

Department of Economic and Social Affairs
Public Administration Branch



**ADMINISTRATION OF
NATIONAL DEVELOPMENT PLANNING
REPORT OF A MEETING OF EXPERTS
HELD AT PARIS, FRANCE
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PREFACE

National development, in the broadest sense of the term, has become one of the major preoccupations of our time. In relation to developing countries, it has been generally recognized that the achievement of national objectives in the economic and social fields could best be secured by resorting to comprehensive and integrated planning. It has also been recognized that such planning should embody long-range objectives and targets for the period of the plan, a public investments programme, a projection of private investment, policy measures to stimulate production and new investment in productive enterprises, a programme for financing the plan, sectoral and regional programmes as well as organizational, personnel, and other measures required for the implementation of each of these objectives. The process of the planning is complex and presupposes the existence of an adequate administrative machinery for gathering the basic information, formulating policies and programmes, co-ordinating the various components of the plan, reviewing the progress in implementation and evaluating the achievements in relation to the targets of the plan.

The nature, content and scope of national development plans vary considerably from one developing country to another. These variations are due to differences in circumstances and in the political, economic and social systems of these countries. Despite these differences of commitment to planning, the process of planning carries common administrative requirements without which the objectives of any national development plan cannot be achieved. It is believed that a comparative study of the experience of countries seeking to fulfil these requirements would provide useful lessons and insights for developing countries in strengthening their administrative machinery for national development planning and plan implementation.

Referring specifically to the role of public administration in relation to these important problems of national development planning, the Economic and Social Council at its thirty-fourth session drew the attention of the Secretary-General and the executive heads of the specialized agencies "to the desirability of considering in their programmes such problems as structures and technical procedures of the central agencies designed to perform economic and social planning..." (resolution 907 (XXXIV)). Similarly, the United Nations Seminar on Urgent Administrative Problems of African Governments held in October 1962 at Addis Ababa emphasized in its debates and underlined in its final recommendations the extreme importance that African Governments attach to the machinery for planning and the urgent need for studies in that field. ^{1/} At the Conference of Asian Economic Planners held in Tokyo in March 1962 under the auspices of the United Nations Economic Commission for Asia and the Far East, it was emphasized that "deficiencies in the administrative machinery constituted a major obstacle to the effective implementation of development plans. The reform of the administrative structure, its strengthening and reorganization, the enforcement of efficiency and integrity at every point, improvement in administrative procedures and the extensive delegation of financial authority had to be carried out urgently

^{1/} For report see E/CN.14/130.

by the administration as a whole if each country was to be fully geared to the enormous obligations which planned development placed upon it".

In undertaking this study project, the United Nations is not only responding directly to the expression of growing interest in comprehensive planning for national development, but it is also endeavouring to meet the urgent need of developing countries for solutions to administrative problems which have hampered both the organization for planning and the successful implementation of national development plans.

The objective of this study is not to add one more document to the already extensive documentation in the general field of development planning, but to concentrate primarily on the administrative aspects by identifying the problems involved in establishing and maintaining adequate machinery and procedures for development planning and to formulate suggestions of general application to present and future planning activities under the United Nations technical assistance programmes.

To achieve this objective, a programme of work was developed which included preliminary studies, a meeting of experts, the publication of basic documents and a series of regional and national training activities. In this document the results of efforts made so far are described and summarized. The report contains the proceedings, conclusions and recommendations of the Experts' Meeting held at Paris from 8 to 19 June 1964 and summaries of the preliminary study as well as some of the discussion papers presented to the meeting.

PART ONE

REPORT OF EXPERTS' MEETING

INTRODUCTION

1. In 1963, the Division for Public Administration of the United Nations secured the services of a team of consultants under the direction of Professors François Perroux and Michel Debeauvais of the Institut d'Etude du Développement Economique et Social in Paris to carry out a preliminary study that would take into account current practices in developing countries and to prepare a report for further study at an Experts' Meeting on Administrative Aspects of National Development Planning.

2. In preparing the report of the Preliminary Study, the consultants assembled a few representative case-studies on planning organization and procedures from selected countries of Africa, Asia and Latin America. They also consulted a number of authorities on the subject and related their research specifically to recent experiences in developing countries.

3. In addition to the Report of the Preliminary Study, the Division invited a number of expert consultants to prepare the following special discussion papers on specific aspects of the general theme of the meeting:

"Interrelation of Public and Private Sectors in National Planning" by Bernard Cazes, Chargé de Mission au Commissariat Général du Plan, République Française.

"Impact of Foreign Aid and Foreign Trade on Machinery of National Planning" by Egbert de Vries, Director, Institute of Social Studies, The Hague, and L. Zimmerman, Dean of Programming, Institute of Social Studies, The Hague, Netherlands.

"Integration of Economic and Social Objectives in National Planning" by D.F. Pearl, Commonwealth Development Finance Company Limited, London, England.

"Certain Aspects of Planning as an Effective Tool for Social and Economic Development" by Gerhard Colm, Chief Economist, National Planning Association, Washington, D.C., United States of America.

"Planning and Administration in Urban Areas" by Lyle Fitch, President, Institute of Public Administration, New York, New York, United States of America.

4. The Experts' Meeting was held at the headquarters of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in Paris from 8 to 19 June 1965. The purpose of the meeting was to bring together recognized authorities on the subject and key officials in charge of development planning in selected countries to discuss the report of the Preliminary Study and special

background papers on related topics as the basis for considering a programme for further research and training activities on regional and national levels. A number of countries were invited to nominate candidates for the meeting. Of these, the United Nations selected one participant for each country on the basis of qualifications, professional standing, official position and experience as well as on the recommendations submitted by the Government. All national participants were top senior officials involved with development planning in their respective countries. In addition to the national participants and expert consultants, a number of representatives from the United Nations specialized agencies and other international organizations participated in the meeting.

5. On the opening day of the meeting, the participants unanimously elected as Chairman Mr. K. Mitra, Chief of Programmes Administration, Planning Commission of India, and as Vice-Chairman Mr. H. Díaz, General Manager of Chilean Development Corporation, and Mr. S. Bahroun, Director of Finance and Programming Division, Ministry of Planning of Tunisia. Mr. Michel Debeauvais of the Institut d'Etude du Développement Economique et Social in Paris and Director of the Preliminary Study was unanimously elected Rapporteur of the meeting. The United Nations assigned Mr. Aryeh Attir, Chief of the Organization and Methods Section of the Division for Public Administration as Director-Co-ordinator and Mr. K. Adusei-Poku as Secretary of the meeting. At the opening session, the meeting was addressed by Mr. Philippe de Seynes, Under-Secretary for Economic and Social Affairs of the United Nations, on behalf of the Secretary-General; Mr. Pierre Massé, Commissaire Général du Plan, France, on behalf of the French Government, and Mr. André Bertrand, Director of Social Sciences, on behalf of UNESCO.

6. Business meetings were held from 9.30 a.m. to 1 p.m. and from 3 p.m. to 5.30 p.m. At the first business meeting, the Chairman, after consultation with the Steering Committee, announced the discussion leaders for the items of the agenda. Discussion of each item was launched by a discussion leader, who also summarized the debate. While the discussion leaders gave substantive assistance as required, the Chairman exercised over-all supervision and directed the meeting. The proceedings of the meeting were conducted in two working languages - English and French - by means of simultaneous interpretation. All documents issued for the meeting were in both languages. The closing sessions of the meeting were devoted to the discussion and adoption of the draft report as presented by the Rapporteur.

7. The agenda of the meeting, the text of the opening speeches, the list of participants and observers and the list of documents presented at the meeting form annexes to this report.

I. GENERAL CONSIDERATIONS

A. Scope of the subject

8. In recent years, the idea of National Development Planning as a tool of policy for the transformation of economic and social structures in developing countries has gained considerable attention. In its generally accepted form, national development planning is a process whereby a coherent body of medium-term and long-term objectives are formulated and designed to ensure the optimum development of material and human resources of a country. As an instrument of development policy, planning has three main aspects: the political aspect, which indicates long-term national objectives and economic and social priorities stating conditions and measures required for achieving that objective; the technical aspect, dealing with techniques of projections and preparation as well as models of growth involving complementary or alternative factors; and the administrative aspect, on which little attention has as yet been concentrated.

9. Once the political authorities have taken the basic decision to plan development, there are certain administrative problems to be considered, including the following:

(a) The organization of a body to be entrusted with preparing the plan, its powers, its relations with the political authorities, the administrative departments and the economic and social groups;

(b) The selection of proper administrative procedures to be employed in the preparation and approval of the plan;

(c) The delegation of responsibility for the execution of the plan, including the supervision of the plan's implementation and an evaluation of the results.

These administrative aspects of planning constituted the subject-matter of the Experts' Meeting.

10. In order to analyse these administrative problems, those attending the meeting realized that it was not enough simply to describe those bodies which, in various capacities, were responsible for the preparation and execution of a national development plan. If the administration was appraised as the instrument of a policy, then its functions in terms of planned development had first to be defined.

B. Planning functions of the administration

11. A distinction was made at the meeting between the management functions, which included the traditional tasks of the administration and consisted in applying the economic and social policy defined by the political sphere to the existing situation; and the planning functions, which consisted in altering the existing situation in order to achieve the objectives of the plan. That distinction

corresponded in part to the division of functions between the administrative services dealing with management and the administrative services required for development planning. The situation, however, was found to be much more complex, in the sense that all administrative services tended to perform their everyday functions in the context of medium-term and long-term prospects; hence the importance of organizing the day-to-day activities of the planning services and executing the programmes with one administrator dealing with both management and planning tasks.

12. It was stated that the formulation and implementation of a plan introduced a new dimension into administrative activity. Through the interaction of the planning function and the management function, the plan might alter the behaviour of all the administrative units or oppose their resistance to any change. The administration itself, however, connected with the political authorities and the economic and social groups within the country, could not be considered a separate part. The way in which those relations should be organized in connexion with the administration's planning function was discussed.

13. The traditional concept of the separation of authority provided a partial answer to the question. At the highest level, the political authorities made decisions of a general kind involving governmental responsibility in the future of the country. It was considered the administration's task to acquaint the political authorities with the technical implications of the objectives, to study their compatibility and to suggest what steps should be taken, the ultimate decision resting none the less with the political authorities. The administration was responsible for the application and supervision of the plan. Acting with the general interest in mind, the administration would use the means allotted to it in such a way that the collective project, that is the plan, would guide the decisions of individuals and independent economic and social groups. When necessary the administration would arbitrate any conflicts between specific economic interests.

14. The boundaries and limitations of the administration's authority were questioned. In certain cases, the administration could oppose the implementation of a plan which the political authorities wished to carry out. In other cases, it could make sure that the plan retained certain continuity despite political changes. Within limits, it could orient the activity of independent groups along the lines of the plan. On the other hand, it might find itself powerless to alter decisions in the private sector that might run counter to the plan in spite of its legal means of stimulating or imposing restraints on activity. Finally, it might be dominated by private interests. This network of interrelationships could only be understood through a dynamic analysis.

15. Development planning was, in short, a process of decision-making in which the role of the administration consisted in preparing and implementing the plan within its political, economic and social environment.

C. The process of decision-making

16. This process, which was analysed as a network of organized communication, consisted of the preparation and formulation of the decisions which comprised the plan. The preparation of the decisions consisted in assembling the documentation necessary for preparing the plan; submitting to the government a description of the political implications involved in the various methods of

achieving the objectives of the plan; consulting government departments, public enterprises, local authorities, professional groups etc., and soliciting the advice or supervising the activity of administrative personnel. The participants in the meeting were concerned with defining the information exchanged through the administrative circuits. In the active sense, this process implied a certain reciprocity in the exchange of information which affected the business of the personnel. The information required for drawing up the plan was not necessarily the same as that collected for other purposes; national accounts and basic statistics would have to be adapted to planning requirements; professional groups would also be encouraged to assemble new information in order to satisfy the needs of the planning body; the elaboration of the detailed points within the general framework determined by the planning body would lead individuals consulted to alter their projects to ensure that they should coincide with the emphasis of the plan. On the other hand, the general direction of the plan might be altered by this exchange of information, which could reveal incompatibilities or impossibilities.

17. In all countries, the experience of planning showed that information did not flow in a single direction, and that the flow between the centre and the periphery was a dynamic process, resulting in mutual enrichment.

18. Approval of the plan by the political authorities constituted a legal act of a new kind, the nature and scope of which must be examined. On the one hand, approval of the plan was not an isolated decision, but rather the culmination of a multitude of rulings at all levels and stages of its preparation. On the other hand, the plan was only a framework for the orientation of subsequent decisions; it could not possess the same power of compulsion in the private sector as it would in the case of the government administration and the public sector, and it was distinguished in that manner from ordinary legislation or regulation. Furthermore, the continuity of the plan called into question the prerogatives of the government or legislature to the extent that it constituted a commitment over a long period.

19. The analysis of decision-making was not, however, limited to that juridical aspect. Once a decision had been made, it still had to be implemented. It was recognized that the transition from decision to action was very important where planning was concerned, since the decisions involved would be applied over a long period. Implementation, therefore, would necessarily continue while the plan remained in effect. Hence the importance of supervising the application of the decision and the necessity for flexibility, which might take the form of adjustments or periodic revision of the plan. It was also recognized that the implementation of the decisions involved in the plan could not be analysed merely from the official point of view. The implementation of the plan depended not only on the decision and control of the administration but also on the changes in the behaviour of people outside the administrative apparatus. For that reason, the role of the administration became one of mobilization rather than of supervision. That relatively new task might be partly entrusted to specialized administrative units (agricultural extension services, community development and social services). It might also rely on existing institutions or on those to be set up in the future (political parties, local collectives, professional groups or trade unions, village leaders, youth movements etc.), but it likewise implied an attitude geared to development on the part of all the administrative services, development based on activity, impetus and co-operation and not on hierarchy and authority.

20. The political decision was, therefore, only a stage in the process of decision-making, which occurred mid-way between preparation and implementation. In those two stages of preparation and implementation the administration had a

specific role to play: it was an intermediary between the political authorities and the economic and social groups. It fulfilled that role to the extent that it was capable of organizing the social dialogue and ensuring a balance between the objectives to be achieved and the means available for their achievement, between what would be desirable and what was possible, between the present and the future. That did not merely involve technical factors and financial resources, which, because they were limited, implied an order of priority between the competing targets; the limited number of administrators or skilled workers likewise imposed serious restrictions which must be borne in mind. The human factor implied the preparation of training programmes in connexion with the integration of economic and social planning, and, above all, the adaptation of the objectives of the plan to the administration's capacity to prepare and implement programmes. Consequently, the preparation of the plan should be worked out in relation to the possibilities of its application, in terms of available human resources.

D. The Process of planning

21. In analysing the process of planning the Meeting agreed: (a) that for most developing countries national planning was a necessary instrument for achieving accelerated development; (b) that, although conditions for such planning activities were never ideal, it was always worth while to plan; and (c) that planning as a process had to be distinguished from the plan itself.

22. It was asserted at the meeting that planning was a necessary condition for accelerated development, that its current urgency derived from the fact that people all over the world and in all economic and social systems had become goal-conscious. People everywhere were striving to become masters of their destiny, and development planning had emerged as a means of distinguishing between goals and achievements. In developing countries with mixed economies, where Governments employed a large portion of manpower and financial resources directly, social and economic activities of the Governments had great impact on the private sector of the economy and on economic growth in general. It became essential, therefore, to view the government programmes within the total economic picture. A clear definition of goals and programmes was also necessary in order to inspire the enthusiasm and co-operation of the population. With the increasing importance of international and interregional co-operation, goals and programmes were also needed for presentation in international confrontation; it had to be ascertained where the plans of one country could support or might conflict with those of another country. Finally, countries contributing capital or foreign aid to developing countries wanted assurance that the assistance offered would be constructively and appropriately utilized. With such considerations in mind, the participants in the meeting agreed that planning for economic and social development had become an instrument of increasing importance in developing countries even though their administrative machinery might not be fully enough developed to meet the demands of development planning adequately.

23. The participants fully recognized the fact that in many developing countries planning had entered a critical stage. There was a serious risk of disillusionment because of the substantial discrepancies between economic and social development, as outlined in a development plan, on the one hand, and the realities of economic life, on the other. The reasons for those discrepancies differed from country to country. There were instances in which the plan reflected wishful thinking, or assumed domestic policies which the Government was neither able nor

willing to pursue. There were other instances in which the plan assumed an influx of foreign capital or foreign aid which was not forthcoming. In some cases plans were faulty to begin with, owing to a lack of adequate professional personnel or of statistical data. It was agreed that while every effort should be made to remove those deficiencies, planning did not need to be delayed until every defect had been fully overcome. Planning would have to proceed at first with inadequate personnel and data and with imperfect administrative machinery.

24. Some participants felt that in view of the lack of adequate information required for careful appraisal of the resources of the economy and the possibilities that they offered, many developing countries might find it necessary to adopt a system of partial planning of integrated public investments, wherein emphasis would be placed on a number of soundly prepared projects and well-conceived programmes related to the available resources. The difficulty envisaged in such partial or sectoral planning was that the basis for its formulation was of a qualitative nature and could not always be adequately elaborated within the general framework of the needs and possibilities of the whole economy. In spite of that deficiency, it was agreed that special attention should be given in many developing countries to sector programming and project preparation during their initial phases of planned development until more statistics were available, greater experience had been gained in planning and additional trained manpower had become available.

25. It was considered that any approach to the administrative aspects of development planning would need to recognize the function of the planning process and the role that the plan should play in that process. In its broadest definition, the planning process was directed towards a design for a strategy of economic and social development of a country, as conceived by its people and leaders. In developing countries, development was often directed towards economic growth associated with social transformation.

26. The planning process was more than the preparation of a plan or the production of a document. It was the process of establishing social and economic goals for which policies, programmes and projects, including the necessary mobilization of manpower and financial resources, were specially designed. Progress had to be evaluated periodically, deficiencies identified and adjustments made, leading towards a periodic revision and changes in the original plan. That was not only a task for the central planning agency; it was a process which must permeate all the government agencies and must enlist the participation of all members of society.

27. The plan, as a document, was a useful tool but was not the essence of the planning process. In mixed economies, it might be better to speak in terms of a "target projection" rather than a plan, which was designed to outline the stage of the economy in its major component sectors and branches at the terminal year, should targets be attained. It might also outline the annual path which would lead to the attainment of the objective during the period of the plan. The "projection", in one sense, represented a proposal for the activities of the central government. It included tax and debt policies needed to finance those public activities. It also proposed measures for provincial and local governments over which the central government had presumably some degree of influence (e.g. by grants-in-aid). With regard to the private sector, the projection spelled out what production, import, export, investment, and savings of individuals and firms would be in accordance with the phase of economic development envisaged in the plan.

28. If it was not likely that those private activities would be forthcoming under existing policies, the projection could serve as a guide for modifying government policies (taxes, subsidies, manpower training, investment bank lending and so on) which might influence private activities to move in the direction of the objective. Most important, if the managers of private business were convinced that the Government would play its role, they would act on self-interest in the hope of benefiting from the expected increase in markets ("information effect" of the plan), and thereby contribute to some degree of "self-enforcement" of the plan. It was felt that as far as projections in the private sector were concerned a distinction should be made, as regards expansion, between key industries essential for the reconstruction of the economy and those of secondary importance, since each would require the application of a different policy measure.

29. As far as the private sector was concerned, those projections were considered neither imperative nor predictive, but hypothetical estimates. Consequently, they were able to influence such elements as the influx of foreign capital and foreign aid only in a very indirect manner. Fluctuations in foreign markets for export goods could hardly be influenced by those projections. Such uncertainties, the participants felt, should be taken into serious consideration in the planning process.

30. In essence, planning was a programme for action, for which the plan or the target projection was an essential tool. Such a distinction was considered an essential element in administrative organization and procedures; it would require presentation of the plan in a way that would enable political leadership to identify itself with the targets and programmes and to discuss them with conviction. In many cases, however, that essential requirement would conflict with the fact that highly complicated mathematical methods for programming had been developed and used. Their great merit consisted in the fact that they could detect internal inconsistencies in proposed programmes and estimates. But where political and administrative leaders might find difficulty in judging whether the available statistical data were adequate for the mathematical processing and the significance of the findings, that requirement could not be properly fulfilled. The difficulty could be partly overcome by an adequate system of communication between the planner and the political and administrative leaders. It was realized that the lack of such a system was one of the main problems hampering the planning process.

E. Conclusion

31. The role of the administration in development planning is conditioned by the activities of political, economic and social institutions. Where the administration is limited in its means of taking action, there is the danger that the plan will be a mere frame of reference without any practical significance for either the private or the public sectors. There is further the dual role of the administration, namely, the planning function which is directed towards expansion, and the management function which is concerned with stable currency, budgetary equilibrium and balance of payments (i.e. "stabilization measures"). When the latter role of the administration is made to conflict with the former, there is even greater danger of stagnation and lack of self-sustained growth.

32. It is not enough to describe the administrative structures and procedures without relating them to the particular characteristics of their economic and social structures which tend to limit the administration's effectiveness in taking action. In almost all developing countries, the major obstacles to rapid development and growth are inherent in the basic economic and social conditions of the country:

(a) The administration is not adapted to the functions required in a modern, goal-conscious society. Likewise, the competence of personnel, their stability, the impersonal nature of official activities and the delineation of responsibilities are not ensured to a satisfactory degree;

(b) The economy is inarticulate in that the market mechanism works badly, growth fails to spread, and global and indirect administrative measures are of limited effectiveness;

(c) The establishment of priorities involves serious choices because of the tremendous gap between needs and resources;

(d) Dependence on the outside world tends to distort the establishment of objectives and the means for achieving them; e.g., fluctuations in export prices, the freedom of foreign firms and investors to make independent decisions and the divergent strategies connected with foreign aid;

(e) The size of underpopulated States is a hindrance to development planning within a national framework. While a solution may lie in multinational associations, the political conditions do not yet exist.

33. Although a thorough analysis of these obstacles to development was outside the scope of this meeting, it was nevertheless necessary to point out that the administrative factors in planning could not be meaningfully studied, except in that over-all context of complex relations. No special model for administrative organization could be used as a criterion for classifying the various national experiments. The successive stages of development in the national economy called for corresponding changes in the organizational forms. Just as planning was a process of continual creation, so the administration had to continually adapt itself to such development in order to encourage progress.

II. ORGANIZATION OF THE PLANNING PROCEDURE

A. Responsibility for planning

34. In order of procedure, the planning process consists in the evaluation of possibilities and objectives, the formulation of policies, the realization of these objectives, the preparation of specific projects and programmes of action, the implementation of projects and the periodic review, co-ordination and adjustment of the plan. These elements in the planning process introduce a new factor into the administration of a country which affects its traditional functioning. This calls for the linking up of the planning and management functions of the administration in order to arrive at a balance between opposing requirements. The responsibility for this new function, which must be carried out on a continuing and permanent basis, is decided in various countries on the basis of the degree of importance attached to planning as a whole, the stage of the country's development and the political, social, economic and technical conditions of the country as well as the existing structure of the government. Consequently, the first problem to be solved is to decide whether a special planning organ should be created within the administrative organization of the country. If not, the planning functions should be entrusted to an existing ministry, such as finance or economy, with the risk of national planning losing its specific character or the entrusting ministry endangering its traditional tasks. If neither of these alternatives is chosen, the structure of an existing organ should be adapted to enable it to undertake the functions of planning.

35. The determination of the extent of application of a plan, which reflects the degree and nature of State intervention in the economy, is essentially a political decision. Once this decision has been taken, the actual preparation of the plan and its execution become a task for the administration; and there is a tendency in many developing countries to entrust this task to a single central planning organ.

B. Organization of the central planning organ

36. An examination of this organ was found to be related to the scope of its duties, which depended directly on the decision of the political authorities referred to above. The organ's field of competence could be assessed on the basis of the economic and social activities involved, which were usually defined in the constituting legislation. The organ could also be studied more thoroughly on the basis of the nature of the planning powers it actually exercised over the various sectors of economic activity; that in turn depended on whether planning was imperative, covering all economic sectors, whether it was indirect, based on over-all or selective methods of action, or whether it was purely indicative, limited to registering the forecasts of autonomous economic agents.

37. In choosing a responsible planning organ certain administrative problems may be raised in connexion with its size, location and the organization of its external relations with the Government, the administration, the private sector and agencies of foreign existence.

Size of the central planning organ

38. While this depended on the type of planning envisaged, it also involved the availability of trained staff. The wider the scope of the plan the greater would be the need for competent officials with a wide range of qualifications. The size of the organ also depended on the duties assigned to it. Where the organ was also responsible for the execution of the plan, the size of its official staff was consequently influenced.

39. A country with only a limited number of trained staff would have to distribute that available staff between the planning organ and the other administrative divisions. That distribution involved a choice in which the extent of the duties entrusted to the planning organ and the administrative tasks carried out by the various ministries were taken into account. It was the conclusion of the Meeting that the size of a central planning organ depended on political considerations, related to the extent of the mission entrusted to it, and administrative considerations, based on the rational distribution of the available qualified staff between the planning organ and the management organs of the administrative departments.

Organizational location of the central planning organ

40. The organizational location of the central planning organ within the administrative structure was a decision for the political authorities. It was generally agreed that the authority of this organ would be greater if it were closely involved with the Chief Executive.

