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**Semi-Annual Interim Administrative
Progress Report
December 28, 1967 - June 28, 1968**

**M-9334
June, 1968**

**Center for Development Planning
NATIONAL PLANNING ASSOCIATION**

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June 25, 1968

Mr. Donald Snodgrass
Agency for International Development
Room 3898 - New State
Washington, D. C. - 20523

Dear Mr. Snodgrass:

In accordance with our contract AID/Repas-9, as amended (Amendment #4, Article I, C, 2a), which requires this Association to submit interim administrative progress reports semi-annually, I am pleased to send you the enclosed review of work performed in the Development Planning Project of our Center for Development Planning since our last report of December 28, 1967.

Sincerely yours,

John Miller
John Miller
Executive Secretary

JM:dh

Enclosure

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**Semi-Annual Interim Administrative Progress Report
December 29, 1967 to June 28, 1968**

INTRODUCTION

This report covers the activities of the Development Planning Project of the Center for Development Planning, National Planning Association, for the period December 29, 1967 to June 28, 1968. It is submitted in accordance with the contract between the National Planning Association and the Agency for International Development, AID/Repas-9, Amendment #4, Article I.C.2a.

I. REVIEWS OF PROJECT STUDIES

By late January all professional staff had returned from the field study countries (the Philippines and Thailand) to Washington, D. C. Shortly thereafter, a series of reviews were held to promote the transition from the data collection stage to the task of analyzing and writing up results.

The reviews were designed to focus outside professional evaluations on the work of each individual staff member. Several outside experts on the subject matter of the particular study under review participated in each of the review sessions. In addition, the Project's monitor, Donald Snodgrass, attended all sessions and several were attended by

other personnel from AID. Outside expertise included, where appropriate, members of the Development Planning Project's research advisory committee.

Each review session began with a brief summary of the Project's overall goals in connection with analysis of the open, dualistic economy. In addition to presenting the aggregate data framework within which the Project's empirical work was conducted, preliminary findings about growth performance of the case study countries were suggested. These findings and related hypotheses were made on the basis of the Project's intensive empirical work in the Philippines and Thailand, as well as the Project's recent application of its data framework to China: Taiwan.

After these introductions, each review session concentrated upon an evaluation of the individual study being considered. Prior to the meetings, brief prospectuses of each study and relevant working papers were distributed to the participants in the review meetings. Particular attention was given to the overall organization of each study and the relationship between the individual study and the Project's general framework for analysis of the growth of the open, dualistic economy. Detailed discussion of preliminary findings and interpretations took place in some of the review sessions. The reviews proved to be valuable both to the individuals concerned and to the Project director.

II. STAFF

A. Location

As mentioned above, all members of the Project's professional staff have been located in Washington, D. C., during most of this reporting period. Dr. Rozental and Mr. Cookson returned from Thailand and Dr. Ayal and Mr. Hicks from the Philippines in January.

B. Staff Changes

On January 31 Joseph Tryon terminated his association with the Project, returning to full-time work at Georgetown University. He has continued to maintain an informal relationship with the Project and has participated in Project discussions on the Philippine economy.

III. PROGRESS IN RESEARCH ACTIVITIES

During this reporting period the transition from intensive field work, involving data collection, to the processing and analysis of data was completed. The Project's work during this period, therefore, has largely consisted of two components, one devoted to organization, processing, and interpretation of data and one involving more introspective activity concerning the theory of the growth and development of the open,

dualistic economy. There are, of course, differing mixes of these components in the work of individual staff members, depending on the type of data relevant to their work, the amount of data manipulation required, and the significance of the more deductive type of analysis to the problem at hand.

Joseph Tryon, whose appointment ended on January 31, has completed his study on the agricultural sector of the Philippine economy. This study employs data from the Philippines' Department of Agriculture and Natural Resources to evaluate the performance of Philippine agriculture in the postwar period (1949-1964). An evaluation of the reliability of the official Philippine national income estimates for agricultural output is included in the study. Dr. Tryon's study is now being processed for submission to AID in the near future.

Alek Rozental, whose appointment will end in September, is nearing completion of his study on the mobilization of private sector savings in Thailand. His remaining task involves the difficult problem of combining his survey of financial institutions with the quantitative estimates of aggregate savings flows in the Thai economy. In this latter task, Dr. Rozental will be assisted by Richard Hooley who has had considerable experience in analyzing these relationships between savings flows and financial institutions.

Richard Hooley is now completing his study of the literature dealing with foreign trade and economic growth. As a companion piece to his earlier survey of the literature on dualism, this paper will place the Project's more theoretical contributions on the growth of the open, dualistic economy in the perspective of the existing state of the art. Dr. Hooley's study on foreign trade and economic growth is now being prepared for submission to AID.

Since his return to Washington in January, Eliezer Ayal has been primarily engaged in processing his survey data on the growth of Philippine manufacturing industries. In addition, he has been preparing background chapters on the received theory in this area and the general pattern of growth of Philippine manufacturing for inclusion in his general study. It is expected that Dr. Ayal's study will be completed during the next reporting period.

George Hicks has been developing a model of the Philippine economy to assist in understanding the relationship between the Philippine export sector and Philippine development during the postwar period. A preliminary version of Mr. Hicks' model was presented to a Project seminar in May. This model is now being refined and applied to the Philippine data collected during the field work period. Mr. Hicks will complete his study during the summer, and his appointment with the Project will terminate during the next reporting period.

