

VIII. Final Reports

F I N A L R E P O R T

T O K Y O
N O V E M B E R
1 9 9 4

S U M M A R Y

. P R E S E N T A T I O N

. O B S E R V A T I O N S

. C O N C L U S I O N

A P R E S E N T A T I O N

I would like to present a brief summary about my observations regarding GOVERNMENTAL ADMINISTRATION based on my active participation and intensive learning during this month here in Japan.

Been part of this program has been of great value not only to my self growth but also to my country. The experience I have acquired, the team work, and the methods applied during this program has open my eyes to many solutions to the existing problems in Brasil.

The outstanding quality of this program and and the way the information was presented to us has demonstrated the willingness of this organization to help countries in devevopment .

I am extremely motivated to go back home so I can apply everything I have learned from this program.

The perfect balance between the tradicional Japanise life and modern tecnologia is a role model for every nation. It is my bilief that Japan progressed to a perfect combination of humanware, software and hardware.

MY OBSERVATIONS :

. SOCIETY AND ORGANIZATION

. EDUCATION

. RESEACH

. AGRICULTURE

. TRANSPORTATION

. ADMINISTRATION

MY OBSERVATIONS :

My observation about Development are:

- . The synergy between Society and Organization must be based on the ability to build a future with our own hands. We must plan ahead and set clear goals for our nation.
- . Team work is the basic criteria to development a united Brazil. Therefore, eliminating some of the problems in work environment and leading citizens to resolve some of our social inequity.

This will specially be possible if we apply the following:

- Proper wages and salary compatible to the worker experience.
- Proper work environment and health insurance programs.
- Proper recognition and reward at work.

- My observations about Education are:

. We must invest in education, specially in basic education. The young Brazilian must develop a feeling of self confidence in the future via education. Therefore, he or she will make great contributions to the development of our Nation. This will specially be possible if we apply the following:

- Provide permanent programs os paternal education and self confidence of our citizens.
- Provide good schools nationwide.
- Provide incentive for professionalism.

. My observation abiot Research are:

. To invest in research is fundamental to the development of our country.

We must invest in particular on our own talents. This will specially be possible if we apply the following:

- Build instructions and programs such as this one.
- Create projects that will improve our knowledge of information and technology.

-My observation about Agriculture are :

. Brasil is a rich country and our natural resources can be used to turn our into a developed one if we apply the following:

- Provide technical and finance support to the small to medium producer.
- Implement modern techniques and ways financing and insurance for the rural activities.
- Promote the professionalism of the rural worker.
- Redistribute and reorganize the non productive lands for better use of the lands.

- My observations about Transportation are:

. Brazil can benefit from reconstructing our current transportation system due to the new economic geography of Brazil. This specially be possible if we apply the following:

- Invest and provide consistent support for railroads that are providers of food supply.

- Invest in bringing Brasil into the International Market.
- Provide incentive to the private industries so they can be part of the International Trades.
- Preserve our natural resources and the environment.

-My observation about Administration are :

. The problem in Brazil is not the large number of employees but the lack of professionalism and the uneven distribution of administrative activities.

This problem can be specially resolved if we following:

- Establish a program to develop professionals and cross training.
- Develop career paths for professionals.
- - Enforce the rules for taking the professional exams in order to become a government employee.

C O N C L U S I O N

Throughout all my observations during my stay here in Japan, I have concluded that Brazil is a Country capable of change and growth.

The key to the success of our development is to make gradual changes so we don't repeat our mistakes.

Finally, I want to thank the Japanese government and everyone in this program for providing us with this great experience and unforgettable memories.

Fabiola Linhares Bezerra
FABIOLA LINHARES BEZERRA

BRAZIL

***SEMINAR ON NATIONAL GOVERNMENT
ADMINISTRATION***

FINAL REPORT

**THE ROLE OF THE GOVERNMENT
IN PROTECTION AND RESERVATION
OF ENVIRONMENT**

SALAH MOAWED ABDEL HADI

EID

(EGYPT)

TOKYO NOVEMBER 30, 1994

The role of the government in protection and preservation of environment

- One of the most important issues in the concluding discussion was the role of the governments in the developing countries in protection and preservation of environment., so my topic of this report will be about this issue, aiming at looking over the Japanese and Egyptian experiences in this field.
- This report has three parts, In part one, focus on Japanese environmental experience, while in part two the Egyptian system and its action plan has been highlighted, and part three of this report the conclusion has been given.
- **Introduction:-**
 - It is beginning to be realized that, In man's relentless struggle to have economically better and richer life, while he has been introducing more and more sophisticated, massive, and novel technology in the process of industrial, the environmental issues are now expanding from local to global scale with the development of industrial activity materials and the accumulation of wastes, by creating unintended, undesirable and destabilizing Sid effects.
 - All the reports of the inter national organization during the last few years pointed out that the world is facing " environmental confrontations" of such magnitude and complexity that no country can adjust to them in isolation.
- **Part One: (Japanese experience)**
 - It goes without saying that Japan is far advanced in environment's field. For management of environment Japan has may environmental agencies and bureaus, such as:-
 - = Environment agency is an external organ of the prime minister's office and headed by a minister of state.
 - = Some national institutes belong the agency of industrial, science and technology as example " National institute for resources and environment "

" Affiliated to the ministry of international trade and industry (MiTi).

- Strategic planning:

Consistency of economic and environment objectives:

- The economic impact of past and future environmental protection measures has been and is being evaluated by (MiTi) and the economic planning agency.**
- (MiTi)'s main concern is whether industry can meet proposed standards by developing technology and bearing part or all of the costs.**
- The economic planning agency is assessing the macroeconomics impact of some proposed environmental measures in terms of economic growth, inflation, employment and balance of payments.**
- In the current debate on major environmental problems, including climate change, each ministry and agency tends to adopt its own strategic planning approach.**
- The economic planning agency considers that promoting environmentally harmonious production and consumption, and developing technologies to solve environmental problem will be helpful in meeting the climate change commitment.**
- MiTi Considers technology to be a possible solution and has developed an ambitious, 100- year technology plan.**
- The environment agency advocates changes in lifestyle and consumption partners as the main strategy for addressing climate change issues.**
- Japan supports the sustainable development concept at national and international levels.**
- In 1992, the country adapted a 5-year national economic plan, entitled " sharing a better quality of life around the globe" to establish a domestic demand - led economic structure " In harmony with the environment" the plan contains general proposals on how to meet this overall objective and, In particular on how Japan may help solve global environmental problems. It also includes some**

quantitative targets for improvement of social overhead capital related the living environment.

- Of these the members of the national government administration seminar had an opportunity to visit the institute for resources and environment (Nire).
- The national institute for resources and environment (Nire) is concerned with a wide range of research fields such as environmental protection, the development of natural resources and new forms of energy, and industrial safety, all of which are critical areas for the Japanese highly industrialized society.
- The role of the institute not only at the local level but also at regional and global levels (as examples).

A) Global environment:

- Measurement of gases which contribute to global warming.
- Evaluation of the effects of global warming and various mechanism of global warming.

B) Regional environment:

- Measurement and analysis of pollutants in atmospheric and hydrospheric environment.
- Reduction of pollutant emissions.
- Control of hazardous or refractory organic substances.

C) Researches about the energy, resources and safety engineering.

Part two: Egyptian experience)

- There is a growing recognition in Egypt that the economic development and the health and welfare of its population are closely linked to the proper management of its natural resources and environment, it was recognized that there is much to learn from the experience of other countries that have experienced similar environmental problems earlier and have learnt the hard way how best to address these problems through an appropriate mix of economic policy, legislations, institutional

development and investments, therefore, Egypt have established in the mid-eighties an agency concerning with environmental affairs.

" Agency for environmental affairs" affiliated to the Egyptian cabinet headed by director general under the directly supervision of the minister of state for the cabinet affairs.

- This agency has number of branches in different parts of Egypt.

- Now-adays this agency is playing very important role for protection and preservation of Egyptian environment and cooperation with various institutional and agencies at the regional and international levels. Through many of communications and bilateral or multiple conventions.

- In early 1991, the government of Egypt decided to prepare an environmental action plan to strengthen the management of environmental affairs in Egypt.

- At the outset, It was recognized that environmental management is complex and multi sectoral in nature it must therefore, involve sectoral ministries, research and educational institutions, as well as non-governmental organizations into a truly national effort to prepare an action plan for improvement, the management of Egypt's environment, Ten national working groups of experts were put together to draw up high priority environmental action program for the country, and to benefit from the advanced experiences of the countries, the government requested the world bank to lead a team of experts provided by several donors including Denmark, EC, Italy, the Netherlands, Norway, U.K and UNEP.

- Chapter one of the plan pointed out that, In Egypt the scarcity of cultivated land and water are related.
- The scarcity of water makes it difficult and expensive to expand the cultivated area or protect soils with natural cover. There is a growing concern that the very limited water resources are becoming increasingly polluted because of the excessive and improper use of the resource, and that the nation will have to bear heavy costs in terms of health and productivity of its population, unless actions are taken to improve resource management.
- Poor water management in agriculture is also leading to the salinization of good agricultural land, Reducing its productivity and requiring large investments for rehabilitation of such land.
- Chapter two of the plan recommended the continuation of the process of enterprise reform, which the government has initiated to ensure that investments in water treatment plants and population control equipment are operated and maintained efficiently.
- The implementation of these policies and structural reforms would need to be supported by investments in new control equipment and treatment facilities for abatement of pollutants.
- Over all, the main thrust of the plan is to improve incentives for proper management of the environment through appropriate pricing of imputes to encourage conservation and recovery, recycling.
- To ensure proper operation and maintenance of investments in pollution control and waste treatment, the concerned agencies/enterprises would need to be operated on a more autonomous and efficiency/ profit centered basis so that sufficient revenues are collected to finance efficient

operation and maintenance costs and also to motivate personal of such enterprises to improve performance.

- The government has already started actions on these lines under its structural adjustment program, and continued forceful implementation would create conditions under which investments in environment can be accelerated.
- The environmental investments will amount to about US \$300 to 500 million during phase (I) up to five years.
- There are in addition to investments in drainage programs, water and sewage treatment, which are being done through sectoral agencies financed by (USAID) and the world bank.

Part three (conclusion)

- According to Japan's pioneer role in sustaining the development programs in the developing countries, Japan has to reinforce the Japanese efforts and assistances for them in the environmental scale, especially it is clearly evident that, the international research cooperation has gradually become an important aspect of research and development.

Salah Moawed AbdEl Hadi

Egypt

Tokyo 30/11/1994

SEMINAR ON NATIONAL GOVERNMENT ADMINISTRATION

**INDIA'S ECONOMIC DEVELOPMENT :
LESSONS FROM THE JAPANESE EXPERIENCE**

TOKYO,

NOVEMBER 30, 1994

Presented by :

**ANURAG GOEL, JOINT SECRETARY
MINISTRY OF HOME AFFAIRS
GOVERNMENT OF INDIA**

INDIA'S ECONOMIC DEVELOPMENT : LESSONS FROM THE JAPANESE EXPERIENCE

INTRODUCTION

1.1 This paper seeks to move beyond the Country Report presented before the commencement of the Seminar. The Country Report briefly covered the Indian economic situation and the various policies and systems in place, including the system of governance and administration. We have a very well-organised system of planning for economic development. The macro-economic policies, including those for economic restructuring, have been clearly spelled out. These aspects will, therefore, not be covered in this paper. Instead, drawing upon the deliberations in the Seminar, an attempt would be made to suggest certain other steps for rapid and sustained development of the country. The paper does not aim at data-based quantitative analysis. It is confined to considering some possible strategic approaches to development, keeping the Japanese experience in view.

THE JAPANESE EXPERIENCE

2.1 Economic development of Japan, in the post World War-II era, has been miraculous. Like Phoenix, Japan rose from the ashes of the War (and one has to visit Hiroshima to understand what ashes mean) to become a world economic power. Much has been written eulogising this phenomenon. What is not widely appreciated, however, is the fact that roots of this miracle lie in the Japanese history and culture. The credit should go to the people, the workers and the masses of Japan, who have made this possible through commitment, hard-work and team spirit, as also by paying for the high cost of this development (the domestic prices are much higher than what they could be). Without the people's contribution, the Government (including MITI) and the 'Kaishas' (companies) could not have succeeded. I would like to mention some features which struck me as important.

Culture

2.2 'Loyalty to the Emperor' and 'obedience to parents' have been two of the traditional values deeply embedded in the Japanese society and culture. The young 'Samurai' (warriors) would willingly die for the feudal lords, and even commit 'harakiri' (kill themselves) if ordered to do so (a 'cherry blossom' tree outside the palace of the Emperor symbolised loyalty - and the life of a Samurai, since it has a very short bloom lasting for a week or two only). In modern Japan, this loyalty shifted to the Company/Organisation. It also explains the deep respect for law in Japan, which reflects itself not only in the conduct of the people but also in the system of public administration. All governmental organisations in Japan are created and run on the basis of specific statutes. In fact, drafting 'laws' is one of the important functions of the Japanese bureaucrats (70-80% of the elite bureaucrats are graduates from the Law Faculty of the Tokyo University).

2.3 Contrary to the Western emphasis on 'individualism', the Japanese attach the highest importance to the 'group' interest, functioning and activities. An unwritten 'collectivity code' provides a set of principles and rules relating to the individual's behaviour vis-a-vis the family, village, company etc. They should negate their personal and private lives, and assume the communal and public roles that are expected of them; making sacrifices for it if necessary (though, in practice, these sacrifices are at times made in the hope of larger rewards in future). They must act to maximise the unity and harmony of the collectivity. This cultural paradigm is responsible for the success of 'consensual management' in organisations, and also for management-labour cooperation in companies. 'Quality Circles' perform well because of commitment to the group, de-emphasizing individual creativity. 'Ringi-Sei' (the system whereby documents are drafted at lower levels of an organisation and then circulated to various units for approval), and 'Nemawashi' (sounding other concerned/knowledgeable persons in advance informally, to seek their support/approval before submitting a proposal formally), two important components of the Japanese decision-making process, are also rooted in the concept of 'Collectivity'.

2.4 It is to be noted, however, that the Japanese society is undergoing a transition now, under the impact of the Western culture and as a result of becoming an affluent society. The younger generation attaches higher importance to individuality and creativity. System of life-long employment is changing, with greater job-mobility. Even the traditional frugal attitudes of the people (partly responsible for Japanese Government being able to mobilise a non-inflationary accumulated national domestic debt of nearly US \$ 2,000 billion) is changing. The cultural changes are likely to have far-reaching long-term impact on the Japanese economy and organisational functioning.

Modernisation and Technology

2.5 Modernisation through import of technology has been a recurring theme in the Japanese history. As early as 4th to 8th century, engineers were invited from the Korean peninsula for taking up large-scale construction of temples, roads etc. In 16th century, technology was imported for manufacturing rifles and cannons. Years preceding the Meiji Restoration (1868) saw import of Dutch technology for ship-building and iron and steel. The pattern for identifying sources for needed technology, and building industries and institutions to realise fully the potential in Japan was, however, established soon after Meiji Restoration, and continued to be followed almost for a century.

2.6 The Meiji Government adopted a conscious policy for building up technological capacity through education and training. Foreign teachers and experts were invited, and paid 3-10 times better salary than the Prime Minister. Japanese students were trained abroad (300-500 every year). They studied hard and almost all came back to Japan to join universities, research institutions and private companies, and contributed towards modernization and economic development. The education system was strengthened and by 1910 schools were available for almost all the children. Over the decades, the technical schools, colleges, universities and research institutions also proliferated. In addition, the Meiji Government also followed the policy of systematically choosing and building up industries and then privatizing them. These include mining, steel, ship-building and shipping, silk and textiles etc. However, it is interesting to note that the Meiji motto was "WAKON YOSAI" (Japanese spirit/values with Western technology).

2.7 Similar policies were adopted by the Japanese Government in the post World War-II period. Education was accorded high priority, the 6-3-3-4 system of education introduced, and university student expansion programmes taken up. Science and technology development in selected areas was promoted, and government-company (private sector) coalitions established. This 'industrial targeting' continued, going from coal and steel to ship-building and heavy machinery, then to electronics and computers, and on to machine tools and semi-conductors, followed by robots and bio-technology. Recently, super-conductors and aerospace have been added.

2.8 The Government selects the areas/subjects for large-scale Project Plans, in consultation with the academicians, experts and the private sector. Government then leads towards advanced technologies by initiating the R&D effort with initial investment. Private companies participate in the research, and cooperative research is ensured among national institutes and private companies. The research findings/developments are shared by the private sector for commercial purposes, without payment of any additional fees/royalty. Indeed, if necessary, the Government helps by guaranteeing a market, erecting tariffs and other trade barriers, and even through subsidies. Further, the products can be sold 10%-40% more expensively in the domestic market, to facilitate lower export prices.

2.9 Thus, the distinctive features of technological development in Japan are:-

- i) High returns from importing technology in terms of exports and productivity;
- ii) Extensive Government controls over the import of technology and the use of these controls to shape the structure of some industries; and
- iii) Adroit and extensive use of management, investment and domestic research and development to capitalise on imported technology.

Japan's Economic Development

2.10 With 2.2% of the World population, Japan accounts for 14% of the Gross National Product, indicating remarkable productivity. In the post World War-II era, the fifties and sixties were decades of a very high growth rate, as evident from Appendix-I which shows the economic growth rate from 1952 to 1990. Basic information on the Japanese economy may be seen at Appendix-II (Sheets 1 to 5). The comparative growth of real per capita GNP of Japan and some other major countries for period 1880-1980, is shown at Appendix-III. The restructuring of the Japanese economy for the period 1881-1991, in terms of production and employment, is indicated at Appendix-IV (Sheets 1 & 2).

2.11 Many of the reasons for this rapid economic development have already been mentioned, e.g. import of technology, use of domestic R&D, cooperation between government and private sector, industrial targeting, industrious working ethics etc. These points may be further commented upon, in the light of the literature on the subject.