41. As a planning agency with a specific function, the central planning organ had to be given a wide range for autonomous action vis-à-vis the existing administrative machinery. Such administrative autonomy was sometimes supplemented by financial autonomy through the allocation of resources for its own use. While authority and autonomy were considered essential, they were not sufficient for an effective operation of the organ. The planning organ should be so integrated into the administrative machinery as to enable it to exert an influence on the existing machinery and in turn benefit from its co-operation.

C. External relations of the central planning organ

Relations with the Government

42. While the division between the political and administrative spheres was clear in theory, it was much less clear in practice. In theory, it was the function of the political authorities to define the aims of planning, of the central planning organ to prepare the plan from the technical aspect and of the administration to implement the plan directly or indirectly. In actual fact, however, political interference might bring reversals into the fixed long-term objectives of the plan while the administration tried to ensure its continuity in spite of ministerial changes. On the other hand, the administration might deliberately or through its own inertia hinder the development policy decided on by the Government.

43. The organ's liaison with the political authorities was usually assured by a planning council or committee which supervised the work of the organ. That council usually included members of the government and sometimes senior officials

and other interested parties. In many new States, particularly in those with a single-party system, the party was often represented on the council by its leaders. That close de facto relationship between the party machine and the central planning organ had the advantage of involving the political leaders with the basic planning options that would influence the future of the country. If, however, the relationship was dominated by those leaders, it might lead to technically questionable decisions through subordination of the planning organ to the political party.

44. Participation of the Chief Executive in the work of the planning organ might take different forms. Most planning organs consisted of a permanent secretariat under the supervision of a board which almost always included government representatives. It had been observed that that system of representation would permit constant exchanges between the supreme planning authority and the Government and thereby contribute an element of realism to the recommendations of the planning authority. On the other hand, the relationship could bring an element of confusion among political, technical and economic criteria and make it impossible to distinguish between the activities of the planning authority and those of the responsible Ministers and the Cabinet.

Relations with the administration

45. The important question there was the organic relationship of the new agency established for new tasks with both the central and the regional administration. Since national planning was a new function in which the central administration had to participate, there was the necessity for a permanent liaison by which the planning organ could obtain the information it required from the administration and could inform the administration of the various stages in the preparation and execution of the plan. In order to facilitate that liaison, many countries had set up planning units in the technical ministries for preparing programmes and project proposals in their respective fields and for facilitating the translation of the plan into detailed programmes of action. To avoid hampering the normal activities of the various divisions or ministries of the central administration, care had to be taken to make this liaison as flexible as possible.

46. While there is no ideal solution, two forms of liaison appear to be most favourable. First, there should be a representation of the central planning organ in the existing administration through the attachment of a planning bureau to the minister or director-general of every ministry and public board. Second, the traditional administration should be represented in the central planning organization. That participation was obtained in the various committees of the planning organ with the ministerial representatives carrying a large part of the planning duties under the co-ordination of the central planning organ. The relations of the central planning organ with the regional administration could be established through regional correspondents who constituted a communicative network adjusted to development requirements. At both the preparatory and execution stages of the plan such liaison was considered desirable to effect a two-way exchange, i.e. the association of the regions in the planning process through the mutual over-all study of the prospects of economic and social development of the region concerned, and the allocation of national resources to the regions with a view to reducing regional inequalities. Those were two complementary, but often contradictory, aspects of the same process. It was pointed out that that relationship was one of the most difficult of all the

administrative aspects of planning owing to the lack of trained personnel on the regional level and to the fact that regional planning raised more complicated problems than might be supposed. It was only in countries with a long history of centralized economy that the central planning organ was properly linked with the regional organs of administration.

Relations with the private sector

47. One of the essential conditions for the success of a national development plan was the mobilization of all the economic and social forces in the nation for participation in the various stages of planning. The way in which the relations between the central planning organ and the representatives of organizations of employers, workers and other social groups were organized raised a political problem which would be dealt with by the Government. As State intervention increased in the economic and social activity of the country, the development of a tripartite body representing the administration and the country's employers and workers could be observed. Such a relationship could be established at three different levels, namely, by the representation of social and professional bodies in the central planning organ; the participation of such bodies in the elaboration of the detailed objectives of the plan; and the co-operation and active participation of these bodies throughout the execution stage of the plan.

Relations with agencies of foreign assistance

48. In developing countries, public and private foreign assistance contributed substantially to planning endeavours. Foreign grants and investments in both technical and financial forms were among the means for achieving planning objectives. However, such foreign assistance might have its drawbacks. Foreign aid earmarked by the donor body for a specific project might upset the priorities set out in the national plan. Private foreign investments had their own objectives based on their international policies which might not necessarily coincide with those of the plan. The participants of the meeting thought, therefore, that in so far as all national development plans entailed foreign assistance of some kind for achieving their aims, the objectives of such assistance would have to be reconciled with the needs of national planning. But while administrative measures alone could not always reconcile these objectives, it would be possible, nevertheless, to organize the relations of the central planning organ with external decision-making bodies either by granting the organ sole responsibility for negotiations related to foreign assistance or by submitting to it for consideration all decisions taken in that regard. In some countries the central planning organ was not only consulted on any project involving external finance, but was also a participant in the negotiations. It was also suggested at the meeting that a similar co-ordinating function be entrusted to the planning organ with regard to foreign expert missions and the award of fellowships for studies abroad, so that the way in which multilateral and bilateral technical assistance conform to the objectives and priorities laid down in the national plan could be observed. There were specific cases where ministries such as finance and education claimed this co-ordinating responsibility and where other technical ministries often tried to maintain direct contact with foreign organizations offering assistance. Where such co-ordinating responsibility could not be entrusted to the central planning organ, every effort should be made to associate the organ with the negotiating authority so as to ensure conformity of any partial programme prepared by foreign experts for their particular fields with the over-all priorities of the national plan.

D. Conclusion

49. Experience shows that the machinery for the performance of planning functions varies necessarily from country to country, depending on such factors as the importance that a country attaches to planning, the level of economic and social development, the nature of the economic system and the existing structure of government. Responsibility for the various planning functions has in some countries been assigned to existing government entities, while in others it has been given to newly created planning organs. Where planning functions are entrusted to a central planning organ, it is desirable that the organ be located as closely to the Chief Executive as possible, in order to secure for it the high degree of status necessary for the performance of its duties, especially those of consultation and co-ordination with other branches of the administration, political and government circles, social and professional organizations and agencies of foreign assistance. Because of its comprehensive nature, development planning necessarily involves the effective contribution of various professions and disciplines. It is essential that the central planning organ establish full co-operation among technicians representing all these specializations as partners in a single undertaking. As planners, these technicians must possess a deep understanding of the problems of modern society and be able to adjust their methods of operation to the requirements presented and the opportunities offered by modern science and technology. In order to fulfil this specific function the central planning agency must not only operate research units within its framework, but also collaborate and utilize the facilities of existing research institutes of special competence, be they private or public, national, interregional or international.

III. FORMULATION AND APPROVAL OF THE PLAN

A. Methods of plan formulation

50. The methods of preparing plans differ greatly depending on the nature of the political and economic systems under which they exist.

51. In the centrally planned economies, in which the principal means of production are State-owned, the plan is an integrated body of decisions which determine both the objectives of economic and social policy and the means for achieving them. Consequently, the plan is imperative and must be carried out by the various organs of the economy.

52. In economies based on private enterprise, or in mixed economies, the planning activity is carried out essentially by individuals or firms acting in the light of their own economic assessments and of market conditions. In such cases, a national development plan is conceived of as a means for guiding and co-ordinating direct or indirect State action with reference to coherent production and investment goals for the principal branches of the economy.

53. In most of the developing countries, planning takes place within a free-enterprise economy. In each of these countries, however, the importance of foreign firms (over which the plan has only limited influence) and the shortage, despite governmental encouragement, of private-enterprise entrepreneurs compel the State to take an important share of the initiative in economic development.

54. Restricted resources in trained staff and capital compel these countries to distribute those resources in the most possible rational way, based on an over-all plan, which helps to limit the choices of action. The dependence of the plan on income from exports and foreign aid is a factor of uncertainty which influences preparation.

55. It is not possible to draw a distinction between "imperative" and "indicative" plans, as all plans are a combination of imperative and suggested objectives. It would be better to distinguish them in accordance with the respective extent of these two types of objectives, as preparation procedures differ for exact programmes and operations and for over-all aims covering an entire branch of activity.

56. The economic and social development of the developing countries differs widely and, even within single countries, there are considerable differences between regions. Consequently, planning methods and the administrative aspects involved may vary considerably within the same country, depending on the stage of economic and social development reached in each region.

57. Despite these differences, as observed above, certain stages in the process of plan formulation are generally followed. Essential information must be collected, the detailed objectives of every branch of activity must be prepared, the necessary adjustments made and the plan finally approved. In each of these stages, the administrative functions to be performed must be defined, the

appropriate machinery and procedure selected and its operation organized. It was on these administrative aspects of plan formulation that the meeting focused its attention.

B. Statistical information for planning

58. National development planning is based on available statistical information about a country's economic and financial situation. The amount of basic data required for such planning depends on whether the plan is intended to be over-all or sectoral, whether it is based on long-term or short-term forecasts and whether it is indicative or imperative. In the case of an over-all national development plan, extensive information is required on every branch of activity, the relations between these activities, regional differences etc. Where such information is lacking, partial plans for immediate action affecting a few key sectors are considered desirable until basic information for a more comprehensive plan can be made available. The first step in that exercise is to collect and utilize all existing information. In general, the main sources of information are the various ministries, particularly the ministry of finance which supplies information on foreign trade, available foreign currency and tax allowances; public and semi-public bodies, e.g. the central banks; and private bodies such as trade unions, trade associations and industrial enterprises.

59. There are two administrative problems involved in the collection and utilization of statistical information. The first involves the powers of every organ or unit charged with the collection of information. Where that duty is assigned to the central planning organ, its powers must be clearly defined. With regard to various economic and social organs, it is difficult to reconcile information needs and the respect for business secrecy, especially when such secrecy is a vital part of economic organization. In some countries, such as France, opposing needs are reconciled within liaison bodies. There a private information office is responsible for ensuring liaison between the private sector of the economy and the administration while protecting confidential business matters at the same time. In some countries, e.g. the United Arab Republic, the Ministry of Planning controls the main statistical and documentation organ, and, by the terms of Presidential Decree No. 232-1960, can demand all the public and private information it may require for planning. In any case, there should be a flow of information between the centre and the periphery, i.e. between the capital and the various regions of the country. It is the view of many that the difficulty could be overcome if the collection of information was not overcentralized, but rather if the regional information and documentation bureaux were relied upon. The second administrative problem concerns the organizing of statistical data for planning needs. Since the raw data collected may be partial or diverse, the organ responsible for studying the existing situation would have to reclassify and unify them by compiling them on a uniform basis. Co-ordination is then of primary importance and may possibly be achieved on the basis of statistical series already available which could then be reduced to common denominators. It was the consensus at the meeting that, even where no satisfactory general statistics exist, it was preferable to embark on planning without delay. Such methods as public opinion polls, international comparisons and firsthand estimates could be used for making estimates with a sufficient degree of precision. In addition to statistics, other data on such matters as the economic potential, human resources, social conditions should also be collected. That was a field in which international technical assistance, for example, the United Nations Special Fund, could make a valuable contribution, especially where there was a lack of local skilled personnel.

C. Determination of priorities and main choices

60. The choice of the main social and economic objectives is a task for the political authorities. Political choices, however, must be prepared on the administrative level, and it is the function of the administration to present in a coherent manner the long-term implications of the various alternatives offered. The central planning organ, therefore, prepares provisional drafts of the plan, in which an attempt is made to indicate the possible consequences of certain choices as well as the conditions necessary for obtaining the anticipated rates of growth in the economy. It also underlines the possible incompatibility between the aims that the plan is intended to achieve. It is at this stage that the planning organ attempts to carry out its preliminary consultations with experts, civil servants and the organized groups of the private sector. Great importance is attached to political factors in the choice of the main objectives. The decision-making body is a government organ, usually an interministerial committee presided over by the head of the government. It is usually the practice that the main choices made be submitted to the political assembly for its approval. Parliamentary consultation is essential to provide the decision-making organs of government with a valuable idea of public opinion and also to enlist wider co-operation at the subsequent stages of the plan's preparation and implementation.

61. It is also realized that in certain countries the fixing of the national objectives was undertaken by an individual rather than a group. He is usually the head of state and of the government at the same time, and the leader of his party. In countries of a single-party system the party sets forth the main objectives of the plan, which are discussed by its executive organs before being issued as government directives.

D. Determination and formulation of sectoral and regional objectives

62. A plan is more than a series of general predictions defining the interrelations between the various branches of the economy. It also consists of the formulation of sectoral objectives, including allocation of resources to agriculture, industry, transport, power, social services etc. It is desirable that the central planning organ should bear the main responsibility for co-ordinating these different programmes. At the same time the organ should not necessarily draft all these programmes; rather, it should invite the technical ministries and all the decision-making organs to submit detailed sectoral programmes within their areas of responsibility. This system of participation corresponds to a technical need in that the specialized ministries are much more familiar than the central planning organ with the needs, potentialities and technical conditions in their own fields of competence. Furthermore, these ministries will much more willingly carry out, or help to carry out, programmes which they themselves helped to draft. In determining sectoral objectives, the central planning organ carries out a technical activity by indicating the aims for each main centre of activity in the light of the priorities and available resources, i.e. for rates of expansion, production targets, manpower needs, volume of investments etc. This constitutes the working programme which serves as a basis for the preparation of detailed sectoral objectives. It is here that the central planning organ undertakes its important consultative role of interrelating the specific interests of the public and private sectors.

Interrelation of public and private sectors

63. The representatives at the meeting considered that the most important administrative task of the planning organ in that connexion was to secure the widest possible participation of the administrative, social and professional bodies in the planning process. It was recognized that very often the administration's attitude towards the private sector, and vice versa was marked by suspicion, tending to undermine the spirit of co-operation and co-ordination essential for an effective planning process. That situation could be improved by definite administrative measures such as the participation of representatives of the private sector in the work of the commissions and committees responsible for formulating sectoral programmes. Many developing countries were placing special emphasis on the need for using various direct and indirect inducements, e.g. price policy, fiscal policy, granting of import licenses, exemption from import duties, and subventions as a means of furthering the objectives of the plan. That implied a policy of selective intervention in favour of those private enterprises whose development was regarded as desirable for general economic growth.

64. Where private enterprises had been involved in the various stages of planning, the result had been one of growing confidence, more positive attitudes on both sides and the breaking down of prejudices. The private sector gradually came to realize the advantages of being informed of the long-term aims of the State's development policy, while the administration acquired more knowledge of the needs of private enterprises and the potential contribution of those enterprises to the success of the implementation of the plan.

65. The important administrative question, however, was how to effect that relationship. The following measures were considered:

(a) Representation of organizations. The central planning organ should be in a position to obtain the opinions of all those who would perform tasks set out in the plan and to be informed of the projects of the major independent decision-making organs. That would involve consultation with all the ministries and the representatives of employers, workers and farmers' organizations. In countries where the administrative machinery was firmly established and where representative professional organizations and trade unions were staffed with qualified officials, the preparation of the plan would become a collective task shared by a large number of individuals. In many developing countries, however, shortage of trained administration staff and lack of competent officials in the professional, trade union and agricultural (farming) organizations made the collective task of planning much more difficult. In any case, the few qualified personnel in those countries had to be involved in the task of planning. That in itself was a training process which would enable participants to realize the great national objectives.

(b) Participating organs. In most cases, the planning organ established working committees along vertical lines for the main economic and social sectors, e.g. agriculture, industry, power, health and other committees were often supplemented by horizontal committees dealing with such general problems as finance, foreign trade and employment. The work of those committees was to be carefully prepared to avoid prolonged meetings which often consumed the precious time of officials who were already overworked. In all cases, the personality of the chairman and the choice of the rapporteur should be a matter of special consideration, since the success of the committees depended largely on them. Although the existence

of horizontal and vertical committees was desirable, lack of adequate personnel in developing countries made it essential that a more flexible procedure be adopted, such as small working parties, ad hoc meetings and direct consultation of the planning organ with interested organizations.

(c) Arbitration procedures. It was observed that although the planning organ defined the scope of the tasks and the financial limits for each sector of activity, there was always the possibility that the detailed objectives would exceed those predictions. That called for a machinery of adjustment operations and inter-sectoral arbitration. At the administrative level, arbitration occurred at the end of a process of extensive communication between the planning organ and the working committees for each sector. The planning organ frequently conducted arbitration before submitting a synthesis to the government; but when there were items of disagreement with regard to problems of some importance, arbitration was carried out by the government itself.

Regional planning

66. Regional planning is one of the areas in development planning which is still not fully developed even in the most industrialized countries. One of the reasons for this is that regional planning is seldom well integrated into over-all national development plans. In many instances, regional needs as such are not taken into serious account in national plans which define priorities in the scale of the country as a whole, thus aggravating regional inequalities in national development. The meeting agreed, therefore, that the most appropriate procedure to follow in regional planning was to compare the national plan drafted by the central planning organ with those projects submitted by regional authorities. Administratively that entailed the central planning organ's submitting directives to the regional authorities, describing both the national objectives for every sector and the resources to meet those objectives on regional levels. It also involved the existence of regional planning organs capable of supplementing such data, discussing it, and formulating exact objectives based on it and corresponding to the over-all needs of the region.

67. Other administrative duties include determining the extent to which the preparation of regional objectives and projects must be detailed and the drawing up of a time-table giving the final dates for such preparation. The most important topic considered at the meeting was the regional machinery of plan preparation. The question under discussion was whether the existing regional machinery was adequate for planning or whether new machinery should be created for the purpose. While the problem also arose on the national level, it was found to be a much more serious obstacle on the regional level, owing to a shortage of qualified officials. In countries with centrally planned economies, the preparation of national and regional programmes was a single process. Each of the economic units plans its programmes in the light of national priorities, and the total local and regional objectives constitute the national plan after necessary adjustments at every level have been made to ensure a positive balance of material finance and manpower. In France, for example, it is proposed that under its next plan (1966-1969) the division of regional ministerial units be gradually changed so as to coincide with the twenty-one programme regions. While the representatives of the various ministries would meet at interdepartmental conferences, regional expansion committees containing representatives of both the public and private sectors would serve as advisory bodies.

68. To overcome some of the administrative implications of the preparation of regional programmes and their integration into the national plan, it is not enough to alter the preparation procedure but the regional administrative machinery must also be adapted to the needs and purposes of planning.

Urban planning

69. The meeting considered the great problem of planning and administration at the urban level which concerned, first, the relation of planning agencies and functions to other administrative apparatus for decision-making and implementation as well as decisions taken after the plan had been officially adopted; and secondly, the need for various types of co-ordination with regard to the following:

(a) Different types of planning, e.g. economic, social and physical. This was primarily a question of identification and definition of planning systems, since changes in one activity required corresponding changes in other activities;

(b) Urban-related activities of different branches of higher governments, particularly national Governments. This type of co-ordination could be effected in part by establishing special ministries responsible for urban functions;

(c) Planning and administration of urban functions at the national, intermediate and local government levels. This required first, a recognition by higher levels of government of the nature of the problems faced by local governments, and secondly, both technical and financial assistance in meeting those problems. The giving of such assistance should depend upon the local governments' meeting certain requirements, such as the preparation of local plans and programmes;

(d) Planning and administration among different urban governments, particularly those of metropolitan areas.

E. Administration of social services

70. The representatives at the meeting gave consideration to the importance of social service administration in the planning process, and to the relationship between social and economic planning.

Educational planning and education of planners

71. It is increasingly recognized that the development of human resources is as essential for economic growth as the development of material resources. In this connexion, it was stated that the requirements in skilled labour for short- and medium-term plans could be better satisfied by establishing or improving short-term vocational training programmes. However, since education was valuable over and above the economic needs for technical skills and productivity, comprehensive programmes over a long-term period should be considered in relation to long-term economic plans. In the context of a national planning effort the educational planner would be faced with certain administrative tasks, including:

(a) The diagnosis and appraisal of the existing educational system;

(b) The setting of basic objectives, priorities and directives for change in the broad magnitude of resource allocation and programming in terms of specific educational goals;

(c) Evaluation and revision of plans in the light of implementation and of new economic and demographic developments;

(d) Maintenance of the necessary contacts with national research groups of educators and others concerning measures to improve the effectiveness of research and experiments in education.

National development requires competent personnel in many fields and at many levels in planning and in execution. The precise numbers and qualifications of staff required depend on the various sectors and links of government.

72. Two general types of skills are needed in any planning institution namely, co-ordination skills and programme skills. Co-ordination skills include the duties of communication, liaison and negotiation. Programme skills include the ability to state the problem and to tabulate and interpret the available and relevant data needed for decision-making. These two types of skill are difficult to find in the same person. In fact, the pressures and interruptions which often intrude on the time of the co-ordinator-planner impede the performing of the tasks of the programme-planner, but the two must work in close co-operation and in a spirit of understanding. It was suggested at the meeting that the education and orientation of both planners be directed towards national development in general and not on its segments and specialties. (In a developing society, it must be remembered, the whole is greater than the sum of its parts.) The personal qualifications of the planners are as important as their intellectual equipment. The members of the high-level cabinet or presidential secretariat, it has been said, must possess the qualities of great physical vigour and a passion for anonymity. They must be psychologically mature and well-adjusted persons. As they must deal with political leaders and with technical specialists and persons of all types, they must be sufficiently secure to respect the competence of others and to be willing to delegate the maximum of responsibility to the appropriate sectoral and regional levels and not be inclined to interfere in the details of every specialty. Planners must have the ability to translate broad aspirations and policies into programmes and projects capable of execution.

73. The meeting agreed that it would not be useful to formulate a universal and standardized formula for the personnel requirements for all countries which were undertaking the complex task of national development planning. The differences from country to country were so vast and the knowledge of the planning process was being revised so often that only the most tentative generalization could be made - and even such generalizations were subject to a wide variety of applications, depending on the stage of preparedness in each individual country and, above all, on the availability of trained and motivated personnel.

Health services in national planning

74. The preservation of health enables man to enjoy a useful and productive life. National health planning within general development planning attempts to define the most prevalent diseases, draw up a pattern for the required health services, ascertain personnel needs and formulate a health education programme for the staff.

Attempts by health services to curb population growth can be successful only when health services have achieved country-wide coverage. It was pointed out that urbanization might create shanty towns and slums, and that the planner would be required to attend to the health problems found in those communities and to ensure proper town planning and urban sanitation. Industrialization could create dangers to health from air and water pollution. The proper siting of industries, the zoning of land and appropriate plant design were therefore necessary. The health and safety of workers who had turned from rural occupations to industry called for the establishment of occupational health units. In the agricultural sector, unplanned irrigation tended to disseminate parasitic diseases, and at the same time the use of pesticides and insecticides might constitute dangers for those handling them, and public health problems arising from residues of such substances in food. Some of the health hazards attending national development might as in the past, have disastrous economic implications as well as medical consequences. They would be best prevented by ensuring adequate and timely technical advice by competent health authorities in the course of development planning.

Integration of economic and social objectives

75. The need for maintaining a balance between social and economic development was discussed by the meeting. It was recognized that in the allocation of resources, too much emphasis had often been given to the productive sectors without recognition of the importance of certain preconditions for rapid economic growth. It was stressed, therefore, that an attempt should be made to analyse the social aspects of over-all planning and to assess the contribution to national development of increased expenditure on social facilities. Such a contribution could take the form of direct improvement in the quality of health and educational facilities, and of the expansion of total output through the greater productivity of a healthy working population.

76. While there is a constant interaction between economic development and social change, there are many instances where traditional and customary social patterns present serious impediments to economic progress. Among these impediments are the existence of social and religious customs and taboos that hamper economic development, restrictions on the role of women in economic life, restrictions on land use and immobilization of land resources, and the social implications of industrialization. Problems of that nature, and indeed most of the problems involved in social programmes in developing countries, require intensified research activity if they are to be tackled successfully and with due regard to the necessity of accelerating economic growth. Although a good deal of research into some of the related problems had been carried out, the dissemination of the results had not often been very effective. The meeting therefore recommended that the United Nations and the specialized agencies intensify their research activities in that sphere with special attention to the social factors which the administration should take into account in the planning process, either because such factors would inhibit the effective execution of development plans or because they could, if properly allowed for, facilitate the attainment of planning objectives.

F. Approval of the plan

77. Two aspects of the last stage in the decision process of planning are the approving authority and the legal scope of the decision.

The approving authority

78. In the absence of a parliament the plan is usually approved by the government or the Chief Executive, often in the form of a decree. Where there is a parliament, the plan is generally submitted to it by the government. Approval of the plan is a long-term commitment, constituting a new departure in law and decree-making in the sense that a development plan cannot be enforced in the same way as an ordinary law or decree, even though the approval takes a legal form. Since parliament has the power to decide with regard to the annual budget and the granting of investment credits for the execution of the plan over a period of several years, the plan must be associated with the definition of this long-term economic policy in order that the continuity of the plan may be guaranteed.

The legal scope of approval

79. Approval of the plan constitutes a general commitment whereby the government undertakes the necessary measures for its execution while parliament makes available the means for its execution. The difficulty in defining the legal scope of a development plan is that it is not always clear whether the plan is merely a study published by the government or a statement of intentions or whether it calls for direct and specific action. In developing countries, uncertainty regarding the amounts to be provided through foreign aid and foreign trade make the approval of the plan purely indicative in scope. The approved decision does not necessarily bind the private sector to contribute to the plan but only empowers the government to undertake the necessary regulative measures to promote, directly or indirectly, the canalizing of private investments along the lines of the priorities set out in the plan.

