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**EVALUATION REPORT
ON
NATIONAL MARKET INTEGRATION PROJECT**



**AMERICAN TECHNICAL ASSISTANCE CORPORATION
1725 EYE STREET N.W.
WASHINGTON, D.C. 20006**

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An Evaluation of

NATIONAL MARKET INTEGRATION PROJECT

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SUMMARY AND RECOMMENDATIONS

This report describes the results of an evaluation of performance of the Latin American Market Planning Center (LAMP) at Michigan State University under Contract AID/1a-364. This contract (which followed an earlier contract for a study of Latin American Food Marketing Systems) supports the study of market systems and their relation to economic development as a basis for recommending reforms.

The problem was approached through the systematic large-scale diagnostic survey of a food marketing system consisting of a major city and its surrounding "food shed" where basic foodstuffs are produced, assembled and shipped. Primary data, assembled in quantity by surveys of consumers, wholesalers, retailers, processors, assemblers, producers and industrial firms, provided the basis for a description of the marketing system and diagnosis of the barriers to marketing improvement.

The studies were conducted by joint teams of U.S. and national professionals organized specifically for that purpose and including representation of the multiple national organizations which have some role in regulating the marketing system. This organization was exceptionally effective for the conduct of the research, for developing a modern concept of the role of the market among the participants, and for the transmission of research techniques. It is regrettable that the ad hoc nature of the team prevented the institutionalization of this research

capability. But it is difficult to see how such institutionalization could be achieved, given the novelty of the concepts coupled with the diversity of agencies involved.

The LAMP research is unique in Latin America. There is no other example of comparable resources allocated to comprehensive study of marketing problems. The scope and intensity of the diagnostic survey has developed information, insights and understanding of Latin American marketing organization and processes which constitute a valuable contribution to professional knowledge. The level of professional expertise and competence utilized in the studies was high and the team work developed is an outstanding example of effective technical cooperation.

The potential usefulness of this valuable contribution is limited by two features:

(1) The apparently plausible conceptual approach used to guide the research was not stated with sufficient rigor to provide testable implications or to provide theoretical guidance in the selection of alternative reforms or investments on bases other than market efficiency. This may reflect a lack of critical review and challenge of underlying concepts within the professional development community, fostered, at least in part by a lack of encouragement by AID.

Future contractual arrangements should seek to ensure full articulation and wide professional review of the theoretical-conceptual models used in research. Accumulation of data to support (or refute) the relationships identified in the models

should be a primary aim of research. AID can do much to encourage this by including funding for contract-related attendance at professional meetings in research contracts, by requiring and supporting inter-institutional seminars, and by treating professional publication as a desirable by-product of AID-sponsored research.

(2) Separate publication of the reports leaves explanatory gaps in the process of development of a method for studying market systems. A comparative analysis of the country studies is essential to establish a methodological approach to market diagnostic studies which is not specific to a particular country situation. It would also be helpful if such a comparison provided an appraisal by LAMP of the utility of different techniques and approaches which were tried in arriving at their current preferred methods. The preparation of such an analysis is now underway and should be useful in the proposed project for continuing LAMP's work.

There is little evidence that either the La Paz or Recife studies have had any direct effect on the manner in which responsible public officials moderate market systems, facilities or processes. The Colombian experience, although much more recent, appears highly promising. There are a number of apparent explanations, ranging from the thoroughness of preparation for the study, the receptivity of Colombian institutions, the rapidity with which reports were prepared and circulated, and the follow-up by the U.S. AID Mission, Colombian officials, and LAMP personnel.

Applying the experience of this evaluation to the proposed PROP (Agricultural Marketing Systems Development), we find the basic concept of the PROP to be sound and with the modifications indicated, recommend its financing. Basically, this project would finance the provision of LAMP advisory services to strengthen the research and consultative capacity of CICOM (Centro Interamericano de Comercializacion). It is attractive because it meets a real need for useful research in an important but neglected area, and because it institutionalizes in Latin America the competence to perform this type of research and to stimulate governments to support its execution. We recommend that the use of project funds be limited to activities which support or pass through multilateral channels, with bilateral aid being financed by the USAID. The proposed level of effort is very modest with respect to need, but reasonably proportioned to CICOM's capacity to respond.

We believe that CICOM is the most suitable alternative as the implementing agency to stimulate the development of national research into market systems. LAMP is highly qualified to provide advisory services on market systems research to and through CICOM. CICOM's research program must include, in addition to diagnostic services, research into alternative organizations, facilities and policies needed to assemble and distribute staple foodstuffs at low costs to low income recipients, and into other marketing problems which may have unique importance to the LDC's. CICOM debate on research priorities would probably be stimulated through the inclusion of advisors

not directly identified with LAMP's approach, either through a LAMP-led consortium or some other mechanism.

METHODOLOGY

This evaluation was based on the scope of work drafted March 24, 1971 by D. L. Peacock, AID/LA/DR, together with PROP 598-14-260-440/Agricultural Marketing Systems Development (FY 1971-74), as interpreted in an evaluation prospectus submitted by ATAC on June 28, 1971 and supplemented on August 11, 1971 after preliminary research was completed. In essence, ATAC was requested to review performance of the Latin American Market Planning Center (LAMP) at Michigan State University under Contract AID/1a-364, initiated in 1966. We were to examine LAMP operations in Brazil, Bolivia, and Colombia and evaluate LAMP's research approach and its research performance, and determine the extent to which changes in marketing systems have been planned and/or implemented as a result of LAMP assistance.

In light of this review, ATAC was then to evaluate the proposed plan for LAMP's involvement in the Agricultural Marketing Systems Development Project as described in the PROP cited above. In this connection, we were asked to evaluate the desirability of reorienting LAMP's activities from conducting research toward assistance to national institutions, including its capacity to develop in national and regional institutions the capacity to perform research, provide instruction, and offer technical assistance in agricultural marketing. We should then attempt to project the contribution to improved

agricultural marketing expected to result from LAMP's participation in the project.

The basic documents governing MSU/LAMP work were reviewed in AID/Washington. Separate visits were made to the MSU campus in East Lansing by the two investigators to obtain from the primary participants insights into the history, objectives and accomplishments of the LAMP contract. This information was used to develop an evaluation logic as a framework for field evaluation, a set of questions which would elicit desired information, and a list of people who might have useful knowledge of the studies.

The evaluation consisted of (1) an examination of the published reports of LAMP research, consisting of four book-length research reports on marketing in Northeast Brazil; Cauca Valley; Colombia; LaPaz; Bolivia; and Puerto Rico; and other papers, theses and reports prepared as part of the LAMP project; and (2) interviews with individuals related in some way to the studies, either as sponsors, observers, research staff, or end-users. Interviews were conducted in all three countries and in Washington, as well as on the MSU campus, and included concerned staff of IDB, CICOM and OAS.

The investigation was performed by Albert L. Brown, American Technical Assistance Corporation, Team Leader; and Lehman B. Fletcher, Agricultural Economist, Iowa State University.

OVERVIEW OF MSU/LAMP PROGRAM

In the early Sixties, Mr. Lee Feller, a Michigan food broker, participated in Puerto Rico's development program, and became convinced that modification of retailing activities played a major role in modernization of marketing and in development. He founded Feldman Associates, obtained an AID feasibility study grant, and after field trips to three Latin American countries, proposed establishment of a supermarket chain in Colombia.

Michigan State University became interested in the research opportunities inherent in following an innovative change such as that proposed by Feldman Associates and, in turn, proposed a related research project to AID to document the change process. As it turned out, the Feldman Associates proposal was never funded, so MSU submitted a modified proposal for a historical examination of changes in the market system of Puerto Rico.