2.12. The concept of 'Japan Incorporated', i.e. the notion that Japanese Government and business work so closely together that Japan resembles one large corporation, has been used differently by different authors. Sometimes it describes big-business domination of the government decision-making process, at other times, the business docility in the face of Government directions. At times, it describes collusion between the two, implicitly illicit. The fact is that while business/private sector does exert considerable influence on the Government, the Government also wields considerable power through 'administrative guidance'. At times, there is tension between certain companies and various branches of the Government, but by and large, a shared vision and commonality of goals is developed through frequent interaction. This helps a 'laser approach', and development of a few products at a time, then moving on to the others.

2.13 Production first-oriented industrial policy, and emphasis on growing exports to world markets is another noteworthy feature of the Japanese economy. 'Kaishas' (companies) want market share (including

exports) more than anything else, and are willing to reduce profits. As already mentioned, the higher domestic prices and Government support make this possible. Higher domestic prices are also possible because access to the distribution network is limited.

Japanese Style of Management

2.14 The third factor mentioned at para 2.11 relates to the widely acclaimed Japanese style of management. The Japanese Success Model has been depicted in the chart at Appendix-V. Some features of the model have been commented on earlier. Both 'life-time employment' and 'employee training and development' come from the 'stock concept' of human resource management by the companies. Young graduates/workers are recruited with the idea that they will stay with the company for life, earning seniority based pay-increases and promotions. The company, therefore, invests in their development through training and job-rotation. They, in turn, are totally loyal and committed to the company, and contribute their best for the success of the company.

2.15 It is, however, debatable whether the above model is still valid. With the aging of the society and changing attitudes of the younger generation on the one hand, and the problems being faced by the companies due to appreciating Yen and increasing cost consciousness of the Japanese consumers on the other, life-time employment is being increasingly replaced by the labour market concept. Even otherwise, it has been argued that this concept applied to less than half the labour force, since women, vast majority of smaller firms and many medium-sized enterprises are excluded from this category of employment.

2.16 The Japanese management systems are currently undergoing transition. There is growing interest in the Western concepts of organisational re-engineering to reduce costs. Japanese companies are trying to re-organise to be competitive even at an exchange rate of US \$ 1 = Yen 90. The commitment by the Government of Japan, following the Uruguay Rounds multilateral trade negotiations, to further reduce barriers to imports, pose a further challenge to the Japanese companies. It would be interesting to note their response in terms of management systems/style, to cope with the new socio-economic environment and realities.

INDIA'S ECONOMIC DEVELOPMENT

3.1 Much has been, and is being, done in India for rapid economic development. Progress since independence, the Eight Five Year Plan (1992-1997) and our macro-economic policies have already been mentioned in the Country Report. However, with a population of nearly 880 million, growing at an annual rate of approximately 2.12 percent, much of the development would be nullified. Therefore, population control has to be, and is being accorded the highest priority. Some other priority areas are suggested in the succeeding paragraphs.

Education

3.2 Revamping the educational system is essential, to make it an effective instrument of human resource development (HRD), so important for any development strategy. Some of the key characteristics of the new educational system could be : high educational standards; making teaching a prestigious and valued profession; imparting education and training with some practical orientation to a majority of students; setting up vocational schools and technical universities as high-quality respected alternatives to present higher education system; forging close linkages between educational institutions and potential employers (including private companies). In addition, selective networking may be encouraged between educational and technological institutions within the country, as also with those abroad. Learning/teaching of foreign languages like Japanese, German, French, Chinese etc. may be encouraged to facilitate such networking and accessing other systems more easily.

Science and Technology

3.3 A proactive science and technology policy, within the context of the international scenario and our vision of India's future development, is essential. A distinction may need to be made between area-identification for State-of-the-art and appropriate technologies respectively, in view of the huge manpower resources available in the country. The policy should particularly stimulate commercial innovation.

3.4 Some of the characteristics of an effective policy could be: a match between science and technology policy and the patterns of competitive advantage in the nation's industry; emphasis on research universities instead of government laboratories; principal emphasis on commercially relevant technologies; strong links between research institutions and industry through specialised research institutions focussed on industry clusters or cross-cutting technologies, research contracts, explicit dissemination mechanisms etc; encouragement of research activity within firms; and emphasis on speeding the rate of innovation rather than slowing diffusion. Import of technology, and setting up effective mechanisms for transfer of technology, as also indigenous development of appropriate technologies, should also be carefully considered and encouraged.

Infrastructure Development

3.5 Building up infrastructure, both in terms of increasing quality and improving quality, can deliver major benefits in economic growth, poverty alleviation and environmental sustainability. Allocation of more resources, and development of effective delivery/maintenance for this purpose, is strongly recommended. Areas of priority may include public utilities (power, telecommunication, piped water supply, sanitation), public works (roads, irrigation, drainage) and transport sector. The World Development Report 1994: Infrastructure for Development, published by the World Bank, has recommended reforms such as managing infrastructure like a business not a bureaucracy; introducing competition; giving users and other stake holders a strong voice and real responsibility; and public-private partnerships in financing (Appendix-VI). Infrastructural development needs to be integrated into the overall economic development strategy with a high priority, and suitable institutional/organisational mechanisms developed to optimise returns.

People's Participation

3.6 Voluntary and sustained participation of targetted beneficiaries of the developmental programmes is essential for economic development. The policy formulation and implementation paradigms/mechanisms must accord the highest priority to mobilisation of such participation. The role of effective development communications for this purpose has to be

fully recognised, and socio-economic and cultural characteristics of the receiving community explored with this end in view. Non-government Organisations (NGOs) may also be encouraged.

Making Governmental Organisations Effective

3.7 Public Administration system is the major instrument of the government for formulating and implementing economic development strategies and policies. Effective organisations are required for this purpose. The rapid pace of change, both at national and international levels, makes it imperative that the governmental organisations develop inherent capabilities and resilience to manage the current issues effectively, and concurrently change and re-orient themselves to face the challenges of the future. A major thrust is, therefore, required to transform the governmental organisations into effective 'learning organisations', focussing on creativity, productivity and adaptability.

3.8 The above process of organisational change would call for a new mind set and new thinking within the government, including clear-cut strategies for management of this change. With a sharply defined mission in this regard, modern management concepts can be used for this purpose. We can draw upon both the Western and Japanese concepts, but would need to modify them suitably for the Indian context. Administrative reforms can be taken up, using the Organisational Development approach for re-orienting/transforming the internal culture, structure and processes of the governmental organisations, to make them more effective and productive. Over a period of time, an Indian ethos and system of management can be developed.

CONCLUSION

4.1 The development strategy for India, as for any country, has to be rooted in her own unique history, culture and situation. With the process of economic restructuring well underway, India is already being talked of as one of the 'Six Lions' (besides China, Argentina, Mexico, Brazil and Indonesia) likely to follow the 'Four Tigers' into the 21st Century. Further emphasis on education, science & technology, infrastructure building and rejuvenating the governmental organisations to make them more effective, is suggested for accelerating the economic development of the country.

References

1. The Political Dynamics of Japan; by Jun-ichi Kyogoku
Translated by Nobutaka Ike.

2. Papers circulated by Prof. T. Yoshimeera, "Graduate School for
Policy Sciences", Saitama University :
 - i) A technological superpower - its economic and industrial
foundation : Paper no. 4.

 - ii) Industrial Policy (Promoting and Meddling) : Paper no.
9.

 - iii) Introduction : Toward More Accurate Concepts;
by Ezra F. Vogel : Paper no. 2.

 - iv) Japanese - Style Management (Fact or Fiction?) : Paper
no. 10.

3. The Competitive Advantage of Nations; by Michael E. Porter.

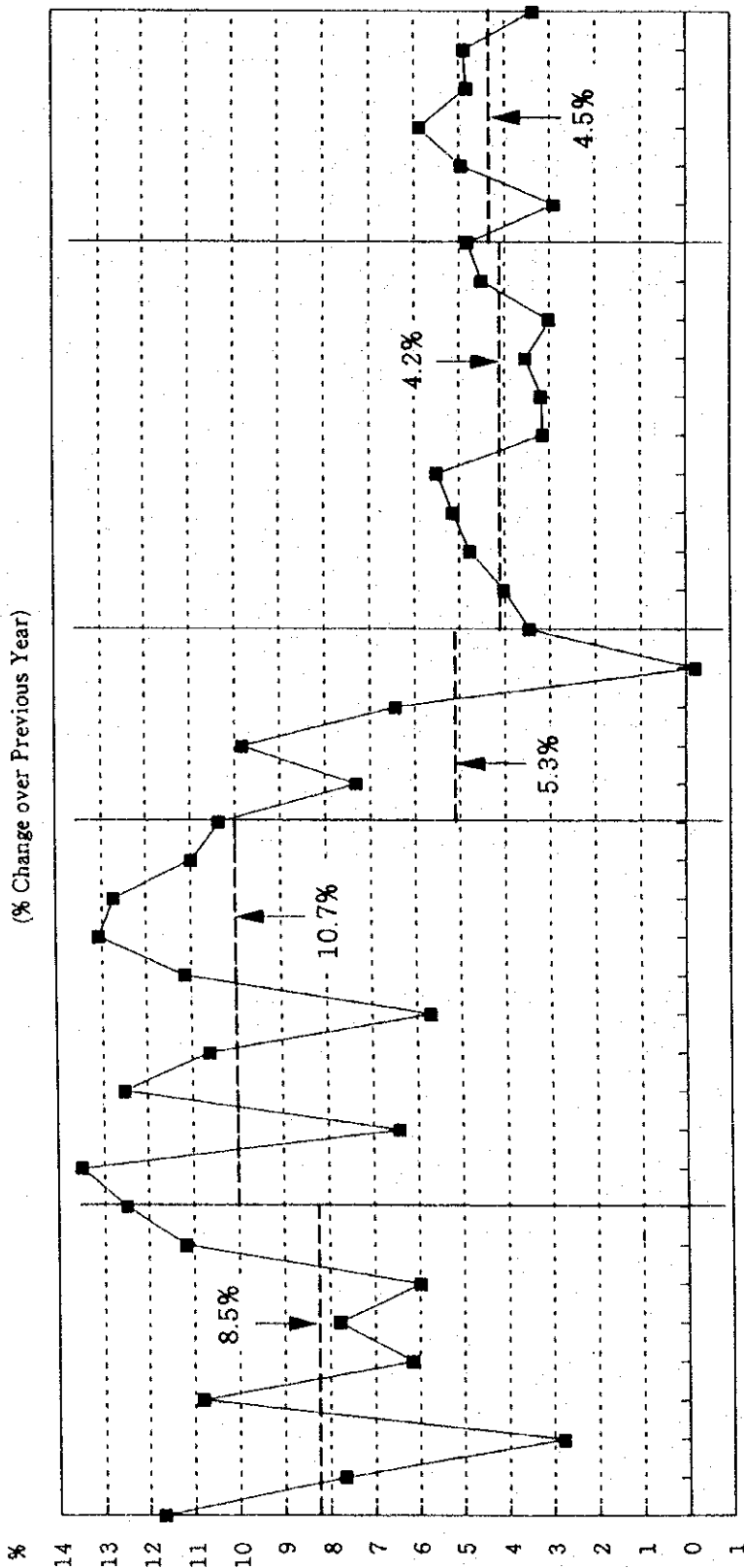
4. World Development Report 1994 : Infrastructure for Development;
published by World Bank.

Note: Talk/material given by Prof. T. Hamada, Sophia University,
Tokyo on 1.11.1994, during the Seminar have also been used.

Japanese Economy

Economic Growth Rate

(% Change over Previous Year)



1952 1954 1956 1958 1960 1962 1964 1966 1968 1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990

Source: Nihon Kokusei Zue, Hundred Years of Japan

Japanese Economy

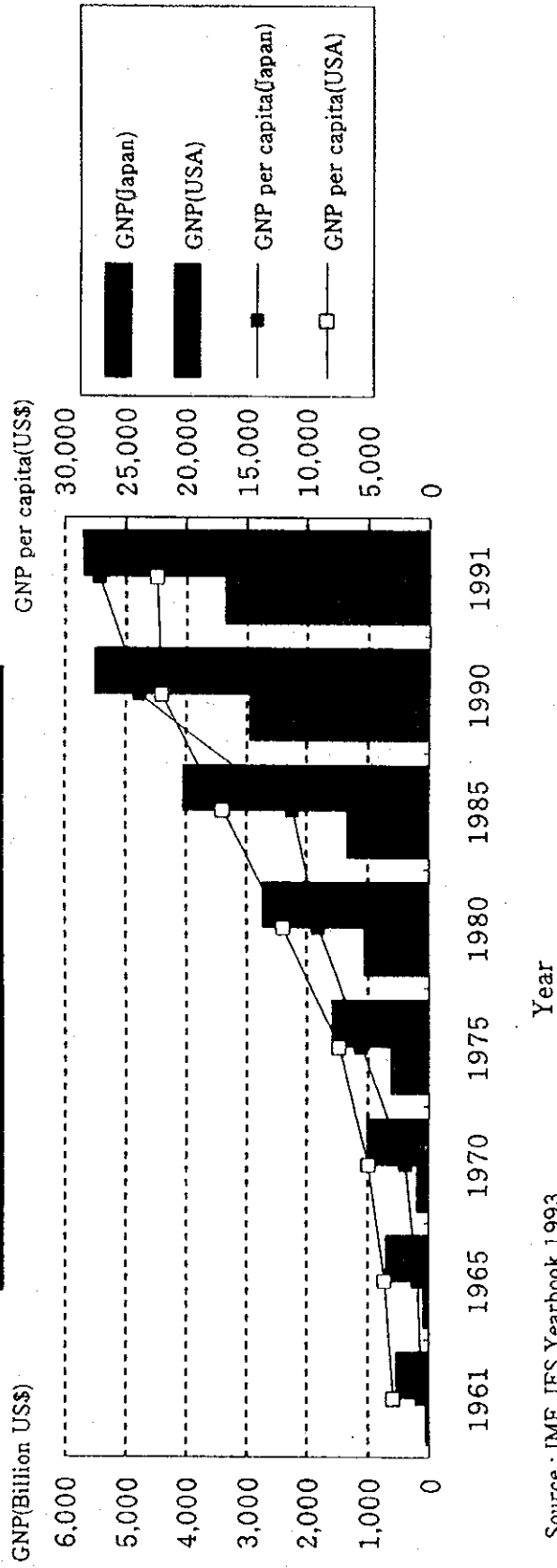
Sheet - I

Basic Information on Japanese Economy

GNP(1992):US\$ 3,704 billion
 GNP per capita(1992):US\$ 29,787
 Population(mid-1991):2.3% of the World(123.9 mil)
 Population Increase(1980-1991):0.5%
 Unemployment(1992):2.2%

Consumer Price Increase(1992):1.7% over previous year
 Export(1992):9.32% of the World
 Import(1992):6.20% of the World
 ODA(1991)JAPAN US\$10,952(mil) ; USA:US\$11,362(mil)

