

**REPORT OF THE TWENTY-SECOND GROUP TRAINING COURSE
IN NATIONAL GOVERNMENT ADMINISTRATION**

(The Fiscal Year of 1989)

June 23, 1989

Japan International Cooperation Agency

National Personnel Authority

Japan Institute of Personnel Administration

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I. TRAINING PROGRAMME

I. TRAINING PROGRAMME

1. Preface

This training course is organized by the Japanese Government as a part of its Technical Cooperation Programmes for developing countries.

This course is conducted by the National Personnel Authority and the Japan International Cooperation Agency (JICA) in collaboration with the ministries and agencies concerned.

2. Purpose

Rationale;

In the present world, one of the main functions of the national government is to promote the socio-economic development of the country.

For this purpose, it is very important and indispensable to elevate the professional level of government officers who play the key roles in the implementation of public administration.

Therefore to provide the training course of elevating the professional level is useful not only to participating countries but also to the harmonious development of the world.

Aims;

The purpose of the training course is primarily intended to provide participants with the fundamental knowledge and skill of administration in order to contribute to the modernization of the public administration of the participating countries.

Objectives;

In line with the above, the participants are expected to:

- 1) comprehend the process and problems of public administration and policies in modernization of the country;
- 2) make a comparative study on the public administration and roles of public administrators among the participating countries;
- 3) comprehend the principles of the public administration management and the civil service system;
- 4) comprehend the fundamental problems to build modern economic society.

3. Duration

From May 8 (Monday) to June 23 (Friday), 1989 (7 weeks).

4. Administering Agencies

- (1) Japan International Cooperation Agency
International Training Centres Division
Training Affairs Department
P.O. Box 216, Shinjuku Mitsui Bldg.,
1-1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo, 163 Japan
Tel.: (03) 346-5167
Cable Address: JICAHDQ TOKYO
Telex: J22271

- (2) National Personnel Authority
1-2, Kasumigaseki 2-chome, Chiyoda-ku, Tokyo, 100 Japan
Tel.: (03) 581-5311

(3) Japan Institute of Personnel Administration
TBR 923, Syuwa-Kioicho Bldg.,
5-7, Koji-machi, Chiyoda-ku, Tokyo, 102 Japan

(4) The ministries and agencies concerned

5. Training Institution and Facility

Planning Office;

Institute of Public Administration
National Personnel Authority
3131, Miyadera, Iruma City, Saitama Prefecture, 358 Japan
Tel.: (0429) 34-1291

National Personnel Authority (N.P.A.) of Japanese Government was established in compliance with the National Public Service Law. It has been entrusted with the missions to ensure just and fair operation of personnel management for national public service.

It is responsible for recruitment, compensation, equity, employee relations, training and efficiency, etc.

Institute of Public Administration (I.P.A.) of N.P.A. conducts administrative training with the aim of equipping high-level administrative capacity to promising administrators of Japanese government.

Main Training Facility;

Tokyo International Centre Ichigaya, JICA
20-5, Honmura-cho, Ichigaya, Shinjuku-ku, Tokyo, 162 Japan
Tel.: Tokyo (03) 269-2911

Accommodation;

Tokyo International Centre Ichigaya, JICA
20-5, Honmura-cho, Ichigaya, Shinjuku-ku, Tokyo, 162 Japan
Tel.: Tokyo (03) 269-2911

6. Qualifications of Applicants

Applicants should:

- (1) be nominated by their government in accordance with the prescribed procedures,
- (2) be a government officer promising to be a senior staff in the national government,
- (3) be graduated from the university or college in business administration, public administration or other social science,
- (4) have professional working experiences more than five years, at least two years in national government or an international organization,
- (5) have a sufficient command of spoken and written English,
- (6) be not less than twenty-five (25), and not more than thirty-five (35) years of age,
- (7) be in good health, both physically and mentally, to undergo the training. Pregnancy is regarded as a disqualifying condition for participation in the training.

7. Allowances and Expenses

The government of Japan bears the following in accordance with JICA rules and regulations:

- (1) Return air-ticket (normal economy fare) between the international airport designated by JICA and Tokyo.
- (2) An allowance of ¥3,900 per day and other allowances for outfit, books and literature-transportation in addition to free accommodation and breakfast at JICA Training Centers.
- (3) Medical charges for participants who may become ill after arrival in Japan.
- (4) Expenses for study tours.

8. Participants

11 persons from Brazil, Egypt, Indonesia, Iran, Malaysia, Nigeria, Peru, Philippines, Sudan, Thailand and Turkey.

9. Language

The course is conducted in English.

10. Study Hours

10:00 a.m. to 12:30 a.m. (including a recess of 10 minutes)

(lunch time of one and a half hours)

2:00 p.m. to 4:30 p.m. (including a recess of 10 minutes)

11. Units of Instruction Hours

Total is 74 units (2 units per day -- 10 units per week, from Monday to Friday for 7 weeks).

12. Schedule of the Course

Schedule is announced at the beginning of the course.

13. Lectures and Seminars

Lectures are generally conducted in the form of lecture-forum. Seminars are conducted according to the instruction.

14. Lecturers

The names of the scheduled lecturers are announced at the beginning of the course.

15. Prior Preparation and Submission of Reports and Data

(1) Country Report

In order to enhance the effectiveness of the training, the participants are requested to write out summary reports on the following two (2) themes, which will be used in the seminars on "Comparative Study" as well as in other studies of the course. Each report should be typewritten in accordance with the attached form and submitted to the Embassy of Japan (or JICA office) together with the Nomination Form.

The First Theme;

Each participant is requested to make 50 minutes presentation of his/her country report including 20 minutes discussion at the seminar (comparative study on National Government).

The organization, functions and roles of the National Government of the participating country.

Sub-headings suggested for the First Theme;

- 1) Historical background of National Structure
- 2) Legislative, Executive and Judicial Branches of the Government
- 3) Relationship between central and local government
- 4) Policy making and legislation process, and budgeting
- 5) Management systems of government resources (manpower, budget, office equipments)
- 6) Any other items of your interest in public administration

The report should be attached with the organization chart of your whole government and a detailed organization chart in which you work.

The Second Theme;

Present state of economic and social development in the participating country.

In this report, it is advisable to cover most recent published data on the following social development-related issues as much as possible;

- 1) gross national products (in U.S. dollar),
- 2) total amount of national budget,
- 3) social welfare expenditure,
- 4) international balance of payments,
- 5) population size, growth and structure,
- 6) birth rate, death rate, infant mortality and life expectancy,
- 7) school enrollment, educational attainment and literacy,
- 8) housing and consumption of water supply and electricity,

- 9) health and nutrition,
- 10) employment,
- 11) income distribution.

(2) Preparation of Other Materials

To facilitate group discussion during the training course, it is desirable for the participant to bring with him/her a copy of the most recent statistical yearbook (or summary) and official documents (or summary) describing the current state of his/her country.

16. Certificate

A participant who has successfully completed the course is awarded a certificate by JICA and I.P.A.

THE OUTLINE OF THE CURRICULUM FOR
THE GROUP TRAINING COURSE IN
NATIONAL GOVERNMENT ADMINISTRATION

Part 1. Modernization Problems (4 Units)

Goals

- (1) Study the meaning and process of modernization in Japan and examine the concurrent problems.
- (2) Study the meaning and process of modernization in the participating countries.

Methods

This part is conducted by means of lecture-discussion.

Part 2. Comparative Study on the National Government
of the Participating Countries (9 Units)

Goals

- (1) Acquire general knowledge on modern government systems.
- (2) Comprehend the functions and roles of the National Government through comparative study of the National Government in the participating countries.

Methods

This part is conducted by means of lecture-discussion and seminars with presentations of country reports and discussion concerning them.

Part 3. Public Administration and Civil Service System
(8 Units)

Goals

- (1) Comprehend the roles of public administration in policy making and study problems arising in the process of implementation of that policy.
- (2) Understand the principles of modern administrative management and civil service system.

Methods

This part is conducted by means of lecture-discussion.

Part 4. Policies for the Economic and Social Development
(14 Units)

Goals

- (1) Comprehend the principles and problems concerning some governmental policies in such fields as economics and industry.
- (2) Comprehend the problems of population, labor force, social welfare and study the problems of social development.
- (3) Comprehend the problems of the project planning of regional development.

Methods

This part is conducted by means of lecture-discussion and seminars.

Part 5. Actual Implementation of Departmental Administration and
Attachment to Relevant Ministry Offices (4 Units)

Goals

Comprehend the actual implementation of administration in some ministries through an on-the-spot study.

Methods

The participant, according to his/her interested subjects in the departmental administration, is to be dispatched to the ministries concerned. The participant is to make an on-the-spot study on theme at the aforementioned ministries.

The participant is to submit a report on the results of his/her research and study within 10 sheets of typewriting paper.

Part 6. Study Tours

Goals

Deepen their understanding about Japan by visiting governmental and public facilities, cultural properties, plants and institutions of private industries.

(1) Governmental and public facilities

Observation trips to local government offices and/or local branch offices of central government assist to deepen their comprehension about the actual implementation administration.

(2) Development area

Observation trip to the spot where regional development project

is undergoing to study the actual state of the socio-economic development.

(3) Cultural properties and industrial works

Observation trips to historical places, plants and institutions of private enterprises assist to understand the background of the modernization of Japan and experience the actual state of Japan.

Methods

For the above purpose, observation trips to Hiroshima, Kyoto and other places around Tokyo Metropolitan areas are organized at the expense of JICA.

II. OPENING MEETING

WELCOME ADDRESS FOR 22ND GROUP TRAINING COURSE
IN NATIONAL GOVERNMENT ADMINISTRATION
GIVEN BY MR. JIRO OSHIRO, DIRECTOR GENERAL,
INSTITUTE OF PUBLIC ADMINISTRATION,
NATIONAL PERSONNEL AUTHORITY

ON MAY 15, 1989

Dear participants,
Honorable guests,
Ladies and gentlemen:

It is a great pleasure and honor for me to give a few words at this opening ceremony of the 22nd Group Training Course in the National Public Administration. On behalf of the Government of Japan, I would like to extend our hearty welcome to each participant from eleven different countries. At the same time, I wish to express our sincere gratitude to the participating States, Japan International Cooperation Agency and all others concerned, for their large contributions and kind cooperations to this course.

We founded this Group Training Course in 1968 with the aim of introducing participants to modern public administration. Since then, we have been making every effort to develop and improve this course. As a result, this course has been successful with 305 participants from 42 different countries of the world. We are sure all these participants have contributed very much to the development of administration and international cooperation.

For the programme of this year, we designed the curriculum to study Modernization Problems, Comparative Studies on the National Government, Public Administration and Civil Service and Policies for the Economic and Social Development. These are all important problems for developing countries and detailed comparative studies will contribute largely to the development of participating states. In order to enable you to comprehend

the actual state of our government administration, we arranged on-the-spot study in some ministries. In addition, study tours will provide you with valuable information and experiences through your visits to public facilities, plants and institutions of private industries or cultural properties.

On this special occasion of your visit to our country, I hope you will have the opportunity to see the actual state of affairs in our entire society with your own eyes. I can point out some of notable features of Japanese society, such as equality and competition. For example, educational opportunities are open to everyone on an equal basis in our country. That's why there is so much competition as to ensure high level of education. The competition is tough even after a person goes into business. The competition between companies is also very keen. Therefore, manufacturers are constantly working to produce high quality industrial products and improve technical standards, ahead of the competitors. I believe you can probably find the origin of vitality of our society in these circumstances. In this context, I wish you will get thoroughly acquainted with our people and society by making the best of this opportunity.

In concluding my address, I wish all of you will be successful in this course and have a comfortable stay in our country.

Thank you very much.

