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*The Servicio*

IN THEORY AND PRACTICE

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THE INSTITUTE OF  
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**POINT 4 IN ACTION**

**THE INSTITUTE OF INTER-AMERICAN AFFAIRS**

AN AGENCY OF THE UNITED STATES OF AMERICA

# SERVICIO (COOPERATIVE SERVICE)

A METHOD OF JOINT ENTERPRISE FOR HEALTH  
AND SANITATION, FOOD SUPPLY, AND EDUCATION

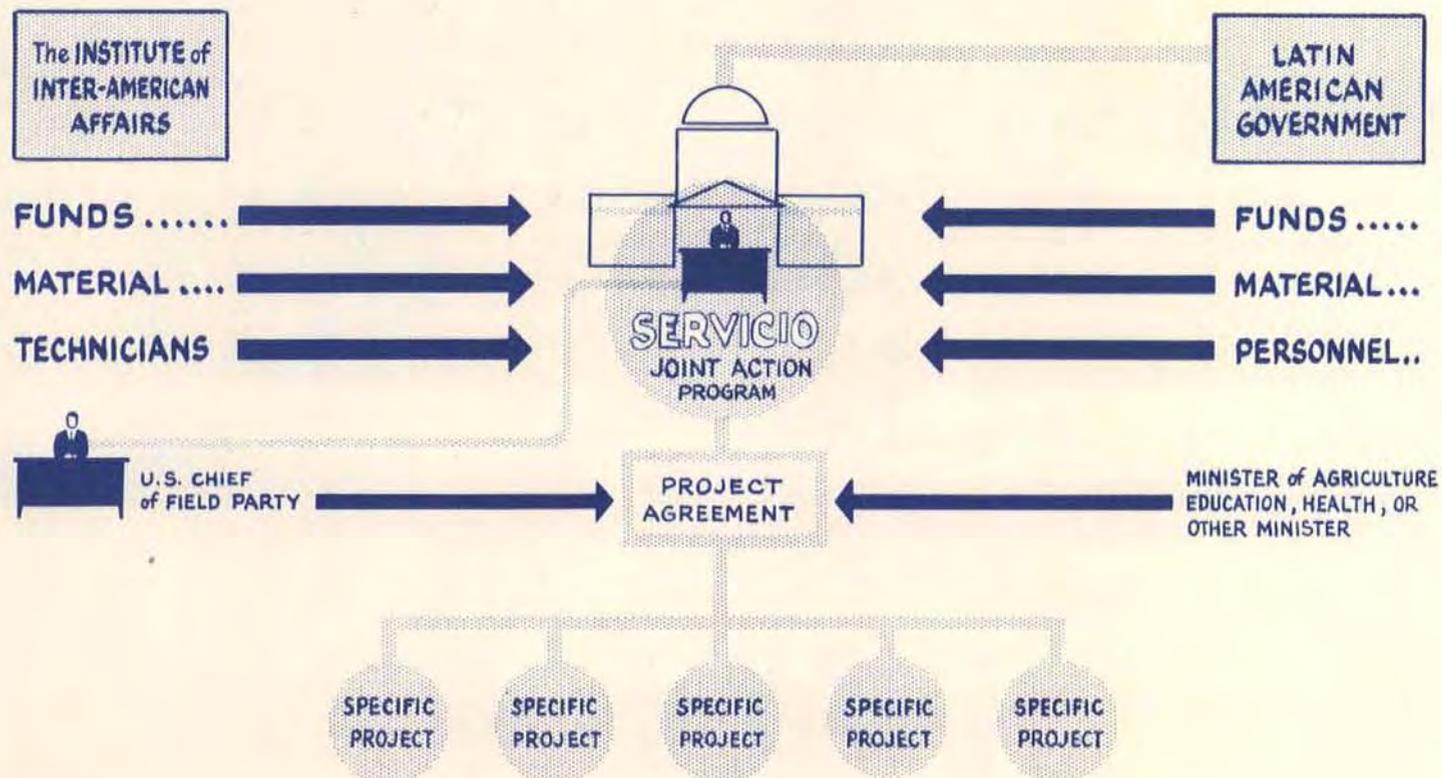


Chart illustrates how the Servicio technique enables the United States Government, working through The Institute of Inter-American Affairs, to cooperate with the other American Republics.