GNP and GNP per capita of Japan and USA



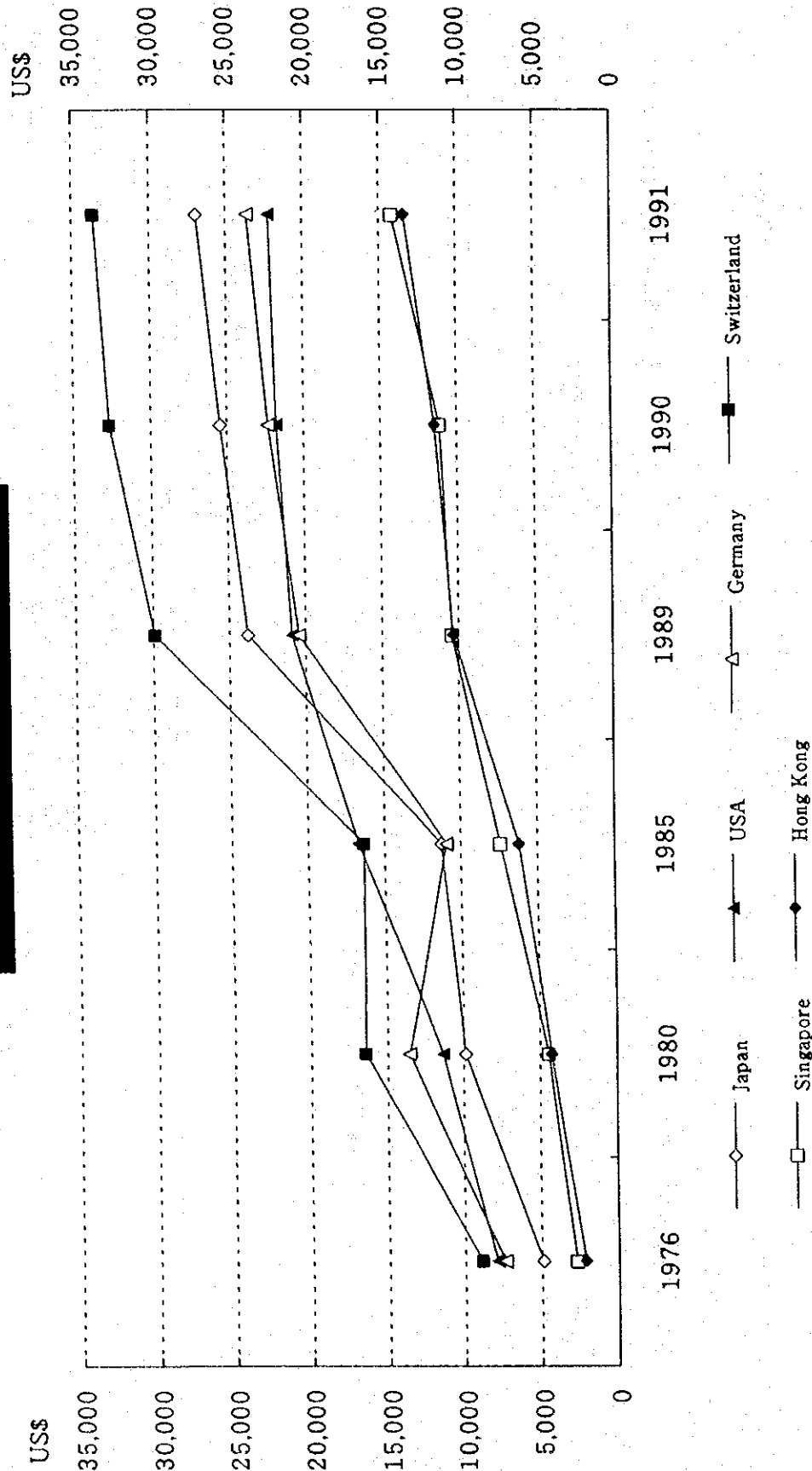
Year

Source : IMF, IFS Yearbook 1993

Japanese Economy

Appendix II
Sheet - 2

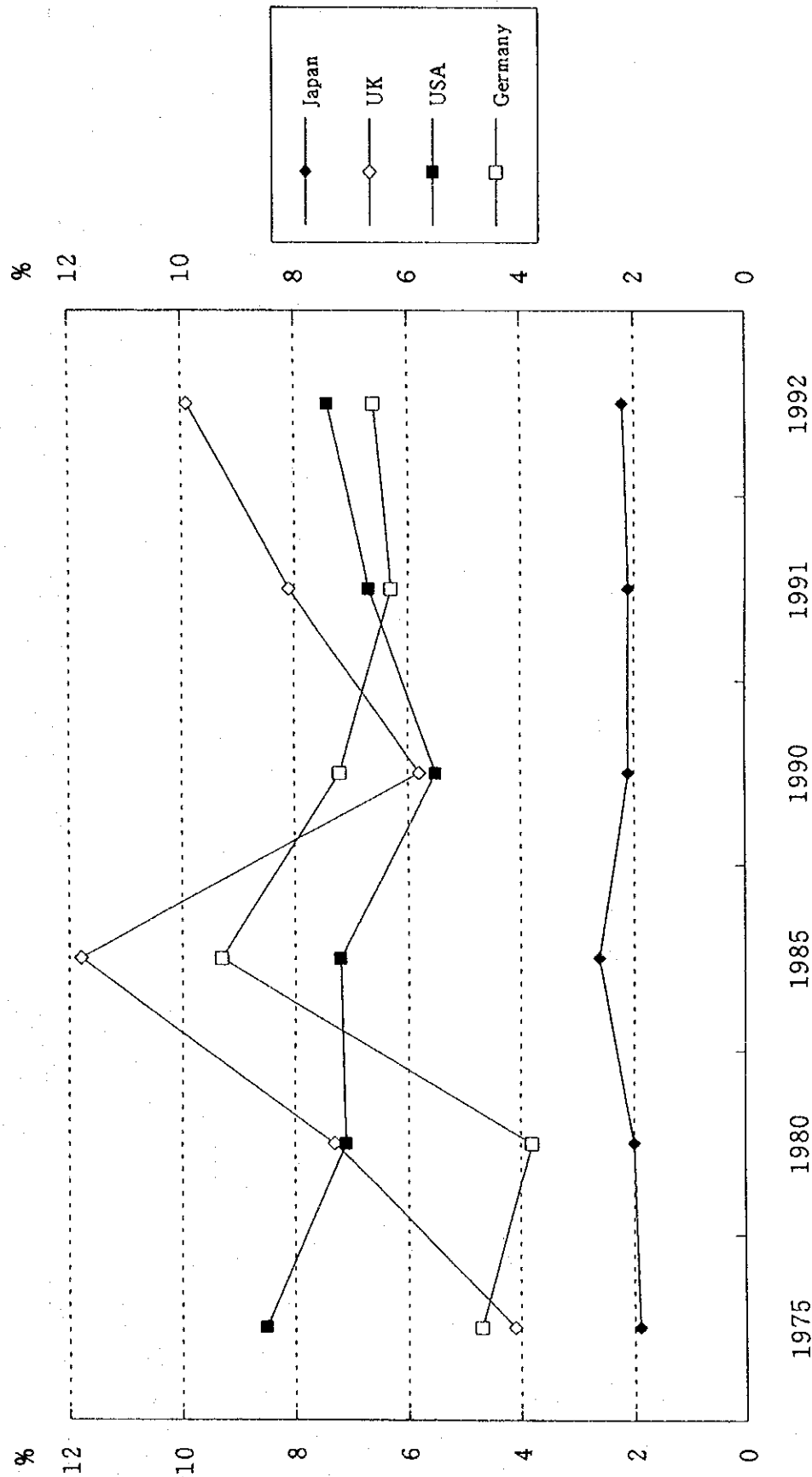
GNP per capita in Selected Countries



Source : World Bank, World Development Report

Japanese Economy

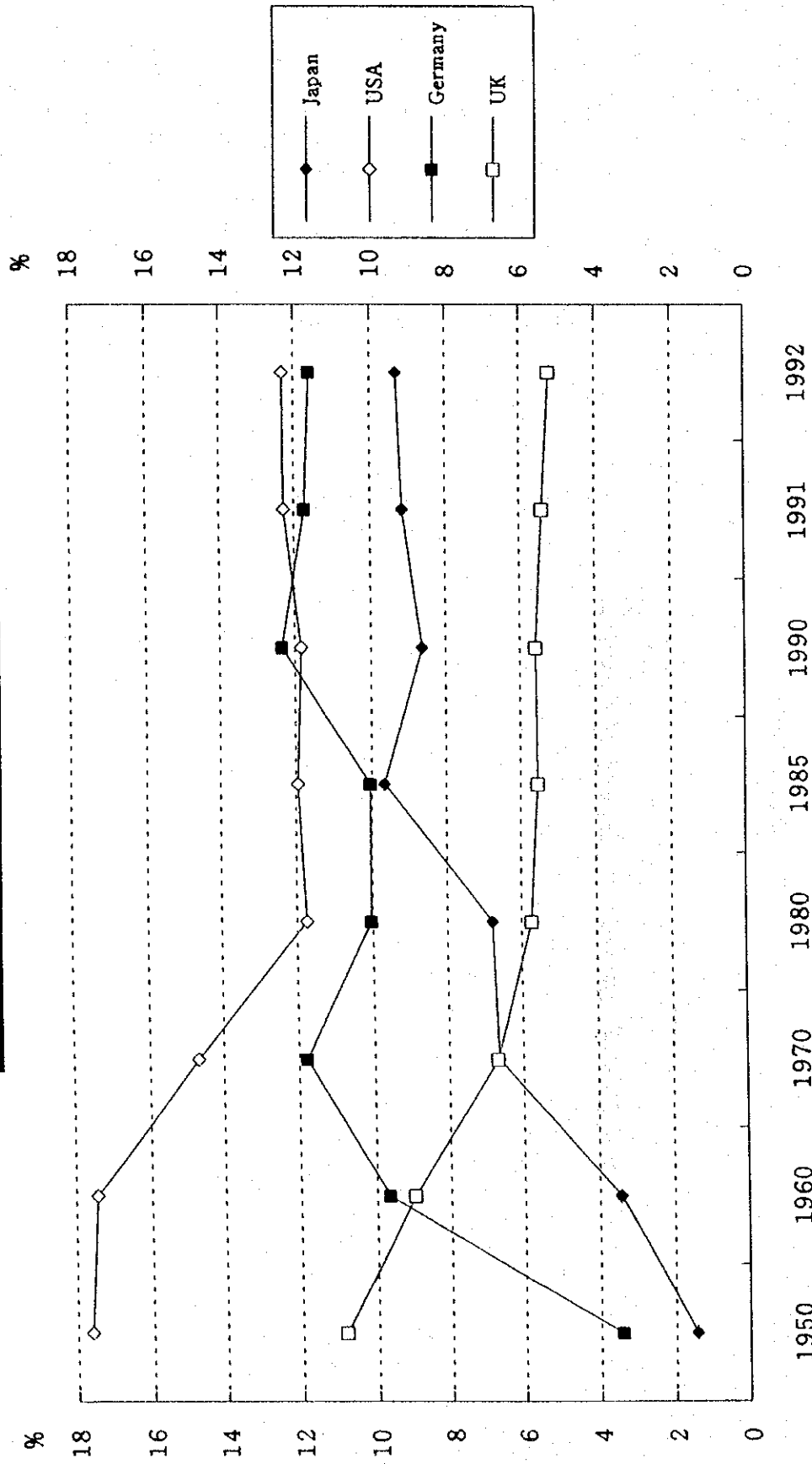
Unemployment Rate in Major Countries



Source: Bank of Japan, Comparative Economic and Financial Statistics

Japanese Economy

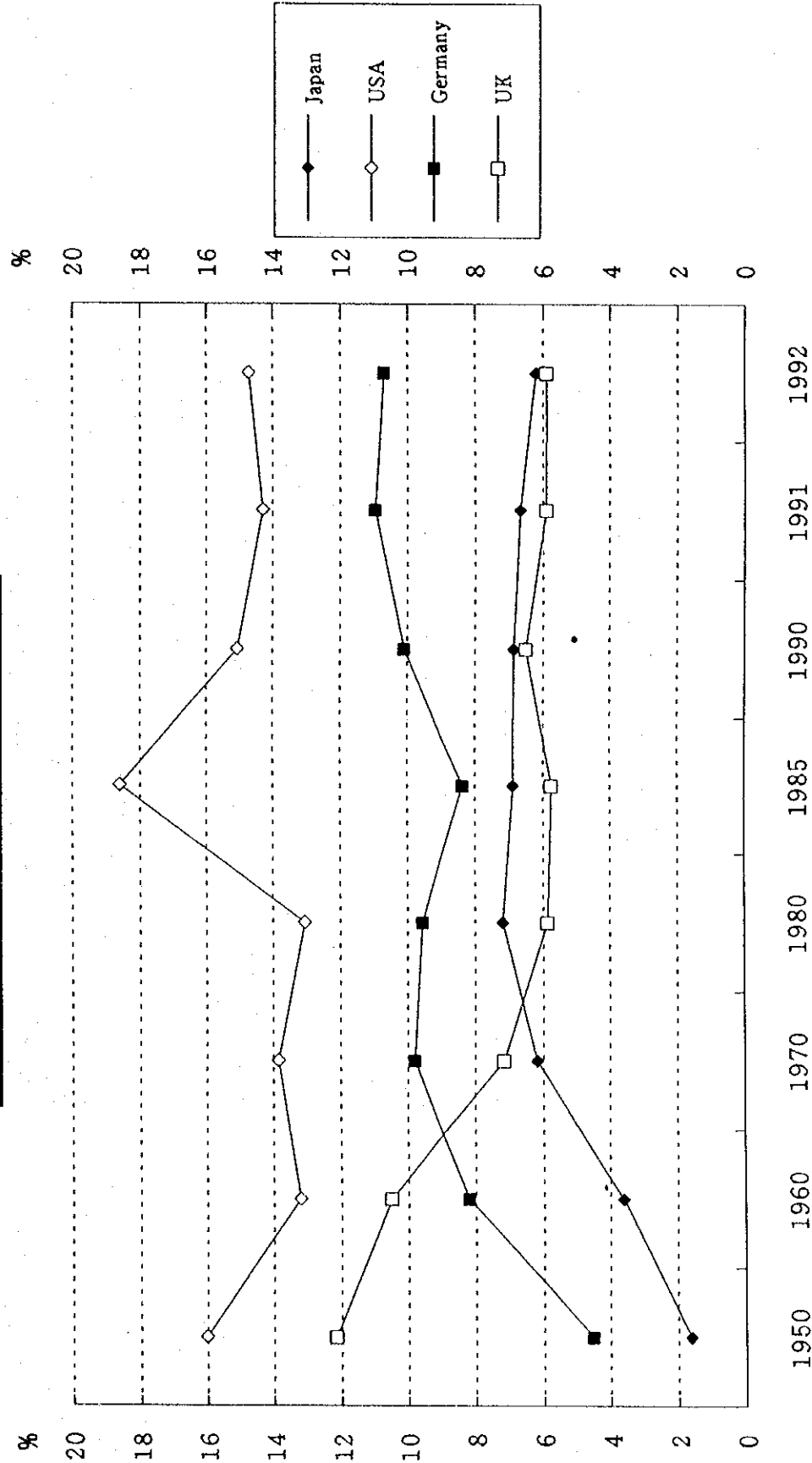
Japan's Export Share in the World



Source: IMF, International Financial Statistics, various issues

Japanese Economy

Japan's Import Share in the World

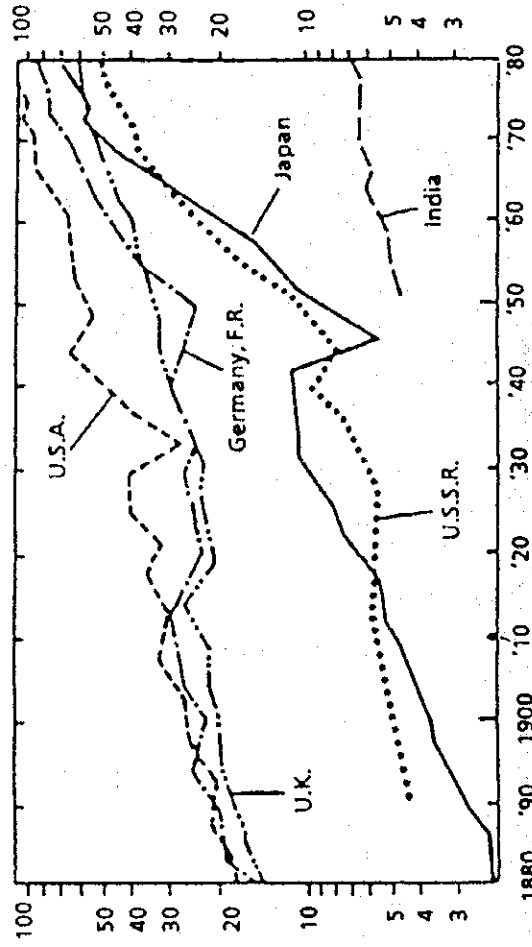


Source: IMF, International Financial Statistics, various issues

Japanese Economy

Restructuring of Japanese Economy

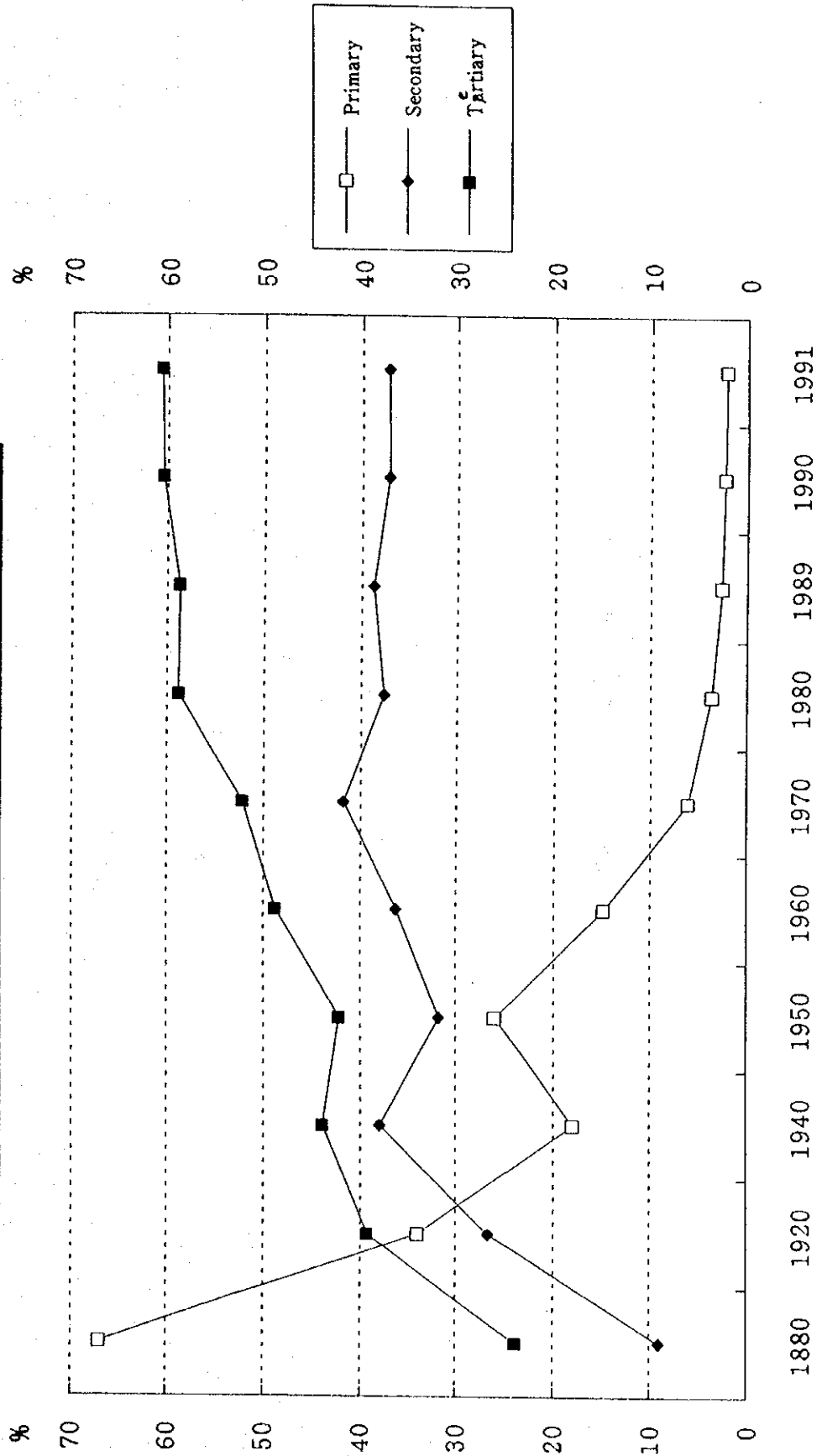
Growth Trends of Real Per Capita GNP (1880-1980)
(U.S.A. 1980 = 100)



Reprinted with permission of the McGraw-Hill Book Company, from "Economics, 11th ed.", by Paul A. Samuelson, Copyright 1980 by McGraw-Hill, Inc.

