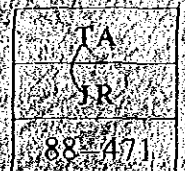


**Report of the Seminar
on National Government Administration
(Senior Class Officials)**

The Fiscal Year of 1988

November 12, 1988

**Japan International Cooperation Agency
National Personnel Authority
Japan Institute of Personnel Administration**



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I. Gist of Seminar Programme

GIST OF SEMINAR PROGRAMME

1. Preface

This seminar is organized by the Japanese Government as a part of its Technical Cooperation Programmers for developing countries.

This seminar 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 economic and social development of the country.

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

Therefore providing the seminar of elevating senior class officials capabilities on administration for economic and social development is useful not only to participating countries but also to the harmonious development of the world.

Aims

The purpose of the seminar is primarily intended to introduce participants to modern public administration for economic and social development (mainly Japanese case), to exchange information and views of the actual state of them, and then to assist them for seeking the better

way to modernize public administration and to develop participating countries.

Objectives

In the above line, 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 senior class officials among the participating countries;
- 3) comprehend the principles of the public administration management and the civil service system; and
- 4) comprehend the fundamental problems to build a modern economic and social society.

3. Duration

From October 12 (Wednesday) to November 12 (Saturday), 1988, (4 weeks).

4. Administering Agencies

(1) Japan International Cooperation Agency

First Training Division,
Training Affairs Department,
P.O. Box 216, Shinjuku Mitsui Bldg.,
No. 1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo 163 Japan
Tel.: Tokyo (03) 346-5155
Cable Address: JICAHDQ TOKYO
Telex: J22271

(2) National Personnel Authority

No. 2-1-2, Kasumigaseki, Chiyoda-ku, Tokyo, 100 Japan

Tel. Tokyo (03) 581-5311

(3) Japan Institute of Personnel Administration

TBR 923, Syuwa-Kioicho

No. 5-7, Koji-machi, Chiyoda-ku, Tokyo, 102 Japan

(4) The ministries and agencies concerned

5. Training Institution

Planning Office

Institute of Public Administration

National Personnel Authority

No. 3131, Miyadera, Iruma City, Saitama Prefecture, 358 Japan

Tel. (0429) 34-1291

National Personnel Authority (N.P.A.) of the Japanese Government was established in December 1948 in compliance with the National Public Service Law. The Authority has been entrusted with the missions to ensure just and fair operation of personnel management for national public service.

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

Institute of Public Administration of N.P.A. conducts comprehensive administrative training with the aim of developing young promising administrators of various ministries and agencies in the Japanese government.

Main Training Institute

Tokyo International Centre Ichigaya, JICA
No. 10-5 Hommura-cho, Ichigaya, Shinjuku-ku, Tokyo 160, JAPAN
Tel.: Tokyo (03) 269-2911

Accommodation

Hotel Sun Route Tokyo
No. 3-1, Yoyogi 2-chome, Shibuya-ku, Tokyo 151, Japan
Tel.: Tokyo (03) 375-3211

6. Qualifications of Applicants

Applicants should:

- (1) be nominated by their government in accordance with the procedures mentioned in B-2 below;
- (2) be ranked senior class officials (at least directors of division) in the national government offices;
- (3) be university graduates on equivalent, with occupational experience of more than ten years, (at least five years of experience) in public administration;
- (4) have a sufficient command of spoken and written English;
- (5) be not less than thirty (30), and not more than forty-five (45) years of age and;
- (6) 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 ¥9,500 in addition to free accommodation and breakfast at JICA Training Centre.
- (3) medical charges for participants who have fallen ill after their arrival in Japan and
- (4) expenses for study tours.

8. Participants

Eleven persons from Argentina, Brazil, Egypt, Fiji, India, Indonesia, Korea, Philippines, Saudi Arabia, Thailand and Turkey.

9. Language

The seminar is conducted in English

10. Study Hours

- 9:30 a.m. to 12:00 a.m. (including a recess of 10 minutes)
(lunch time of one and half hours)
1:30 p.m. to 4:00 p.m. (including a recess of 10 minutes)

11. Units of Instruction Hours

Total of 60 units (2 units a day - 10 units a week, Monday through Friday for 4 weeks).

12. Schedule of the Seminar

Schedule is announced at the beginning of the seminar.

13. Seminars

Seminars are conducted according to the instruction.

14. Lectures

Lectures are generally conducted in the form of lecture-forum.

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

15. Prior Preparation and Submission of Reports and Data

(1) Country Report

In order to enhance the effectiveness of training, the participants are requested to write out a summary report on the following theme, which will be used in the seminars on "Comparative Study" as well as in other studies of the seminar. The reports should be typewritten in accordance with the attached form, in single space within 10 sheets of typewriting paper and submitted to the Embassy of Japan (or JICA Office) together with the Nomination Form.

Theme: The Role of the National Government of the
Participant's Country

Part I: Brief sketch of the development of the national government and problems it faced with.

Part II: Actual state of, and the participant's opinion on:

- i) Specialization of function and its coordination within the government;
- ii) Reorganization of the government to meet changes in administrative needs in the recent social and economic conditions.

The report should be attached with the national government's organization chart and a detailed chart of the organization which the participant belongs to. The participant is kindly requested to mark his or her position in the chart.

Participants are requested to make oral presentation of the report at the seminar (audio-visual system such as overhead projector, slide etc. is available).

(2) Preparation of Other Materials

To facilitate group discussions during the seminar, it is desirable for the participants bring with him/her the followings.

- i) Organization chart of the participant's government;
- ii) Civil Service Law or Rules (or outline);
- iii) Constitution
- iv) Statistical year book (or summary);
- v) Document (or summary) describing the current state of the participant's country;

vi) Document (or summary) of National Plan for economic and social development and

vii) rough statistics on budget of Central Government.

(3) Inquiry on Actual State of Departmental Administration and Attachment to Relevant Ministry Offices

Two days on-the-spot study at the concerning ministries/agencies according to your interested subjects is planned. Please describe your concern in actual public administration and/or ministry you want to visit and discuss on that. This inquiry will help us to make necessary preparation for the on-the-spot study.

Please describe your preference in accordance with the attached form within 50 words and submit it with the country report.

16. Certificate

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

THE OUTLINE OF THE CURRICULUM FOR SEMINAR ON
NATIONAL GOVERNMENT ADMINISTRATION

Part 1. Modernization Problems

Goals

To enable the participant to:

Study the meaning and process of modernization and examine its problems in the developed countries and in the participating countries.

Methods

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

Part 2. Comparative Study on the Central Government

Goals

To enable the participant to:

Study modern governmental systems, their principle and practices through the discussion on different country's experiences.

Methods

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

Part 3. Public Administration and Civil Service

Goals

To enable the participant to:

- (1) Comprehend the roles of public administration in the 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.
- (3) Seek for the ways and means by which to streamline public services vis-a-vis growing people's expectation.

Methods

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

Part 4. Policies for the Economic and Social Development

Goals

To enable the participant to:

Study the principles and problems concerning some governmental policies in such fields as economics and social development.

Method

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

Part 5. Actual State of Departmental Administration and Attachment to Relevant Ministry Offices

Goals

To enable the participant to comprehend the actual state of administration in some ministries through on-the-spot study.

Methods

The participant is to select, in consultation with the Institute of Public Administration, an appropriate theme and is to be assigned to the ministry concerned.

Part 6. Study Tours

Goals

To enable the participant to deepen their understanding about Japan by visiting plants and institutions of private industries and governmental and public facilities and cultural properties.

Methods

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

II. Opening Ceremony

WELCOME ADDRESS FOR THE SEMINAR ON NATIONAL
GOVERNMENT ADMINISTRATION IN 1988

(On October 17, 1988)

by Mr. Jiro Oshiro,
Director,
Institute of Public
Administration
National Personnel
Authority

Distinguished Guest, Dear Participants, Ladies and Gentlemen:

It is a great pleasure and honor for me to give a few words at this opening ceremony of the Seminar on National Public Administration in 1988. On behalf of the Government of Japan, I would like to extend hearty welcome to each participant from eleven 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 Seminar.

This Seminar was founded for senior class officials of developing countries in 1986, through our experiences in Group Training Course in National Government Administration for twenty years. This Seminar has the aim of introducing participants to modern public administration for social, economic development and exchanging informations and views on the actual states of public administration.

For the programme of this year, we planned the curriculum to study Modernization Problems, Comparative Studies on the Central Governments, Public Administration and Civil Service and Policies for the Economic and Social Development. These are all important problems for participating countries and detailed comparative studies will contribute largely to the development of public administration.

On this special occasion of your visit to our country for this Seminar, I truly hope you will have the opportunity to see the actual state of affairs in our whole society in your own eyes. Seeing is believing, as is often said. Everything in our society is now before you. I heartily wish you will make the best of this opportunity in order to get anything useful to you.

One of the greatest concerns of those foreign people who visit our country will probably be the secrets of our economic success. For the purpose of revealing those secrets, a lot of researches and observations have been made in various fields such as business management, employment system, industrial relations and so on. As a result, they have thrown some new lights upon the characteristics of our economy. However, I think much remains yet to be solved. Anyway, what I would like to point out is, that the key to those secrets is in the hands of our people who support and develop our society. Today, our people are trying very hard to make every effort to promote international cooperation in any field. In this context, I wish you will get closely acquainted with our people and our society through the course of this Seminar.

In concluding my address, I wish all of you will be successful in this Seminar and enjoy your comfortable stay in our country.

