the technification process of the National Planning Department, which was in great part caused by pressures from foreign foundations and agencies. The technification process also responded to various national pressures, (1) monetary -- inflation, (2) demographic growth of large urban centers and social unrest and related to this the growing gap in industrial investment and services between the major cities and areas, and (3) political - the increasing strength of the opposition party in the rural and marginal urban areas.

The model was essentially a descriptive mechanism which recorded the obvious fact of regional balance. It could be used to justify any of these three purposes -- political, monetary, or demographic. However, each pressure group selected its own policies, instead of those suggested in the Model, which were the utilization of development poles, and industrial decentralization. Almost all the interviews attributed the Model to research and recognized a causal relationship between the Model and the Credit. However all perceive a divorce between the Model and the policies that were eventually enacted on the basis of this.

What does this mean in regard to research? Research enters the process of policy formulation in a way in which the dissemination facets are rather secondary, depending on the type of research.

Once the research has entered the formal apparatus of planning, and policy formulation in a country, the use to which it is put becomes a function of the concrete social and economic phenomena and pressures occurring at that moment. The information from the research is utilized to the degree that the different groups of interest find it useful. For example, the information from the model was far more useful for the design of industrial development and monetary policy than for urban development.

Suggestions for more efficient use of research in the policy making process depend on the specific characteristics of the political process. Research disseminated and undertaken and financed in an specific country must be considered in this context.

URBAN REGIONAL SECTOR LOAN AGREEMENT

A P P E N D I X " A "

TABLE OF CONTENTS

	<u>Page</u>
I. Introduction . . . . .	1
A. Objectives . . . . .	1
B. Basic Principles . . . . .	1
C. Implementation of the Loan . . . . .	2
II. The Program . . . . .	5
A. Fondo Financiero de Desarrollo Urbano (FFDU) . . . . .	5
B. ICT "Barrios Jóvenes" Program . . . . .	8
C. FFI Program . . . . .	ñ0
D. ICFES Program . . . . .	ñ4
E. DNP Program . . . . .	16

URBAN REGIONAL SECTOR LOAN AGREEMENT

I. INTRODUCTION

A. Objectives

The Government of Colombia (GOC) intends, with support from this Loan, to undertake a regional and urban development program to achieve the following objectives:

- 1.- Divert some rural migrations from the major to intermediate cities (30,000-350,000 population),
- 2.- Promote economic growth in intermediate cities,
- 3.- Improve basic infrastructure services to low income areas in four major cities and for all income areas in other cities, and
- 4.- Improve local planning and public administration.

B. Basic Principles

Certain basic principles, set forth below, underlie the structure of the Program financed under this Loan. The establishment of criteria for approval of Loans and other assistance to local level entities under this Program, and the determination of policy issues that may arise in the course of implementation of the program shall be guided by the following principles:

- 1.- Funds for development activities will be channeled to any community or entity which meets established criteria.
- 2.- Funds will be made available only in response to local initiative and efforts.
- 3.- Existing institutions, or institutions for which prototypes now exist, rather than new and untested institutions, will be used as vehicles for implementation of the Program; and
- 4.- Efforts will focus on the elimination of artificial biases against intermediate cities.

In accordance with these concepts, Loan-assisted activities will, inter alia, provide funds through national level credit channels to capitalize local development institutions and/or respond to local determinations of the need for particular projects. With regard to the credit aspects of the program, the ultimate objective is to capitalize both national and local revolving funds to provide for eventual self-sustained financing in areas of key importance for urban growth. This is consistent with the GOC's overall program strategy of eliminating the artificial biases which now prevent realizing their development potential.

C. Implementation of the Loan

Subject to normal GOC procedures, the implementing Agency and each sub-implementing agency specified in Section

1.03 of the Loan Agreement shall have the authority to make upward or downward adjustments between the targeted amounts for each of the activities managed by it with which this Program is concerned, of not to exceed 10% of the total amount of commingled funds programmed for each activity. Adjustments of greater than 10% between the activities within the same Sub-implementing agency shall be subject to AID approval. Any adjustment of Loan funds between Sub-implementing agencies shall be subject to AID approval.

