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ADMINISTRATIVE REFORM IN VENEZUELA

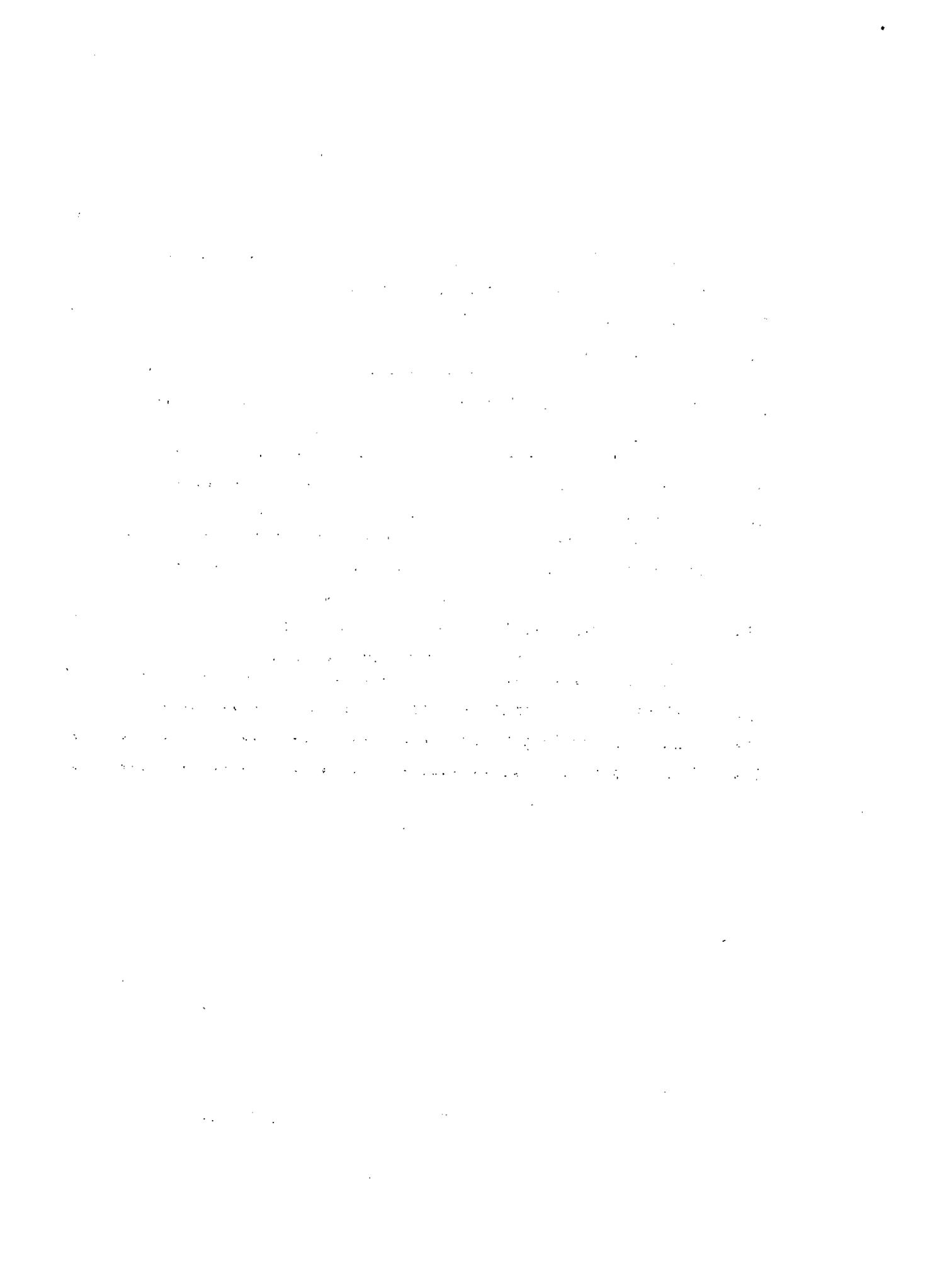
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ADMINISTRATIVE REFORM IN VENEZUELA.