The second proposal was accepted by AID and embodied in Contract AID/csd-786. This contract, A Comparative Study of Food Marketing Systems in Latin America, called for a review of market changes in Puerto Rico in the Fifties and early Sixties (Phase I), followed by a survey of the marketing system of a Latin American country (Phase II), to establish the applicability of concepts developed in Puerto Rico.

While the Puerto Rican study was still underway (1965-1966) a second contract, Contract AID/1a-364, was signed.

This contract established the Latin American Market Planning Center (LAMP) at MSU. This formalized the structure established on an ad hoc basis in the Puerto Rican study for joint participation of the Marketing Department, School of Business, and the Agricultural Economics Department, College of Agriculture. It expanded the scope of research to include the marketing of agricultural inputs and consumer goods and provided a mechanism for provision of consultant services in marketing.

Phase II of the Latin American Food Marketing Study (completed under the LAMP contract) was planned for Argentina. A sudden change of government while LAMP personnel were already staging prevented implementation of this plan. New arrangements were hastily concluded for studies in Northeast Brazil (centered on Recife) and Bolivia (centered on La Paz), and personnel already selected and in training for the large Argentina project were diverted to these two countries.

These two studies were carried out concurrently (1966-1968), and although they dealt with the same basic marketing concept, had quite different emphases. The Bolivian study was primarily urban-oriented, conducted mostly by MSU personnel from the Marketing Department of the School of Business, and appears to have been largely oriented towards describing the traditional marketing process and defining its efficiency. Simulation model-building was not included and the rural end of the marketing process received only limited review.

The Recife study, on the other hand, was a full-scale examination of both rural and urban marketing processes, and included a number of special studies designed to illuminate related aspects. A major effort was made to develop a simulation model which could be used to estimate the differential impact of alternative policy and program shifts. MSU personnel included major participation from both the Agricultural Economics Department of the College of Agriculture and the Marketing Department of the College of Business.

The Cali study was conducted subsequent (1968-1970) to both the Recife and Bolivian surveys. This study drew on the earlier experiences, and was an attempt to "get it all together." Like the Recife study, it was an examination of the entire marketing system, both rural and urban, and included major MSU staff inputs from both Agricultural Economics and Marketing Departments. Its primary innovation was a classification of the system which permitted detailed examination of its component parts and led to the development of sixteen separate technical papers. These studies went beyond the study of the primary market system to examine related problems, such as the legal structure related to the marketing process and the labor environment for absorbing personnel displaced in making the market more efficient. Building of simulation models was not included in the Cali study.

Consultation under the MSU/LAMP program was carried out primarily in Brazil, Panama and Colombia. (Table 1)

THE INPUTS

Funding

The primary inputs to the Latin American Market Planning Center consisted of two contracts with AID:

AID/csd 786	<u>\$395,162</u>
AID/la 364	<u>\$947,179</u>
Total	<u>\$1,342,341</u>

These two contracts formed a continuum. Although this evaluation deals specifically with AID/la-364, and does, in fact focus on the three studies in La Paz, Recife and Cali, both contracts provided funds for much the same purpose, to support much the same people largely to conduct research on the same subject.

The dollar funds provided by these two contracts provided salaries and support (including overhead) for the conduct of research and for consultation with U.S. AID Missions and foreign governments in the diagnosis of national marketing problems.

The largest discrete allotments from contract funds went for the direct salaries and support of research field parties, and this evaluation is concentrated thereon. In addition, counterpart local currency funds were made available to the three research projects by the host countries for local personnel costs and operating expenses:

	<u>MSU/LAMP Dollars</u>	<u>Host Country Local Currency Dollar Equivalent</u>
La Paz, Bolivia	\$100,000	\$43,300
Recife, Brazil	N/A	\$40,000 + Salaries of Local Personnel
Cali, Colombia	250,000	207,100

These funds exclude the salaries and support of MSU campus-based personnel who participated in the country studies on a consultancy basis.

MSU Personnel

Table 2 lists the MSU personnel who have participated in the studies. Characteristically, the MSU/LAMP Field Party was headed by a regular MSU staff member. Remaining members of the Field Party were usually graduate students, normally doctoral candidates. Additional MSU staff members backstopped the Field Party on campus and participated for varying periods in the field, in one instance remaining throughout the study. Campus-based graduate students also participated in specific study phases.

Chiefs-of-Party on all three studies had the benefit of prior experience in the study methodology in Spanish-speaking environments. That is, Kelly Harrison and John Wish performed the field work in Puerto Rico, receiving their doctorates in the process. Harrison became Chief of Party for the Recife study and later for Cali, before becoming Co-Director of LAMP. Wish headed the La Paz study. Donald Larson, who worked on

the Recife study as a graduate student became leader of the Rural Studies Group in Cali as a staff member.

This type of staff development, plus the fact that most of the on-campus staff have participated in similar studies and are accustomed to working in Latin American environments, leads to very effective inter-personal working relationships. National staff members of all three study groups were uniformly laudatory in expressing their personal and professional appreciation of MSU-LAMP personnel. This same esteem carries over into the consultant work which followed the Colombia study. MSU/LAMP personnel are excellent advisors for the type of market systems research and structural change in which they specialize.

Institutional Arrangements

The multiplicity of organizations involved in some way with the marketing process, and the dominance of none, led to creation of institutional arrangements for the studies outside of established organizational alignments.

In Recife, the project was attached to the Agriculture and Supply Department of SUDENE, which at least placed it directly within the purview of the supervisory development agency, although SUDENE's Agricultural and Supply Department has other functions and does not exercise direct control over the Recife marketing system.

In Bolivia, the study was attached to the Centro Boliviano de Productividad Industrial for administrative support, but had its primary technical and policy ties to the Ministry of Economy (now Commerce and Industries), and the Ministry of Agriculture, and drew on the University, the Census and Statistics Department and other institutions for much of its staff and some of its data.

In Cali, the project was linked to the National Department of Planning, the Autonomous Regional Corporation of the Cauca Valley (CVC), the University of Valle, the Institute for Agricultural Marketing (IDEMA), and, through the Promotora de Abastecimiento, to the two Cali municipal service agencies, EMCALI and EMSIRVA.

In each case, the research team was developed as an ad hoc organization of characteristic form, with representation from the various agencies involved. Overall direction of the project was vested in Co-Directors, one from MSU/LAMP and one from the principal local agency involved. In the same fashion, responsibility for sections for Rural Sector Studies, Urban Sector Studies, and one or more Special Studies was divided between national and MSU/LAMP co-leaders.

This arrangement was effective for conduct of the studies. It allowed the formation of a cohesive working party from personnel of interested agencies and MSU/LAMP. Intellectual leadership tended to devolve on MSU/LAMP technicians because

of their technical experience in a new discipline, and this in turn led to compliance with original work objectives. At the same time, joint leadership assured that local sensitivities and insights were recognized and included in the operations. An exceptionally high degree of mutual esteem and reciprocal good will is still evident among team members in all three countries.

On the other hand, two types of problems associated with the ad hoc nature of the working group have tended to inhibit the implementation of study recommendations:

(1) Divergent Expectations. The diversity of interested institutions and the inevitable turnover in individuals within them almost assured that some of the end users of the studies would expect a product different than that received. This indeed has been the case despite the clarity of the work plans agreed to by the different organizations.