Japanese Economy

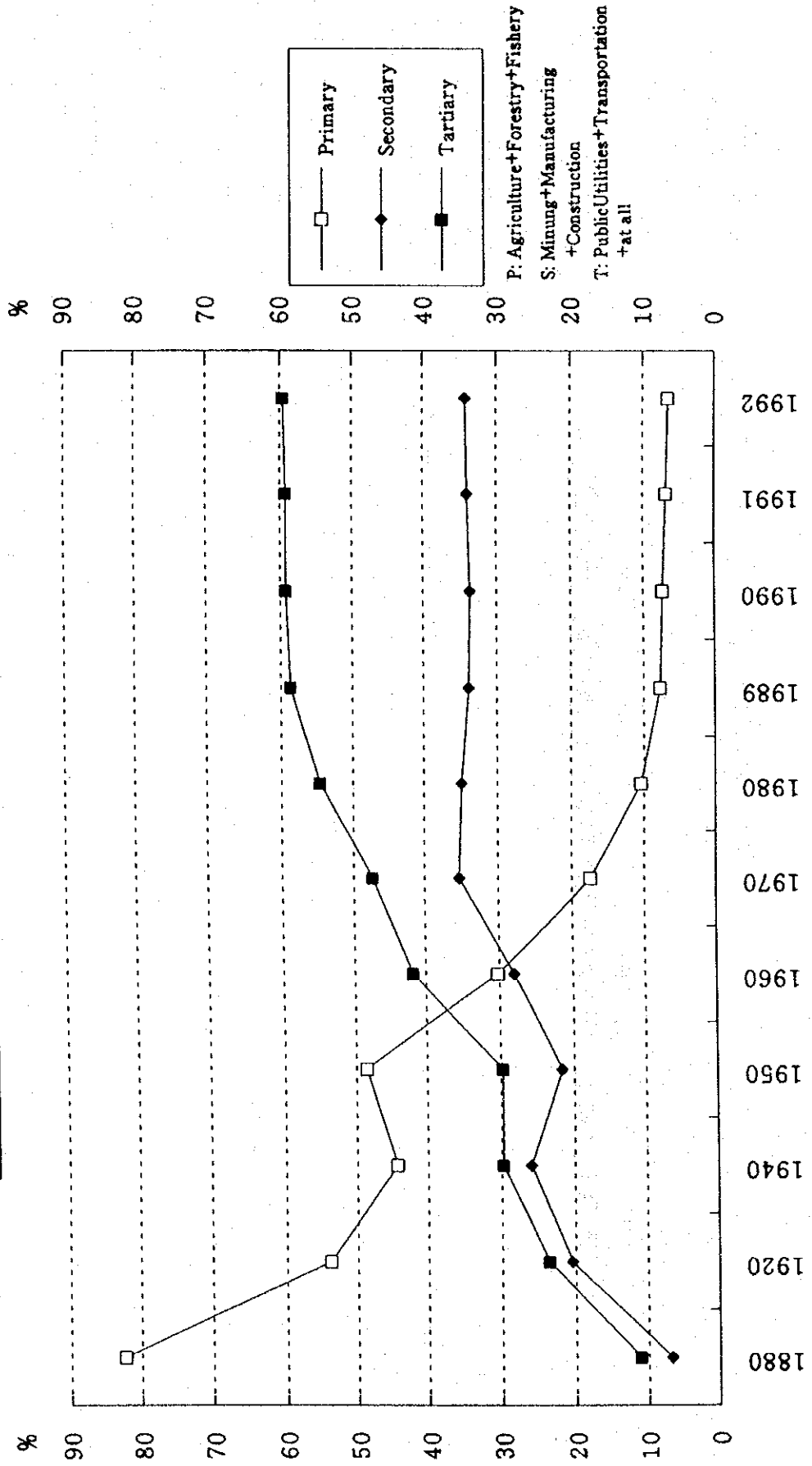
Restructuring of Japanese Economy Production(1881-1991)



Source : Nihon Kokusei Zue

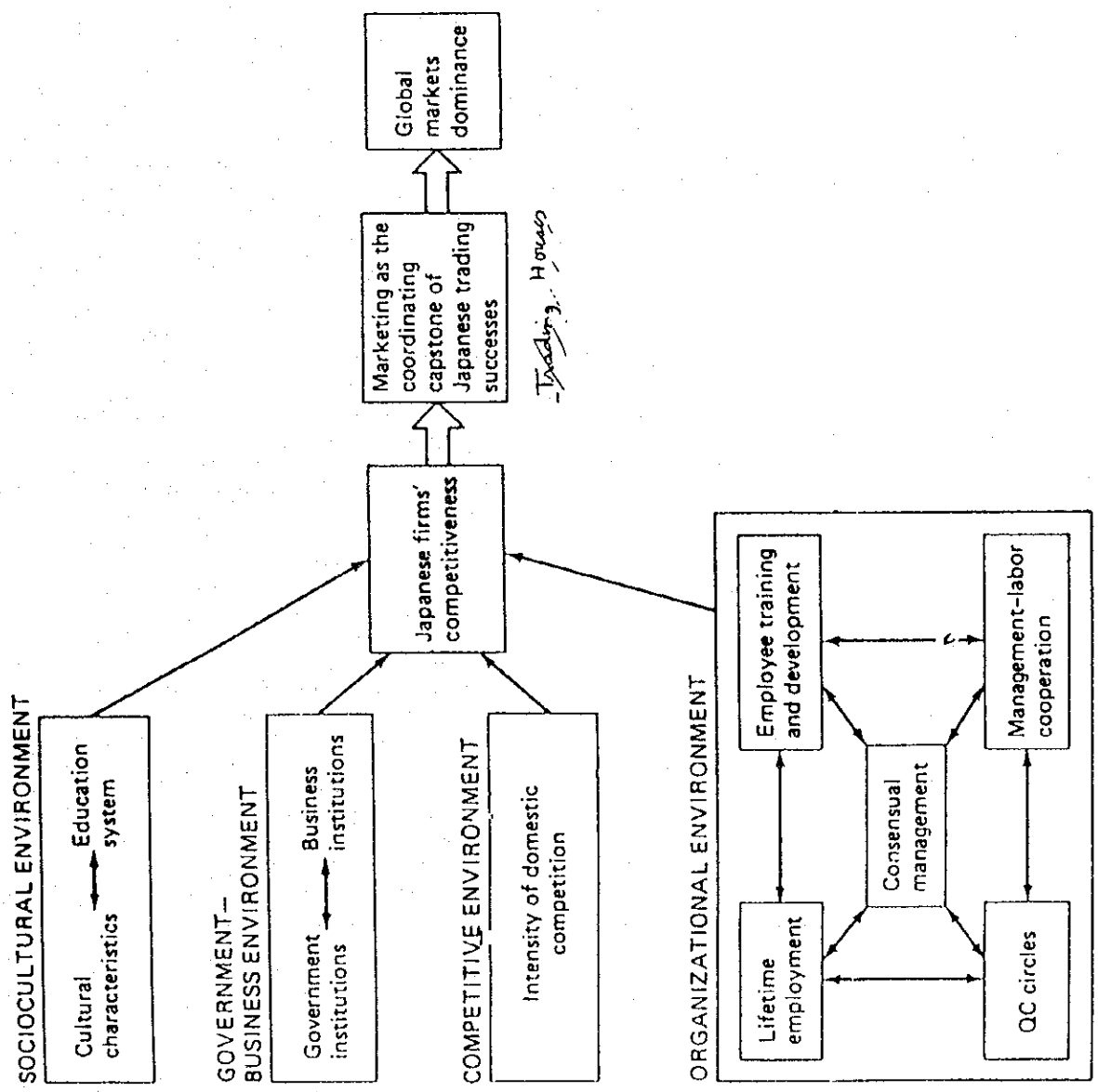
Japanese Economy

Restructuring of Japanese Economy Employment



Source : Nihon Kokusei Zue

THE JAPANESE SUCCESS MODEL



Box 2 Main messages of World Development Report 1994

Infrastructure can deliver major benefits in economic growth, poverty alleviation, and environmental sustainability—but only when it provides services that respond to effective demand and does so efficiently. Service is the goal and the measure of development in infrastructure. Major investments have been made in infrastructure stocks, but in too many developing countries these assets are not generating the quantity or the quality of services demanded. The costs of this waste—in forgone economic growth and lost opportunities for poverty reduction and environmental improvement—are high and unacceptable.

The causes of past poor performance, and the source of improved performance, lie in the incentives facing providers. To ensure efficient, responsive delivery of infrastructure services, incentives need to be changed through the application of three instruments—commercial management, competition, and stakeholder involvement. The roles of government and the private sector must be transformed as well. Technological innovation and experiments with alternative ways of providing infrastructure indicate the following principles for reform:

- *Manage infrastructure like a business, not a bureaucracy.* The provision of infrastructure needs to be conceived and run as a service industry that responds to customer demand. Poor performers typically have a confusion of objectives, little financial autonomy or financial discipline, and no “bottom line” measured by customer satisfaction. The high willingness to pay for most infrastructure services, even by the poor, provides greater opportunity for user charges. Private sector involvement in management, financing, or ownership will in most cases be needed to ensure a commercial orientation in infrastructure.

- *Introduce competition—directly if feasible, indirectly if not.* Competition gives consumers choices for better

meeting their demands and puts pressure on suppliers to be efficient and accountable to users. Competition can be introduced directly, by liberalizing entry into activities that have no technological barriers, and indirectly, through competitive bidding for the right to provide exclusive service where natural monopoly conditions exist and by liberalizing the supply of service substitutes.

- *Give users and other stakeholders a strong voice and real responsibility.* Where infrastructure activities involve important external effects, for good or bad, or where market discipline is insufficient to ensure accountability to users and other affected groups, governments need to address their concerns through other means. Users and other stakeholders should be represented in the planning and regulation of infrastructure services, and in some cases they should take major initiatives in design, operation, and financing.

Public-private partnerships in financing have promise. Private sector involvement in the financing of new capacity is growing. The lessons of this experience are that governments should start with simpler projects and gain experience, investors' returns should be linked to project performance, and any government guarantees needed should be carefully scrutinized.

Governments will have a continuing, if changed, role in infrastructure. In addition to taking steps to improve the performance of infrastructure provision under their direct control, governments are responsible for creating policy and regulatory frameworks that safeguard the interests of the poor, improve environmental conditions, and coordinate cross-sectoral interactions—whether services are produced by public or private providers. Governments also are responsible for developing legal and regulatory frameworks to support private involvement in the provision of infrastructure services.

Garibaldi Sujatmiko(Indonesia)

THE INDONESIAN TRADE GROWTH

Trade growth continue to be a central pillar of Indonesian economic strategy as the country approaches its second 25 year development plan in 1994. By offering investor greater opportunities and incentives to establishes export oriented manufacturing operations in the country, Indonesia hopes to sustain the 20 percent average annual growth recorded for industrial exports over the five years. Improving the trade alliances -chiefly through dismantling tariffs and non tariff barriers-undepins Indonesia's success in accomplishing its ambitions trade goals.

During the mid 1980s, the Indonesian government embarked on a new economic strategy to decrease the economy's reliance on fossil fuel export revenue. A steep decline in oil prices in 1982-1983 made this change of focus an urgent necessity, and enabled the country's economic planners to move rapidly in dismantling a bureaucratic apparatus that stifled the private sectors. Major new incentives were extended to foreign investors in export oriented manufacturing as part of the country's objectives to increase non oil foreign exchange revenues and to transfer new technologies to Indonesia. In addition Indonesia began an on going process of improving trade relations by eliminating trade barriers, improving customs procedures and making trade cost transparent.

Rewards from this reform have been enourmous. In 1987, for the first time in Indonesia's modern history, non petroleum export surpassed those of oil and gas and have since experienced a double digit growth. Over the past five years, Indonesia's manufactured export have grown an average of 20 percent annually,

reaching

reaching \$19.6 billion in 1992 when they accounted for 58 percent of total export.

As Indonesia looks ahead to the 21st century, the need for continued vigorous export growth is critical. By the year 2000 Indonesia foresees the combination of declining oil reserves and increasing domestic consumption of energy resulting in the nation becoming a net importer of oil. Indonesia will need to achieve high export growth to offset the gradual disappearance of \$ 6 billion oil export revenues. Competition for foreign investment in export oriented manufacturing from other developing countries poses a great challenge to fulfilling this goal.

To address this challenge, President Soeharto created a new cabinet portfolio - the Coordinating Minister of Industry and Trade - in formulating the sixth Development Cabinet in March 1993. President Soeharto has vested the new ministry with the authority to coordinate the country's effort to achieve its trade objectives by improving manufacturing and trade efficiency, international competitiveness and forging stronger multilateral trade relations.

In 1992, Indonesia's total merchandise exports rose 16.8 percent to \$34 billion. Merchandise import registered a more modest expansion of 5.4 percent to \$27.3 billion, earning Indonesia a visible trade surplus of \$6.7 billion.

The high growth in export was led by manufactured goods, which expanded to \$19.6 billion and today comprise 58 percent of total export. Major product sectors showing substantial growth include textiles (up 49 percent to \$6.1 billion), Plywood (up 13 percent to \$3.2 billion) and footwear (up 33 percent to \$1.3 billion).

Other.

Other non oil exports, including agricultural and mining product, valued at \$2 billion and \$1.5 billion respectively and together comprising 11 percent of total exports. The best performing mining products were copper and coal. Important agricultural products exported include shrimp, tuna and other fish products and coffee.

On a cumulative basis, non oil and gas exports rose 28 percent during the year. This strong performance was offset by a 3 percent decline in oil and gas export revenues resulting from lower global oil prices.

On the import side, raw materials led the gain in total imports in 1992, rising 9 percent to \$18.8 billion. Capital goods imports essentially heavy equipment contracted 5 percent to 7.3 billion during the period, while imports of consumer goods rose 28 percent from low base, reaching \$1.2 billion.

Indonesia has made continuous strides to improve its import posture. The impetus for ongoing import reform is twofold: to achieve reciprocal access to export markets, and to enhance domestic manufacturing efficiencies by exposing domestic industry to competitive goods. Over the past several years, the country has enlisted the advice of multilateral organizations, such as GATT, to streamline its trade regime. In 1992 the World Bank characterized the result of Indonesia's import reform as having "increased competitive pressures on domestic industry, facilitated clearance of imported inputs by exporters and enhanced the transparency of trade regime."

Indonesia's principal trading partners include Japan, the United States, member of the European Union and the other five nations of ASEAN (Association of Southeast Asian Nations). As ASEAN's largest economy, Indonesia is actively involved in promoting stronger international trading alliances within the Asia Pacific region.

Indonesia

DEVELOPMENT AND GROWTH POLICY IN THE GOVERNMENT - KENYA

BY

ERICK MULI MBUSI

FINAL COUNTRY REPORT

FOR

THE NINTH SEMINAR FOR
NATIONAL GOVERNMENT ADMINISTRATION

NOV. 30, 1994

Indonesia is a member of the General Agreement on Trade and Tariffs, The United Nations, United Nations Conference On Trade and Development, The Asia Development Bank, The International Monetary Fund, the World Bank, the Islamic Development Bank. The Country participates in commodity agreement for natural rubber, coffee and tropical timber, in addition to being a member or signatory of various other international bodies.

On bilateral level Indonesia has general agreement promoting trade with over 40 countries, in addition to agreement with the United States on subsidies and countervailing duties and intellectual property rights and an agreement with European Union on audio recording.

In 1992, ASEAN members called for formation of an ASEAN Free Trade Area (AFTA) within 15 years. AFTA represents the most significant commitment to date toward an official attempt to integrate the region's combined market of 325 people with a collective GDP of nearly \$300 billion and growing by 7 percent per year. Under the pact tariff on all goods made with 40 percent or more ASEAN content are to drop to 5 percent or less by the year 2008.

INTRODUCTION

The Republic of Kenya has a total area of approximately 528,647 square kilometres and an estimated population of 25 million people with a birth rate of 3.2% and life expectancy of 59 years. The adult literacy is 46%. The Gross National Product - per capita income is estimated at 340 dollars, while GDP stands at 0.4 (1992) the lowest ever. The inflation which stood at 27.5% in 1992 has been reduced to about 18% by mid 1994.

ECONOMIC DEVELOPMENT OVERVIEW

Kenya's Economic Development and Growth Policy may be divided into three period; Pre-Independence, Immediate Post Independence and Current Situation.

PRE-INDEPENDENCE

The forces behind the colonization of Kenya by Britain like other countries were economic and political expansion. Private -enterpreneurs in search of sources for raw materials for their industries as well as market for the manufacture goods put pressure on their Government to create spheres of influence in Africa. The ensuing competition among various firms in the European Countries forced home governments to intervene to protect their interests in Africa. The end result was the establishment of colonial administration, to protect, regulate and co-ordinate these interests. Although Kenya lacked mineral deposits, she had agricultural potentials which attracted white settlers, mostly ex-soldiers.

The development of commercial agriculture necessitated growth of agro based manufacturing industries. To support these two sectors, the colonial administration intervened in the development of skeleton infrastructure i.e. railway, road and sea transport.

Education received very little attention in the period since all the skilled labour was provided by the English People who received and continued to receive education in Britain. Semi skilled labour was provided by the Indians while the unskilled labour mostly manual was provided by the African People under forced labour ordinance.

The other services provided by the colonial administration were security and administration. The methods were repressive. No consensus, no harmony, no mutual co-operation between the owners of capital and the workers. The colonial administration was there to ensure law and order prevailed.

In a nutshell, the economic development and growth policy of the colonial government was:-

- To develop an agriculture sector dominated by the white settlers.
- To produce some specific crops for export to the centre (Britain).
- To develop agro-based industries for processing primary goods which were exported to Britain for final processing.
- To secure forced labour to work in the settlers' farms and industries without incentives for the African workers.

- To develop infrastructure suitable for the settler farming and industries.
- To provide minimum education to facilitate communication between the master and worker and to perform simple technical jobs.
- To open import market opportunities for goods manufactured in United Kingdom.

Both agriculture and manufacturing industries as well as import market were highly protected, regulated and controlled offering little or no competition.

ECONOMIC DEVELOPMENT POLICY IN IMMEDIATE AFTER INDEPENDENCE

Kenya became independent on 12/12/63 after a fierce political struggle and at the height of the cold war. Africa was torn between communism and capitalism ideologies championed by U.S.S.R. and North Western Europe and U.S.A. respectively.

On attaining independence, the young nation opted for republican form of Government, with a President who is Executive Head of State. He is popularly elected by all Kenyan citizens of 18 years and above and registered as voters in accordance with the constitution. He appoints Ministers who form the Cabinet. The Ministers are responsible for various Ministries and accountable to the Parliament for their functions; these form the Public Administration which is unicameral and consists elected members who belong to various political parties.