OPENING ADDRESS OF
NATIONAL GOVERNMENT ADMINISTRATION COURSE IN 1989

by Yoshiya Ikeda,
Managing Director of Tokyo International Centre Ichigaya, JICA
on May 15, 1989

Mr. Ohshiro and officials of the National Personnel Authority and its organizations, Dear Participants, Ladies and Gentlemen;

I'm pleased to have a chance to say a few words on behalf of the Japan International Cooperation Agency on this occasion of the opening ceremony of the Course in National Government Administration in 1989.

As Mr. Ohshiro mentioned, this course is well known as one of the representative training programmes among 250 courses and seminars being operated by JICA. Indeed, the training programme is conducted in a manner of seminar-type training where Japan's experiences of national government administration, past and present, are presented and compared with the cases of the participating countries. By this case study and comparative study employed, the participants are guided to obtain ideas and hints to be used for the betterment of the national government administration in the participants' countries.

Next, I'd like to say that the course has been operated very successfully with continuous cooperation extended by the National Personnel Authorities and its organizations in the past more than 20 years. I should say, the success of this training programme couldn't be ensured without their constant cooperation. Therefore, we're grateful to NPR and its organizations.

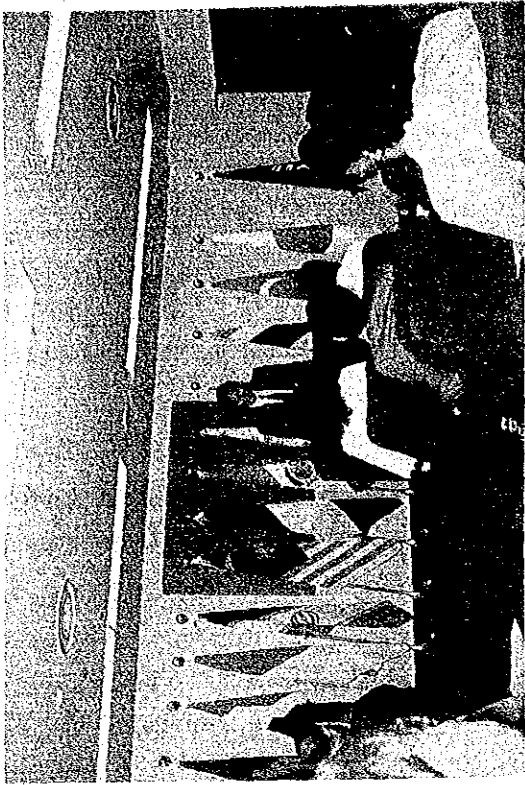
Ladies and gentlemen, in closing my welcome speech, let me wish you all the participants an interesting and yet useful training, and, I hope you will stay in good health.

Thank you all.

Opening Meeting



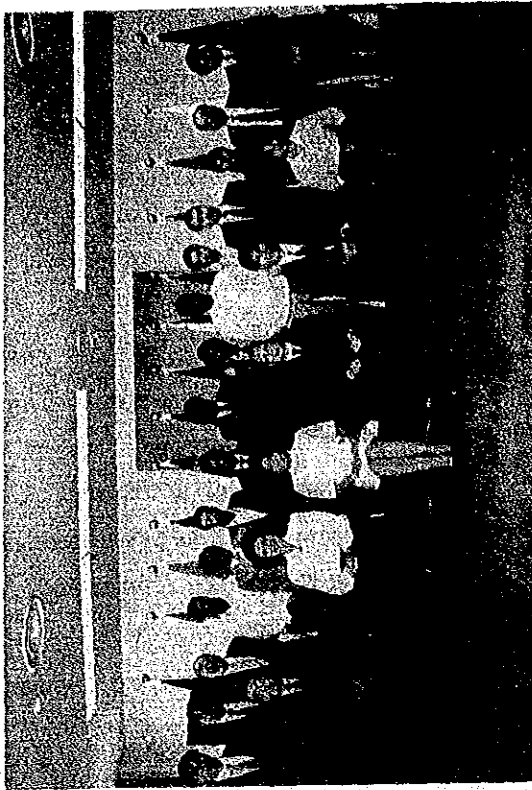
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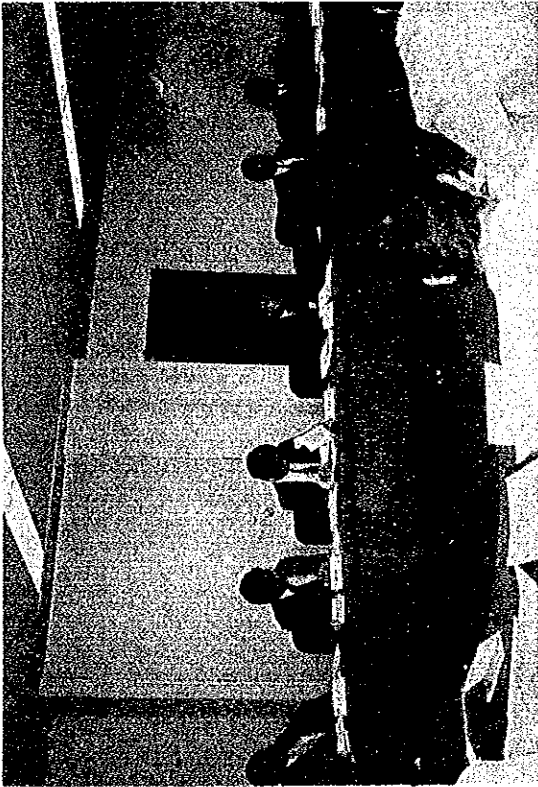


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1-3 Opening Ceremony
4 Members of Participants



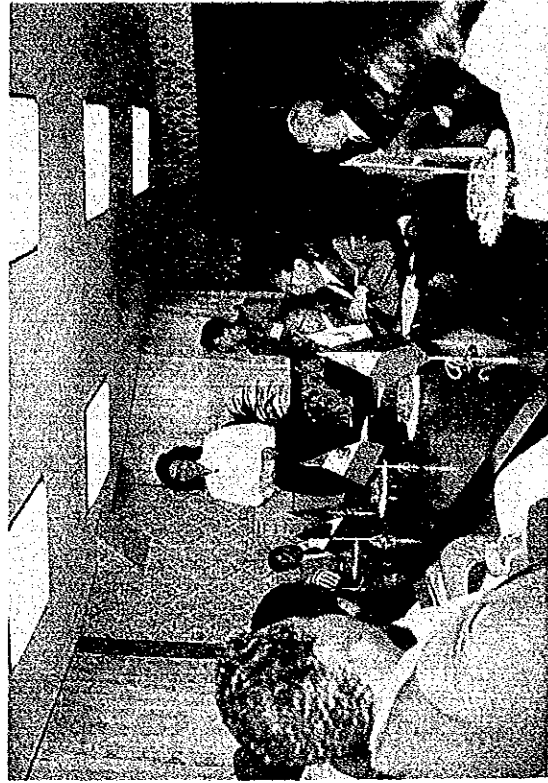
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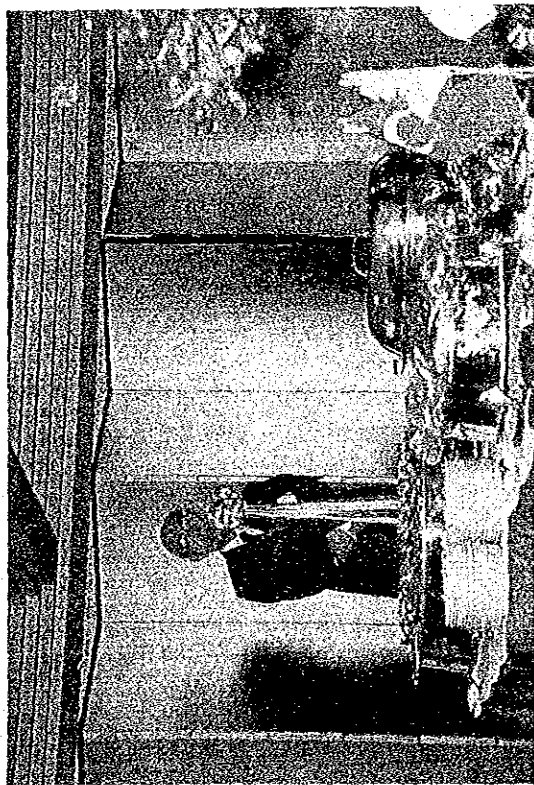


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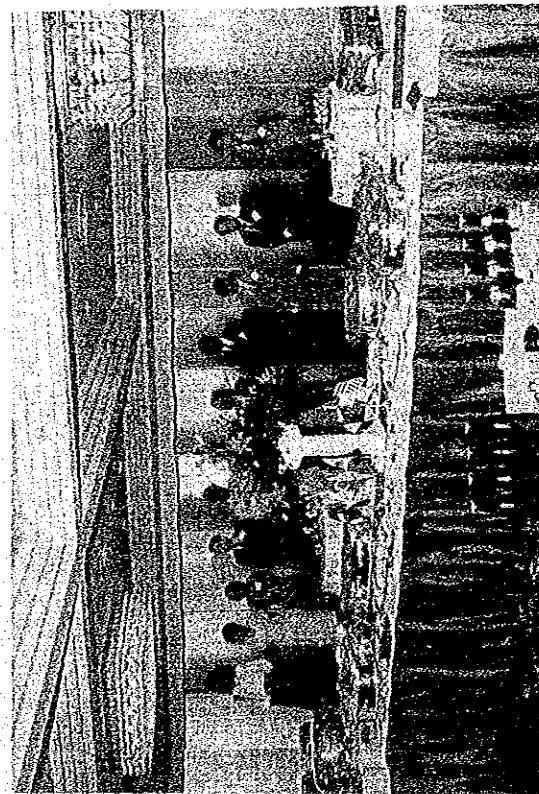
5-6 Orientation by N.P.A.
7-8 Courtesy Call at N.P.A.



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9-12 Reception by N.P.A.



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16

13-16 Reception by N.P.A.

III. REPORTS OF SEMINARS

PROCEEDINGS OF SEMINARS

Seminar I.

1. Subject:

Comparative Study on National Government of the Participating Countries

2. Purpose:

To enable the participants to understand the organization, functions and roles of the National Government of the participating countries (the first theme) on the basis of comparative study and clearly recognize the differences in their functions and roles as viewed from their basic principles.

Each participant, based on his/her Country Report, expresses his/her opinion one by one on the general affairs of the nation, and the organization, functions and the roles of the central government of his/her country for 20 to 30 minutes. Discussion is carried out by answering the questions from the participants and the lecturer (Prof. Ito), as well as exchanging opinions among the group. In closing the lecturer adds comments on the whole discussion.

Apart from that, after presentation of the country reports was over, Prof. Ito put forth two questions in connection with what he had touched upon in his lecture "Principles of Governmental System." One question is "some serious forms that administrative waste takes, and possible countermeasures against them." The other is "the effectiveness and costs of some important methods of state intervention in the economy." The participants were asked to write a brief report in way of answer to the questions.

Seminar II.

1. Subject:

Problems of Social and Economic Development

2. Purpose:

To enable the participants to understand present state of industrialization, economic and social development in the participating countries (the second theme) on the basis of comparative study and to identify problem areas the National Government of participating countries are currently facing with.

Prof. Ogawa, the lecturer of the Seminar, pointed out that education is one of the most essential factors for development, and a consensus was reached to adopt education as the theme for exploration.

Under the chairmanship of Mr. Mohd. Idris Bin Salim assisted by Ms. Leonor S. Villalon and Mr. Ashrafologalae Ahmad Reza, and guided by Prof. Ogawa, the participants discussed the theme, based on the analysis of the data provided for each country. The discussions were followed by presentation of recommendations by each participant for improvement of education in his/her country. Afterwards, each summarized his/her views, opinions, and recommendations in writing, which were put together into a group report "Education System in Selected Developing Countries."