Many of the end user criticisms related to expectations focused on the descriptive nature of the research reports, the absence of "bankable" projects and the failure to pinpoint specific points of entry. This type of expectation, while natural, reflects inadequate understanding of type of research undertaken. These studies were systems surveys, designed to describe (quantitatively, to the extent possible) the channels, mechanisms and processes involved in the distribution of goods between producer and consumer, and to indicate which areas within the system offered the most promising opportunities for

intervention. They were pre-feasibility studies, and while some estimate of overall costs and benefits were presented, these were in the nature of describing orders of magnitude. This research characteristic is made clear in the working plans upon which the studies were based and which were agreed to by the agencies concerned.

(2) Implementation. The absence of a dominant organization charged with coordinating the development of the marketing system was the main reason for establishing an ad hoc research group to conduct the study. By the same token, there could be no established implementation agency, while the break-up of the ad hoc team disintegrates the only cohesive unit with first-hand knowledge of the system, the study, and its recommendations.

This poses something of a dilemma for AID administrators. No prior agreement on lines of research can assure satisfaction of expectations (or hopes) of its sponsors any more than the parties can be expected to commit themselves to implementing the results of research before these results are known. In situations like those which confronted LAMP, the USAID might have waited until some clearer institutional dominance arose, in which case the research might never be performed. Or they could hope that the research itself might stimulate a more dynamic institutional realignment or a new institution, as it did in Colombia. It is probably more effective to concentrate the decision-making process on assessing the probability of a favorable outcome than on choosing a particular type of institutional arrangement.

ASSESSMENT OF RESEARCH PROGRAM

The following appraisal examines the underlying theoretical-conceptual approach and the methods and procedures used in LAMP's field research. It is based on discussions with LAMP staff and foreign participants, and on a review of the monographs papers, theses and reports prepared as a part of the LAMP project.

The Theoretical-Conceptual Model

The overall purpose of the large-scale LAMP studies was twofold: first, to evaluate the role of food marketing in economic development and, second, to recommend improvements in policies and market processes to promote economic development. The unit of analysis was the large city with its surroundings "foodshed" where basic foodstuffs are produced, assembled, and shipped to the urban market. The city, in turn, was seen as the source of farm inputs and consumption goods supplying the rural areas. Marketing reforms were the mechanism by which food prices were to be lowered, which in turn would redistribute income, expand demand and stimulate increased output. Thus, the conceptual approach dealt with income determination, employment, growth and distribution within a city and its related foodshed as affected by reform of the marketing systems for food and agricultural inputs.

This can be stated as a working hypothesis, as follows:

"Existing market systems are inefficient in pricing and transfer of product and in communication of consumer needs and desires to the producer. If we can accurately define and quantify the characteristics of the existing system, we can intervene directly to improve market efficiency and rationalize and integrate the system. This improvement is not dependent upon changes in production and consumption sectors, but can bring such changes about.

"The efficiencies brought about by this market improvement are passed on to the consumer in the form of reduced prices for food and better products and services. The consumer uses part of his savings to improve his diet and part to obtain other consumer goods. This additional procurement transmitted efficiently through the improved marketing system stimulates greater production of agricultural products (and the inputs to produce them) and of consumer goods. This, in turn, stimulates greater investment, creating more employment and raising per capita income."^{1/}

Plainly stated, the underlying model contains two basic propositions:

- 1) Lowering the price of food redistributes income to poor families and results in demand expansion for food and cheap manufactures;

^{1/} This statement does not appear in LAMP publications. It was developed by the evaluators and accepted by Harrison and Riley as a good statement of the approach.

- 2) Marketing reforms can contribute to efficiency and thus to lower food prices.

An implied proposition in the model is that demand expansion for food and cheap manufactures stimulates investment and output and thereby triggers a self-reinforcing dynamic growth process. However, although this implication of lower food prices was repeatedly stressed, no attempt was made to work out a formal statement of the implied growth mechanism nor to test the demand-induced development hypothesis empirically.

A formal model would necessarily involve income - savings - investment relationships for different income groups in the urban population. Redistribution of income to poor families will undoubtedly lead to expansion of demand but also to a decrease in savings available for investment. It would appear, however, that redistribution accomplished indirectly by lowering food prices would tend to minimize this conflict between investment and consumption. Lower food prices should increase rather than diminish savings by higher income families while at the same time expanding consumption possibilities of low-income consumers.

Thus on a priori grounds, the implicit model appears plausible. The remaining task is to work out a rigorous and complete statement of the relationships.

Such a statement would provide the basis for seeking data which could test these relationships. It would also provide a guide to determining priorities among alternative reforms or

investments in consonance with their supposed impact on indicators other than market efficiency. It would tend to make explicit the rationale of recommendations based on judgment where data is scarce.

Marketing Efficiency and Savings

A critical element in the conceptual approach is the definition and measurement of increased marketing efficiency. In the LAMP approach the term appeared to mean moving the same or larger quantities of food to consumers at lower per-unit costs. Increased efficiency was thought to be attainable through:

- 1) reducing product losses,
- 2) Improving market organization, and
- 3) lowering labor costs.

Product waste obviously does occur in traditional Latin American marketing systems; reducing losses thus becomes a legitimate objective for marketing reform. Some waste, however, is more apparent than real. Low quality products and excess plant materials usually left in the field in the U.S. are likely to be carried to the market in other countries. Some of this product is ultimately consumed while the remainder becomes physical, although not necessarily economic, waste. In fact, a part of this waste material serves as packaging to protect the saleable product during handling, storage and transport. The LAMP estimates of potential loss reductions appeared to be on the high side and not very well supported.

Improved market organization was regarded as another potential source of important cost reductions. These can come from better utilization of capital, economies of scale, lessening of risks and lowering transaction costs. More intensive utilization of facilities and less waiting time for trucks at market points would be cost-reducing. These are appropriate sources of savings, but the adequate evaluation of risks and transaction costs would require more complete development of the underlying model. How are risks and transaction costs to be measured? What procedures can be used to compare them quantitatively in the existing and reformed systems? Some attempts have been made to incorporate risks, communication, information, and transactions costs in formal models of vertical market structures. The LAMP approach would benefit if extended along these lines.

Lowering Labor Costs. The treatment of distribution labor is perhaps the most vulnerable aspect of the underlying concept. Reduction in employment, and hence labor costs, is the source of a substantial part of the potential reductions in food marketing costs contained in this model. This conclusion, however, is based on the calculation of private costs by applying a given wage rate to all labor employed in alternative marketing systems. Where employment opportunities for displaced distribution labor are nonexistent the true social cost of labor currently employed in distribution is zero. This fact poses a

serious challenge to any claim that marketing reforms that displace labor in labor-surplus economies will lower costs and increase efficiency of marketing. The role of the service sector in absorbing excess urban workers does not appear to have been considered.

The foregoing critical comments on the underlying conceptual model do not invalidate the research performed by LAMP, nor are they intended to do so. This is a very broad and relatively unexplored area of development, and is exceptionally complex, both in its internal structure and external relationships. They point out, however, the need for the precise, and rigorous statement of a marketing development model, the need for research specifically designed to test the relationships made explicit by such a model; and the evaluation of returns in light of the model.

The LAMP approach is addressed to problems of using resources more efficiently, income distribution, demand-induced development and marketing reform. These are relevant problems in developing countries. Marketing has been neglected and the importance of improving the system supplying food to rapidly growing cities is indeed high in much of Latin America. The main deficiency encountered is that the underlying model is not sufficiently specified to provide many testable implications. At key points, propositions that should be conclusions from the model enter as assumptions. For this reason it is very unlikely that research carried out using this approach could test the underlying conceptual framework. This is because

potential efficiencies and marketing improvements are defined in terms of a postulated model of market organization and integration which, itself, is never subjected to theoretical or empirical verification.