1. Background information

Broadly speaking, the same factors whose influence has been predominant in the history of Venezuela may also be said to have shaped its public administration. Throughout the nineteenth century and the first three decades of the twentieth, Venezuela was subject, except at fleeting intervals, to autocratic regimes; and during this period the salient feature of the administration was its marked degree of personalism, the sole source of power and authority being the Chief of State who happened to be in office. This personalistic bias is reflected in the field of personnel administration, where the selection and promotion of staff were regarded as a prerogative of political leadership; in the over-centralization of administrative functions; in the lack of continuity and planning that characterized public activities; in the frequent violation of established systems and procedures, whose validity was purely a matter of form; and in the absence of internal co-ordination in general.

With the initiation of a spell of democratic government in 1936, the administration began to acquire a measure of institutional permanence, but the systems and procedures required for efficient public action failed to materialize. The survival of anachronistic legislation, and the desire to create a set of instruments whereby a thorough check could be kept on the handling of public funds and the activities of the administration, gave rise to countless red-tape formalities which made the operation of the State machinery very slow and cumbersome. Similarly, there was a strong tendency to set up administrative units for the implementation of the new programmes, which resulted in the proliferation of bureaucratic agencies, with all the serious attendant difficulties of co-ordination.

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Perhaps the most significant step taken in this period was the establishment, in 1947, of a Commission for Research on Finance and Administration (Comisión para Estudios Financieros y Administrativos - CEFA), attached to the Ministry of Finance. But no sooner had this research unit started its work than in 1948 a new government seized power. During the next ten years, CEFA obtained only minimal resources and backing, and attempts to rationalize the administration were few and far between.

In general terms, the following are the main defects and problems of the public administration in Venezuela:

- (a) Duplication of functions in different areas of government activity;
- (b) Existence of agencies which have no real raison d'etre;
- (c) Lack of effective machinery for over-all, sectoral and regional co-ordination;
- (d) Over-centralization, both at the operational level and in the decision-making process;
- (e) Costly and cumbersome systems and procedures;
- (f) Shortage of trained personnel, and too much bureaucracy;
- (g) Lacunae in the planning system;
- (h) Non-existence of civil service legislation.

It was not until 1958, when an agency directly attached to the Office of the President of the Republic was instituted in the shape of the Public Administration Commission (Comisión de Administración Pública - CAP), that a systematic administrative reform programme was launched in Venezuela, with the aim of remedying the foregoing deficiencies.

In practice, some constitutional provisions facilitate - and indeed advocate - administrative reform, while others obstruct it. For example, the text of the Constitution establishes that a Civil Service Act (Ley de Carrera Administrativa (Servicio Civil)) shall be promulgated to regulate the "appointment, promotion and separation of employees" (article 122), thus making for the introduction of a rational personnel administration system. It also expressly states that "government employees are at the service of the State, not of any political faction". It provides for the progressive

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decentralization of the administration, but, on the other hand, its stipulation that public services cannot be established, modified or abolished without the approval of the Legislature constitutes an obstacle to reforms in the structure of government.

Interest in administrative reforms and improvements, and willingness to welcome them, are widespread in Venezuela. Support of such reforms has been repeatedly expressed by top-ranking government officials, political parties, entrepreneurial associations, trade unions, professional groups and public opinion in general.

2. Scope of the administrative reform

As already pointed out, it was the year 1958 that may be said to have witnessed the first systematic and specially-organized efforts to rationalize the public administration in Venezuela. In this respect, the following have been the most outstanding developments since that date:

(a) The establishment of the Public Administration Commission (Comisión de Administración Pública - CAP) in June 1958. This agency is a direct dependency of the Office of the President of the Republic, and its function is to study the organization, methods and procedures of the public administration in Venezuela and the situation of civil servants, with a view to proposing appropriate reforms. In addition, a School of Public Administration for the training of civil servants is attached to the Commission.

From the very outset, CAP has focused its activities on the development of three basic programmes. The first of these consists in the introduction of the organizational changes required to give the public administration a well-knit structure. The second is concerned with the rationalization of administrative systems and procedures. To this effect, flexible standard systems have already been established for payments, purchases and supplies, accounting, filing and record-keeping, and document control. The aim of the third is to standardize a personnel regime based on recognition of individual merit and designed to encourage the training of civil servants.

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In this connexion, a general system has been instituted in respect of post classification and regularization of salaries, rules for appointment, promotion and dismissal or separation, award of fellowships, etc.