Thank you very much.

OPENING ADDRESS OF NATIONAL GOVERNMENT

ADMINISTRATION SEMINAR IN 1988

(On October 17, 1988)

by Mr. Akihiro Mitarai
Director of Training
Affairs,
Department, JICA

Mr. Jiro Oshiro, Director of the Institute of Public Administration, National Personnel Authority, honorable guests, participants of the seminar, ladies and gentlemen,

It is indeed my great honor and pleasure to say a few words on behalf of Japan International Cooperation Agency, on this happy occasion of the opening ceremony of National Government Administration Seminar in 1988.

First of all, I would like to extend hearty welcome to all of you participants who have come to Japan all the way from various parts of the world to participate in the seminar.

As you know, one of the main responsibilities of the government is promotion of social and economic development of the society. In this sense it is vitally important for the government to elevate the professional level of senior administrative staff who play a key role in execution of public administration.

With this in mind, the seminar has been organized by the Government of Japan as part of her technical cooperation programme. The main purposes are to introduce to the participants Japanese public administration for social and economic development, as well as to seek for the better way of modernizing public administration of the participating countries.

During the seminar, you will have chances to visit various places including Hiroshima and Kyoto. I hope that these field trips will give you some insight into our age-old culture and modern society.

Distinguished participants, it is our sincere hope that you will harvest the maximum benefit from the seminar by actively participating in it. On our part also, we assure you that we JICA will do our best in cooperation with Institute of Public Administration to make this seminar successful.

Before closing, I would like to take this opportunity to express deep gratitude to the staff of Institute of Public Administration and all the other organizations concerned for their efforts and contribution in arranging this excellent seminar programme.

To conclude, I wish you all the best and enjoyable life during your stay in Japan.

Thank you.

ADDRESS AT COURTESY CALL AT N.P.A.

(On October 17, 1988)

by Mr. Hitoshi Utsumi
President of N.P.A.

Ladies and gentlemen:

First of all, I would like to express my sincere appreciation to all of you here for coming all the way to Japan to attend the seminar, and visiting National Personnel Authority today in spite of your heavy schedule.

As we are responsible for the overall planning and smooth management of the seminar, we would like to do our best to make your four week stay in Japan as pleasant as possible in collaboration with other parties concerned.

Incidentally, National Government Administration Course was first carried out in 1968, and this year marks 21st anniversary. For the last 21 years, a total of 295 officials from 40 different countries have participated in the program. I have heard that those ex-participants are now playing very important roles in their respective countries. Furthermore, I am confident that all of them have been playing significant part in furthering mutual cooperation among the participating countries.

However, based on the evaluation of the past courses we reorganized the program two years ago to place special emphasis on the administrative management and socio-economic development. That is to say, we began to offer two courses in a year starting the year before last; they are National Government Administration Course held in May, and Seminar on National Government Administration for Senior Class Officials conducted in October. This is the third Seminar on National Government Administration for Senior Class Officials.

In this connection, I wish you all good health and success in the Seminar. At the same time I sincerely hope that the knowledge and experience acquired during the seminar will be fully utilized in your work at home.

Lastly, I wish you all good luck during your stay in Japan.

Thank you.

REPLY ADDRESS OF THE REPRESENTATIVE OF PARTICIPANTS

(On October 17, 1988)

by Mr. Enrique Oscar Knowles
from Argentina

On behalf of the participants of the Seminar on National Government Administration organized by the Japan International Cooperation Agency, I would like to express the due appreciation of the group, to the training institution, National Personnel Authority.

To you, Mr. Hitoshi Utsumi, and to your colleagues and staff, our gratitude for the efforts you are making in order to ensure the success of the seminar and our pleasant and fruitful stay in your country.

The role of national governments has extended to almost every sphere of a citizen's life. This is more so in less developed countries. Therefore, in these countries the role of public sector, its effectiveness and efficiency, assume a relevant significance.

We are aware of the important role played by the public sector in your country's remarkable economic and social development.

We are convinced that being exposed to the Japanese case will enhance our capability to seek for better ways to help modernize our own public administration.

Thank you.

ADDRESS AT RECEPTION BY N.P.A.

(On October 17, 1988)

by Mr. Hitoshi Utsami
President of N.P.A.

Ladies and gentlemen,

Since we have met already, allow me to skip formalities. To tell the truth, I was deeply impressed with you when I met you this afternoon. Because I could easily recognize your high status in your governments reflected upon your faces.

I am not very sure whether the food and drinks we are offering you this evening will suit your taste and sufficient for all of you. But please make yourselves at home and enjoy friendly chatting as long as time allows.

By the way, we have Mr. Lee with us this evening. So, ladies and gentlemen, please join me in celebrating the great success in the Olympic Games in Korea.

Thank you.

REPLY ADDRESS OF THE REPRESENTATIVE OF PARTICIPANTS

(On October 17, 1988)

by Ms. Yati Trimurniati
from Indonesia
at Reception by N.P.A.

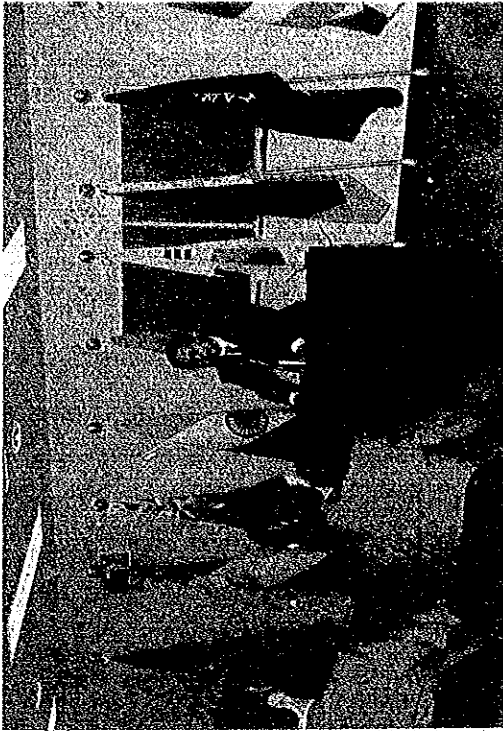
Utsumi-san, distinguished guests, ladies, and gentlemen, Konbanwa

We would like to thank you on this special occasion that we have a very good opportunity to attend the Seminar on National Government Administration in Japan.

We are sure we can enhance our knowledge and experience during the Seminar. It will be very useful for us and for our Governments.

Japan is a beautiful country with kind Japanese people. We are sure that we would have a pleasant stay in Japan.

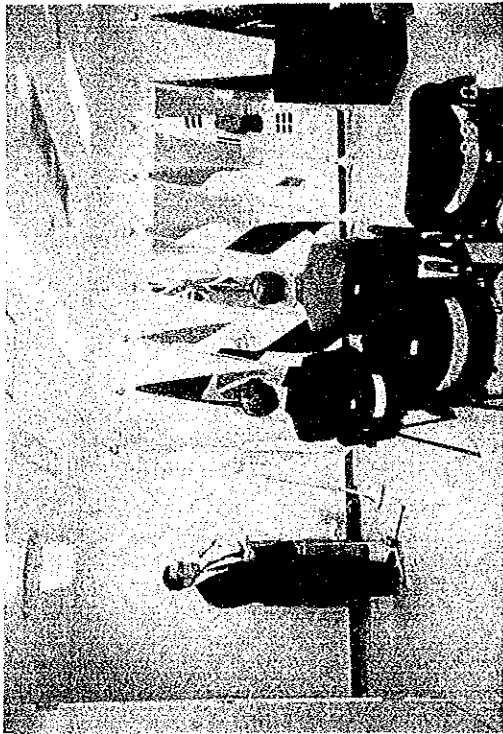
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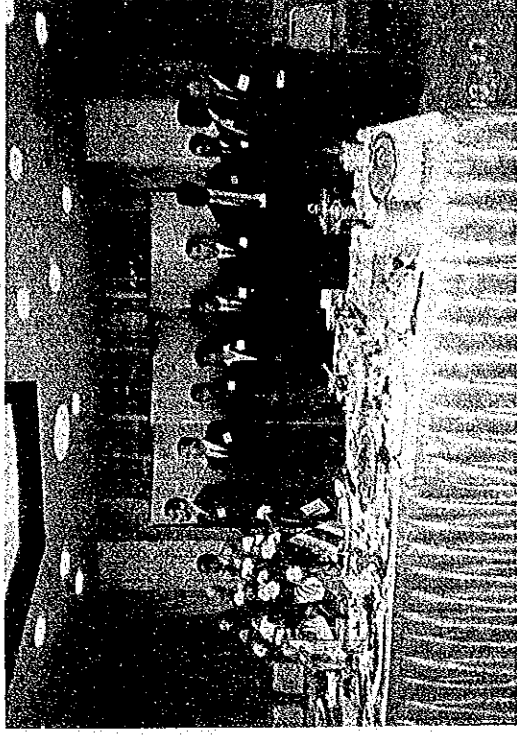