Research Methods and Procedures

Diagnostic Studies

The basis of the LAMP research approach was a large-scale survey of the food marketing system. The stated purpose of this diagnostic survey was, first, to describe and analyze the existing market processes and, second, to recommend marketing reforms to stimulate improvements in the production-marketing system for food commodities. In the Recife study, a systems simulation model was developed to test the implications of a set of interrelated market reforms.

The diagnostic studies were based on a systematic survey of the entire market system of a "food shed" including an analysis of the characteristics of the actors and the socio-legal framework in which the actors function. The result is a clear and detailed picture of the market place, the interactions of its component parts, the costs and returns at each level, the types of problems which should be overcome, the opportunities for intervention, and the benefits estimated to be achieved from such intervention.

Primary data, i.e., that obtained from direct questioning of participants by members of the study team, was emphasized in the LAMP surveys research. Surveys were made of consumers, wholesalers, retailers, processors, assemblers, producers and industrial firms. These surveys resulted in large quantities of detailed data that provided the basis for the description of the marketing systems and diagnosis of the barriers to marketing improvement.

Where other sources are used (e.g., government surveys), this information was checked back to primary levels, verified, and, if necessary, supplemented. The origin of all data cited in the study reports is identified. Furthermore, questionnaires, computer cards and a computer tape containing original data were filed with the appropriate host country agency and a duplicate computer tape was retained in MSU/LAMP so that this information is available for continued research.

The surveys were thoroughly done and cogently presented. The research reports did not include enough information for a technical appraisal of the quality of the survey data, but all other characteristics of the survey pattern are indicative of a competent and conscientious approach.

The diagnostic studies, carried out by a joint research group of LAMP staff and national technicians, were truly cooperative, and represent outstanding examples of international technical cooperation. Excellent training in research in marketing was received by the participants. However, the ad hoc nature of each research group prevented development of an institutionalized research capability in the host countries. Since market research is an on-going requirement, priorities among countries for technical assistance in market research might well be established on the basis of relative commitment to institutional support of research.

Most of the recommendations appear to represent reasonable conclusions from the data and analysis. That is, if other researchers replicated the project design and procedure, they could be expected to arrive at very similar conclusions. The level of professional expertise and competence utilized in the studies was high.

Large scale surveys are expensive. Their results must necessarily be evaluated in terms of the value of the information they provide relative to their costs. Could comparable results have been obtained at lower costs? In retrospect, almost certainly. A study of the scope and complexity of the Cauca Valley project was not necessary to establish the recommendations which emerged from it, and this view is born out by the limited selection of technical studies being used in the Bogota diagnosis. LAMP recognizes the need to selectively reduce the scope of the diagnostic survey (and its cost) without sacrificing the collection of essential data if this type of research is to receive wide support.

Simulation Models

The development of simulation models for evaluating the consequences of marketing reforms began with the Puerto Rico study where a small model was developed. A full-blown attempt at developing a detailed systems simulation model was included in the Recife study. This model, which included some 1200 variables, had three notable weaknesses: (1) lack of validation, (2) excessive size and complexity, and (3) lack of selectivity.

(1) Lack of validation. Presumably, the goal of the model was to predict what would happen if certain policies or programs were implemented in Recife. To achieve this goal, the model must have constituted an acceptable representation of the economic system, with behavioral, structural and response parameters and relationships established at reasonable levels of confidence. This validation problem, which is probably the key issue in the use of the model, is not considered in the Recife report nor in the Ph.D. dissertation that contained the Recife systems model.

(2) The Size and Complexity of the model presented enormous data requirements that could not be fulfilled. It proved extremely difficult to explain the model and relate its results to decision makers in the public and private sectors. This tended to limit its usefulness even as a logical framework to encourage and lead policy-makers to think through the direct and indirect consequences of marketing reforms.

(3) Lack of Selectivity. The Recife systems model was used to simulate the effects of specified marketing reforms of increasing complexity. The results showed that successively more inclusive programs produced increasing economic benefits in the form of higher real incomes, lower food prices, and reduced imports.

The conclusions of the simulation analysis seem to conflict with the logic of the conceptual approach. Since existing

marketing systems are deficient in many dimensions, it is generally not feasible to carry out comprehensive reforms. Rather, the search must be for those strategic points of entry that generate maximum effects forward and backward in the production-marketing system and consequently deserve highest priority in implementation programs. The Recife systems model pointed toward total reform as the appropriate policy, thus submerging the highly important issue of priorities for reform.

The desirability of developing models that provide quantitative evaluations of the consequences of alternative marketing reforms cannot be questioned. The LAMP project in Recife attempted this difficult task. While the success of this effort was limited, the desirability of the goal remains undiminished. Simulation modeling was excluded from the Cali study, as a conscious resource allocation decision. We don't dispute that decision, but it would be regrettable if LAMP's experience did not result at least in a more definitive appraisal of the utility of systems simulation models in marketing research.

IMMEDIATE OUTPUTS

The immediate outputs of the research effort consist of the research reports, the development of local professionals, and the enhancement of a U.S. capacity to provide advice in the marketing field.

The Research Reports

(1) Content. The major research outputs of the LAMP program are the detailed descriptions and analyses of market organizations and processes in Recife, La Paz, and Cali. Each of these studies is summarized in a book which describes the research, presents the data from which certain conclusions are drawn, and proposes a course of action to improve the efficiency of the marketing system.

The LAMP research was carried out on the premises that marketing was a neglected area and that improved marketing organization could serve as a positive force to stimulate overall agricultural and economic development. It emphasized the role of the market as a means of communication, coordination and providing incentives. This concept of the market as a positive force is all too scarce in conventional Latin American thinking, where the traditional view of middlemen is to wish they weren't there and to remove them if possible. The painstaking examination of the Latin American market place by diagnostic survey provides a set of facts about market operations that over time can be used to modify attitudes and lead to a more rational approach to national marketing policy.

Moreover, the scope and intensity of the surveys provide a mosaic of the system, rather than a snapshot of some part, and this is a particularly valuable contribution to understanding of Latin American marketing structure and processes.

A good deal of the data obtained is the first reliable statistical information available in the country of both the marketing system, and characteristics of producers, consumers and middlemen. The value of this statistical source material is not limited to marketing, but is being applied to other activities, e.g., briefing papers, preparation of loan papers, rural development program analysis. In Bolivia, Utah State University is using primary consumer survey data to develop price and income elasticities for a 211(d) irrigation program.

The recommendations are well-presented, with a general diagnosis of the marketing system, followed by indications of general areas for intervention and the type of improvement suggested. Recommendations dealing with program or project are normally more precise and well-supported than recommendations dealing with policy, and the LAMP recommendations are no exception. Their recommendations for improvement of operations of a subsystem tend to be quite precise and logically clear, because they deal with private costs and benefits in a neatly circumscribed arena. We feel less confident of more generalized program and policy recommendations where the social costs and benefits become relatively more important, because we were able to raise the kinds of questions we posed

about the benefits attributable to efficiency (see Assessment of Research). In summary, the diagnostic studies were effectively executed by competent personnel and yielded data and recommendations of significant value.