# The "Servicio" in Theory and Practice

By KENNETH R. IVERSON

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(A U.S. Government Point IV Agency)*

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## I

THE public release of the report to the President, *Partners in Progress*, prepared by the International Development Advisory Board, which recommended a worldwide economic development program, has focused interest on the existing pattern of United States technical assistance programs abroad. This report, prepared by a group of eminent Americans appointed by the President under the Act for International Development (Point IV program), is another indication of our country's determined effort to find a positive approach to the task we must face up to. In the words of the report, this task is "the strengthening of the economies of the underdeveloped regions and an improvement in their living levels" as "a vital part of our defense mobilization."

The International Development Advisory Board report recognized that The Institute of Inter-American Affairs had pioneered in establishing an effective technique for economic development, tested in the only crucible that can provide a realistic measurable gauge—experience and results. It recommended

... the creation of regional institutes for the Middle East, Africa, South Asia, and Southeast Asia similar to the Institute of Inter-American Affairs. These institutes should be used wherever practicable as the vehicle to set up joint "servicio" units with other governments to carry out cooperative jointly financed programs in the fields of health and sanitation, agriculture, education, and public administration. (p. 68)

The key word in the board's statement is *servicio*. Why a *servicio*? How does it originate? How does it work? What are its results?

*Servicio* is the generic name of the adminis-

trative device through which the Institute works with the other American Republics in the execution of technical assistance or basic economic development programs. The Spanish word *servicio* means service; it is also the synonym for government bureau in the United States. A cooperative *servicio* is a bureau or department of a ministry of a Latin American government, such as the ministry of agriculture, public health, or education.

The board's recommendation was based upon the results of over nine years of experience of The Institute of Inter-American Affairs in working with the governments and people of the other American Republics. These years were filled with study, thought, and experiment to determine how nations can successfully work together in solving basic economic problems. There were difficulties, disappointments, hard work, and slow but sure progress. Gradually these efforts resulted in tangible accomplishments that not only helped in the basic technical service fields, but also contributed in further cementing the friendships of the peoples and governments of the Western Hemisphere. This effort represents the experience of the personnel of many nations working together—the United States and eighteen of the other American Republics. This is a program of all these nations and their technicians, not the work of any single nation or people.

The Institute of Inter-American Affairs is a United States government corporation, attached to the Department of State, which represents the government of the United States in cooperative technical assistance activities with the other American Republics. The cooperative *servicio* concept developed by the American Republics and The Institute of Inter-

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American Affairs has gained administrative support at the highest government levels in sovereign nations and also grass-roots support from the most depressed groups of people in these nations.

### II

How did the *servicio* method come into being? Back in 1942 the world was at war and the United States and its Allies were working to strengthen themselves for the showdown. The Western Hemisphere required protection; United States and Allied soldiers were stationed in places in Latin America where malaria and other health problems had to be met if the men were to retain their fighting capacity. Our Allies and the civilian populations supporting them needed rubber, but the rubber trees in the Western Hemisphere were generally in isolated areas where there was no adequately organized medical assistance to handle grave health problems. Many strategic materials required for defense could be obtained only if the Latin American governments stepped up their production. Food production, too, had to be increased to meet the requirements resulting from lack of shipping and population dislocations. Governmental administrative structures needed strengthening.

The Ministers of Foreign Affairs of the American Republics meeting in Rio de Janeiro in January, 1942, agreed to cooperate with one another in the solution of these problems. But having adopted a policy of cooperation, the American Republics were faced with the question of how to proceed. The Institute of Inter-American Affairs was organized in 1942 to assist in handling these problems.

Immediately Nelson A. Rockefeller, the coordinator of the Office of Inter-American Affairs and president of the Institute, was confronted with the question of how best to proceed to assist the governments of the other American Republics to construct dikes, drain swamps, spray infested areas, provide new public health and sanitation facilities, expand agricultural activities and produce more food, and train administrators for public service—how in general to work with the governments of the other American Republics in the solution of these and other related problems.

If you were an official of the United States

government charged with these responsibilities how would you meet them? As you think of this question, keep in mind that

1. The work to be performed is in the other American Republics where you are a foreigner and the nation you represent is a foreign sovereignty.

2. The other American Republics are sovereign states as is the United States. If the situation of need were reversed, ask yourself how you would like to be approached as the recipient of aid.

3. The activities to be undertaken and the work to be done are the responsibilities of the American Republics, not the direct responsibility of the United States, but the United States is willing to respond to the request for assistance from its fellow Republics.