A Civil Service Bill has also been drafted, and will shortly be discussed by Congress. One pointer to the scale of the effort made is the fact that today, thanks to the work done in the field of post classification and regularization of salaries - which involved several interviews with each employee, in order to ascertain his different functions and responsibilities -, the 102 thousand employees of the Venezuelan public administration are all covered by the system concerned;

(b) Establishment of the Central Office for Planning and Co-ordination (Oficina Central de Coordinación y Planificación - CORDIPLAN) in December 1958. CORDIPLAN too is a direct dependency of the Office of the President of the Republic, and is responsible for drawing up Venezuela's Over-all Economic and Social Development Plan (Plan General de Desarrollo Económico y Social). It prepared a first plan in 1960, covering a period of four years. The plan is reformulated every two years and any necessary amendments are introduced. The public sector's annual investment budgets are analysed and approved by CORDIPLAN;

(c) Adoption of the programme and performance budgeting technique in 1961, both for Ministries and for decentralized agencies. This system has made for more rational allocation of funds, and, at the same time, has converted the budget into a highly efficient instrument for the implementation of long-term plans;

(d) The introduction of a number of changes - additional to these efforts in the field of programming and administrative and financial planning - such as the fusion or abolition of public dependencies; the establishment of sectoral programming, budget, organization and personnel offices; and the adoption of the systems and procedures described in paragraph (a) above.

3. Promotion of the administrative reform

In 1958, with the advent of a new regime of respect for civil rights, the most widely-varying sectors of public opinion reacted to the discovery of the misappropriation and squandering of funds that had resulted from the military dictatorship's piecemeal and chaotic financial action, by urging the imperative need for radical reforms in the structure and administrative procedures of the public sector. To this end, the Government set up the Public Administration Commission (CAP) and the Central Office for Co-ordination and Planning (CORDIPLAN), and, with advisory assistance from the United Nations, prepared a preliminary diagnosis of the public administration in Venezuela (report submitted by Mr. Herber Enmerich).

After the 1958 elections, the new constitutional Government gave a powerful impetus to administrative reform by contracting the services of Venezuelan experts and of private firms specializing in administrative studies. The terms of the Over-all Development Plan formulated in 1960 make it clear that with the resources accruing from the petroleum industry Venezuela is capable of attaining very high rates of economic and social progress, but that efforts in that direction will be in vain unless at the same time the organization and operational methods of the State machinery are rationalized. Accordingly, under the direction of CAP a programme of administrative improvements has been launched, which, as was shown earlier, deals both with organization and methods and with personnel questions.

As mentioned above, administrative reform has been given plenty of support by all sorts of national institutions. Congress, for example, in discussing the annual budget law or certain tax reform projects, has several times drawn attention to the necessity of raising levels of efficiency in the public sector, so that the resources mobilized can be more productively invested. In this connexion, it has pointed out areas in which wastage is caused by duplication of services or by the lack of machinery for co-ordinating government programmes. The entrepreneurial groups, which have formed a Federation of Chambers of Commerce and Production (Federación de Cámaras de Comercio y Producción - FEDECAMARAS), have expressed similar views at their annual conventions. As regards the attitude adopted

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by the highest executive ranks of the Administration, suffice it to say that the present President of the Republic, in his message to the country on the occasion of his assuming office, affirmed that administrative reform would be one of the major objectives of his Government's programme.

4. Nature and authorization of the administrative reform programme

The necessity of implementing development plans and the need to improve the efficiency government services were the factors that induced the Government to embark upon the reform programme.

The nature of the programme was determined partly by the fact that plan formulation itself comprised a process of evaluation of what had been achieved, by virtue of which the main flaws in the public administration were detected; and partly by the pressure for the improvement of certain basic public services, which, with the advent of a democratic regime, the community at large and the various sectors of opinion exerted.

The Executive took action to launch this programme through a legal decree establishing the Public Administration Commission to implement it.

5. Preparation of the administrative reform programme

As previously stated, CAP is a direct dependency of the Office of the President of the Republic, and assists the Government in an advisory capacity. It was originally under the direction of a collegiate body composed by representatives of the political parties forming the coalition government, the Director of CORDIPLAN and the Minister of Finance. This arrangement did not work very well, and was given up.

To begin with, contracts were negotiated with private firms for the preparation of the over-all studies on the public administration and for the training of Venezuelan personnel. All were United States enterprises, namely, Griffenhagen Assoc., J. L. Jacobs and the Public Administration Service. Advisory assistance in the field of administrative reform has also been given by the United Nations on various occasions, either directly to CAP, or to other official agencies.

The main techniques applied were those of analysis of documents and interviews with officials responsible for programme implementation. On the basis of these, a number of reports were prepared, indicating the flaws detected and the remedial measures that should be adopted.