Publicizing the plan

80. Effective implementation of the plan depends also on the extent to which it is publicized among the administrative department, the independent decision-making organs and the public as a whole. While the task of disseminating information about the plan can be entrusted to the central planning organ, the intensive efforts required to enlist the enthusiasm and active participation of the whole nation demand unqualified co-operation with all social and professional organizations such as trade unions, youth movements, political parties, and co-operatives. Consequently, the government should spare no efforts, once the plan is approved, in defining the methods to be adopted in presenting the plan to all segments of the population. This involves detailed explanation of the meaning and significance of the plan through a carefully worked-out process of dissemination, to arouse national consciousness with regard to the implementation of the plan as a collective project.

G. Conclusion

81. The aim of a development plan is to solve economic and social problems by means of rapid and sustained growth of the economy. Consequently, a plan should accommodate all the necessary instruments of policy, economic and social, and should also provide for the administrative and technical machinery for the achievement of the objectives of the plan. Successful formulation of a comprehensive plan requires a balanced division of functions between the central planning organ

and sectoral programming units in the various departments and agencies. Where the sectoral programmes have not been fully integrated into the national plan, the central planning organization should be strengthened, and where the national plan has not been fully defined in the form of sectoral programmes and projects, the peripheral network of sectoral programming units should be developed. The extent to which planning can be successfully formulated and implemented depends on the degree of efficiency of the entire administrative machinery. This machinery must therefore be adapted to the new functions of planning by means of administrative reforms in such crucial areas as:

(a) The building of adequate statistical facilities, by which accurate knowledge about available human, natural and other resources and basic statistical data about fundamental features of the economy could be provided for a realistic appraisal of development problems;

(b) A modern national accounting system to enable better planning forecasts and projections;

(c) A programme for a performance budget indicating the annual appropriations for the public sectors within the framework of long-term programme performances;

(d) A well-organized civil service with adequate training facilities to supply competent personnel; and

(e) An effective system of communication to permit a general understanding of the plan and its objectives, and for collaboration among all those involved in the execution of the plan.

82. Over and above these administrative reforms, there is an urgent need for consultation machinery whereby the greatest participation of various professional groups is ensured. Such participation is essential at the stage of preliminary discussions to enable swiftness of action and conformity of opinions at the time of the final decision. In developing countries where the shortage of well-qualified staff within the administration is acute, the need for a properly defined process of participation through consultation with social and professional groups is even more urgent. The co-operation of these groups is needed in order to obtain their expert advice and guidance especially in the choice of policy instruments for achieving the plan's objectives. In some countries, such consultation has taken the form of panels of experts advising on sectoral or regional projects or other special fields. An entire dialectical process is involved in which are to be found on the one hand the interests of the various participants, and on the other the possibilities and limitations (technical, financial, human) which are governed by the vital need for cohesion.

IV. EXECUTION OF THE PLAN

A. Obstacles to plan execution

83. Having taken into account the fact that many development plans fail to be fully implemented, the meeting sought to analyse some of the causes of such failure, particularly the administrative difficulties that impeded the effective implementation of the plans. It was pointed out that planners were often so concerned with the internal coherence of their plans and the perfection of their models that they devoted little attention to devising effective machinery for the successful execution of the plan. In considering implementation difficulties, a distinction was made between political and technical factors, on the one hand, and purely administrative factors, on the other.

84. In discussing such political factors, it was noted that while the mobilization of effort devoted to the plan was based on an assumption of continuity in governmental policy, internal or external pressures aimed at altering the targets or decisions related to the application of projects were inevitable in the course of implementation. Furthermore, since plans were usually based on optimistic hypotheses (e.g. stability of prices and wages, regular expansion of export trade, foreign aid, public revenue and both public and private investments), it was not possible for every eventuality to be anticipated, with the result that unforeseen events often called for reconsideration of whole questions of priorities. Finally, since the plan did not cover every aspect of economic and financial policy, short-term exigencies which might demand urgent measures for carrying out the plan might have been initially overlooked. The desire to balance the budget or to maintain a positive balance of foreign exchange might result in measures which would be incompatible with long-term development targets. A planning policy, therefore, had to be closely related to policies concerning manpower, the budget, credit and taxation, all of which relied on continuity in governmental policy.

85. Technical difficulties might arise during plan execution as a result of a number of factors. As summed up in the meeting, they were:

- (a) Lack of, or inaccuracy of, data;
- (b) Failure to adjust planning methods to local conditions;
- (c) Inadequate technical preparation of projects;
- (d) Lack of co-ordination for the technical execution of projections; and
- (e) Overestimation of available and potential resources.

It was, however, on the administrative obstacles to plan implementation that the meeting placed greater emphasis. The administration could be an obstacle to implementation, either because the plan did not fit in with administrative activity (resulting from lack of adequate communication between the central planning organ and the executive organs), or because the plan aroused resistance on the part of the

administrative organs, which would prefer to carry out their own specific projects without bringing them into line with the general policy directives involved in the plan. In addition to the difficulties of administrative reluctance and resistance, there was also the problem of shortage of adequately trained staff in an administrative service responsible for the execution of the plan.

B. Administrative conditions of execution

86. The actual implementation of the various programmes outlined in the plan depends on the observance of certain administrative functions, including the financing of the plan. Three aspects to this function were considered, namely:

(a) The administrative body responsible for financial allocations;

(b) The relationship of that body to other administrative organs;

(c) The administrative procedures for the inclusion in the annual budget of the programmes covering several years of the plan period.

87. Overestimation of resources was found to result in one of the most difficult of the technical problems facing developing countries. In the first place, those countries had to contend with a wide range of fluctuations in their export prices; and secondly, foreign aid, on which many countries depended to a great extent for the execution of their plans, might be cut off for reasons over which the recipient country had no control. Those issues centred around the various types of financing of the plan, i.e. capital budget, recurrent budget and extra-budgetary finance. Responsibility for decisions on financing the plan often rested with ministers of finance and in some cases on the central planning organ.

88. Although the organ of execution might make proposals, the vital problem was the organization of the relationship between the ministry of finance and the central planning organ. First, the central planning organ would be given the responsibility of ensuring that the capital budget should correspond to the objectives of the plan, and that, gradually, the budget should become an important instrument for the execution of the plan. Secondly, there was the likelihood of conflicting interests between requirements of monetary stability (ministry of finance) and of development (central planning organ). Consequently, an arbitration procedure should be effected at the political level, since choices between the present and the future could not simply be reduced to technical or administrative considerations. It was also suggested that it would be advisable not to commit to specific operations all the investment credits available in order to be able to meet the emergency programmes that inevitably arose through fluctuations in the over-all economic or financial situation both at home or abroad. These could be allowed for by holding in reserve a certain quantity of non-earmarked credits.

89. Mention was also made of the dangers of divergencies or conflicts between long-term development policy and short-term economic and financial policy. When such conflicts occurred, the general financial and economic policy (fiscal, credit, foreign trade, national bank, inducement measures to the private sector etc.) should be adapted to the policy called for by the plan. In order that short- and long-term policies might thus be integrated it was suggested that the central planning organ be closely associated in the preparation of the main economic and financial decisions.

90. It was realized that solution of financing problems was not a sufficient guarantee that the plan would be effectively implemented. In most cases, the existing administrative machinery should be adapted to the new tasks imposed by the application of the plan. Special administrative measures were necessary in that regard. In some cases, such measures were fully defined in the plan itself. Where that was not the case, it was necessary to define the execution responsibilities in the course of implementation by establishing co-ordination between the central planning organ and the related ministries or agencies.

91. In the first place, full use had to be made of the existing administrative structure by entrusting the responsibilities of programme management to the various ministries in the light of their terms of reference. Secondly, new administrative machinery should be established, if the tasks involved in the execution of the plan could not be adequately performed by the existing services. Although the numerical expansion of new units was likely to raise additional problems of co-ordination, the procedure had the advantage of facilitating the implementation of the plan. Where the plan provided for new facilities or structural reform, there had been a tendency to establish new autonomous bodies such as regional development boards, trade development boards, community or rural development divisions, co-operative organizations, agricultural reform and irrigation boards, land development services etc. In those cases, the co-ordination of such organs with the planning organ and the existing ministries had to be reconciled with the autonomy of management that governed their efficiency.

C. Process of execution

92. While the preparation of the plan is usually entrusted to a centralized organ, the responsibility for the execution of the plan is often shared among specialized organs of the national, regional and local governments as well as those of the private sector.

Execution at the national level

93. On the national level, the execution of the plan could be entrusted to either the central planning organ, the technical ministries or to specially created autonomous or semi-autonomous administrative bodies. It was pointed out at the meeting that many disadvantages existed in the system of entrusting the dual responsibility of preparation and administration of national plans to the central planning organ. First, the responsibility of the organ for preparation could be seriously hampered by the execution. Secondly, there was the problem of the relationship between the planning organ and the technical ministries which were already equipped for the performance of execution tasks in their respective fields of competence. That inevitably led to confusion and rivalry among the two bodies.

94. It was the opinion of the meeting that such confusion and overlapping of functions could be avoided if the responsibility for execution was entrusted to the technical ministries. It was also realized that programmes for execution might concern several ministries, and to synchronize their various stages of execution, inter-ministerial co-ordination was necessary. It was desirable, therefore, that measures should be provided whereby the planning organ could intervene in order to ensure the unity of the plan.

95. The use of the existing machinery inevitably presented difficulties. In many developing countries the procedures and methods used by the existing machinery were devised by colonial Powers for the maintenance of order, and were therefore quite unsuitable for a development policy. The planning organ, therefore, had to be able to influence the technical ministries in order to stimulate and co-ordinate the execution of the plan.

96. In certain cases it might be necessary to introduce limited reforms into the structure and functions of specific units in charge of development projects. Co-ordination between the central planning organ and the executing agencies could be ensured through units established to participate in the preparation of the plan, i.e. ministerial planning committees including the principal directors of planning units formed within the ministries. Furthermore, the central planning organ had to be able to ensure that the technical ministries should not use the investment allocation they received to meet operational costs.

97. Execution might also be entrusted to public boards and corporations set up to execute the plan in a given sector or to implement particular projects. Administratively, those enterprises might depend on the central planning organ or come under the jurisdiction of the technical ministries and yet follow a management policy which differed from the general policy of the plan in such matters as recruitment, imports, fixing of selling prices, investments and relations with other sectors of the economy. To reconcile any contradictory requirements of these three bodies, administrative procedures should be provided for, either within the enterprises themselves by the participation of ministerial representatives in the formulation of their management policies, or at the level of the chief planning organ (a council or commission) by involving the ministries concerned in formulating instructions to the enterprises. While organic links helped to facilitate co-ordination among these bodies, it was of extreme importance that personal relationships should be established among the enterprise managers, the senior ministerial officials and the officials of the planning organ.

Execution at regional and local levels

98. The execution of the plan at those levels raised some of the most difficult administrative problems, which could be resolved by adhering to the following requirements:

(a) The directives of the central administrations would need to be clearly communicated to regional and local authorities and the means of execution placed at their disposal;

(b) The active support of the public would need to be fully enlisted and the efforts of the population supported by the representatives of the administration.

99. These requirements raised questions of decentralization, and they were met with such obstacles as a lack of skilled personnel and resistance of social institutions, which might feel threatened by transformation programmes, such as agricultural reforms and changes in cultivation methods. To enlist the active participation of the public in development operations, many countries had encouraged the local communities to initiate local projects intended to improve their economic, social and cultural situations. The main problem, however, was to reconcile that freedom of initiative of the population which should be able to decide on a choice

of projects, and the harmonization of the chosen projects with the objectives of the national plan. There the efforts of the population should be guided and canalized into operations that would supplement large infra-structure projects, such as irrigation systems, and secondary or feeder roads. National assistance to the operations of local communities enabled the administration to orient those operations in the direction indicated by the planning priorities.

Role of the private sector in execution

100. In many developing countries of mixed economies the over-all production targets generally defined in the plan apply not only to the public sector but to the private sector as well. The execution of such targets depends both on the independent decisions of the economic organizations of the private sector and on the direct or indirect measures of the administration. If the plan is one of predicting for the various branches of the economy, the function of the administration could be no more than bringing economic policy and public investment into line by an effort to reduce imbalance and market bottlenecks. On the other hand, if the plan is defined and prepared as a tool for economic and social reconstruction and as a bridge from what is to what should be, then execution involves modification in the projects of private enterprises. It was the general view of the meeting that most developing countries adopted the second approach, which called for special administrative measures. The means available to the administration to enforce the execution of the plan by the private sector should be clearly defined; the branches of the administration responsible for it should be named, and the measures by which they exercised their powers should be described as to whether these measures were all-embracing or selective and whether they were measures of control, compulsion or persuasion.

101. First, the administration might promote private investments by measures of direct or indirect aid in such areas as taxes, credits, subventions or import licences. Secondly, where particular types of investments were considered to be unfavourable to direct development targets of the plan, e.g. luxury buildings, building speculation etc., the administration might restrict such investments by systems of control. Those were administrative roles, usually entrusted to either the ministry of finance or a specialized organ in consultation with the central planning organ.

102. Where measures of encouragement failed to yield the expected results of sufficient private investments, the administration might take upon itself to establish industries, either independently or in participation with private interests.

103. It was noted that compulsory administrative measures were usually negative with regard to the private sector in the sense that the government could not compel private enterprises to make new investments provided for in the plan. Where much of the activities of the private sector were in the hands of foreign firms, the situation could be even more difficult. The relations of such firms with the administration were influenced by the fact that their decision-making organs were outside the country of operation, and the administration had little means of altering resulting decisions which might be considered detrimental to the execution of the plan. The problem was not confined to involving private firms in the execution of the plan; it was necessary also to attract new foreign investments in the country. That required measures of a general nature, which many developing countries had adopted in the form of foreign investment codes which described various

types of guarantees offered to foreign investors. Although that was a problem for the political authorities, the actual negotiations of every investment project were usually conducted by the ministry of finance, and the planning organ should be closely involved with these negotiations to make sure that long-term economic interests outlined in the plan were not sacrificed for immediate financial advantages.

Role of foreign assistance in execution

104. Foreign assistance might take the form of grants or loans, and was distinguished from foreign investments considered under the private sector. Without foreign assistance, which might be bilateral, multilateral or international, the development plans of many developing countries would have greatly suffered, especially those countries which had received little or no part of the international flow of private capital. While bilateral foreign assistance had played an important role in the implementation of many development plans, the meeting considered that certain limitations inherent in the approach of that form of assistance could cause deviations in the execution of the national plan. Some of these limitations were that the interests of the donor countries of their concept of aid did not necessarily coincide with those of the recipient countries; that such aid was often provided on an annual basis, thus introducing a factor of uncertainty that in many cases necessitated the revision of the plan in the course of its execution; that the bilateral aid might be subject to economic conditions which would restrict the possibilities of its usage, e.g. the obligation to buy a certain quota of goods produced by the donor country, or for transport to be made in ships acceptable to the donor country. It was also pointed out that those limitations in bilateral foreign aid might not only deter the implementation of projects outlined in the plan, but might create a situation of insufficient co-ordination or even of rivalry among the various sources of aid, thereby causing the overlapping of investments which might not be in line with the priority aims of the plan. It was noted that some recipient countries had tried to overcome some of those difficulties through organizational procedures whereby a single ministry was empowered to negotiate all foreign assistance in consultation with the central planning organ so that unity of negotiation was ensured and the assistance provided linked with the achievement of the objectives of the plan.

D. Human aspects of plan execution

105. It was stressed at the meeting that the adaptation of administrative machinery and methods to the new tasks of planning was not enough to ensure that a plan would be effectively implemented. Special attention was therefore given to the need for developing an administrative staff, the size and quality of which would largely determine the extent to which the planning objectives could be achieved. Producing an adequately trained staff took time, and therefore planning and its administration should take into account such connected factors as the selection of projects compatible with the number of qualified staff available who would be capable of implementing them; the division of staff among the preparatory tasks and execution tasks of the plan; the framework required for the implementation of action programmes in the traditional environment; and the significance of personal relationships for obtaining co-ordination at the preparation and execution stages of the plan. The needs of the administrative staff might be assessed in the long run in the same way as the over-all manpower needs, i.e. in the light of the duties

to be performed and within the limitations of financial allocations for civil service emoluments. Those needs covered several categories according to branches of activity, standards of qualification and disciplines. The over-all estimates of those needs should be translated into basic and advanced training programmes, the various stages of which should be in line with the needs for the achievement of the objectives fixed by the administration for the implementation of the plan.

106. It was observed that a large number of institutes of business and public administration had recently been established in developing countries to provide civil servants with special training in addition to their general education. It was among the recommendations of those at the meeting that the methods and curricula of those institutes be oriented towards planning problems and their administrative aspects in order to enhance the spirit of co-operation between the administrators and the public. It was also noted that more effort was often devoted to the training of new officials than to improving the training of those already in service. Emphasis was placed, therefore, on the importance of a systematic policy of basic and advanced training of officials as one of the activities involved in the execution of the plan.

E. Conclusion

107. While techniques and devices for plan formulation and elaboration are essential to success in planning, greater emphasis should be placed first on the methods and the machinery for the implementation of the plan, and secondly, on the built-in safeguards and checks in the political and administrative structures as well as in other public institutions and enterprises against failures in implementation.

108. In addition to political and technical problems of implementation, there are other administrative obstacles that require careful consideration. In the first place, the responsibilities for execution must be defined and co-ordination established between the central planning organ and the various ministries and other public boards and authorities. Experience has shown, however, that traditional ministries are often unsuited to carrying out a dynamic development policy; on the other hand, proliferation of new bodies for implementation may only aggravate the problem of co-ordination. In the case of autonomous public boards and authorities, there is the additional problem of reconciling central control over their operations with their autonomy of management.

109. While the central planning organ may be entrusted with the task of co-ordinating implementation in its wider aspects and on a continuing basis, this task cannot be effectively executed without close collaboration with the ministry of finance. The latter's role is extremely important with respect to designing policies and measures for achieving saving and investment goals and, more importantly, for safeguarding the country's external balances. Monetary policy and the allocation of foreign exchange have usually been the joint effort of the ministry of finance and the central bank. On regional and local levels, implementation raises questions of decentralization and often runs into obstacles such as lack of skilled personnel and resistance of social institutions which might feel threatened by the transformation and modernization programmes of the plan. It is of utmost importance to encourage local initiative and harmonize it with the objectives of the plan.

110. In the second place, the administration must be able to enlist full support and co-operation from all segments of the population in realizing the national objectives of the plan. While the responsibility for planning the reconstruction of its economic and social institutions rests with each country, successful implementation of national plans requires various forms of foreign assistance through international economic co-operation. Foreign assistance may take the form of financial and technical aid, fellowships and materials; and while such assistance could contribute substantially to plan implementation, its administration as well as the arrangements for its award could directly or indirectly distort plan priorities, cause deviations and thereby hamper the execution of the national plan. Some of these difficulties might be overcome through organizational arrangements whereby the power of negotiation and administration of foreign assistance is entrusted to a single ministry in consultation with the central planning organ to ensure not only unity of negotiation but also the conformity of foreign assistance with the priorities and objectives of the plan. While bilateral foreign assistance has played, and will continue to play, an important role in planning and plan implementation in developing countries, it is hoped that emphasis will continue to be placed on multilateral and international economic assistance, which will not only enhance the effectiveness of aid but will also help to alleviate the peculiar donor-recipient relationship that often surrounds other forms of assistance. International arrangements for economic assistance will also take into account problems of trade and development and work out through appropriate international organizations specific measures and policies relating to commodity market conditions and other questions of trade relations between the developed and the developing countries.

V. CONTROL, EVALUATION AND REVISION OF THE PLAN

111. Control, evaluation and revision are essential parts of planning; they are measures which serve to keep the plan on the right track while facilitating the necessary flexibility in the process of application.

A. Systems of control

112. The purpose of controlling and supervising the implementation of the plan is to ascertain whether the application of the plan is in conformity with the objectives outlined, thereby enabling the appropriate measures to be taken in resolving any difficulties that may be revealed in the execution process. Control may be administrative, technical or financial. Administrative control is a normal function of the services responsible for executing the plan, and that function is woven into the hierarchical structure. Technical control is generally performed by inspectors who constitute a special body outside the normal personnel structure so as to ensure its independence while simultaneously safeguarding the single command system. Financial control is essentially intended to prevent overspending and to check whether expenditure conforms with the estimates. It is also intended to inspire the desire for efficiency as much as for savings.

113. It was recognized at the meeting that superimposed controls, such as the establishment of a special body of inspectors, might cause friction with executing bodies, and every attempt should be made to distinguish control functions from execution functions. For example, a distinction should be made between those ordering expenditures and the auditors who checked on the regularity of payment orders. Whatever system of control was adopted, efforts should be concentrated on making it possible for the central planning organ to keep a check on the rate of progress of the various operations by keeping it informed of the executing difficulties encountered. Under such conditions, the planning organ would be able to suggest appropriate measures by determining minor adjustments to be introduced by investigating, in consultation with the ministries concerned, problems within their sphere of competence and by submitting for political arbitration any differences relating to the fundamental choices of the plan. The planning organ must therefore have the power of initiative which would enable it to establish project supervision teams or send out missions to the field to check on progress in relation to completion schedules of particular projects or on actual expenditures in relation to cost estimates, to supply technical assistance to the executing services, settle minor execution problems on the spot and report to the planning organ any difficulties requiring high-level solutions or raising political problems. In many countries, the planning organ is constantly kept informed of the progress made on individual projects through the use of control files sent regularly by the executing ministries. It was mentioned at the meeting that in at least one country such reporting systems had led to the installation of strategic maps in central operation control rooms where senior planning officials met regularly to discuss the rate of progress and to propose corrective measures where necessary.

B. Evaluation of progress

114. The purpose of evaluation is essentially to reconcile flexibility required for plan execution with the coherence of the plan as a whole. Ministries and other bodies responsible for implementing programmes compiled regular reports on the state of the projects assigned to them. Those formed the basis on which the central planning organ prepared its evaluation reports for submission to the Government. Periodic progress reports and evaluation of existing projects enabled the organ not only to compare achievements with estimated objectives of the plan but also to identify particular problems, ascertain relative stages of completion of various parts of the plan in order to ensure synchronized progress and to recommend appropriate administrative measures to overcome any obstacles encountered in the implementation process. It was suggested that progress reports be as complete and as accurate as possible and submitted at fairly frequent intervals so that the central planning organ could make timely analyses and prepare its quarterly evaluation reports for study at the governmental level with a view to making the adjustments that might be called for. In addition to quarterly reports, annual evaluation reports might be submitted to parliament during the debate on the capital budget. Where the evaluation reports were published, as was the practice in some countries, they constituted a form of democratic control of the plan by public opinion; and the general information provided could be of great interest to other countries that might benefit from such experience.

115. The observation was made that in many developing countries administrative evaluation procedures had not yet been established, either because their plans were not being fully applied or because they were satisfied with the usual financial control procedures and therefore not cognizant of the fact that the critical evaluation of progress and results of implementation was an important aspect of administrative activity. The meeting expressed the hope that as the administrative organization as a whole became more and more inspired by the idea of economic and social transformation for the benefit of future generations, self-criticism would gradually be recognized and accepted as a condition for progress and not a threat to the principle of hierarchical authority.

C. Revision of the plan

116. As distinguished from adjustments, which are effected through adaptation of implementation measures, revision of the plan involves the modification of its objectives. It may be realized in the course of implementation that the objectives set out in the plan are too ambitious in relation to the means available for their realization. Revision of the plan is a political decision once the administration has submitted to the Government a report of evaluation factors indicating the need for such revision. In many developing countries revision has occurred where a previous plan could not be properly applied. In other cases, changes in political orientation are presented as technical or administrative revisions. Since planning is a decision-making process that distinguishes between political, technical and administrative factors, it is necessary to define clearly from the onset the functions of each of these factors and thereby avoid any confusion that might result from making technical adjustments or revising the objectives of the plan.

D. Conclusion

117. Even when responsibilities for implementation have been clearly defined, the objectives of the plan can still not be fully realized without effective supervision, evaluation and review of progress towards specific projects and over-all targets. In some countries, broad appraisals of the plan and its execution are made annually and also at the end of the plan period. Where appraisals are made by special ad hoc committees rather than by the central planning organ, the findings should be submitted for study by the planning organ, in order that this organ may make revisions of the targets or of the priorities of the plan when necessary. Ministries and other public agencies charged with the execution of sectoral programmes and particular projects should submit periodic progress reports to the central planning organ for analysis, recommending corrective measures and appropriate adjustments when necessary, thereby avoiding any possible bottle-necks and standstills in the course of implementation.

VI. GENERAL RECOMMENDATIONS

118. Planning has become a specialized activity involving various disciplines. It can be foreseen that the number of qualified planners required for national, regional or local institutions will be increasing rapidly, particularly in developing countries. To meet the challenge of the increasing need for qualified officials in planning and plan administration, the meeting recommended that systematic education and training, focused directly on related fields of development planning, be encouraged in all these countries. It was further recommended that UNESCO, in collaboration with the United Nations and other specialized agencies, study the possibility of undertaking a study on the adjustments which should be made in programmes of teaching institutions at the secondary, graduate and post-graduate levels, so as to enable those institutions to meet the urgent demand for planning personnel, bearing in mind the various categories of personnel required and the qualifications that they should possess. As a matter of intermediate solution, it was recommended that special courses in planning, including its administrative aspects, be offered to graduates of related professions to qualify them for the task of planning until the cadres of fully trained planners were formed.