The reports suffer from two significant weaknesses which detract from their potential usefulness:

1. LAMP has not presented a conceptual development model which precisely describes the supposed relationship between market improvement and economic development. A conceptual approach used to guide the research appears plausible but was not stated with sufficient rigor to provide testable implications. The imprecision with which the underlying concept was treated may reflect limited critical review and challenge by marketing professionals and development specialists who may have divergent views of the relationships of marketing and development. Four of the principal investigators received their doctorates from MSU, two of them based on their work with these programs. Although the professional community is aware of the approach, and has access to their books, there has been no publication in professional journals of LAMP research methods or theories and there has been no open seminar on LAMP work by professionals of comparable stature since the Puerto Rican study.

Contract AID/1a-364 did not include requirements for a post study seminar such as the one held in Puerto Rico, and it excluded support of LAMP investigators' participation in

other professional meetings. The potential risk of this lack of exposure is unwarranted, and it deprives the professional development community of the wisdom, judgment and experience of a group of competent investigators who for six years have been involved in researching a unique development field.

2. The research has not yet resulted in a significantly different method for diagnosing marketing problems and comparative evaluation of alternative reforms. The large-scale diagnostic survey, while applied with considerable expertise and success, contains little that is new. Past experience has been incorporated successfully in successive studies and hopefully will result in a unique method of describing market systems and their components and identifying priority points of entry in diagnosis, when the results of all three studies are compared. At the same time, once-promising lines of inquiry, such as the simulation model, were dropped without explanation. Similarly, a singular shift in the preferred point-of-entry from large-scale retailing (Recife) to the public wholesale market (Cali) occurred without specific comment.

These explanatory gaps result directly from the fact that the results of each study were published separately, and there has been no subsequent rigorous comparative analysis of the four studies. Such an analysis should rate high in the list of priorities for future research.*

* LAMP is now making such a comparison.

(2) Timing and Follow-up. A field draft of the final report was completed in country with participation of the full team, prior to the departure of MSU/LAMP personnel at the close of the study. This draft was circulated for comments, but, with the exception of the Cali report, was not corrected immediately. Instead, MSU/LAMP personnel returned to campus, and lengthy delays ensued before a finished document became available to the USAID Mission and host country officials:

	<u>Research</u>	<u>Field Draft</u>	<u>Published Report</u>	<u>Lag</u>	<u>Translated</u>
Recife	1966-67	12/67	6/69	18 months	yes ^{1/}
La Paz	1966-67	11/67	7/69	20 months	no
Cali	1968-70	11/69	3/70	4 months	yes

The causes for such delays are not immediately attributable. In part, they reflect competing demands on the time of field personnel, or their departure for other positions. In part, they are the result of re-checking data and re-casting conclusions and recommendations. However, they undoubtedly reduced the potential impact of the research by aggravating the problems of implementation. This is not a criticism of the report, but of the situation into which it is released. The original study team had become dispersed, while national policy and program personnel familiar with the aims of the study had been replaced, as had the USAID Mission personnel responsible for liaison. Undoubtedly, the judgment of both MSU and local staff went into the recommendations. These judgments must have been influenced to some extent by the probabilities for successful implementation of the recommendations. Considerable

effort may have gone into thinking through the operational realities and how to deal with them. The point is, that the people who worked on the research team and who possess this invaluable experience, because of its ad hoc nature, may not be available to pass on these thoughts.

Follow-up arrangements were not built into the original study plans, although there was evident assumption that the host country and USAID Mission would take such steps as might be necessary to implement the findings. Given the institutional arrangements, it would have been quite difficult to establish at the outset which, if any, of the participating local institution should have primary responsibility. Nevertheless, some more formal responsibility for follow-up must be established if the research is to have a near term impact. This does not necessarily have to constitute a formal a priori commitment by the host government. USAID/Colombia, by contracting with MSU for the successive services of Don Larson and Harold Riley secured the presence in country over an extended period of experts with a vested interest in the marketing studies. The experience and commitment of these professionals have helped to disperse the findings and positive approach concept of the studies to a much broader audience. At the same time, their presence assured that their personal knowledge of the national market was available to help apply the lessons from the Cauca Valley study to other regions.

Development of Local Professionals

The study teams were organized on a joint responsibility/co-leader approach. Local co-leaders, as well as one or more associates in the principal study areas, were graduates of local, and occasionally foreign, institutions. As such, they were professionals, but generally without prior experience in either the subject matter of the research or the techniques to be used. The LAMP study therefore, constituted a training school in a new professional area. It also provided an opportunity for personal advancement -- acceptance of the studies' recommendations would enhance the value of those who participated. Even in the absence of a direct tie between study and project, we felt that an examination of the current positioning of the principal local staff members would indicate the extent to which their participation in the studies left them with a commitment to this new field.

In Bolivia, we were able to interview two and verify the current whereabouts of three local staff members. Only one of these five people makes direct and frequent use of the experience gained in this project. His decision to pursue a career in marketing arose from his association with the project. Association with the project has had no apparent impact on subsequent activities of the others. (Table 3)

In Recife, an interview with Leonardo Sampaio provided us with useful information on Brazilians associated with the study, but we were only able to interview one other staff member.

Sampaio feels very strongly that individual members of the study team benefitted professionally from their participation in the project. He points out that their work gave them a common understanding of the market process, and time has positioned them well in the hierarchy to do something about it.

The recent Cali experience does not yet represent a clear picture of eventual utilization of Colombian members of the study group. Several staff members were on loan to the study from their positions in CVC, the University of Valle, and IDEMA and presumably returned to their original occupations. We did not trace these individuals.

Another group were more directly affected, since upon completion of the study, they moved into operating positions in the Central de Abastecimientos del Valle del Cauca, S.A. (CAVASA which was formed from the Promotora de Abastecimientos. CAVASA was intended to be the operator of a new central wholesale market and to exert leadership in modifying the related marketing structure. When it became apparent that this organization was not to become functional in the near term, several members departed for other work; but all are directly involved in marketing.

All members of the three study groups interviewed felt that their participation had been beneficial. Interviews were heavily weighted towards people still actively involved in marketing because their whereabouts were known to others in the field. However, the sizeable numbers still concerned with marketing in Colombia and Brazil, and the importance of their positions is a favorable indication of the impact of their association with the study, as well as their own commitment.

Enhancement of U.S. Capability

During the six-year continuum covered by the two contracts, some 16 graduate students have received a degree partially as the result of research performed in connection with these contracts (Table 4). Several others have benefitted from studies of the accumulated data. At this time, 10 Ph D's and 6 M.S. or MA's have been awarded. Only four of these can clearly be identified as still working in a marketing specialty in Latin America -- (Kelley Harrison (MSU/LAMP), Don Larson (Ohio State University/Brazil), Michael Moran (CICOM/Brazil), and Nancy Fong (USAID/Panama).

We would conclude from this data that although graduate students may perform useful research under the conditions provided by the LAMP project, there is no evidence that such students will subsequently dedicate themselves to continued work in the Latin American marketing field.

On the other hand, the studies financed by these two contracts did provide an opportunity for MSU professional staff to perform research in their specialties in Latin America. Table 2 lists MSU staff who participated directly in the three studies. Of these, only three have left MSU, and one of these continues his involvement with Latin America.

Many of the staff who participated in the studies have also provided consultative services to AID (See Table 1). And there is, of course, further involvement of these and other staff members in the supervisory/advisory relationship with graduate students, with in-house seminars on the studies, and in the inclusion of study results in the content of their regular courses.

LINKED OUTPUTS

The purpose of this research project was to enable responsible agencies to manipulate the marketing mechanism in an intelligent manner. In order to link the impact of the project to improved manipulation of the market we would have to find evidence that (1) direct recommendations had been implemented and/or (2) the availability of research data had facilitated marketing policy or investment decisions, and/or (3) attitudes about the market have been modified.