For purposes of implementation of the above adjustment provisions and, the Program in general, the activities of Sub-implementing agencies shall be considered as follows:

<u>Sub-implementing Agency</u>	<u>Activity</u>
1.- FFDU (all activities)	1.- (a) Credit operations for intermediate city valorization projects  (b) Grants-in-aid for municipal development institutes  (c) Other FFDU activities
2.- ICT (only the "barrios jóvenes" low income area program)	2.- (a) Fondo de Redes (b) Habilidadación de barrios (c) Desarrollo progresivo (d) soluciones mínimas



<u>Sub-implementing Agency</u>	<u>Activity</u>
3.- FFI (all activities)	3.- (a) Credit for labor intensive industry in intermediate cities  (b) Support for regional industrial development foundations  (c) Other FFI activities
4.- ICFES (only activities indicated)	4.- (a) ESAP short course training for public officials.  (b) Creation of university urban study centers.
5.- DNP (only activities of its Urban-Regional Development Unit)	5.- (a) Information and Publicity program.  (b) Promotional and technical assistance for the development of industrial promotion foundations.  (c) Promotional and technical assistance for the development of municipal development institutions.  (d) Loan administration

<u>Sub-implementing Agency</u>	<u>Activity</u>
	(e) Program related studies
	(f) Other Urban-Regional Development Unit Activities

The amount of pesos shown as Loan proceeds and designated for use by the implementing and Sub-implementing agencies are approximations only, and are subject both to the dollar limitations set forth in Section 1.02 of this Agreement and those provisions governing the rate of exchange contained in Section 7.02 hereof. Moreover, pesos scheduled for disbursement in a given calendar year pursuant to the provisions of this Annex may be disbursed in subsequent calendar years in accordance with the needs of the Program.

## II. THE PROGRAM

- A. Fondo Financiero de Desarrollo Urbano (FFDU)  
Financial Target - To increase capitalization of the FFDU from the current level of approximately 237 million pesos to approximately 600 million pesos through GOC and sector loan contributions of approximately 180 million pesos each, to be channeled through ICT acting as fiduciary.

It is intended that approximately 40 million pesos of the borrower's contribution will be made available in CY 1971 and approximately 140 million pesos in CY 1972.

Activity Target - The program to be carried out by the FFDU envisages expenditure from new capitalization and recuperation of existing portfolio during the disbursement period of this loan as follows:

	(Million of pesos)
Credit Operations for Intermediate City	
Valorization Projects	240
Grants-in-aid for municipal development institutes	21
Other FFDU activities	160
Total	421

As a target, it is intended that the intermediate city share of net credit outstanding shall reach 50% for valorization financed projects by the end of 1972.

Credit Operations for Intermediate City Valorization Projects -

The funds made available for intermediate city valorization projects will be used to rediscount loans made by financial intermediaries to municipal public service corporations on the following terms and conditions:

Interest:	14%
% rediscountable:	80%
Term (Maximum):	10 years
Grace Period:	1 year
Intermediaries	
Margin:	2%

Priority will be accorded projects for water and sewerage installations and for street paving.

For purpose of program administration, within 90 days of the date of this Agreement, the BOR will institute a reporting and monitoring system for FFDU loans with the capacity to provide necessary information on program operation, and to review progress on projects.

Municipal Development Institutes - The funds allocated for making grants-in-aid to capitalize municipal development institutions are intended as a stimulus toward the creation of Departmental level institutions generally similar in nature to the Instituto de Desarrollo de Antioquia (IDEA).

In accordance with the IDEA model, such entities would be established by individual departments as wholly owned public corporations and financed by the sale of departmental property or through other financial contributions. Their function would be to provide loans to municipalities for the construction of public works such as electric, sewer and water lines, schools, clinics and roads. In addition to financial support, such entities would provide technical assistance to small municipalities in such areas as municipal administration, financial management, implementation of valorization systems and preparation of specific projects.

In order to determine which institutions may receive assistance, the borrower will establish and public financial, organizational and legal criteria (based upon the IDEA model) for eligibility, and a formula for

determination of the amount of grant-in-aid support which eligible entities may receive. In addition the borrower will take the necessary legal or other measures to permit the FFDU to disburse funds for this purpose.