From the operational standpoint, CAP has not been in very close touch with the sectors of opinion that sponsored the reform. Informally, however, it does make periodic contacts with the groups in question.

6. Approval of recommendations for the administrative reform programme

Recommendations for administrative reforms are approved by a decision on the part of the Executive itself, except when such reforms require the approval of the Legislature (as in the case of laws, or mergers of autonomous institutes). Where changes in the internal structure of agencies or in operational methods and procedures are concerned, only the approval of the appropriate Minister is applied for. Sometimes the sanction or co-operation of the Office of the Comptroller-General of the Republic, which is a dependency of the Legislature, is also requested.

As a general rule, recommendations relating to new methods or to changes in the internal organization of the various dependencies have been adopted, although the application of such measures has presented difficulties, especially on account of the shortage of qualified personnel. The abolition or fusion of agencies has met with more serious objections, partly because this type of action usually involves the dismissal of personnel. Progress in this field has not been very satisfactory.

To a large extent, Venezuela's administrative reform programme has been put into effect without major changes in the legal framework. But it should be noted that some laws have been held up interminably. A case in point is the Civil Service Act, which has now been before Congress for six years, and still has not been passed.

7. Introduction of administrative reforms

The actual introduction of administrative reforms has been essentially the responsibility of the agencies themselves, under the guidance of CAP. Personnel who worked with CAP during the study phase have then quite often gone on to collaborate with the agencies concerned during the implementation process.

The application of the reforms has almost invariably been preceded by training programmes.

It has not been uncommon for technical personnel to view the new systems with some misgiving. This is because they were not assigned an active share in the preparatory studies for the reform. Recently, however, a different strategy has been adopted. It is essential that some part should be played by the officials directly linked to the units in which the reform is to be implemented, since valuable experience can thus be turned to good account and a favourable reception for the reforms ensured. Another difficulty that has sometimes arisen is that the progress of reform may be affected by certain changes in top-level personnel.

For the adoption of some measures, the express authorization of the President of the Republic and/or the Cabinet has been requested. For example, in 1965, in order to ensure that the systems and regulations established by CAP for the appointment, promotion and dismissal of personnel were duly applied, it was decided that all such movements of staff should be subject to the approval of the Commission in question. Similarly, the Office of the Comptroller-General of the Republic - which is responsible for the a priori and a posteriori supervision of public expenditure - has co-operated by making compliance with certain CAP regulations and indispensable prerequisite for the approval of expenditure.

8. Adequacy and efficiency of the administrative reform programme

In so far as administrative reforms have been introduced, the services concerned are adequate and efficient. Obviously, however, the programme is not yet even halfway to completion, and no doubt some of the ground covered will have to be gone over again for the purpose of remedying defects.

As was pointed out earlier (see section 6), most of the structural reforms that involved the abolition or fusion of agencies have not been put into effect. Priority has been given to changes in the internal structure of the various agencies and in their operational methods and procedures, and to the task of strengthening the machinery for co-ordination among the various agencies whose activities cover one and the same field. Accordingly, the general organization of the Government has undergone no substantial change. This aspect of reform is envisaged as a second phase in the programme.

The reform has benefited the over-all administrative system in two ways. Firstly, in so far as it has rationalized the organization of the various official dependencies and their operational systems and procedures, it has improved the efficiency of government action; and, secondly, it has inculcated in public officials not merely a favourable attitude to the changes, but the conviction that it is essential to overhaul anachronistic procedures and adapt the public administration to national development requirements.

As has several times been remarked, the administrative reform programme under way in Venezuela includes a number of structural changes in the public administration, designed to merge agencies fulfilling similar functions, to abolish dependencies which have no real raison d'etre, or to obviate undue dissipation of responsibilities. But the introduction of such changes is an arduous task. The method applied in the early years of the reform - i.e. direct advocacy of the need for this restructuration of the public administration - met with but little success. It has therefore been thought preferable to lay greater emphasis on the internal structure of the agencies concerned and on their methods of work, with a view to the progressive creation of conditions in which the more sweeping changes can be effected without causing distortions in government programmes.

9. The role of legislative institutions

The various Committees forming the organs of the Legislature, both in their public statements and at their working meetings, have spoken plainly of the imperative need for a radical reform of the public administration in Venezuela, whereby it can be adapted to the requirements of economic development and to the rational management of public funds.