4. The programs involve expenditures of funds, the relationships of governments and people, problems of conflicts of law, and many matters of national and international relationships.

An examination of three of the principal methods by which nations can work together will demonstrate why a decision was reached to use the *servicio* method.

First, the United States can send advisers to consult with the representatives of other countries. In some instances the consultant has only advice to offer; in others his advice is coupled with funds to be made available, generally as grants, upon the condition that the country accepts and follows his advice. This method works well if the advice is followed, but sometimes advice is not accepted or is accepted only in part. If the advice is not accepted, the adviser can withdraw in humility and return home; but this does not get the job done. If the advice is accepted in part and the country he represents is satisfied to have only this part accepted and followed, the adviser can swallow his pride and remain. The Institute uses this advisory method only where joint operations are not required to accomplish certain desired results.

Second, the United States, on the basis of an understanding with another country, can have its officials perform the functions which it wants accomplished within that country. This is a direct government operation that puts the United States in business in a foreign

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country. The United States followed this method in some fields during World War II. It is a serious question, however, whether the United States should go into business in the fields of construction, public health, agriculture, and transportation within the sovereign jurisdiction of another nation except under unusual circumstances such as exist during a world war.

Third, the United States can enter into a partnership arrangement with other countries and they can jointly undertake to execute programs through a *servicio*. This device incorporates the general advantages of the first two methods and avoids their inherent disadvantages. United States technicians, as members of the *servicio*, advise and work with officials and technicians of the other government, not as advisers and receivers of advice or by unilateral action but as partners.

A *servicio* is not like Topsy—it doesn't just grow by itself. It is the result of a series of premeditated steps taken by two governments. An American Republic requests assistance from the United States on a particular problem or in a general field of activity. After consideration and upon acceptance by the appropriate officials, the United States responds by sending an official of the Institute to negotiate, under the guidance of the American Ambassador, what is called a "basic agreement." In this agreement the American Republic undertakes to establish a *servicio* as a part of the ministry having jurisdiction over the particular activity—for example, agriculture, health, education. The government thereafter creates a *servicio*, by executive order or legislation or both, and vests in it appropriate powers and authority.

Thus, a *servicio* is born. It is an executive agency of a special or emergency nature, as distinguished from a permanent or constitutional ministry. It is endowed with special authority by the country which creates it and is endowed with special personnel by the cooperating countries. Inevitably, because of the intimate mingling of the two sets of personnel from two nations of somewhat different culture and living standards, the *servicio* is possessed of a special spirit and a new pattern for activity.

### III

ALTHOUGH the *servicio* is a part of a ministry, it is autonomous in many respects. Its autonomy is derived from the authority vested in the director to determine, with the concurrence of the minister, the administrative procedures to be followed by the *servicio*. It has a special bank account over which it has jurisdiction. The *servicio* may be relieved, by the determination of the two partners, from most of the fiscal laws and regulations applicable to the regular branches of the ministry. It exists for the sole purpose of carrying out a program of development and improvement within the limits of the selected field of operations as planned, developed, and agreed to by the representatives of the two governments. The Latin American Republic is represented by the minister of the cooperating ministry and The Institute of Inter-American Affairs is represented by a chief of field party. The Institute sends to the American Republic such technicians as are required and names as the head of the group a chief of field party. The minister and the chief of field party are co-equals in developing the administrative technique to be followed by the *servicio*.

In order to make effective use of the administrative and technical skills of United States personnel, the basic agreement provides that the chief of field party shall be appointed director of the *servicio*. One man thus holds dual positions—as chief of field party he is an employee of the Institute; he is also director of the *servicio*. The Institute pays the salary and expenses of the chief of field party and no compensation is paid as director of the *servicio*.

The Constitution of the United States prohibits officials of the United States government from accepting honoraria, gratuities, or positions with foreign governments unless authorized by the Congress. Congress, however, has recognized the merits of the arrangement of having an official of the United States government appointed director of the *servicio*, and has given express authority to Institute officers and employees, when approved by the Institute, to accept and hold positions to which no compensation is attached with government agencies of the other American Republics.

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The director of the *servicio* has authority to direct and administer its various activities. In most *servicios* he can hire and dismiss personnel, determine personnel policies, purchase materials required for *servicio* operations, expend *servicio* funds under project agreements, establish procedures for disbursement of funds and accounting, control *servicio* property, and handle all other administrative matters. The director obtains the concurrence of the minister on procedures for handling these problems, but the director has the initiative in developing them.