Since it is anticipated that disbursement of funds for this subactivity will commence on or about January 1, 1972, preparatory steps (e.g., the formulation of eligibility criteria, and the initiation of the program to provide promotional and technical services described below) should be undertaken expeditiously to permit such commencement of disbursement.

Other FFDU Activities - The funds programmed for "other FFDU activities" may be used for valorization projects in other than intermediate cities and for such other projects in any city (including intermediate cities) that the FFDU wishes to undertake.

B. ICT "Barrios Jóvenes" Program

Financial Target - To make available for expenditure by ICT on its "Barrios Jóvenes" Program in 1971 and 1972 the following amounts to be financed as follows:

	(Millions of Pesos)	
	<u>CY 1971</u>	<u>CY 1972</u>
GOC	416	427
AID	<u>36</u>	<u>199</u>
Totals	452	626

Activity Targets - This program calls for the expenditure of commingled funds in the approximate amounts shown:

	(Million of Pesos)	
	<u>CY 1971</u>	<u>CY 1972</u>
Fondo de Redes (FR)	130	225
Habilitación de Barrios (HB)	69	87
Desarrollo Progresivo (DP)	6	7
Soluciones Mínimas	<u>247</u>	<u>307</u>
Totals	452	626

The Fondo de Redes - Is concerned with financing the installation of public utilities in low income neighborhoods. During 1971 and 1972 it is intended that approximately 250,000 families shall be benefitted by projects financed from this source.

In order to establish clear lines of demarcation between projects to be financed via the FFDU and the FR, the Ministry of Development within 90 days of the signing of this Agreement shall publish or cause to be published suitable guidelines and criteria covering this point.

The Habilitación de Barrios - Is concerned with the improvement or replacement of housing in existing slum areas. During 1971 and 1972 it is intended that approximately 20,000 families will be benefitted by projects financed from this source.

The Desarrollo Progresivo - Functions in connection with donations from the World Food Program and is concerned with self-help improvement projects in existing slum areas.

The Soluciones Míimas Program - Is concerned with the development of sites and services and shell housing projects. During 1971 and 1972 it is intended that approximately 40,000 units, including a minimum of 2,500 urbanized sites for sale to low income families, will be financed from this source. Within 90 days after the signing of this agreement ICT will design a program for the development of the 2,500 urbanized sites which will be submitted through the MINDEV to AID for approval.

C. FFI Program

Financial Target - To increase the capitalization of the FFI from the current level of approximately 200 million pesos to approximately 560 million pesos through the sale of approximately 180 million pesos of FFI industrial finance bonds in CY 1972 and a sector loan contribution of approximately 180 million pesos to be channeled through IFI, which will act as fiduciary.

Activity Target - The program to be carried out by the FFI envisages expenditures from new capitalization and recuperation, during the disbursement period of this loan as follows:

(Million of pesos)

Credit for intermediate city industry	175
Assistance for regional industrial development foundations	20
Other FFI activities	<u>260</u>
Total	455

(a) Credit for Small and Medium Industry - The purpose of this activity is to provide financing for small and medium industry development in intermediate cities, particularly industry with a high potential for employment creation. In order to achieve the objectives of the program as set forth above, it is contemplated that the intermediate cities share of FFI net credit outstanding will be increased to 40% by the end of 1972.

FFI loans made in intermediate cities will be at the same scale of final interest rates and intermediaries' percentage margin as for loans to larger cities. However, as noted in Section 3.05 of this Agreement, the rediscountable portion of FFI loans to intermediate cities will be increased from the present level of 65% to 80%.

Furthermore, the FFI will take the following actions:



- 1.- It will experiment during the disbursement period of the Loan with an extension of the loan period (currently set at 5 years) to 6 or 7 years, but only for fixed capital loans and with the corresponding final interest rates set at 16.5 and 17% respectively.
- 2.- It will study during the disbursement period of the loan the demand for credit from firms of less than 15 million pesos in total assets and if it is determined that this demand is being adequately met. It will consider raising the total asset ceiling for those firms which pass the ratio test of having less than 100,000 pesos of total assets per employee, i.e., where there is a high potential for employment generation.
- 3.- For purposes of program administration the BOR will, within ninety (90) days of the date of this agreement, begin implementation of a reporting and monitoring provide up-to-date information on the status of the FFI portfolio, and such other data as is necessary to periodically evaluate the economic impacts of FFI credit.

