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PUBLIC ADMINISTRATION AND FINANCE MATTERS

Report of the Secretary-General

Addendum

Report of the Seventh Meeting of Experts on the United Nations
Programme in Public Administration and Finance

(Geneva, 17-26 October 1984)

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INTRODUCTION

1. Pursuant to Economic and Social Council resolution 1982/44 of 27 July 1982 the Secretary-General convened the Seventh Meeting of Experts on the United Nations Programme in Public Administration and Finance from 17 to 26 October 1984 at the United Nations Office in Geneva. The Meeting had the following terms of reference:

(a) To review and discuss challenges and constraints in public administration and finance in developing countries in the 1980s;

(b) To analyse the specific needs of developing countries, particularly the least developed, especially in the field of training and institution building;

(c) To review the support and assistance by the United Nations system for technical co-operation among developing countries in the development of public administration and finance;

(d) To review the United Nations work programme in public administration and finance;

(e) To recommend new modalities of technical co-operation which would increase the effectiveness of the United Nations technical co-operation activities in the field of public administration and finance.

The agenda adopted by the Meeting is given in annex I to the present report.

2. Twenty-one experts from different regions of the world were invited to attend the Meeting. The expert members participated in the Meeting in their individual capacity and not as representatives of their Governments or organizations. In addition, the Meeting was attended by representatives of specialized agencies, regional commissions and other United Nations bodies, interregional and regional institutions, and non-governmental and other organizations. Every effort was made to replace experts unable to attend. A complete list of participants is contained in annex II.

3. Prior to the commencement of the Meeting, the United Nations had convened a two-day meeting of an informal inter-agency consultation and working group comprising representatives of the regional commissions; specialized agencies and other United Nations organizations. Its main objectives were to identify current and long-term major issues of concern in the respective public administration and finance programmes and to consider measures and modalities for strengthening mutual collaboration among different organizations. The inter-agency consultation group was asked to comment particularly on some common issues including those identified by the Council, the Committee for Programme and Co-ordination (CPC) and the Consultative Committee on Substantive Questions (Programme Matters). These included: (a) nature and scope of contribution by different organizations and agencies to the Meeting of Experts; (b) clarification of the concept of public administration, as a basis for better co-ordination in the system; (c) co-ordination; (d) joint planning and (e) technical co-operation among developing countries (TCDC) in public administration and finance.

4. The inter-agency meeting was attended by representatives of the International Labour Organisation, the Food and Agriculture Organization of the United Nations, the United Nations Industrial Development Organization, the United Nations Conference on Trade and Development, the World Bank and the Department of Technical Co-operation for Development of the United Nations Secretariat. A representative of the United Nations Educational, Scientific and Cultural Organization joined the Meeting of Experts and indicated concurrence with the report of the inter-agency group.
5. The working group met on 15 and 16 October 1984. The report of the informal inter-agency working group (ST/SG/AC.7/1984/L.4) was submitted to the Meeting of Experts.
6. The inter-agency consultation group also met on 26 October 1984, after the conclusion of the Meeting of Experts, to review the situation in the light of the recommendations by the Meeting of Experts.
7. On behalf of the United Nations, the Director of the Development Administration Division of the Department of Technical Co-operation for Development explained the background of the Meeting and the tasks expected of it. He urged the Meeting to review and analyse current problems faced by developing countries in effectively managing development and possible solutions and identify approaches which could be workable. In this connection, the Director requested the experts to give particular attention to the analysis of organizational issues, civil service, management systems, management development and strategies for change. He finally stressed the importance of the recommendations of the Meeting and pointed out that such recommendations should focus on guidelines for action by developing countries at the national level and on the United Nations system activities in the field of public administration and finance only as supporting measures.
8. The Meeting elected unanimously Mr. Anton Vratusa (Yugoslavia) as Chairman; Messrs. Guy Braibant (France); N. K. Mawande (Zimbabwe) and Horacio Boneo (Argentina) as Vice-Chairmen; and Mr. A. P. Saxena (India) as Rapporteur.
9. The Meeting had before it two documents prepared by the Secretariat: "Development administration: scenarios and search for effectiveness" (ST/SG/AC.7/1984/L.2) and "United Nations Programme in Public Administration and Finance" (ST/SG/AC.7/1984/L.3). It also had before it as background documents the report of the Sixth Meeting of Experts on the United Nations Programme in Public Administration and Finance (E/1982/52/Add.1) and "United Nations Programme in Public Administration and Finance" (ST/SG/AC.6/1982/L.2). As mentioned in paragraph 3 above, the report of the inter-agency working group (ST/SG/AC.7/1984/L.4) was also submitted to the Meeting.
10. Fifteen (15) plenary sessions were held. The report was adopted unanimously by the Meeting at its final session held on 26 October 1984.
11. The Meeting also decided to adopt, as part of its report, two other sets of recommendations:

(a) A statement entitled "Public administration in developing countries: priorities and recommendations";

(b) "Sub-Saharan Africa: action programme in public administration".

The Meeting felt that these two documents should help to draw the attention of government leaders to the critical areas in development administration and the need for priority action in them. They are reproduced as sections I and II of the present report.

I. PUBLIC ADMINISTRATION IN DEVELOPING COUNTRIES: PRIORITIES AND RECOMMENDATIONS

Preamble

12. Public administration systems have expanded concomitantly with the pace of economic and social development in developing countries. These countries face today a number of difficulties, both of an external and internal origin, in a further acceleration of their development efforts. In the face of these difficulties, most developing countries might have to review critically their present policies and strategies in order to attain sustainable rates of growth in the long term. It is imperative that rational approaches and actions be developed in time in the field of public administration and finance to deal with these constraints rather than to react under the pressure of a crisis and suffer the consequences of measures entailed by such a course of action. In this field, the overriding concern must be, therefore, to give precedence to the improvement of performance and productivity of existing institutions, personnel, policies and mechanisms over creation of new institutions and further expansion of the system. In the light of these considerations, the Meeting of Experts has adopted the following main programme proposals on development administration in developing countries.

A. Principles

1. Importance and pre-eminence should be given to public administration and finance for development, particularly in contributing to the resolution of the consequences of the present crisis.
2. Diversity of situations, national traditions, socio-cultural values and the political and social context must be taken into account.
3. Action should be taken within the framework of a certain number of general and present national priorities rather than on the basis of global models or mechanical use of borrowed models.
4. Measures must be taken to mobilize human, material, technological and all other resources.

B. Priorities

1. Personnel policies

Personnel policies will be based on:

(a) Improvement of skills and capacity of senior administrators, especially to prepare them for management functions and in the use of new technologies;

(b) Training of intermediate staff;

(c) Efficient and effective deployment of public officials throughout the country.

2. Resource mobilization and management

(a) Resource mobilization will be effected by:

(i) Improvements in tax administration;

(ii) Rationalization of the pricing policies of public enterprises.

(b) Resource management will be carried out by:

(i) Elimination of ineffective procedures and regulations;

(ii) Modernization of public accounting;

(iii) Better management of public debt and public assets;

(iv) Reinforcement of comprehensive audit and control systems with a view to improving performance and to prevent waste and corruption.

3. Decentralization

Decentralization measures will include:

(a) Improvement of regional and local administration with special attention to political and technical conditions of success;

(b) Better administration of large cities by strengthening their resources and public administration and financial management capacity;

(c) Improved performance of public enterprises through management autonomy and a clear definition of their relationship with the State.