Forrest Cookson has been primarily engaged in organizing his basic data on Thailand for presentation in a data paper. This first result will consist of estimates for all flows in the Project's data framework for the period 1948-1965. Much of this effort is devoted to improving upon estimates derived from official Thai national accounts and deriving estimates for flows not presented in those accounts. Upon completion of this data work, Mr. Cookson will concentrate upon his analytical study of the development of the Thai economy. The major outlines of this study have been developed by Mr. Cookson during the present reporting period. It is expected that Mr. Cookson will complete the latter study by the end of 1968.

Dr. Paauw's work has proceeded at two levels. In addition to processing and applying analytical procedures to data for the Philippines, Thailand, China: Taiwan, and other open, dualistic economies, he has been concerned with developing a theory explaining the growth process in the open, dualistic economy. These efforts are both planned as components of the Project's final report to AID. In addition, the report will integrate results from other Project studies into the overall final study. Upon the completion of these ingredients, Dr. Paauw will devote his attention explicitly to the development policy and strategy conclusions emerging from the Project's studies. The latter will include reference to the

applicability of the Project's results to open, dualistic economies generally (for which intensive inductive work has not been undertaken).

IV. TRAVEL

During the present reporting period, international travel has been limited to the return of four professional staff members from their locations in field study countries to the home office in Washington, D. C.

V. PAPERS SUBMITTED TO AID

During the period under review one field work report and five working papers were submitted to the Agency in accordance with contract provisions. The papers submitted are:

A. Field Work Report

No. 24 Eliezer B. Ayal, "The Philippine Cotton Textile Industry," January, 1968.

B. Working Papers

Douglas S. Paauw, "The Philippines: Estimates of Flows in the Open, Dualistic Economy Framework, 1949-1965," February 1968.

Richard Hooley, "The Concept of Dualism in the Theory of Development," March 1968.

Theodore Geiger, "Private Sector Participation in Development Planning," April 1968.

Alek A. Rozental, "Central Banking in Thailand," May 1968.

John C. Honey, "Planning and the Private Sector: Experience in Modernizing Countries," May 1968.

C. Publications

Gerhard Colm, Integration of National Planning and Budgeting, Planning Methods Series No. 5, March 1968.

Richard W. Hooley, "The Measurement of Capital Formation in Underdeveloped Countries" (Reprinted from The Review of Economics and Statistics, Vol. XLIX, No. 2, May 1967).

Alek A. Rozental, "Unorganized Financial Markets and Developmental Strategy" (Reprinted from The Journal of Developing Areas, I, July 1967), June 1968.

VI. EXPENDITURES MADE DURING THIS PERIOD

The National Planning Association has submitted to the Office of the Comptroller, AID, a completed Form 1034, Public Voucher for Purchases and Services other than Personnel, at the end of each month in the reporting period covering the expenditures allocable to Contract AID/Repas-9. Attached is a summary of these reports in fulfillment of the reporting requirement for a detailed accounting of expenditures under the contract.

**CENTER FOR DEVELOPMENT PLANNING - NATIONAL PLANNING ASSOCIATION
EXPENDITURES FOR PERIOD DECEMBER 1, 1967 - MAY 31, 1968**

<u>Budget Item</u>	<u>Expenditures Dec., 1967</u>	<u>Expenditures Jan., 1968</u>	<u>Expenditures Feb., 1968</u>	<u>Expenditures March, 1968</u>	<u>Expenditures April, 1968</u>	<u>Expenditures May, 1968</u>
Gross Pay (U. S. only)	\$10,229.83	\$11,985.50	\$14,125.62	\$14,125.62	\$14,964.14	\$14,808.94
Base Pay (Overseas only)	4,114.71	2,712.50	-	-	-	-
Allowances	1,978.90	3,594.40	2,029.25	2,009.54	1,759.32	1,775.07
Travel and Transportation	4,731.65	2,001.67	3,979.79	4,103.68	3,303.35	272.79
Equipment and Furnishings	-	-	335.20	1,551.86	350.11	-
Rents and Utilities	1,295.81	1,435.45	1,303.90	1,259.50	1,175.77	1,520.75
Outside Consultants	-	1,080.00	1,428.00	-	780.00	50.00
Research Consultants	-	-	564.00	-	-	-
Printing and Publishing	66.50	-	-	6.00	771.00	-
Subcontracts	-	-	-	-	-	-
Other Direct Costs	3,280.16	3,474.34	3,947.41	2,348.60	1,676.86	2,168.21
Overhead to NPA	6,681.37	6,833.81	7,205.42	6,605.25	6,374.27 ¹	5,423.57 ²
	<u>\$32,378.93</u>	<u>\$33,117.67</u>	<u>\$34,918.59</u>	<u>\$32,010.05</u>	<u>\$31,154.82</u>	<u>\$26,019.33</u>

**Cumulative Expenditures
Through May, 1968**

Gross Pay (U. S. only)	\$ 651,493.97
Base Pay (Overseas only)	201,470.48
Allowances	149,670.08
Travel and Transportation	132,852.51
Equipment and Furnishings	16,815.26
Rents and Utilities	76,733.44
Outside Consultants	21,617.40
Research Consultants	13,726.60
Printing and Publishing	18,336.93
Subcontracts	26,652.73
Other Direct Costs	89,846.85
Overhead to NPA	320,910.97
	<u>\$1,720,127.22</u>

¹Overhead understated by \$68.67.

²April billing error of \$68.67 corrected in May.