(b) Regional Industrial Development Foundations -

The funds allocated for this purpose will be provided by FFI on a matching, non-loan basis to expand the capacities of regional industrial development foundations, or similar private or quasi-private, non-profit institutions engaged in the identification of investment opportunities undertaking feasibility and pre-feasibility studies for industry projects, and similar promotional activities.

In order to determine which of such institutions may receive assistance from FFI, the borrower will establish and publish financial, organizational and legal criteria for eligibility, and a formula for determining the amount and nature of assistance which eligible entities may receive. In addition, the borrower will take the necessary legal or other measures to permit the FFI to disburse funds for this purpose.

Since it is anticipated that disbursement of funds for this sub-activity will commence not later than January 1, 1972, preparatory steps (e.g. formulation of eligibility criteria and the initiation of the program to provide promotional and technical services described below) shall be undertaken expeditiously to permit such commencement of disbursement.

- (c) Other FFI Activities - The funds programmed for this activity are primarily for credit operations in cities other than the intermediate cities.
- (d) Loan Guarantee Fund - The borrower has indicated its intention of commissioning a consultant study to determine the feasibility of establishing a loan guarantee fund ("Fund") and, if in the affirmative, to make recommendations as to the organization and operation of the Fund. The major purposes of this Fund would be to reduce (a) delays in loan approvals and (b) the requirement for properly guarantee, especially in the case of labor intensive enterprises.

Should the borrower decide to undertake this activity and should it further be decided to entrust the management of the Fund to the Development Credit Department of the BOR, irrespective of other provisions of this Agreement, the borrower may transfer approximately 20 million pesos of commingled funds from the FFI to the Fund. Fifty percent of the funds transferred for such purposes would constitute permanent capitalization and 50% would constitute temporary capitalization which would be retired automatically over a 12 month period and returned to the FFI. Such temporary capitalization will be replaced by accumulation of guarantee fees or from other sources.

D. ICFES Program - This program consists of two sub-activities:

1.- ESAP Short-Course Training for Public Officials

The approximately cost and financing of this sub-activity is as follows:

	<u>(Million of pesos)</u>	
	<u>CY 1971</u>	<u>CY 1972</u>
From ESAP budget	7	9
From Loan proceeds, via ICFES	3	6
Totals	10	15

ESAP will utilize the above funds to organize and administer a program of short courses of approximately 40 classroom hours per person in planning and

public administration for approximately 2,300 departmental and municipal level public officials in supervisory positions.

Upon satisfaction of conditions precedent to disbursement set forth in Section 3.02 of this Agreement AID will advance 1.5 million pesos for use by ICFES to be transferred to ESAP for this program under terms and conditions suitable to ICFES.

- 2.- University Urban Studies Centers - The approximate cost and financing of this sub-activity is as follows:

	(In Millions of Pesos)	
	<u>CY 1971</u>	<u>CY 1972</u>
GOC	1.8	3.7
AID	<u>1.0</u>	<u>2.8</u>
Totals	2.8	6.5

These funds are to be administered by ICFES to assist two universities to create urban studies centers, the functions of which will be to train professionals in the fields of urban and regional planning, urban development and public administration and to undertake related research activities.

ICFES will prepare and the borrower will cause to be submitted to AID for its approval within 90 days of the date of this Agreement a plan of action which shall, inter alia, include the names of the universities selected, and descriptions of their programs, academic goals, and budgets for the urban studies centers.