119. To improve the relationship of administrative practices and development planning, it was suggested that teaching materials be developed and courses given in administrative aspects of planning at national and international institutes in which public servants were being trained. It was felt that administrators and other technicians should become sufficiently familiar with the nature and techniques of planning to take an effective part in the planning process; and that economists involved in planning should, on their part, be given an opportunity to acquire an adequate knowledge of administrative theory and practices. To meet that need, the subject of administrative aspects of planning and plan implementation should form part of the agenda of meetings and conferences concerned with development planning. It was deemed essential to associate with those training efforts other outside agents directly or indirectly connected with the planning process.

120. Having discussed the administrative aspects of national development planning on a global and general basis, the meeting saw an urgent need for the continuation of that effort in the following directions:

- (a) National meetings of planning officials and administrators dedicated to the application of general administrative procedures to specific needs of development planning in each country;
- (b) Regional or subregional meetings to discuss particular aspects of the problems in areas with comparable conditions and backgrounds;
- (c) Interregional meetings dedicated to specific subjects such as: planning and administration of regional and local development; the integration of public enterprises in the national development efforts; and administrative aspects of international trade; administration of sectoral development programmes.

121. Bearing in mind the intimate relationship between planning and budgeting, a special meeting should be convened to discuss the common problems of those two tools of management policy and their relative roles in the development process. Each one of those meetings should be preceded by appropriate surveys and studies presented for discussion in the form of working papers.

122. To create more opportunities for the exchange of views and the dissemination of further information on the formulation and execution of sectoral programmes and their integration in aggregate plans, national Governments should encourage the specialized agencies, in collaboration with the United Nations, to continue studies and to hold meetings on this subject. Furthermore, the experience gained in various countries in the field of development planning should continue to be the subject of research and learning. The United Nations research activities in sectoral, national and intra-regional planning problems should be strengthened both in scope and in depth. Reports on such research activities should be the subject of careful study at regional and interregional meetings and seminars, and the results of these activities should be published in special forms suitable for use in training activities in interested countries.

123. From the experience of this meeting, it was recommended that future meetings of a similar nature be composed of the following: planners and administrators of countries directly concerned with planning, special consultants and authorities on the subject, and staff members of international organizations responsible for technical or financial assistance in the field of development planning.

124. The meeting recognized the need for international standardized terminology in the social sciences and particularly in the fields related to planning. It therefore welcomed the initiative already taken in that direction by UNESCO and recommended further study to be carried out by that organization in collaboration with the United Nations and other specialized agencies.

PART TWO

PRELIMINARY STUDY - DISCUSSION PAPERS

I. REPORT OF PRELIMINARY STUDY

by

Michel Debeauvais

A. ADMINISTRATIVE ASPECTS OF PLANNING IN DEVELOPING COUNTRIES

Introduction

1. National development planning is taken in its broad sense to mean medium- or long-term government policy based on a set of coherent economic and social objectives and defining the stages and means of application, in connexion with the use of physical, financial and human resources. Planning is a process which comprises not only the elaboration aspect of planning, but also the essential aspect of the application of the decisions reached; this is so because planning is only meaningful in terms of the measure of its execution.
2. Different aspects of planning can be studied, the political aspects being particularly important. They concern, notably: the determination of principal criteria of the plan in relation to the changes in the economic and social structures; the choice of the means of implementing government policy; the effectiveness and continuity of the execution of the plan; and the balance between the long-term policy as defined by the planning unit and the conjunctural policy as dictated by the existing situation.
3. One can also analyse planning in its technical aspects: methods of prediction, statistical facts, hypotheses on the institutional (national) and international frameworks, etc. The major part of the work is, however, concentrated on the techniques of planning.
4. This study deals mainly with the analysis of the administrative factors of planning, which by no means implies that those aspects are the most important nor that one can study them in isolation. One cannot neglect the fact that there are evident relationships between the domain of competence and the means of administrative action on one hand, and the nature of political institutions on the other hand. Also, the choice of the techniques of planning depends on the political and institutional cadres, and on the nature of the administrative structures, their degree of centralization and on the state of development of particular countries.
5. Administrative factors enter into all stages of the planning process. First, after a decision has been taken by the political authorities to adopt planning as the policy for national development, an administrative structure must be organized to take charge of the elaboration of the plan. Secondly, at the elaboration stage of the plan, the co-operation of different administrative services with the planning unit is required for supplying the necessary information and statistical data, participating in the preparation of decisions and organizing arbitration

machinery at both the administrative and the political levels. Thirdly, at the execution stage of the plan, the administration machinery has to bring its activities into line with the objectives of the plan in regard to the determination, execution, controls and revisions of specific projects. Thus, the application of the plan raises problems of co-ordination not only between the central administration and the planning organ, but also between the technical and administrative services at the regional and local levels.

6. All these factors are inter-dependent. The plan is not just a technical document, but an instrument of a development policy that is determined at the government level. Consequently, planning techniques must be adapted to the political decisions taken with regard first, to the relative importance of the public and the private sectors, second, to the volume and quality of statistical data available, and third, to the efficiency of the administrative machinery in elaborating and executing public investment programmes. Similarly, the choice of planning structures depends on the planning methods adopted and on the political options determining the task of the administration and the means it possesses for influencing the private sector. Although the present study concentrates mainly on administrative aspects, these aspects must be viewed in relation to planning as a whole, for in the absence of a firm development policy a plan is merely a technical document; and in the absence of an administration adapted to the requirements of development, the elaboration and the implementation of the plan cannot be successful.

7. Planning is only one of the numerous tasks of the administration, established primarily to operate the State machine. Legally, the administration constitutes the instrument for preparing and implementing the decisions of the political power, and functionally, it performs this task through technical services organized on the principle of the specialization of tasks.

8. Apart from operating the State machinery for the maintenance of law and order, the administration also prepares and implements the economic and social policy adopted by the political authorities. In addition to planning, this function includes all the economic and social activities of the State, as expressed in management tasks.

9. Management activities differ from planning activities in that the former relate to present needs and interests while the latter are designed to change the existing economic and social structure in pursuance and attainment of long-term objectives defined in the plan. Thus, the administration embodies a dual function of management and planning.

10. This study is not confined to describing the administrative structures and procedures of planning; it is an attempt to make a dynamic analysis, i.e. to study planning as a decision-making process, of which the elaboration of the plan itself constitutes only one phase. This study is also an analysis of functions, in that it strives first to define the functions which have to be fulfilled at each stage of planning and then to describe the type of administrative structures which have been charged, in the various countries, with the execution of these functions. This provides a criterion for assessing types of administrative structures on the basis of their suitability for the national development programme.

11. "Functions" are examined not in isolation but in their relation to one another. Each function is considered in relation to the specific task to be

executed and to the other tasks of the administration as a whole. Where planning is done by a central organ, it is not enough simply to define the tasks of this unit. The relations between this organ and the other parts of the administration must also be analysed with regard to structures and procedures, as well as the relations between the planning policy and the monetary, fiscal and other economic policies. Thus, at each stage of planning we shall seek to define the specific function to be fulfilled, to show the various and sometimes conflicting aspects of this function with respect to other administrative functions.

12. Administrative mechanisms and structures are, in the final analysis, means of communication between human beings. Human factors enter into every stage of the analysis. Among the main factors to be considered in planning are:

(a) The quality and size of the administrative personnel responsible for collecting information and for elaborating, applying and supervising programmes. The methods used and the scale of the plan must be adapted to the quantity and quality of the staff available for formulating and executing it.

(b) Manpower resources (administrative and non-administrative personnel) must also be planned, and programmes for training qualified manpower at various levels for the various sectors of activity must be included in the plan along with requirements of physical investments. It is not sufficient, therefore, to provide training only for planners, but also for all the qualified manpower needed for implementing the plan in the different sectors of activity.

(c) A plan cannot be formulated and implemented satisfactorily either by a planning organ alone or even by the administration alone. An organized "economic and social dialogue", in the course of which the projects of individual autonomous units can be viewed in the context of the national objectives, is an important condition for the success of the plan.

13. To complete the study of the administrative and institutional aspects of planning, it would be useful to make an analysis of the procedures of communication, both formal and informal, between the planning unit and the other parts of the administration, the decision-making bodies and the representatives of economic and social groups, as well as between the centre and the periphery. This analysis could best be performed by extensive nationwide studies in order to assess at what level and on what scale the various economic and social groups have contributed towards formulating the plan and applying the decisions contained therein. Administrative factors and organizational problems have a bearing, therefore, on the various functions which have to be performed in the planning process and on the men who perform these functions.

14. The results of development planning in various countries can also be of mutual interest, despite differences of historical, geographical, economic, social or political factors, as well as differences in degrees of decentralization, in the size of the public sector or in the extent of State intervention in the private sector. It is for this reason that throughout this study mention is made of administrative aspects of planning in industrialized countries with a centralized or decentralized type of economy, even though the study deals mainly with developing countries.

15. We have followed here the chronological sequence of the planning process, as laid down in the various United Nations studies on national development

planning. Moreover, in many developing countries the initial steps toward integrated economic and social planning have consisted in the elaboration of sectoral or project-by-project programming. Our approach is not merely descriptive, since it strives to identify the common problems which arise in various types of planning. Neither is it intended to lead to a uniform model. As indicated, there are various possible administrative solutions for each situation, with each type of structure tending to favour one of the conflicting demands existing side by side in every administrative problem. For example, a central planning staff could formulate a coherent plan with greater rapidity and efficiency if it could do so independently, and yet the execution of the plan by the technical ministries, the local organs and the private sector could still be hampered if they had not been involved in working out the decisions. On the other hand, the lack of a permanent planning organ, or a weak one, might complicate the formulation of the plan, by producing a list of unrelated projects instead of a carefully integrated plan of economic and social objectives that takes the best advantage of all available resources.

A. The Central Planning Organ

16. Planning is a specific task which introduces a new dimension into the administration process: the distribution of resources with a view to achieving a set of inter-related, medium- or long-term objectives laid down for a large number of economic and social sectors. Planning, therefore, is a continuing task which does not terminate at the adoption of the plan, but carries through the various stages of implementation, control and revision.

17. In view of the continuing and comprehensive nature of planning functions, many countries have instituted central and permanent planning organs inverted with the operational responsibility of these functions. The nature of such an organ and the extent of its powers vary from country to country, reflecting such factors as the importance of the role assigned to planning, the stage of development, the nature of the political and economic system and the existing structure of government. The choice of the planning unit, however, raises three kinds of problems:

(a) The availability of qualified staff. The numerical strength and quality of personnel for the planning organ greatly influence the quality of the plan. The selection of such personnel is determined by manpower resources and by the needs of the other branches of the administration. A choice, therefore, has to be made as to the allocation of available human resources between immediate and long-term demand, i.e. between management and planning function. The size of the planning organ depends, therefore, both on the magnitude and nature of the plan and on the whole range of functions incumbent on the administration.

(b) The extent of the administrative powers of the planning unit. This depends on the relative importance that the public authorities attach to planning and is reflected not only by the legal definition of the administrative competence of the planning organ, but also by the position it occupies within the framework of the administrative structure, either an autonomous or semi-autonomous body responsible to the chief executive or to a minister, or a branch of an existing ministry. Furthermore, the personality of the director of the plan or political agent in charge of it affects the real power wielded by the planning organ.

(c) The relations of the central unit with the other branches of the administration, with political and government circles and with economic and social groups. Such relations are a determining factor which affects the planning procedures. Relations with the Government are usually ensured either through an interministerial council or through the Chief Executive if the organ is independent. Where the planning organ is attached to a ministry, liaison is maintained for the most part by the responsible minister. Liaison with the administration is usually ensured either by working commissions or by planning units set up in the technical ministries.

18. At the regional level, the planning organ may sometimes have provincial or local agents. In most cases, however, regional projects are elaborated and implemented through the intermediary of the technical ministries, each operating in its own field of competence. In several instances, administrative circumscriptions have been re-arranged to coincide with homogeneous development areas. Liaison between the central planning unit and the social and professional bodies is essential in gaining the help of professional and other groups in the country and thereby translating the plan into an institution of social dialogues and collective creation.

19. Three different ways in which relations of the central planning organ and the social and professional bodies can be established are (i) the representation of these bodies on the planning organ, (ii) their participation in the elaboration of detailed objectives of the plan, and (iii) their co-operation in the planning unit and the other branches of the administration in the execution of the plan.

20. The size of the Central planning Organ depends both on the scope of the plan and the availability of trained staff. The wider the scope of the plan the greater the need for competent officials with a wide range of qualifications. The size of this body also depends on the duties allocated to it. A small unit corresponds to the concept of a highly qualified general staff which maintains liaison with the decision-making bodies. Such an organ is generally suited for predictive and research activities. There the central planning organ has co-ordination functions, as in the case of indicative planning, the size of its staff is relatively large. In the case of imperative planning where the production sectors are government controlled, the administrative organization of the plan is much more complex and consequently the central planning organ requires a large staff.

21. The organizational location of the central planning unit within the administrative machinery determines to a large extent its methods of functioning and also tends to influence the way in which all other interested bodies participate in the planning process. Consequently, the view is generally held that the unit should be appreciably high in the hierarchy of the administrative machinery, as close as possible to the Chief Executive. Moreover, the unit should be given a wide range of autonomy vis-à-vis the traditional ministries, both administratively and financially. But while autonomy and authority should be guaranteed for the central planning organ to ensure the success of its specific function of planning, it is equally important that appropriate measures be taken to secure every possible channel of communication between the unit and all other branches of the administrative machinery.

B. Formulation of the plan

22. Although the methods used for the formulation of the plan differ from country to country, the administrative problems arising at each stage of the formulation process is of the same nature. These are usually the collection of information, the determination of priorities, the preparation of detailed objectives and final adjustments.

23. The collection of information consists of:

(a) Assembling all the information available from the private sector and from the public and semi-public sectors;

(b) Re-arranging the information collected into a standardized and comparable form;

(c) Modifying the form of the information collected in order to suit the purposes of planning.

The responsibility for assembling the required information may be conferred either on the planning unit itself, on a central statistics service or on independent or semi-independent bodies. Alternatively, each ministry or administrative unit may be asked to communicate the information it collects for its own activities. Whichever method is used, there will be first the problem of co-ordination between the services possessing the information necessary for formulating the plan, and second the problem of deciding on the minimum volume of information compatible with the financial resources and the skilled staff available. It is not sufficient, therefore, to define the legal powers of the planning unit in relation to the collection of statistical information; channels and procedure must at the same time be established for communication of information within the administration as a whole and with the private sector.

24. Determination of priorities is a matter for the political authorities. But political choices must be prepared at the administrative level in the form of first drafts indicating the possible long-term implications of the main options. It should be stressed that priorities should be listed in order, so as to provide the planners with precise criteria for choosing the projects.

25. Decisions over the essential criteria of planning belong to the political authorities; however, these decisions should be made through the planning staff, in most instances by the central planning organ. Indeed, the determination of priorities can only be done within the framework of a global confrontation of the needs and resources: this stage of technical characteristics is essential for clarifying and classifying the objectives of planning. A priority list is more than a simple list of desirable objectives to be achieved; it is a choice which implies sacrifices, namely, the elimination of certain desirable objectives. This process of considering the entire set of economic and social objectives in the light of total resources available for their attainment is usually carried out by the central planning organ. Sometimes several variants are submitted at this stage, so that decisions can be taken in the light of the alternative solutions. The political decision is taken at the last stage by the Government; but in some countries, Governments try to introduce a procedure for consulting either the parliament and/or the political parties of the country, in view of the importance attached to this preliminary choice, on which depends the subsequent work of the central planning unit.

26. The preparation of detailed objectives requires the participation of all the administrative services concerned, of representatives of the private sector and of the main social and professional groups. This work is frequently done by commissions (sectoral commissions and those dealing with common problems such as technical, human or financial balances) working on an agenda prepared by the planning unit and guided by a provisional target on financial costs. This organized social dialogue has various objectives:

(a) To complete the information assembled by the planning unit on feasible objectives, resources available and means of implementation;

(b) To provide the decision-making agents (administrative and private) with information about the set of priorities which have been selected at the policy level;

(c) To translate the over-all objectives into sectoral programmes and specific projects; and

(d) To influence the attitudes of these decision-making bodies and make them compatible with the long-term objectives of the national development policy.

27. In many countries, the planning unit maintains regular relations with the technical ministries through planning units attached to these ministries. In other countries, this is done by means of round tables, ad hoc commissions or occasional working meetings, a system less rigid and more suitable for countries with inadequate resources of skilled staff.

28. Regional planning is considered desirable everywhere, but few countries have succeeded in setting up the administrative procedures appropriate for formulating over-all and detailed regional objectives. The main obstacles encountered are not only technical (the problem of how to reconcile the best interests of the nation with the best interest of the regions) or statistical (the fact that most of the information is collected at the national level), but also administrative. First, administrative circumscriptions seldom constitute homogeneous economic regions; and second, regional technical services subordinated to the central ministries or to the elected local authorities do not often have at their disposal qualified staff capable of assisting in the drafting of integrated regional development programmes.

29. The individual projects prepared at the regional level require adjustment to bring them in line with the material resources and skilled manpower available at the national level. Most of the necessary adjustments are made by the planning units, while those likely to incur political issues are made at the ministerial or government level.

C. Approval of the plan

30. Whether this is done by the Government or the Parliament, it is a new type of legal act, constituting a long-term commitment for a period which frequently exceeds the duration of a Government, a budgetary period or even a legislature. The approval of the plan carries with it a more or less precise commitment in respect to annual or multi-annual investment budgets, corresponding running costs, inducements to the private sector, etc., all of which have definite repercussions

on a country's economic policies (budgetary, monetary, fiscal or foreign trade). It is desirable, therefore, to underline these implications as precisely as possible so that the approval of the plan may constitute the first act in the execution phase, instead of being the final act in the decision-making procedure.

31. When the plan has been approved it must be communicated to all agents, both public and private, whose task it is to implement it. This is a matter not only of information but also of an educational process whereby the plan assumes practical significance for the various sections of the population and so influences their general attitude towards national development.

D. Execution of the plan

32. The implementation of the plan is contingent to the continuity of Government policy. Other difficulties may arise from technical drawbacks, such as inaccuracy of data, overestimation of resources, inadequate technical preparation of projects or failures either at the elaboration or at the execution stage.

33. Administrative factors are also important. The administration is the main instrument for implementing the plan but at the same time it may constitute an obstacle to the plan's implementation owing to lack of co-ordination between the planning (long-term) policy and the short-term policy of the economic and social administrations, reluctance on the part of the administrative services to bring their programmes into line with those of the plan and lack of skilled staff in the services in charge of project implementation.

Administrative measures for ensuring the execution of the plan

34. Responsibility for the financing of the investment envisaged in the plan is, as a rule, that of the Ministry of Finance. This raises the problem of the relations between this ministry and the planning unit. The use of a special capital expenditure budget often enables the planning unit to take part in preparing finance decisions. In several countries, special extra-budgetary financing by semi-public organs such as development banks is arranged for some of the projects contained in the plan.

35. In order to adapt existing administrative structures to the new task of planning, special measures must be taken, including the setting-up of new autonomous or semi-autonomous organs for carrying out structural reforms or multi-purpose projects, and the reformulation of the powers of existing administrative services or local authorities.

Defining responsibilities for the execution of the plan

36. This is crucial at the application stage. The responsibilities are usually divided among the various technical ministries, each operating in its own field of competence. It entails inter-ministerial co-ordination so that the planning unit can keep check of the implementation of the plan and bring it to the attention of the Government when arbitration proves necessary. Where autonomous or semi-autonomous units are set up, their relations with the technical ministries and the central planning organ must be carefully defined and organized.

37. At regional and local levels, the need for concerted action by several administration services raises arduous problems, especially with regard to programmes designed to transform the structures of a "traditional environment". The methods for resolving these problems include the delegation of powers to local agents of execution (deconcentration); co-ordination of the activities of these agents; co-operation between the representatives of the central Government and the elected local authorities (decentralization), and active participation by the population in implementation of projects (community development). But these methods may be limited by such obstacles as a shortage of skilled staff, the compartmentation of the services, and resistance from existing social structures.

38. In some countries, regional and local administrative structures have been re-organized to adapt themselves to the requirements of the execution process, and there has also been a re-defining of the relationship among the local representatives of the central Government, the technical ministries agents and the elected local authorities in order to achieve a greater understanding and appreciation of the demands imposed upon the local population by the execution process.

The role of the private sector and foreign assistance in the execution process

39. In countries other than those with a centralized economy where the private sector is of marginal significance, the over-all production targets generally defined in the plans apply equally to the private sector. Their execution, therefore, depends on both the independent decisions of the firms concerned and the direct and indirect action of the administration. The administration usually adopts measures of encouragement and inducement with regard to taxes, credit, investment opportunities, import licenses etc. Where the results of these measures fall short of expectation, the administration may enter into industrial enterprises either by itself or in association with private interests. While many of these decisions are made by relevant ministries (e.g. Finance and Economy) every effort should be made to effect administrative co-ordination procedures that enable the central planning organ to be associated with the ministries concerned.

40. Foreign assistance plays a very important part in the execution of the plans of developing countries. Such assistance may take the form of grants or loans, and whether it is bilateral or multilateral its contribution to the realization of development plans has played a crucial role in many countries. Unfortunately, policies of donor bodies do not necessarily coincide with the planning policy of the recipient countries. To overcome some of the resulting drawbacks, many recipient countries have resorted to particular administrative measures whereby power is delegated to the planning unit or to a single ministry to negotiate all foreign assistance (financial, economical and technical) in close collaboration with the central planning organ. This makes it possible to ensure the coincidence of the objectives of foreign assistance with the priority objectives of the plan.

Human factors in the implementation process

41. Human factors are no less important than administrative structures in the execution of the plan. Indeed, the whole implementation of the plan depends upon the number and equality of skilled administrative staff and of its allocation: (a) among various branches of activities, e.g. purely administrative tasks, social administration, economical administration, etc.; (b) among levels of skill

corresponding to the various levels of education, and (c) among different types of education, i.e. general and vocational. Manpower resources can be increased by training programmes integrated in planning. The recent establishment of a larger number of schools of administration in developing countries reflects the view that civil servants should be provided with special training in addition to their general education. Such training must not only be suitable for specialization in the different administrative branches but also for new development requirements. A systematic policy of basic and advanced training of officials should form one of the activities involved in the execution of plans everywhere.

Administrative control

42. Administrative control, as distinct from financial, technical or operational control, is usually exercised by the planning organ. By remaining constantly informed of the progress of the programmes, the central planning organ is able, if necessary, to assist the services responsible for administering those programmes.

Procedures for the periodical assessment of the progress of the plan

43. These make it possible to compare results with objectives and suggest administrative measures designed to adapt the plan to external circumstances or to introduce adjustment or changes which may even entail a modification of objectives. If these reports are published, they have the additional advantage of being a form of democratic control.

E. Conclusion

44. This study proposes a general framework for consideration of the administrative problems involved in planning along with an analytical method. It is intended as a basis for discussion rather than an exhaustive synthesis and can hardly claim to provide conclusions of a general nature. At the same time, an effort must be made to clarify those concepts which enable a methodical analysis to be carried out, an analysis which in turn is a prerequisite for the existence of a discipline of "administrative science".

45. A mere classification of the various structures and procedures for planning tried out by various countries would provide nothing but a largely meaningless enumeration. Between one country and another, similar planning bodies operate in different ways; conversely, different administrative structures may carry out similar functions. It may happen that co-ordination procedures fail to operate in practice while, on the other hand, informal networks of communication based on personal contacts sometimes make up for the absence of any liaison machinery. A classification of the administrative obstacles confronting planners would be no more satisfactory, since it would result in contradictory statements.

(a) In certain countries, administrative centralization would seem to be a hindrance to both the preparation and the implementation of a plan. It restricts the regionalization of development programmes and interferes with the flexibility required if they are to be carried out. In other countries, however, it is the "compartmentalization" of the central administrative departments, the autonomy enjoyed by local administrations, the duality of management and planning

departments and the growth of independent bodies which endanger a unified planning policy and make a greater centralization in decision-making seem desirable.

(b) The lack of co-ordination which has been observed sometimes impels the planning unit to work in isolation from the rest of the administration. This hinders the integration of social and economic planning and prevents the effective application of plans. In other cases, however, it is the multiplicity of co-ordination procedures which interferes with the precise definition of responsibility at the implementation stage, and as a result the plan is endlessly worked out and revised but never put into effect.

(c) One sometimes feels that the concept of public service is lacking when civil servants fail to distinguish between state interests and their own views or personal preferences. On such occasions, one is tempted to believe that a sense of public welfare and an impersonal approach to official activities are essential to successful planning. In other cases, however, it is the impersonal bureaucratic routine which seems to hinder any change in structures and attitudes such as effective planning requires. Sometimes it is an "authoritarianism" based on seniority or excessive supervision resulting, regrettably, in a lack of initiative at all levels; at other times, it is the independence of individual departments, the lack of discipline imposed from above and the element of corruption, that make one realize the need for additional controls. One may argue in favour of a greater stability for officials so as to ensure the plan's continuity and, at other times, we may find that it is the rigidity of the regulations governing public officials which hinders the necessary changes. One may feel that administrative training programmes are needed to raise the level of the officials' competence, yet one realizes the excessive concentration on "qualifications" runs counter to an appreciation of the value of practical experience.