4. Citizens' rights

Citizens' rights will be ensured through:

(a) Participation; right of information and of consultation;

(b) Protection against bureaucratic arbitration; equality of access to services; procedures of protection, training and education.

13. The main responsibility for the formulation of appropriate policies and measures to implement priorities rests upon developing countries. The United Nations system should undertake appropriate measures to facilitate implementation of these priorities at the national level.

II. SUB-SAHARAN AFRICA: ACTION PROGRAMME IN PUBLIC ADMINISTRATION

Africa south of the Sahara: the socio-economic crisis

14. The economic and social crisis which currently engulfs most of the sub-Saharan Africa nations, has been caused by many factors. Among these are the international economic recession, the energy crisis, the collapse of the commodity market, inflation and high interest rates, declining official development assistance (ODA), trade deficits, external debt and the cost of servicing, and the effects of the prolonged and widespread drought. The drought has led, among other things, to acute shortages of food, water and energy which in turn has in many countries resulted in displacement of both the human and animal populations on a large scale. The African crisis has, therefore, not just happened all of a sudden. It has arisen as a result of the cumulative effects of a variety of factors, both natural and man-made, and external and local. The crisis has been further manifested in the size of the per capita gross domestic product which has been declining year by year in the sub-Saharan countries. Given the concern that the strategies adopted so far for tackling the crisis have not been adequate, it is clear that a different strategy is needed to remove some of the underlying causes of the worsening African crisis.

15. The Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa (A/S-11/14, annex I) and the Final Act of Lagos (annex II), adopted by the Assembly of Heads of State and Government of the Organization of African Unity (OAU) in 1980, provide important guidance in this direction. The Heads of State and Government emphasized the need for development and co-operation based on individual and collective self-reliance. This strategy was in recognition of the fact that while the international community can come to Africa's assistance, the responsibility for solving Africa's socio-economic problems lies squarely with African Governments and people.

16. Sub-Saharan African Governments have their public administration and finance systems as an important instrument for meeting the requirements of crisis management brought about by the situation and for mobilizing the resources and capabilities needed for that purpose, as well as long-term national development. These Governments should ensure that their public administration systems are adequate to this task. In fact, the very causes of the current socio-economic crisis in sub-Saharan Africa have combined to undermine the effectiveness of sub-Saharan African public administration systems. They have been so weakened that in some cases they cannot even deliver food aid provided by the international community and bilateral donors.

17. These countries need assistance to rebuild the capacities of their administrations urgently if they are to pull themselves out of the current situation quickly. But initiatives must start with the countries themselves, first by recognizing the crucial role of public administration as an instrumentality for addressing the crisis and secondly in formulating suitable programmes to deal with the crisis. Political commitment and active support from the highest authority is a prerequisite to properly articulate the urgency of capacity building and to effectively formulate and implement immediate and long-term remedial measures.

18. While there are variations among the countries in the degree to which they are affected by the crisis and the capacities of their respective administrative systems, the following aspects have been identified as calling for urgent attention in all the countries concerned.

Strengthening of personnel management systems and management development institutions

Improvement of financial management and fiscal administration

Supplies, procurement and maintenance management

Transport management

Modern management information system

Points for action

Taking the framework established in earlier analyses the Governments of sub-Saharan Africa should take actions on the following lines:

- (a) Inject urgently needed technical and managerial expertise within specially designed international technical assistance framework;
- (b) Carry out crash programmes of training of nationals to fill the immediate vacancies in the above critical functional areas;
- (c) Organize programmes to revitalize key institutions responsible for national capacity building, policy formulation and central guidance such as central budgeting organizations, civil service co-ordination and central personnel agencies, national finance and planning agencies;
- (d) Design special programmes to improve management performance of public enterprises;
- (e) Identify mechanisms at the national level to spearhead sustained implementation of proposed measures.

19. The international community should find ways and means of promoting and undertaking joint programmes in areas indicated above. They should also assist in identifying mechanisms for funding the proposals formulated by the affected sub-Saharan countries.

III. PREVAILING CONCERNS IN DEVELOPMENT ADMINISTRATION

20. Developing countries have significant achievements to their credit, particularly so when viewed in the context of heavy odds against them. Public administration has been a strong partner in these achievements. Continuing ability of developing countries to pursue development through different institutions in the society is as much dependent on internal reforms, including those in the public sector, as on availability of resources, including external resources, which have emerged as one of the major concerns.

21. External economic factors have continued as a major constraint in the further acceleration of development effort. The unfavourable international trade and aid conditions have diminished resources for investment and growth and have compelled many developing countries to resort to external commercial borrowing. The mounting debt burden has been worsened by the high interest rates prevailing in many developed countries. International negotiations, which are essential to improve external economic conditions, have been stagnating.

22. Progress in economic development has been accompanied in many developing countries by the growth of the public sector, as witnessed by the rise in public investment, employment and resource mobilization, and a consequent expansion of public administration systems. The empirical evidence suggests that with the manpower and institutional and physical resources at its disposal, the public sector could have made a substantially greater contribution had its resources been used more efficiently and productively.

23. The major challenges facing public administration and finance systems today are to maintain and improve the effectiveness of existing institutions and policies, respond effectively to changes in the perception of development, e.g. equity and participation, and to cope with the impact of technology and the constraints induced by external economic factors. A public administration system must respond to these challenges by forging itself as a major instrument of nation building and as a prime agent for improving performance, productivity and accountability in the public sector.

24. Performance improvement is an all inclusive concept and has several dimensions. It entails improving performance of institutions and organizations, of policies, processes and procedures, of manpower and of the implementation of government programmes and projects.

25. Considerations of productivity hinge on the use of capital, technology and labour in the public sector. Raising productivity implies getting better yields on investment and more output per man-hour in all spheres of activity. Accountability represents not only getting value for money but also responsibility of public officials for their actions stretching from within the Government to the national legislature and to the public at large.

26. There are evidently several variables affecting performance, both of an external and internal nature. A majority of developing countries have little control over external variables such as conditions of trade, aid, or technology

transfers, but internal variables are more amendable to control, manipulation and corrective action. Internal variables may stem from natural causes such as floods and droughts or from institutional and technical considerations and from policy options pursued. A continuous re-examination of assumptions and realities at the national level is essential to identification of internal variables affecting performance. Such a course of action alone would promote timely corrective measures.

27. There can be evidently no global models for performance improvement. A pragmatic approach is clearly called for in the light of the differences among developing countries in their stage of development and the state of their public administration systems. Each country must, therefore, formulate its own approach in the light of its own circumstances and needs. Some lessons can be learned from comparable experience of other countries in the same region as well as of those in other regions. International assistance in reviewing, evaluating and disseminating information on comparative experience on selected issues of importance to developing countries will be very useful.

28. The Government's role to direct and manage national economies remains critical in developing countries. It is within this framework that various modalities proposed for performance improvement have to be viewed. Some mixed economies, for example, may consider privatization of certain economic activities which can be either carried out by individuals or by the domestic sector. An important consideration that must be taken into account in privatization measures is their impact on employment and conditions of service of affected employees. In other cases, consideration can be given to a greater application of the market principle. It must also be noted that markets are not always perfect and as such, they may not succeed in efficient allocation and use of resources in accordance with national development goals and priorities. There are also other modalities of action which already exist in some countries and can be extended for use in appropriate cases. Such modalities include government contracts especially in construction, purchase of raw materials and finished goods from non-governmental sectors and other actions to promote productivity and reduce the administrative burden on Governments.