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1 - 4 Opening Ceremony



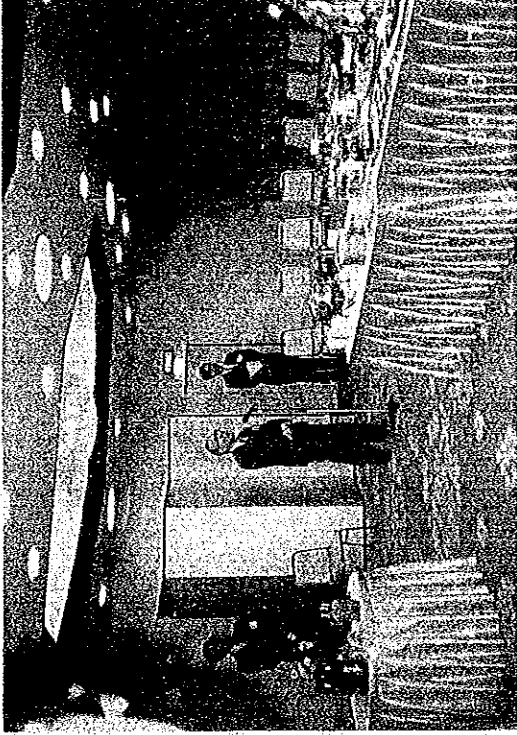
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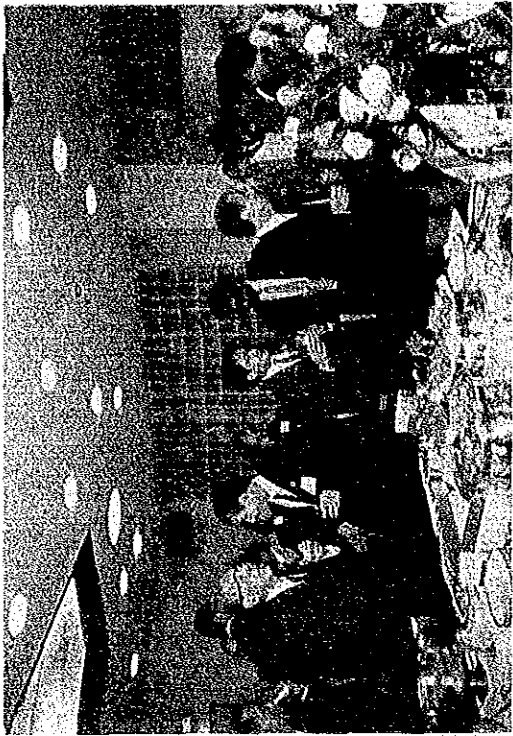
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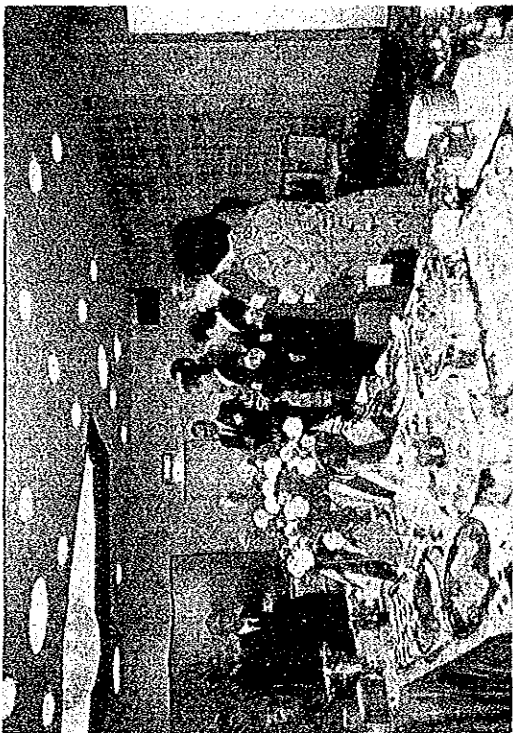
7, 8 Reception by N.P.A.



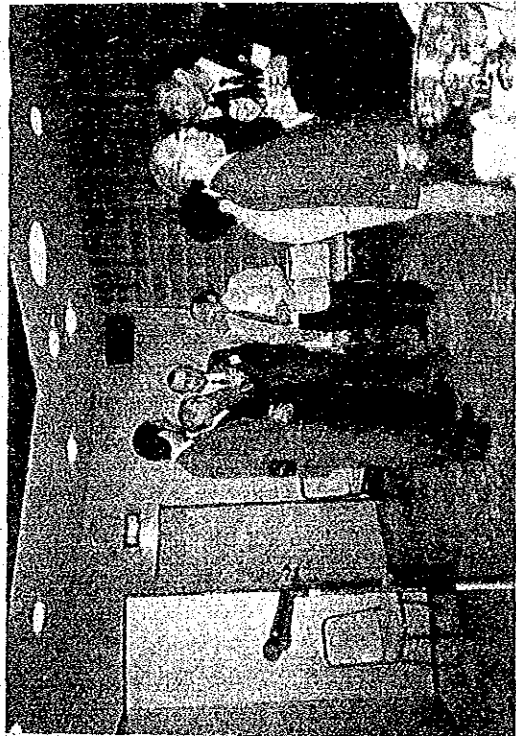
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9 ~ 12 Reception by N.P.A.

III. Reports of Comparative Study

Introduction on Comparative Study

1. Subject: Comparative Study on National Government of the Participating Countries.
2. Purpose: To enable the participants to study modern governmental systems, their principle and practices through the discussion on different country's experiences.

After the briefing of the governmental system by the lecturer, each participant, based on his/her country report, present actual state and recent movement of his/her central government for 20 to 30 minutes. Following that, discussion is carried out by answering the questions from the participants and lecturer, as well as exchanging opinions among the group. In closing, the lecturer adds comments on the whole discussion, and suggests that a summary report be prepared in reference to the subjects below.

1. How should we determine an optimal size of the Civil Service?
2. Classify policy-tools into two groups, the more interventionist and the less interventionist (or arrange them in a spectrum from the most interventionist to the least interventionist)

Following is the report by the participants, summarizing the opinions of all the members presentation at the seminar.

No. 1 Summary Report

by Lic. Enrique Knowles
(Argentina)

The size of the public sector, its weight in the overall structure of the economic and social pattern of a determined nation might be considered crucial to enhance or preclude the development of such society.

Therefore, it is inevitable to discuss the role of the national government in certain economic and social development conditions in order to evaluate the optimum level of intervention of such government and the size of its civil service.

The essential features required to design an optimal size of the civil service are immanent to the type of society it shall serve. However the bureaucracy, (the bureaucratic organizations) is the backbone of any modernly shaped governmental structure and its efficiency will be the resultant of an effective differentiation of functions, centralization of control and an adequate behavioral pattern. Therefore, the optimal size of the civil service, assuming that the described features are a sine equa non condition, the following considerations must be taken into account:

- * The size of the country and its natural conditions which facilitate or preclude a regional integration. By size of the country it is meant, territory and population.
- * The political system adopted by specific country. A unitary system will tend to divide the country into sectors and overlapping jurisdictions will be avoided by means of determining responsibilities in an exclusive way. The federal system will require a larger civil service due to the more complex and wide jurisdictions, with the additional need to provide for sometimes overlapping local and regional agencies.

- * The ability of the economic and social system to operate effectively and efficiently, thus avoiding the generation of income distribution imbalances and giving way to an homogeneous development of the economic potential of the country. This ability is the result of the development of the country's production at the internationally required levels of productivity and of its integration to the prevailing world trade pattern.

The above-mentioned considerations will determine the need of a certain nation to have a bigger or smaller -in size- civil service. This, in extremely general terms is valid because those factors will induce the need of a limited or extended role of the national government.

Thus, with an unbalanced income distribution, low capital investment, low labor productivity, non integration to the world trade pattern, and the consequent social and political instability, certain countries tend to increase the governmental intervention, reaching almost all sectors of the national life and a direct consequence of this situation is the growth of the civil service, while the government starts playing the additional role of employment-provider as a need to cope with social distress.

From the point of view of the tools normally used by modern governments to achieve the implementation of their policies, they cannot easily be classified as interventionists or not, because in most cases the policy served by the tool is the key element to define the degree of interventionism derived from the utilization of a certain policy tool.

However, there are different types of policy tools and interventionist policies and a classification can be made on the basis of policy serving tools.

As a general statement a policy tool is more interventionist when it affects the behavior of the individual and less interventionist when it operates through the market.

A policy tool should be rated as interventionist when it induces changes in the allocation of resources or distribution of income as it would have been done by the natural forces of the market-mechanisms.

Classification of policy tools from less interventionist to more interventionist

This classification will rank policy tools from less to more interventionists qualifying the tools, in certain cases, as they could be rated differently depending on what policy are they serving.

- * Extraction, in general terms this cannot be rated as an interventionist tool providing the taxation policy is not directed to affect regional or sectorial allocation of resources.
- * Provision of indirect benefits. This supportive role is legitimate unless is specifically oriented to certain sector.
- * Rule making and enforcement, as long as it is oriented to preserve competition such as the antitrust regulations, or widely directed to general public interest such as preserving health, safety, security, environment, etc.
- * Finance tends to be more interventionist due to the immanent selective and discretionary system that has to operate to define the areas for financial support.
- * Licensing, certification and franchising tends to be a widely used interventionist tool. An exception to this statement might be found when the government policy is directed to preserve the efficiency and effectiveness of an intrinsically monopolistic activity.
- * Contracting. This policy tool is one of the most powerful interventionist features of government policy, as with it the government can reshape discretionary major industrial activities

related to the supply of government demanded goods. These statements will not apply in such strong term when the demanding government agencies are several and/or the local market for those goods and services is broad considered from the supply and demand sides.

- * Provision of financial guarantees and insurance. This tool, although not widely considered as interventionist and in general terms is rated among the favorite governmental support tools for certain industrial sectors and foreign trade is in the participant's opinion the most interventionist policy tool as allows for a substantial reallocation of economic resources on the exclusive discretionary administration of the state.

