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THE ALLIANCE FOR PROGRESS IN ECUADOR

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USAID/Ecuador

The Alliance for Progress is people working together for a better and democratic way of life. "Let's get together in an Alliance for Progress, in a vast effort of cooperation without parallel in its magnitude and in the nobleness of its purposes in order to fulfill the fundamental needs of the people of America, the fundamental needs of home, work, health, and education". These were the words of the President of the United States, John F. Kennedy. The Charter of Punta del Este states: "The United States, for its part, pledges its effort to supply financial and technical cooperation in order to achieve the aims of the Alliance for Progress. For their part, the countries of Latin America agree to devote a steadily increasing share of their own resources to economic and social development, and to make the reforms necessary to assure that al share fully in the fruits of the Alliance for Progress.

Therefore, the Alliance for Progress is a joint effort of free men to help themselves. These truthful words must become reality. The resources must be marshalled. We must find technicians that are able to transform plans into dams, schools, highways, factories, and other necessities required for the national economy. The Governments must utilize their resources in the best possible way.

Ecuador must participate in a series of reforms which will give a sound name to the Alliance for Progress program. The country must carry out an agrarian reform plan which will alleviate the problem of the rural inhabitants. Fiscal and administrative reforms must be made in order to establish a system of efficient government service. Tax reforms must be enacted giving the country a fair and equitable system which at the same time will contribute to Alliance for Progress programs. The country must eliminate illiteracy and extend, in the shortest possible term, the benefits of elementary or primary instruction to everyone

as well as increase the opportunity for secondary, technical and superior education.

The United States for its part, and based on the principles declared in the Charter of Punta del Este has prepared programs that will help to carry out these objectives. Each and every one of the Alliance for Progress programs receives resources from the United States as well as from the Latin American countries. The programs have been designed so that with the sacrifice of both nations a better way of life can be maintained and advanced.

There are several types of programs supported by the United States. For example, the USAID, known as Point IV, has loans, donations, and technical assistance programs. The individual projects for Ecuador will be explained further in another section. Military Mission is presently carrying out a civic action program. The Inter-American Bank provides loans to Ecuador from its own funds, that is from the contributions deposited in the Bank by member countries, and from the Social Progress Trust Fund, which has been made available by the United States. The Export-Import Bank also provides loans to Ecuador. The United States insures investments by private enterprise.

The Peace Corps and Food for Peace programs are also part of the Alliance for Progress. Private organizations such as CARE and Catholic Relief Services receive and distribute Alliance food and other commodities. In general we can clearly see that there are several programs being carried out under the Alliance for Progress program. Each of them deserves a separate description due to the different types of activities which are being carried out. In this article we plan to make you familiar with some of the projects carried out by the United States and Ecuador, and which demonstrate the effort to make the Alliance an action program and not a series of promises.

The Agency for International Development of the United States in Ecuador, known as Point IV, has a donation program for Ecuador of \$4.7 million. The funds were assigned for the period between June 1962 to June 1963. These funds have already been put into

operation in Ecuador and we can see some results. The \$4.7 million were assigned for the payment of technicians, materials, and local costs in the field of agriculture, education, public health, cooperative and labor programs, housing and other fields.

Under the Alliance for Progress \$34.4 million in USAID loans, \$34.3 million in Inter-American Bank loans and \$1.3 million in Eximbank loans have been approved. The major portion of the \$70 million approved loans have not been disbursed. Most of the loans require contributions from Ecuador as well as several reforms in different institutions and administrative procedures.

EDUCATION

The Alliance for Progress has given prime importance to the need for education. However, it is one thing to talk about the importance of a well educated society and another to carry out required sacrifices to create educational institu-Through a pilot plan, USAID in cooperation tions. the Government of Ecuador and with communities will construct at least 325 classrooms by the end of 1963. The plans are ready and the program in operation in Otôn, Catzuqui, Las Juntas, Anconcito, Sauci, Loja and several other communities in Ecuador. The USAID program has 135 classrooms under construction, 58 are awaiting final approval, and 29 classrooms completely finished.

The Charter of Punta del Este clearly explains Ecuadoreans must contribute with their own resources in order to participate in the Alliance for Progress. Now let's see the results of the new schools constructed under the primary school construction program. The communities in which the schools are being constructed contributed about 40 per cent the total construction cost. How can these communities of meager resources contribute with 40 per cent of the total construction cost? They contribute with their work and materials. In Anconcito, a supporter of a new school said: "We had no money to buy the stones, so we picked them up from the beach". In Las Juntas, the inhabitants gathered

large rocks and ground them up to convert them into appropriate material for the construction of the schools. USAID provided, steel, cement and tecnicians to teach them how to construct the schools.