A BRIEF REPORT ON TWO QUESTIONS PUT FORTH BY PROFESSOR ITO

Miriam Schlatter
Rosemberg
(Brazil)

First Question: Some serious forms that administrative waste takes, and possible countermeasures against them

Although it is truth that bureaucracy is "the core of modern organization", we can verify that the bureaucratic organization brings some problems when it is not adequately carried out.

Among these problems that are responsible for administrative waste, we can name:

1.1 Lack of Continuity

Large sums of money and a lot of work of civil servants are wasted due to the discontinuity in the government caused by constant change in higher positions. Each time when there are elections in the State's Government all the chiefs change because their posts are provided through the confidence system. That means that the new Governor and his Secretaries can nominate all servants that occupy common posts. This procedure interrupts a lot of programs that are being developed turning them useless.

This situation could cause less damage to the government if civil servants could access chief posts until a determinate level through promotion (merit system) avoiding favoritism and political appointments.

1.2 Lack of Policies

It was also said that the core of the functioning of modern government may be found in the making and implementing of policies and policy was defined as a set of the objective - the desired state of affairs and the means to materialize it.

In our State we have lack of policies or the wrong kind of policies in many sectors. So a lot of mistakes occur as far as important things are incorrectly done or are not done at all.

As an example we can mention that the absence of appropriate criteria for determining the pay level in the public sector causes a lot of strikes that interrupt various kinds of essential services to the community. As an example we can refer that last year classes in public schools were interrupted for two months, and children had to stay all that time at home, causing troubles to their education.

To establish rules for appropriate revision of salaries, including the principle of balancing the level of compensation in the public sector with that in the private sector could solve the problems of the lack of compensation policies.

It is also important to relate that the salary structure of State's public administration reflects the high income concentration that occurs in our country and that there are not economic compensation criteria.

As a general characteristic we can say that the majority of state public civil servants receive low salaries and a minority of them have high salaries. The discrepancy of salaries may be also verified in the big gap that occurs between the lowest salary and the highest which exceeds 50 times the first grade.

So we can verify that the lack of personnel practices and policies and the low salary scale for public employees result on a very distorted salary situation where people who do the same work receive different salaries.

Solution to this problem is very difficult to be found because salaries can not be decreased and, on the other hand, equalization would be impossible to afford.

Maybe we could try to reduce the number of civil servants to make possible a better distribution of the compensation budget.

1.3 Excess of Manpower

In 1969 the civil servants of the Executive power in Rio Grande do Sul State (Brazil) represented 1.65% of state's population. In 1987 this participation increased to 2.15%.

People	1969	1987	Increase
Civil Servants (RGS)	109,899	180,228	63.99%
State's Population (RGS)	6,664,000	8,370,000	25.60%

This fact was due to many reasons such as nepotism and paying of political debts.

This problem is very difficult to solve because it is not easy to dismiss these servants which are protected by personnel laws and regulations.

The first measure to hold the increase of personnel is to control very strongly and establish rules to the recruitment.

Maybe we could also use a policy of incentives to servants who voluntarily choose to abandon public service.

Second question: The effectiveness and costs of some important methods of state intervention in the economy:

2.1 Control of Inflation Rate

Administrative guidance is very necessary in developing countries when a very big score has to be achieved, even if the guidance pursues an objective recognized to be beneficial to the country but costly to some segments of the society.

In order to refrain the inflationary process in our country several attempts have been made so that in these moments a strong administrative guidance backed by the support of public opinion was necessary.

Our most outstanding experience was the Cruzado Plan, in February 1986. Basic Characteristics: change of the monetary standard by creation of the "cruzado" currency with initial value equivalent to a thousand "cruzeiros" (cruzeiro was extinguished) ; freezing of prices and salaries and, afterwards, "salary trigger" every 20% inflation.

Consequences: uncontrolled consumption increase, producing demand inflationary pressure; shortage of products; exhaustion of exchange reserves; return of the inflationary process, reaching 249.84% during the 16 months of the cruzado plan duration. The Cruzado Plan obtained good results at the beginning. Afterwards the Government was not able to sustain the administrative guidance and the attempt failed.

2.2 Importation

In 1988, the Governmental Decree n.2433 established the so-called "New Industrial Policy" where the concept of the commercial balance maximization via imports substitution was abandoned by more liberal rules which encourage the importation of capital goods used in the export processing, through an import tax reduction up to 90%.

It meant a radical change in the National Policy of Foreign Trade where the real increase of the trade flow substitutes the intentions of exaggerated balance in the commercial balance.

A BRIEF REPORT ON TWO QUESTIONS PUT FORTH BY PROFESSOR ITO

Abd El Khalik Farouk Hassan
(Egypt)

First Question: Some serious forms that administrative waste takes and possible countermeasures against them

The most important problem which is facing the Egyptian Administration is "Underemployment", especially in public companies and public service.

According to the available data we have:

1. In public companies about 1.3 million employees, these are distributed as follow:
 - a) The productive workers (vocationers, technicals, and some of professionals etc.) about 743,000 (i.e. 57% of total employees).
 - b) The administrative staff (clerks, accounting divisions etc.) about 557,000 (i.e. 43% of total employees).
2. In governmental sectors (Ministries, Agencies, and Public Authorities and Public Services, etc.) about 1.5 millions.
3. In the local governments we have about 1.7 million most of them work in the social services (such as education and health, etc.).

The structure of position in public companies which I referred to before, means that we have "unequilibrium" in the position layout. Of course this caused damages and losses in some companies, because wages are more than work requirements.

I believe that, the nepotism had played a major role in this situation.

So, if we want seriously to restore the equilibrium and achieve more effectiveness in the productivity, we must adopt some of following procedures:

First: We must change our policy in the Agriculture fields to increase our production from wheat and other food crops (we import now food with about 4 billions US\$).

Thus we can decrease the gap between our exports and imports.

Second: Accordingly we can use the improvement in the "Balance of Payments" to increase industrial investment. I believe that we must take a suitable technology rather than higher technology to give chances for more people to work.

Third: At the same time we must stop extending urbanization in the agriculture lands and concentrate to increase land reclamation movement on condition that it should be free from any political intervention.

Second Question: The effectiveness and costs of some important methods of state intervention in the economy:

1. Education System

The Education System in Egypt, got through several stages, but we can say there are two important stages:

The first: before revolutionary movement in July 1952.

The second: after this movement through Naser's period.

The Education witnessed big push through Naser's period. According to this period, the education became compulsory in the primary stage, and without any fees.

The nationalization and confiscations of the feudalistic class's properties enabled President Naser to go far in this policy. So, the number of students increased from less than 2.2 millions in 1952 to 5.5 million of students in 1970.

And now we have about 10 million of students in all stages and all kinds of education system in Egypt.

According to this development, the costs and the governmental expenditure increased from 99 million pound (E.P) in year 1965 to 1417 million Egyptian pound in 1983, and now (1988) reached to 2 billion E.P (Equal about 800 US\$), but when the Egyptian regime followed the open door policy (ENFETAA ECTESADI) in 1974, the Egyptian government followed several procedures to raise the education fees paid by parents and made difficulties for students to join universities.

In fact, the Egyptian government wanted to encourage the private schools and transfer some national universities to private university.

Most of government expenditure in education system, is paid as salaries of an unbalanced organizational chart, 40% of the employees in the education field are clerks, store keepers etc., while teachers account for only 60%.

2. Housing

In Egypt there is a sharp crisis in housing, so the supply and demand factors couldn't make balance or equilibrium between the increasing in demand and limited supply by private sector and individuals in the country.

According to the statistical data - which was published by central agency for mobilization and statistics - the increasing in new demand every year reached 200,000 a year while the available supply by individuals and private companies didn't reach 50,000 a year throughout the past 15 years. And also, it is noticed that the private companies and individuals concentrated in hire purchase, not in fair system.

So this problem in Egypt caused instability in the social and economic structure. So there is a vital need for state intervention in this field.

This intervention, in fact, need about US\$1.5 billion every year for 10 years to come.

The Egyptian government follow new style to face this serious problem through building a new cities outside the cordon of old cities (such as Cairo, Alexandria and so on). We have now about 7 from new cities (15 May, tenth of Ramdan, Sixth of October, El Salam etc.) but some of these cities suffer from some shortage in basic services such as education services and hospitals and transportation.

We can say that there are about 2 millions of people living now in these new cities.

A BRIEF REPORT ON TWO QUESTIONS PUT FORTH BY PROFESSOR ITO

Iman Sumantri
(Indonesia)

First Question: Some serious forms that administrative waste takes and possible countermeasures against them

Indonesia as a colony of Dutch since 1602 and under Dutch rule for almost 350 years. Law and administration of Indonesia Government was adopted from Dutch.

Indonesia holds direct, universal, free and secret general election every 5 years. Every 5 years Indonesia has new Ministers and some Ministers want to take new organization for their departments.

In new organization some good position were taken by their friends. The problem that must be tackled are:

1. Disguise unemployment in some Departments and Agencies.
2. Salary of employees are too low.
3. Discipline Problem; employees must overcome it fundamentally.

The tensions and crises, we indeed continue to face hard challenges and trials. We are trying to minimize to the lowest possible level the adverse and we are trying to ensure that there will always be a bright spot leading to recovery:

1. Since 1988 Central Government secures and maintain the development movement. Some Department and Agencies did not take new employees until a bright spot leading to a recovery.

To overcome the problem of employment opportunities, we must be able to reach an adequate economic growth rate. These measures must be accompanied by a very fundamental step in terms of increasing the absorption of manpower. With such growth rate of these various

sectors, followed by the adoption of special measures such as labour intensive programs and transmigration, hopefully most of the coming additional work force could be absorbed.

2. Even at present, the state finances are still limited. However the Government tries very hard to improve constantly the well-being of civil servants and their family. An improved well-being of civil servants encourages them to concentrate their attention more on the execution of their duty, as an essential element for the creation of a clean and authoritative apparatus.

The salary hike will be 15% of the one received in December 1988. The raise is effective as of April 1st, 1989.

With such salary increase we hope that the dedication and diligence of every civil servant, as well as the working performance of the state apparatus, will also improved.

3. To lift national discipline, pioneered by the state apparatus aimed at creating a clean and authoritative government. National discipline and a clean and authoritative government are absolute prerequisites for development. Experience shows that among the nations that have been successful in their development there are a number of nations that do not possess abundant natural resources. What they possess are high-quality human resources imbued with national discipline.

In connection with improving the quality of human beings, we are attaching great attention to the efforts to lift national discipline. The national discipline that we need obviously is not an inert and static one, or a discipline that merely follows orders and rules in a purely literal fashion. What we need to secure the success of development, is a national discipline that is alive, dynamic and creative, inspired by the awareness of the noble values and goals that we have agreed upon together,. The state apparatus must become the pioneer in upholding national discipline, this reflects the fact that there is a

moral and a formal responsibility of the state apparatus, whose duty certainly is to serve the nation and the people.

Pioneering here means that the state apparatus must be the driving force to give good example by upholding discipline within its own ranks and in giving public service. Thus the state apparatus simultaneously play an active role in creating a clean and authoritative government.

Second Question: - The effectiveness and costs of some important methods of state intervention in the economy:

Indonesia has the General Pattern of Long term Development covering a period of 25 years, from Fiscal Year 1968/1969 through Fiscal Year 1993/1994, the formulation of which in the form of Five Year Development Plans.

Fourth Five Year Development Plan, from Fiscal Year 1984/1985 through Fiscal Year 1988/1989. For details of the fourth plan, the guidelines indicate that it strengthens the foundation for further economic growth, stresses industrial and agricultural projects and emphasizes improvements in the infrastructures of social services and the development of human services.