Bolivia

A proposal to construct a large combined wholesale/retail market in La Paz was under intensive consideration by AID and GOB when LAMP initiated its work in Bolivia. A decision was postponed, pending outcome of the marketing study. The marketing study provided incontrovertible evidence that this project was not feasible or desirable and no further action has been taken. In the absence of the LAMP study, it is quite possible that the market would have been constructed, since a normal feasibility study would not have provided the detailed primary data on marketing costs and margins.

Following the study, a limited effort at implementation of its recommendations was undertaken by the Bolivian Co-Director, who from his position in the Ministry of Commerce and Industries, developed two alternative implementation plans. However, a change of government and a budget crisis

prevented their execution, and he left his position in that Ministry soon afterwards. The USAID Mission liaison departed his position shortly after the initial study draft was completed and was not replaced. No one from MSU/LAMP was invited back. The final report has never been translated. There is no evidence that any attitudes about the market were changed, except perhaps those of direct participants.

Brazil

The Recife study fared somewhat better. Several MSU/LAMP people who had worked on the study returned to Recife and spent several days going over the translated report and its significance with key SUDENE officials. USAID/Brazil/NE arranged a contract with Systems Research, Inc., to train key Brazilians in the operation and improvement of the simulation model. However, there is little evidence that SUDENE ever used the model in their decision-making process. Some on-going research has been influenced by SUDENE's participation in the study, but the extent to which their broader policies are influenced is problematical.

A major loan for the construction of wholesale markets in the Northeast was recently authorized by AID. The information developed in the study has been useful in locating the wholesale markets and preparing the loan paper. Although it would be stretching things to say that those markets resulted from the study's recommendations, the study's recommendations may now acquire new importance.

As in La Paz, neither the USAID nor SUDENE sought continued MSU/LAMP assistance. Recently, however, both USAID and SUDENE are more interested in the marketing field and are exploring the possibility of further assistance. The final report was translated and reproduced in sufficient copies for SUDENE's internal use. This year the translation was refined and the study was printed.

Colombia

The linked outputs from the Cauca Valley study are much more evident, and not just because it was more recent.

The initial recommendation of the study was to reorganize the Promotora into an agency to coordinate the development of the urban food distribution system in Cali. This was accomplished with the creation of the Corporacion de Abastecimientos del Valle del Cauca, S.A. (CAVASA). CAVASA has not yet carried out the other recommendations, but this may be attributed to the failure of the board of directors to agree on an executive director.

The Corporacion de Abastecimientos de Bogota, S.A. (CORABASTOS) was created to carry out the same functions as CAVASA, but in the Capital City. Its structure and procedures have been patterned on the lines suggested for CAVASA.

CORABASTOS has acquired as its technical director the co-director of the CAUCA Valley study, and three of that study's staff, and continues to be advised by LAMP personnel. Where reason suggests direct applicability of the Cauca Valley research, decisions are taken and implementation proceeds. At the same time, CORABASTOS is undertaking necessary re-search along the lines of the Cali program, but of more limited scope.

A new marketing program is being undertaken by the Diversification Division of the Coffee Federation's Technical Department with advisory assistance from LAMP's personnel. While this program is probably not a direct result of the Cauca Valley study, it is clear that the credibility of the LAMP advisors was enhanced by their participation in that study.

Have attitudes changed? This is difficult to say. There is an exceptionally high degree of interest in marketing in Colombia. Most of the Colombians responsible for the interest in marketing have been attempting to get something done about it for years, mostly because they felt that the marketing system was an unwarranted drag on the economy because of the nefarious middlemen. The LAMP work, which they followed closely, has helped to focus their attention on structural and procedural problems, rather than on the actors. However, this type of positive attitude towards the market place is not broadly held and the operating procedures of government regulatory agencies continue to reflect the traditional viewpoint.

The reasons for the relatively successful outcome of the Colombian work are many, and there is probably no single key cause. For one thing, neither LAMP, USAID, nor host country was faced with the traumatic experience of having to suddenly adjust their plans at the outset, as all had to when plans for an Argentina program were cancelled and new arrangements were made with Bolivia and Brazil on an emergency basis.

LAMP people had the benefit of several years of trial and error experience in Puerto Rico, Recife and La Paz, and had thought through the process more completely. The Colombian agencies involved in the study were actively seeking some means for improving the marketing system; there was more debate on the nature of the research, and although all doubts were not satisfied, there was a better understanding of the expected nature of the recommendations. The key personnel working as study staff had a strong personal commitment to marketing. The study's results were drafted, discussed, redrafted, translated, and printed with a remarkably short lag time, so that they were available while people still remembered the study. USAID/Colombia contracted with MSU for LAMP personnel to remain with the Mission as advisors. And Colombians developed new institutional arrangements to continue the work.

EVALUATION OF DRAFT PROP

598-15-260-440/AGRICULTURAL MARKETING SYSTEMS DEVELOPMENT

(FY-1971-74)

The PROP describes a project which finances LAMP and USDA technical assistance to Latin American nations and to the Centro InterAmericano de Comercializacion (CICOM). LAMP-provided technical assistance would focus primarily on diagnostic studies and developing and improving internal market systems. USDA would provide short term technical assistance in specialized areas such as market information, grades and standards, facilities planning, etc.

An examination of the PROP raises the following issues:

1. Justification. Further research into agricultural marketing in Latin America is indispensable. The reason it is indispensable is because we do not yet know what effect we can expect from changes in the marketing system, paragraph 1 of the PROP notwithstanding. (For reasons stated in the chapter on "Assessment of Research Program, p. 14, we do not accept the calculation of benefits in Attachment A of the PROP without caveat.) We may believe that improvements in marketing systems play a critical role in development, and indeed they almost certainly do, but the explicit mechanism whereby this occurs has not yet been precisely described. We can identify structural deficiencies and recommend changes to increase efficiency, but we don't know the best ways to get low-cost food to low-income families or whether the large scale, vertically integrated chain store is a more efficient system than smaller scale, decentralized, price coordinated systems when social costs are

considered. This is not a criticism of LAMP research on which the justification was based. We know little about these differences in the U.S. However, the importance of knowing may be significantly greater in the LDC's.

The long-standing neglect of marketing research is, to a large extent, a result of the traditional low esteem in which tradesmen have been held, exacerbated by the belief that the middleman provides nothing of value at a high return to himself. The idea that the actors in the market place perform useful functions and that the market may play a positive role worthy of stimulation is a conviction not widely held. The LAMP research has lifted a corner of the veil of ignorance in several places, but this and other marketing research is minuscule in relation to need. Until the evidence accumulates, policy with regards to marketing will continue to be made on the basis of half truths, prejudice and assumption, but it will be made.

For the same reason, the indigenous capacity to perform market research in Latin America is weak both in terms of institutions and personnel. We conclude that continued technical assistance to help Latin American institutions improve their capacity to perform market research is a highly desirable object for AID support.

2. Channels. The mechanism for channeling LAMP assistance to end users is not entirely clear, but it appears that this regional project might be used: (a) to provide direct assistance

to countries, bypassing both USAID and CICOM; (b) to provide assistance through USAID on country request, bypassing CICOM; (c) to provide assistance through CICOM to the countries; and (d) to provide assistance directly to CICOM.

To the extent that services are provided bilaterally to national programs, we believe that these should be passed through the U.S. AID Mission and funded by it. This is more than a doctrinaire belief that free goods tend to be misspent. It is based on the research experience and its followup. In Colombia, where the Mission was interested enough to contract for followup directly, the results are promising. The Mission contracted LAMP personnel but they were not funded under the regional contract. That kind of interest was not demonstrated by either the Recife or La Paz Missions, the followup effort was inadequate and the results are limited.