The autonomy of the *servicio* within the ministry has contributed much to the success of its operations. It has made possible the selection and retention of competent local personnel without regard to political affiliation, has prevented *servicio* programs from being used as "pork barrels," has permitted the planning of *servicio* undertakings with a view to maximum benefit to the country as a whole, and has relieved *servicio* operations of any inefficient government procedures. When governments have changed, either by peaceful or by violent methods, *servicios* have never ceased operations. In this respect they are making a fundamental contribution to the solution of one of the serious problems of Latin America—instability of government and lack of continuity in government programs.

The basic agreement delineates the problems a *servicio* is to attack and provides a broad general pattern for cooperation. The *servicio* organization and program are flexible and may be adapted to the needs of the ministry in which the program is to be developed. Thus no two *servicio* organizations or programs are exactly alike. Each *servicio* is a special vehicle built to fit the needs of a particular ministry and its program. This factor is recognized in the provision for joint planning. The minister and his staff know the needs of their country and people and what the ministry itself plans to do to meet them. The chief of field party and his staff are trained to plan programs and to determine the technical feasibility of proposals. *Servicio* program planning is, therefore, a process of pooling the knowledge of the two groups and developing a plan which, when the activities of the *servicio* are added to those of the min-

istry, will provide the most complete and best-balanced program that available technical and financial resources will buy. Only through the full participation of the minister and his staff and the chief of field party and his staff can the most effective program be developed.

The Institute does not attempt to determine prior to the arrival of its representatives in the American Republic the specific projects or activities to be undertaken. Intelligent program planning requires a knowledge of the country, its physical resources, its people, the existing programs, and the interest and the objectives of the people and their government. It takes time for United States personnel to obtain information and background knowledge of a country. Once obtained, they and the minister and his staff can pool their training, experience, and knowledge in constructive bi-national program planning.

It is for these reasons that the Institute delegates to its chief of field party the authority to commit it to projects without requiring that project agreements be returned to Washington for approval by any Monday-morning strategists it might have. The chiefs of field party live up to the responsibility that is placed upon them. Institute headquarters personnel in Washington, however, establish certain policy guide lines, keep currently informed of programs, provide advisory assistance by correspondence and telephone, and make periodic trips to the various American Republics for the purpose of reviewing progress of the programs and their effectiveness. So long as a chief of field party and his staff perform effectively, they have the backing of the Washington headquarters.

From time to time it has been suggested in some quarters that the authority to make commitments should be reserved to Washington. The Institute is firm in its belief that more effective results can be obtained by having good personnel represent it in the other American Republics with full authority to act. The minister has authority to represent his government and the chief of field party must have equal authority if mutual confidence and respect are to develop. Responsibility, confidence, respect, and equal rights are the elements upon which a successful *servicio* relationship is established and maintained.

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### IV

WITH the authority to determine the details of programs vested in the representatives of the two governments, what types of activities are actually carried out? The cooperative programs have been primarily in the fields of health and sanitation, agricultural development, and education; public administration, transportation, and the stimulation of small industries have also received some attention. Care has been taken not to set up programs that compete with those already under way in the ministries. In general, the *servicio* program operates in pioneer fields not being explored by the regular departments of the government or by private enterprise. It also operates in fields where the regular departments may lack authority to carry out particular projects or money or technicians required to make such projects effective and in fields where the regular ministries are operating but desire assistance to make their activities more effective. The program is always geared to the needs of the particular situation.

Many projects involving construction, such as quarantine stations, warehouses, laboratories, hospitals, health centers, and water and sewer systems, can be transferred to a permanent government agency as it is prepared to take them over. Technical assistance may be provided for a short time after construction is completed to assure that the management is effective.

There are other projects, however, which are the basic tools for much that the *servicio* program is seeking to accomplish. In this group are projects like the farm extension services and the *servicio*-advised farm credit program. Through these projects the knowledge and skills of *servicio* technicians are made available to local farmers and the vital education programs for better farming and home management are undertaken. In this group are also the teacher training projects and the health education projects. These projects usually are not transferred until the ministry is adequately organized and is staffed with many more capable and trained technicians and administrators than are usually available. The project agreements include appropriate provisions for training the personnel that are needed.