29. There are several areas in which administrative and management reforms could contribute significantly to improvements in performance and productivity. In the field of technology, public administration has to develop an open attitude to its adoption or adaptation and a cost-effective approach in the choice of technology and its quality, and ensure its optimum use and pace of utilization. The physical and social infrastructure in many cities of developing countries has been overburdened by increasing urban population. The administration of large cities is, therefore, an important and pressing issue of today, and it is likely to loom even more critical in the future. With the increase in public sector operations, there is an urgent need to develop effective communications and management information systems so as to provide relevant and timely information for policy formulation, programme implementation and for review and evaluation of government activities.

30. Controls and regulations are usually essential instruments of giving expression to government policies. In some developing countries, appropriate controls and regulations are lacking while in some countries they seem to be rather excessive and counter-productive. Moreover, in some countries, regulations are not mutually consistent. National actions are, therefore, required to develop regulations where they are inadequate, to update existing regulations and to deregulate those that have proved to be a constraint on performance.

31. There is another issue which merits attention in improving performance. In a majority of developing countries, there is a serious imbalance of skills at different levels of Government. There is usually a concentration of skills at the central government level while there is shortage of much needed skills at the provincial and local levels. National actions, such as appropriate training programmes and wages and incentives, are essential to correct this imbalance and to improve performance at other levels of Government.

32. Accountability in Government can be greatly improved by ensuring highest professional standards and financial integrity of public officials and by devising ways and means of avoiding fraud and waste in the use of public resources.

33. Developing countries have received considerable assistance from international financial agencies. Such assistance is often accompanied by recommendations for administrative change which is expected to be implemented during the period of assistance. In many cases, the duration of loans is usually short or of medium-term nature, while administrative changes often require longer periods for their implementation and full impact. The implications of such administrative changes for public administration systems in terms of their relevance and impact and for public sector performance needs to be examined.

34. Finally, performance improvements will be possible only in an atmosphere which permits a constant critical look at public administration systems and their effectiveness. A fetish or a complacent attitude will not promote change, and the dynamism which is essential for continuing readjustments and corrective actions.

V. INSTITUTIONAL ARRANGEMENTS FOR POLICY OPTIONS

35. Most developing countries have put in institutional infrastructure for policy development. However, in many countries, it remains nominal because of shortages of technical expertise and inadequate establishment of proper conventions and practices for inter-action between expert institutions and political rulers. In other cases, planning, financial management, personnel and other relevant central agencies, which are expected to make concerted inputs to policy-making, remain wedded to their particular methodologies and concerns. The horizontal linkages among them are frequently weak, with the result that actions become sequential and the contribution of the central guidance cluster to policy options and momentous decisions per se remains limited.

36. The ability of Governments to make realistic policy options, particularly on major issues, is extremely important for the direction and pace of development,

balance between short and long-term priorities, and clear signals for implementation measures and programmatic actions. There are three avenues through which national capacities for policy options can be strengthened.

37. In the first place, there is need to establish institutions which can undertake policy analysis on a holistic basis. While institutions for strategic planning and policies are common in certain sectors, their prevalence in economic and social development is rather limited.

38. It is recognized that policy decisions in the last analysis are the prerogative of political institutions and leaders who must take into account political and power dynamics. However, the input of rational and technical analysis, including realistic appreciation of implementability of policies in the available national capacities, can go a long way to improve the quality of policies.

39. The second avenue for improving policy options is to strengthen central guidance institutions individually, and horizontal co-ordination among them. Some countries have found it useful to establish task forces of central guidance institutions to develop and facilitate implementation of policies in key areas such as rural and regional development.

40. Lastly, it is considered important that policy advisers to rulers receive briefings and appreciations of policy-making dynamics to enhance their effectiveness in national decision-making on critical issues. The United Nations is urged especially to develop relevant materials on policy-making processes and dynamics, and to organize pilot activities for policy advisers. A related activity concerns the training of policy analysts.

V. ORGANIZATIONAL ISSUES

41. Different countries are at various stages of evolution of their organization for development. By and large, most developing countries have tended toward an expansionary approach in setting up public organizations for development. The result in some countries is a multiplicity of development organizations dealing with similar issues and problems or their closely related aspects. This leads to functional overlapping between them and complications for citizens having dealings with government agencies.

42. A major task in many developing countries, therefore, is not expansion. Instead, it is the urgent need to rationalize and consolidate existing agencies and institutions in such a way as to best serve national needs. Furthermore, periodic reviews of organizational webs are required to ensure weeding out of obsolete agencies and maintaining the capacities of ongoing agencies to respond to changing national needs. While there may be occasional need to create new organizations to meet special emerging concerns, it is prudent to reorganize existing organizations and re deploy resources rather than go for absolute expansion. Such an approach is essential in order to keep the public sector payroll reasonable in relation to current budgets and also to improve the image of public administration with citizens.

43. One of the major weaknesses in many public administration systems has been the preoccupation with building organizations and institutions at the central level. In a large number of developing countries, organizational structures and capabilities below the national level remain inadequate or weak. Technical assistance and international economic co-operation tend to reinforce central institutions. Action is, therefore, indicated at two levels: (a) central Governments should pay greater attention to building of organizations and capacities at sub-national and local levels which are crucial in implementing development programmes and projects, and (b) sub-national and local levels should be enabled to share benefits of international technical co-operation programmes to improve their capacities.

44. Special problems arise in public administration in federal systems. It is important to identify such problems and to devise mechanisms for enhancing organizational capacities at all levels. This is a highly important subject for comparative analysis and formulating guidelines on effective administrative systems for development under federal systems. This has been a neglected subject in international technical co-operation programmes which should take steps to remedy the omission.

45. Another area of considerable neglect has been the organizational arrangements to deal with government buildings, equipment, supplies, transport and other created assets. These represent a major portion of government resources, and their effective management is crucial for national development. The problem has many dimensions. One is the need to have effective arrangements for the maintenance of physical assets to reduce their depreciation and depletion. This can achieve considerable economies in future investments. Another dimension concerns consumable stores. Systems are needed for timely purchase, storage, distribution and stock control practices. A considerable amount of resources may be wasted because unnecessary items are purchased, essential items lie unused in warehouses, without reaching the users in time or stores are pilfered or misused in the absence of control devices. Maintenance and economic uses of government transport is another area which deserves attention because of its significant resource implications.

VI. RESOURCE MOBILIZATION AND MANAGEMENT

46. Developing countries have made considerable progress in the mobilization of domestic resources by stepping up their tax efforts and rates of domestic savings. Domestic resources in fact have financed the bulk of the development effort. External assistance has been useful but its availability has not been continuous, predictable and certain. Further acceleration of the pace of development in developing countries will call for additional mobilization of both internal and external resources which should be adequately planned on all levels.

47. To increase the volume of external financial resources, the present unfavourable trends in trade and aid must be reversed. Renewed expansion of economic activities in the industrialized countries, lowering of trade and tariff

barriers, increases in official development assistance, especially to the least developed countries, and appropriate interest rate policies in developed countries will help to increase the supply of external resources to developing countries. Another avenue for raising resources is the process of negotiations and renegotiations with transnational corporations so that their tax levels are maintained at realistic levels. Prompt and effective measures towards disarmament can further release resources for development.