46. It is not enough to contend that there is a "middle course" to be found between these opposite extremes, because these contradictions have an objective basis in fact. Plans have the double aspect of innovation and organization. They are "creative predictions" and instruments for a change in economic and social structures designed to achieve a more human society. But they must also be incorporated in the world as it is if they are not to remain mere visions without any practical reality. These aspects are not merely contradictory but also complementary and, to some extent, interchangeable. If a plan fails to offer new solutions, to encourage innovations, to gain the active support of the people, then it might appear necessary to seek compliance through order. It is impossible to orient public and private activity to the long-term advantage of the community without organizing, i.e. without exercising authority.

47. Planning means going beyond the conflict between private enterprises representing innovation and the "organizers" in the administrative sector. Planning means altering simultaneously the existing structures and organizing innovation. The administrative factors are not the only ones which must be considered, but they play a specific role: it is the task of the administration to organize the dialogue among the planning technicians, the political authorities and the economic and social groups so that each is equipped to participate effectively in the over-all process of planning. It is likewise the administration's responsibility to compare objectives with the possibilities existing for their achievement and to take the necessary steps on the basis of a rational use of resources, with the objective in mind.

48. In order to allow for these specific administrative factors, it would seem that more thorough comparative and national studies might make use of the analytical method suggested in this study:

(a) By establishing the functions which the administration must fulfil in planning, considering each of such functions in relation to the global tasks incumbent on the administration and identifying the conflicting requirements for which allowance must be made;

(b) By considering administrative structures in all their diversity. Each type of structure tends to favour either the particular function concerned (where a new body is being set up) or its relations with the administration's over-all tasks (where a new role is entrusted to an existing department); and

(c) By dealing with administrative procedures in order to analyse the de jure process whereby decisions are made and communication maintained among the administrative units, the political authorities and the economic and social groups.

49. A fuller appreciation of the administrative factors involved in planning would not only be of interest from the point of view of administrative science but, by establishing a closer link between theory and practice in planning, would help to clarify the political choices which are the bases of any development policy.

B. ADMINISTRATIVE ASPECTS OF SOCIAL PLANNING

Introduction

1. All modern States have a social policy designed to guarantee the welfare of the individual and of the groups in society. It is generally recognized that human needs cannot be fully satisfied by the free play of supply and demand. Some of the basic social needs are specified in the Universal Declaration of Human Rights, e.g., the right to work (articles 4, 23 and 24), to education (article 26), to health (article 25), etc. In the constitutions of most States, these rights are defined more precisely and in greater detail.
2. The common feature of all social programmes is the aim to alleviate the most glaring inequalities by concentrating particularly on the most underprivileged individuals or groups. To the extent that these various activities are not merely designed to meet emergency situations or satisfy existing needs but are the subject of long-term programmes matching all the needs requiring satisfaction with available or prospective material and human resources, social planning may be said to exist. This corresponds to the gradual extension which took place in the various fields of social action such as education, employment, public health, housing, community development, etc., adjusting them to modern concepts and relating them to the objectives of comprehensive social and economic planning.
3. In all these spheres of activity, the amplification of concepts of social action has made it possible to define more fully the needs to be satisfied, to measure their scope and to show the impossibility of coping with them in the immediate future. Accordingly, attempts have been made to draw up orders of priority and to assess the requirements to be met in order to achieve the desirable social objectives on a long-term basis.
4. Social planning covers a far wider and more complex field than economic planning. In the latter, the individual comes into the picture only as a consumer, a producer, or an investor. These abstract mechanisms do not allow for the complexity of human phenomena to be taken into account, and economic theory does not explain, even approximately, the phenomenon of economic growth.
5. The economic objectives of planning must be supplemented, therefore, by social objectives, which are just as necessary to the harmonious development of human society, even if they are more difficult to define and classify. However, theoretical knowledge has lagged behind, and no satisfactory yardstick yet exists for calculating the ideal proportion of national resources to be allocated to the various forms of social action. The "costs and benefits" method used to assess the profitability of infra-structural works such as roads, dams and ports, if applied to social programmes would not allow the measurement of, for example, the indirect profits resulting from improved health.
6. If "opportunity costs" of social programmes were assessed through measuring their cost in terms of the economic uses withdrawn in their favour, this negative definition would leave out of account the positive objectives at which social activities are aimed.

7. Nor is it possible, with the information now available, to find a standard unit of measurement to express the various social programmes in an integrated manner. While each can be expressed separately in terms of minimum demands, these norms cannot be expressed in terms of one another and it is not possible to weigh them in relation to each other.
8. Even within social programmes there remain problems of selection that are difficult to solve. Should the main concern be to eliminate the most obvious inequalities or to use the available resources in the most effective way possible?
9. An optimal norm, similar to that used in economic planning, would, more often than not, serve to aggravate existing inequalities. Every social programme is based on a series of different objectives, as it seems to be impossible to express them in terms of a single objective.
10. Social planning and economic planning differ in their duration. Most economic plans are prepared for periods ranging from four to seven years (i.e., medium-term plans). Social programmes are usually designed for a period of ten, fifteen or twenty years. There is a practical reason for this difference, namely, that social objectives cannot be attained satisfactorily except after a very long time, in view of the immense difference between the existing and the desirable situation. There are also technical reasons for this difference, owing to the fact that it takes longer to change men than to change things. While it seldom takes more than four to five years from the decision to build an industrial enterprise to its entry into operation, the education of an engineer or a doctor takes from sixteen to twenty years. Social planning thus requires a long-term view because of the scope of its aims, the time required to implement them and the reciprocal relationship between the various programmes.
11. It should be possible for the differences noted between social and economic planning to be overcome in practice, for these methods of planning have at least one vital feature in common, in that both require human and financial resources. Material and human resources being limited, their allocation has to be regarded as a whole. This concept of over-all planning is now generally accepted and is closely linked with the recognition of the fact that economic and social development cannot be separated.
12. The integration of social and economic planning can be conceived in several ways. The most obvious and urgent is in connexion with cost. Every social programme can be expressed in figures and the various stages of its implementation calculated by distinguishing between annual investment and operational credits. Even in the case of a twenty-year plan for education, it is easy to assess the capital budget and current expenditure necessary within a five-year economic plan.
13. If social programmes are to be effectively implemented, it is essential for their over-all long-term financial estimates to be supplemented by medium-term estimates coinciding with the duration of the economic plan and expressed in the same way as in the case of other investment programmes. This is a preliminary requirement if it is to be possible for the mass of the programmes included under the general term of social planning to be compared with the national total of resources available for investment and, within that total, with the mass of the so-called productive investments. In the same way, the annual cost of operation for the final year of the economic plan can be compared with the budget estimates

as a whole. As the investment and operational costs of social programmes are usually beyond the economic possibilities, they need to be subjected to arbitration and the plans revised accordingly.

14. From the administrative angle, the procedures used for the integration of economic and social planning from the standpoint of costs should be arranged so that arbitration can take place, first at the administrative and then at the political level, before the final draft of the over-all plan is prepared. This is a minimum requirement if the plan is to be regarded as an economic and social development plan. It may be asked whether this arbitration procedure, which takes place when the social programmes and economic plan have already been prepared in detail, should not be preceded by a preliminary apportionment of the available resources between the various social programmes. This indicative allocation of credits would facilitate arbitration and the subsequent revision of programmes.

15. As has already been pointed out, allocation of resources, following a comparison of the various social programmes and the economic plan, cannot yet be based on theoretical considerations. In the absence of national criteria, recourse is usually made to the experience of other countries.

16. A more summary method is also used, wherein the percentage of national income devoted to education (or health, housing, etc.) by the more advanced countries is considered as constituting an upper limit to the efforts of the developing countries. This method, based on international comparison, is founded on the implicit hypothesis that the development of every country follows a similar pattern and that the more advanced countries constitute an ideal model.

17. This integration of social planning with economic planning from the financial aspect may be usefully supplemented in the sphere of manpower distribution. Skilled workers are as scarce a resource as capital, and a shortage of them, both quantitative and qualitative, is increasingly regarded as a factor limiting development. All social programmes require qualified personnel, and the over-all manpower requirements exceed the operational possibilities of some educational systems.

18. Moreover, economic planning cannot be limited to material investment: a qualified labour force must be available to put it into execution. Medium- and long-term manpower requirements must be assessed, therefore, within the framework of integrated planning.

19. It is possible to compare the over-all manpower needs for the different economic and social programmes with the different levels of qualifications required and with the training facilities the educational system is able to provide, comprising not only the teaching of children in schools but also different types of vocational education, adult education and further training. From the administrative aspect, this integration should be ensured by procedures for co-ordinating the various social and economic programmes so that:

- (a) Quantitative and qualitative manpower needs are expressed in comparable terms for all the fields of activity;
- (b) These needs are reflected in training programmes;
- (c) These programmes are included in the education plan.

These two forms of integrating social and economic planning tend to ensure the compatibility of the various objectives from the capital and human aspects. The methods used derive from the concept of balanced social and economic development. Admittedly, the concept of balanced development is not very satisfactory, as it is not founded on a single rational criterium for determining priorities and options.

A. Choice of the administrative machinery for social planning

20. Where a governmental body responsible for economic planning exists, it might be considered preferable to give it the parallel responsibility for social planning; this would ensure that social aims would not be overlooked in the development plan. However, it might also be argued that the specialized ministries in charge of the various types of social action (the ministries of health, education, labour, housing, etc.) are more competent to prepare programmes for the execution of which they will then be responsible.

21. The choice between these two solutions depends on a large number of factors, such as administrative traditions, the scope of planning, the availability of qualified personnel, etc., and it is therefore difficult to generalize. The essential problems are:

(a) To ensure the participation of the specialized ministries in the preparation of social programmes, and,

(b) To ensure that the social programmes are co-ordinated with the general development plan.

Depending on the choice made, one of these two aspects will tend to be favoured. Consequently, measures will have to be taken for the balancing of these tendencies. When considering, for example, an education plan entrusted to a ministry of education, particular attention should be devoted to the machinery designed for liaison with the Central Planning Organ. For such a liaison, the following factors must be constantly taken into consideration:

(a) Concordance of the general objectives of the education plan with those of the development plan;

(b) A general indication of the investment allocations that can be made for education and, if need be, the operational estimates for the final year of the plan;

(c) An indication of the way in which forecasts and projects should be formulated to be suitable for inclusion in the development plan;

(d) An indication of the time-limit by which the education plan should be submitted to the CPO;

(e) Procedure for arbitration between the plan for education and the other social and economic programmes, both at the administrative and political levels.

22. Where the education plan is prepared by the CPO, the main attention, on the contrary, will have to be concentrated on the conditions of participation of the

Ministry of Education at every stage of preparation. The effective participation of the Ministry of Education must be assured:

- (a) When the basic aims of the plan for education are being fixed;
- (b) During the establishment of the detailed objectives;
- (c) On the occasion of arbitration between the plan for education and other programmes;
- (d) When final adjustments are made.

23. The responsibility for social planning may be vested in one (or several) section of the CPO, which may establish a number of expert committees with appropriate participation of the interested ministries. In most countries, however, planning offices have been established within the social ministries and separate social programmes are still being evolved by each one of them with very little co-ordination among them. For such co-ordination to be effective, it would be useful to give more attention to the administrative problems created by social plans, at each stage of their development.

B. The preparation of plans

24. The administrative aspects of the preparation of social programmes are the same as in the case of economic planning. At the preparation stage, the essential functions of the administration are:

- (a) To assess the over-all needs to be met immediately and in the future;
- (b) To define the principal objectives and the criteria for establishing orders of priority and to submit them for the approval of the political authorities;
- (c) To prepare detailed forecasts of the material resources to be employed and the qualified personnel required;
- (d) To arrange for the necessary arbitration at the administrative and political levels.

These various aspects will be considered in turn, with emphasis placed on those which concern social planning specifically.

Assessment of needs

25. The first step to be taken in planning is to make a critical analysis of the existing situation. Most administrative divisions or ministries responsible for various types of social action keep up-to-date information and statistics on health, education, housing, etc. However, this information does not always satisfy planning requirements, and, even if it does, is not always presented in readily usable form. Most statistics for government social services do not include the activities of the private organizations, which have considerable significance in such fields as education, health or housing. Moreover, available data drawn from national accounting are limited and scattered, making it difficult to calculate

total and unit costs. Forecasting methods have their own special requirements. The data used must be complete, and partial statistics must be completed before being used as a basis for projections into the future.

26. From the administrative aspect, these technical requirements give rise to a number of problems. It is necessary to calculate the amount of information which will be essential to decide on the delegation of responsibility with regard to documentation, and to organize the dissemination of information.

(a) Calculating the amount of essential information

27. Planning experts naturally demand a mass of statistical information not all of which is attainable. The administration must, therefore, make a selection, bearing in mind the budget ceiling governing the collection and exploitation of data and the number of qualified statistical personnel. They must estimate what will be the minimum of information essential for the type of planning concerned. Such information should be sufficient, both quantitatively and qualitatively, to shed light on the action required. Another aspect relates to the classification of information according to the nature of the operations necessary. Public opinion surveys often enable satisfactory information on specific points to be obtained, while depth studies may prove necessary for other types of problems. These problems are of special importance for social planning, which requires more detailed data than economic planning.

(b) Apportionment of responsibility

28. When the new tasks to be performed have been determined, the familiar problem of choosing the appropriate machinery arises, i.e., whether a new organ must be established, or the new task entrusted to a service already in existence. In practice, there are a number of intermediate solutions between these two extremes.

29. Any new administrative unit established to take over the responsibility of statistical information may be attached:

- (i) To the body making use of it, i.e., the organ responsible for planning, in which case the collection and analysis of data can be more easily directed in the light of planning needs; or
- (ii) To planning offices set up in the various specialized ministries. While these are in a better position to assemble and interpret the data that they collect for their day-to-day purposes, co-ordination problems arise whenever questions of interest to several ministries are involved.

30. Other countries prefer to make use of the statistical services already existing in their various specialized ministries. This helps to avoid overlapping, but it makes it more difficult to obtain in good time the new information required for the preparation of plans, as these services already have their own working programme and documentation habits which are not always easily modified. It is sometimes preferred to entrust all responsibility for information, in regard to both administration and planning, to a central statistical division. This structure has the obvious advantages of centralization, e.g., a more rational use of staff, mechanical equipment, etc. However, the various ministries cannot be prevented from collecting and using the data directly bound up with their activities; hence overlapping can never be entirely avoided.

31. A basic consideration is whether social statistics should be entrusted to the administration or to autonomous or semi-autonomous research establishments, such as universities or research institutes. At first glance, the second solution appears preferable, since such studies fall under the heading of research. However, in many countries the administration itself tends to carry out the studies required for social planning, because the system of contract surveys is not normally permitted, or liaison with the universities is unsatisfactory, or the university institutions are not organized for such research purposes.

32. Studies preliminary to social planning constitute a field in which international technical assistance often plays an important role. World Health Organization (WHO), United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Labour Organisation (ILO) have been providing experts and organizing surveys in their fields of specialization. In some cases, the specialized agencies have undertaken regional studies to provide a general picture of social development for all the countries of a particular continent.

33. Note should also be made of the function of external aid in stimulating national studies facilitating the subsequent preparation of social programmes in the developing countries. Such surveys are still too few in the sphere of social planning, although the preparation of an increasing number of social programmes is bringing new needs to light. There is also insufficient awareness at the political level of the importance of statistics and surveys relating to social planning.

(c) The circulation of information

34. Selecting the most appropriate machinery for assembling the information necessary for social planning is not enough. An effort must also be made to organize the procedure for its dissemination. This is a task of instigation and co-ordination, with the aim of using all existing sources of information to the full. Naturally, the main responsibility for it rests on the CPO, whether or not this organ is responsible for assembling and utilizing the statistical data itself. What makes it all the more necessary is that the administration of social activities is split up among different ministries, each of which has its own administrative methods and traditions. Where the co-ordination function is performed by the CPO right from the data compilation stage, interministerial co-operation at the subsequent stages of the planning process is facilitated. In several countries, the CPO gives different ministries very precise instructions on the methods to be used in the collection and presentation of statistical and financial data.

35. A survey of the developing countries shows that in most of them the existing information is inadequate both quantitatively and qualitatively, that planners have trouble in obtaining information, and that the activities of the various statistical services are poorly co-ordinated.

Definition of the basic objectives

36. In social programmes, there is no simple criterion similar to the selection, in economic planning, of the over-all rate of growth of the national product. It is not enough for the political authorities to list as priority aims all those it considers desirable, for the limited resources make it impossible to fulfil all of them even on a long-term basis. In indicating selected alternatives, therefore,

the administration should at least submit the financial estimates of social programmes and an approximate indication of the minimum aims it will be possible to reach at the end of the planned period. Over-all assessments of this type are usually made by using simplified models based on quantitative norms.

37. The administrative organs preparing these preliminary drafts are usually the same as those appointed to prepare the detailed programmes. However, as the integration of social programmes into the economic plan is usually done through the apportionment of investment credits as a whole, it is better to entrust the preparation of the first financial draft to the Central Planning Organ. The ministries that might be designated to prepare the various social programmes would then be in a position to know the financial limits of their projects, a fact which would enable them to estimate the minimum aims and their various possible combinations.

38. The importance of this preliminary stage in the preparation of detailed programmes conducted by the appropriate administrative machinery and procedures is obvious. Ensuring the compatibility of the over-all aims presupposes a general comparison of resources and aims and a synchronization of this whole stage from the start. It also presupposes the examination of this preliminary draft by the Government as a whole, and not separately by each of the ministers responsible for a particular social programme. This is so, not only because every social programme involves action on the part of several ministries, but also because a minimum of cohesion between the detailed aims would be ensured. Subsequent arbitration between the various programmes would no longer imply complete revision, but only adjustment that would take less time to effect. This stage, nevertheless, is sometimes omitted in practice. Where a plan consists merely of compiling a list of priority programmes, it is sufficient for the Government to decide on the financial allocation to be made for social programmes, and this is the most usual procedure. This purely financial procedure has the disadvantage of failing to stress the long-term implications of the over-all economic and social aims of the plan. The proportion allocated to social programmes is decided in the light of possibilities, but not in terms of quantitative and qualitative aims.

39. But where a Government has not decided on any priority, the task of preparation is both more complex and more delicate. Planners must prepare several detailed programmes based on different options, or must themselves make a political choice. In such cases, it is usually the case that the plan does not survive the first obstacles to its execution, as the authorities do not consider themselves bound by a choice that has not been of their own making.

40. The general concept that emerges regarding this preliminary stage is that the process of preparing social programmes should be preceded by arrangements for political decisions on the main options. These should at the very least result in a provisional apportionment of the resources available for social programmes. Such political directives provide selection criteria which facilitate the preparation of more detailed social programmes expressing general development policy in terms of realistic aims and guaranteeing a minimum of cohesion between the various programmes, so that their integration into the general development plan becomes easier.

The preparation of detailed social programmes

41. The administrative responsibilities at the preparation stage are as follows:

- (i) To define the tasks to be performed;
- (ii) To choose the appropriate administrative machinery;
- (iii) To ensure the operation of the administrative organs concerned, and their co-ordination.

(a) The administrative problems to be solved at the preparation stage

42. The preparation of social programmes is essentially a technical task to be performed by specialists. The efficiency with which it is carried out also depends on its organization. Planners must have available the necessary basic data, and they must be informed of the orders of priority that have been fixed, and of the indicative credits provided for the social programme they are to prepare. They must also be given instructions on how their conclusions and programmes are to be presented, and the date by which their work is to be completed. Furthermore, the participation of the widest possible number of the various administrative divisions and groups interested in the preparation of each of the social programmes must be assured. This is all the more necessary owing to the fact that it is more difficult to strike a balance between resources and needs in the case of social programmes. Every possibility, therefore must be studied with special care.

43. It can be seen that every possibility of substitution must be given careful attention - and this cannot be done by planning experts alone. Social programmes also depend on the participation of private bodies. Their participation, whether voluntary or not, may not only be valuable at the preparation stage of programmes, but may also facilitate their subsequent execution. It is the task of the administration to ensure their participation in committees or working parties. The administration must also express in readily understandable form the planners' forecasts, which are often based on complicated calculations. Particular emphasis must be placed on the limitations of these forecasts, because of inaccurate basic data or because of the uncertainties that all long-term projections necessarily contain. The participation of non-specialists in planning can be truly valuable and effective only when the hypotheses on which forecasts are based are clearly explained.

44. At the last stage of preparation, procedures for arbitration among the various social programmes and between social and economic programmes must be established, and the necessary adjustments made.

(b) Choosing the appropriate administrative machinery for the preparation of detailed objectives of social programmes

45. This choice is partly determined by the organizational forms of economic planning. Where the preparation of the plan is entrusted to a central body, that same body is often appointed to prepare social programmes. It may be considered, however, that the relevant ministries are in a better position to assess quantitative and qualitative needs, to prepare the long-term programmes they will later have to execute and to appreciate the problems involved in their execution.

46. In many countries, the specialized ministries have set up permanent administrative units responsible for planning. In such cases, any neglect of planning duties is obviated; the case could not be so if they were entrusted to the divisions responsible for the administration of current business. However, it is the opinion in several countries that the participation of the various divisions of the ministry is more effectively assured when they themselves prepare the plan, and that the preparation of the plan is a temporary function which does not justify the establishment of a permanent service.

47. There does not appear to be a general principle to the effect that the preparation of social programmes should be entrusted either to the central planning organ or to the competent specialized ministries. Whichever body is put in charge of preparing the different social programmes, the most difficult administrative problem confronting it will be to organize the efficient operation of the preparation process.

(c) The preparation process

48. A balance must be found between two considerations, namely, the widest possible participation of the services and groups concerned, and the efficiency of the work of preparation. The committee system in various forms is the method most commonly used in the countries possessing an adequate administrative basis and a sufficient number of qualified personnel capable of making a useful contribution to the preparation of programmes for which special competence is required. This procedure, however, is often too cumbersome, as very often a large number of participants must be convened, the work of the various sub-committees co-ordinated, secretarial staff for the meetings provided and minutes of the meetings made.

49. As all these conditions are not always present, less complex procedures better adapted to the shortage of qualified staff capable of preparing plans, are preferred in other countries. A planning office or temporary working party can ensure the participation of the interested parties by calling on them for advice whenever it is deemed useful. However, this participation procedure is irregular and consists more of the exchanging of information than of debate and discussion.

50. Until now, the principal concern has been to carry out the work of preparation swiftly and efficiently, and most social programmes are the work of a small group of experts working without continuous external contact. This is also one of the reasons for the following shortcomings:

(a) Partial social programmes are prepared without liaison between the experts and the external parties.

(b) Social programmes prepared by individual planners are usually based on methods that are too rigid, in which the actual situation is projected into the future, and in which all possibilities of suitable correction and substitution are left out of account.

51. The discussion procedure involves organizational factors which differ according to the administrative machinery selected for preparation purposes. While participation is ensured in a committee, the effectiveness of its work depends on the personal qualities of the chairman and the qualifications of the rapporteur and secretariat. Where social programmes are prepared by the Central Planning

Organ, the essential problem is to ensure the continuous participation of the senior officials of the interested ministries. When the specialized ministers undertake this responsibility, the main concern is to obtain the participation of the other ministers involved, whether directly or otherwise, in certain aspects of the programme, and of the CFO, which should maintain constant liaison with the other programmes.

52. The process of final approval of social programmes is also of great importance. Whatever procedure is used, political approval (by the minister, a government commission, the parliament) should be prepared for at the administrative level by a comparison of all the different social programmes with each other and with the general development plan. This involves arbitration procedures in which the over-all aims are analysed in relation to the over-all resources. This is essential if a coherent picture is to be submitted to the political leaders that will enable them to adopt detailed social programmes in the light of the economic possibilities.

53. On the governmental level, the procedure of final approval may take various forms. Usually, the competent minister approves the social programme prepared by his services.

54. The legal form of approving social programmes is of great importance, since their obligatory enforcement is dependent on it. Care should be taken not to jump to the conclusion that a plan which is not issued in the form of a legally enforceable document has no effect in practice. Although that might be true for the immediate future, the fact that a plan exists and has been prepared by civil servants, that there has been co-operation among the officials of different services and ministries and that they have consulted the representatives of recognized institutions, creates a new situation which may have long-term consequences. Reflection on the future implications of present data may alter behaviour and suggest reforms.

C. The execution of social programmes

55. Many social programmes prepared in recent years have not been implemented. The blame for this cannot always be laid at the door of the planners and, as has been noted above, some of these dangers can be avoided if the preparative administration machinery is sufficiently organized. There are, however, administrative obstacles hindering the execution of social programmes. The most obvious of these is the conflict between the static management tasks of the administration and the dynamic new requirements that execution of the plan brings to light. The daily conduct of current business naturally leads to over-specialization, bureaucratic behaviour and red tape, which are reflected in a form of resistance to changes in procedure and attitudes involved in the execution of a long-term plan.

56. Through an analysis of the specific administrative problems involved in the execution of social programmes, these general obstacles can be mastered. The following factors will be considered in order:

(a) The implementation of a social programme may require modification of the existing machinery and procedures;

(b) Its financing should be subject to ordinary budget procedure;

(c) Its execution involves the co-operation of several administrative departments and social organizations, on both the national and local levels;

(d) It requires a new attitude towards the public on the part of the administration;

(e) It implies a policy for the training of the administrative officials responsible for the execution of social programmes.

Administrative steps prior to execution

57. To execute a programme and move on to the stage of individual projects, the investments included in the plan must first be allocated on a geographical basis. Dividing up the plan according to regions is of special importance in the case of social programmes, since the alleviation of regional inequalities is one of their main purposes.