Some projects undertaken by the *servicios* touch on private enterprise fields. As an example, organic insecticides were needed in a host country to help save a cotton crop. The *servicio* handled the importation and distribution of the insecticides. There was no commercial company in existence to handle the importation and there was no time to wait for one to be organized. But as a result of the *servicio's* action, a commercial concern was established to handle such imports the following year and the *servicio* did not have to repeat the project.

In the years in which the Institute has been cooperating with the American Republics through the *servicio* device, over 2,800 individual projects in the fields of health and sanitation alone have been started. At the appropriate time many of them have been transferred to the regular departments of government for normal operation.

In the *servicios* technicians of both countries work side by side, showing their skills in grafting plants, operating tractors, or building school blackboards and teaching the less skilled their know-how. Technicians from the United States seem to take pride in and enjoy performing all parts of their trade or profession even though they get their hands dirty and work without white shirt and tie. This is not the normal custom of the engineer, the agriculturist, and the professionals in all parts of the world. Experience has shown, however, that training carried on in the environment where people are to work has definite advantages. Education in new techniques shows lasting results when these techniques can be assimilated and developed as part of the local tradition. The nationals of the American Republics are absorbing the new methods and techniques brought to them. They are also developing their talents as administrators. People learn administration by participating in it, and the *servicio* employees are learning to run their services and administer their programs as they work side by side with their North American colleagues.

Other types of training are also important and the Institute has brought to the United States over 1,200 Latin Americans for formal training as public health doctors, sanitary engineers, nurses, agricultural technicians, and

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educators. These persons have been selected for training so that they will be better equipped for jobs in the *servicios* and the ministries of their governments. They are performing an ever greater part in these programs.

The nationals of the Latin American Republics employed by the *servicios* far outnumber Institute personnel. At the last count there were about 250 United States technicians in eighteen Latin American countries and about 8,000 nationals employed in the *servicios*. In one typical agricultural *servicio* there are eleven North Americans and approximately 400 local technicians and trained personnel, not including laborers.

When the *servicio* programs were started in 1942, the United States was so desirous that certain work be undertaken without delay that the Institute generally financed the programs. The other American Republics soon saw the benefits of the work and began to make fund contributions. They wanted to participate in the financing of the programs as well as in other ways. Over the years the contributions of the United States have decreased and the contributions from the American Republics have increased. In the fiscal year ending June 30, 1951, the contributions to the *servicio* funds averaged over \$8.00 from the Latin American governments to \$1.00 from The Institute of Inter-American Affairs representing the United States. If the administrative costs of the Institute for salaries, travel, and other administrative expenses are considered as part of the United States cost, the contributions of the Latin American governments still averaged over \$3.00 to each \$1.00 from the United States. These figures indicate the enthusiastic support the Latin American nations are giving this inter-American program.

At the beginning of the current year, there were twenty-four *servicios*. With funds made available by the Technical Cooperation Administration—Point Four—the Institute has been able to accept the requests from a number of the American Republics which have been pending for several years and has undertaken to cooperate with those governments through nine new *servicios*. In all these new activities the program contributions are at least

on a matching basis and, as a rule, the American Republics are so enthusiastic that they contribute a substantially larger amount than does the United States.

The thirty-three *servicios* at present operating are distributed as follows:

### *Health and Sanitation*

Bolivia	Honduras
Brazil	Mexico
Chile	Nicaragua
Colombia	Panama
Costa Rica	Paraguay
Ecuador	Peru
El Salvador	Uruguay
Guatemala	Venezuela
Haiti	

### *Education*

Bolivia	Nicaragua
Brazil	Panama
Dominican Republic	Paraguay
Ecuador	Peru
Honduras	

### *Food Supply*

Chile	Paraguay
Costa Rica	Peru
Haiti	Uruguay
Honduras	

In March, 1951, a major step was taken to coordinate the program of the Institute within each country having more than one *servicio* by designating one of the chiefs of party as chief of IIAA Mission and providing that the several party chiefs form an IIAA program committee for joint planning and coordination of activities in fields where cooperative projects involving more than one *servicio* could yield results not achievable by independent operation. Examples of such fields are nutrition, health education, vocational agricultural education, and geographic area projects where the interrelated contributions of health, education, and agriculture to economic and social improvement can be demonstrated. This step has been a part of the effort under the Point Four program to relate all technical cooperation activities to the common objective of assisting host governments to develop a coordinated program of economic improvement.

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