Neither would we use a regional contract with a single institution as the primary mechanism to fill ad hoc consultancy requests. There are a number of well-qualified marketing professionals, experienced in Latin American environments, in the U.S. university community. There seems to be no need to arbitrarily exclude this talent.

Conclusion: Limit the use of this project's funds to activities which support or pass through multilateral channels. To the extent that this results in a "savings" of regional funds, These should be reprogrammed to research within this same regional program.

3. Is CICOM the Best Candidate for LAMP and USDA Assistance?

The definitive answer to this key question is clearly beyond the scope of this evaluation, but AID's determination should take the following points into account:

(a) Does CICOM have the desire and capacity to use the proposed technical assistance? The Centro Inter-Americano de Comercializacion (CICOM) started in 1967 as a project in the Technical Cooperation Program of the Organization of American States, with headquarters in the Getulio Vargas Foundation in Rio de Janeiro, Brazil. It receives its support from OAS and from the Government of Brazil, channeled through the GVF. It is now teaching its sixth international course of up to 6 months duration; in the first five courses 150 students from 16 Latin American countries received training.

The Center has been primarily a teaching institution, but it is authorized to conduct research, provide technical assistance, and act as a clearing house for technical market information. A good deal of technical information has been assembled, primarily as an aid to or an output from teaching. Very little has been done to date in the way of research or technical assistance, but the Center hopes to move purposefully into these areas, now that the teaching system is established.

There is no doubt that the Center desires closer ties with the U.S. university marketing community, and particularly with MSU. MSU/LAMP personnel are known to CICOM; and LAMP studies provide much of the case material taught in the courses.

The Center currently receives rather modest support from OAS and the Government of Brazil. It has been assured of some continuing support from OAS past its initial five-year commitment. While CICOM can enter the research and advisory field on its current limited budget, ultimately its ability to extend research and advisory services will depend on the willingness of countries to pick up some of the additional costs, either directly or through increased contributions to OAS.

(b) Can CICOM stimulate governments to use the preferred services and to fund market research activities?

The answer to this critical question is anybody's guess at this point. CICOM believes that its former students provide it with an enlightened in-country group who can stimulate interest and help develop programs in their respective countries. Certainly, the availability of backstopping by LAMP and USDA will enhance the attractiveness of CICOM assistance.

(c) What are the alternatives?

The only regional organizations which might take on a role similar to CICOM's are IICA and CEPA, and it appears improbable that they could be considered as viable alternatives while CICOM has its more specific mandate. Another alternative is to work with national institutions directly. In time, we should expect all of the larger countries to include a marketing specialization in higher education and to support some form of national marketing research organization. We believe that the stimulation of

such action should be CICOM's most important objective. When such institutions have become operative, CICOM may concentrate its future attention on the smaller countries, on performing some still to-be-determined special tasks, or may cease to function altogether.

At this point in time, it is difficult to identify in most countries national institutions which are sufficiently advanced to provide a meaningful alternative to CICOM. Nor does it appear probable that such organizations might arise and become dominant within the period of this project's assistance. The operational problem which AID must face is how to stimulate the development of national institutions, and CICOM probably offers the best available stimulant with which to work.

4. Emphasis of the Assistance. The PROP stresses technical assistance in the performance of market diagnostic studies and the planning and implementation of market reform programs, apparently to the exclusion of other types of market research. Without detracting from the importance of market diagnostic surveys, which are indeed required in each country, we believe that there is a distinct need for other types of market research, and that AID, LAMP, CICOM and the countries will all benefit from this other research. We have special reference here to research on alternative organizations, facilities and policies needed to assemble and distribute staple foodstuffs at low costs. Several programs directed at the provision of low-cost basic foods to low-income families, including several

forms of direct government distribution, are already in being and should be reviewed for the lessons they provide. The careful statement of the relationships between market reforms and development as a conceptual model can provide a framework for the accumulation of empirical evidence about these specific relationships which might have a profound effect on determining priorities. Some of these research projects are eminently suited to research undertaken under CICOM sponsorship, conducted separately from or in conjunction with diagnostic surveys. Others, such as the statement of theoretical development models, might better be conducted in the U.S., to take advantage of the opportunity for consultation and debate.

5. The LAMP Involvement.

LAMP has demonstrated a primary research capability in the design and conduct of complex, detailed market diagnostic surveys. They have acquired a unique knowledge of the mechanics of market systems, just from the experience of having looked into these systems with unusual breadth and intensity. There is a massive need throughout Latin America for diagnostic market surveys. This type of research must be conducted sooner or later in each country to provide the evidence needed to change attitudes about the market, built up over time by prejudice.

The type of experience which MSU/LAMP has gained in the conduct of joint research activities is invaluable. LAMP set these studies up, and accepted the intellectual and administrative leadership which gravitated to it as the most experienced

and interested party. At the same time, they exerted this leadership with a sensitivity which resulted in a highly effective team approach, drew on the full capabilities of their counterparts, and left team members with a lasting feeling of esprit de corps.

LAMP probably has the largest single group of competent professional marketing people, skilled in the conduct of research and experienced in Latin American country contexts. There are many other competent marketing research professionals, with research experience in Latin America, but not in such a concentrated group.

For all of these reasons, we believe that LAMP is a good choice to provide technical assistance to CICOM. At the same time, we feel quite strongly that diagnostic surveys alone cannot provide a suitable basis for selection among alternative policy and investment choices. We have suggested that marketing research needs to be strengthened in the theoretical and policy formulation areas and in the exploration and comparison of alternative approaches to the solution of critical delivery problems which may have unique importance to LDC's.

We suggest that a leavening of LAMP's staff with marketing professionals not so identified with a particular approach would strengthen the theoretical approach and stimulate worthwhile discussions of research priorities in CICOM.

6. Budget.

The level of effort proposed is hardly commensurate with the need for technical assistance in marketing research in Latin America. However, it is probably reasonable in relation to CICOM's immediate absorptive capacity. If CICOM is able to stimulate national interest in market research, as desired, we would expect to see CICOM's budget expand. We would then hope that AID-financed technical assistance would also be increased if needed in FY-73 and FY-74.

We would like to see from \$50,000 to \$75,000 earmarked for a concerted effort to prepare a rigorously stated conceptual development model. This is not a simulation model, which would be much more expensive, and judging by past attempts, difficult to execute. Instead, this might take the form of the part time interaction of four to six leading marketing economists from several institutions, experienced in market research in LDC's with funding providing for their research and preparation and for periodic seminars at which concepts could be proposed, debated and modified.