Fifth Five Year Development Plan covers from Fiscal Year 1988/1989 through Fiscal Year 1993/1994.

Priority is placed on economic development, while putting the emphasis on the agricultural and industrial sectors. The development of the agricultural sector is aimed at reinforcing self-sufficiency in food stuffs and at increasing other agricultural outputs. The development of the industrial sector is geared towards industries producing industrial machines. That have built all of them in the framework of striking a better balance in the economic structure between industry and agriculture both in terms of its share in the national production and manpower absorption.

The mobilization of sources of funds to finance development concentrate on 3 main targets which are closely linked together.

These three main target are;

First, to increase oil/gas & non gas/oil (plywood, textiles, and garments, products of the chemical industries, such as cement fertilizer, paper, tire, act.), export as one of the important sources of private savings in the form of foreign exchange.

Second, to increase Government domestic revenues, especially those derived from tax, (in the future there is no other way for us but to continue the efforts so that the consciousness to pay tax becomes part of the life and blood of our society).

Third, to increase investment by business.

We certainly still need assistance from abroad, especially assistance from the IGGI. With regard to foreign loan, the main problem is not its amount, but our ability to repay it.

Our economic situation is indeed difficult. The continuity of our national economy in general is inseparable from the recent Government policies involving;

1. Deregulation and debureaucration in the context of promoting and facilitating export & import, capital investment and economic activities in general, which basically are aimed at offering greater freedom to the private sectors in order to intensify their participation in the national economic activities.
2. To built roads linking production areas with marketing that economic relations and the movement of people, even down to the remote regions, to build dams and irrigation network to water paddy fields, to build power stations that generate factories, industries and provide homes with electricity, to build air ports and seaport, to build telecommunications network, capable of linking one town with another and even with the whole world.
3. In spirit of togetherness and economic democracy, in coming years, Indonesia must promote greater ability and role of national business enterprises to stimulate economic growth. In 1987 some private corporations (shipping) became to be private companies.
4. To raise the standard of living, the enlightenment and the more widespread and equitable well-being of the whole of the people.

Emphasis is laid on agricultural and industrial sectors. Agricultural development is aimed at consolidating self sufficiency in food stuffs and at raising the output of other agricultural products. While development of industrial sectors primarily aimed at producing export goods industries that absorb large members of manpower, industries processing agricultural produce and industries that produce industrial machinery.

5. Increasing foreign exchange earnings through oil/gas, non oil/gas export, services and tourism.
6. Our independent and active foreign policy is certainly aimed at, in the first place, securing successful national development. Our foreign policy towards the ideal of participating in the conduct of an order in the world that is based on independence, abiding peace and social justice.

We still put the priorities on the economic sector. For this reason also execution of foreign policy must be dedicated to the attainment of this national priority. Development requires a peaceful atmosphere in the world.

7. In order to continually boost non oil/gas export, we are improving our competitiveness and expanding foreign markets. Import policies are mainly aimed at fulfilling our needs for goods and service, especially capital goods, raw and supplementary materials and the technology needed for development of the various sectors and for the development of efficient domestic industry.

A BRIEF REPORT ON TWO QUESTIONS PUT FORTH BY PROFESSOR ITO

Ahmad-Reza Ashrafoloqalaei
(Iran)

In the name of Alah, the beneficent, the merciful

First Question: Some serious forms that administrative waste takes and possible countermeasures against them

In most developing countries, we witness the problems created by administrative wastes, impede the development of that country. Among them is red tape, or waste of the time needed for providing a service, that is, it takes a great deal of time -for instance- a private company receives a license from the government. The private agent should spend a lot of time in various government departments, even sometimes without desirable results. One of the reasons is that the employee in the concerned section is not familiar with his (her) duties. He (She) must consult with other colleagues or the boss first, and this takes time, simply because most of the time the boss is busy and has no time.

To solve this problem, the employee should be well trained in the concerned job. Another solution (and perhaps a good one) is the idea of "job rotation", so that the employees might not only become familiar with their task thoroughly, but also become familiar with the advancement and rapidness of the services they should provide.

Another reason for administrative waste is that some employees are displaced. That means they are not placed in the proper job, sometimes because of nepotism. This problem can be solved by a fact-finding team.

One may say that another reason is that in most of the developing countries, the employees are multi-jobbed, i.e. they work in at least two different jobs. To solve this problem, first the financial problems including inflation should be settled, so that the civil employees are satisfied with their salary and are not forced to work in several places.

Computerization as well as authorization of certain employees can be another solution to this problem. By authorization, I mean, an expert employee has the authority to make decision.

All in all, to solve such problems, a lot of time is needed and allocation of more budget should be provided.

Second Question: The effectiveness and costs of some important methods of state intervention in the economy:

As the saying goes, "necessity is the mother of invention", therefore the developing countries should restrict the imports so that the domestic industries may blossom out. To give an example, I refer to the Iraqi imposed war, during which an economic sanction and arm embargo were exerted on the Islamic republic of Iran. During this period the Iranian experts could achieve some successes in the field of producing military equipment.

In order to enhance the domestic production of various goods, the government should provide the producers with more facilities and subsidies. Tax reduction or exemption can be one way. But to achieve these aims, government are advised to privatize and at the same time control the private sectors. A problem in this case is that some private sectors may at first for example, produce or manufacture high quality goods or give good services, but after they begin to become famous, they take advantage of their fame and start producing lower quality goods. Therefore, the government is duty-bound to keep them under indirect control.

For some countries, it is recommended to shift from one-item export (e.g. oil) to other fields. To obtain this goal, the governments should encourage the domestic producers to concentrate on their own field of activity. For instance, provision of interest-free loans to the farmers and elimination of middlemen is considered as a strong support for these people. This method can also be effective in other fields.

Attraction of and absorbing foreign investors is also another method, but the government should be cautious not to give them free hand, the foreigners should not be allowed to monopolise.

Control of foreign exchange can be also another intervention on the part of the states. For instance, the exporters should undertake to bring the money (foreign exchange) back to the country in a certain period of time. If they do so, they may have some advantages, if not, they will be

fined or they will be forbidden from exporting for a certain period of time.

In conclusion, I wish to thank Mr. Prof. Ito for his kind cooperation and patience to listen and read all the participants' views and for his guidelines.

A BRIEF REPORT ON TWO QUESTIONS PUT FORTH BY PROFESSOR ITO

Mohd. Idris Bin Salim
(Malaysia)

First Question: Some serious forms that administrative waste takes, and possible countermeasures against them

Although it can be admitted that there are certain deficiencies in the Malaysian Public Administration but to give such deficiencies a national character is quite unfair. Deficiencies do occur in some organizations and in the implementation of certain functions. Such an attempt is made more difficult as specific criteria was not given. In this respect, one would assume that such an evaluation or measurement of public administration is based on the characteristics of an effective bureaucracy.

Nonetheless, looking at Malaysian Public Administration as a whole, there is a general feeling among the public at large that public sector has grown out of size in relation to its expected functions, role and contributions. At this juncture, as mentioned by Professor Ito, it may have exceeded its self-negation level. At present, employees in the public sector, represent one-sixth of the total labour force and one out of 16 of the population is a public servant. This situation exerts a strong pressure on the annual budget of the country where 65% of an organization's allocation goes to the payment of salary and allowances of its personnel. In addition, about 9% of the total budget has spent for the payment of pension of retired public servant.

It is quite natural for something that is big to be clumsy, immobile, inflexible, slow to react to changes, challenges and opportunities. As such, public sector in Malaysia is often blamed to be insensitive, rigid in its rules and procedures, inefficient, too many red-tapes and ineffective.

Therefore, since the beginning of 1980s and in line with the economic recession, the government has introduced a policy of zero growth for public sector. Under this policy, all vacant posts were either deleted or freezed

indefinitely. Recruitment into public service was also frozen. At the same time, public sector's agencies are required to introduce productivity measurement for each and every employee. A special task-force was formed to evaluate monthly reports prepared by every agency on the productivity level of their employees.

To support this effort, the government had also introduced the policy of privatisation whereby ineffective agencies or functions will be handed over to the private sector. It is commonly accepted that certain agencies and functions in public sector can be better managed if they were in the private sector. Following this realization, a master plan for privatisation was formulated and implemented in phases. The first organization to be privatised was the Department of Telecommunication. Several organizations and functions are now being studied for privatisation.

The aim of these policies is to curb the total size of public sector's personnel as well as making public administration efficient and effective.

Second Question: Effectiveness and costs of some important methods of state intervention in the economy

In the case of Malaysia, state intervention in the economy is a matter of necessity rather than optional, in order to realize its economic policy. The objective of our economic policy is national unity through the strategies of poverty eradication and restructuring of society in the context of a growing economy. There are various methods that have been introduced and can be classified into three broad areas, namely, direct intervention, partial intervention and purely as policy regulator or implementer. Notwithstanding the fact that government is actively involved in the economic activities of the country, our system of economy is one of laissez-faire. In such an environment, the functions of the state includes identification of industries to be developed, identification and selection of the best means which will rapidly develop the chosen industries and supervision of competition in the designated strategic sectors in order to guarantee their economic health and effectiveness.

As Bumiputras are relatively inexperienced in business, commercial and industrial activities, while the economic policy demands them to be aggressively shifted to these activities, the government had to introduce various measures in order to promote the growth and development, to correct productivity and other gaps among these enterprises by improving the facilities and other management resources. Towards this end, steps also must be taken by the government to rectify the disadvantages in their business activities which are caused by economic and social restrictions.

The various legislative and fiscal measures introduced include modernization of equipment & facilities, improvement of technology, rationalization of management, rectification of disadvantages in business activities, stimulating demand, proper relationships between management & labour and the securing of a sufficient labour force.

In addition, government owned companies were also formed in areas where Bumiputras are not yet ready to be involved. The ultimate objective of this effort is to provide the lead time in order to prepare Bumiputras

for such activities & subsequently these companies will be sold to those who are already capable.

All these efforts by the government to intervene in the economy have both the advantages as well as costs. Based on the 1988 budget, a total sum of 870 million ringgit (MR) or equivalent to US\$348 million was provided. Out of this, 329 MR is for the Heavy Industries Corporation, 64 MR is to PERNAS (both are Central Government's companies), 52 MR to State Economic Development Corporation which together owned more than 200 companies, 28 MR to MARA and 43 MR to Malaysian Development Bank & Malaysian Industrial Development Finance.

However, the effectiveness of these efforts is yet to be analyzed and determined. On the negative side, there are indications that such a big amount of allocation does exert pressure on the national budget. At the same time, continuous implementation of low-interest loans, various forms of subsidies and tax exemption by the government have also deter the development of creativity and the will to face new challenges among the business sector. It has also encouraged the development of protectionism culture and subsidy mentality, which is now considered as a new problem in the Malaysian economy.

A BRIEF REPORT ON TWO QUESTION PUT FORTH BY PROFESSOR ITO

B. C. Ihekire (Nigeria)

First Question: Some serious forms of administrative wastes and possible countermeasures against them

On serious problems governments face is the problem of administrative waste. In developed countries, a lot of steps have been taken to curb to a large extent some of these administrative wastes. However in the developing countries, little or no efforts are being made to curb these administrative wastes. In their bids to modernize their societies, a lot of governments of the developing countries dabble into one type of project or the other only to discover in the long run that these constitute administrative waste which result in the waste of large sums of money and which does not actually bring the development it is designed to bring. This waste take various forms and I intend to discuss a few of the forms of administrative waste below.