58. Once the criteria for selection have been defined in the general development plan or sectoral social programmes, they must be applied on a regional basis. However, as a general rule, the plans define national objectives, and it is left to the responsible technical ministries to make this geographical distribution. Two types of difficulties then crop up. First, the anxiety to use the available resources in the most effective way possible may entail the risk of regional unbalance by benefiting zones which are already developing more rapidly; furthermore, administrations naturally tend to allocate investments in the light of existing operational credits, i.e., of the present or past needs of every region, rather than in the needs of their future development.

59. These dangers may be attenuated if administrative departments are closely associated with the preparation of programmes, since they will then have had an opportunity to express their points of view and of modifying their attitudes during discussions on the over-all aims to be attained. In any event, the allocation of social investments on the regional and local levels is a special administrative task which should be specifically defined and organized. It is desirable that the central planning office participate, as well as representatives of other ministries with an indirect interest in the plan.

60. Before reforms envisaged in, or resulting from, the plan can be carried out, it is desirable to undertake pilot experiments so that the administrative implications of a particular experiment can be more clearly defined. This procedure has several advantages: it means that limited resources and staff can be concentrated in one particular area; furthermore, results can be more easily checked. Nevertheless, its disadvantages have frequently been stressed, since it does not always take into consideration the actual possibilities on the national level, and the excessive means that are often used in such cases do not permit valid conclusions to be drawn from the results obtained. In these cases, the function of the administration is to ensure that the conditions of the pilot project are of general significance, i.e., that they are favourable enough for positive results to be expected and that the means employed are sufficiently realistic to enable the project to be applied on a much wider scale.

61. When a new kind of procedure is included in the plan, it may be necessary to create a new administrative machinery and to constitute a new status for the

staff responsible. The decision to form new units or new regulations is aimed at ensuring the availability of administrative machinery and staff entirely devoted to development tasks. However, this raises delicate problems of co-ordination with existing administrative departments, and it involves a new distribution of duties and the standardization of staff regulations.

62. Lastly, a prerequisite to the execution of social programmes is the preparation of a staff training plan. The purpose is to train staff at a rate commensurate with the implementation of the different projects in the plan. There are three types of training programmes: pre-service training (schooling) up to a more or less specified level; further training for staff already in service, in the form of full-time or part-time courses; in-service training without causing interruption in the professional activity of the staff. Training programmes frequently contain all three methods in differing proportions. In every case, a choice must be made between the immediate use of the available human resources and training for future use. Just as economic planning involves a division of the material resources between consumption and investment, so the staff withdrawn from activity for training purposes (whether teachers or pupils) signify subsequent expansion.

63. There are limits, of course, to the number of new civil servants a State can afford. An administration may be compelled to relinquish part of its staff temporarily for the sake of refresher courses, and it may hesitate to select its best officials, since these are most essential for the smooth operation of its departments.

(a) In-service training, which is the least expensive, is often inadequate and is difficult to provide for officials working in isolated areas.

(b) Courses abroad are expensive and sometimes only remotely concerned with conditions existing in the country.

(c) The content of these types of training for new tasks is difficult to define; it is difficult to know what must be taught and how it should be taught.

64. In several countries, attempts are being made to recruit trainees in the areas in which they will later work. However, this is being avoided in certain new countries because of a reluctance to strengthen local prejudices which slow down the process of national unification. In addition, increasing attention is being paid to the training of voluntary unpaid auxiliaries and officials of voluntary organizations, whose co-operation is essential for execution of social programmes.

65. Emphasis is also placed on the need for familiarizing the public with the general significance of a large-scale social programme, in order that they can appreciate the aims of such a programme, the advantages to be expected from it and the ways in which their co-operation is important. National information campaigns are often conducted for this purpose, with the use of the radio, the mobile cinema and polyvalent teams. Furthermore, the school network is also used to reinforce health campaigns and to disseminate knowledge of farming techniques.

66. It must be admitted, however, that the efforts made in this direction are still far from adequate. In many countries, lessons on hygiene, nutrition and

agriculture have been introduced into school curricula, often linked up with the action provided for in the plan. However, this is usually in the form of an addition to existing curricula, rather than a new orientation of education in the light of the plan's objectives.

The financial requirements for the execution of social programmes

67. When social programmes have been drawn up in conjunction with economic plans, no specific financial problems arise. However, when credit reductions appear necessary, financial difficulties often have more serious consequences in social than in economic programmes, as the latter enjoy de facto priority status. Furthermore, social programmes require extensive staffing, and the additional operational expenditure involved in a new project is proportionately higher than for economic programmes. As most development plans are based on investments alone, the financing of staff costs often presents problems.

68. Sometimes a lack of balance can be observed between the allocations for social programmes and the opening of credits for the personnel required for their operation. Furthermore, international assistance in the form of gifts is distinguished by a preference for social equipment (hospital, training institutions), which facilitates the inclusion of this item in development plans. However, operational costs remain the responsibility of the beneficiary country, and when the financial assistance is insufficient, the equipment is badly used.

69. Reference has already been made to the fact that social programmes are in most cases prepared independently from general development plans. This gives rise to specific difficulties of finance, as standard administrative procedures for the insertion of those programmes into the annual budget estimates are rare. It takes a long time for public finance regulations to become adjusted to the needs of planning, and the financing of social programmes requires new budgetary negotiations annually, when the ministry of finance considers projects singly and not as a whole.

70. When social programmes estimate not only the total investment necessary for the entire planning period, but also the annual sums required, the methods of financing are determined in conjunction with the preparation of the annual capital budget. However, every project is usually subject to special approval. The method of two-stage financing, i.e., over-all approval followed by detailed approval, very often leads to a cut in the allocations made for social programmes, which are frequently regarded as less urgent than economic plans. This is one of the main obstacles to their execution and renders part of the work of preparation valueless. In fact, social planners try to use the over-all resources available as rationally as possible so as to cover all the needs requiring satisfaction. Cuts taking place during the execution of a project must often be implemented hastily, leaving no room for the over-all objectives to be revised. This results in a lack of balance that might be partially avoided if the annual equipment allocations were provided for in social programmes and attributed to the ministries responsible for their execution without any new negotiations with the ministry of finance.

The process of execution

71. When a decision has been made on the financing of social programmes and the preliminary administrative steps have been carried out, the programme must be executed. At this stage, the problems encountered are related to the distribution of responsibilities, to organization and to human factors. The aspects of interest to central, regional and local administrations will be examined in turn.

(a) Execution at the central administrative level

72. Responsibility for execution is almost always entrusted to the technical ministries, and it is for this reason that so much importance is attached to obtaining their participation in preparation. However, the CPO continues to play its part, especially when the implementation of a programme is the concern of several ministries.

73. As greater attention is often paid to preparing programmes than to applying them, difficulties arising from the shortage of qualified personnel become evident. In countries where there is a shortage of technicians, the planning organs and semi-official bodies are able to attract them far more easily than the traditional administrative departments. The considerable delays which often hinder the implementation of social programmes are largely due to a lack of qualified personnel in the administrative services in charge of implementation. Moreover, the rapid expansion of social programmes involves an increase in the tasks carried out by the ministries, the resources of which are not increased proportionately. The difficulties of adjustment facing the administrative departments often result in the creation of new sections responsible for the execution of programmes. Experience has shown, however, that this does not necessarily eliminate every difficulty; rivalry with the existing sections constitutes a serious danger, and confusion over the respective duties of each section is just as much a problem as red tape. Therefore, concrete solutions should not be assessed on the basis of an ideal but rather in the light of specific conditions. Whenever the execution of social programmes can be carried out by existing services, care should be taken to ensure that they are given the facilities to carry out these new tasks. When the new tasks are too specialized to be carried out by existing services, the creation of new administrative units may result. In this case, however, a solution must be found to the problem of their co-ordination with existing administrative units. The creation of such new bodies can sometimes be avoided by the reorganization of existing ones.

74. An increasing trend to integrate the management of long-term programmes with that of more traditional management functions is also noted. Such reorganization of the administrative machinery for the purposes of executing the plan implies new efforts to overcome the partitioning off and autonomy of various units even inside a single ministry. However, co-ordination among several ministries interested in the execution of a social programme raises even more difficult problems which are rarely solved satisfactorily. The CPO is often best qualified to take the initiative with regard to such co-ordination, using the same procedures as in the preparation process. In some countries, regular meetings of committees of experts are held to consider problems of execution. This implies that the task of co-ordination during the application of a plan should be specifically entrusted to the planning organ, even if this organ is not responsible for the plan's execution as a whole.

(b) Execution at the regional level

75. In countries where the administration is centralized, most regional social services come directly under the technical ministries. This vertical structure is an obstacle to the regional co-ordination of social programmes and to the co-operation of the different specialized services. Consequently, there is a tendency to entrust the co-ordination of social services to the government official representing the central authority.

76. The geographical location of the relevant services should often be rearranged, both for the purpose of bringing together the technical services, or even the same administrative department, of the same district into the same town, so that liaison among them can be improved, and to ensure that the administrative districts coincide with the zones of homogeneous development.

77. There is a tendency for regional administrative machinery to become modified for the purposes of the execution of the plan, in the sense that there is a wide delegation of powers and more extensive co-ordination among the services. De-concentration is very different from decentralization for the benefit of the elected regional government. It is everywhere apparent that the powers of the elected councils, already restricted in matters of management, are still more so with regard to planning, a fact which tends to decrease the assistance they can contribute to the implementation of social programmes.

78. In countries where the administration is decentralized, the problems are different, for most social problems are the exclusive concern of the regional or state governments. However, their anxiety to control and co-ordinate the execution of long-term programmes is leading the central government to interfere more and more in these spheres. The aim of standardizing social conditions on the national level is also leading to a regional redistribution of resources for the benefit of the disinherited areas, while the control of the administration of federal subventions involves some administrative interference.

79. Integrated regional development programmes involve centralizing the administration of social programmes and co-ordinating the various zonal development plans. Indeed, the regional administration frequently manages social programmes itself, although it usually entrusts this task to existing services.

80. The main problem related to the undertaking of matters concerned with regional development is to integrate as closely as possible the new regional administrations, the autonomy of which implies efficiency, with the existing social services, the co-operation of which is essential.

(c) Execution at the local level

81. The execution of social programmes devolves mainly on the basic administrative units. At this level, development operations form a whole and require close co-operation among administrative officials and the active participation of local authorities and the general population. In order to satisfy these conditions, the ideal solution would be to allow a maximum of independence and initiative to the officials responsible for applying programmes, to encourage co-operation among them and to co-ordinate the activities of the population at large with the general orientation of the plan. In reality, these conditions are seldom achieved. The officials responsible for execution are frequently not qualified to be entrusted with wide responsibilities.

82. In general, the co-ordination of the activities of the agents of execution is therefore linked with a rise in their qualification standards. It is absolutely necessary that they be capable of adapting the general directives they receive to concrete situations, and they must not only be educated in and familiar with a variety of things, but they must be willing to make use of the special abilities of their colleagues and co-operate with them. Social development, particularly at the local level, cannot be divided up according to the duties of the various agents. Such co-ordinated action involves a new form of relationship among local officials, while the tasks of management are based principally on specialization. Co-ordination does not occur spontaneously but must be organized and, in the first place, the responsibility of the co-ordinator must be defined.

Relations with the public

83. Even more important than the co-ordination of the activity of local officials is their co-operation with the public, for the execution of social programmes depends ultimately on the active participation of the people. A social activity is not generally accepted unless its purpose is understood and it is only effective if it is participated in by the community itself. The traditional administrations to which the public is accustomed may content themselves and accept this situation passively. However, development programmes are based on voluntary adherence, and not on compulsion. Consequently, the officials responsible for the local execution of social programmes should adopt a new attitude aimed at explaining and convincing the population rather than compelling them in an authoritative way.

84. This also implies a modification in the public attitude toward the administration. Even when their distrust has been overcome, there is a danger that the people may expect too much from the State and not make their own contribution. Most social programmes explicitly provide for voluntary public activity.

85. Experience has shown that such co-ordination between administrative and population action involves the gradual installation of a new type of communication network. In this connexion, two general principles are mentioned:

(a) The administration can obtain the active co-operation of the people only in activities that they themselves have freely chosen to undertake. The officials responsible for the execution of social programmes must convince them that such changes are feasible and necessary and will lead to a noticeable and immediate improvement in living conditions. They must therefore transpose the general aims of these programmes into action complying with the needs directly felt by the local community. The main difficulty met with in practice is to reconcile this imperative need with the orientation of national programmes, as felt needs do not necessarily coincide either with real needs or with the priorities set out in the plan.

(b) In the execution of social programmes, the administration cannot act directly on the masses, but its action must be carried out through the agency of "relay" organs. In this respect, elected local administrations and traditional chiefs, e.g., panchayats in India and traditional chiefs or council of elders in Africa, can play an important part. However, these institutions are not always open to innovation and as a result may be an obstacle to development. Furthermore, modernization has sometimes weakened them, a fact which reduces the influence they might have on the masses with regard to recommending change. Consequently, in certain countries with a single-party political system, local branches of the party are commissioned to explain and initiate action on the plan. In other countries, the administration is trying to encourage the new élite to participate in the execution of social programmes.

86. In both the social and economic spheres, the machinery for propagating change used in the industrial countries works badly in the developing countries. Some economists interpret this by saying that the societies of the latter are often "inarticulate". The work of sociologists studying these societies in transition shows that modernization involves not only the dislocation of the social structures existing previously, but also the elements of reconstruction. The dynamics of this process would constitute a factor favourable to the execution of development projects if the administration were aware of them and knew how to use them profitably. It might perhaps be useful to include sociologists in the preparation of social programmes and the assessment of their results on the local level.

87. Greater familiarity with social dynamics would enable the network of communications - both formal and informal - between the administration and the people to be rearranged more rationally. This is an essential condition for the execution of development programmes. Such knowledge might be more important than that of the social obstacles to development, which have attracted more attention until now but which take into account only the negative aspects of the problem, i.e., the causes of the setbacks.

88. The execution of social programmes in the towns does not entail the same difficulties, as often there are organized voluntary associations, which may act as liaisons in connexion with health activity, child welfare, adult education, the development and upkeep of new housing estates, etc. Even in this case, however, administrative action is of a new kind: the administration must explain the development plan to voluntary organizations, persuade them to participate in its execution and provide them with the essential technical and financial assistance; in other words, administrative officials must act as innovators. Their management tasks have resulted in a bureaucratic structure based on the promotion system, over-specialization and the impersonalization of their functions. The tasks involved in social development imply an entirely different attitude, namely the systematic search for groups who might lend their aid to implementing the plan, the attempt to discover their spheres of interest, to induce them to co-operate, to help them formulate their needs and to supply technical assistance on their request. This form of behaviour is much closer to that of international technical assistance experts than to that of the traditional administration.

Training problems

89. The training of an official of this new type is being attempted in the training of all-round social workers, adult education teachers, etc. However, it is not enough to turn a tiny number of administrative officials into specialists in these social development tasks, for their activity will become very partial if it is isolated. They should be able to fall back on all the administrative services in order to be truly effective.

90. A gradual change in the attitudes of all administrative officials is necessary in addition to a modification of administrative processes with a view to integrating, or at any rate co-ordinating, the activities of management services with those of development services. While an analysis of these problems is sometimes carried out on the central administrative level, such an analysis is far more rare than on the local level.

91. Such studies should also cover voluntary organizations, local leaders, innovators and the existing or potential agents of cultural and social development. Since far more attention and effort have been spent on formulating social programmes than on the problems connected with their execution, on training programmes more than on the type of training to be provided, on the technical aspects more than on the administrative aspects, there is still a considerable gap between the ambitious aims of the plans and the modest results obtained.

D. The Control, Evaluation and Adjustment of Social Programmes

92. Under the traditional system of administration, the purpose of control is to ensure that the action carried out by the various units complies with the existing regulations. In the case of planning, the purpose of control is not merely to ascertain that the plan is being executed in accordance with the provisions. Control must also be exercised to awaken and encourage initiative and to contribute to solving the problems arising out of the transmutation of the general objectives of a programme into specific forms of action. While the functions of control as such are exercised mainly by the administrative departments, the tasks of technical assistance associated with it also extend to the voluntary organizations participating in the execution of social programmes.

93. While control responsibilities are usually distinct from management responsibilities, limits of responsibility are not so clearly defined in social programmes. Health inspectors, school inspectors and community development inspectors often carry out the administrative and financial control duties of execution agents, of advisers, of instigators and even of teachers. The hope has been expressed that these two functions, often contradictory, should be entrusted to different bodies, or at any rate, to different officials. However, this is rendered difficult by the shortage of trained staff. In practice, therefore, the inspectors of the various social services are obliged to strike a balance between the demands placed on them to apply the general rules of public activity, and their duty to encourage initiative.

94. In almost every country, the inspectors responsible for control are under the jurisdiction of the ministries in charge of the execution of social programmes. This might result in a large number of inspections that could be harmful to unified control. To overcome this disadvantage, financial control is often carried out only by the officials of finance ministries, and the other inspectors are responsible mainly for technical control and for giving advice and training. The body of inspection is usually under the direct jurisdiction of the minister concerned, so that the distinction between control and hierarchic authority is respected; controllers propose, but do not decide.

95. The evaluation of the results of social programmes has a different purpose, namely to compare the objectives with the results obtained with a view to identifying the difficulties encountered and to suggesting the necessary adjustments. This is an essential factor in any planning policy, as it ensures the necessary flexibility.

96. It may be questioned whether the administrations responsible for the execution of social programmes are in a better position to critically assess their own activities than are any other bodies. However, evaluation reports (although rare enough) are less often tinged with a desire for self-justification than with that of stating frankly the difficulties encountered, and of suggesting the steps necessary to overcome them. To the extent that the evaluation procedure may become generalized, it is to be hoped that it will contribute to modifying the traditional attitude of the administration by developing a concern for the

critical appreciation of results. Even when the central planning organ does not carry out a direct assessment, it is associated with that procedure, which it can influence by defining the terms of reference of the reports to be prepared by the various ministries. UNESCO has been trying to contribute to the improvement of evaluation techniques by applying the methods used in the social sciences, through the publication of a manual on the measurement of the results of development programmes. It proposes a method of analysis distinguishing between changes affecting individuals (information, aptitudes, and attitudes), changes in social and institutional relations (including the administration) and changes occurring after social investments. Such studies cannot be undertaken properly by an administration, but they provide the administration with valuable information which is a useful supplement to evaluation reports.

97. Evaluation surveys conducted by university institutions or international organizations would not only contribute to a positive knowledge of the problems connected with the execution of social programmes (more particularly their administrative aspects), but would also make it possible for the principles of valid action in the new sphere of administrative activity known as planning to be gradually distinguished.

II. PLANNING AND ADMINISTRATION IN URBAN AREAS

by
Lyle C. Fitch

1. The point of departure of this paper is a projection cited in the Declaration of Delos issuing from the Delos Symposium of 1963. With the world's population increasing at an annual rate of 2 per cent, the urban population is increasing by 4 per cent, and at this rate will increase fourfold by the end of the century. The more urban population increase will entail massive physical development - more urban construction than hitherto in mankind's whole history - and profound changes in social behaviour. The requirements of increased populations will be piled on top of a desperate need, everywhere apparent, for the improvement of existing urban conditions, which by itself (with no population increase) could absorb all the energy and resourcefulness that could conceivably be mustered. Said the Declaration: "Thus, the need for the rational and dynamic planning of human settlements both now and in the foreseeable future is inherent in the urban situation today."

2. Plans themselves will not avail; they must be translated into decisions, and decisions must be translated into action. The urban imperative requires governmental organization capable of meeting the titanic demands which will be placed on it. In particular, it must allow for effective interaction between the processes of planning and decision-making; in other words, decision-making must be imbued with greater rationality and more perspective, drawing wisdom from wherever it can.

3. One of the remarkable developments of the postwar world is that urban problems are now everywhere perceived in much the same way and discussed in much the same terms (owing largely to the influence and activities of the United Nations). These problems include housing, transportation, water and sanitation, employment and growth of physical and human capital which makes possible increased productivity, frustration with miserable living standards and lack of opportunity, migration from rural areas and problems of adjustment involving work and living habits, family social structure, and loss of old institutions and values which provided social stability.

4. Though these problems exist in all the world's major urban centres, the urgencies of action to correct different types of deficiencies vary as seen by observers of different cultural backgrounds. People in different areas and of different cultures must define their own problems, requirements and priorities in their own way. Failure to recognize this fact is one of the greatest reasons for failures of international and intercultural technical assistance missions.

5. This paper accepts the premises (a) that rational and dynamic planning will be increasingly a function of expertise, not of one discipline but of many, and that one of the prime functions of planning leadership is to discover, to draw upon, and to integrate the contributions of which the different disciplines are capable; (b) that translating relatively sophisticated plans into action programmes requires decision-makers, or at least persons at key points in the decision-making process, of corresponding sophistication, because plans cannot run ahead of the comprehension of those who must approve and implement them;

(c) that public discussion, political participation and the consensus of citizens are essential elements of the planning-administrative process; but
(d) that obstructions based on ignorance and superstition, backward cultural institutions and limited special interests are obstacles to be attacked, through the instruments of education and persuasion, as vigorously as any other obstacle to progress.

A. Definitions

6. Both "planning" and "administration" are terms which carry quite different connotations in different cultures, and as used by different individuals and respecting different situations in the same culture. In this paper, we will work with a simple model of urban governmental process with three main elements - planning, decision- or policy-making and implementation.

Planning

7. Planning as used here means essentially a rationalization of a set of proposed activities to make them consistent with defined goals and objectives and with each other. "Plans" may be either "models" of desired future situations (as a physical plan of an urban area) or programmes of action to produce certain desired results (such as increasing literacy or building a dam). But planning is best conceived of as a continuous process, continually moving from more abstract conceptualizations to concrete measures, formulating, reformulating and testing programmes. It is necessarily a continuous process because it takes place in an environment of continuous change - changing goals, changing conditions and community viewpoints and organizational changes.

Decision-making

8. At the heart of government is the decision-making and policy-making process, involving (as used here) the power to choose among possible broad courses of action (or inaction) and the power either to commit or control the commitment of resources for carrying out decisions. Decision-makers, or policy-makers, are those with formal authority to make decisions, as the term is used here. In a broader sense, the decision-makers include those who influence those exercising formal powers through personal influence, the ability to impose sanctions of various kinds or the ability to negate formal decisions through non-compliance and other means.

9. In the complex governmental structures of today, it is not always easy to identify the individuals or groups who exercise formal decision-making power; thus, with respect to a particular matter, it may be exercised by a chief executive or administrator, by an administrative group or by a legislature. Commonly, the participants are a chief executive who initiates or transmits policy and other proposals, and a council which considers, modifies and approves or disapproves the proposals of the chief executive. The focus of decision-making power in most cases is simply identified with the power to provide or deny funds, that is, with the making and ratification of the budget.

10. The high decision-making or policy-making function implies the exercising of political leadership, the disseminating of information as to potentialities and the attaining of a consensus for action. This involves resolving in a way acceptable to the community at large those conflicting claims which exist in any community.

Implementation

11. Implementation is the process of carrying out policies; it includes the interpretation and application of policy decisions, as well as the technical aspects of "getting things done." Good administration is concerned both with results and with efficiency - of maximizing the ratio of outputs to inputs. The specialized bureaucracies, which in large organizations are responsible for implementation, in practice ordinarily play a central role in formulating policies and influencing decisions.

B. Types of planning

12. The constraints on the number and variety of activities which can be included in a plan or planning process stem in part from limitations of planning techniques and the number of relationships which planners can comprehend. In part, the limits are set by conventional professional boundaries. Most government functions require some degree of planning, and in some areas techniques are relatively advanced; for example, considerable advances have been made in such areas as health, education, welfare and urban design. These are all areas of professional specialization - medicine, education, welfare administration and architecture and engineering. Such specialized planning is appropriately placed at the departmental level of governmental organization.

13. But the planning process cannot be divided ad infinitum along lines of professional specialization without defeating one of the main objectives of planning, which is to enlarge the areas, or sets of activities which are rationalized. Here we will distinguish four main categories of planning.

14. Economic planning, concerned with income, wealth, productivity, distribution and other macro-economic aspects of the economic system, has been concentrated at the national government level. At the local level, with which we are chiefly concerned here, economic planning focuses on the infra-structure required for economic activity, such as transportation facilities, and with incentives for attracting commerce and industry. Local governments are likely to assume that they can do little to affect the level of economic activity, though they are often the first to feel the impact of central government policies, such as the migration from rural to urban regions produced by a policy of industrialization.

15. Regional economic planning also may be concerned with matters of infra-structure, and as well with development of regional resources such as river valleys, mineral deposits, or agricultural specialties. 1/ Regional

1/ Regions may be defined by topography, or by some element of homogeneity, or simply by existing political jurisdictions.

planning, in many instances, is carried out through national government agencies, less often by regional government agencies, and only occasionally by state and local governments in concert.

16. Social planning is concerned with the development of human resources and social institutions, and with decreasing the sources of community tensions. As defined here it comprehends the activities concerned with education, community development, social welfare, housing and other activities directly concerning the welfare and productivity of individuals and families. While there has been considerable emphasis on various aspects of social planning, particularly health and education, social planning which recognized the socio-cultural process as a system has only recently begun to be developed.

17. The imperative need for social planning at the urban level stems in part from the fact that human problems - the difficulty of adjustment to urban life, low educational and cultural status, low productivity and similar manifestations - are among the greatest problems which cities face today.