The judiciary is independent to both executive and

legislative and is responsible for administration of the law.

The government which consists of the President, the Cabinet and the Public Service formulates and implements policies in accordance with various acts of Parliament.

The main goals pursued by the Government have been to enhance national unity, provide enabling environment for economic and social growth, in order to uplift the standard of living of all Kenyans irrespective of their colour, race creed or religion.

In pursuance of these goals, the government opted for a mixed economy approach where the government and private sector play complimentary roles. All along, the country's economic growth policy revolves around agriculture, manufacturing and tourism industries while the government role remained that of resource mobilization through planning, regulatory, promotional and co-ordination and minimal direct investment through State Corporations.

AGRICULTURAL SECTOR

This sector has remained the backbone of the Kenyan economy.

In the absence of meaningful mineral deposits, agriculture became the primeover of development, ensuring:-

- increased income and employment for the rural population which constitutes 75% of the entire Kenya population.
- supply of raw materials to the agro-based industries.
- guaranteed food security to the nation.
- provide foreign exchange earnings (coffee, tea and

horticultural crops alone constitute 70% of the country's total foreign exchange earnings). Because of its importance, the sector continued to enjoy high protection for external competition, subsidies, exemption of direct taxation, soft loans, extension services at no cost and pricing control of products as incentives.

MANUFACTURING INDUSTRY

Immediately after the World War Two, the British Colonial Administration created socio economic unit called East African Common Services Organization which centrally provided a common market and infrastructure for Kenya, Uganda and Tanganyika including Zanzibar. Kenya was greatly favoured by these arrangements partly because the settler system had managed to develop a far superior agricultural sector which was closely linked to agro-based manufacturing industry. This led to even greater development of infrastructure, - sea port at Mombasa, Airport at Nairobi, Railway Network connecting Mombasa, Nairobi, Kampala (Uganda) with branches to Moshi (Tanganyika).

This manufacturing sector soon developed to cater for not only agricultural sector but also for domestic consumer needs for the growing white population in Kenya, Uganda and Tanzania.

On attaining independence, the new Administration endeavoured to promote the industry under import substitution strategy. It enjoyed a bigger market under East African Community which replaced the East African Common

Services Organization. It was also highly protected from external competition. Even within the sector competition among firms in similar trade was not favoured as it created unnecessary competition especially where foreign investment was being encouraged. The sector was drawing inputs from the agricultural sector as well as providing capital inputs to this sector which was equally protected. It received incentives like favourable tax package, land allocation, preference in provision of infrastructure (roads, electricity).

TOURISM

Kenya is endowed with beautiful game parks with several species of wild animals. The industry began as a sporting adventure called "Safari" by the European Community. By the time of independence, Tourism had become a very popular industry in the country. The Government intervened to protect and promote it through legal framework. Today Kenya has become one of the most popular tourist destination in Africa and with about 6% total overseas visitors to the continent.

The industry comprises of National Game Parks, the coastal beaches, and the tropical flora. The number of visitors to the country increased from half a million in 1972 to 1.5 million in 1992 with earnings raising from K£.27 million in 1972 to K£.2,713 million in 1992.

Other industries linked to tourism are hotel accommodation industry which at the moment has bednight capacity of 11

million per annum, tour operators provide management and transport facilities and handcraft industries souvenirs.

ROLE OF PUBLIC ADMINISTRATION

The Government has all the time played a leading role in economic development and growth by provision of the general policy in the National Development plans. It's role has been:-

(1) Developing the needed infrastructure

-hardware - roads, railway, airports and buildings

-software - education, health and social amenities.

(2) In addition, the government has been responsible for creating policy and regulatory frameworks that safeguard the interests of various groups in the country; improve environmental conditions and co-ordinate cross sectional interaction, whether private or NGOs or even its own services. The government is also responsible for developing legal and regulatory framework to support private involvement in the economic sector.

In the case of agriculture, the government's responsibility has been provision of extension services, regularization and stabilization of the prices for the primary products to assist in securing favourable overseas market for coffee, tea and horticultural crops, prices for farm inputs e.g. fertilizers, promotion of farm production to ensure food security for the nation and direct involvement in farming e.g. Tea Zones, Agricultural Development farms, promotion through soft loans -Agricultural Finance Corporation.

In the manufacturing industry, similar roles are observed:-

- regulatory - through issue of licences and permit for manufacturing and distribution.
- importation of inputs, and services.
- price regulations for products.
- direct production through state corporations.

In the tourism industry, the government plays an important role in:-

- management of the National Game Parks.
- environmental protection of the beaches.
- management of the historical monuments and historical sights.
- co-ordination of other industries related to tourism e.g hotel services, tour operators services.
- collection and dissemination of useful information.

BENEFITS AND PITFALLS OF DEVELOPMENT

By adopting a capitalistic and mixed economic development the country achieved the following benefits:-

- capitalist form of economic has proved more viable in mobilization of the resources; through domestic as well as foreign investment.
- There is less government intervention in direct production and distribution which reliefs it of the huzzles of the complex management - "Government is a poor business entrepreneur".

Both agricultural and manufacturing sectors experienced a rapid growth in the early stages due to government

incentives e.g. protection, favourable tax package, allocation of land and infrastructure development.

Government control of prices for agricultural products helped to stabilise the market even during times of crisis. It kept the prices of foodstuff at an affordable level which in turn kept wages low leading presumably to low produce cost in the manufacturing sector. This led further to low prices for these goods. The arrangement kept everybody happy!

Infrastructure, Education and health facilities are quite expensive undertakings while the returns are low in developing countries. It is unlikely that any private entrepreneur would be ready to venture into this sector. The government intervention ensured their availability, and equitable distribution at affordable prices to the users, both private firms and the public.

The intervention also ensured that there was a systematic planning co-ordination and continuity in the economic development and growth.

The policy also enabled the government to mobilize resources in private and public sector.

PITFALLS OF DEVELOPMENT POLICY - CURRENT SITUATION

The immediate Post Independence period development and growth policy called for more direct government involvement, agriculture manufacturing and also tourism. The intervention had all the best intentions because:-

(a) There was very little national cohesiveness prior independence, nationalist movement to fight for independence was the only driving force to bring together kenyans from over fifty one (51) ethnic groups. This could have waned soon after the independence.

(b) Seeing this problem, the country abandoned the regional political system and adopted a centralised but deconcentrated form of government to foster unity and accelerated development. For twenty eight years, this system remained in the operation and a lot of development was achieved through government efforts in mobilising the resources. However, there were pitfalls in the development.

Both Agriculture and manufacturing sector proved more vulnerable to external shocks than anticipated. This was witnessed during the oil crisis of 1973 and- 1983. This led to price instability and an attempt to deliberately keep them down proved disastrous.

The collapse of East African Community delivered yet another big blow to the manufacturing sector as it led to the shrinking of the market which resulting to chain reaction of prices in the market. Once again, an attempt to keep prices low was bad economics.

There were series of droughts in the country leading to lower agricultural output aggravating price increases for primary products. Tourism was also hit by drought and

illegal poaching which reduced the popular species in the parks.

By the end of 1980s the government realised that the growth policy in force was not yielding the desired results. The import substitutional strategy did not generate the growth anticipated. The prices of the products continued to rise while quality deteriorated, productivity went down, employment opportunities continued to decline while population kept on increasing. Likewise agriculture developed the same features of stagnation.

The government intervention continued increasing with creation of more state owned corporations to fill up areas of development which otherwise should have been taken up by private investors, had the sector being healthy. Since the government is a poor business entrepreneur, most of the state owned corporations continued to operate at a loss.

These problems not only worried the government but also the World Bank and IMF since they were also being experienced by other countries in Sub-Saharan Africa. To tackle these the economic stagnation, a package in the name of Structural Adjustment Programme (SAP) was introduced to revitalise the economic development and growth. The major policy objectives in the short-term are:-

- rectification of deficits of balance of payments.
- control of inflation.
- reduction in unemployment.

While the long term objectives are:-

- continuous growth.
- efficient use of resources available.
- reduction in income irregularities.

SAP in Kenya involves:-

- Decontrol of prices in both the agricultural and manufacturing industries.
- Liberalization of the economy (a move from import substitutional to export oriented).
- Floating the Kenya currency which has been seen as artificially over-valued.
- Removal of foreign exchange control.
- Privatization of non strategic state corporations.
- Reduction of civil service which salaries alone accounted to 80% of the government recurrent expenditure.
- imposing stringent budgetary control to control inflation.
- Introduction of cost sharing in financing of infrastructures: education, health and roads.
- Political reforms - adaption of multiparty democracy.

While SAP has been lauded as the best method to raise the economies of the developing countries notably, Sub Sahara Africa, the socio economic and even political backlash may bring effects which outweigh the benefits anticipated. Dr. Adebayo Adedeji put it "---characteristic of the economic policies of SAPs is their partial approach. The approach of Conventional Stabilization and Adjustment Programmes isolates and addresses only a few aspects of the overall

macro-economic set-up. As the world now knows, such an approach has not always succeeded in achieving its limited chosen objective-balances budget, balance of payment equilibrium, arresting inflationary tendencies, etc. But even where it does temporally succeed it usually has adverse consequences for sustainable development based on fundamental transformation. Whatever positive results might be achieved from SAPs, they are likely to be shortlived, and lack the potential to achieve major breakthroughs towards transforming the economies. Therefore, a holistic human-centred approach is required which will pursue relentlessly the path change and transformation of the socio-economic and political structures of the African policy and will put in place a policy framework that energizes and mobilizes the people and leads them along the path of self-sustainment, self reliance and regional integration. In traversing such a path, which will undoubtedly be tortious and difficult, adjustment will be built in to ensure reasonably good macroeconomic management but under no circumstance will the economies be allowed to be diverted from the transformation path. In other words, the over arching aim will be transformation without built-in adjustments". (1)

(1) Africa and Orthodox Structural Adjustment Programmes, perception, policy and politics by Adebayo Adedeji. Report of the international symposium held at UNU Headquarters Building - Tokyo, Japan in October 1993.

Challenges of African Development

Structural Adjustment policies and implementation - page
21 & 22.

CONCLUSION

I am strongly tempted to feel that in her endeavours to achieve sound and sustainable economic growth, Kenya may borrow a leaf from Japan which is worldily accepted as a success story in socio-economic development and transformation. Japan not only has one of the most industrialised market economies in the world but also ranks first in the human development index. It is very correct that Kenya is not Japan and that her experience cannot be replicated but the countries have more similarities ie. their history, political legacy and culture than with the Europe America. Some few factors have been widely accepted as to have contributed to the rapid development and growth in Japan.

-high rate of capital accumulation.

-high rate of saving.

-the successful transfer of technology.

-appropriate for agricultural and industrial development.

-good quality of labour force and declining rate of fertility.

-export oriented development strategies in the open economies.

-relatively sound fiscal and monetary policies.

tolerate distribution of income.

- steady building up of bureaucracy and private enterprise as required in every stage of economic development.
- on frequent occurrence of social unrest and political stability.

In a nutshell, the success is to be found in the Japanese people's ability to blend cultural values with technology through the media of education and manpower development; the harmonization of bureaucratic institutions with the private sector, to develop a highly sensitive market economy.

Since Kenya's economy had not collapsed like those of Eastern European countries, and since Kenya has not suffered the evils of socio-political turmoils as most of the African and Latin American countries, the basic approach may be that which builds on the past experiences and the rich Kenya African Culture.

In this task the Public Administration has a major role to play - harmonization.

JAPAN INTERNATIONAL COOPERATION AGENCY
AND
NATIONAL PERSONNEL AUTHORITY

THE SEMINAR ON NATIONAL GOVERNMENT ADMINISTRATION

FINAL REPORT

Theme:

"DEVELOPMENT AND GROWTH POLICY OF THE GOVERNMENT
OF MONGOLIA: A COMPARISON WITH JAPAN'S EXPERIENCE"

by

Badamdorjiin BATBAYAR
Senior Officer,
Personnel Department,
Cabinet Secretariat,
Government of Mongolia

November, 1994

TOKYO, JAPAN

CONTENTS:

1. INTRODUCTION
2. BRIEF BACKGROUND
3. PUBLIC ADMINISTRATION AND CIVIL SERVICE REFORM
4. DECENTRALIZATION AND LOCAL ADMINISTRATION
STRENGTHENING
5. PRIORITIES IN MACROECONOMIC MANAGEMENT
6. IMPORTANCE OF INFRASTRUCTURE DEVELOPMENT
7. CONCLUSION

1. INTRODUCTION

Four years have passed since Mongolia entered the path of democratic development and started its transition from one party monopoly to a multi-party system and from the centralized planning model to market economy relations. During this period the far reaching reform process covered the complete social life of the country. Adoption of the new Constitution of Mongolia in 1992 is the main legal guarantee for democratic changes in our country. The breakdown of the old political and economic system and introduction of the transition process has been made in a peaceful way. And now the political situation in our country is relatively stable.

2. BRIEF BACKGROUND

Mongolia attained formal independence in 1921. After that it integrated fully with the former Soviet Union and isolated itself from the rest of the world. Mongolia followed the Soviet model of a centrally planned command economy, emphasizing the development of industry and energy. The country is well-endowed with natural resources. Its pastures and grasslands are home to over 24 million head of livestock, or over 10 per person. Arable land is relatively abundant at 0,63 hectares per capita. Mongolia has sizable reserves of copper and other minerals, allowing the country to export over \$100 per capita in minerals alone. The country has the potential for petroleum production in commercial quantities. Finally, Mongolia has a well educated population with an adult literacy rate of 96 percent.

3. PUBLIC ADMINISTRATION AND CIVIL SERVICE REFORM

The basic objective of the Mongolian Civil Service Reform is to create conditions for the effective implementation of state policy, goals, objectives and tasks by enshrining in law the legal status, working conditions and social guarantees of government administrative service employees,

and by supplying government institutions with qualified government administrative employees.

To accomplish this objective and taking into consideration the experiences of Japanese National Civil Service the following measures, in my opinion, should be undertaken in the nearest future:

- * To create the Mongolian Government Service Authority and start its activity;
- * To train and prepare a new generation of highly qualified government administrative employees, observing the required ethical norms, who are politically unbiased, not driven by personal and other interests, and who perform their jobs for the sake of the nation and the people;
- * Consideration of the problems related to working conditions and ensuring guarantees for government administrative employees. This includes their salaries, compensations, aid, remuneration, pensions, allowances, etc.;
- * To create the government administrative professional service by training, retraining and up-grading the qualifications of government employees and re-qualifying them to serve in government institutions.

4. DECENTRALIZATION AND LOCAL ADMINISTRATION STRENGTHENING

The decentralization process started from 1990 and the present social and economic situation demonstrate the importance to implement the changes based on more in-depth investigation and organization.

The process related to decentralization in Mongolia is:

- * The transfer of governmental responsibilities to the local administrations;
- * The transfer of administrative power and responsibilities from Ministries and other bodies to lower units;
- * The privatization of state property.

In order to fulfill the purpose of decentralization it is

important to strengthen local administrations. The strengthening the local administration means to determine and to legalize the power, responsibility and division of labor between the Hural and Governor (Governor's office), in terms of the structure, organization and scope of the activities of each of them at their respective levels.

The nucleus of the local government is the Representative Hural of citizens and its power and responsibility should be expanded to a greater extent than today's situation and its economic base should be thought out. The Representative Hurals should have precise roles in local policy making and its implementation.

5. PRIORITIES IN MACROECONOMIC MANAGEMENT

Over the past four years Mongolia has made structural changes aimed at shifting from centralized planning to market economy relations. Since 1991, the government has concentrated its attention on implementation of the mid-term program of restructuring of the Mongolian economy as agreed with the IMF.

The Government of Mongolia has started implementation of policy measures directed to dismantling state monopolies, liberalization of prices and tariffs, formation of legal framework for market economy relations and halting economic decline.

Laying the ground for further development of the national economy and improvement in living standards of the population are the main strategy for the mid-term development of the Mongolian economy. The following challenges will be observed at this stage:

- * To check economic fall in 1994 and provide increase of GDP production starting from 1995;
- * To continue tight monetary policy and keep devaluation rate of national currency at the low level;
- * To provide flexibility of credit and deposit interest

rates in order to mobilize financial resources and improve effectiveness of utilization of loans;

- * To provide control over financial losses and improve balance of current budget;
- * To give priority to development of infrastructure sectors;
- * To improve administration management by manning state institutions with the staff able to work under market economic conditions.

For the implementation of these macroeconomic objectives the Government should pursue tight fiscal policy and take measures directed to economic restructuring, particularly measures aimed at substantial increase in investments, domestic savings and export production.

6. IMPORTANCE OF INFRASTRUCTURE DEVELOPMENT

As Professor Hirono said, infrastructure development is a basic requirement for sustainable economic growth of the developing countries, and is therefore extremely important. Japan is a good example. After World War II, using loans from the World bank Japan built a basic infrastructure such as power plants, steel mills, and the rapid express railroad known as Shinkansen and expressways. All of these constituted dynamos driving Japan's remarkable economic growth since the 1960s. In the case of other East Asian countries, too, upgraded infrastructure and the consequently more favorable investment climate have played a significant role in the attainment of the dramatic economic growth we are now witnessing as a result of the development of export industries through increased foreign investment.

Much of Mongolia's economic infrastructure, particularly that of the energy, transportation and telecommunications sectors, is now obsolete. Urgently required is the renovation of the existing infrastructure.

The economic infrastructure is one of a country's two main-

stays, the other being the social infrastructure, including education, health services and sanitation. To develop these two infrastructures in a balanced fashion will surely improve living conditions and solve the problem of disparities between urban and rural areas.

7. CONCLUSION

Mongolia does not now have the national management capacity to successfully undertake the nation's transitional and developmental processes. Obsolete productive and service infrastructures, as well inappropriate private and public managerial systems, and a population unfamiliar with the workings of the problems that Mongolia currently faces.

Within this context Mongolia requires both private and public sector reforms. The successful completion of the transitional process will require the combined mobilization of both the public and private sectors beyond their current capacities.