No. 2 Summary Report

by Piero Carlo Prado Falci
(Brazil)

Question I. How should we determine an optimal size of the civil Service? What kind of items should be considered, and what procedures should be taken in order to determine an optimal size of the civil service.

Answer I start to answer with a quotation from the book "The Administrative Management and Reform in Japan", March 1988. The Institute of Administrative Management, page 48: "Under conditions of restraint involving the administrative and financial management, staff number control is becoming increasingly important. Staff number control is intended to realize a rational distribution of personnel adapted to the changing demand for administrative services while restraining administrative organizations from expansion. In response to serious financial constraints, strict staff number control is a definite requirement for curbing the progressive growth of personnel expenses.

The Government has been attempting to cut the total number of national civil service personnel by enforcing the so-called "Total Staff Number Law" and implementing its "Personnel Reduction Plan."

Continuing to quote from the same book, now from pages 2 and 3: "Examination of the organization structure and staff number in fiscal 1987 was conducted on the basis of the following principles.

- (1) Except for rational reorganization of the existing institutions, no new offices shall be established in government agencies, government enterprises, public corporations, and other administrative organizations.
- (2) The number of public servants shall be reduced step by step in accordance to the 7th Personnel Reduction Plan formulated in August 1986. The authorities concerned shall try to meet the

demand for new administrative services only by appropriating part of the existing staff number. As a result of this examination, the Government decided to adopt the following policies:

- 1) Overall expansion of the organization structure shall be strictly suppressed in an effort to establish a system that can cater to the demand for diversified administrative services,;
- 2) Curtailment of the staff number by 3,432 head shall be achieved in both public corporations and government enterprises;
- 3) Special public corporations such as the Forestry Credit Fund and Japan Air Lines shall be liquidated and completely privatized respectively.:

The problem of the ever growing bureaucracy is everywhere. It exists in Japan, in the USA, in the developed and in the less developed world. Society tries to keep this gigantic monster to grow. But, certainly, it does not seem to be an easy task. Bureaucracy knows how to survive, how to perpetuate itself and knows how to find reasons to justify the increase of its dimensions.

Well, the problem has come to a point that the public service is losing its reason of being, of existing.

So here comes the first question; Why does the government exist? What is the purpose of the existence of the public service?

Well, we all know, that the public service exists, as the terminology shows, to "serve the public". Public servants are servants of the society."

Well, is the public service really serving the population, serving the public, serving the society?

In many countries the government expenditures (strictly to maintain the civil service) are almost equal and sometimes, more than the total government earnings.

So the population is paying taxes, tariffs are being collected and this should be returned to the public in the form of services and investments. But what is happening nowadays? In most countries the total collected by the government is utilized to pay the salaries and wages of the public workers and there is no money left to investment. As the government does not invest, the workforce doesn't have too much work to do. Productivity is very low. So, the population is paying to maintain a certain amount of workforce almost in-active. Certainly this does not make any sense! But it is true. And is happening, and it is difficult to collect.

So the starting point is to analyze what are the public needs that must be covered by the government. It is necessary to identify priorities.

The government must refrain from dealing with too many subjects. It must concentrate its action, and the small amount of money it has, in a few "priority-fields." So, the government must cut part of its programs in order to concentrate its energy in a few priorities.

The second point is the analysis of government revenue (earnings) versus government expenditures. There must be a maximum level in the budget dedicated to the payment of personnel and there should not be any permission to increase this amount.

The third aspect is the cost-benefit analysis. Government must identify in which sectors he works well and which the private sector would do better, with better level of satisfaction by the public. In this case, privatization is the name of the game.

It must be considered, however, some fields in which only the government must act, not only by their importance but also because they are fields of no interest to the private sector.

That happens in a lot of countries; the government is obliged to maintain a certain degree of inefficiency in order to favor the private sector and its development.

Programs like the "Personnel Reduction Plan" and "The Total Staff Number Law" measures adopted by the Government of Japan- are a first step in the fight against the monster of bureaucracy.

Other programs are being adopted in other countries like, for instance, the "voluntary retirement" and "public to private migration." In the first one, the one who wants to retire of the public service can do so and he will receive a prize and a pension according to the time he worked to the public service. In the second program the government pays for a certain period of time (six-months, for example) the salary of his former worker that is now working in a private firm in order to encourage the private sector to absorb civil servants. Both programs are dangerous in terms that usually the government loosen its best values.

Final Remarks:

Well, the subject has been a lot discussed all over the world. Trying to answer the question in a kind of formula, I would say that the optimal size of the civil service is a function of the "real public needs" (priorities), of the government earnings compared to its expenditures (deficit or superfluous, or, to say, how much money is left to carry out projects, investments, etc.).

How to determine the appropriate number of civil servants compared to the number of inhabitants of the country? It certainly depends from the stage of development of the country, its particularities, etc. It changes from country to country. It depends upon the technology utilized in the civil service of each country. Is it right to say that less-developed countries must have a larger amount of civil servants than the developed ones? Well, I think the answer is related to a clear view of what the government must really do and what he must not do. Establishing a few priorities, concentrating its energy in the search of solutions to a few

problems, without dissipating energy with a whole bunch of minor concerns, is, in my opinion, the starting point to establish the optimal size of the civil service.

So, there must be a political commitment, a political will and a clear political definition of the government priorities. There must be a clear definition; "The government is going to concentrate its efforts in this and that. The other fields are important, but the government, now, has no means to attack all of them at once."

With this definition the migration of civil servants from an office, where there is no more need of their presence, to others where they are needed becomes easier.

So, there must be clear political definition of priorities, otherwise, staff reduction programs will fail. Bureaucracy, very easily, always finds reasons to justify its existence.

As a general tendency, government has to retire itself from many fields and has to diminish its proportions and its degree of intervention.

In the bottom line, a government is successful (in its task) when it is no more necessary. A well-succeeded ministry or agency should disappear because there is no more reason to justify its existence. The real government must "encourage" the society to reach autonomously its development. But bureaucracy, with its permanent expansion, is contradicting the rational tendency.

Question II. Classify policy tools into two groups: the more interventionist and the less interventionist (or arrange them in a spectrum to the most to the least interventionist)

Answer What is government intervention? Why government intervenes? How does it intervene? Difficult questions for sure. Government pretends to know the desires of the society and to represent the society. So it has the power to dictate the way the society should be arranged or composed,

acting in many ways to modify what is apparently wrong or to promote what seems to be right.

In this task the government must choose its way as an actor within a play. How is it going to perform? Is he going to appear a lot or will remain in the back-stages suggesting things without appearing too much? Is he going to speak out its orders in a loud voice or is he going to persuade the actors to do this or that in a soft-low intonation?

How is he going to do this with the maximum benefit for the society and at the minimum possible cost?

Government, as an actor in a play, must define its style: subtle or prepotent?

Is he going to motivate the others to obtain the targets he wants or is he going to act the other way round, so to say, establishing prohibitions and restrictions?

You can do this or that but you cannot do this or that because it is forbidden. Stimulus (positive) x Constraints (negative). I believe that government in its way to do "what is better to the society", to achieve the results, must utilize all the tools it possess as a father guiding his children. In societies composed of less-educated persons, restrictive measures seem more able to succeed. When the level of education is high, stimulus and motivation do better also because the members of the society are aware of their social responsibilities.

Well, a government that decides to intervene less has to choose stimulative tools. "Stimulative tools" requires, it seems, less government, less supervision, less police-type apparatus.

In this way, as a policy tool I sympathize with the "Provision of indirect benefits" (5) because I believe that, by utilizing it the government is playing the role it is supposed to play.

In second place, as a less interventionist tool I will put the "Provision of financial guarantees and insurance" (4). In third place "Extraction" and in fourth "Finance". These four are in a group of the less-interventionist tools. The most-interventionist tools are "Rule-making and enforcement" and "Licensing, certification and franchising", because they tell the private sector what, and what not to do. It requires a large apparatus to manage and, I believe, is less effective in reaching the aims.

There is one tool left-"contracting" - and I wouldn't put it in either group. I believe that, if it is done in the right way, contracting can be the most effective tool (not for the government, but for the society) of all. In this case, the government can play the role of the consumer and let the market laws determine the equilibrium point, the break even point.

No. 3 Subjects for a Summary Report

by Adel Mohamed Abdou
(Egypt)

Introduction:

I take this occasion to express my gratitude to Japan.

Subject:

(1) How should we determine an optimal size of the civil service?

- Before answering this question I remember a memory says for "Carnegy" who established iron and steel in U.S.A: take our capital, our roads, our factories . . . but let us our organization, in a few years we shall reach to the top again.

- I think it is one of the government responsibility "prime minister" with cooperation of the advisory agencies specially personnel, management coordination agencies. If I am authorised to make an optimal size of the civil service I advice to carry out the following steps:

1) take the traditional functions as "foreign affairs, military, financing, education, health, justice, special agencies. . . "

transfer the ownership of another departments as agriculture, industry, housing . . . to the private, cooperative sectors.

2) zero base situation

3) determining goals and planning

- 4) organizational survey for the government sectors and reorganize this sector (coordination-conciliation other agencies).
- 5) manpower planning for the coming 100 years, direct the education policy to serve the goals.
- 6) organizational structure.
- 7) organizational manual.
- 8) good selection of employees.
- 9) good system for job classification, job description cards with determination duties, responsibility, qualification requirements.
- 10) system for motivation, wages, promotion
- 11) system for training, maturation, democratic leadership.
- 12) methods & simplification of work.
- 13) time, motion study.
- 14) information system.
- 15) disciplinary action.