18. Physical planning (the major concern of town planners, to date) is concerned with spatial relationships involving the location and inter-action of activity centres, such as employment, residential and cultural-recreational centres and civic centres; the location of transportation routes and other utility structures; and other matters of physical design. The implementation of plans from the government's side involves controls of land uses in accordance with a plan, and public construction. For several reasons, physical planning has tended to be concentrated at the local government level. The spatial relationships to be mapped, studied, and arranged are usually confined to the urban area and are of concern mainly to local residents. Governments of most large urban communities, even those of low capacities and limited functions, usually undertake the minimal planning functions of street layout and administration of any land-use controls in effect.

19. "General policies" planning, which seeks the "orchestration" of all activities, or governmental activities, is concerned with broad community goals, and encompasses the above-listed three categories of planning - economic, social and physical - as carried on at any one level of government or, more ambitiously, at all levels of government. But the knowledge and techniques of planning these narrower sets of activities are still in the early stages of development, and the techniques for integrating all of these are even less developed. Even so, systematic efforts at planning general policies might yield larger dividends than is generally recognized. At least, it should be possible to identify and seek the elimination of the cruder inconsistencies which frequently creep into government policies and programmes.

C. Relationship between planners and decision-makers

20. Does the planner acquire a claim to a special role in the decision-making process by virtue of the fact that planning is identified with the rationalization of activities and with long-range perspectives and concepts of public welfare? Some urban planners have thought so and have asserted that planners themselves should have power over the community's affairs - that they should make the decisions in the areas of their specialities, while enjoying

a protected status as government servants, to the end that planning might be freed from the interests of "politicians" and "special-interest" groups.

21. It is also argued that there are certain interests for which planners can speak which are unlikely to be protected in most political systems, just as there are economic interests which are not adequately protected by the market economic system. These may include needs which are unrecognized or unexpressed, and hence not registered by legislative bodies, such as the interests of future generations.

22. At the other extreme, some political analysts tend to regard planners as merely composing another special interest group, whose policy objectives should be contested in the local political arena along with those of other groups.

23. The most reasonable view of the planner's role appears to lie somewhere between these two points. The proposition that ultimate power in certain spheres should be exercised only by qualified planners is untenable on several counts. It assumes greater unanimity of professional views and greater capacity to divine the public welfare and to devise programmes for attaining it than planners have ever been able, or seem likely, to demonstrate. The old maxim that "war is too important to be left to the generals" can be paraphrased as "the public welfare is too important to be left to the planners." And certainly the planners' claims to greatest wisdom would be challenged by other claimants, notably theologians and social philosophers.

24. Even in centralist countries, where the planner's role looms largest, basic policy decisions are laid down by executive and legislative bodies, not by planning agencies per se. This is the rule in most jurisdictions served by special planning agencies. In any case, the approval of plans at the policy level ordinarily establishes only a framework for development and control. Specific development measures undertaken by the urban government must then be inaugurated and financed, so that the decision-makers may have a second look at the work of the planning agency.

25. If the planner is given power to make policy recommendations to a council, independent of the Chief Executive, the executive power is thereby divided, department controls and loyalties are confused and the need for another layer of co-ordination is introduced. The anomaly of divided controls is even greater if the planner has power to act independently of both chief executive and council, which would imply the power to raise money to finance planning projects. The most modern thinking on local government organization holds that the planner should be a staff resource to the executive, and should not exercise independent policy-making power.

26. Even less likely to be successful are planning agencies without counterpart decision-making or implementation organizations. For instance, metropolitan planning agencies have been established in the United States and elsewhere but with no counterpart metropolitan governments with powers to approve and carry out metropolitan area-wide plans. While such rootless planning agencies may yield educational values, their notable lack of success in bringing about solutions to metropolitan problems demonstrates the futility of planning not firmly linked to political power and having no means of producing a community consensus.

27. On the other hand, the considerations which argue for a professional administrator as Chief Executive (or as next below the Chief Executive) also argue for planning. The trained administrator, who understands the language of planners and can fit their contributions and viewpoints into the context of a still more comprehensive legislative and administrative programme, may be at least a partial answer to the planner's problem of how to exert influence on the governmental process, though the administrator ordinarily has different time perspectives and often different perceptions of community needs.

D. Planning and budgeting

28. The main device thus far devised for rationalizing government policies in a comprehensive manner is the budget, through which the community's resources are allocated to support various government functions. Budgets are, or should be, comprehensive plans of operation with monetary figures attached. But as planning devices, budgets have been subject to two main deficiencies.

29. The first is that many budgets are not firmly grounded in things to be done and objectives to be achieved, but consist rather of lists of things to be bought. This deficiency has long been recognized, and in the past few years there has been increasing interest in programme budgets, which aim to focus expenditure decisions respecting resource allocation on programmes for achieving community goals.

30. The other main deficiency of conventional budgets, which has received much less attention, is the short-range perspective of much of the decision-making involved. Budgets of current expenditures are usually limited to allocations for a single year. The process of budget-making is typically one of considering budget requests, or estimates, from many different agencies. Decisions are concerned mainly with marginal increases (and occasionally decreases), that is, with relatively small expansions (or contraction) of programmes already in operation. The fact that decisions apply only to a single year's allocations inhibits longer-range planning and programming.

31. The situation with respect to capital expenditures is somewhat better than that of current expenditures; long-range planning of capital expenditures has been adopted by many jurisdictions, one of the first being New York City, whose capital budget and plan was initiated in 1939 under the auspices of the newly established City Planning Commission. One of the main reasons for long-range planning of capital expenditures is that the items of capital budgets, buildings, roads, streets, parks, etc. - which affect the physical character and shape of the whole community in an immediate and obvious way - must not only be carefully designed for their purposes but must be related to each other and fitted into a time-table. The need for co-ordination and a time-table necessitates a long-term financial plan.

30. The deficiencies of conventional budgeting can be corrected, at least in principle, by making budgeting a part of a general system of comprehensive policy-planning. Comprehensive policy-planning has three main aspects. On the substantive side it is concerned with formulating programmes to meet community goals and objectives, relating programmes to each other and defining the resources - manpower, materials and capital facilities - required to carry out

programmes. On the financial side it is concerned with (1) the allocation of resources between the private and public sectors (including the function of revenue-raising by imposing taxes and charges) and (2) the allocation of public sector funds to various government functions. On the administrative side, general policy planning is concerned with feedbacks from the decision-making and implementation processes, and particularly with the evaluation of existing programmes. Such feedback information is obviously essential for the improvement of both planning and decision-making.

33. This concept of general policy planning moves the planner closer to the decisional process, on one hand, and to the implementation process on the other. There is the danger, however, that the planner will be caught up in the swirl of day-to-day decision-making and administrative routine, thereby losing sight of his function as specialist spokesman for rationalization, co-ordination, long-term perspective and unrecognized needs. Government organization should protect this function by giving it a distinctive organizational niche, sufficiently separated from other activities to preserve its special flavour. This supports the case for department planning units in governmental specialized agencies, and for a central comprehensive planning unit which will, among other things, bring together and co-ordinate the plans of the individual agencies. The important thing, however, is that the identity of the planning process be preserved.

E. Local and higher-level government planning

34. The preceding sections have been concerned with defining the role of the planner and his place in the organizational structure of individual urban governments. Today, however, the higher-level government agencies of most nations are concerned variously with urban development and welfare and with such specific development functions as education, water supply and sanitation, inter-urban transportation, housing and social welfare services, and their concern is frequently shared with local and intermediate governments. At the local level, metropolitan populations often become the responsibility of many local jurisdictions. This poses the necessity for at least three other lines of co-ordination having to do with planning and administration: among different levels of government, among various national government programmes and among various local governments and agencies within large metropolitan areas.

35. Owing to the fact that planning activities at the urban level are concentrated on the physical (as opposed to the economic and social) aspects of planning, co-ordination has perhaps been concentrated more largely on physical development than on other urban-related functions. Here the main sets of problems concern (1) land uses and land-use controls in particular areas, according to some over-all community purpose or plan, (2) the formulation of the community purpose or plan and (3) the formulation of regional or national plans with regard to the size, distribution and relationships of urban congregations. The first set of problems is ordinarily handled at the local level; the second set is ordinarily, but not always, attacked from the local level; the third can be attacked only from a higher level of government. But higher levels of government often concern themselves with (1) and (2) as well, whether motivated by a general concern for the welfare of urban communities or merely by the desire to assure efficient use of funds spent for urban development.

36. The patterns by which responsibility for related functions is shared and co-operation achieved by national, intermediary and local governments vary widely from country to country, being influenced by such factors as national traditions, economic and political systems and degree of development. In the United States the relationship between state governments and their subordinate local governments is a complex one. Such relationships vary from state to state with regard to the urban-related functions actually performed by the state, the financial and other assistance provided by the state to the local governments, and the techniques for co-ordination. To describe them in any detail is beyond the scope of this paper, but it can be said that they rely heavily upon reciprocal relationships, rather than upon a system of arbitrary controls. The degree of emphasis on reciprocal relationships as compared to controls appears to be substantially greater in the United States than in the English system of local government and is of course much greater than in those countries with a tradition of centralized control.

Co-ordination of national economic and local planning

37. The failure of the United States to formulate criteria for urban development with respect to its own programmes is duplicated in many other countries, including those with comprehensive plans for economic development (which the United States has not). A common complaint is that national development plans may pay too little attention to such matters as the impact of development programmes on the patterns of urban settlements, the rate of development of specific local areas and the amounts and types of public services which will be required by new population concentrations. In such instances, there is not even sufficient raw data necessary to plan at the local level for population increases and for the provision of urban public services. Local planning agencies must project the impact of national policies on their own development problems largely on the basis of guesswork.

38. In most urban areas of the under-developed world and many of the more developed countries, the problem is not simply a lack of co-ordination but a lack of machinery to co-ordinate, since local planning agencies, if they exist at all, have very limited functions such as those of preparing maps for the location of streets and utility services. Administrative machinery, is likely to be lacking in such instances. The degree of control of central planning agencies over large central government agencies is frequently tenuous, since the large agencies often fail to consider, and resist considering, the impact of their development or their projects on local areas. Military installations, large public works projects and roads and other transportation facilities may be established with no thought of the consequences for the configuration, development and amenities of local communities. Frequently they impose heavy costs on urban areas with no compensation or inadequate compensation forthcoming from the central government.

Co-ordination of agencies and governments on the same level

39. At the national government level in the United States and in many other countries, numerous agencies have a hand in urban affairs, such as Ministries of the Interior, of Health, Education, Public Works, National Planning and others. If there is no effective mechanism for co-ordinating the work of the various agencies, the ends they pursue may be inconsistent.

40. The grosser consequences of the lack of co-ordination among central government agencies include such planning blunders as running new highways financed by one agency through housing projects financed by another, inter-agency controversies over urban transportation policy, and conflicts over jurisdiction respecting functions affecting urban areas and over basic philosophy of urban development and the role of local governments. In Venezuela, to take a case in point, a federal agency - the Foundation for Community Development and Urban Improvement - has as one of its main functions the building up of capacity for local self-government and hence promoting greater decentralization. But decentralization is viewed with some distaste by some of the other powerful agencies concerned with municipal affairs, partly because they fear that decentralization will interfere with the formulation and implementation of national development plans and with their own programmes. In Peru, the newly formed Corporación Popular, a federal agency established for the purpose of providing technical assistance for local government-sponsored projects, is encountering opposition from the "old-line" ministries who fear that the new agency will compete with them for workers and as to functions performed (e.g. road building).

41. Ministries of local government, where they exist, can co-ordinate at least some of the urban-related functions of national government, as does the Ministry of Housing and Local Government in the United Kingdom, but their jurisdiction does not ordinarily extend to all such functions. Thus, while the powers of the Ministry of Housing and Local Government are fairly broad, it has been said recently that perhaps the most serious criticism that could be made of government departments having to do with urban-related functions is that "the central government administrative machine does not, until quite recently at any rate, appear to have been provided with any kind of focal agency which can visualize the total impact of all the controls, exercised by all the departments, and the impact in terms of delay, administrative costs, and manpower, at both the central and local levels". ^{2/} To attack the problem, France has organized an extensive system of co-ordinating devices, including interdepartmental committees and a central staff agency concerned with regional development, and utilization of the prefects.

42. The difficulty of bringing together all urban-related functions, or even functions which conspicuously need co-ordination, was recently encountered in the United States in the attempt to establish a Department of Urban Affairs. It proved quite impossible to construct an agency which would bring together such diverse functions as health, education, welfare, highways, water resources, airports and others. The solution finally pursued was to give cabinet status to an already existing agency primarily concerned with urban affairs - the Housing and Home Finance Agency - with the hope of building up its capacities over a time. But this solution has thus far been rejected by the Congress. There are many, however, who believe that the only way of achieving co-ordination is to place the co-ordinating agency in the Office of the Chief Executive, from where it could exercise a measure of control over the line departments. Another proposal is to place in each of the major metropolitan areas of the country a federal co-ordinator, perhaps attached to the Bureau of the Budget (which is located in the President's office), who would be responsible for keeping track of federal agency programmes in the area and undertaking to secure better co-ordination of federal programmes with each other and with the state and local government projects in the area.

^{2/} J.H. Warren, The English Local Government System (George Allen and Unwin Ltd., London, 1963), pp. 152-3.

Primarily, he would serve as a catalyst for bringing together the various groups concerned with any set of activities in a system of informal reciprocal relations.

43. Another device that is frequently used is the inter-departmental committee, such as the United States Bureau of Public Roads and the Housing and Home Finance Agency have for joint consultation on urban transportation planning and programmes.

Co-ordination of local government functions in metropolitan areas

44. Very large urban governments have some of the same problems of inter-agency co-ordination as national governments. Related governmental functions often are not co-ordinated because, for historical or other reasons, they are administered by different government agencies which disagree or maintain inadequate communication with each other. Frequently the lack of co-ordination endures because the functions as defined for purposes of government organization are not perceived as part of a system. The planner is in a strategic position to observe the need for service co-ordination. The need is greatest, however, in areas where planning has been least developed, notably in the area of human resource development.

45. Even where the planner does perceive the need for the co-ordination of services, however, he is likely to encounter stiff opposition from the operating bureaus, either because of bureaucratic inertia or because, lacking the planner's perspective, they perceive their functions differently than he. One approach is through the consolidation of major government agencies, but this is not feasible in cases where the consolidated department would be too ponderous to be administered efficiently, or where political forces block consolidation. The only remaining solution is a central co-ordinator, whether an individual or an office, with recognized authority over departments - which ordinarily means that the co-ordinator must be located close to the Chief Executive and have his full backing. Formal definition of the co-ordinator's role, in the form of a resolution of the council or an executive directive, is usually indicated.

46. For large urban areas, however, the greatest problem at the local level is the existence of numerous local governments and a lack of central control for the administration of functions which can be effectively handled only by a central authority. In most urban areas, a central authority is needed for:

(a) Comprehensive planning for economic, social and physical development of the area. In some areas the need for comprehensive planning has been met by establishing metropolitan or regional-planning agencies, as in Calcutta, Paris and many United States metropolitan regions. However, the difficulty, already noted, is that planning agencies by themselves can serve only an educational function; the decision-making and implementation machinery for considering, adopting and carrying out development plans is also necessary.

(b) Providing services and benefits which can be efficiently administered over the entire metropolitan area. Some services and benefits, such as health protection and air pollution control, can be provided efficiently only if they extend over a wide area and their administration is well co-ordinated. Some services such as hospital and tax administration are more economical if handled on a large scale. Still other services, such as intra-metropolitan transportation, can be administered effectively only by a central authority which can establish area-wide standards and policies and co-ordinate the various types of transportation services.

(c) Providing more efficient and equitable revenue systems. The existence of numerous local government jurisdictions in an urban area raises several problems respecting finance and revenue administration. First, there are commonly large differences in the taxable capacity of various jurisdictions relative to the need for services. Second, substantial differences in the level of services or tax rates will induce residences and business firms to locate in particular jurisdictions for reasons having little to do with good planning concepts. Third, revenue administration, including tax collection, by a single agency is potentially more economical and efficient than administration by several agencies in the same area.

III. RELATIONS BETWEEN PUBLIC AND PRIVATE SECTORS IN DEVELOPMENT PLANNING

by Bernard Cazes

1. The "public sector" representing one of the poles of this relationship is used in this context to designate the administrative body responsible for the development plan, the Government responsible for the development policy expressed quantitatively by the plan or the over-all administrative structure considered as an entity which, at any given stage in the planning process, may be called upon to establish relations with an interlocutor known as the "private sector". This latter term refers to private enterprises, business associations or employers as a whole, excluding trade union organizations.

2. The title of this report presupposes the existence of a mixed economy framework in which the distinction between the private and public sectors becomes significant. On questions of principle, the application of flexible or indicative planning in a mixed economy may be conceived of in a variety of ways, in that the plan may assume one of the following three roles in the economic development of a country:

(a) To establish "a joint view of economic growth expressed in its main choices by a body of co-ordinated objectives and means";

(b) To express "an assertion of collective determination in the huge field directly dependent on decisions by the State", e.g., public investment programmes; and

(c) To record "the anticipated balance sheet during the terminal year and, if possible, during successive years, of economic activity by sectors", thereby giving concrete expression to "the results of market research at national level made jointly between the authorities, trades and workers' organizations". 1/

3. We shall now consider the relationship between the public and private sectors with regard to the planning body, the preparation of the plan and the implementation of the plan.

A. The planning body

4. From the point of view of relations between the public and private sectors, it is not only the nature of the plan's content which must be taken into account. The nature of the body which serves as a permanent support for planning must also be considered. Doubts expressed regarding planning relate much more often to the governmental nature of the plan's directing body than to the meaning of its objectives. Three possible solutions may be considered. The first is to make the

1/ These quotations are taken from an article by Mr. Pierre Massé (Commissaire Général du Plan, France) on The Principles of French Planning: Kiel Weltwirtschaftliches Archiv (1964-1).

planning body an integral part of the governmental apparatus (a solution applied in France whereby the Commissariat Général du Plan comes directly under the Prime Minister). The second allots this body an official status but sets it aside from the governmental apparatus. The third solution consists of entrusting the preparation of global or sectoral plans to a group of independent experts who are not answerable to any authority (a solution recommended in the Federal Republic of Germany).

5. It is all the more difficult to decide between these various types of organization in that their respective advantages and disadvantages would seem to be diametrically opposed. The fact that a planning body has been granted administrative status gives it a greater opportunity of influencing the Government's economic policy and obtaining from certain ministers the confidential information required for carrying out its task. On the other hand, it may complicate relations between the planners and their interlocutors in the private sector, since the latter may interpret any recommendations made as reflecting solely the views and preferences of the Government. The contrary may apply to the opposite solution: all things being equal, the more intimate nature of relations between the plan as an organization and the partners of the private sector may be offset by a reduction in the influence exercised by the former on governmental action and by an increase in the difficulty of obtaining access to non-public information. It must be noted that the problem to be solved in connexion with the planning body has a double aspect. Situated by the nature of its function in the hinge between the public and private sectors, it is forced to plead the cause of balanced growth (to simplify the matter) before both public and private centres of decision-making. These sectors in turn: (a) must take account of those short-term considerations which may conflict with longer term considerations inherent in any planning; and (b) are influenced in their activity by considerations which are sometimes conflicting and which are generally categorized by the words "political" and "economic". Any institutional solution, therefore, will have to be judged within the context of a given country and in the light of the influence which it allows the planning organs to exercise over the private sector.

B. Preparation of the plan

6. In connexion with the preparation of the plan, two opportunities for contact may be singled out, namely, the fixing of general objectives and the detailed preparation of sectoral forecasts and programmes.

Determining the general objectives

7. This is an operation which belongs to the political authorities, but any attempt to involve organized private interests in the preparation of the plan may imply consultation with them in this field, because sectoral forecasting is rather too restricted to lead to substantial participation, especially by employers' organizations of national scope which are accustomed to problems of global economic policy. The need for consultation on the plan's general objectives is still more apparent if we adopt the viewpoint of the private sector, since the plan's justification is that it orientates the economy in a direction differing more or less from that which it would have taken spontaneously. Two questions then arise: who is to be consulted and in what connexion?

8. The first query relates essentially to organization, as to the form that the consultation process should take and also the personal or representative capacity of those consulted. In the case of consultation, a sufficiently competent agent is a more valid interlocutor for the executive branch than would be an expert. But in case of the participation of members of various trades in management or jurisdiction, experts not specifically entrusted with a mandate are preferable on condition that they are sufficiently representative. As to the stage when consultation with organizations in the private sector must take place, it is believed that useful discussion must have taken place before the decisive political choices have been made so that various alternative developments may be considered in relation to different policies. Accordingly, there would be two consultations on the plan's general objectives, one at the beginning of the preparatory period and one at the end, the latter being somewhat formal in nature since the key discussions would have already taken place.

Detailed preparation of the sectoral forecasts and programmes

9. This involves a number of problems since it is a question of activities which more directly affect the private sector and in which that sector's contribution is particularly necessary. Where the connexion between the public and private sectors is maintained through the agency of specialized commissions for the various branches, it is on these commissions that discussion should be concentrated. In regard to the internal organization of these commissions, the private sector should be represented by three categories, namely, heads of enterprises holding office in a national employers' organization or in an industrial federation; heads of enterprises holding no such office; and full-time leaders of employers' organizations. The authority responsible for the selection is generally the minister in charge of planning activities, but in practice the choice will depend on the opinions put forward by the planners and/or the ministry concerned with the industry in question. The rapporteur, who is a key figure in every commission, may be chosen either from the private sector or from the civil service, in which case he may belong to either a technical department or a major administrative body or to the planning organization. Experience has indicated that rapporteurs from the private sector generally find it more difficult to maintain independent positions than those from the civil service.

10. In principle, the preparation of forecasts and programmes is carried out by two methods, depending on whether the sector involved is homogeneous or not. In the former case, the forecast is established on the basis of an aggregate of the prospective programmes of the enterprises in that sector. In the latter case, the forecasts and programmes represent the outcome of a breakdown of the macro-economic, long-term plans worked out on the basis of an inter-sectoral model.

C. Implementation of the plan

11. The real problem involved in the implementation of the plan is not whether the plan is indicative or imperative but rather to decide the nature of the links between planning and Government action. It is not a question of treating planning as a synonym for a State control, because there may be State control without planning, i.e., without any long-term forecasts or over-all view. But while in Western countries the State's economic role largely precedes the plan, anxiety to ensure the success of the plan may result in measures which would not otherwise have been taken.

In such a case it is not a doctrinal devotion to economic regulations which is involved but a basic desire to see that the aims expressed quantitatively by the plan are achieved.

12. Among the measures adopted for implementing the plan are physical controls on prices of certain products or basic services and in particular police regulations concerning industrial construction on a certain scale in certain congested regions. The principal methods used by public authorities to encourage the implementation of the plan consist of indirect financial or tax incentives (inducements).

13. Incentive measures have a common characteristic in that they exclude all binding directives and appeal only to the enterprise's financial interest by making it easier for that enterprise to carry out an operation (investment in general) if it is regarded as compatible with the plan, and conversely, by making it more difficult if it is not. Four major categories of inducements are: priority access to sources of finance; subventions in such forms as interest rebates, preferential tariffs and non-repayable bonuses; tax relief; and the distribution of government orders and research contracts.

D. Inter-relational problems of plan implementation

14. Among the many problems which may arise in relations between the public and private sectors during the implementation of the plan, the following merit special consideration:

Justification of a given "inducement" action

15. From the economic angle, a policy of inducement may be justified by the contribution it makes to achieving the plan's objectives. Here two major questions may be considered as forming the possible point of application of a development policy and hence as capable of voluntary orientation. The first concerns the production capacity of certain branches in which expansion is dependent on the progress of other activities. This is the case with the basic sectors where investments take a fairly long time to mature and therefore cannot be adjusted in relation to the fluctuations in the business cycles. The second question concerns methods of production or "structural objectives". Some of these derive directly from the content of the plan's general objectives, as in the case of regional location of certain enterprises. Others concern the conditions under which these general objectives are achieved, namely, the improvement of productivity and competitiveness, the adaptation to changes in demand, the financing of necessary investments, etc.

What body should estimate the degree of conformity with the plan's objectives?

16. While it might seem self-evident that this task should be entrusted to the planning body itself, it is still to be decided as to whether the power of this body in this connexion should be mandatory or advisory. The advantage of the latter alternative is that it reduces conflicts of competence between the administrative departments. In any case, it is important that private enterprises know that the result of their negotiations with the authorities is influenced by what the planners may or may not do since this will make them participate with more

enthusiasm in the preparatory work and make a more active contribution instead of regarding it as a mere intellectual exercise without any practical significance.

What constitutes conformity with the plan?

17. The programmes set for the private sector must be accompanied by an implementation time-table so that an assessment can be made of the advisability of staggering or reducing the time-limits. This presupposes a knowledge of the major projects under way, though such is not necessarily the case. An interesting case in point is the effectiveness of the Spanish procedure, whereby the governmental assistance for development in a given region is "put up for auction". This compels enterprises to supply details about their activities and enables the planners to obtain an over-all view of the projects under way. Other criteria concern, inter alia, the method of financing investments, the percentage of resources allocated to research, export prospects and the localization of installations. The boundary between the private and public sectors, which coincides roughly with the dividing line between forecasts and objectives, is not immutable, since the development priorities vary as time goes on, not only because individual and group preferences vary but because the spontaneous evolution of the economy continually raises new problems. Thus, by adopting a long-term view, we can claim that the extent of the burden which the financing of collective equipment and social transfers imposes on the State may make it necessary to reassign certain economic activities to the private sector, which does not mean that other activities may be entrusted to public initiative or control.