By the end of 1963 about 13.000 children will attend new schools constructed under the Alliance for Progress. But the benefits of the schools will not terminate by the end of 1963, because during the useful life of the new buildings about 650.000 Ecuadorean children will become aware of the benefits obtained from one of the Alliance for Progress projects. Nor will the story of primary school construction end in 1963 after the 325 classrooms are constructed.

USAID and the Government of Ecuador are presentnegotiating a loan for the construction of 2.000 classrooms and 750 rooms for rural teacher housing. loan also calls for 80,000 school desks. program of USAID goes further than educational primary school construction: it also provides assistance to vocational schools and to the universities of Ecuador. Ecuadorean technical schools will receive a total of \$705.000 in equivalent and tools. The Central University, the Catholic University of Quito, and the University of Guayaquil will receive more than a million and a half dollars in equipment, laboratories, and technical assistance under the present USAID program. We again see that the assistance provided by USAID is only one part of the program, because the vocational schools and the universities will also have to contribute with their resources in order to fulfill the objectives of the Charter of Punta del Este.

HOUSING

The USAID granted a loan of \$5 million dollars for home construction in Ecuador. The \$5 million will be provided to Ecuadoreans under the savings and loans association system. Once again under this project the principles of the Alliance for Progress are being carried out. Persons with meager resources can now save money as members of one of the newly established savings and loan associations. The

individual savings plus the loan of the Alliance for Progress and a contribution by the Ecuadorean Government will provide homes to Ecuadorean families. though the program is in its initial stage, savings and loan associations have been formed with a total membership of over three thousand which accumulated a total of some 15 million sucres in deposits. Loans are being granted and as a result the first homes are under construction. A good reason exists to calculate that by the end of 1963 and through the loans granted at least 1.000 families will say: "The Alliance is a reality".

The Government of Ecuador also received a loan for \$10.6 million for housing from the Inter-American Bank. These funds come from the Social Progress Trust Fund which the United States provides and which funds are administered by the Bank.

Housing means helping people and therefore is a major part of the Alliance for Progress. USAID presently has a pilot project of 200 aided self-help houses in Quito, since better housing is a principal objective of the Alliance. In this self-help housing project the individuals construct their own houses with aid from USAID and the Government of Ecuador. Here we are speaking of reality and not of a plan; fifty houses are almost finished and fifty more have been started. The project will be completed before the end of 1963 and 200 Ecuadorean families will feel the reality of the Alliance for Progress and be convinced that the Alliance is not just words.

AGRICULTURE AND INDUSTRY

Agriculture and industry are two segments of the Ecuador which are major targets economy of projects \mathbf{of} the Alliance for Progress. Since agriculture provides 90 per cent or more of the total exports of Ecuador, the Alliance for Progress is interested in the farmers of the country. Agriculture Division of USAID will spend a total of \$450.000 under the present program for the purpose of assisting the farmers to improve cattle, sheep, extension and crop production. The Inter-American Bank approved a loan for \$6 million for the Development Bank; the loan will be used to extend credit to Ecuadorean farmers.

The agriculture segment of Ecuador will also benefit from a \$4.4 million loan from the Social Progress Trust Fund administered by the Inter-American Bank. This loan will be used for transportation, education, credit, housing and health facilities which will improve the general economic condition of the rural areas of Ecuador. In general the loan is designed to assist the rural people of Ecuador.

The USAID Mission has an approved loan of \$5 million for Ecuador for the purpose of extending industrial and artisan credit. The purpose of this loan is to create products, services and employment for Ecuadoreans. At the same time an individual who needs a loan must contribute with his own resources. The procedure requires that the loan be matched with local resources as indicated in the Alliance objectives. Undoubtedly the criticism will arise that those persons without resources will not benefit from the industrial loan. However, at least \$100.000 of the loan is to be made available to artisans with meager capital resources.

These loan resources plus the individual farmer and businessmen's resources will be combined for the creation of employment for those persons who do not have property or capital but are willing to work.

HEALTH

The USAID Mission is supporting a malaria eradication program with a donation of \$445.000 for the present year. People are the most important thing for the programs of the Alliance for Progress and for this reason and through this program thousands of Ecuadoreans are now free of malaria. We must note that the excellent record obtained from the malaria eradication program has been possible through the cooperation between USAID and the Government of Ecuador and assistance provided by the World Health Organization.