As Mr. Kozo Igarashi, Chief Cabinet Secretary, said in his welcome speech during the Courtesy Call, Japan made her first step as a modern state, and has developed herself through the cooperation of the government and the private sector. Therefore one of the basic role levels in the public administration reform process of Mongolia is the ability to forge a public / private sector partnership based upon a continuous public / private sector dialogue.

oOo

SEMINAR ON NATIONAL GOVERNMENT ADMINISTRATION (SENIOR OFFICIALS) 1994
(FINAL REPORT)

DEVELOPMENT AND ENVIRONMENT:
LESSONS FROM THE JAPANESE EXPERIENCE

MUHAMMAD NABEM UL HAQ
PAKISTAN

Five country reports were presented on the theme "Coordination between Development and Environment" during the concluding sessions of the Seminar on National Government Administration (Senior Officials) 1994. These reports pertained to Egypt, India, Indonesia, Pakistan and Turkey. A general discussion on the theme as well as on the need for capacity building in Public Administration followed the presentations. There was a general consensus that development of economy and protection & conservation of environment were not mutually exclusive.

2. The focus of the present report is on how Japan could integrate its environmental policies with economic development.

3. After the World War II, Japan succeeded in rebuilding its economy. The society was transformed from rural to industrialised and urbanised. Concern for environmental issues in the Japanese society, however, started in the mid-1960s. During the 1950s and 1960s investments both by the public and private sectors were made in the centres of the cities as well as along the coastal areas without much regard to the environment. The result was pollution and damage to the natural resources. Before the steps taken by the Government of Japan to control the pollution related problems are discussed, it is relevant to examine very briefly the structural changes which took place in the Japanese economy during and after the 1970s.

4. In the 1970s, structural changes in the economy took place and the Japanese economy moved towards processing and assembling industries and services. Incidentally the world saw global oil crisis. As a reaction to oil crisis, industries in Japan started investing for saving energy and increasing energy efficiency. During the 1980s, Japanese economy further shifted to services. In 1990, industry and services represented approximately 42% and 58% of GDP. Industries producing machinery and electronics expanded and many plants were established in the inland areas.

5. Reverting to the environmental issues in Japan, pollution led to serious health problems and diseases like Minamata, Itai-Itai and asthma. Responding to these, the Japanese Government enacted environment related laws in between 1960 and 1970. Basic Law for Environmental Pollution Control and the Air Pollution Control Law were enacted in 1967 and 1968 respectively. These enactments somehow did not bring the desired results and in view of the public demand the Diet amended or enacted 14 laws related to environment. Diet consists of the House of Representatives and the House of Councillors.

6. In 1971 the Environment Agency, headed by the Director-General, a Minister of state was established as a part of the Prime Minister's Office. The agency was given the mandate to promote policies for pollution control, nature conservation and other environmental issues. At present, the Agency consists of 4 bureaus: Planning and Co-ordination Bureau, the Nature Conservation Bureau, the Air Quality Bureau, the Water Quality Bureau, & two Departments: the Environmental Health Department & the Global Environment Department. The National Institute for Environmental Studies also operates under the aegis of the Environment Agency. In all 900 personnel are employed in the Agency and the affiliated organizations. The Central Council for Environmental Pollution Control and the Nature Conservation Council are also attached to the Agency as advisory councils. A Council of Ministers for Global Environment Conservation also exists since 1989.

7. The Director General of the Environment Agency is authorised to suggest actions to other ministries on environmental issues. He is also supposed to consult the members of the advisory councils before planning important policies.

8. Besides the Environment Agency, a number of other ministries and agencies are also engaged in environmental protection activities. The ministries include: Ministries of Education, Labour, Transport, Posts and Telecommunications, Construction, Home Affairs, Health & Welfare, Agriculture, Forestry and Fisheries and the famous Ministry of International Trade and Industry commonly known as MITI. The agencies working for environmental issues are: Hokkaido Development Agency, National Police Agency, Defence Facilities Administration Agency, Okinawa Development Agency and National Land Agency. The Science and Technology Agency is responsible to take preventive measures against radioactive pollution while MITI supervises the commercial nuclear plants.

9. As regards research on environmental issues, the National Institute for Resources and Environment (NIRE) under the MITI has been pursuing research agenda concerning global and regional environment, energy, resources and safety engineering. Participants of the Seminar during their visit to the Institute had the opportunity to learn about the methodology being followed at the Institute.

10. To deal effectively with the environmental disputes, the Environmental Disputes Coordination Commission has been set up.

11. The commitment of the Japanese Government for pollution control and nature conservation is also reflected through the budget allocation for the purpose. In 1993 only the Government provided ¥ 1,730,409 million (¥ 1,532,752 million for pollution control and ¥ 197,656 million for nature conservation). This amount excludes operating costs.

12. In its pursuit to increase economic growth and simultaneously control air and water pollution Japan has very successfully implemented its programmes with the cooperation of local governments, municipalities, private sector companies, NGOs, Trade Unions and the citizens. Japan has, in fact, pursued the objective of economically sound development. During the last 20 years Japan's GDP increased by 122% while SO₂ emissions decreased by 82% and NO_x emissions by 21%. Its pollution control programme did not affect the economy adversely. Private sector invested in pollution control. For example in 1975 about 18% of total private investment was in pollution control. Emission Control Regulations of 1978 for the car industry fostered technological development that proved pollution

control and also brought other benefits as advanced combustion control and quality control. Japanese car industry enhanced its competitiveness by producing cars with higher fuel efficiency and lower pollution. In this process it is believed that the large companies were able to sustain the costs of new pollution control measures while small and medium-sized companies had to cut back on profits. Likewise, laws on environment were instrumental in increasing the economic activity in the pollution control equipment sector both in the domestic and international markets.

13. Japan has used very intelligently three types of policy instruments in order to integrate the environment and economic policies. These are :

- 1) administrative and regulatory instruments;
- 2) judicial instruments; and
- 3) economic instruments.

14. Enforcement and implementation of laws and regulations is given high priority. The responsibility is delegated to the Prefectures and municipalities. Prefectures are authorised to establish regulations in addition to those laid down by the Law. According to one estimate all prefectures (they are 47 in Japan) and 545 municipalities have local pollution control ordinances. Prefectural Governors are authorised to inspect designated facilities or ask the managers of the facilities to submit reports to ensure that the environmental standards are complied with. Prefectural administrations and municipalities employ about 14,000 environmental staff. Governors and Mayors are responsible for monitoring of air pollution.

15. Agreements between prefectural or municipal authorities and the industry have played key role in overcoming pollution problems. 40,000 such agreements are in effect. 'Consensus' is the soul of all agreements. Where necessary private enterprises are asked to prepare action plans to reduce waste and emissions beyond the legal standards. At the large plants pollution control managers and controllers are appointed. MITI has trained 400,000 persons for such positions. 65% of Japanese companies have a department for environmental problems.

16. As regards judicial instruments, administrative relief measures (compensation fund) has been established after the introduction of strict liability clause in 1972 Air Pollution Control Law and the Water Pollution Control Law. The guiding principle is that the polluter must compensate physical damage caused by pollution.

17. Private sector is encouraged by means of financial incentives to prevent and control pollution. Loans, by Japan Environment Corporation (JEC), at favourable rates are given. Tax incentive, such as additional depreciation rate in the first year of use of pollution abatement equipment, is also used as an economic incentive.

18. Japan is actively participating in the pursuit of sustainable development and environmental preservation at the global level. In this direction Japan pledged at the UNCED to strengthen and enhance Japan's ODA for the environment by allocating between

¥ 900 billion and ¥ 1 trillion during the five years starting from FY 1992.

19. Japan has succeeded in integrating environmental policies with economic development. How effectively other countries aspiring for sustainable development could benefit from the Japanese methodology? To a large extent, provided the interested countries *:

- a) develop the legal framework for environmental protection with appropriate enforcement mechanism;
- b) develop and/or use environment friendly technologies-- basic R & D (by the industrialised countries) and transfer of technologies to others. Governments to play leading role in setting up institutions for developing environment friendly technologies;
- c) encourage the private sector to contribute and participate in protection and preservation of environment;
- d) invest in population control;
- e) work for regional and global environmental strategies;
- f) support the NGOs;
- g) make people aware of the consequences of depleted environment;
- h) promote environmental studies in professional courses and educate the new generation to be environment friendly ;
- i) adopt concepts from other culture carefully; and
- j) have responsive public administration.

* These were discussed during the discussion sessions which followed the presentation of country reports. Guidance provided by Professor Ito and Professor Kodama is gratefully acknowledged.

TOKYO
December 1, 1994.

REFERENCES:

1. Diplomatic Bluebook 1993 -- Striving for a More Secure and Humane World, Published by the Ministry of Foreign Affairs, Japan.
2. NIRE, 1994 -- Promotional material.
3. OECD Environmental Performance Reviews -- JAPAN
4. The Japan of Today (1993), Published by the International Society for Educational Information, Japan.

THE TRANSITION FROM A POPULIST TO A MARKET ECONOMY:

THE CASE OF PERU

RENZO G. ROSSINI 1/

INTRODUCTION

Severe macroeconomic mismanagement and the application for more than 30 years of distortionary industrial policies, resulted in Peru in hiperinflation and in a virtual collapse of the economic activity. In 1990, the inflation rate was 7,650 percent and the per-capita GDP was 27 percent lower than 1987, and similar to the one of 1961.

The abuse in using multiple, and sometimes conflicting, incentives to some economic activities, can be understood in the framework of a "populist-type" of government. Two characteristics of populism are the attempt to be "selective" with "all", and the disrespect to all economic constraints.

The challenges faced to stabilize the economy and to drop all the barriers that block the functioning of the factor and goods markets can be compared with those faced by the countries in transition from central planning to market economies.

The efforts made to stabilize and liberalize the economy have left the impression that little have been done to promote economic growth and exports. However, economic and political stability have pushed domestic and foreign investment to the point that a 12 percent increase of the GDP is expected for 1994.

1/ The author acknowledges the useful experience of the Seminar on National Government Administration (JICA-NPA, Tokyo November 1994), that motivates this report.

The aim of this report is to revise what are the possible roles that the government can play to engage in a growth oriented framework in Peru. Special emphasis is put on the role of the public administration to implementate policies with transparency and accountability.

Assuming that the macroeconomic policies are set to assure economic stability and that the fiscal policy is encharged with the allocation of funds to carry out the most basic government activities in the supply of public goods and services (defense, law enforcement, basic education, health and infraestructure), then we can ask if there still exists additional room to activate government intervention to promote growth.

THE ROLE OF THE GOVERNMENT IN PROMOTING GROWTH

Even though the basic roles of the government can be associated with the aim of providing equal oppotunities to the citizens, they can also play an important role in promoting economic growth. Some examples are presented:

a. **Education.** The development of basic skills in the school will develop a qualified labor force. Also, the promotion of a relation between firms and universities will provide an education connected with the markets demands.

b. **Infraestructure.** The provision of roads, telecommunication, ports and other facilities can have very effective results in an export promotion strategy.

c. **Law and Contracts Enforcement.** The predictability of the judiciary system brings stability to the business community, since it is possible to solve at lower costs possible litigations.

d. **Defense and Police.** Safety is a necessary condition for the development of a business-friendly enviroment.

e. Poverty-reduction policies. The application of effective measures to attack poverty can provide support and validity to the strategy of economic growth.

In addition to these policies, the government must identify situations in which the markets do not provide the correct incentives to allocate resources in the best possible way. However, this does not mean that the government has to intervene, because a possible solution can arise from the coordination among private agents. Well known cases of market failures are:

a. Externalities. When it is not possible to privatize all the benefits from an economic activity there may not be any incentive to develop it. For example, if it is easy to copy a new product that has succeeded in the market, the incentive to innovate is penalized because the cost of failure is private and the benefit of a success has a social extension. This case is common in agriculture, and gives ground to support the introduction of products that can be exported. Another example is given by the research on new foreign markets. When this is carried out by individual firms, they can be followed by companies that just wait to see the results of other's effort (a free-rider case). Since this penalizes the activity of searching new markets abroad, justify the support to information activities in this area.

These examples show that some institutional arrangement is needed, but not necessarily that some government agency must deal with these problems. It is always possible that a group of firms or an independent institution, like a university, will have the incentive to develop these research activities. However, if a coordination failure arises, the government must find

and implementate the institutional framework to cooperate with the private sector.

b. Information failures and inexistence of some markets. There are cases in which the economic agents cannot verify through market signals, the quality of some goods and services. This is specially important in financial activities, where Regulatory Bodies must defend the public interes. Also when a financial institution cannot asses the risk of activities of new small firmas or farmers, then the market solution will exclude to these activities from the credit market. In these case, the government can promote the development of guarantee schemes or direct financing from the Budget. Also, it is possible to promote private institutions that can provide financial resources to these activities.

So far, the policy meassures mentioned in a. and b. can be considered as neutral, since they are not targeted to promote a particular sector, but to bring to the economy a solution closer to the competitive ideal. In contrast, there are a set of policies that are targeted to favour the development of some particular sector in the economy. These policies involves the so called Industrial Policy.

The experience of successful cases of countries in East-Asia has involved the use of non neutral policies, in order to promote export activities: tax exemptions, subsidies, low-interest rates loans, and so forth. However, in contrast with the populist experience in Peru and other countries in Latinamerica, these incentives have been granted followinf the next principles:

a. The allocation of incentives were based on a competitive basis, and using clear targets.

b. There exist an strong a highly qualified

bureacrats, that is able to design and implementate effective policies.

c. These policies were set in the framework of an outward-oriented economic strategy.

d. The costs of these incentive were financed with Budget resources, and never imposed a heavy burden to the rest of the economy.

These four points contrast with the peruvian attempt to industrialize the economy using import barriers and to promote exports using indiscriminated subsidies. These necessary conditions are not fulfilled by Peru, and thus it can be concluded that it may instead try to promote growth through neutral and mainly indirect policies.

INSTITUTIONAL FRAMEWORK FOR THE ECONOMIC GROWTH

The need to cope with macroeconomic disequilibria and with the elimination of restrictions to the free operation of the markets of goods and factors of production has limited the allocation of public administration resources to the effort of designing and implementing policies towards economic growth.

There have been actions to improve economic infrestructure and policies from the sectorial ministries (Agriculture, Fishing, Minning, Industry and Transport, Housing and Construction). The economic policy is coordinated by the Ministry of Finance and Economy, but is mainly concerned with Budget Management and short term policies. This institutional framework explains why the efforts to support have been isolated and much emphasis has been put on the importance of foreign investment. A possible way of action could include the unification of the sectorial ministries in two Economy (Agriculture, Fishing, Minning and Industry and International Trade), and Infraestructure (Transport, Telecommunication,

Housing, Construction). Also, in this framework the Ministry of Finance should deal only with Budget and National Debt matters.

CONCLUSIONS

As a part of the important structural reforms that are taking place in Peru, the redefinition of the role of the public sector in the economy is a major enterprise. The complete privatization of the public sector production of goods and services -including electricity generation and distribution, telephone and telecommunication, and water supply- by mid 1995, is an important landmark. However the reform of the Central, Regional and Local Government is an important task to continue and solidify the reforms started in 1990, which by their scope and magnitude allow us to compare them with the transition to a market economy.

Tokyo, 30 November 1994

The Seminar on National Government Administration

FINAL REPORT

Anna Ostaszewska - Poland

Tokyo, November 1994

Introduction.

This is my second country report to which I am enclosing 3 documents:

1. "Poland quarterly statistics" (1994, nr 2),
2. "Strategy for Poland" (a synthesis),
3. "Poland 1994 . information on the current economic situation with short-term forecast".

It is not needed to repeat the same information which are written in these documents. I would like to point some things according to the program of 9th seminar on National Government Administration in Japan.

People.

Polish population counts 38,5 million people living on the area of 313 000 km².

Generally Poles deeply feel higher values and are ready to sacrifice themselves for important ideas like fatherland or freedom. "God, Honour, Fatherland" - this was an old watchword, known during Polish insurrections.

At every day duties they like to see a sense of their work and reasonable results. Usually they are individualists and like to have their own opinion about everything. We have such a sentence: "Where two Poles, there three opinions".

Maybe Japan is overorganized but Poland is just the opposite.

In spite of this, during last few years activity of Polish people increased very much as in form of private

business as in form of local government's initiatives for regional development.

Education.

Labour forces are rather wellskilled. In many enterprises one can find technican and economists familiar with western managerial procedures.

System of education in Poland is 8-4-4:

1. Primary school - 8 years.

Learning is obligatory. 97 per cent of children are graduated from primary school.

2. Secondary school - 4 years (technical and medical schools - 5 years). They are not obligatory but about 83 per cent of young population learn there.

There are also:

- upper secondary schools - 2 years (after 4),

- professional schools - 3 years (after 8).

3. High school - 4-5 years.

The number of students of higher schools at the end of 1993 was 579 thous. (17,7 per cent of total population in age 19-24). At the end of 1989 - 374,3 (12,6 per cent).

After II World war education in Poland was free of charge. Now, public education is still free but private schools are payable.

Many private schools at each level (also high schools) has been established during last few years. Most of them teaches new skills like menagement, business, languages.

Education programs in public schools has been already changed as well.

Privatization.

Poland has long lasting tradition of private entrepreneurship that survived in the form of private agricultural sector and small private business even during the period of the command economy.

But in the structure of Polish economy there was a great gap between small private business and large state-owned enterprises.

A process of privatization of state enterprises began in the middle of the year 1990 and has been led by Ministry of Ownership Changes (Ministry of Privatization).

2.876 state enterprises was qualified to privatization. Some of them were transformed into the sole-share holder of State Treasury companies and sold, some of them will be brought into the National Investment Funds (NIF) and most of them received an acceptance of Minister of Privatization for liquidation (under State Enterprises' Act).

In the same time a great number of private small (and medium) business came into being.

The private sector employs 61 per cent (8,9 million persons) of the total labour force in the economy and produces 55 per cent of GDP (1993).

An increase of the sold production of industry observed for more than two years, kept continuing. In the 1st half

of this year in industrial enterprises employing more than 5 persons sold production was higher by 9,7 than in the same time last year.

Agriculture.

Polish agriculture had two forms: private farms and state farms.

Agency for State Treasury's Farmland Property was established for privatization of state farms. Lands are taken over to the Resources of State Treasury's Farmland Property by this Agency and then liquidated through sales, leasing or allocated to be used free of charge.