The nature of the links between the State and the private enterprises which the implementation of the plan brings into existence

18. The experience of France reveals the increase in relations of a contractual or quasi-contractual type in which a "negotiated" law tends to exist side by side with the "imposed" law. This development, whereby the State enters into contract with enterprises for reasons other than the coverage of its direct needs seems to be a result of new trends in governmental policy. First, there is the tendency not only to establish the "rules of the game" but also to look after the performance and even the achievement of the economic apparatus, all of which, particularly in a market economy, are difficult to command; and second, the selective nature of this policy necessitates wider use of contracts.

The nature of the relationship between the public and private sectors

19. This relationship may take a wide variety of forms, but the following gradations may be established:

(a) Adherence contracts. The State promises well-defined assistance to private enterprises carrying out economic operations in line with certain predetermined characteristics: amalgamation, decentralization in provincial areas, launching of new types of production, etc. The balance of the contract is established in advance in regard to the essential provisions. Thereafter, it need only be specified that the enterprise falls into the category concerned and the allocation of aid becomes automatic and outright.

(b) Negotiated contracts. Here, negotiations are free from any preliminary commitment on the part of the State. For example, letters of agreement which may be analysed as a public order enabling a market to be pre-financed; loans granted by the State; advances to be repaid if the operation is successful; tax relief granted to certain types of companies ("sociétés conventionées") which have a special status and are subject to official control. Decisions relative to this type of contract are discussed for each specific case and are represented by precise specifications designed to balance the reciprocal commitments.

(c) Quasi-contracts. The expression is used when the provisions of the contracts cannot have an absolute legal rigidity to designate the assemblage in a coherent whole of concessions granted by the State in return for a series of commitments entered into by the private enterprise.

20. The fact that these relations between the public and private sectors do not have so definite a contractual character as those in the field of civil law does not mean that the commitments involved lack force, because it is a situation in which both parties need each other. It may prove useful, however, to possess some means of settling any disputes which may arise between the authorities and the private enterprises. In such cases, the clauses of the agreements are not always specific enough for the matter to be referred to the ordinary courts.

21. In view of the very nature of the links between the State and the enterprise, the State cannot establish itself as sole judge of an issue in which it is simultaneously a party. The establishment of a special type of magistrature might be considered which would give opinions rather than rulings, whose authority would be essentially a moral authority and whose primary weapon would be public opinion influenced through the publicity given to its views. This is the solution for problems of income policy that is to be adopted in France with the creation in 1966 of the Collège d'Etude et d'Appréciation des Revenus. Relations in this field between the State and organized private interests had been ambiguous and of dubious legal basis, since orders would not be issued, and contracts had not yet become the general rule.

IV. IMPACT OF FOREIGN AID AND FOREIGN TRADE ON MACHINERY FOR NATIONAL PLANNING

by Egbert de Vries and L. Zimmerman

1. In the preparation and administration of development plans, there are certain basic facts about developing countries that one should note:

(a) Export incomes of most of the developing countries show great and rather unpredictable fluctuations;

(b) Export incomes of these countries increase slowly;

(c) Foreign exchange expenditure of most of the developing countries increases rapidly and is rather rigid, owing not only to the technical and economic relationships between the increases in income and consumption, including imports, but also as a result of the interest and amortization payments on foreign loans;

(d) Foreign reserves in most of these countries are quite small.

2. As far as points (a) and (b) above are concerned, it is found that apart from low-income countries showing rather small numerical trend values of export revenues and very great year-to-year fluctuations in those revenues, the stabilization of exports, i.e., price stabilization of the primary commodities, has a much smaller impact on the increase in the numerical value of the trend than the diversification of exports. These countries find themselves in a vicious circle, in that further diversification of exports demands development planning, and development planning requires a guaranteed continuous flow of foreign exchange revenues in order to pay for the imports necessary for the realization of the development plan. Controversial as it might sound, this vicious circle leads to the conclusion that the stabilization of world market prices is not so effective a means to aid the low-income countries as is often advocated. What the low-income countries need first of all is a further diversification of their exports, and this inexorably calls for industrialization. However, planning for industrialization is possible only when a guarantee is given that foreign exchange revenues necessary to finance imports are available. If this guarantee is not available it does not make much sense to require a developing country to make a development plan as a precondition for a development loan. One should realize that under those conditions development planning means, among other things, anticipating difficulties in the balance of payments.

3. One might argue, of course, that low-income countries, in order to overcome these difficulties, should build greater foreign exchange reserves. But with the exception of a few very large economic units such as the USSR and India, the demand of rapidly progressing countries for imports is so large in relation to their national incomes that it is unreasonable to expect, in the near future, considerable increases from their current accounts. If one takes the percentage increase in population into consideration, one would find that in practically all developing countries, per capita exports are declining.

4. Practically all the developing countries have to pay interest and amortization or dividends on loans and investments. They also pay for services rendered by persons and firms. We may assume that these payments - interest on loans, amortization, services and dividends - tend to increase as international co-operation is advanced, and that the aberrations from a trend are few. Thus, if income from exports varies greatly, income from exports minus the "invisibles" mentioned in this paragraph will vary more radically. If a number of countries pay about 20 per cent of their export income to cover these payments, the variations from the trend will be 25 per cent more intensive, thus reflecting on 80 per cent rather than on the total export income.

5. Most developing countries receive each year a certain amount of foreign aid (grants and loans) and attract private foreign investment. We must assume, however, that the amounts they receive vary greatly from year to year and that these variations are not geared to balance or compensate for the year-to-year variations in export income. Statistics show that the variations in net foreign exchange income are even greater than the variations in export income.

6. From the administrative point of view, this leads to the conclusion that most or perhaps all developing countries must as a primary consideration take into account intensive and often radical changes in expendable foreign exchange income. A part of this income must be used for necessary imports for consumption, and the remainder can be used for development purposes. It is the latter which concerns economic planners most. In administrative terms, however, the financial situation may count more heavily than the economic priorities of individual projects or even the consistency of the total development programme. The Central Bank (or its equivalent) and the Ministry of Finance must first deal with deficits in short-term balance of payments (calling for foreign aid) and the balancing of the budget.

7. It might well be that, administratively, the assessment of the balance of payments and the country's budgetary situation is more important than the stabilization or promotion of the development programme. The programme should in fact indicate the long-term or medium-term possibilities for such assessment. However, its translation into a year-by-year administrative plan for execution would be the specific task of the administrator. We feel that a great deal of disappointment has been created by ambiguous delineation of the tasks of the economist and the administrator. The latter's task would be easy if economic and financial trends could be predicted with a reasonable certainty. This may be true for highly developed countries with an ample foreign exchange reserve, but it is an assumption which unfortunately is invalid for most of the developing countries.

8. We would not discourage the careful elaboration of medium- or long-term development programmes, but an important administrative process is necessary before any such programme can be executed. More often than not, deficits in the short-term balance of payments hinder the elaboration of important links in a nation-wide, comprehensive development programme. Too often, the authorities of developing countries are blamed for lack of foresight or administrative inadequacies, when in fact they may suffer from external economic events which are beyond their control.

9. Because many events cannot be foreseen, development plans may have to be of a more flexible nature - certain projects may have to be postponed until the opportunity for their instigation arrives; others may have to be slowed down or

interrupted. This calls for more extensive administrative ability than does the execution of a programme on the best economic and technical premises. It is possible, therefore, for the apparent lack of continuity to have been the only administrative alternative in a given case. Too little attention has been given to this aspect of development administration.

10. Are there administrative measures capable of offsetting to some extent the impact of external economic forces on the programmes for development? We are aware that any such measures can only be partial and short-term; they are, however, important.

(a) First of all, the monetary and financial agencies (Central Bank and Treasury) must act as accelerators and regulators throughout the process. This also means that these agencies must become progressive while maintaining their essential stability.

(b) Medium-term plans must be translated administratively into short-term (annual) executive orders. This calls for the careful analysis of all development work under way and an assessment of the effects of either accelerating or decelerating work on particular parts of the programme.

(c) Certain programmes call for imported equipment which is used primarily for sustaining local projects and resources after the programme is completed. Road construction, well-drilling, small irrigation projects and certain building activities (schools, housing) fall into that class. When the opportunity arrives to install and equip teams of experts in the country, their activities may become standardized and, as such, a sustained tool for development.

(d) Where the uninterrupted execution of a major work, such as a dam or a steel plant, is a sine qua non for the success of the development plan, it is advisable to try to secure a loan. It would not be economical to leave such structures half finished, or to retard their construction because of a temporary shortage of foreign exchange.

(e) Above all, the country needs rapid decision-making in the field of development. This would cover the need for temporary export duties in case of a boom, ordering equipment and executing projects when there is a windfall. This would mean a portfolio of desirable, but as yet unappropriated projects. Conversely, when the foreign exchange income decreases, it should be possible to determine which projects can be interrupted or postponed with the least damage to the plan. This call for "shadow budgets", for example, one allowing for a 10 per cent increase in resources, another for a 10 per cent increase. It cannot be assumed that a charge of 10 per cent in either direction has similar results or that the reductions or increases should be "along the board".

(f) All activities in the field of foreign aid should be centralized in the Central Planning Organ. Close co-operation between the CPO and the Central Bank is essential for the efficient use of foreign aid.

(g) As far as loans and grants are concerned, the economy should be ready to put them to good use the moment they are available. Too often when the CPO is informed that new foreign funds are available, projects have to be selected on the spur of the moment.

(h) Further requests for technical expertise have to be carefully planned. Often several foreign experts work simultaneously on the same problem in various ministries without being aware of one another's existence, while many experts also find their missions badly prepared and their terms of reference inadequate.

(i) The system of scholarships for studying abroad could be improved by awarding such scholarships in close co-operation with the manpower division of the CPO.

(j) To summarize, these measures call for a highly capable and resourceful administration, flexible under external economic pressure but firm under internal political pressures. If these conditions are not fulfilled, the country will either exhaust its foreign exchange reserves or see the external value of its currency reduced.

11. From the international administrative point of view, this leads us to the conclusion that the high-income countries and the various inter-governmental sources of capital have first of all to find ways and means to help the exporters of primary commodities to overcome difficulties with the short-term balance of payments. The only feasible short-run solution in the international sphere would be the increase of "stand-by" credits of the International Monetary Fund. Under the given international conditions the Fund is used for development planning in low-income countries and is as important as the International Bank for Reconstruction and Development (IBRD). As long as there is the willingness to see that low-income countries are compensated ex post facto for losses suffered, this is the only solution we can expect in the next few years. This does not imply opposition to devising a new philosophy for international aid, which at present often takes the form of emergency short-term assistance after a crisis has developed; but as long as this philosophy does not exist, well-organized short-term assistance is the only thing we can hope for.

ANNEXES

Annex I

Agenda of the meeting

Morning session: 9:30 a.m. to 1 p.m.

Afternoon session: 3 p.m. to 5:30 p.m.

Monday, 8 June

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|------------|---------|--|
| 9:30 a.m. | -----1. | Registration |
| 11 a.m. | -----2. | Election of officers |
| 11:30 a.m. | -----3. | Formal opening |
| 3 p.m. | -----4. | Adoption of agenda |
| | 5. | Organization of the meeting |
| | 6. | Presentation of Report of Preliminary Study
by Prof. Michel Debeauvais, Institut d'Etude
du Développement Economique et Social,
Paris, France |
| | 7. | Opening of discussion on Report of
Preliminary Study |

Tuesday, 9 June

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| 9:30 a.m. | -----8. | Discussion on Report of Preliminary Study -
Part I: "Central Planning Organization" |
| 3 p.m. | -----9. | Discussion on Report of Preliminary Study -
Part II: "Formulation of the Plan" |

Wednesday, 10 June

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| 9:30 a.m. | -----10. | Discussion on Report of Preliminary Study -
Part III: "Execution of the Plan" |
| 3 p.m. | -----11. | Discussion on Report of Preliminary Study -
Part IV: "Evaluation of Results" |

Thursday, 11 June

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| 9:30 a.m. | -----12. | Discussion Paper One - "Certain Aspects of
Planning as an Effective Tool for Social
and Economic Development" by Gerhard Colm,
Chief Economist, National Planning
Association, Washington, D.C., United
States of America |
|-----------|----------|--|

Thursday, 11 June

3 p.m. -----13. Discussion Paper Two - "Integration of Social and Economic Objectives in Development Planning" by D.F. Pearl, Commonwealth Development Finance Company, Ltd., London, England

Friday, 12 June

9:30 a.m. -----14. Discussion Paper Three - "Interrelation of Public and Private Sectors in Development Planning" by B. Cazes, Chargé de Mission au Commissariat Général du Plan, France

3 p.m. -----15. Discussion Paper Three (continued)

Monday, 15 June

9:30 a.m. -----16. Discussion Paper Four - "Impact of Foreign Aid and Foreign Trade on Machinery for National Planning" by Egbert de Vries, Director, Institute of Social Studies, The Hague, and L. Zimmerman, Dean of Programming, Institute of Social Studies, The Hague, Netherlands

3 p.m. -----17. Discussion Paper Four (continued)

Tuesday, 16 June

9:30 a.m. -----18. Discussion Paper Five - "Planning and Administration in Urban Areas" by Lyle C. Fitch, President, Institute of Public Administration, New York, United States of America

3 p.m. -----19. Discussion Paper Five (continued)

Wednesday, 17 June

9:30 a.m. -----20. Visits to planning and research institutes

3 p.m. -----21. Free

Thursday, 18 June

9:30 a.m. -----22. Presentation of draft report of meeting by the rapporteur

3 p.m. -----23. Discussion of draft report

Friday, 19 June

9:30 a.m. -----24. Discussion of draft report, conclusions and recommendations; adoption of report

Annex II

Summaries of opening statements

1. Statement by Mr. Philippe de Seynes, Under-Secretary of the Department of Economic and Social Affairs, United Nations

On behalf of the Secretary-General, Mr. de Seynes thanked all the participants at the meeting who had agreed to prepare very valuable working papers, in spite of their heavy commitments. He pointed out that planning is now generally considered a necessity in many countries, whereas it had at first led to doubts and hesitations and subsequent controversies within various national and international bodies.

All external assistance programmes, whatever their character, are directly involved with national planning. Such is the case, for instance, with the assistance granted by the Alliance for Progress, and by the various consortiums set up in different parts of the world. Such is the case, though to a lesser degree, with the technical assistance given by the United Nations.

Mr. de Seynes emphasized the usefulness of the Experts' Meeting: the development programmes drawn up by the different States cannot be effectively implemented without a solid administrative structure. Planning consists not only in drawing up plans, but also in providing the machinery for putting them into effect. Over two-thirds of the developing countries have drawn up plans, but there is danger of their losing interest in expanding them or even taking action on them unless the administrative machinery for implementing these plans exists.

Mr. de Seynes expressed his warmest wishes for the success of the Experts' Meeting.

2. Statement by Mr. Pierre Massé, Commissaire Général du Plan, France

Mr. Pierre Massé also stressed the importance of the administrative aspects of planning.

A plan is not merely an instrument providing for the optimum allocation of resources. It is, above all, a coherent project drafted jointly by technicians, administrators, heads of enterprises and trade union representatives after discussions in which a mutual understanding is reached.

Planning is a practice rather than a doctrine. In this context, Mr. Massé spoke of France's experience in this field, which he quoted purely as an example, and not as a model.

The main features of the French plan are retained from the plan conceived eighteen years ago by Mr. Jean Monnet, namely:

- (a) Employment of a very small permanent staff (fifty chargés de mission);
- (b) Extensive contacts with the outside;
- (c) Empiricism.

The plan, above all, provides a meeting place where all those participating can express their views with complete freedom. The Commissariat au Plan has no power to make decisions, but is solely responsible for presenting the information to the political authorities and advising them concerning their decisions. There is no danger, therefore, of the plan's encroaching on the prerogatives of the ministries concerned. Though attached to the Présidence du Conseil, it still retains very close links with the Ministry of Finance, an arrangement which is essential for implementing the plan.

In view of the fact that its permanent staff is small, the Commissariat au Plan has to enlist outside assistance. This is obtained from the staff of the Modernization Commissions, of which there are now twenty-five: twenty so-called "vertical" commissions (sectoral) and five "horizontal" commissions (whose job is to study problems of balance inherent in the various sectors of activity).

These commissions are composed of officials, heads of enterprises, representatives of employers' associations, representatives of workers' associations and experts. Their members serve in a personal capacity and not as representatives of their organizations. The purpose of the Modernization Commission is to work out, through discussion, a general view of prospects for the future evolution of the relevant sectors and thus facilitate co-operation between the administration and the enterprises.

Mr. Massé announced that some changes were recently made in the elaboration of the Fifth French Plan. It is more "strategic" in character than the preceding ones, since it contains indicators intended to lead to the prompt adoption of compensatory measures. More attention is now paid to regional planning, though sectoral objectives continue to be the predominant feature in the structure of the plan. Moreover, planning is becoming more democratic, in that consultation with the Parliament is carried on continually from the time that general trends are established to the final stage of approving the plan.

3. Statement by Mr. André Bertrand, Director, Department of Social Sciences, UNESCO

Mr. Bertrand welcomed all the participants on behalf of UNESCO and the Director-General, Mr. René Maheu. The presence of Mr. Pierre Massé and Mr. Philippe de Seynes was proof, he said, of the importance that Governments and international organizations attach to the exchange of ideas, experience and research on planning, which is now regarded as an essential tool for economic growth. He stressed the importance of rationalization, albeit tinged with empiricism, represented by a plan, and emphasized that there could be no efficient planning without solid, relatively centralized administrative structures or without a staff of officials and technicians.

The connexion between planning and public administration cannot be too strongly emphasized. UNESCO, Mr. Bertrand said, is concerned with public administration on two counts. First, it is invested with a general working capacity in the field of public administration, which is considered to be one of the disciplines of the social sciences. It is in this capacity, for example, that the Organization, under the terms of an agreement reached recently with the Moroccan Government, has just helped in the creation of an African Centre for Administrative Training and Research for Development in Tangiers, which will devote the major portion of its activities to research on development planning and the administrative aspects of development as they appear in Africa today. Second, UNESCO exercises special authority in regard to administrative problems pertaining to public organizations in charge of education, information, cultural activities and scientific or technological development. It is concerned, therefore, with the administrative aspects of educational planning, which could not be effective unless integrated into the process of over-all planning.

Annex III

List of participants and observers

<u>Country or Organization</u>	<u>Name and Function</u>
Chile	Mr. H. Diaz General Manager Development Corporation of Chile Mr. E. Boeninger Assistant Director National Office of the Budget, Chile
India	Mr. K. Mitra Chief, Programme Administration Division Planning Commission, India
Israel	Mr. Y. Saphir Director, Technical Assistance Department Prime Minister's Office, Israel Mr. B. Toren, Director Industrial Planning Department Ministry of Commerce and Industry, Israel
Malaysia	Mr. Thong Yaw Hong Under-Secretary, Economic Planning Unit Prime Minister's Department, Malaysia
Mali	Mr. D. Sylla Directeur du Cabinet du Ministre du Plan, Mali
Nigeria	Mr. S.B. Akande Acting Deputy Permanent Secretary Federal Ministry of Economic Planning Nigeria Mr. E.O. Iwuagwu Acting Senior Assistant Secretary Economic Planning Unit, Nigeria
Pakistan	Mr. M. Hassan Joint Secretary Planning Division President's Secretariat, Pakistan
Tunisia	Mr. S. Bahroun Director Finance and Programming Ministry of Planning, Tunisia
Yugoslavia	Mr. V.M. Stipetić Associate Professor of Economics Zagreb University, and Chairman of the Republic of Croatia, Yugoslavia

Country or OrganizationName and Function

ILO	Mr. F. Pauket Economic Division International Labour Organisation
FAO	Mr. V.W. Bruce, Chief Organization of Agricultural Services Branch Food and Agriculture Organization
UNESCO	Mr. A. Bertrand, Director Department of Social Sciences United Nations Education, Scientific and Cultural Organization Mr. E. Ewers, Chief Planning and Administration of Education Mr. W. Zyss Department of Social Sciences
WHO	Mr. V.Z. Tabona, Chief Programme Formulation and Development World Health Organization
IBRD	Mr. A. Waterston International Bank for Reconstruction and Development
IIAS	Mr. H. Emmerich, President International Institute of Administrative Sciences Mr. Charles Ascher International Institute of Administrative Sciences
IIEP	Mr. R.F. Lyons Senior Staff Member International Institute for Educational Planning Mr. A.C.R. Wheeler Research Assistant International Institute for Educational Planning
OECD	Mr. R. Buron, President Development Centre Organization for Economic Co-operation and Development Mr. R. Grégoire Development Centre Mlle. F. Mansur Development Centre Mr. L.R. Dartin Technical Co-operation Branch Development Department

Country or Organization

Name and Function

Consultants

Mr. B. Cazes
Chargé de Mission
Commissariat Général du Plan, France

Mr. Gerhard Colm, Chief Economist
National Planning Association
Washington, D.C., United States
of America

Mr. L.C. Fitch, President
Institute of Public Administration
New York, New York, United States
of America

Mr. M. Debeauvais, Directeur
Institut d'Etude du Développement
Economique et Social (IEDES)
Paris, France

Mr. P. Juvigny
Public Administration Consultant
Paris, France

Mr. D.F. Pearl
Commonwealth Development Finance
Company, Ltd., London, England

Mr. L. Zimmerman
Dean of Programming
Institute of Social Studies
The Hague, Netherlands

United Nations Staff

Mr. K. Adusei-Poku
Organization and Methods Section
Division for Public Administration
United Nations Secretariat

Mr. A. Attir, Chief
Organization and Methods Section
Division for Public Administration
United Nations Secretariat

Mr. E.P. Laberge
Regional Adviser in Public Administration
Economic Commission for Africa
Addis Ababa, Ethiopia

Observers

Mr. Anegai
Institut d'Etude du Développement
Economique et Social
Paris, France

Mrs. C. Bertrand
Institut d'Etude du Développement
Economique et Social
Paris, France

Mr. Jean-Jacques Bonnaud
Chargé de Mission
Commissariat Général du Plan
Paris, France

Mr. C. Bonnefoy
Staff Member, European Office
Chilean Development Corporation

Mr. Dominique Brandt
Administrateur Civil
Ministère des Finances et
des Affaires Economiques
Paris, France

Mr. G. Martínez-Cabañas
Director
Institute of Public Administration
Mexico

Miss M. Rivera
Institut d'Etude du Développement
Economique et Social
Paris, France

Mr. P. Torres
Institut d'Etude du Développement
Economique et Social
Paris, France

Annex IV

List of documents presented

A. Report of the Preliminary Study by Professors François Perroux and Michel Debeauvais, Institut d'Étude du Développement Economique et Social:

1. "Administrative Aspects of Planning in Developing Countries", with the following Annexes:

- I Annotated bibliography
- II Administration of planning in Chile
- III Administration of planning in Colombia
- IV Administration of planning in Ghana
- V Administration of planning in India
- VI Administration of planning in Malaysia
- VII Administration of planning in Mali
- VIII Administration of planning in Mexico
- IX Administration of planning in Nigeria
- X Administration of planning in Senegal
- XI Administration of planning in Sudan
- XII Administration of planning in Tunisia
- XIII Administration of planning in Yugoslavia

2. "Administrative Aspects of Social Planning"

B. Special discussion papers presented by expert consultants:

1. "Certain Aspects of Planning as a Tool for Social and Economic Development", by Gerhard Colm, Chief Economist, National Planning Association, Washington, D.C., United States of America.

2. "Integration of Social and Economic Objectives in National Planning", by D.F. Pearl, Commonwealth Development Finance Company, Ltd., London, England.

3. "Interrelation of Public and Private Sectors in Development Planning", by Bernard Cazes, Chargé de Mission au Commissariat Général du Plan, France.

4. "Impact of Foreign Aid and Foreign Trade on the Machinery for National Development Planning", by Egbert de Vries, Director, and M.L. Zimmerman, Dean of Programming, Institute of Social Studies, The Hague, Netherlands.

5. "Planning and Administration in Urban Areas", by Lyle C. Fitch, President, Institute of Public Administration, New York, New York, United States of America.

C. Background information papers presented by national participants and United Nations specialized agencies:

1. Administrative Aspects of Development Planning in Israel, by David Kochav, Director, Economic Planning Authority, Israel.
2. Some Remarks on Programme Implementation, by B. Toren, Director, Industrial Planning Department, Ministry of Commerce and Industry, Israel.
3. Effective Use of Technical Assistance, by Y. Saphir, Director, Technical Assistance Department, Israel.
4. The Experience of Pakistan in the Administrative Aspects of Development Planning, by Mahdi Hassan, Joint Secretary, Planning Division, Government of Pakistan.
5. National Development Planning in Poland, by Ignacy Sachs, Director, Centre of Research on Under-Developed Economies, Warsaw, Poland.
6. The Administration of Planning in Yugoslavia, by V. Stipetić, Chairman, Economic Council of the Republic of Croatia, Yugoslavia.
7. Interdependence of Planning of Highly Qualified Manpower and Economic Planning, by the International Labour Organisation.
8. Machinery for Agricultural Development Planning, by the Food and Agriculture Organization.
9. Education and Development, by H.M. Phillips, United Nations Educational, Scientific and Cultural Organization.
10. Economic and Social Aspects of the Planning of Education, by H.M. Phillips, United Nations Educational, Scientific and Cultural Organization.
11. National Health Planning with Some Observations on the Relation to Economic Development, by the World Health Organization.