The USAID project to provide clean water to the

rural areas makes the Alliance for Progress program a reality throughout the Ecuadorean coast. The cost of the wells is borne by local communities, and USAID provides the construction equipment and a technician. The project carries the name of the Alliance for Progress to thousands of municipal officials, businessmen, housewives, teachers, doctors and thirsty children in the cities and communities of Ecuador.

The Inter-American Bank has approved a loan for \$3 million for the city of Quito. The funds from this loan will be used for the water distribution system of the city of Quito and 15 nearby communities. The funds from the Inter-American Bank come from the Social Progress Trust Fund of the United States, an Alliance for Progress project. Some work is already being carried out as a result of the water system loan. Besides the loan for the Quito utility the Inter-American Bank approved a loan of \$5 million for the potable water systems of 16 cities of Ecuador. The funds are from the Social Progress Trust Fund and are thus part of the Alliance.

PUBLIC ADMINISTRATION

The Alliance for Progress programs for public administration are different than the ones for economic and self-help. In the public administration programs the USAID provides assistance and aid to Ecuador to carry out the functions of government. The assistance is technical and involves training personnel in auditing, tax collection, office management, budget preparation, etc.

The USAID Mission and the Government of Ecuador are presently executing programs for administrative reform. For example, a more equitable tax program has been started. A merit personnel system is being carried out. The Government of Ecuador has requested and received approval of \$1.5 million for fiscal reform. The loan is the first of this type granted to a Latin American country.

OTHER PROJECTS OF THE ALLIANCE FOR PROGRESS PROGRAM.

The USAID Mission supports several other projects which in no way are of less importance than the ones mentioned above. The USAID Mission is well aware of the need to have democratic labor unions. The working man also deserves the benefits of an improved society. USAID assigned the amount of \$300.000 for an education program for the working class. USAID is also conscious of the need to have the police force well trained and for this purpose assigned the amount of \$833.000 to train and educate the police force.

USAID has also approved loans for a photomapping project for Ecuador. A \$1.8 million loan is being used and this is additional evidence that the Alliance for Progress maintains the objectives of the program which is the best possible use of the natural resources of the nation.

The Alliance for Progress program recognizes the need for a better transportation system. USAID has recently approved an additional loan of \$2.7 million for Ecuador so that the work of the Quito-Santo-Domingo-Quevedo highway can be completed. The work was initiated with funds from USAID and the World Bank. At the same time, the Government of Ecuador has requested a loan for \$38 million for the construction of new highways. The credit requested was presented to the World Bank and USAID.

The Food for Peace program is presently providing a supplementary diet to a million Ecuadoreans. Thousands of children receive milk in their daily diet as a result of the effort which is being carried out by the United States in order to eliminate hunger from Latin American countries.

Another phase of the Food for Peace program involves the sale of agricultural commodities to Ecuador. The proceeds of the sale of commodities amounted to \$1.3 million in 1962. The \$1.3 million were loaned to Ecuador to purchase garbage trucks for the city of Guayaquil, to fight an aftosa epidemic, to complete the construction of the agronomy building of the Central University, to create 12 new agricul-

tural extension agencies, to develop new crops, to construct irrigation systems in Manabí Province and Riobamba, and to assist the investigation and plannin activities of the National Planning Board.

The Civic Action program is designed to give immediate assistance through small-scale projects to the inhabitants of Ecuador; for example the farm to market roads and an irrigation canal have been built to help the communities. Like other Alliance for Progress programs, the local communities must also contribute with their own resources.

The Peace Corps has almost 200 Volunteers in Ecuador. The Volunteers are presently teaching, constructing roads, building schools, working in agricultural extension agencies, assisting communities and aiding in several other tasks. The Volunteers are able to carry out this type of work cooperating with the people who have the willingness to help themselves.

This article gives the readers a brief summary of the activities and programs of the Alliance for Progress. Naturally, in a program as big as this one several difficulties have been encountered and will continue to be encountered, but history teaches us that progress in any nation has never been an easy task.

Under the Alliance sacrifice and work are required both from the rich and from the poor. Those who doubt this should stop and think if the national objectives and the welfare of the citizens do not deserve sacrifice and hard work and in this respect if the individual privileges and interests could be indefinitely maintained against the growing popular pressures. Change is inevitable, but it should be orderly and serve the interest of everyone and is closely in accord with the decision taken in Punta del Este.