- E. DNP Program - The activities of the DNP, as they relate to the use of commingled funds to be placed at the disposition of the DNP, are primarily centered in the Urban-Regional Development Unit of the DNP. The approximate costs of operating this unit and of the services which it obtains under contract, as well as the method of financing same are as follows

	<u>(Millions of Pesos)</u>	
	<u>CY 1971</u>	<u>CY 1972</u>
GOC:	7.0	7.5
AID:	1.0	2.0
Totals	8.0	9.5

The activities to be financed from the above totals are as follows:

- 1.- Information and Publicity Activity - This will consist of the dissemination of information regarding Loan-financed activities and other non-Loan related GOC urban and regional development policies and programs, and will be carried out through the publication of material describing these programs and the holding of seminars and conferences for professional groups, public and private entities in intermediate cities, and in other suitable forums.
- 2.- Promotional and Technical Assistance for the Development of Industrial Promotion Foundations

As indicated in Section II C of this Annex, rules and regulations for assistance to such Foundations via

the FFI are to be developed and promulgated. It will be necessary to bring this information to the attention of interested groups in a constructive fashion and to assist them in adjusting their operations so as to qualify for assistance.

Other activities which are to be considered under this heading include:

- (a) A course for Foundation personnel in the technical methods of project evaluation,
- (b) The establishment of a national level contact point through which Foundations could secure statistical information and the names of consulting firms and other entities to which they could have recourse for undertaking feasibility studies, etc.

3.- Promotional and Technical Assistance for the Development of Municipal Development Institutes

As indicated in Section II A of this Annex, rules and regulations for grant-in-aid to such institutes via the FFDU are to be developed and promulgated. It will be necessary to bring this information to the attention of interested Departments and to assist them in taking the necessary steps to qualify for assistance. In addition, arrangements for training personnel of newly created -- or about to be created-- institutes need to be made and financed.

- 4.- Loan Administration - This is intended to cover personnel and statistical services needed for monitoring purposes.
- 5.- Program Related Studies - It is anticipated that the need for and hoc studies will develop as the program proceeds and a reasonable amount of funds need to be reserved for this purpose.
- 6.- Other Urban-Regional Development Unit Activities  
This relates to costs of the Unit in addition to those specified above.

As indicated in Section 3.07 of the Loan Agreement, no disbursement of Loan funds will be made for use by the DNP until a work plan and budget breakdown covering the above items has been furnished to AID in satisfactory form and substance.

A P P E N D I X " B "

Lista de entrevistados

FRANCISCO ORTEGA	Advisor Monetary Board
FERNANDO PACHECO OSORIO	Director Public Credit
RODRIGO GUTIERREZ	Private Sector. Board of Directors B.C.H.
FERNANDO ISAZA	Technician DNP
JAIME CEPEDA	Technician Division of Housing DNP
VIRGILIO BARCO VARGAS	Mayor of Bogotá
BENLLINI GALINDO	Director Development Funds Bank of the Republic
AUGUSTO CANO MOTTA	Under-Director DNP
ROBERTO ARENAS BONILLA	Director DNP
JAIME ANGEL	Technician Division of Regional Studies DNP
GERMAN BRAVO	Technician Demographic Division DNP
JOSE VICENTE MOGOLLON	Secretary of Public Works
LUIS PALAU RIVAS	Director Public Credit
WILLIAM MANN	Industrial and Urban Programs Director AID Washington
STEPHEN WEISSMAN	Head of Division of Urban Development AID Bogotá
ALLAN COHEN	Head of Division of Urban Development AID Bogotá
GERMAN SAMPER	Council of Bogotá



JONATHAN SMULIAN	Director Study Fase II Bogotá
ANTONIO ALVAREZ RESTREPO	Minister of Development
RODRIGO LLORENTE	Minister of Finance
OMAR BOTERO PARAMO	Director FONADE
RAFAEL PAREDES INFANTE	Director INSFOPAL
ROBERTO PINEDA GIRALDO	Director CINVA-SINDU
GUILLERMO MOJICA	Head Unit of Human ResourcesDNP
ANTONIO URDINOLA	Head Unit of Industry DNP
LEONEL TORRES	Advisor Monetary Board
EFRAIM OTERO	Director COLCIENCIAS
JULIO MENDOZA	Head Unit of Regional and Urban Development DNP
MARINO RENGIFO	Mayor of Cali
BERNARDO GARCES	Minister of Public Works
RODRIGO ESCOBAR	Economic Secretary of the Presidency