It is the aim of every government to provide some sort of services to her citizens. This is generally aimed at bringing certain basic amenities to the people and also to open up a lot of areas to modern techniques of living. More often than not, it has been observed that the outcome of these amenities fell short of the expectations of government. For example, a government may plan to provide health services to the rural areas. A lot of money is made available and the government awards contracts for the building of these hospitals. In many cases, some of the buildings are never completed because the government may not have enough resources with which to complete the projects. Where some of the buildings are completed, adequate facilities are never provided and there is no manpower to man the health centres. As a result of these short-comings, the plans of government to bring health services to her people are never implemented. What seems initially to be a source of relief to the people turn into wastes of large sums of money and time. Apart from the example above, there are many other areas of administrative wastes in the provision of services by government. Such services range from construction of roads to

provision of telecommunication services and the provision of education and educational facilities to mention a few. There is always lack of planning, co-ordination and at times the government does not know the number of people it is supposed to provide for. Most times the services are inadequate and in others there is an overestimation. Also, there may be cases where government embarks on some projects without having enough manpower to implement the project and where there is enough manpower, the remuneration is inadequate. As a result of this, the projects are often abandoned.

To curb these wastes therefore, it is necessary for the government to know the number of people who should benefit from these projects. There is also a need to know the resources that are available to the government and examine the suitability of the project both in timing and the taste of the people for whom the services are meant. This will help in drawing up an effective plan for the execution of any project that would provide services to the people. For instance, it will be a waste for government to provide a post office for community that is illiterate and has no good service of drinkable water and have good health facilities. There should also be effective co-ordination of the plans to ensure that these services serve the purposes for which they are meant and that these services are not concentrated in one area only but are equally spread across the country according to need. This will reduce to the barest minimum administrative wastes in the form of provision of services by governments especially in the developing countries.

A second major cause of administrative wastes in the developing countries is the legislation and making of laws in the countries. At times, governments make laws that are not acceptable to majority of the people. These laws are therefore difficult to enforce as people would not give their cooperation to the enforcement of the new legislation. In this way a lot of effort and money is wasted by government trying to enforce the new legislation. In some other cases people shows their resentment by involving in strikes and other forms of industrial actions. This results in a huge loss to the government. To check this type of administrative waste, the government should take into consideration the mood and the

temperament of her citizens before making any legislation. For instance it will be foolhardy to make a new tax law or introduce excessive educational fees in a society that is suffering from serious unemployment and inflation as this will be counter productive. Secondly, the government should feel the pulse of the society before introducing new legislation and should review old ones once they find out that they are becoming a burden to the society.

A third factor of administrative waste is the government ownership of industries aimed at producing and distributing commodities. In a bid to cut off some powerful private entrepreneurs from excessive exploitation of the people and in an effort to create job opportunities to the people, the government often embarks on the running of industries which would be aimed at producing goods at cheaper prices and absorbing some unemployed citizens. In most cases, this action of government, instead of serving the purpose for which it is meant, constitutes a white elephant. The organization and management of these government enterprises are very poor. The quality of the products are substandard and the enterprises do not make profit to cover the overhead cost of their operation. A lot of government subsidies are pumped into the organization to ensure its survival. In the end because of these problems, the enterprise is shut and the employees are laid off. In some cases, the government privatizes the enterprise with its attendant loss and problems to the government.

As a means of solving this problem, the government should refrain from playing the role of entrepreneur but should encourage private investment while maintaining a strong hold on the operation of the economy by the private owners. Where it is necessary that the government should own an enterprise, it is necessary that government should not interfere in the organization of the enterprise so that a good management will be independent to organize the enterprise and run it on a profit basis.

Finally, another area that constitute administrative waste is the organizational structure of the government itself. In most cases, there is no rationalization of staff. People are employed indiscriminately based on nepotism and corrupt practices. The services of these people are not

therefore fully utilized. People are not also qualified for positions so that their performance is usually below standard. Training and training facilities are inadequate. The people who are governed therefore lose interest and confidence in the administrative system of government. The employees on their part do not carry out their functions with a sense of responsibility. In this case, the general output is low. To curb this type of waste, government should rationalize its staff and ensure that only the required number of people are employed. Also merit should be a priority in employment and promotion to restore the moral of employees. Training should be provided so that employees should be exposed to modern technique of administration.

These are some of the problems inherent in the developing countries which are drastically reduced in developed economies. However a lot is being done by many governments to reduce these wastes. It is evident that there is a light at the end of the tunnel and in the near future, these wastes would be minimized in many developing nations.

Second question: Effectiveness and costs of some important methods of state intervention in the economy

No economy in the world is known to be an absolutely free economy no matter how powerful the private sector is. At certain times the government intervenes in the economy of a country. This may be when the state of economy is becoming poor, the government usually intervenes by introducing some measures that would bring relief to the ailing economy. It may also be at a stage in the economy when the government might want to quicken or slow down an aspect of the economy that is not performing well.

In a typical economy of a third world countries, the situation is very bad, with the economy riddled with so many problems ranging from low productivity, unemployment, inflation and other economic woe. In order to redeem the situation, the government usually introduces some measures into the economy in a bid to rescue the situation. The basic step a government takes under such a situation is to find means of diversifying the economy's productive base by introducing some far-reaching measures. In most developing nations, government's intervention has always been in the form of introducing the Structural Adjustment Programme (SAP) which is a bag full of measures aimed at providing a tonic for the revival of the economy. Some of the methods under this programme is as follows:

Rationalization of Staff in Order to Reduce Government Expenditure:

In an ailing economy, the government usually tend to rationalize her employment in order to prune down the heavy expenditure of government. In this way, government embarks on the reduction of the number of staff in the public sector. This is one of the areas of heavy government expenditure. To reduce expenditure in this sector, the government embarks on a retrenchment exercise which is expected to cut down the huge amount of money spent on numerous employees of the private sector. In this way, a lot of money is served for utilization in other sectors of the economy. As this has its benefit, it has its disadvantages. The retrenchment of these workers causes an increase in the unemployment market as the people retrenched will join other numerous unemployed citizens. This also goes

along with some social problems which the government will have to contend with.

Privatisation of State Enterprises:

Another method usually adopted in adverse economic situation is the privatisation of some of the state enterprises. In this situation, the government sells off her share in major public enterprises to private ownership. In this way government reduces the cost she used to incur on the enterprise through the running of the enterprises and the provision of subsidies to the enterprises. Again, the government saves some money through this measure but loses a lot more than it has gained. Now that the enterprise is in the hands of private investor, there is a tendency that there should be a reduction in the number of staff to enhance productivity. In this way a lot of people are laid off from the industry into the unemployment market. Secondly, the private investor may embark on the modernization of the enterprise which may require the importation of new machines and equipment. This has to be done through the utilization of the scarce foreign exchange. Above all, the cost at which the government will sell the enterprise to a private investor will never be the same invested on the enterprise by government. In this way, the government incurs a loss in the process of privatisation rather than making profits.

Reduction of Government Expenditure Subsidies:

As a cost saving device, the government embarks on mass reduction of services in the government agencies in order to reduce costs. In this way, the number of vehicles, telephones and other essential services are reduced to the barest minimum or even withdrawn completely. This in turn brings about a lot of hardship and inefficiency in government service which in turn reduces productivity. Another measure adopted by government is the reduction or complete removal of government subsidies on some essential commodities like petroleum products and agricultural products. These measures while cost saving in outlook, brings about a lot of hardship to the masses whom the government is supposed to protect. There will be increases in the prices of these commodities. In many cases, people resent

these measures and in some cases, these have brought down many regimes in some developing countries.

Liberalization of Imports:

In most cases, most governments adopt this measure in order to encourage foreign investment in a country. Imports are liberalized for the importation of equipments and machines which are needed for industrial development. More often than not, this policy is abused so that a lot of other finished products find their ways into the market and threaten the local industries which can not face the competition with better imported foreign goods. Most of the local industries are forced to close down. Attention is then turned to the importation of foreign goods which in turn drain the foreign exchange earning of a country. However, where the government has an effective control, there is the possibility that import liberalization would be used as a means for importing machinery for the development of local industries. This could also be used to import spare parts and some essential raw materials for the local industries. In this way, the production of high quality goods are ensured which are in turn exported to earn foreign exchange.

Tax Reforms:

Another method of government intervention in the economy is by introducing tax reforms. The tax reforms may be in various forms and may be aimed at increasing the domestic or foreign revenue earning of the government. In some cases, some local taxes like consumption taxes or taxes on some specific commodities are introduced. In other cases, exporters are made to pay part of their foreign exchange earnings as tax to the state. In the two methods mentioned above, the domestic or foreign revenue of government are increased. Like other measures, this other measure has its side effects. More often than not, most of these taxes are resented by the people and at times violently. Tax reforms that tend to increase rather than reduce taxes had been known to lead to violence or even the toppling of governments in some developing countries.

There are several other ways a government may intervene in the economy of the state. Some of these steps although similar in nature differ from country to country depending on the economic priority of that country. In some countries, the state provides subsidies and loans to private investors in order to change from one pattern of production to the other. Some countries that are known to be exporters of petroleum product had to change to the development of agriculture and agro-based industrial production which are exported to earn foreign exchange. Some governments are also known to have introduced debt equity swap to reduce the crushing burden of debts. In this case, government encourages foreign creditors to accept the payment of their debts in the local currencies with which they can buy shares in local industries which would then be geared towards production for exportation. Again the government gains in the reduction of some of her debt burden but many creditors are reluctant to accept this method and where they accept, as soon as they start exportation they will refuse to repatriate their foreign exchange earnings accruing from their exports.

In conclusion, therefore, I have to point out that some of these measures have their good effects but the peculiar problems of most developing nations tend to make these measures look more disadvantageous rather than advantageous.

A BRIEF REPORT ON TWO QUESTION PUT FORTH BY PROFESSOR ITO

Samuel Cangalaya Navarro
(Peru)

First Question: Some serious forms that administrative waste take, and possible counter measures against them

- a. In the Peruvian Social Security Institute (PSSI), public organism established to give integral attention of health to the person insured and their families and dependant from Ministry of Labor and Social Promotion, in 1987 the Ministry of Labor found medical equipment and beds that were stored and maintained in some case for more than two years while the Ministry of Health had deficit of them in their hospitals and medical centres. This fact was due that PSSI was waiting for the new regional hospitals to be completed in 1988. In this case of inefficiency the Peruvian government took decision to transfer equipment and beds to public hospitals.
- b. In the Peruvian government exists excessive bureaucratization in term of manpower. For example, the PSSI was estimated to be in excess of public employees in 1988 near to 7,000 persons which represented the 17% of total employees. Under this circumstance, the National Institute of Public Administration (NIPA), decentralized public organism depend of the Ministries Council's Presidency initiated transference process to other ministries and government agencies which require personnel in likeness cases, thereby to reduce high public under employment.
- c. Peruvian government has corruption problems. For example, grant of license for housing construction, enrollment in the best public schools, license for driving car, etc. often generate illegitimate gains due to bureaucratic weakness or failure. The Peruvian public administration has developed severe punishment for civil servants that

may be inclusive destitute for these inadequate and illegal activities.