As mentioned above, this interest has found its basic expression through the press and through parliamentary proceedings. On many occasions, administrative reform bills have had their origin in parliament itself. In a number of other cases, under indirect pressure from Congress, the Executive has submitted new bills or proposals for the reform of the existing legislation.

In yet other instances, speeches made by Ministers and other officials before the legislative bodies also serve the cause of reform.

The Venezuelan Congress is divided into working groups called "Committees" and "Sub-committees", which deal with various administrative sectors or areas. They include, for example, the Committee for Agriculture (Comisión de Agricultura y Cría); the Committee for Mines (Comisión de Minas); the Committee for Finance (Comisión de Finanzas); the Committee for Social Affairs (Comisión de Asuntos Sociales); the Committee for Economic Affairs (Comisión de Economía); the Committee for Foreign Policy (Comisión de Política Exterior); the Committee for Internal Policy (Comisión de Política Interior), etc.

In some cases, these Committees do not confine themselves to taking cognizance of the problems arising, but also submit a report containing recommendations. Cases in point are the recommendations on public expenditure annually presented by the Committee for Finance; those of the same Committee on the financial control system currently in force; and those of the Committee for Agriculture relating to draft legislation on agricultural matters. Broadly speaking, any bill or act requiring the sanction of the Legislature is noted and studied by the appropriate Committee, which issues a pronouncement on the subject.

/Parliament sometimes

Parliament sometimes appoints ad hoc committees to consider certain highly specific problems, usually when they constitute motives of widespread concern among the population at large. The following examples may be cited: an ad hoc committee to investigate the effects of public disasters (floods, earthquakes, etc.); committees to study the situation of political prisoners; a committee to examine the charges against a specific agency accused of mismanagement of public funds or administrative inefficiency. Such committees submit reports on their proceedings.

As a rule, outside committees or commissions set up to study administrative questions are appointed by the Executive. The Legislature appoints them when they are formed by its own members.

The Legislature does not at present possess a formally-constituted team of advisers to assist it in its various technical discussions. For such advisory assistance, therefore, it is basically dependent upon the Ministries and autonomous agencies.

10. Role of legislative bodies

The Public Administration Commission was established as a unit directly under the Office of the President of the Republic. In its advisory capacity it co-operates with the Ministries and autonomous bodies in administrative reform.

Some Ministries have set up ad hoc committees mainly to study specific aspects of reform in each institution. Some inter-ministerial committees have been set up to co-ordinate related activities and suggest improvements. Most of them are organized on somewhat informal lines; in practice, their operation is usually fraught with ups and downs and their activities are not very clearly defined.

High-level commissions have also been established and as a whole carry out a wide range of functions. In general, they are attached to the Office of the President and their purpose is to carry out specific studies, implement or administer a special programme, or adopt decisions on a particular matter. Their membership varies according to the institutions involved.

Other institutions of the Executive which have played an important part in the reform are the Ministry of Finance and CORDIPLAN.

11. Role of central administrative reform institutions

The Public Administration Commission was established by an Executive Decree of the Government Junta in 1958.

It was given advisory status, although it also has operational functions, as in the formalities for appointing officials; CAP is legally empowered to reject any applications, dismissals or other staff movements which fail to meet the previously established technical requirements.

As stated above, the Commission's relations with other agencies are essentially of an advisory nature; its functions include personnel management, organization and methods, and training.

It is headed by an Executive Director, who is assisted by the Director of Organization and Methods, the Director of Personnel and the Director of the School of Public Administration.