48. There are a variety of factors which affect mobilization of domestic resources in developing countries. Recessionary conditions abroad and declines in the international prices for primary commodities depress national incomes, especially of export-oriented economies, and consequently result in a reduction of tax base and government revenues. Rising or high prices for manufactures and energy also entail additional burden for resource mobilization. Natural disasters such as drought and famine, as in sub-Saharan Africa, also reduce the ability to mobilize resources.

49. Cutting down public consumption is expected to release more resources for development. However, in many developing countries, the recessionary conditions induced by external factors and natural disasters have in fact placed an additional burden on Governments to feed the hungry and to provide at least a minimum of basic needs to distraught farmers and other groups of population. Under such circumstances, public consumption actually tends to rise and is difficult to control.

50. In the field of taxation, there is considerable scope for raising additional revenue through improvements in tax administration. Such improvements should focus, inter alia, on devising better methods of assessment and collection of taxes from small businesses and self-employed professionals; effective penalties for tax evasion which should be considered as a criminal offense; better tax-payer relations through education and dissemination of information; strengthening of tax audit; and on the simplification and rationalization of procedures including tax forms.

51. There are obviously administrative implications in strengthening tax administration for resource mobilization. Tax officials in many developing countries do not have a sufficiently high status and their salaries are not commensurate with the responsibilities entrusted to them. A reorientation of their status should be considered as an important measure in motivating them to improve their performance. Some training measures are also essential. The administration of customs and excise duties, especially in several countries of Africa, is rather weak and can be improved through training in valuation, and in customs nomenclature.

52. Another possible source for raising additional revenue is to update prices charged by public enterprises for their products. Sometimes Governments have held these prices constant, either as part of an anti-inflationary drive or in the case of certain basic consumer goods on grounds of social considerations. In some of the centrally planned economies, Governments have taken measures to revise such prices and to levy taxes on enterprises in order to mobilize additional resources. Governments of other developing countries should take a critical look at publicly

administered prices and raise them appropriately. The same argument applies to subsidies which should be used discriminately to promote production. Their permanent use for consumption should be avoided, while suitable measures should be taken to deal with the underlying causes. A critical appraisal of existing subsidies with a view to elimination of non-essential subsidies would be an important step in resource mobilization.

53. Management of resources is as important as their mobilization. The main concerns in this field are to co-ordinate effectively policy-making processes such as planning and budgeting, to install proper review and management control mechanisms for timely and effective implementation of programmes, and to ensure effective maintenance of existing assets.

54. There is lack of co-ordination between planning and budgeting. Planning, with its long-term horizon, has not only failed to respond to unforeseen internal and external changes but has also failed to capture the short-term reality and focus of a government budget. Government budgets have also not proved to be effective instruments of managing public resources. Under the prevailing uncertain external economic forces, short-term economic management has assumed critical importance, and hence budgeting systems should be substantially modified for this purpose and for effective management of resources in the public sector. It will be useful to consider introduction of programme budgeting in this context with related improvements in the accounting system. Both planning and budgeting have also been rather excessively centralized in many countries. A backward and forward process of consultations and decision-making is more relevant for preparing realistic plans and budgets.

55. To improve the economy, efficiency and effectiveness of government programmes, a chain of interrelated financial management measures is required. Strong internal management control systems, with effective internal audit, are indispensable at the level of organizations. Management accounting is essential not only to generate timely and correct financial information on government programmes but also as a tool for measuring cost of services and programmes provided by a Government. Similarly, effective financial, compliance and performance audit is necessary to review economy, efficiency and effectiveness in the implementation of government programmes.

56. An important issue which is often neglected in resource management is the maintenance and effective protection of existing physical assets and management and proper utilization of supplies. It is not an uncommon phenomena that existing physical assets are allowed to deteriorate while new assets are created. Proper maintenance of existing assets will extend their longevity, postpone replacement requirements and thus release resources which can be used for new investment. Improved supply management will result in reduced demand for working capital. Proper storage facilities, systematic forecast of demand by agencies, avoidance of overstocking, alternative and effective methods of purchases and distribution and training of public officials in this field are important measures for improving supply management.

57. The recent worsening of the external debt crisis in several developing countries underlines the critical importance of debt management at the national level. In several developing countries, comprehensive information on all aspects of external debt is not readily and continuously available. This often results in a crisis management approach to the debt problem. Sound planning, budgeting and accounting systems are essential to provide complete, accurate and timely information on outstanding debt, on the profiles of sources and maturities and on the flow of interest payments over a period of time. Such system-wide reforms will not only improve debt management but also provide relevant information for renegotiation and rescheduling of debts when necessary.

VII. PUBLIC ENTERPRISES

58. Governments of developing countries, mostly with mixed economies, have established a number of public enterprises whose activities have grown significantly in recent years. Public enterprises are found in all sectors of economic activities such as transport, power, communications, manufacturing, trade and commerce, banking and insurance, services etc. Some were established by the Governments while some, both small and large, were acquired from the private sector for a variety of reasons. In a few sectors, typically public utilities, public enterprises hold dominant positions, while in many other sectors they coexist with private enterprises. In mixed economies, these enterprises have been established for a variety of reasons which do not always represent a consistent set of policies and criteria pursued over time. In some such economies, there has indeed been an indiscriminate expansion of public enterprises. It would be useful to lay down a set of policies and criteria for the establishment of public and private enterprises in mixed economies and define sectors in which the public sector wishes to operate exclusively. Selective use of public enterprises will evidently remain inevitable but such a clear statement of policies and criteria will help to remove uncertainties.

59. Explicit and consistent policies and criteria will also facilitate decisions on privatization of existing enterprises if a Government so decides. Efficiency and effectiveness are other considerations that need to be taken into account in regard to privatization. In some of the countries of Latin America, for example, Governments have found it difficult to manage small-size public enterprises which had to be taken over from private sector owing to bank failures. In some developing countries, where attempts at privatization were made, the actual experience suggests that the private sector has shown its unwillingness to take over public enterprises incurring losses and has shied away from those public enterprises which are capital intensive. The preference of the private sector is often for profit-making enterprises. Such efforts, therefore, usually result in privatization of profits and nationalization of losses. A possible alternative to privatization is to retain the State ownership and hand over management to others, e.g., private sector managers or workers.

60. In the operations of public enterprises, the focus has to be on their productivity and contribution to national development. In this context, there are several measures that need to be taken to improve performance of public enterprises.

61. At the outset, Governments should redefine their relationship with public enterprises. In some countries, the control exercised by the supervising ministries is far too excessive, with the result that public enterprises are treated almost like extensions of government departments. On the other hand, in some countries, public enterprises have too much autonomy which has been misused by public enterprise managers. It is essential to strike a balance between control and regulation and autonomy. Several public enterprises are influential in national economies, and their activities would certainly warrant some degree of constructive control and regulation. Governments should also co-ordinate effectively regulation of public enterprises and should consider establishment of "focal points" for this purpose.
62. In a number of developing countries, including a few with centrally planned economies, public enterprises, particularly those in the production, commercial and financial sectors, are being increasingly subjected to the market principle. While ownership remains with the Government, their operations are subjected to economic/market criteria to determine their performance. In some cases, public enterprises compete with other private enterprises in providing similar goods or services. In other cases, they compete among themselves. In both cases, they become subject to criteria of economic efficiency. Even the service enterprises and utilities are expected to break even. The application of these principles allows for decentralization of management with financial and performance discipline.
63. The efficiency of a public enterprise will depend on the quality of its managers. Though public enterprises are to be run along business lines, their sole objective is not to maximize profits but to make an effective contribution to national development. The skills and qualities required of a public enterprise manager are, therefore, likely to be somewhat different from those of a manager of a private sector enterprise. Such differences need to be clearly identified so as to provide specific guidance for the training of public enterprise managers.
64. A system of incentives and disincentives, which has received very little attention so far, should be an integral and important element of government policy to promote productivity and social profitability of public enterprises. Incentives will promote identification by workers and managers with the enterprise and spur them to do their best with the full knowledge that they can participate in the fruits of their efforts, not only by efficient work but also through different forms of participation in management.
65. Accountability of public enterprises, in respect of their performance, to the policy makers cannot be enforced without a clear statement of objectives. Multiplicity of objectives makes it difficult for public enterprises to demonstrate their performance as well as for Governments to enforce accountability. A clear articulation of objectives is, therefore, essential for performance evaluation and accountability. Public perception of public enterprise effectiveness is yet another important dimension of accountability by public enterprises. Consumer involvement should, therefore, be sought in evaluating effectiveness of public enterprises.