But you can ask me what about the present numbers of the size of the civil service?

From my own opinion we can carry out the following steps:

- 1) early retirement (50 age).
- 2) transfer training courses

- 3) redistribution of surplus employees to another agencies which need.
- 4) encourage the loan inside or outside country.
- 5) encourage the immigration abroad.
- 6) encourage the present employees to transfer to the private sector, co-operative sector in the field of agriculture, land reclamation, new communities cooperative industries

(2) Classify policy-tools into two groups, the more interventionist and the less interventionist. (or arrange them in a spectrum from the most interventionist to the least interventionist?)

A. The more interventionist:

- 1) Finance
- 2) Licensing, certification and franchising
- 3) Provision of financial guarantees and insurance
- 4) Contracting

B. The less interventionist:

- 1) Extraction
- 2) Provision of indirect benefits
- 3) Rule making and enforcement

No. 4. Comparative Study Report

by Luke Rokovada
(Fiji)

One of the many difficulties facing administrators in developing countries is how to address the increasing size and cost of the government bureaucracy and at the same time promote economic and social development in terms of generating economic growth and improving the living standards and the quality of life of its people. This is particularly so when viewed from a global perspective of increasing debt burden, though international competition, limited and restrictive markets and protectionism.

In this comparative study two central questions are required to be addressed from the point of view of our respective countries. These are:

- 1) How should we determine an optimal size of the civil service?
- 2) Classify policy-tools into two groups, the more interventionist and the less interventionist

Development of the Fiji Civil Service Since Independence

Since Independence in 1970, the public service in Fiji has grown significantly in terms of both the number of people employed and more particularly in terms of cost. The incremental increase in numbers of the order of 6 % per annum between 1970 and 1979, and the automatic increases in salary based on indexation, salary increments and five yearly salary reviews contributed to the high increase in the costs of the civil service. The growth rejected the increasing role of government in development and also as a major source of employment.

The concern for increasing economy and efficiency in the Fiji Civil Service came to the forefront in recent years in view of the deteriorating financial position of government. Various policy measures were thus necessary to bring costs under control including the waiving of the

automatic intake of feeders into the civil service, freeze on new intakes as well as restrictions on filling vacancies culminating in the wage, salary and increment freeze in 1985. Also, capital expenditure fell significantly between 1981 and 1985, this being considerably below the budgetary provisions of 1984 and 1985. These trends in government expenditure significantly constrained governments ability to contribute towards the development of the country through increasing savings and investments.

The Fiji Employment and Development Mission analyzed in some detail the trends in wages, salaries and employment in the public service between 1972 and 1982. The Mission found that growth in employment in the public service fell from 9.8% for annum between 1970 and 1976 and 3.8% per annum between 1976 and 1982. Since 1982, employment growth more or less ceased. The Mission also estimated that while increase in real personal emoluments (P.E.) expenditure financed additional employment rather than real average earnings between 1970 and 1976, between 1976 and 1982 around 3.9% of the increase in real P.E. expenditure financed real average earnings.

The Employment Mission went on to suggest that the incremental drift of the government salaries must be curbed, since it clearly serves to constrain employment possibilities in the public sector. The argument for annual increments is essentially centered upon the productivity gains which accrue from increased work experience. But the productivity of government employees is almost impossible to measure separately from the salaries they are paid.

The Mission suggested that wages increases in government as elsewhere should be tied to average productivity in the economy as a whole in view of the threat to output and growth.

A new wage formula has been devised which takes into account to movement in G.D.P., terms of trade and other productivity factors. The Government has set up a Remuneration Guidelines Committee consisting of representatives of the Employers, Trade Unions and the Government to recommend to government on appropriate wage remuneration guidelines within the above-mentioned formula. This formula is seen to be effective in

curbing wage drift and more relevant to the needs of the country at this point in time.

Government as a matter of policy should adopt a personnel reduction policy with a view to reducing the size and cost of the bureaucracy and making it more lean and efficient. Appropriate mechanism needs to be put into place to central and reallocate manpower according to changes in program priorities. A central agency should be tasked to review staff requirements of ministries and agencies, and plans, develops and implements the national government's staff member policies including the implementation of personnel reduction plans, with a view to lessening the burden of taxpayers by curbing the increase in the total number of staff in the civil service, while providing sufficient manpower resources to the areas and programs where they are needed for the effective execution of government functions.

Organizational arrangement is one of the major elements of the fundamental framework of administration. To be efficient, effective, and responsive to the need of the people, the government must be equipped with appropriate organizational structures.

The shifts in public demands or policies priorities in response to the changes in the social and economic conditions or international environment occasionally necessitate reorganizations in the ministries and departments.

When a ministry or agency plans a reorganization (i.e. creation, abolition, or rearrangement of its organizational units), the specific proposal should be submitted to a central agency for an in-depth review of such proposal from the government-wide point of view for its necessity, efficacy etc., under the basic policies of holding down the size of the government.

In addition there should be content re-organization and streamlining of divisions, sections and units within ministries and departments with a view to realizing a slimmed-down and efficient structure of government appropriate to the challenges of a new era.

While efforts to restrain wages and costs would assist in relieving the financial burden, this could lead to inefficiency in certain areas of government operations if the most productive way of utilizing available resources are not followed. Techniques such as cost benefit analysis, network analysis and the more recent management techniques such as participative management or management by teamwork and quality circle concepts need to be increasingly utilized where feasible. Productivity should be seen in terms of utilizing available resources better for the purpose of increasing the quantity and quality of investment for development.

This is no fixed formula for determining an optimal size of the civil service. However every effort should be made to limit the size of the civil service to what the country can afford and to make the service efficient and effective.

There is a world wide tendency within the system of governments that a policy of decentralization be adopted to ensure efficient production of goods and services. This is a part of an evolutionary process of economic and social development. The tendency is to start off with a highly centralized system of government with a very strong public enterprise or state enterprise component. Then there is a period of consolidation towards the next phase of high economic growth rate with emphasis on import substitution, export promotion growth industry. The next phase is in free market economy.

In the Fiji context, our government is endeavoring to stimulate and generate growth in the economy by promoting investments with emphasis on import substitution and exports promotion growth industries.

Appropriate policy tools have been developed which balance the need to be less interventionist and more interventionist.

Because of the large amount of capital flight last year, the lack of investments, and the drain in foreign exchange through poor export receipts,

government led to intervene in the financial circle in regulating to banking industry, and determining our currency exchange policies. These resulted in restrictions in outflow of capital, devaluation in the Fiji dollar, control of interest rates and other interventionist policies.

In the business area, government needs to control business licenses and the type of investment brought into the country to desire that our people are not exploited by unscrupulous businessmen and speculators in the money market.

A policy of "administrative guidance" adopted by the Japanese Government would be very appropriate for Fiji as it is in keeping with our cultural and social rooms of dialogue and discussions and working together.

No. 5 Summary Report

by Binoo Sen
(India)

I. How should we determine an optimal size of the civil service?

With the role of most National Governments, becoming all encompassing the nation building, the number of civil servants has also increased tremendously. The most national governments are today concerned with the huge government expenditure on civil servants. Ways and means are being devised and discussed for pruning the size of the civil service, and restraining further increase in numbers.

There can be several ways of achieving this that can be thought of

(1) It can be done by legislation.

The upper limits of the total number of full-time staff members allocated to permanent positions, in order to carry out the duties of each ministry department can be stipulated by law. This not only ensures no further increase in numbers, but also ensures a systematic and flexible response to fluctuating administrative demands by enabling reallocation of staff to ministries and departments where they are needed.

(2) The second method could be by attempting a personnel reduction plan

An overall reduction of say 5 - 10% of personnel can be carried out over a period of time, to be specified. Each ministry or department can carry out a rigorous and exhaustive review and study of its own activities, which can be rationalized through improvement of efficiency, simplification, and curtailment of functions.

This can be a very effective means of administrative reforms, by providing ministries departments opportunities to promote efforts of their own in introducing computers or other aids for improving efficiency and the delivery system.

- (3) Thirdly, realistic norms should be fixed for each category of civil servants, to measure the nature and quantity of work to be performed.

Any future demand for additional personnel could be measured by this yardstick. So that a realistic estimate of staff requirement can be made. This measure could also be used for curtailment of existing staff.

- (4) Fourthly, over-lap of functions of ministries departments should be studied, and by establishing proper co-ordination, certain number of staff can be curtailed, and working can be rationalized.

- (5) Another very simplistic way of looking at the problem of numbers, would be to transfer a lot of activities like, the public transport system, public distribution system, civil aviation to the private sector. This will not only enable government to improve its financial position, by cutting out its losses, but also a cut in grants and subsidies. But in a welfare society it is not only profits which is the grinding principle, but also accessibility of facilities to all members of society. For example, because the public transport system is subsidized by government, even the poorest can make use of it.

Public distribution system reaches out to the remotest corner of the country, and is accessible to all. Hence the benefits and losses of having a large number of public administrators will have to be studied and scrutinized very carefully before we consider terminating numbers.

The intention should be to reduce numbers in sectors which face

declining administrative demands, or which require rationalization.

II. The specific needs either of the ruling elite or of the people are closely related to the stages of economic development, social structure, ethical and cultural value, and political and administrative conditions of a given society during a given time. It is, therefore, difficult to categorically define what are or should be the precise role of public administration in term of socio-economic development.