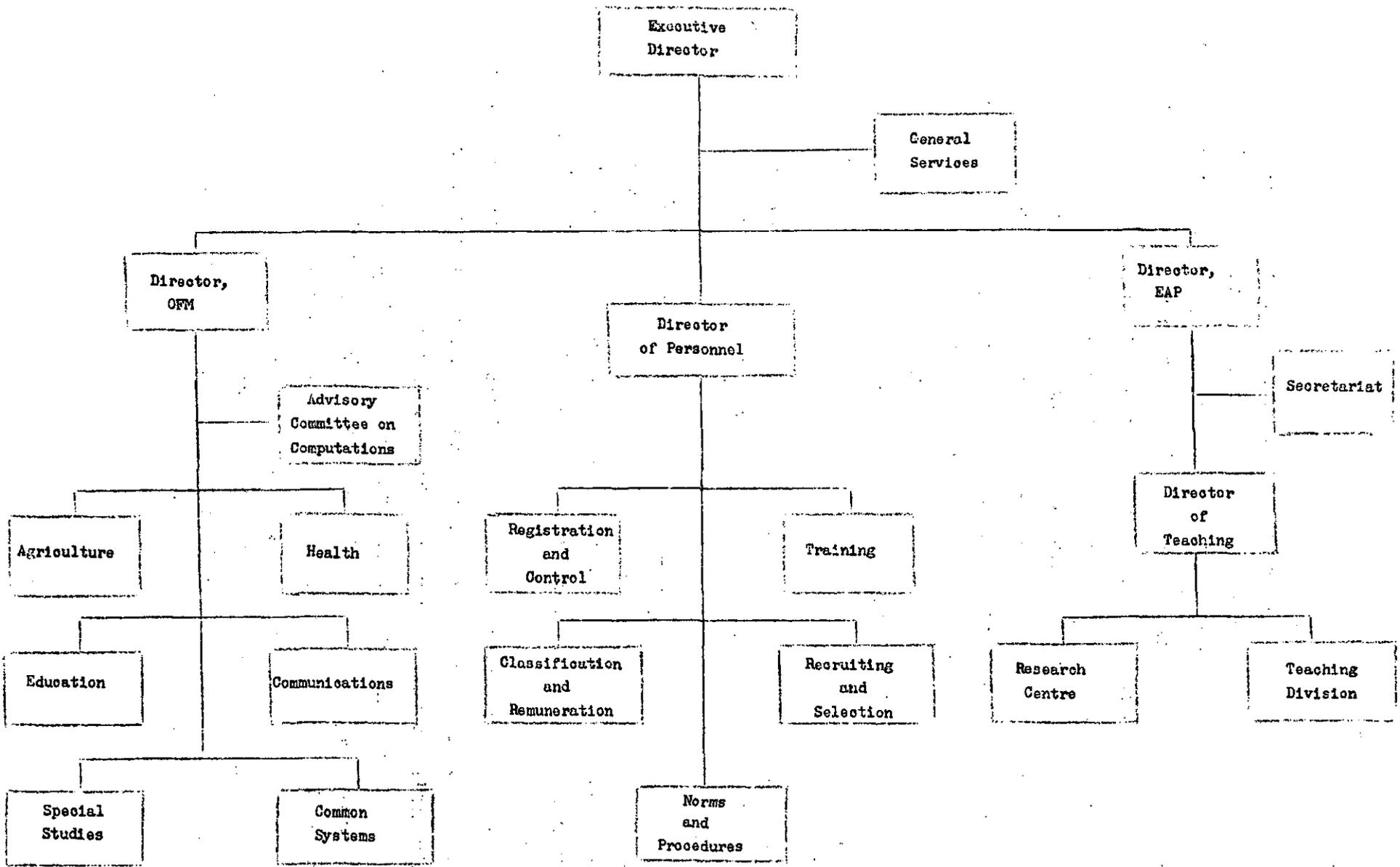
CAP's main achievements thus far may be summed up as follows:

- (a) It created an awareness of the need to reform the structure and processes of Venezuela's public administration, which was given definite expression in the establishment of organization and methods, personnel, and budget units;
- (b) A start was made on the continuing study of general administrative problems;
- (c) Although it has proved impossible to restructure the whole government machine, and indeed this is a very difficult task, at least some lesser changes have been introduced with positive results. Where such changes have yet to be made, studies of indubitable value have been completed.

Experience shows that there are both advantages and disadvantages in the position and the nature of the functions assigned to CAP.

As regards the former, while admittedly its attachment to the Office of the President made a fairly favourable initial impact and provided easier access to the various levels of the public administration, in the course of time this relationship became increasingly theoretical, since for various reasons the President was unable to devote sufficient attention to the Commission, which came to operate more and more as an independent unit almost completely segregated from the government structure.

/Executive Director



Personnel: 25 persons

Personnel: 62 persons

Personnel: 36 persons
(excluding part-time teachers)

The Commission's integration with CORDIPLAN - which is directed by an executive official wielding considerable influence in the adopting of high-level political-administrative decisions and enjoying the full confidence of the President - has enabled it, firstly, to channel its action through a unit carrying increasing weight in government circles, and, secondly, to gear its activities to the planning organ, which is a vital factor in administrative action for development. As regards the nature of its functions, the agency stimulating the reform should act essentially in an advisory capacity. Its action should be accompanied by government action at the top executive level to influence all levels of the public administration in favour of reforms, and at the same time to provide wholehearted support for the central administrative reform institution.