66. Several approaches are being developed for performance evaluation of public enterprises. These range from measuring social profitability in macro terms to individual indicators of commercial, financial and social performance of public enterprise. What is likely to be more useful in performance measurement is to differentiate between different types of public enterprises such as those engaged in public utilities, manufacturing, commercial and service industries and to devise separate sets of performance criteria and methodology, taking into account their particular production and market conditions, financing of investments, pricing policies etc. Further international assistance in this field to developing countries will be helpful.

VIII. LOCAL GOVERNMENT AND DECENTRALIZATION

67. Practically all countries subscribe to the principles of local government and decentralization. These are essential concomitants of democratization and citizen participation in development. Formal provisions and statements are frequently incorporated in national constitutions and official development plans.

68. The actual status of local government and decentralization is extremely uneven among developing countries. There are examples of countries where powers and functions of local governments have been taken away or weakened since independence. In a few countries, local government and decentralization have been given extensive play. Majority of developing countries are in the middle with a variety of decentralization and local government systems.

69. Difficulties in decentralization and strengthening of local government in many cases include regional disparities, illiteracy, ethnic factors and particular socio-economic characteristics of the countries concerned. In a majority of developing countries, further decentralization and local government is inhibited by presumed weaknesses in managing capacities of relevant institutions. Competition for scarce resources and greater ability of central Governments to extract them affects the working of local government. Technocratic approaches and bureaucratic attitudes adversely influence assignment of greater powers to local units. Imperatives of national planning, including the need for reconciliation of national planning and bottom-up planning, also work to the disadvantage of local government and decentralization. Furthermore, decentralization involves complex power-relationship dynamics between national and sub-national institutions.

70. Local government and decentralization systems need to be consciously fostered to promote democratization, people's participation and mobilization for development, load reduction on central Governments and general economic and social development, as well as quality of life. There are a number of important factors which bear on the success of local government and decentralization systems.

71. Foremost among these is the genuine and committed political support by the national leaders. Without a political consensus, it is difficult to strengthen local government.

72. Once a programme of local government reforms and decentralization is accepted in principle, extensive preparations should follow for its implementation. Many a decentralization programme has failed because of the haste with which they are introduced and the lack of preparation to enable the decentralized entities to function effectively.

73. A major difficult area is the distribution of resources between national and sub-national institutions. In many cases, sub-national institutions are given responsibilities but without commensurate resources. Some countries use the device of standing finance commissions to continuously review and allocate resources among different levels. It may be useful for many countries to launch commissions and inquiries on local government finances to augment their availabilities.

74. Another variable affecting local government capacities is the lack of trained manpower. Most educated and trained manpower tends to gravitate to capitals. Ways and means, therefore, have to be found to reverse this trend and to ensure an equitable distribution of trained manpower. This calls for a review of compensation policies in the public services. In some cases there is interchange of personnel among various levels, which mitigates the problem to some extent.

75. Educational programmes and training activities need to be undertaken to sensitize the public at large and to train local leaders to function effectively.

76. Elected local government representatives have to clearly understand their roles in the decentralization process. In some countries, the emergence of representative local government was so strongly oriented to the centre that the local councils and assemblies became insensitive to the needs of the local people.

77. Whether or not there is a direct correlation between decentralization and development is a moot point. It is recommended that the United Nations carry out a study on the role of local government in development, with particular reference to the major characteristics of such systems.

IX. PUBLIC PERSONNEL SYSTEMS

78. Many of the issues concerning performance and productivity in public administration relate to the number and cost of public sector employees, their distribution among services and functions, their individual and collective performance, and skill availabilities for the varied tasks of development.

79. The size of the public service is a matter of continuing concern to the Governments of many developing countries. Oftentimes, the public service is perceived as growing too fast and having too many employees. The concern for size has also been expressed in the context of fiscal policies and budgetary programmes of developing countries. In specific cases, international

financial institutions have recommended significant reductions in payrolls and personnel as a pre-condition for providing financial assistance to the countries concerned.

80. Many developing countries recognize that the increasing number of employees in their public services contributes directly to rising establishment costs and to declining development resources. Some developing countries also realize that there have been, at different levels, a rapid growth in the number of their employees for a variety of reasons. In some cases the true size of the public service is virtually unknown because of the lack of records.

81. There are several dimensions to the problem of overstaffing. It is estimated that overstaffing in the public services of developing countries has been highly uneven. It has occurred mainly at the clerical, messenger and manual worker levels; along with persistent shortages in technical, functional and skilled personnel. This has been partly because of the tendency in some developing countries to maintain overlapping establishments for a variety of reasons, and partly due to Government being regarded as employer of last resort. However, at the senior levels of the public service, numerical overstaffing does not appear to be the case.

82. Equally important to the question of overstaffing is the proper placement of personnel. In some cases employees are placed in a position for which they are neither qualified nor suitable, resulting in inappropriate use of staff resources. Sometimes qualified personnel are attracted away from the public services to other sectors of the national economy. Likewise, it can also take the form of "brain drain" from the country. These dimensions account for the large number of vacant critical positions in many developing countries, along with a concern to contain the size of the public services.

83. A number of remedies have been suggested for resolving the problem of overstaffing. These range from drastic reductions in public service personnel through a variety of measures such as retrenchment, redundancy and induced retirement, to redeployment with the public service or retraining for alternative employment. Reduction of personnel across the board as a remedy is unacceptable to most countries. This approach reflects only the need to reduce payroll and is not always based on adequate information about the size and distribution of civil service especially where essential personnel records are lacking. More important, this approach runs counter to a number of the social and economic objectives to which the Government is committed.

84. A major task in this context, facing a number of developing countries, is to organize effective public service census with the following objectives:

(a) To develop essential personnel data for organizing employee records;

(b) To review the functions and responsibility of government departments and agencies including classification and job analysis, so as to determine the requisite numbers and levels of public service posts;

(c) To review the existing number of public service employees and the distribution pattern among the different cadres in the public service;

(d) To develop public service skill profiles for determining personnel and training needs.

85. A basic purpose of such a public service consensus will be to determine the public service functions relative to the services planned by the Government. This has to be the basis for determining personnel needs in terms of numbers, quality and levels.

86. Regarding structure of public service organizations, the Governments of many developing countries have made significant progress in modifying structures to meet new development demands and to promote effective personnel performance. Some "ad hocism" is, nevertheless, still found despite many well planned and positive efforts. An outstanding need in this regard is to review the structures in terms of their suitability to attract and retain highly qualified and skilled personnel, not only in management, but also in various specialities involved in the varied tasks of economic and social development.