In the north Poland there are regions where state farms were cumulated and currently it is difficult to make them productive.

Unemployment.

Rate of unemployment is very high - 17 per cent at the end of 1993 - and this is the biggest social problem in Poland.

In some regions unemployment rate is higher than 30 per cent.

Regions with especially high unemployment rate (50 per cent more than average) have special support by law and budget, f.e.

- funds for public works and development of infrastructure in these regions,

-- 50 per cent reduced income tax if this income is invested in such regions.

Program for 1995.

Poland has a status of the associated state of European Union and is preparing to become a member state. Program of adaptation of Polish law system and economic conditions to the european rules is continued.

"Strategy for Poland" (accepted by Parliament in 1994) indicates main directions for social and economic policy in long term perspective. The government established ten groups of experts for preparing an implementation of 10 Key Programs of "Strategy for Poland".

"Assumptions of social-economic policy for 1995" prepared by Central Office of Planning (and accepted by Cabinet) are based on "Strategy for Poland" and on real, limited possibilities of budget in 1995.

The main aims are:

- to support economic growth,
- to reduce inflation till 17 per cent (in 1994 - 31 per cent),
- to increase a number of employed people for about 150 thousands,
- to increase investments for education and health.

Program "Stabilization, privatization, restructurization" will be continued.

Denomination of Polish zloty will take a place since 1th January 1995.

Motorways building program starts also next year.

Some new programs are prepared as well:

- system of state guarantee (short and medium term foreign credits must be still guaranteed by the government),
- system of supporting small and medium business,
- system of government's orders.

Conclusions.

Poland 1994-1995 seems to be on the beginning of its growth. Hudge problems will appeare yet because of liquidation of state enterprises or restructurization f.e. mining industry.

One may say that under shock therapy Polish people were pushed on a deep water and had to learn how to survive.

They must learn many new skills. This is hard job but I belive that - in spite of many difficulties - Polish people enjoy being responsible for their own future.

SEMINAR ON NATIONAL GOVERNMENT ADMINISTRATION

(Senior Officials)

F I N A L R E P O R T

- 1- Name of Training Course: The Group Training Course in National
Government Administration
- 2- Name of Participant : Erdal ATA
- 3- Name of Country : The Republic of Turkey
- 4- Theme : Modernization of Education System

MODERNIZATION OF EDUCATION SYSTEM

I- INTRODUCTION

A BRIEF KNOWLEDGE ABOUT TURKEY

Turkey is situated between Asia and Europe, and located in southeastern Europe and southwestern Asia. The size is 788.695 sq.km. Turkey's neighbours are Bulgaria, Greece, Syria, Iraq, Iran, Nohcivan, Ermenia and Azerbaijan. The country is a peninsula, surrounded by the Black sea, Aegean Sea, The Mediterranean Sea.

Owing to the suitability of its geographical location the country has been the birthplace of several great civilizations throughout history. Being almost at the territorial centre of the old World and being surrounded by sea on three sides, the country is able to maintain commercial activities with numerous countries easily.

The population is 60 million, and 99 % of them are Moslem.

The Turkish State is a Republic. Turkey is a democratic, secular and social state. The fundamental aims and duties of the State are:

- To safeguard the independence and integrity of the Turkish Nation, the indivisibility of the country, the Republic and democracy,
- To ensure the welfare, peace, and happiness of the individual and society,
- To strive for the removal of political, social and economic obstacles,
- To provide the conditions required for the development of the persons' physical and spiritual existence,

II - BASIC PRINCIPLES AND AIMS OF EDUCATION

A - BASIC PRINCIPLES OF EDUCATION SYSTEM

According to our Constitution and Basic Law of National Education there are some basic principles giving direction to the education system. These are as follows:

-Generalization and Exuality; Needs of the individual and the society; Direction; Right to learn; Exuality of opportunity and Possibilities; Continuity; Atatürk's Reforms and Principles; Democracy; Secularism; Science, Research and Planning; Education everywhere.

B - GENERAL OBJECTIVES OF EDUCATION

According to the Basic National Education Law, our Education system has some main objectives. These are as follows:

- To bring un each member of the Turkish nation to be a citizen devotedto Atatükk's reforms; who loves his family,nation,country,and tries to advance them;who adopts, protects and promotes the national, moral cultural values of the Turtish nation; who is aware of his duties and responsibilities towards the State, and towards the society,
- To bring up all citizens as constructive, innovative and productive indivi- duals;who are blanced physically, mentally,morally,spiritually and emotionally; who are free and scientific-minded with broad,world-wide perspectives;who res- pect human rights and value,
- To prepare all people for life by developing their interests, talents and abilities to enable them to acquire the necessray knowledge, skills, attitudes and habits,
- Thus, to enhance the happines and living standards of citizens and society,
- And to support and accelerate economic, social, and cultural development in an atmosphere of national unity and cooperation,
- And finally, to make the nation a constructive, creative and distinguished member of contemporary civilization.
- The objective of national education, in summary, is to train "good people" "good citizens" and "qualified manpover".

III - STRUCTURE OF THE TURKISH EDUCATION SYSTEM

The structure of our National Education System is established by the "Basic Law of National Education" No.1739. According to this Law, education system consists of two divisions, namely "formal" and "nonformal" education.

- Formal education covers the institutions of "pre-school education", "primary education", "secondary education" and "higher education".

- Non-formal education covers all educational provision, sponsored by the Ministry that occurs outside formal education.

A - FORMAL EDUCATION

1- Pre-school Education institutions:

- a) Kindergartens
- b) Pre-School Classes

2- Primary Education Institutions:

- a) Primary Schools (5 years)
- b) Middle-Schools (3 years)
- c) Primary Education Schools (8 years)
- d) Regional Boarding Schools
- e) Schools and Classes For Children with Special Problems
- f) Complementary classes and courses

3- Secondary Education Institutions:

- a) General High Schools
- b) Vocational High Schools
- c) Technical High Schools
- d) Anatolian High Schools
- e) Science High Schools

4- Higher Education Institutions:

- a) Universities
- b) Faculties
- c) Institutes
- d) Junior Colleges
- e) Conservatories
- f) Professional Junior Colleges
- g) Applied and Research Centres

B - NON-FORMAL EDUCATION

1- General Education Programmes

2- Vocational and Technical Programmes

3- Apprentices, Journeymen and Masters Training Programmes

4- Distant Learning

IV- CURRENT SITUATION AND PRESENT PROBLEMS OF EDUCATION

Work continued in order to establish an education system that will increase the quality of teaching and meet the changing economic and social needs. Revision of the existing curriculum is considered in this framework.

In order to meet the increasing demand for higher education, necessary preparations were concluded for 17,000 students to be covered in the dual and or evening teaching programmes in the universities in 1992-93 academic year.

The Directorate General of Computer Based Education and Services was established in the Ministry of National Education. The training of 5,000 teachers was completed in the framework of computer aided education and the preparatory studies on a ten-year master plan has been initiated.

It is expected that in 1993 additional capacity for approximately 600,000 students will be created with the completion of 12,500 new classes in primary education, 10 schools for the disabled in special education, 38 high schools, and 121 schools in vocational and technical education

Physical infrastructural investments and work on the legislation and curriculum have been accelerated in order to extend and upgrade primary education. Regulation of primary education institutions has been published and the Directorate General of Pre-School Education has been established.

In the 1991-92 academic year, the number of pre-primary schools increased to 186 and the number of pre-primary classes reached 4,274. There was a 15.0 per cent increase in the number of pupils attending these schools.

In the 1991-92 academic year, a total of 6,871,000 students were enrolled in 51,000 primary schools and were taught by 234,000 teachers. Almost all of the 7-11 age group were enrolled in primary education. A total of 2,403,000 students were enrolled in 7,000 secondary schools and were taught by 51,000 teachers.

Studies are currently being undertaken on the modification of legislation to increase the period of compulsory education from five to eight years and of the improvement of curriculum and physical facilities.

The number of students in upper secondary schools in the 1991-92 academic year increased by 11.0 per cent compared to the previous year and the rate of schooling reached 41.0 per cent. This ratio is 23.0 per cent in general high schools and 18.0 per cent in vocational and technical high schools.

The differences in the quality of education among regions and school types are mostly the result of overcrowded classes in general high schools, and shortage of teachers in vocational and technical high schools.

Significant increases were observed in the number of schools, students, and teachers in vocational and technical high schools in the 1991-1992 school year. The number of schools increased by 8.0 per cent and reached 2.128, number of students increased by 6.0 per cent and reached 687.000 and number of teachers increased by 17.0 per cent and reached 56.000. The rate of schooling in vocational and technical education 15.0 was 18.0 per cent, which is close to the target of the sixth Plan.

Only 50.0 per cent of the demand for vocational and technical education can be met in large urban areas. In contrast, there is excess capacity in the schools of small settlements.

The shortage of vocational teachers, especially, in industrial education continues to be a serious problem.

Nonformal vocational and technical education continued to be implemented in public and private institutions.

The public and private sector institutions have continued offering training programs at different levels. In this context, 2.330 thousand people have been provided with the opportunity to receiving general, cultural, professional, apprenticeship and on the job training in 10.300 training centres. However, there is still the problem of inadequate coordination among professional and technical training institutions and programmes.

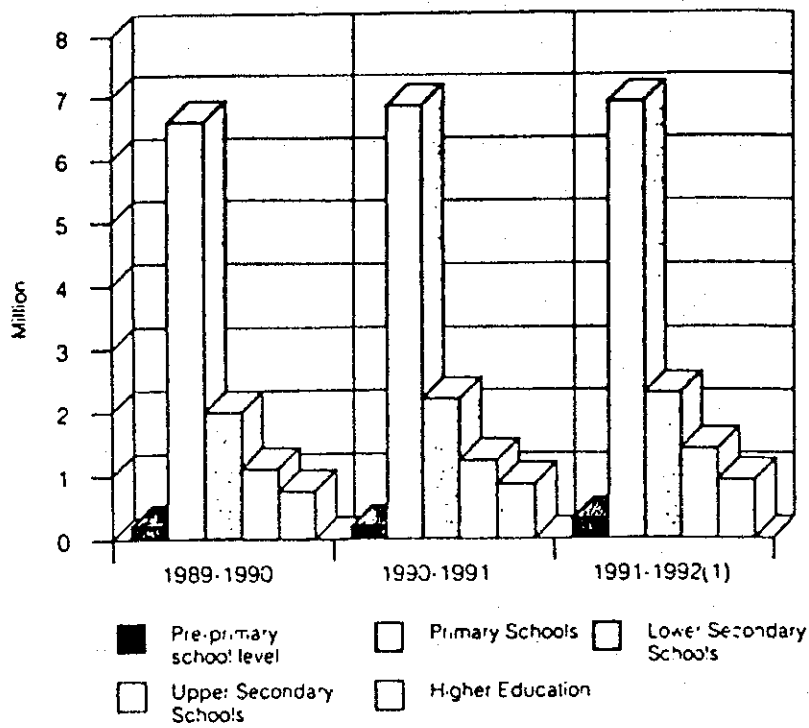
The demand for higher education reached 876.633 candidates in the 1992-1993 academic year, and the number of students placed at an institution was as high as 260.300, representing a 30.0 per cent increase over the previous year's figures.

Efforts have also continued in connection with the elimination of the shortage of instructors, physical space and dormitories and inadequate laboratory facilities and equipment in higher education institutions, as well as for the formulation of long-term higher education policies within the general framework of rapid developments and changes.

As for physical training and sports, priority has been accorded to the completion of facilities remaining semi-finished and, thus, new capacities have been generated. Among the issues that need to be emphasized in this context are the failure to develop cooperation among the institutions concerned, and the fact that doing sports regularly is far from being a common practice countrywide, and that the existing facilities are not sufficiently utilized.

As is the case with developed countries, the question of adequately utilizing leisure time has also gained importance in Turkey in recent years. Central and local administrations have become increasingly involved in such leisure time activities.