It is generally observed that public administration has increasingly intervened in socio-economic processes, as a result, various types of local legislation, social welfare schemes, and public loan and investment schemes, initiated by the state are being implemented.

Apart from direct execution of certain policies by government departments-various tools - policy tools - are employed by modern governments to modify social and economic behavior in line with policy intention.

These can be listed in the following order from most interventionist to the least:

- (1) Rule making and enforcement - Two main types of regulation are possible: detailed statutory guidelines and general prohibition which require interpretation in particular cases.
- (2) Licensing, certification and franchising - can be seen as an alternative to direct - state provision of monopoly activity.
- (3) Finance - provision of government finance to businesses.
- (4) Financial guarantees and insurance
- (5) Provision of indirect benefits - in addition to direct provision of finances government also provides a wide range of services e.g. factory sites, good road and telecommunication.

- (6) Contracting - a means of pursuing other public policy objectives through the use of government purchasing power.
- (7) Extraction - industry as a source from which resources can be extracted to fund its other programmes.

But the most successful of government tool appears to be the "administrative guidance" which is operating in Japan. It seems to be unique to Japan and its origin might be found in the features of her culture. It may be seen as "administrative actions taken by administrative organs, although without legal binding force, that are intended to influence specific actions of other parties in order to realize an administrative aim."

It is very often accomplished in conjunction with other more powerful interventionist-tools. It needs to be incorporated properly in a whole range of tools for policy implementation of "modern" government.

No. 6 Summary Report

by Yati Trimurniati
(Indonesia)

I. Civil Service

A civil service in Indonesia is a servant of state whose salary is paid out from the state budget.

- (1) The effort to develop the civil service encompassing such activities as consolidation, improvement and streamlining, are directed to improving the ability and dedication of the employees besides creating a clean and authoritative government apparatus to perform public administrative and developmental duties.
- (2) During the Forty-five Years Development Plan, the civil service must be able to improve its capability to render public service and stimulate the establishment of an equilibrium and harmony of the various fields, sectors and aspects of developmental activities.
- (3) The effort for the promotion of civil service has been undertaken continuously since 1966, covering the civil service of central level and regional level, the relation between the central and regional civil service and the state economic apparatus. causing such institutional areas as personnel affairs, public administration as well as the national development financial system, including the planning of development budget, procedures of development budget appropriation, project implementation control and public finance supervision.
- (4) In the field of management, improvement is brought about, among other things, through the promotion of institutional and procedural work relations, representing a form of communication to assist in establishing the required degree of coordination.

- (5) At regional level, the effort for the promotion of civil service has been made by laying the foundation for the implementation of the deconcentration and decentralization system as well as auxiliary duties.

Likewise, the effort for the promotion of public administration of regional level will continue to cover as far down as the village level in accordance with the 1979 law rural administration.

The functional relation between central government and regional government has been improved among things through a national consultative forum for planning bureaus at departmental / non-departmental and government institutional levels, the national development planning agency and the first level regional development planning agency likewise, the inter-regional relation and cooperation to enhance regional development are constantly stepped up by means of regional consultation.

- (6) Although the efforts for the promotion of the civil service undertaken during five years development plans I to III, have been crowned with some progress, nevertheless a great many challenges still have to be responded to among others, the development of effective steps to create a powerful, dependable, authoritative, clean and sound civil service; promotion of the attitude and orientation of civil service toward the National Development; stepping the capability of civil service and enhancement of the mobilization of development funds hailing from domestic sources.

- (7) Other policies concern the improvement of the capability of rural administration, promotion of the functional relation between institution of people's representative and the government; enhancement of the harmonious relation between central government and regional administration; strengthening coordination ties between vertical agencies and regional services, among vertical

agencies and among regional agencies promotion of the development, management and supervision over state-owned and regional business organizations; improvement of the capability of the civil services; cultivation of the code of ethics and good faith of public servants; ordering and betterment of the supervisory apparatus and mechanism of the national development; encouragement of social participation in supervisory affairs; improvement of the management of the state properties/improvement of the service function of civil services; advancement of the science and system of developmental administration.

- (8) In the implementation to step for the promotion of the civil service, an integrated approval is applied, covering all aspects of public administration, effected continuously in staffs and according to plan, based on a priority scale adjusted to the national development implementation programme.

In the framework of the integrated improvement, promotional efforts will be made with due observance of the principles of administration in Indonesia so as to ensure an efficient and effective system of public administration.

- (9) The programs for the promotion of the civil service comprise of institutional promotion covering the development of central civil service, the regional civil service, and the promotion of the relation between central government and regional government; promotion of the personnel administration; promotion of management covering the system of public administration supervisory and disciplinary affairs; management of state properties and the affairs of licensing; promotion of the state economic apparatus; promotion of the administration of development planning and implementation covering the national development planning and programming system; development of administration system of the national development.

The Indonesian Government administration is not only aimed at the improvement and development of its performance, in general, administrative duties, but is also expected to be fit to carry out administrative duties with regard to the development process, such as preparing plans and programs, executing proper control over development activities in relation to either the implementation of five year development plans as well as annual plans. The improvement of the Government services is aimed at developing these services into effective, stable, respected and clean instruments these efforts toward improvement and development of the administration are also directed at achieving a cleaner government administration more capable of reducing the possibilities of this management and deviations which may lead to excesses, such as graft and corruption.

In order to step up efficiency in the work procedure by state apparatuses and of supervision, the effectivity and efficiency of state apparatuses will be enhanced.

II. Main objectives and targets of the development efforts

This objectives of the development under Forth Five Years Development Planning are:

- (1) to improve the standard of living, intelligence and welfare of the whole of the people in a move evenly and justly manner.
- (2) to lay a strong foundation for the next development phase.

In order to achieve mentioned aim, the policy persued in various fields will be, as such to make sure that the achievement of said development efforts, are directed towards supporting the creation of balance and harmony in the frame-work of realizing a strong fundamental framework for the consecutive development stages.

Economic development is based on economic democracy in which the public plays an active role in development the government should, there-

fore, provide direction and guidance to economic development as well as create a healthy climate for business activities. On the other hand, business circles should respond with concrete actions to the government's direction and guidance.

Promotion of national business enterprise including cooperative, is directed to enabling them to function as the backbone of the national economy in the framework of developing a healthy national economy.

Industrial development is part of a long term effort to restructure the unbalance economic structure into one in which there is a balance between the industrial and the agricultural sectors.

In the framework of establishing industrial development centers in certain regions, the interrelationship among regional industries will be fostered. This has the purpose of strengthening the national economy.

Classification of Policy Tool

1. Role making and enforcement

Deregulation accomplished by government in order to simplify the systems and procedures.

- (1) In the framework of increasing efficiency in the traffic of goods in order to support domestic industries in their competition with overseas industries; the government has issued the new regulation (deregulation) in 1985.

This construction is concerned with procedures of export & import; intra-island shipping; cost of marine transport; the handling of goods and documents; general representative for shipping enterprises; Operational in harbor.

- (2) In order to increase economic development, which is able to boost industrial development, during 1986/87, the government took

several deregulation measures which were among other thing.

- a) the 6th May, 1986 package, measure such as trade and monetary.
 - b) investment deregulation on 25th Oct. 1986 relating to the devaluation policy:
deregulation on textile, steel, machinery, electronic machinery.
 - c) deregulation on motorized vehicles on 15th January 1987
- (3) In field of sea transport is made in stage by rehabilitating, adding and increasing the available capacity of its means and infrastructure by stepping up efficiency and effectiveness, the production and management of sea transport services, in order to smoothen intra-island traffic of goods and to promote domestic and foreign trade so as to step up economic activities and the export of non oil and gas commodities as stipulated in the new regulation.
- (4) Deregulation was emphasized by the government as stipulated on December 1987 in filed of: forestry, tourism, fishery etc.
- (5) Deregulation in legal administration
Efforts have also been made to improve the administration of all matters pertaining to legal procedures for many kinds of industries. Such as:
- simplifying the issuance of permit, sanctioning, supervision and the completion of legal procedures
 - streamlining procedure of immigration

- (6) The positive import of the deregulation was the improvement of competitive efforts and efficiency on the national industries, especially for the development of export oriented industries.

2. Licensing, Certification and Franchising

In order to maintain the pace of national development process, the government has in January 1982, launched a new license of Certificate in a new export policy which covers an overall measurement in the field of foreign exchange, traffic, payment system, simplification of procedures, credits and export credit guarantee, sea transportation.

In field of export goods, mailing use the export certificate facility, are subject to inspection at the place of destination by Societe General de Surveillance (SGS), and the surveyor appointed by SUCOFINDO (Superintending Company of Indonesia) or the government.

The simplification of license has been issued by the government to facilitate various fields on their economic development.

- Licence in field of tourism

Before 1987, there were more 10 licenses and certificate to build a new hotel.

According to December 1987 Package. (Deregulation in license), there are only 2 licenses. (simplification of license and certificate)

3. Finance

The mobilization and utilization of funds; harmony between the dual distribution of development and its achievements, and between economic growth and national stability continue to be the major points of consideration.

Development funds originate from three main sources, namely government savings, public savings and foreign funds.

Government savings are to be raised through various policies non oil and gas revenues are to be increased, particularly through the renewal, recently of the taxation system by making it simple and make effective, while the number of taxpayers is expected to rise continuously.

The effective use of the tax apparatus will be improved as well. Steps to keep on renewing the taxation system aimed at supporting our self-reliance in financing national development, are taken continuously, among others by drawing up various other draft statutory provisions on taxation.