Second Question: "Effectiveness and cost of some important methods of state intervention in the economy"

Methods or Forms	Characteristic of Form Government-Business Relationship	Advantage or Effectiveness	Disadvantage or Cost
<p>I. SELF CONTROL</p> <p>Example:</p> <p>Peruvian case</p> <p>Private Fishing Enterprises (1950-1968)</p> <ul style="list-style-type: none"> - Subsidies - Reduction of the export tax 	<ul style="list-style-type: none"> o The state licenses private enterprise to achieve development goals 1. State sponsored cartel in strategic industries 2. Enterprises fashioning and operating the cartel o Preferred by big business 	<p>It affords the greatest degree of competition and private management in the developmental state system</p>	<p>It leads to control of industry by the largest groups in it (As in zaibatsu domination)</p>
<p>II. STATE CONTROL</p> <p>Example:</p> <p>Monopoly (PGSCA PERU, The State Fishing Company (1969-1985))</p>	<ul style="list-style-type: none"> o Separate management from ownership and put management under state supervision o Preferred by the "Reform" (or "Control") bureaucrats 	<p>The state's priorities take precedence over those of private enterprise</p>	<p>It inhibits competition:</p> <ul style="list-style-type: none"> - Tolerated gross inefficiency - Fosters irras-possible management <p>(As Japanese industry during the pacific war)</p>
<p>III. COOPERATION OR DEVELOPMENTAL MODEL</p> <p>(Peruvian Economy does not have this Model of State Intervention)</p>	<ul style="list-style-type: none"> o Public-Private Cooperation Elements: 1. Existence of a small, inexpensive, but elite bureaucracy staffed by the best managerial talent available in the system (with excellence academically of the best schools of public policy and management) 2. Political system in which the bureaucracy is given sufficient scope to take initiative and operate effectively (safety valve, legislative and judicial branches) 3. The perfection of market-conforming methods of state intervention in the economy 4. Pilot organization like MITI 	<p>It leaves ownership and management in private hands.</p> <ul style="list-style-type: none"> - Achieving higher levels of competition than under state control - It affords the state much greater degrees of social goal setting and influence over private decisions than under self-control <p>Example:</p> <p>Japanese style government industrial cooperation (steel production)</p> <p>USA military industrial complex</p>	<p>It is very hard to achieve and maintain by natural differences between the state and private enterprise and by struggles between bureaucrats and politician</p>

A BRIEF REPORT ON TWO QUESTIONS PUT FORTH BY PROFESSOR ITO

Leonor S. Villalon (Philippines)

First Question: Some serious forms that administrative waste takes and possible countermeasures against it?

In the Philippines, more particularly in the various cities comprising Metro Manila, an intensive network of streets and roads are deteriorating rapidly for lack of adequate maintenance. Various agencies dig up the pavements and streets for expansion projects. The Philippine Long Distance and Telephone Company cut through the asphalt to install new communication lines. The Metropolitan Water and Sewerage System also excavate various portions of the city for the improvement of public health services. After their projects, the excavations and the diggings are left or if paved up, they are simply graded. Successive rain has so rapidly ruined the graded section that traffic now habitually travel by preference in the ditches on either sides.

In the field of civil service, public service is also impaired by a low salary scale for government employees and poor personnel practices and policies. This characteristic of government system is further burdened with the problem of lack of office equipment and facilities thus causing many people in government service demoralized.

The basic countermeasure for the first waste is effectiveness and efficiency of administration and management. Regulations should be imposed to monitor the repair on the streets by different entities.

As for the second administrative waste mentioned-above, the salary scale of government employees should be improved so that the financial plight of civil servants would be alleviated and boosting their morale. Funds allotted for unnecessary projects should be diverted to procure equipment and supplies needed by the various government offices so that it will provide conducive work environment. When this is achieved, the end result will be productiveness and maximization of human resources.

Second Question: Effectiveness and costs of some important methods of state intervention

After the People Power Revolution in February 1986, the Executive Order No. 90 was issued by President Corazon Aquino mandating the National Housing Authority (NHA) "as the sole government agency engaged in the direct shelter production and directing it further" to focus its efforts in providing housing assistance to the lowest 30 percent of urban-income earners.

Effectiveness:

Improvement introduction of basic community infrastructure and facilities; improvement of dwelling units and the construction of new dwellings or core housing units for low-income families using low-cost housing technologies.

Costs:

Acquisition of land by the use of the power of the government of expropriation from the rightful land owners to the squatters occupying the land; relocation and resettlement of squatter families to other areas thus not solving the problem of homelessness but simply transferring from one location to the other locality.

The continued existence of casinos is approved by the Philippine government but with the condition that it be run by a quasi-government entity called the Philippine Amusement and Gaming Corporation (PAGCOR). PAGCOR was created to enable the government to regulate and centralize through an appropriate institution all games of chance, authorized by existing franchise or permitted by law. The PAGCOR was also granted the right, privilege and authority to operate and maintain gambling casinos, clubs, and other recreation or amusement places, sports and gambling pools whether on land, or sea within the territorial jurisdiction of the Philippines.

Effectiveness:

It funded infrastructure and sociocivic projects; created recreation and integrated facilities which would expand and improve existing tourism attractions and minimize, if not totally eradicate the evils, the mal-practices and corruption that are normally prevalent in the conduct as well as in the operation of gambling casinos.

Costs:

Millions of pesos were spent for the maintenance and upkeep of these various game centers; also, various changes and innovations were introduced which again entailed monetary expenditures; the moral-dimension is such that Filipino gaming aficionados out-number the foreign guests thus the spiritual and cultural values are affected.

A BRIEF REPORT ON TWO QUESTIONS PUT FORTH BY PROFESSOR ITO

Abdelsalam Moh. Elhassan
(Sudan)

First Question: Some serious forms that administrative waste takes, and possible countermeasures against them

1. To make an investment in the Sudan you have to go through numerous and complicated steps before you eventually get the approval. If one wants to invest in agriculture for example, he has to follow the following steps:

1. An approval from the Ministry of Agriculture
2. An approval from the Department of Land
3. An approval from the Ministry of Irrigation
4. An approval from the local government
5. An approval from the Ministry of Finance

Accordingly the investor spends a lot of time and money running from place to other.

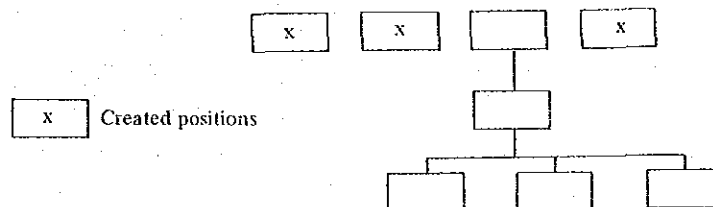
The delays caused by this system of procedure may cause a lot of damage to investment future in the country.

Coordination in this case is necessary and this could be only achieved by creating a central agency responsible for investment. Different concerned ministries and departments could be grouped together in one from a another of committees. The committees could make regular meetings to look up applications and take decisions. In such case the investor could submit his application in this agency and wait for the concerned committee to take a decision on it. It is a kind of an "one window system" which will save time and encourage investment.

2. Sudan was ruled by a military regime from 1969 up to 1985. Along this period the regime dismissed hundreds of employees some of them were holding key positions, mainly because they were opposing the system or were not able to cooperate with it. However, after the downfall of the regime these dismissals asked the government to return them back to work since their dismissal was not justified. Backed by some political parties they pressed hard and eventually the government responded to their claim. Most of them returned back to work not only on their old positions but to the status which was reached by their colleagues.

Accordingly position structure was inverted as new position were created for them.

Everything is mixed up as to span of control, responsibility, job requirements and the subordinates feel that they have more than one boss.



I think this situation could be straightened only by the cancelation of these positions and I think it is enough for their improvements which entered into their pensions as they will have the pensions of the new position.

Second Question: Effectiveness and costs of some important methods of state intervention in the economy

1. Sudan Airways from a Public Corporation to a Public Company

Sudan Airways is the national air carrier of the country. It was used to be a public corporation up to 1987. After a thorough study the government of the Sudan decided that the corporation should be changed into a public company on the basis of the companies law of 1925. The idea behind that was to give it full autonomy and free hand of movement away from the bureaucracy of the government.

Accordingly, the company was reestablished and 2000 employees out of total 4,000 were laid off as the company was found to be overstaffed. A new compensation system introduced led to 100% increase in salaries. However, working conditions in the company became so attractive to the extent that any one wanted to work with it. Nepotism, a favoritism, took place and another 2000 were recruited and the number is increasing everyday. The company is overemployed again and hence the expenditure increased while the income is the same if not decreased. The company is now facing a serious financial problems and the government determined that new measures are going to be taken by next December if the company is not able to get off from its setbacks.

2. Sugar Prices

Sudan has five sugar cane factories which produce about 75% of the country's needs. Sugar was used to be sold by a price amounted to about 50% less than the cost of production. Accordingly the government had to pay more than SF300 million as a subsidy to the factories to compensate for the low prices. This low price encouraged the smuggling of sugar across the boarders.

The government decided to sell sugar with its real cost price with a marginal profit to the factories in order to develop and extend their work. In last December sugar prices were raised and three days later riots

erupted against the rise. The government stuck to its decision and after things were explained riots stopped and hence government intervention saved sugar industry from getting out of business.

A BRIEF REPORT ON TWO QUESTIONS PUT FORTH BY PROFESSOR ITO

Jintana Wongkrud (Thailand)

First Question: Some serious forms administrative waste takes, and
possible countermeasures against them

In the past experience of national development plans (1961-1967), Thailand development plan emphasized economic efficiency and growth. However, the economic growth pattern during the past twenty years has indicated that interregional and rural-urban disparities have become more prominent. At the same time, the growth pattern of urbanization is increasingly unbalanced. Thus, regional planning concept interests the government as a means through which concentration of national wealth and prosperity can be diffused and shared.

Regional development in Thailand still plays a very minor role in national development. However, regional development plans were incorporated in the National Plans, but still nothing much was done by the central government except for the base-line study of regional development by foreign consulting firms. The problem in regional development can be emphasized as follows:

1. There was no certain policy guideline, interrelated plan and coordinating system of implementation. It was a rather confusing and overlapping functions among those related agencies in either spatial development and responsible area.
2. The local institution is relatively handicapped to cope with regional development affairs. Firstly, local government structure as a whole is a high centralization pattern. Most plans and programmes are usually formulated from the central government agencies with a rather one-way than two-way communications. Secondly, local government faces constrained financial term which is really not compatible with its function. Local taxation structure is still not fair for local authorities.

The revenue generated in local area is typically to be shared with a great portion by central government. Thirdly, local authorities is severely in short of suitable and qualified professional staff in many areas. It really needs that local institution has to be strengthened in this respect.

Regional planning is an attempt by the central government to allocate resources to the regions to achieve regional and national objectives. This usually involves the preparation of a development plan in order to provide a framework for the region. It can also be seen as a provision of input into national planning and a guideline for local planning. The concept and principle of regional planning is linked with spatial arrangement and also with the bottom-up approach. It is also evident that approaches keep changing from government to government but the spatial measures always begin with the identification of target areas, and somehow the realization of the importance of the bottom-up approach allows the local people and Private Sector to participate where they are concerned.

The National Economic and Social Development Board (NESDB) as a government planning agency has taken into account the important role of regional planning and implementation to achieve rural-urban integrated development. However, in order to more practically supervise and coordinate related agencies on regional planning, NESDB, delegates its functions and authorities to the Regional Development Centre as its representations for those four regions of the country and its functions concern with the following responsibilities:

1. Technical work such as identifying regional critical development issue and problems, undertaking comprehensive analysis and projection of regional and subregion economics etc.
2. Policy Coordination Works: to coordinate with government and private agencies in the central and local level in the field of provincial level rural development plan preparation, regional government and private sector relations etc.

Second Question: Effectiveness and costs of some important methods of state intervention in the economy

Thai Government makes efforts to decentralize industrial development to regional provinces by using policy and many measures, for instance, tax incentive, industrial estate and financial support. But most policies and measures emphasized general industrial development and benefitted mostly the bigger industrial operators who employ large amounts of capital.

Concerned researches and a field study reported that major factors essential for provincial industrialization are the availability of raw materials and provincial entrepreneurs.

In addition to the lack of the appropriate government support, weakness in management, administration and marketing are seen in almost all local entrepreneurs. During of the Fifth National Plan, Government formulated a pilot project to witness the provincial entrepreneur's problems and to increase their efficiencies.

The project called on the government agencies to witness real problems faced by investor, and proceed with providing the appropriate support in terms of technology, management and financial aids. The direction to support provincial industrialization by emphasizing local entrepreneurs is proved to be correct and this should intensify implementation as such. In this respect industrialization managed by local entrepreneurs will not only help develop provincial industry, but also will reduce rural migration, and the value added from the production will remain in the area. This development, in addition, will bridge the income gap very significantly.