Some conclusions can now be drawn concerning the Commission's work on administrative reform:

(a) Administrative reform is a continuing rather than an isolated project, whose real results are nearly always apparent over the medium or long term;

(b) Administrative research and study and the detection of flaws are not enough in themselves to ensure the reform; its culminating points are the soundness of the recommendations formulated, efficiency in implementing them and consistency in systematically evaluating their results;

(c) The human element is the prime factor in all reform activities. Over and above technical know-how, success depends on the particular institution's persuasive powers and familiarity with the social structure;

(d) Administrative reform should be an undertaking or responsibility of the Government as a whole rather than of a single promoting agency, and can succeed only if all levels of the public administration are involved;

(e) Administrative reform, or the continuing study of the Government's structure and operation, is a determining factor of a country's development. Frustrated development is largely the result of an inadequate institutional system for promoting or implementing growth.

(f) A central administrative reform institution should have sufficient financial resources to select technical experts with the knowledge and experience to carry out serious and efficient analytical work;

(g) A central reform agency should, objectively, form working teams at all levels in co-operation with related institutions and bodies with jurisdiction over the whole government sphere of action - the Office of the Comptroller, the Ministry of Finance (Budget Office), the Central Office for Co-ordination and Planning, etc. - not only for strategic reasons in enlisting support but also with a view to co-ordinating activities with common objectives.

12. Role of reform units in Ministries and other public agencies

In the Ministries and autonomous agencies, organization and methods units and modern personnel offices have been established to carry out the work of reform within the institution to which they belong.

Generally speaking, the results achieved to date by these sectoral organization and methods units are far from satisfactory, perhaps because their functions have not been given a proper institutional basis and they have had neither the necessary executive support nor properly qualified staff. The work done by these units as a whole has varied greatly in its nature and significance, and it is very difficult to assess from a central standpoint the success of individual efforts.

13. Role of international technical assistance

The Venezuelan Government has enjoyed the services of a large number of foreign advisers working in many different fields.

In the specific case of the Public Administration Commission, technical assistance was received from the United Nations in respect of purchases and supplies, fiscal administration, personnel management, etc., from the Jacobs Company in respect of personnel questions, and from the company, Public Administration Service, in respect of organization and methods.

Generally speaking, technical assistance has had positive results, even though on occasions the advisers designated were of very low calibre and incapable of gaining a proper insight into local conditions.

14. Role of other institutions

The Central Office for Planning and Co-ordination has made considerable progress in selling the idea of planning and in plan implementation, even though much remains to be done in this field.

The Budget Office has also achieved some progress in budget formulation, having introduced the technique of performance budgeting as an initial step. Budget control is still in its early stages.

The School of Public Administration, attached to the Public Administration Commission, is collaborating by training officials.

In Venezuela there are no voluntary citizens' associations or public administration institutes co-operating in the field of administration. The Centre for Development Studies (CENDES), attached to the Universidad Central de Venezuela, is undertaking a number of important studies on the subject, which will be published shortly. There are, in addition, a number of private firms of consultants who have played a limited role in administrative reform.

It is to be recommended that the Executive should initiate an effective campaign in favour of reform and take a number of practical measures designed to support and further the work of these central reform organizations, and that the Government itself should aim at promoting a policy which would guarantee the success of the reform and should provide those organizations with sufficient funds.

15. Conclusions

- (a) The main factors affecting the initiation of the reform were:
 - (i) the overthrow of a dictatorial regime of ten years standing, and
 - (ii) the return to the country of a large number of exiles who had been imbued with new ideas on administrative questions.

/(b) The

(b) The main factors affecting the acceptance or rejection of the recommendations formulated are:

- (i) The fact that officials with executive responsibility have had little to do with the studies on reform;
- (ii) The superficiality of the studies dealing with the social and administrative structure of the institutions, which frequently led to unsuitable recommendations or resistance on the part of the institution itself;
- (iii) The tense political situation in the country;
- (iv) The decline of technical standards in the Commission as a result of the departure of a large number of qualified officials;
- (v) Errors in the policy approach adopted by the Commission; and
- (vi) The lack of evaluation and systematic supervision of the recommendations applied.

Some aspects of administrative reform are applicable to all countries, whereas others should be geared to a specific strategy for each country.

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