87. Another dilemma faced by many developing countries relates to pay and salary systems. On the one hand, there are demands for payroll reductions. On the other hand, pay and salary systems are frequently low and further eroded by inflation. One result of this situation is the exodus of personnel from the public sector who are most needed by it. The problem is likely to be further aggravated by needs of the public sector for new and highly specialized skills which command international markets and better levels of compensation. Many Governments may find it necessary to review their compensation systems as a condition of performance improvement in public services.

88. The priority on human resource development and the urgent need to improve personnel performance standard has important implications for personnel management policies and programmes in developing countries. A number of personnel management policies and programmes are critical for organizing effective personnel development programmes. These include:

(a) Understanding and appreciation of new demands placed upon public personnel by new development priorities. This in turn calls for a continuing search for new personnel management strategies, including manpower planning for new developments in personnel systems;

(b) Comprehensive forward planning for administrative improvement and the integration of personnel planning with the overall national long-term development plans;

(c) Design of structural arrangements which are geared to meet new development challenges and which facilitate improved overall personnel planning and performance monitoring. A central personnel agency as a part of the central guidance cluster is an important structural device for this purpose;

(d) Co-ordination of various national institutes concerned with the improvement of public personnel performance.

89. Several emerging issues that impinge on public service performance and productivity have also become more visible in the developing countries. While they vary in their impact and intensity the issues include:

(a) Rights of public services. A number of countries have already ratified the International Labour Organisation Convention No. 151 concerning Protection of the Right to Organize and Procedures for Determining Conditions of Employment in the Public Service. It is anticipated that many more countries will ratify the Convention, whose objectives are linked to the realization of basic rights for public employees. This issue emphasizes the role of personnel relations as a significant factor in the performance of public personnel;

(b) Over concentration of qualified public personnel in capital cities and other urban areas. Many developing countries are concerned about the consequential imbalances in national personnel systems arising out of this situation. In some instances efforts are being made to design new administrative structures that can ensure ongoing interchange between qualified personnel at the national, sub-national and local administration;

(c) Equality of opportunity and access of all groups to public services are equally important factors in public service performances;

(d) Representation of women in public services and the opportunities available to them for career development. The importance of this issue cannot be overstressed in the context of an overriding concern to involve women in national development process.

90. It is suggested that steps to change public service structures should be taken with caution and thorough study, to avoid eliminating structural systems that have otherwise worked satisfactorily. This is particularly important where large-scale or drastic rearrangements are contemplated.

X. TRAINING AND MANAGEMENT DEVELOPMENT

91. Training activities in administration and management have shown a marked upward trend in many countries. This is partly due to the continuing emphasis on training as a key intervention strategy for improved performance and partly the result of the high priority which many developing countries have accorded to human resource development. Following a phase of rapid expansion, a number of countries are now attempting to appraise the role and achievements of training in the context of the new development challenges.

92. In some cases, reviews of the role and impact of training have resulted in important policy decisions leading to a redefinition of objectives and

issues in training and management development. Some of the more important emerging issues include:

(a) Determination of the entry points for innovation in training and management development. This calls for a clear understanding of the new challenges facing the training function leading to need for continuing training intervention;

(b) Determination of training content, curriculum and methodology appropriate to the learning needs of employees at different levels in government;

(c) Selection of priority sectors, themes and areas for the training of employees;

(d) Appraising the feedback of training to improve the quality and relevance of public service training and management development;

(e) Determination of essential research tasks needed to improve the relevance and quality of training;

(f) Strategies and programmes to reach personnel at all levels.

93. In many developing countries, extensive training is carried out but it is not part of a formally enumerated training policy. Establishment of such a policy is desirable and it will be appropriate to view training in the civil services as an investment in good government.

94. In terms of its relevance, training in government should be perceived and planned as a device for problem solving. This calls for linkages of training with policy analysis and practical management. Supportive research for problem identification and possible approaches to strategy for change is also imperative to enhance effectiveness of training.

95. In view of the far-reaching scope of development programmes and tasks, and the emerging role of technology, it is only appropriate that the target coverage of training in government should be enlarged. In the current scheme of things, there is continuing emphasis on the training of civil servants from the general stream of public administration. This stream should be appropriately enlarged to include management training of technical personnel who in increasing numbers, are joining the public services. Also, measures should be undertaken to enable women to exercise, parallel with men, their creative capacities as a factor of development and social change.

96. In the same context, it will be equally important to design and implement special training for financial managers in developing countries. The finance function is today a multi-purpose function demanding additional skills of management planning, monitoring and control. A finance manager is a resource manager in an overall framework of continuing constraints. In this context, training and management development of financial personnel assumes importance and priority.

97. To achieve the manifold goals set out for training and management development in developing countries, it is necessary that relevant activities must be substantially intensified in several directions. Existing training institutions may be required to expand their efforts, and in some instances, new institutions may be needed. However, the expansion phase of the last few years, sometimes reflecting qualitative dilution, cannot be ignored. It may, therefore, be useful to stress that developing countries should review their training networks to achieve greater coverage and relevance of training.

98. To reach the large number of middle-level managers and supervisory personnel, countries also must develop training of trainers programmes. This resource is necessary also to cover the extensive public services existing outside the capital cities.

99. Allied to the training of management trainers issue is the challenge facing developing countries in determining the major factors that constitute top management responsibility in different countries as a basis for developing suitable curricula and methodologies for the training and development of top-level and senior managers. The questions of choosing priority subjects and methodology, and the criteria to measure training effectiveness are particularly important. Some developing countries appear to have introduced effective innovations regarding curricula development for senior administrators, especially with respect to themes, subjects and methods applicable at various levels of public service.

100. Some recent studies indicate that despite the wide acceptance of training it does not enjoy a level of resource allocation commensurate with that acceptance. National Governments should therefore give more serious attention to the issue of allocating adequate resources to the training function.

101. Concern for effective training curricula and the research needed to prepare them directly affects the role of public administration and management development institutions. While public administration training institutions have played a role in the development of managers, there is now a widespread concern that they have become too routinized in their approaches and activities. The effect of this has been that senior administrators have tended to disregard them as useful instruments for their own management development. Some staff colleges provide useful opportunities for the training of senior administrators. Such colleges have developed a better grasp of the development needs of senior managers and have successfully used multidisciplinary approaches to problem solving and to analysis of key environmental issues which face senior managers.

102. Another important issue facing developing countries is the determination of areas that need special training intervention. A number of these have been identified, and they include population management issues, the management of food resources, the management of agricultural services, rural development programmes and industrial services. In this connection, it is emphasized that the trainers concerned should include in their activities the preparation of training packages to be used or modified in subsequent programmes.

103. In the field of international co-operation in management development useful opportunities are seen in the promotion of technical co-operation among developing countries.

XI. MANAGEMENT SYSTEMS

104. There is need for government-wide management systems to promote uniform standards, to exercise controls, to receive feedback and enforce accountability. The most common content of government-wide management system is budgeting, procurement, personnel, payrolls, and management information. Such systems are frequently promulgated as procedures. They also mean establishment of central staff agencies to administer such systems.

105. Important points in designing and installing management systems include:

(a) Avoidance of overcentralization to the point where operational managers become handicapped in managing their tasks;

(b) Guarding against excessive paperwork and procedures resulting in red-tape and procedural quagmires;

(c) Guarding against procedures triumphing over substance;

(d) Resisting the tendency to overload systems to the point where they become non-productive, even counter-productive and simple generators of paper work.