TABLE I
CONSULTATION PERFORMED UNDER LAMP CONTRACT*

<u>Consultants</u>	<u>Organization</u>	<u>Subject</u>
<u>Colombia</u>		
Donald Henley	CORABASTOS	Urban Food Distribution
Kelly Harrison	CORABASTOS	Rural Supply System
Kelly Harrison	Federacion de Cafeteros	Crop Diversification
Donald Ricks	Federacion de Cafeteros	Crop Diversification
<u>Panama</u>		
Donald Henley	AID & Ministry of Agriculture	Marketing for Agricultural Sector Study
James Shaffer	AID & Ministry of Agriculture	Marketing for Agricultural Sector Study
Kelly Harrison	Ministry of Agriculture	Fruit and Vegetable & Milk Marketing Reforms
Donald Ricks	Ministry of Agriculture	Fruit and Vegetable & Milk Marketing Reforms
Glynn McBride	Ministry of Agriculture	Fruit and Vegetable & Milk Marketing Reforms
<u>Brazil</u>		
Donald Taylor	CICOM	Marketing Education
Harold Riley	CICOM	Marketing Education
Charles Slater	CICOM	Marketing Education
Kelly Harrison	SUDENE & AID	Implementation of Recife Study
Charles Slater	SUDENE & AID	Implementation of Recife Study

RELATED CONSULTATIONS NOT UNDER LAMP CONTRACT

<u>Central America</u>		
Donald Henley	Federacion de Universidades Privadas	Marketing Education
Kelly Harrison	Federacion de Universidades Privadas	Marketing Education
<u>Brazil</u>		
John Griggs	SUDENE	Systems Research, Inc., Contract on Computer Simulation Model
Tom Webb	SUDENE	Systems Research, Inc., Contract on Computer Simulation Model
Alan Bogotay	SUDENE	Systems Research, Inc., Contract on Computer Simulation Model

* Charles Slater also conducted extensive exploratory consultation in these and other Latin American Countries during and prior to the Recife & La Paz studies.

TABLE 2

MICHIGAN STATE UNIVERSITY STAFF DIRECTLY INVOLVED IN LAMP FIELD STUDIES*

<u>Name</u>	<u>Role</u>	<u>Department</u>
<u>Reclife</u>		
Charles C. Slater	Co-Director, LAFMS/ Director, LAMP	Marketing
Harold M. Riley	Co-Director, LAFMS	Agricultural Economics
Kelly M. Harrison	Chief of Party	Agricultural Economics
Donald Taylor	Consultant	Marketing
James Shaffer	Consultant	Agricultural Economics
Vincent Farace	Consultant	Communication
<u>La Paz</u>		
Charles C. Slater	Director, LAFMS	Marketing
Harold M. Riley	Co-Director, LAFMS	Agricultural Economics
John R. Wish	Chief of Party	Marketing
Donald S. Henley	Consultant	Marketing
Vincent Farace	Consultant	Communication
<u>Cali</u>		
Harold M. Riley	Co-Director, LAMP	Agricultural Economics
Donald Taylor	Co-Director, LAMP	Marketing
Kelly M. Harrison	Chief of Party	Agricultural Economics
James D. Shaffer	Consultant	Agricultural Economics
Donald Henley	Consultant	Marketing
Donald W. Larson	Leader, Rural Studies Group	Agricultural Economics

* Excludes graduate students. "Consultants" were normally heavily involved in the design and conduct of research and in the analysis and interpretation of data. Additional staff provided guidance to graduate students performing field research and participated on campus in discussion of findings.

TABLE 3

CURRENT MARKETING ROLE OF NATIONAL PROFESSIONAL STAFF MEMBERS

<u>Name</u>	<u>Study Position</u>	<u>Current Affiliation</u>	<u>Relation to Marketing</u>
<u>La Paz</u>			
Alfredo Mercado	CoDirector	Ministry of Planning	none
Marcos Paredes	Staff	Ministry of Finance Supply Division	none
Lloyd Jacobs	Staff	Owner/Manager Bicycle Factory	none
Nilo Robles	Part Time	Cooperative Department, Ministry of Labor	Direct
Mario Vizcarra	Staff	Ministry of Agriculture	Some
<u>Recife</u>			
Ferdinando Neves	CoDirector	Technical Director, SUDENE	Potentially Direct
Leonardo Sampalo	CoLeader for Urban Sector and Model	Asst. to Director of Technical Advisory Group, SUDENE	Potentially Direct
Jaime Terencio	CoLeader for Rural Sector	Conducts marketing studies for Department of Energy, SUDENE	
Francisco Emanuel Soares	CoLeader for Industrial Sector	In US for MS in Economic Engineering	?
Romulo Valenza	Asst. for Electronic Processing (Model)	Vice Chief Data Processing Section, SUDENE	?
Cleto Veras	Computer typing; Leader, Interview teams	Auditor, SUDENE	?
Benjamin Nobrega	Leader, Special Studies	Chief, Marketing Division Agriculture Dept., SUDENE	Direct
Geraldo Freitas	CoLeader Special Studies	Department of Industry, SUDENE	Direct
Laercio Vieira	Computer Training	Supply Division, Agricultural Department SUDENE	Direct
Brito Passos	Computer Training	?	?
Joao Carlos	Liaison between SUDENE supply group and study group	Technical Director, CARE	Direct
<u>Cali</u>			
Nelson Suarez	CoDirector	Technical Director CORABASTOS, Bogota	Direct
Aldo Patrino	Rural Studies	CORABASTOS, Bogota	Direct
Romulo Campos	Rural Studies	CORABASTOS, Bogota	Direct
Alfonso Blum	Urban Studies	Acting Director, CAVASA, Cali	Direct
David Lloyd Clare	Urban Studies CoLeader	Manager Carulia Super Markets, Cali	Direct

TABLE 4
MICHIGAN STATE UNIVERSITY
Degree Candidates Associated With
Latin American Market Planning Center Program

<u>Name</u>	<u>Department</u>	<u>Degree</u>	<u>On Site</u>	<u>On Campus</u>	<u>Post Study Data User</u>	<u>Current Occupation</u>	<u>Remarks and Comments on Related Work in Marketing</u>
<u>PUERTO RICO</u>							
Kelly Harrison	Ag. Econ.	PhD	X			CoDirector MSU/LAMP	Chief of Party, Recife and Cali
John Wish	Mktg	PhD	X			Prof. Bus. School, Voj Oregon, Eugene	Chief of Party, Bolivia, Consulting on Ag Mktg in Mexico Related community development in U.S.
John Griggs	Mktg	PhD		X		SRI	Started Systems Research, Inc., (SRI) did Recife modeling & Recife, Cali, Bolivia data processing
William Baucum	Ag Econ	MS	X			SRI	Presently involved in urban community development and Model Cities work for city of Lansing.
<u>BDLIVIA</u>							
Michael Moran	AgEcn	MS	X	X		CICOM-Rio	
David Lindley	Comm	MS	X			Advertising, NY City	
<u>RECIFE</u>							
Robert Nason	Mktg	PhD	X			Prof., Wharton School, U. Penn	
S M Doctoroff	Management	PhD	X			Prof. U. of Australia	
Thomas Webb	Marketing	PhD	X	X		Professor, Cleveland State University	Involved in U.S. urban development work esp. ghetto marketing problems.
Don Larson	Ag Econ	PhD	X			Prof. Ohio State	Did rural studies in Cali study, contracted with AID/ Colombia as Marketing Advisor after study in Colombia, Ohio State contract in Brazil.
Allen F. Bogotay	Ag Econ	MS	X	X		SRI	Worked on Recife study & translation then received MS at MSU on analysis of data-not on Recife work
Alan Dale	Marketing	PhD		X	X	SRI	
David Peacock	Ag Econ	PhD		X		Latin Bureau USAID	
Mike Weber	Ag Econ	MS	X	X			
Nancy Fong	Ag Econ	MS		X	X	USAID/Panama	
Collin Guthrie	Marketing	PhD in Progress				Univ. of Ottawa Canada	

List of Graduate Theses and Master's Reports
that have been Prepared as Part of the
Latin American Market Planning Center Program
at Michigan State University
1965-1970

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- Lindley, David K., Communication, Consumption and Modernization Behavior in Two Rural Bolivian Villages, 1968, Department of Communication

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Bogatay, Alan F., The Development Setting: Northeast Brazil
and Industrialization in the Northeast, 1969, Department
of Agricultural Economics