Harmony among the state, finance, monetary and balance of payment policies are essential in order to attain the elements of the Indonesia's national government. In this connection, the government will retain the policy of a organic and balanced budget, likewise that because of payment monetary and credit policies will be those which in general will foster the attainment of economic stability in connection with efforts which foster equity and the process of development.

4. Provision for Financial Guarantee and Insurance

The promotion and development of business enterprises will lay emphaiss on increasing community participation in development; fostering harmonious co-operation among large, medium and small companies as well as co-operative; stepping up the promotion of economically weak bracket of entrepreneurs protecting certain kinds of business undertakings, and improving entrepreneurship, expertise and capability of the national enterprises. Furthermore it is stipulated that foreign capital investment is only permitted in those sectors that produce highly essential goods, expand export and require considerable capital investment and advanced technology.

The development of business enterprise will comprise of policies pursued to increase the role of national business enterprises, foster equity in business opportunities and encourage co-ordination among state and private company as well as co-operatives. To reach these subjectives,

all the measures-taken should be able to create a healthy climate to enhance co-operation among co-operatives as well as state and private companies.

5. Extraction

To increase revenue from taxes, the government made some renovations in the tax system through three new tax acts, namely an act on general stipulations and methods of taxations, an act on income tax and an act on value added tax of goods and services and sales tax on luxurious goods.

Target of the fiscal policy is reflected in the annual receipt and expenditure that makes up the state budget.

Business stabilized are taxable on income attributable to the establishment of government, both within the country and overseas.

6. Contracting

Development of various types of industries has contributed positively so the national economic strength in particular and national resilience, in general, characterized by an increase in the production of certain important industries.

These industries are those that directly satisfy public needs and those that support the agriculture, communication and educational industries. The government encourages private sector to expance these businesses and five protections to private industries.

7. Provision of Indirect Benefit

To support the implementation of the industrial development which to reach and scope of functions and tasks are setting larger in all aspects, both in the private and government aspects.

It covers the following up-grading the plan for labour in the indus-

trial sector, upgrading the efficiency of the government apparatus and control, the providing of infrastructure, the creation of a business and industrial climate entrepreneurship, industrial protection standardization and normalization of industrial product. Thus beneficial for the government and the people.

In my opinion, the Japanese administrators were excellent. I got very clear explanation from them.

We have discussed about Japan National Railways, which transfers to private sector; Transition and changes in Japan modernization; Role of woman in Japan on "the exchange programme at Institute of Public Administration."

And also at the office for women's affairs, prime minister office and policy planning division of women's affairs, ministry of labour, I got many important things about "Role of woman in Japan" on the spot study.

I hope this opportunity to extend my thanks and gratitude to Japan International Cooperation Agency (JICA) offices and the Japanese Government who afforded me this chance to visit Japan.

I also want to thank Tokyo International Center (TIC) officers and staff, my course manage, coordinator and especially the president of National Governmental authority and staff, and the Director of the Institute of Public Administration and staff for their efforts and cooperation which made my stay and study in Japan a complete success.

Domo Arigato Gozaimasu.

No. 7 Summary Report

by Duk-Yeol Lee
(Korea)

1. How should we determine optimal size of the civil service?

To cope with the high rate of socio-economic development, administrative machinery is expanding and the civil servants are increasing in number.

The expansion and the complex structure of the public administration is a direct consequence of the growing centralization and the increased participation in most areas of activities.

It is general tendency that every nation in the world suffers a shortage of well-trained civil servants.

On the contrary, the question "what are the reasons for the administrative weakness which, as we have seen, so frequently hamper economic development?" is rising.

A universal complaint runs as follow: too many persons are employed, their services are not fully utilized, and they are frequently not qualified by training or experience to do work.

While the high economic growth necessitate the expansion of administrative institutions including increase of the civil service, the private sector introduced both technological innovation and rationalization of management.

It is voiced that the concept of cheap government should be the pilot and the the reduction of the civil service should be carried out.

And the what size of the civil service is optimal? As of the end of 1987, the total number of national public employees of all administrative organizations in Korea is 705,053 (excluding military personnel).

The size of the civil service in Korea is obviously bigger than Japan.

In Korea the number of national public employee has continuously increased in order to meet the emerging needs due to the expansion of administration demands reflecting high economic growth.

In order to restrain administrative expansion, Ministry of Government Affair (MOGA) cooperated by Economic Planning Board stipulates the upper limit of number of public employee every year in terms of the job category and grade.

The establishment of a ceiling on the total number of the public employee of each ministry and agency is based on the principle of restraint.

The personnel reduction plan is implemented by each ministry and agency through a rigorous and exhaustive review and study of its operations which can be rationalized through improvement of efficiency, simplification and curtailment of function, or which are expected to face decline in demands for services.

For example, the telegraph and telephone function of Ministry of Communication and monopoly administration are transferred to the Korean Electronic and Communication Corporation and the Korean monopoly corporation respectively in 1982, 1987.

We have witnessed the creation of a well-managed public services in Japan, as evidenced by the following data.

Most data by the Management and Coordination Agency of the Japanese Government as of 1982 show that the number of public servants (including ordinary servants of both national and local services and also employee of

national government enterprises, per 1,000 populations in Japan are total 45, compared with U.K total 104, France total 111., U.S.A total 78 and F.R.G. total 74.

In Japan, efforts in attaining rationalization of government manpower have been for a long time through the implementation of the successive personnel reduction plans, and yet severe pressure has been imposed on increase in manpower.

Also the total staff number law has been successfully conducted, and the "marginal" staff is "pooled" in one place so that it can be reallocated to these sectors which have to meet expanding administrative demands.

However, public pressure for even smaller government is still strong. The strict control of manpower based on the principle of high efficiency with a smaller work force we still continuing.

Thus conclusion is clear. The 'hardware' of government, like administrative organizations and the level of establishment in the civil service depend on the 'software', like the civil service's ability and incentive, the government's relation with the public and public trust in the government.

Especially the following criteria deserve to get attention.

1. Demands according to the scope of serving and O.A system.
2. Standards for the civil service including working condition, incentive system and performance valuation.
3. Training system to increase the ability and efficiency of the civil service.
4. Possibility of the transformation of public sector including public cooperation to private sector.

2. Classify policy-tools into two groups the more interventionist and the less interventionist

Korea has greatly developed from all the aspects of political, economic and social fields within the short period by passing through difficult ordeals.

The result of such a development has been also from the growth-oriented policy of government initiative. But now the limits of government-led policies are beginning to come out. The abilities, scales and desires of private sector are dynamically changing, and international environments are also turning to the direction of reducing governmental interferences.

To cope with this situation, Korea is under reform on role of government including the administrative system on the premise of follows.

- To sharply delegate the authorities of central government to local.
- To amend government regulations which unduly inconvenience citizens.
- To abolish regulations and procedures which intervene private sector and hinder competition.
- To improve systems which can accelerate "small government".

Considering such surroundings in Korea, to discuss what policy-tools are available and which one is more or less preferable in terms of decentralization, that is less or more intervenable are very useful. What it comes identify policy-tools, considering administrative guidance peculiarly employed in the operation of Japanese Government may be interesting rather than to restrict to the seven policy-tools following after B. Mogwood.

According to him, six out of seven policy-tools excepting rule-making and enforcement tend to lay stress on the industrial field in Britain.

But the policy for the industrial field is not all which modern society want be regulated, recociliated, promoted and advised.

In a sense, these six policy-tools are very often helpful to assure the rule-making and enforcement as the more interventionist or administrative guidance as the less interventionist of its effective implementation.

The former constitute regulation in the narrow sense, while the latter is without legal binding force.

But if we should stick to B. Mogwood's seven "forms of government regulation and influence", those forms as policy-tools can also be classified into two groups in successive order of following.

- The more interventionist group
 - o Rule-making and enforcement
 - o Licensing certification and franchising
 - o Finance

- The less interventionist group
 - o Provision of financial guarantee and insurance
 - o Provision of indirect benefits
 - o Extraction
 - o Contracting

A. Rule-making and enforcement

It constitute regulation in the narrow sense.

Two main types of regulation are possible

- o detailed statutory guideline
- o general prohibition which requires interpretation in particular case.

It covers all aspects from employment condition, health and safety, pollution, condition of operation, monopolies and mergers, etc.

But many critics point out that the effect of regulation may indeed turn out to be reduced effective competition by pricing or quality of service and here deregulation may indeed increase competition.

As critical for economic activities as the services provided by government are regulatory and political policies which effect the social climate of activities. A great deal of attention has been devoted to the impact of specific policies on economic activities.

Unfortunately, many examples which administrative regulation become more crucial and also more difficult to enforce the desired result take place have been appearing.

B. Licensing, certification and franchising

The licensing and certification by government are difficult to measure feature of government intervention and can be involve mixture of resource extraction by government and regulation.

And it ranges from the trivial to the highly important and usually be seen as an alternative to direct state provision of the monopoly activity.

License as the standardization and enforcement of weights and measures is essential for the efficient conduct of commerce and industry, yet many governments tend to have been unable to enforce this elementary step.

Sometime the grants of licenses open the door to many administrative abuses.

Especially in the developing country, big corruptions have been those in which businessmen had to apply for permits and licenses. Supervision and vigilance within the administration should be adequate and legitimate gains should be made.

C. Finance

This can be performed through various forms such as subsidies, grants, incentives, loans, allowance against taxation, state as entrepreneur, taking shares and so on.

Financing is very complex and sophisticated field, because it is likely to entail judgment about future performance.