A BRIEF REPORT ON TWO QUESTIONS PUT FORTH BY PROFESSOR ITO

Ahmet Bilgin
(Turkey)

First Question: Some serious forms administrative waste takes and
possible countermeasures against them

We can summarize some serious forms that administrative waste takes as follows:

- a) To spend more money for constructing infrastructures in big cities. Especially, foreign debts that government owes only for this purpose is considered as a serious problem for a developing country.
- b) High expenditure for conducting ordinary affairs which are done by administration. A developing country which puts in a high amount of its budget for ordinary governmental affairs can not designate enough money for initiating many important issues and solving vital problems such as investments, debt payments and so on.
- c) Giving more importance to investments which incite domestic consumption. It is a real issue that to give importance to investments which answer only internal needs instead of investments aiming at export increase, does not agree with rationalization. This is the reason why the economic situation of a developing country goes down.
- d) Despite there is no need, the behavior of government related to apply additional employment especially in public sector causes many serious results such as waste, budget deficit etc. This also accelerates economic case negatively.

- e) The incentives that are given by government to investors and which are not rationally chosen do not give satisfying results. Because, the investment fields for which incentives are to be given must be reasonably selected and designated firstly. Otherwise, these incentives may be abused by somebodies and as a result the waste can be much more than expected benefits.
- f) The subsidies carelessly given to various fields. If these subsidies are unlimitedly and unreasonably given to many areas, they conclude the harmful results mentioned above besides others.

Most of these serious problems can be overcome by means of taking countermeasures. But some of them arises from structure of a country. So it is impossible to throw them away. First of all, it is easy to minimize and rationalize expenditures concerning infrastructure of cities. This must be completed through domestic resources degree by degree beginning from the compulsory ones without owing foreign debts. Because the major matter for a developing country is to step towards industrialization. For this reason the administration must not spend its time and country resources in unnecessary subjects. For example, administration must not apply to waste in conducting ordinary governmental affairs.

Another reasonable attitude is to refrain from foreign debts, especially in fields which do not involve in production and economic welfare. At the same time the investments and incentives for them have to be thoroughly examined and they must be helpers for advancing industrial mechanism, exports trend and other requisite topics.

Above all, giving subsidies or incentives pertaining investments which answer only domestic consumption is unuseful. But, it can be done to avoid importing definite materials. In addition, the more employment in public sectors due to political thoughts is another typical instance of waste. The solution of this problem is both easy and difficult. So, it belongs to a rational attitude of government.

On the other hand, the developing countries should give more importance to people's mind. Thus, research centers ought to be opened and different incitements have to be given. In this case may developing countries catch contemporary developments. Otherwise they will have to continue being dependents on developed countries, forever.

Second Question: Effectiveness and costs of some important methods of state intervention in the economy

Above all, it should be noted that the less intervention the government has the more profitable the economy will be. This main rule can be thoroughly implemented in developed countries. But, developing countries should interfere economic activities in necessary cases. This intervention will help economy to get better. Even developed countries interfered their countries economy before they completed their development stages. So, governments have to interfere some activities, but that intervention must be limited and well chosen.

In my opinion, the state intervention must be in some fields which people can not realize or can with difficulties. In this case the government intervention naturally occurs to put obstacles aside. Then the people will be accustomed to such as businesses. The state, certainly, will put up with fiscal and other sacrifices during this stage. After obtaining expected results the intervention must be given up. We can say that this condition was implemented in postwar Japan's economic policy as well. Japan's government gave subsidies to investors in period of 1950-1955 and also subsidized computer investments in 1968.

In developing countries, state intervention often arises to initiate or strengthen industry. Since there are not strong companies enough, the government ought to show the ways, educate people who deal with this area and subsidize the enterprises. On the other hand, many measures should be taken to strengthen private sector in industry. Naturally, the subsidy must be rationally made by administration which keep in mind that the main target is to get development and industrialization a head beyond scatter money to people.

The government ought to interfere with export policy. Export and payment balance is very important matter in view of a country's economy. So all countries try to increase their exports. Developing countries should implement many kinds of incentives to realize this aim. It can be done by taking tariffs off, giving additional charge etc. This also must

be reasonable so that nobody can abuse the case. This point particularly must be followed and evaluated every time.

Another field which requires state intervention is import policy. Developing countries must be very careful in adjusting payment balance and choosing goods which are imported. That is why, the major imported materials should be goods which directly or indirectly help domestic industry such as raw materials, machinery, instruments and so on. Furthermore, if the door of import unlimitedly be open it would conclude dangerous results. It would even affect industrialization negatively. Then, development and modernization will be a kind of dream.

CLOSING ADDRESS

by Abdelsalam Mohamed
Elhassan

Mr. Oshiro, Director of IPA,
Mr. Ikeda Managing Director of TIC, Ichigaya,
Distinguished guests,
Ladies and gentlemen,
Sisters and brothers participants of
National Government Administration Seminar

Allow me first to express our thanks to Japan International Cooperation Agency for having us here from eleven developing countries in South America, Africa, Middle East, and Asia, sitting together with our Japanese brothers for seven weeks knowing each other discussing our problems and sharing our experiences.

Before I came to Japan I thought that the Japanese people were still living in the sad memories of Hiroshima and Nagasaki. Fortunately I discovered that the sorrows of the past were buried in the far back of the brains and the Japanese people were able to overcome that past by building a good present and by setting the foundations for even a brighter future.

I was also thinking that I would see the Japanese women and girls dressing in the "kimono" walking around slowly with the traditional fans in their hands, but again I found that the kimono had almost disappeared and the Japanese women and girls walk seriously and hurriedly to and from work or school with their fellow men & boys.

Fortunately, we in the developing countries do not look to JICA or any other Japanese aids with any suspension the way we look to other aids from the west or the east. We consider Japan as part of our world with its deep rooted traditions, culture and long resistance to western military or cultural invasions. Accordingly we are confident that the relations

between our countries and Japan will get stronger & stronger each day. I would like to assure that we are not only returning back to our countries with what we have learned, but we are going back with a lot of unforgettable memories and friendship.

Ladies & gentlemen,

On behalf of the participants may I express our deep deep condolences to Iranian nation & our friend Ashrafi, the participant from Iran, for the passing away of Iran's leader Iman Khomeini (May God bless him).

Allow me to express our thanks to all the lecturers who did not hesitate to give us the cream of their knowledge and experiences. Thanks also to all JICA staff who devoted themselves to serve us. Special thank to course leaders Mr. Ikeda and Mr. Suzuki. Very special thanks from our deep hearts to Mrs. Saito, the course coordinator for her unlimited cooperation and her unlimited patience to obey all our demands. Thanks also to Mr. Shimizu and Mr. Masaki.

Ladies and gentlemen, we really enjoyed being here in Japan. We saw a lot of thing and we learned a lot more.

Thank you very much. Arigatou Gozaimasu.

Good bye, Sayonara

GROUP REPORT (PROFESSOR OGAWA)

EDUCATION SYSTEM IN SELECTED DEVELOPING COUNTRIES

(JUNE 18, 1989)

A. INTRODUCTION

Learning is the key to success in life and no individual can afford to neglect it. Therefore, much more attention should be attached to the need for inculcating an ever increasing amount of knowledge in the present technological age. Based on this realization, most developing countries regard education as one of the most important social investments that will benefit the country in the long run. The role of education in this context is to produce knowledgeable, trained and skilled individuals to meet the manpower requirement. Future development of each country is expected to bring forth challenges that require manpower to be adaptable, innovative and equipped with knowledge and skill specially in the fields of science and technology. Equally important is the need for the educational system to mold disciplined, diligent and motivated individuals. In the meantime, the basic philosophy of most education system does not only emphasize improvement of the literacy rate but also, in the final analysis, to produce self-reliant citizens with respect to human rights and love for truth and peace.

B. INTER-COUNTRY COMPARATIVE STUDY

For most developing countries, industrialization is considered as a general panacea for overcoming their problems and weaknesses. In order to enhance the process of industrialization, an extensive system of formal education is expected to play a dominant role and at the same time can bring about significant contribution. As such, substantial proportion of the national budget is allocated for the purpose of education. Therefore, at this juncture, it is interesting to note the levels of attainment in the field of education of our respective countries. Based on the statistics published by the World Bank (World Development Report 1988), the situation

as of the 1980s is shown in the Appendix "A".

As noticed in the first column, the rate of adult literacy varies significantly from country to country, ranging from a low 32% to a high 86%. The literacy rate of three countries representing 27% of the total countries is below 50% while the rate for another three countries is over 75%. Apparently, the participating African countries seem to have lower literacy rates. The present literacy rate shows the need for further expansion of education system in developing countries.

Fortunately, almost all of the countries are having an explicit policy of compulsory education ranging from 5 to 10 years. However, Sudan does not have compulsory education purely due to the lack of schools. For all countries, primary education is compulsory but for some it also covers secondary education.

The total enrollment rate for primary school differs from one country to another. These rates range from 49% to 122%. More than 50% of these countries have an enrollment rate over 100%. This situation implies that education program is a recent development. Except for the Philippines, the female enrollment rate for primary school is less than that of males. The difference in the rates between male and female ranges from 1% to 22%. The most obvious difference is that of Nigeria and Iran, at the rate of 21% and 17%, respectively. In the case of Nigeria, it is due to ethnic factors as well as cultural values, but the statistics for Iran may not be reliable. The major reason for the Philippine phenomenon is also because of social values which tend to favour female's education.

The characteristics observed in the primary school education are repeated in the secondary school education.

Comparing the enrollment rates for both primary and secondary education, the rates for the latter are considerably lower. Some of the factors that may explain this difference include:

- a) entrance examination

- b) insufficient number of schools
- c) alternative manpower utilization

In the case of tertiary education, there is a sharp fall in the enrollment rate, and this may also be attributed to the same three factors listed above.

The enrollment rate for all the three stages of education decreases substantially as the level increases. This seems to point to the need for implementing of the continuing education program. Indeed, all the challenges facing the present education, sex differential and equality of education should be confronted in the context of an overall plan for life-long education.

In addition to the quantitative aspects, the quality of education shows a pronounced inter-country differences. This is supported by the statistics on the pupil:teacher ratio which ranges from 24 to 40 for primary education and from 14 to 34 for secondary education. However, for some countries, the statistics appear to be rather unrealistic.

Another indicator for the contribution of education to the society is the level of GNP. Derived from the graph, there is a positive correlation, up to a certain stage, between the level of education and the resultant GNP. The increase in the level of education (indicated by the rise of the enrollment rate) affects the level of GNP. However, several deviations can be noted from the graph especially in the cases of the Philippines, Brazil and Malaysia which require further investigation. One of the hypothesis is that, in a country with Dual Economy, education is not the main determinant for economic growth and income distribution. The availability of other alternatives such as improvement in agricultural production through an expansion of land size, mechanization, improvement of farm management etc. would also affect the level of GNP.