106. Governments in developing countries need to design systems to promote efficiency and economy. For example, payroll inventory management, transport management and public buildings management are prime candidates for systems improvement. Governments need not design new systems for these purposes; they can profitably adapt them from private sectors, innovative public organizations or technical sources, as appropriate. In all cases, however, management systems in government should be based on reliable records, highlight responsibility and promote awareness of costs.

XII. COMMUNICATION AND MANAGEMENT INFORMATION SYSTEMS

107. The need and use of information for improved productivity and performance in public systems is well noted. There is evidence that as part of this concern, developing countries are allocating greater resources for design and installation of information systems including increased investment in hardware. However, keeping in view the catalogue of tasks before development administration, it may be quite sometime before collection, processing and dissemination of information is directly geared to national development programmes.

108. To be able to meet this concern, the direction and thrust of information arrangements at the national level has to be user-oriented, and specifically to meet the needs for planning and decision-making. At the same time, the management of the information systems cannot be left to technical personnel only, even though today there is inadequate involvement of management levels in the design and use of information systems.

109. These concerns, in turn, raise a series of issues which in terms of their scope are crucial for development administration. First of all, there is need for sharing of information between agencies, sharing to include preparation, distribution and system capabilities. To promote this sharing, there will be need for greater utilization, even mobilization of information resources. Methodologies have to be evolved to facilitate development of information systems. This will also include efforts for decentralization of information systems at sectoral and geographical levels subject to limitations of available skills and resources. The capacity of information for performance appraisal and monitoring has also to be emphasized.

110. To resolve these and other related issues, there will also be need for an overall national policy to direct and co-ordinate the development and use of information systems in public departments. The use of microcomputers will be desirable to accelerate efforts in pursuance of these issues.

111. At the operational level, concrete training efforts will be called for. Training of personnel has to be broad-based, even though so far it has been oriented to systems personnel only. Even senior levels should be exposed to the potential of information as a key resource in the tasks of national development, including policy-making and multi-sectoral planning.

112. Because of its newness in many developing countries, the organizations of the United Nations system are urged to help them to:

- (a) Determine the relevance of management information systems to various sectors and activities of public administration;
- (b) Offer appreciation courses for policy makers and managers;
- (c) Train the variety of technical personnel needed for implementing and managing such systems;
- (d) Improve the basic information gathering systems essential to successful management information systems.

XIII. PUBLIC ADMINISTRATION AND THE CITIZEN

113. The need for a close, constructive and open relationship between administration and the citizen is imperative in the context of development. The relevance of this relationship to the national development process - from formulation to implementation stages - has several aspects which have implications for administration and need a close, hard look.

114. It is widely accepted that administration has to be sensitive and alert to the aspirations of citizens and their rights. The sensitivity is to be constructively reflected in efforts to sensitize, educate, inform and above all to serve the citizens. The efforts have to be sincere and ongoing and become part of the spirit, purpose and content of administration in developing countries.

115. The enlarged scope and pace of development tasks has led to a multiplicity of development institutions, often created in a hurry and without serious prior analysis. They lack proper co-ordination and operate with overlapping and even conflicting objectives. Even within a national administrative set-up, the proliferation impedes smooth implementation and influences the response capacity of development systems. The institutions, though well intentioned, increase the distance between the administration and the beneficiary, who in consequence finds himself alienated as even in the best of circumstances it is quite difficult for him to successfully negotiate with the many institutions created for his own betterment. To reduce the distance between the beneficiary and development institutions by diminishing the administrative burdens may well be the most important challenge before administration today.

116. In the scheme of expanding development tasks which are becoming all-pervasive in developing countries, the issue of citizens' grievances and complaints and their timely redress cannot be ignored. To bring the citizen close to administration, it is necessary that the concern for grievances is sincere and well-designed instruments are operational to resolve the complaints. The performance of remedial instruments through established institutions like the ombudsman in some countries can be a good reference point for efforts in this direction. In some countries, however, informal arrangements like continuing "dialogue" between the citizen and administration at different levels have been reported as useful in strengthening a co-operative mutual relationship.

117. In the context of formal instruments for redress of grievances, the question of regulation, over-regulation and deregulation assume importance. While it is recognized that formal regulations are necessary in the interest of the citizens, it is equally true that over-regulation causes hardship and harassment. There is thus need to appraise the situation on balance, while determining steps for additional regulations or deregulation, but keeping them simple to the extent possible in all cases. The question of grievances and redress is closely linked to the question of accountability - an integral part of the role and responsibility of administration in developing countries. The concept, in essence, envisages that the Government has an obligation not only to ensure the most efficient allocation and use of its resources, but also to demonstrate convincingly that this in fact does occur. It is a complex area and implies different emphasis vis-à-vis the levels in administration. Nevertheless the citizen has to be convinced that accountability portrays a responsive and responsible attitude in government at all levels and in all of its action.

118. In many instances, the compulsions of development have necessitated launching major, far-reaching programmes and projects which are perceived differently by the citizen and the administration responsible for timely implementation. The resulting perceptions are often not congruent, as the citizen is unable to either appreciate or comprehend the nature of potential advantages. In this situation, administration has a responsibility - while it is duty-bound to inform and even educate the citizen, yet it should not in a paternalistic posture ignore incongruent responses as impractical or irrelevant. What is needed is a relationship of understanding, patience and respect for the citizens viewpoint which alone can promote convergence in the perception of potential benefits from development projects.

119. In a discussion of administration and citizen, the over-arching issue is participation. Citizens' participation in development has several known dimensions - participation in setting goals of development, participation in the process of development and participation in the fruits of development. These have a major implication for administration, namely, how to involve the citizen. The implication in turn raises several questions: (a) the question of designing organizations to promote participation especially with decentralized entities; (b) the question of design of administrative systems for participation generally and in intensive development activities, e.g. rural and agricultural development; (c) the question of accountability not only at the central levels but at the operational levels - an aspect yet to be investigated in depth; and (d) the question of access to services. How does a citizen, especially in the rural sector, get the promised services and in case of denial, what are the remedies? Equally important is the larger question of human rights enshrined in the United Nations Declaration on the subject. The implication for public administration is thus not only limited to access to information, access to services but also includes enforcements of rights.

120. In order to be broad-based and truly representative, participation must involve all groups of citizens. Women have a unique, significant role and need to be fully involved in the development process. Greater efforts are urgently called for to upgrade and enhance the participation of women in public administration as well. It is also essential to ensure participation of other groups e.g., minorities, consumers etc., in the development process.

121. In reality, rights and access in the context of development do not always go together. In societies characterized by sharp inequalities, the rich and the power élites often have both the rights and access to development gains whereas the poor may have the rights but not access and the means of enforcing their rights. The public administration system should be cognizant of such a dichotomy and take steps to ensure that the intended beneficiaries have an effective access to the services provided for them.

XIV. COLLECTIVE SELF-RELIANCE

122. There is considerable scope for collective self-reliance in the field of public administration and finance. Promotion of collective self-reliance calls for measures at the international, regional and national levels.

123. At the international level, TCDC should not be viewed as a separate activity outside the normal mechanism but it should increasingly become a part of the regular activities funded by the system and be permitted to permeate all operational activities of the system. A clear definition of needs at the national level is not essential for activities designed to promote collective self-reliance. The United Nations system can assist in establishing an inventory of needs, by countries, and bringing this to the attention of developing countries which are in a position to provide assistance. In fact, there are several developing countries that have expressed their interest and readiness to provide assistance to other developing countries. The developing countries in a position to assist should consider earmarking a certain portion of their indicative planning figure (IPF) for this purpose.