But government tends to be closely concerned with control in the sense of financial audit but less concerned with the regulation of the effectiveness of the policy in terms of outcomes.

After the early stage of development, government primarily concerned with minimizing their apparent intervention in industry should prefer giving tax allowance to finance.

D. Provision of financial guarantee and insurance

Government, especially in developing country, has used such guarantees as an apparently "cost-free" instrument of industry policy, mainly put stress on promoting export, mobilizing capital and raising small and middle enterprises.

This means that government warrants other party's payment and confidence, and also is responsible for other party in the range of provision and agreement. But, strictly speaking, they are not cost free, because government by using such guarantee and insurance is to be paid excessive potential commitments and the proportion of these which are at risk and there is no guarantee that government outgoing under such risk will be balanced by income.

Private firms are not always to undertake financing or refinancing of funds that would otherwise appear on the government's book.

So this provision, also, should be analyzed technically, considering with integrated surroundings.

E. Provision of indirect benefits

This provision, considered as the most legitimate supporting tools, provides a wide range of services both targeted directly at industry and those which are essential.

Nowadays this provision has been encouraged to provide services in a way that is most helpful to industry.

This provision can be increased by reduction in direct cash support, and also increase in indirect support would constitute a weakening of the direct relationship between government and firms.

F. Extraction

Taxes are a main method of resource extraction from the industry. But direct taxes on the industry income fluctuate substantially over time.

Governments lacking reliable machinery understandably collect mainly the taxes that are easiest to collect, generally preferring indirect turnover taxes to direct levies on income.

But preoccupation with finding any source of tax is revenue which can be collected naturally restricts the ability of government to use fiscal policy as a policy tool.

There is a point beyond which, for any tax, marginal revenue falls below marginal costs of collection.

G. Contracting

Contracting goods and services by government can raise a number of acute problems, only when government is a single buyer and there is one or only a few large suppliers.

But today, there are multiple purchases including local governments, and a number of would-be suppliers. And also the ability of government departments including other agencies to show preference to nation's firms is constrained by international obligation.

Anyway, all the policy-tools have their own characteristics, and merits or demerits. So it is worth pointing out that the better way to enlarge the effectiveness of the policy tools is to support, connect, mix and arm each other.

But it is desirable to consider provision of indirect benefits as better policy-tools under the situation like as Korea.

No. 8. Summary Report

by Jesse J. Caberoy
(Philippines)

1. How should we determine an optimal size of the civil service?

(1) Preliminary statements

I will attempt to expound on the topic in the light of the Philippine setting: the pains and trauma; the passion and soul of the redemocratization of development administration.

It is a truism that the February 1984 people's power revolution has brought about a comprehensive and profound transition in the political, economic and social life of the Philippines and simultaneously, has exerted vigorous elements and pressures on the Aquino government to take decisive and immediate action to ameliorate the lot of the people and energize their capabilities to act as productive member of society. More so, it has posed a preponderant challenge to the bureaucracy to achieve a viable cost-effective operations and to promote measures to enhance the delivery of frontline services, thus, precipitating the need for administrative reforms. These reforms are embodied in the development administration and implementation plan, the objectives of which are as follows:

- 1) To ensure a more efficient, effective, consistent and uniform implementation of the plan, so that government policies, programs and projects would benefit target sector of the population;
- 2) To rationalize the scope of operations of the government, including the public corporate sector to ensure complementarity of the development efforts with those initiated by the private sector.
- 3) To make government institution simpler, more effective and more responsive to the needs and conditions of local communities by bringing decision making and action at the local level.

- 4) To maintain the public accountability of government officials and to strengthen the credibility of the government and the political leadership in pursuing the nation development goals;
- 5) To improve the quality of the civil service and inculcate a strong sense of responsibility and ethics at all levels of government;
- 6) To develop the political and social awareness, concern and commitment of all sectors of society and to promote more democratic participation in the development process by broadening the avenues for citizen access to power and participation; and
- 7) To establish a more peaceful and orderly environment that would be conducive to an effective implementation of socio-economic development programs in both urban and rural areas.

2. Plan framework

The attainment of national goals and objectives is a collective responsibility of both the government and the general public. It is incumbent upon the former to stabilize an environment conducive to growth and development, whereas, the latter must possess a sustainable political will to achieve the design of the reforms. Basically, the administrative reforms are premised on the following guiding principles to wit:

- 1) Promoting private initiative
- 2) Decentralization
- 3) Cost-effectiveness
- 4) Efficiency of frontline service
- 5) Accountability

3. Strategies in fine-tuning governments responsiveness

- (1) Optimizing the structure and size of the bureaucracy

- (2) Rationalizing the administrative processes and procedures
- (3) Improving frontline services and functions
- (4) Integration of service delivery at the local level

This exposition and research will focus mainly on the first strategy. It is so provided that bureaucracy shall be streamlined through the following:

- 1) Consolidation of redundant structures
Or integration of overlapping function to achieve economy and better coordination of efforts.
- 2) Abolition of unnecessary or irrelevant agencies which may be justified by the presence of another government or nongovernment agency that can more effectively perform the same function; Or a change in needs such that the services being provided by the agency are no longer deemed critical; Or upon completion of the agency's mission.
- 3) Certain corporate and noncooperative activities of the government which do not fall under any of the inherent functions of government shall be privatized such as printing services and tourism promotion;
- 4) Contracting of services such as maintenance of road network to private firms which have the necessary resources, technology and managerial skills.
- 5) Partial privatization which involves the turning over of particular services to the private sector, but with accompanying government incentives and/or regulatory measures.

There is a fast emerging philosophy that government function involving among other large external benefits or costs, compensation for aggregate

instabilities or deficiencies in a market economy, redistribution of income and protection of consumer must be left in the hands of the private sector. Consequently, this will further reduce the size of government corporate sector and it is opened that in order to prevent the under proliferation of government corporation, government shall enunciate a policy vesting the legislature with the sole authority to create government corporations. The charters of parent or mother corporations shall be reviewed to determine the extent of their authority to create subsidiaries. Lastly, government shall adopt a disposition program for government owned or controlled corporation, which shall involve the following.

- 1) Formulation of criteria and guidelines for the disposition of government corporations;
- 2) Formulation of recommendations on specific modes of dispositive action for individual government corporation i.e. those to be retained, regularized, consolidated, privatized and abolished.
- 3) Drawing up an action plan in consultation with the private sector to implement the recommendations.

4. Policy guidelines on reorganization

- (1) Currently, the administration is implementing a nationwide reorganization which has for its basis. Executive Order No. 5 dated March 12, 1984, to maintain a leaner and properly deployed government workforce. It is provided for in Republic Act No. 6656 that the state shall protect the security of tenure of civil service officers, and employees in the reorganization of the various agencies without sacrificing the need to promote morale, efficiency, integrity, responsiveness, progressiveness and courtesy in the civil service.
- (2) Of the above-mentioned legislation reads "Sec. 2 No. Officer or employee in the career service shall be remained except for a valid cause and after due notice and heading. A valid cause for removal exists when, pursuant to a bona fide reorganization, a position has

been abolished or rendered redundant or there is a need to merge, divide or consolidate positions in order to meet the exigencies of the service, or other lawful causes allowed by the Civil Service Law. The existence of any or some of the following circumstances may be considered as evidence of bad faith with removals made as a result of reorganization giving rise to a claim for reinstatement or reappointment by an aggrieved party:

- (a) Where there is a significant increase in the number of position in the new staffing pattern of the department or agency concerned.
- (b) Where an office is abolished and another performing substantially the same function is created;
- (c) Where incumbents are replaced by those less qualified in terms of status of appointment, performance and merit;
- (d) Where there is a reclassification of officer in the department or agency concerned and the reclassified officer perform substantially the same function as the original officer.
- (e) Where the removal violates the order of reparation.

5. Final statement

The Philippine Development Report for 1987 has successfully summarized the progress of reorganization as follows:

- (1) "In consonance with the reorganization principles, the bureaucracy was rationalized and strengthened through the integration of overlapping functions in a single institution, the abolition of unnecessary or redundant agencies and the creation of useful ones to effectively address major policy or program thrusts. Overall, a total of nine agencies were abolished, some 59 agencies were streamlined and some 40 other agencies were merged, resulting in the creation of 15 new ones.

Furthermore, the powers/functions of four agencies were expanded, resulting in the creation of nine new ones."

- (2) Classify policy tools into two groups, the more interventionist and the less interventionist or arrange them in a spectrum from the most interventionist to the least interventionist.

- 1) Preliminary statement

This abstract review of policy tools which are essential in policy and standards implementation is a current phenomenon especially in the newly-redemocratized states like the Philippines. The democratic process is confronted with a burgeoning agenda addressed to the complex and critical problems of strengthening the efficiency and effectiveness of public service delivery, national economic recovery, peace and order, implement generation and sustained political will among others. On top of these is the issue or how to strengthen the institutions of governance to restore their integrity and equip them with sufficient capacity to fulfill their multifarious functions with utmost participation from the governed. In fine, government must maintain a less arbitrary posture and enhance to participatory character of the sovereign people.

- 2) Discussion framework

It is a given postulate that sovereignty resides in the people and all government authority emanates from them. This premise connotes the idea of dispensing power and authority so as to allow the smooth, and unhampered flow of government operations and thus, igniting the people - oriented development programs. This process has but one noble objective: decentralization. It is in this light that this work is predicated.

Decentralization is defined as a systematic and rational dispersal of governmental power and authority to the local level