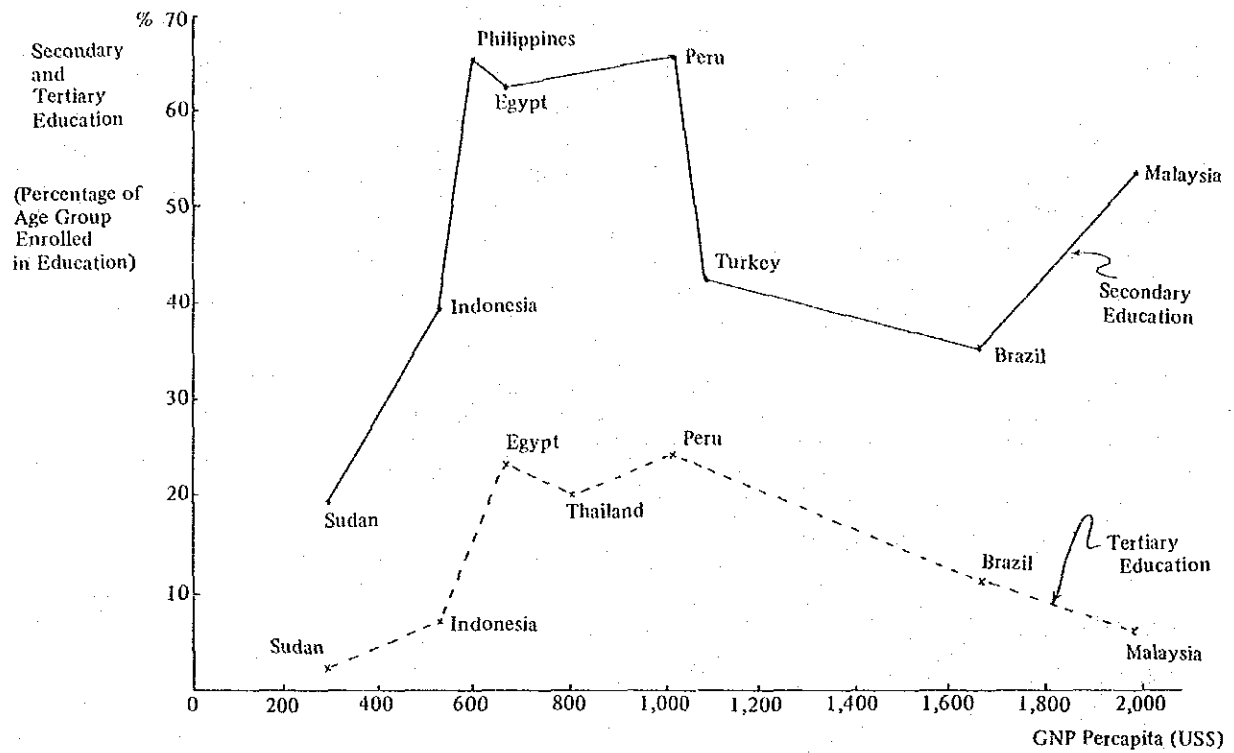
On the other hand, educated manpower may not necessarily be productive if the knowledge and skills acquired are not consistent with the demand of labour market. In this respect, besides the expansion of the education

system, the issue of utilization of educated manpower also requires special attention.

APPENDIX "A(1)"

Country	Literary	Com-pulsory		Age Group enrolled in Education							Pupil: Teacher Ratio		G.N.P. /Capita (US\$)
			Year	Primary			Secondary			Tertiary	Pri.	Sec.	
				Total	M.	F.	Total	M.	F.				
Brazil	68	×	8	104	108	99	35	-	-	-	26	14	1,660
Egypt	44	×	9	85	94	76	62	73	52	23	28	24	660
Sudan	32	-	-	49	58	41	19	22	17	2	34	20	290
Turkey	60	×	5	116	119	112	42	47	28	9	28	33	1,080
Nigeria	34	×	6	92	103	81	29	-	-	10	34	21	820
Malaysia	60	×	9	99	100	99	53	52	53	6	27	22	1,980
Iran	50	×	5	112	122	101	46	54	37	5	24	17	-
Indonesia	62	×	7	118	121	116	39	45	34	7	34	16	530
Thailand	86	×	6	97	-	-	30	-	-	20	24	-	800
Philippines	76	×	10	106	105	106	65	63	66	38	30	34	580
Peru	80	×	5	122	125	120	65	68	61	24	40	29	1,010

Fig. 1. Relationship between Education Level and
GNP Percapita in Participating Countries



C. SPECIFIC COUNTRY PROBLEMS, ISSUES AND POLICY RECOMMENDATIONS

- I. Brazil
- II. Egypt
- III. Indonesia
- IV. Iran
- V. Malaysia
- VI. Nigeria
- VII. Peru
- VIII. Philippines
- XI. Sudan
- X. Thailand
- XI. Turkey

DEVELOPMENT OF EDUCATION IN BRAZIL

by Miriam Schlatter Rosemberg
(Brazil)

Since 1930 we can speak about educational changes to larger strata of society in Brazil, associated with urbanization and industrialization. Since the years 50 the central government imputes to education a new and bigger role in its development project.

Elementary education (4 years) became compulsory in 1946 and, since 1971, through Law Number 5692, the education became compulsory for the first grade (8 years) and is provided free for all children between the ages of seven and fourteen years at Brazilian public schools.

In the meantime, the great emphasis given to the third grade instruction, since the years 60, due to the scarcity of professionals, was changed in 1968 because the demand of available places in Universities was much bigger than market necessities.

The new Brazilian constitution drafted in October, 1988, establishes that education is a right of all citizens and a duty of the state and of the family. A National Plan of Education will be established and its main points will be:

- I. Eradication of illiteracy;
- II. Generalization of schooling;
- III. Improvement of quality of education;
- IV. Better qualification for work;
- V. Humanistic scientific and technological development of the country.

The new constitution also establishes that the central government shall apply, annually, at least 18%, and the states and Municipalities at least 25% of their receipt proceeding from taxes to maintain and develop education.

Country Specific Educational Problems:

Brazil is a very big country with an area of 8,511,965 sq.km and a population of 144 million inhabitants.

Analyzing the characteristics of education of this population we can observe that:

- I. 32% are illiterate (1980);
- II. In the urban area 22% are illiterate and in the rural area illiteracy is about 53% (1980);
- III. 49% from the illiterate population are males and 51% are females;
- IV. The country is divided in five regions in which the rates of illiteracy are:

Region	North	Northeast	Southeast	South	Midwest
Illiteracy rate (1980)	38%	53%	22%	21%	30%

V. Number of Schools (1985)					
First Grade		Second Grade		Third Grade (Universities and isolated educations)	
Public schools	Private schools	Public schools	Private schools	Public schools	Private schools
176,255	10,370	5,059	4,069	233	626

VI. Teaching Staff (1985)					
First grade		Second grade		Third grade	
Public schools	Private schools	Public schools	Private schools	Public schools	Private schools
895,798	139,554	119,207	79,154	70,809	51,677

VII.

Number of Inscriptions in Universities Exams (1985)	1,514,341	100%
Available Places in Universities	430,482	28%

VIII. The rates of illiteracy are dropping too slowly (in 1970 the rate was 38%-24% in urban area and 57% in rural area). The difference of illiteracy rate between urban area and rural area is due to the fact that there are a lot of problems in rural area like children's work, distance between house and school and mobility of families.

IX. Out of 7,500,965 children starting the first grade of the primary school only 1,042,434 children, that is, 13.90% complete their primary schooling. This is an evidence of high rate of school failure and dropout.

X. The educational system in Brazil is selective. This selectivity is related to the different educational opportunities in each region.

We have first grade schools in all cities and villages even in the rural area, but in the second grade we have more schools in the urban area than in the rural area and the third grade concentrates in some important cities.

Existent differences among regions are due to the economical and political development of each region. So we have lower illiteracy rates in the south and southeast-developed regions of the country and with higher socio-economical patterns, where we can find people of upper and middle class, better schooling conditions and a labour market that requires better qualification of manpower. On the other hand, we have the Northeast Region with adverse climate conditions and a big number of poor people. These facts can be observed when we compare the income of the population of each region with Brazil's population average

income. So, regions with higher income have better opportunities of education.

Region	North	Northeast	Southeast	South	Midwest
Relation between income of population of the region and Brazil's population average income	-	67%	116%	142%	131%

Policy Recommendation - Areas to be Strengthened:

There are still several problems related to schooling in Brazil, and the instruction level of Brazilian population remains incompatible with a modern economy.

As recommendations to improve our instruction levels, we mention:

- I. Our educational rates (illiteracy) are improving very slowly. It is necessary to try some more dynamic measures in order to accelerate this process. This could be achieved through a bigger decentralization in determining policies of education in our country;
- II. Develop a national campaign to improve rates of failure and drop out in primary schooling, with central government coordination but local government responsibility and execution;
- III. Concentrate bigger efforts and money in the rural areas and in the regions with less coordination of educational development in order to reduce differences among regions and obtain more equilibrium;
- IV. Make a research about real necessities of labour market and adapt second grade and third grade education to these necessities;

- v. Give more emphasis to professionalization courses (second grade), which should be directed, principally, to industry and agriculture.

THE EDUCATION SYSTEM IN EGYPT

by Abd El Khalik Farouk Hassan
(Egypt)

Since July 1952, the Egyptian education system started a new stage, the main aspects for the education system were; change, the philosophy of education, the aims and goals, and finally the methods and policies.

The new philosophy was, "How we can increase the educated persons in the society, especially in the poorest classes?"

So, the new political regime (NASER's period) made Big-push for the education system through issuing a law (in 1957) to make the enrollment to the primary stage compulsory, at the same time the several stages became free (without fees).

The number of students increased from 2.2 million in 1952 to 5.5 million in 1970 and now (in 1986) we have about 10 million of students in all several stages and different kinds of education (formal education), and these form about 20% of total population in 1986 (see the chart).

I. Egyptian Specific Educational Problems

We have now two kinds of education:

First is the formal education which is divided into:

1. Governmental education which consists of:

- a. Regular education
- b. Religious education

2. Private education

Second is the informal education which consists of:

1. The centers of foreign languages teaching
2. Typing training institutes
3. The illegal products, from formal system (through the corruption)

According to the available data, we have about 8.4 million of children in the age of 6 to 15 enrolled in our education system, but if we compare these number with the total number of the children in this age in the society which reached to 15 millions, we find that the enrollment ratio is about 56% of total children in Egypt in 1986.

What does this mean?

This means that while the education is compulsory by law for nine years and is provided free for all children between the ages of six and fifteen at all elementary and lower secondary public schools, the economic crises in the Egyptian society, especially the rapid inflation rate push some families more and more in the rural area and poorest classes in the cities to withdraw their children from school (dropout) and use them as labour force.

At the same time the Egyptian government followed new policy (after open door policy in 1974) to decrease the public expenditure in the social services (Health, Education, etc.) So, the costs of the education increased for the parents, the statistical data (in 1986) appeared that we have about 5 million children who couldn't enroll to schools and engaged in bad works to help their families to meet the costs of living. In fact, we have a lot of problems in our education system (instability in the policies) but I shall indicate the most important of them (Moral values in our system now).

Since 1974, after the political regime declared the new economic policy called "The open door policy", the Egyptian economy and Egyptian society suffer unbalance between the salaries and wages on one hand and the rapid inflation rate on the other hand, so, many of new bad social

phenomena or relationships appeared, especially in the education sector.

The teachers tried to make equilibrium (balance) between this lower salaries and the inflation rate through exercising strong pressures on parents to pay special salaries to them (most of them) for giving better lesson to their children or students in special groups outside the formal classrooms. So, we have now two system, one is formal without fees and the other is informal through wide corruption. This is dangerous. When the children or students notice this bad relationship between their teachers and their parents, I believe that all values and moral system will drop. This threatens our present and our future and our new generations.

II. Policy Recommendations

In fact, we can't reform our education system without reforming, as a start point, our economic system.

We know that, the education system is part or branch of the social and economic structure, so, we need really the overall views.

As example, we can't stop the corruption in all our life and in our educational system without raising or increasing teachers' salary to double or more than this rate, and also, we can't make this without reforming our productivity and following new economic policy especially protectionism policy and central planning.

I believe that the strategic aim is how we can restore the trusting for new generation, by themselves? and by new moral values in our education system?

How we can support their trust in their schools, in their teachers, and finally for their moral values of the Egyptian society? This is the main challenge for our society.

Organization Chart