124. The main areas in which collective self-reliance can be especially effective are in training and institution building. The twinning of institutions and greater co-operation between them are modalities to be pursued effectively for this purpose. National mechanisms to identify and explore such possibilities are essential.

125. The financial implications of measures to promote collective self-reliance are indeed not very large. But supplemental resources where necessary, should be provided by the United Nations system, international financial agencies and by donor countries.

126. It should be borne in mind that economic co-operation among developing countries (ECDC) provides a large framework for collective self-reliance. TCDC should be viewed in that context and should include compatibility of national administrative and financial practices, as well as the establishment of new institutions to facilitate co-operation.

XV. UNITED NATIONS PROGRAMME IN PUBLIC ADMINISTRATION AND FINANCE

127. In reviewing the United Nations central programme in public administration and finance, the Meeting of Experts had before it a document submitted by the Secretariat (ST/SG/AC.7/1984/L.3) and the report of the informal inter-agency working group (ST/SG/AC.7/1984/L.4) in which some of the specialized agencies and other organizations of the United Nations system had briefly explained public administration and finance aspects of their activities in their specific sectoral fields of specialization. The meeting also heard statements made by several agencies and organizations during the course of its discussions.

128. The Meeting of Experts noted the legislative developments which had taken place since the Sixth Meeting of Experts and was especially pleased to note the Economic and Social Council resolution 1982/44 of 27 July 1982 and the results of the review by the Committee for Programme and Co-ordination of the Medium-Term Plan for 1984-1989 as well as of the cross-organizational programme analysis of the activities in the field of public administration and finance. The Meeting also appreciated Economic and Social Council resolution 1982/43 on the international centre for public accounting and auditing and urged the Secretary-General to pursue vigorously his consultations with interested Governments so as to bring about the establishment of this centre.

129. The Meeting noted that during the course of the last two years, the Department of Technical Co-operation for Development had been reorganized and streamlined with a view to achieving better rationalization, management of resources, and consolidation of its activities, to better respond to the needs of the Member States. As a result of this, the Development Administration Division has now been assigned the responsibility for work on the development of human and institutional resources, and it combines both substantive and management aspects of these functions.

130. The bulk of the activities in the central programme in public administration and finance are of an operational nature. They are country specific and country oriented and are undertaken at the request of Governments and based on their perceptions. There are certain discernible shifts of emphasis in the technical co-operation activities. The assistance is now being increasingly requested in management information systems, public enterprises, personnel systems, the training of scientific and technical personnel, accounting and comprehensive auditing.

131. The research activities also have emphasis on technical aspects of the main issues in public administration and finance. During the biennium 1984-1985, such activities are being undertaken in respect of regulatory administration, the use of accrual accounting in developing countries, government audit standards and management information systems. Issues in local government and decentralization are receiving renewed attention. The Meeting noted that the central programme also performs an advisory function vis-à-vis the legislative bodies, Member States and the Secretary-General. This is aimed at the identification of issues, priorities and measures at the national and international levels.

132. Another important activity carried out is in the field of training. This takes the form of making arrangements abroad for the training of public officials from developing countries, group training programmes in a developing country and group training programmes in third countries.

133. While the overall thrust and structure of the activities carried out in the central programme is satisfactory, the Meeting believes that a few additional measures could further improve impact of the programme. In the first place, information and dissemination activities of the programme should be further strengthened. Activities in the central programme give rise to

much information that could be useful to Governments and other interested parties. The programme should, therefore, provide such information in an operational and digestible form for the use of decision makers. Bilateral agencies should be also involved in the dissemination of information. The Meeting noted that the programme is now engaged in the development and establishment of a network for this purpose and believes that such a network can facilitate wider dissemination of information. Secondly, the developing countries would like to obtain information on relevant experiences in other countries. By acting as a clearing house, the programme should undertake measures to promote exchange of comparative experience among countries. The Survey of Changes and Trends in Public Administration and Finance which is carried out periodically by the Development Administration Division, does serve this purpose, and suitable modalities could also be used to respond to requests for information from countries. Thirdly, the Meeting inquired about arrangements for evaluation of activities in the central programme. The Meeting noted that with regard to technical co-operation activities, there are arrangements in individual projects for tripartite reviews and evaluation of selected projects in co-operation with UNDP. In addition to this, the Department of Technical Co-operation for Development has also its own arrangements for evaluation of projects. The Meeting also noted in this context that recently it has been suggested by CCSQ(PROG) that a thematic evaluation be undertaken in the field of public administration.

134. With regard to the recommendations for administrative change in developing countries made by the United Nations system and other international organizations, the Meeting suggested that such recommendations should be realistic and feasible in the light of the local conditions and needs. Public administration reforms usually take a longer time to mature, and hence the duration and conditions of assistance provided by international financial agencies should be consistent with these considerations.

135. The Meeting noted that the activities of the central programme are carried out in close co-operation with other agencies and organizations within the United Nations system and that there is a differentiation of functions among them. It also noted with satisfaction the work carried out by other units of the system. A view was expressed that the Economic Commission for Latin America should undertake work in the field of public administration. The Meeting recognized the need for better co-ordination of activities and suggested that the existing mechanisms for this purpose in the United Nations be fully utilized. The co-ordination, the Meeting believed, can be improved greatly by frequent consultations at the working and technical levels. To facilitate co-ordination at the international level, it is also important to co-ordinate activities at the country level. The Governments should give special attention to this and take suitable measures for this purpose. The impact of work undertaken by regional institutions can also be further improved by greater co-operation and co-ordination among them.

136. The major thrust of the Development Administration Division's programme should remain on operational activities determined by the needs of specific countries. In its research activities, the Programme should give priority to

topics identified in the preceding chapters, particularly on administrative reform, management training, local government, mobilization and management of resources and management systems.

137. Regional commissions and regional and subregional training institutions should be enabled, through provision of resources, to carry out their mandates effectively. Such institutions in Africa have a special role to play and should be equipped to carry out training programmes on a larger scale. Advantage should also be taken of the expertise available in non-governmental organizations.

138. It is noted that most of the operational activities are financed from UNDP and other voluntary resources. The UNDP is accordingly requested to augment resources for public administration and finance, which plays a key role in development. In fact, the Meeting hopes that human and institutional resources development can be made a priority area, particularly for Africa, under the new IPF cycle beginning in 1986.

139. The Seventh Meeting of Experts recommends that the next Meeting of Experts on the United Nations Programme in Public Administration and Finance should be convened some time in 1987. In addition to reviewing the United Nations programme in public administration and finance, the next Meeting of Experts should review progress in the implementation by developing countries of main proposals and recommendations made by the Seventh Meeting of Experts and also consider problems to be addressed, approaches and strategies for the next Medium-Term Plan of the United Nations in the field of public administration and finance.

Annex I

AGENDA

1. Challenges and constraints of public administration and finance in developing countries in the 1980s, including the special problems of least developed countries
2. Support and assistance by the United Nations system for technical co-operation among developing countries in the development of public administration and finance
3. Review of the United Nations regular budget work programmes in public administration and finance
4. Review of technical co-operation activities of the United Nations in public administration and finance
5. Adoption of the report of the Meeting of Experts

Annex II

LIST OF PARTICIPANTS

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