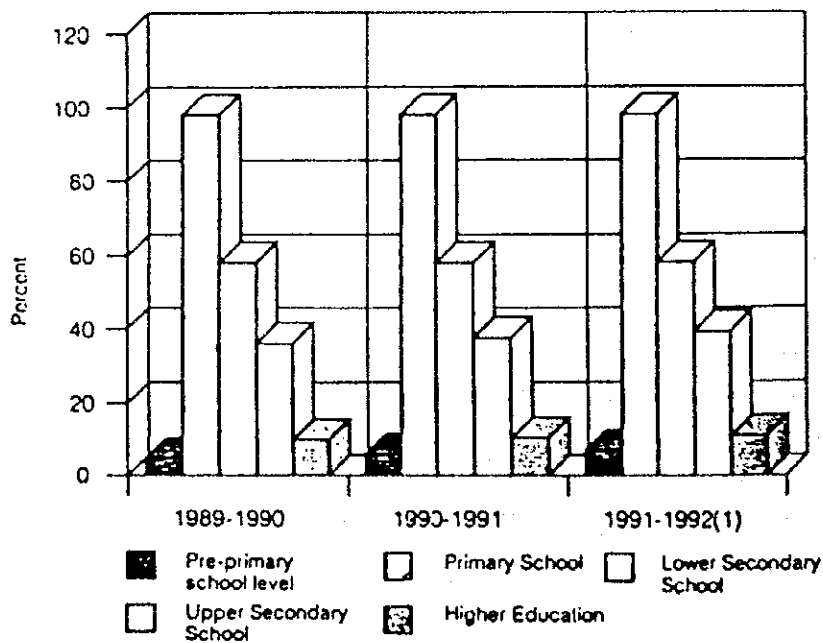
Level of Education



(1) Provisional

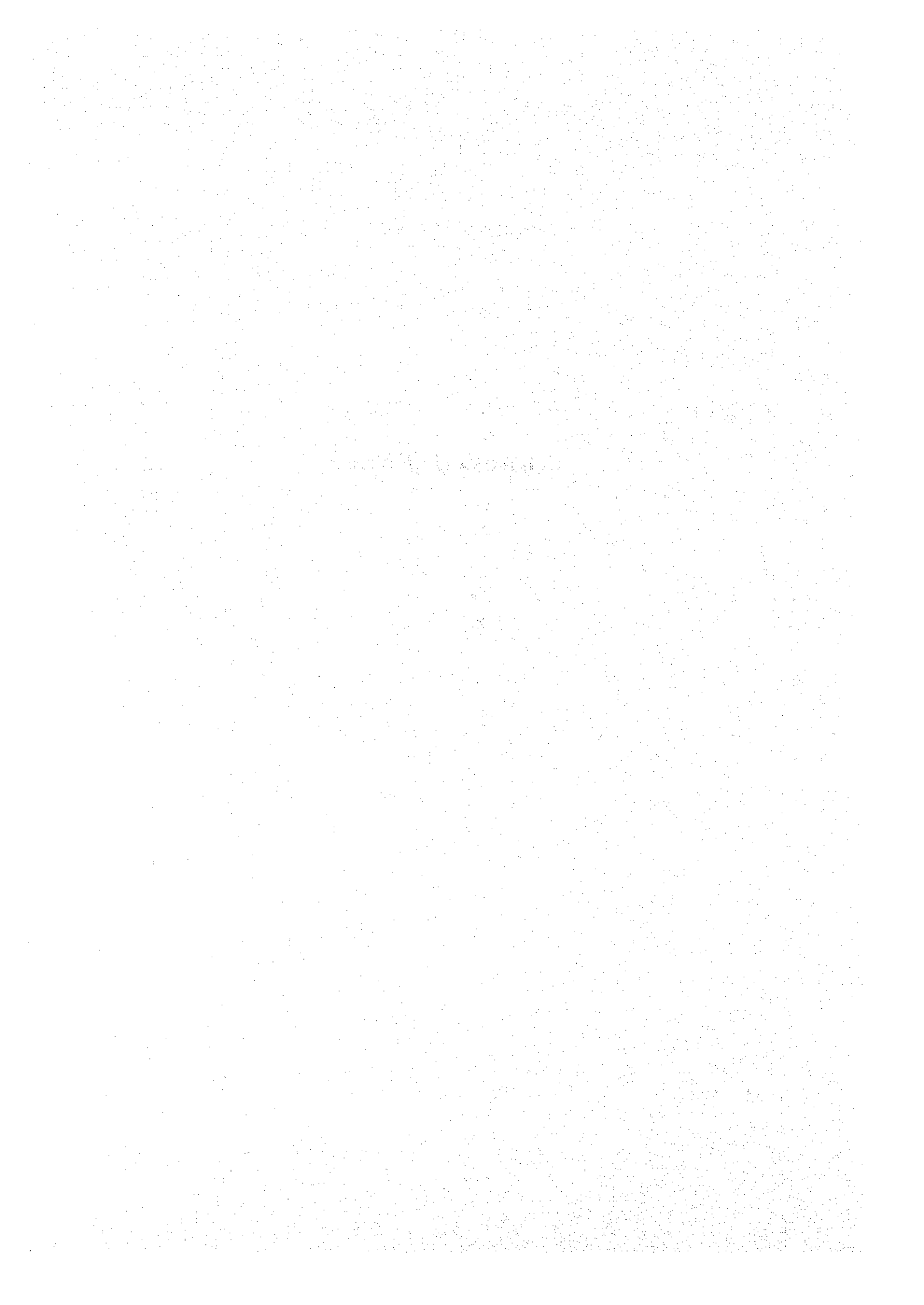
(2) Excluding open university

Rate of Schooling



(1) Provisional











Annexed Papers

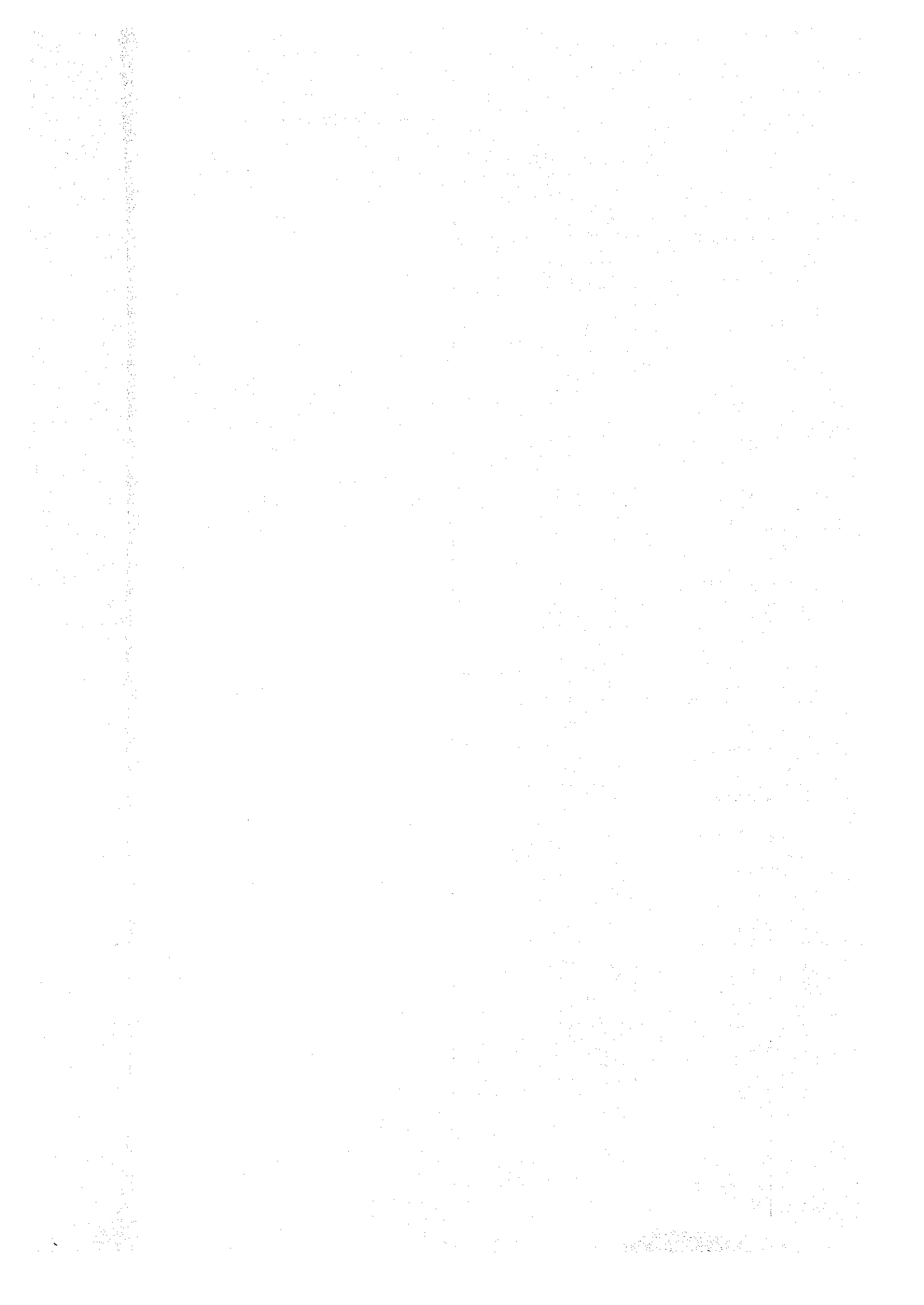


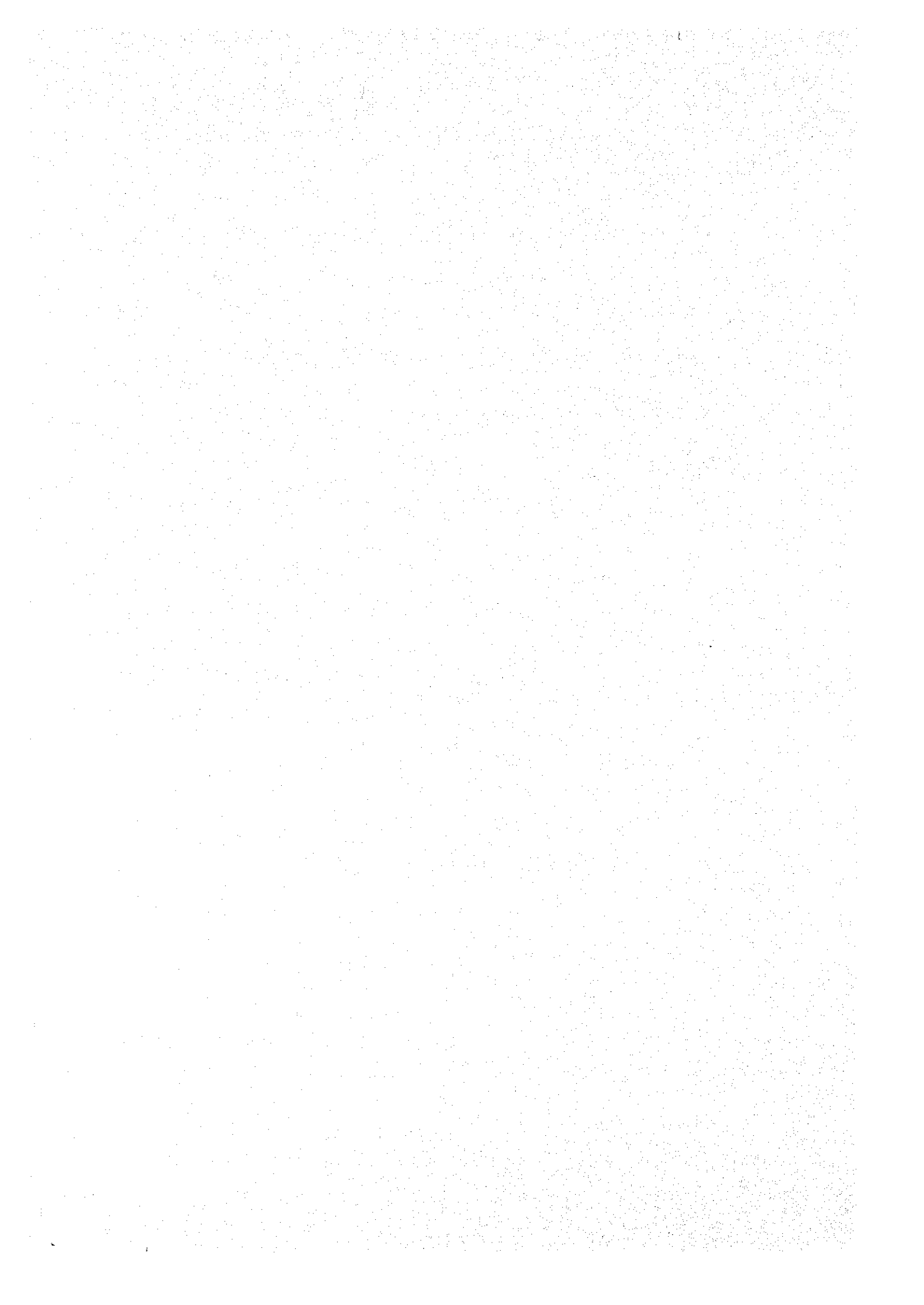
LIST OF PARTICIPANTS IN "Seminar on National Government Administration 1994"
(平成6年度 上級国家行政セミナー 研修員リスト)

国際協力事業団
JAPAN INTERNATIONAL COOPERATION AGENCY

As of October 31, 1994

No.	Photo	Country	Name	Date of Birth (Age)	Present Post	Final Education	Address for Correspondence
1		Brazil ブラジル	Ms. <u>Fabiola Linhares Bezerra</u> ファビオラ	Mar. 6, '54 (40)	Planning Technical Assistant, Secretariat of Culture and Sports of the State of Ceara セアラ州文化スポーツ局計画技術課長	B. A. (Law) Federal University of Ceara セアラ連邦大学法学部卒	Av. Senator Virgilio Tavora, 30/101 Cep: 60.170-250-Meirces Fortaleza
2		Egypt エジプト	Mr. <u>Salah Moawed Abd El Hadi Eid</u> サライッド	Mar. 19, '59 (35)	Director, Administrative Div., Legal and Treaties Department, Ministry of Foreign Affairs 外務省条約総務課長	High Diploma (Administrative Sciences) Cairo University カイロ大学卒(行政学)	No (7) Matbaa sherka Al Kaheira, Faisal, Giza
3		India インド	Mr. <u>Anurag Goel</u> ゴエル	Nov. 7, '49 (44)	Joint Secretary (Police), Ministry of Home Affairs 自治省官房長(警察担当)	M. Sc. (Physics) University of Allahabad アラハバド大学理学修士(物理学)	Joint Secretary (police) Ministry of Home Affairs North Block, New Delhi 1100 D1
4		Indonesia インドネシア	Mr. <u>Garibaldi Sujatmiko</u> ゲーリー	Aug. 28, '54 (40)	Head, Sub Division of Bilateral Projects, Bureau for International Technical Cooperation, Cabinet Secretariat 内閣官房国際技術協力局二国間計画課長	M. A. (International Affairs) Ohio University オハイオ大学文学修士(国際問題)	Jalan Permata Berlian 3B Permata Hijau, Jakarta 12220
5		Kenya ケニア	Mr. <u>Erick Muli Mbusi</u> ムリブシ	Jan. 2, '48 (46)	Deputy Secretary / Admin. Secretary Office of the President, Police Department 大統領府警察庁 官房次長	M. A. (Social Sciences) Makerere University マケレレ大学文学修士(社会科学)	Office of the President, Police Department Police Headquarters P. O. Box 30083 Nairobi
6		Mongolia モンゴル	Mr. <u>Batbayar Badamdorjiin</u> バトバヤール	Oct. 11, '59 (34)	Senior Personnel Officer Personnel Department Cabinet Secretariat 内閣官房人事局上席人事官	Diploma (Economics) Moscow Institute of Polygraphy モスクワ印刷科学大学卒(経済学)	Cabinet Secretariat Government House, Sukhbaatar Sq-1, Ulaanbaatar-12
7		Pakistan パキスタン	Mr. <u>Muhammad Naemul Haq</u> ハク	Oct. 18, '53 (40)	Deputy Secretary Cabinet Secretariat, Establishment Division 人事部官房次官	MBA Netherlands International Institute for Management オランダ国際経営大学経営学修士	Deputy Secretary Establishment Division Cabinet Block Islamabad
8		Peru ペルー	Mr. <u>Renzo Guillermo Rossini Minan</u> ロッシニーニ	Feb. 7, '61 (33)	Manager of the Economic Studies Department, Banco Central De Reserva Del Peru 中央準備銀行経済調査部 課長	M. Sc. (Economics) London School of Economics ロンドンスクールオブエコノミックス 理学修士(経済学)	Banco Central De Reserva Del Peru Jiron Miro Quesada 441 Lima 1
9		Poland ポーランド	Ms. <u>Anna Ostaszewska</u> アナ	Oct. 24, '59 (35)	Advisor to the Minister Central Office of Planning, Regional Development Office 中央計画・地域開発庁 長官顧問	M. A. (Social Prophylaxis and Resocialisation) Warsaw University ワルシャワ大学文学修士(社会学)	Central Office of Planning Regional Development Office Plac 3 Krzyzy 5 00-507 Warsaw
10		Turkey トルコ	Mr. <u>Erdal Ata</u> アタ	Apr. 10, '57 (38)	Head of the Personnel Division, Ministry of Interior 内務省 人事課長	Degree (Economics and Public Finance) Ankara University アンカラ大学卒(経済学・財政)	Iciseri Bakanligi, Personel Genel Mudurlugu Ankara





Training Program
Seminar on National Government Administration 1994
National Personnel Authority (NPA)

Oct. 30 (Sun.)		Arrival in Japan	
Oct. 31 (Mon.)		JICA Briefing	
Nov. 1 (Tue.)		JICA Orientation	
Nov. 2 (Wed.)		JICA Orientation	
Nov. 3 (Thur.)		National Holiday (Culture Day)	
Nov. 4 (Fri.)	10:00-10:30	Opening Ceremony	Place: Rm.400(4F), IFIC
	10:30-12:00	Programme Orientation	Place: Meeting Rm.(2F), IFIC
	14:00-16:00	Lecture "Civil Service System in Japan"	Place: NPA
		by Mr. K.Sakuma, Director of International Affairs Division of NPA	
	16:30-17:00	Courtesy call on Mr. Keinosuke YATOMI, President of NPA	
	17:00-17:15	Visit to General Affairs Division of NPA	
	18:00-19:00	Reception hosted by Dr. Atsunobu ICHIKAWA, Commissioner of NPA	Place: Toranomon Pastoral
Nov. 5 (Sat.)		Free	
Nov. 6 (Sun.)		Free	

[Part I] Modernization of Government Administration

Nov. 7 (Mon.)	10:00-12:30	Seminar "Economic Development in Japan"	
	14:00-16:30	by Professor T.Yoshimura, Graduate School for Policy Sciences, Saitama University	Place: Rm.201AB(2F), IFIC
Nov. 8 (Tue.)	10:00-12:30	Seminar "Role of Administration for Development"	
	14:00-16:30	by Professor M.Oh'uchi, Yachiyo International University	Place: Rm.201AB(2F), IFIC
Nov. 9 (Wed.)	10:00-12:30	Case Study "Infrastructure Building After World War II"	
		by Mr. T.Miyoshi, Research Institute of Construction & Economy	Place: Rm.201B(2F), IFIC
	14:00-17:00	Visit to Trans-Tokyo Bay Highway	

- Nov.10 (Thur.) 10:00-12:30 Seminar "Industrial Development Policy"
 14:00-16:30 by Mr. T.Kodama, Associate Professor
 Graduate School for Policy Sciences, Saitama University
 Place: Rm.201B(2F), IFIC
- Nov.11 (Fri.) 10:00-12:00 Lecture "Cabinet System in Japan"
 by Mr. K.Katsuno, Counselor of Cabinet Secretariat
 Place: Rm.201B(2F), IFIC
- 13:30-14:00 Courtesy call on Mr. Kozo IGARASHI, Chief Cabinet Secretary
- Nov.12 (Sat.) Free
- Nov.13 (Sun.) Free
- Nov.14 (Mon.) 10:00-12:30 Case Study "Agriculture Development Policy in Japan"
 by Mr. H.Oh'uchi, Planning Officer, Ministry of
 Agriculture, Forestry and Fisheries Place: Rm.201B(2F), IFIC
- 14:30-16:00 Visit to Iwai Agricultural Cooperative Association, Ibaragi
 Prefecture
- Nov.15 (Tue.) Individual Study

Study Tour

- Nov.16 (Wed.) (Tokyo → Hiroshima)
 Visit to Chugoku Regional Bureau of NPA
- Nov.17(Thur.) Visit to Hiroshima Peace Memorial Park
 Visit to Hiroshima Municipality
- Nov.18 (Fri.) Visit to MAZDA Plant (Automobile)
 (Hiroshima → Osaka)
- Nov.19 (Sat.) Visit to Osaka Castle (Osaka → Kyoto)
 Visit to cultural sites in Kyoto
 (Kyoto → Tokyo)
- Nov.20 (Sun.) Free

Nov.21 (Mon.)	14:00-16:30	Seminar "Research & Development" Place: Rm.201B(2F), IFIC by Dr. A.Ichikawa, Commissioner of NPA
Nov.22 (Tue.)	13:30-17:00	Visit to National Institute for Advanced Interdisciplinary Research and National Institute for Resources and Environment (Tsukuba City)
Nov.23 (Wed.)		National Holiday (Labor Thanking Day)
Nov.24 (Thur.)	11:00-11:30	Audience by His Imperial Highness The Crown Prince Naruhito
	14:00-16:30	Visit to Imperial Palace

[Part II] Economic and Social Development in the Participating Countries

Nov.25 (Fri.)	10:00-12:30	Seminar "Economic Development in Developing Countries"	
	14:00-16:30	by Professor R.Hirono, Seikei University	
			Place: Rm.201B(2F), IFIC
Nov.26 (Sat.)		Free	
Nov.27 (Sun.)		Free	
Nov.28 (Mon.)	10:00-12:30	Group Discussion	Place: Rm.201AB(2F), IFIC
	14:00-16:30	by Professor D.Itoh and Mr. T.Kodama, Associate Professor Graduate School for Policy Sciences, Saitama University	
Nov.29 (Tue.)	10:00-12:30	Concluding Discussion	Place: Rm.201AB(2F), IFIC
	14:00-16:30	by Professor D.Itoh and Mr. T.Kodama, Associate Professor	
Nov.30 (Wed.)		Report writing	
Dec. 1 (Thur.)	15:00-16:00	Evaluation meeting	Place: Rm.201AB(2F), IFIC
	16:30-17:00	Closing Ceremony	Place: Meeting Rm.(2F), IFIC
	17:00-19:00	Farewell Party	Place: Rm.201AB(2F), IFIC
Dec. 2 (Fri.)		Preparation for Departure	
Dec. 3 (Sat.)		Departure from Japan	

LECTURERS' AND OFFICERS' ADDRESS

1. Lecturers

- (1) Mr. Kenichi SAKUMA
Director
International Affairs Division
National Personnel Authority
2-1-2 Kasumigaseki, Chiyoda-ku, Tokyo, 100 Japan
- (2) Professor Toru YOSHIMURA
Graduate School for Policy Science,
Saitama University
225, Shimo-ookubo, Urawa City 338, Japan
- (3) Professor Minoru OH'UCHI
Yachiyo International University
1-1, Daigaku-cho, Yachiyo-shi 270, Japan
- (4) Mr. Takuya MIYOSHI
Researcher
Research Institute for Construction and Economy
4-28-1 Setagaya, Setagaya-ku, Tokyo, 154 Japan
- (5) Mr. Kensuke KATSUNO
Counselor
Prime Minister's Secretariat
Prime Minister's Office
1-6-1 Nagata-cho, Chiyoda-ku, Tokyo 100, Japan
- (6) Mr. Toshihiro KODAMA
Associate Professor
Graduate School for Policy Science,
Saitama University
225, Shimo-ookubo, Urawa City 338, Japan
- (7) Mr. Hideaki OH'UCHI
Policy Planner
Minister's Secretariat
Ministry of Agriculture, Forestry, and Fisheries
1-2-1 Kasumigaseki, Chiyoda-ku, Tokyo, 100 Japan
- (8) Dr. Atsunobu ICHIKAWA
Commissioner
National Personnel Authority
2-1-2 Kasumigaseki, Chiyoda-ku, Tokyo, 100 Japan
- (9) Professor Ryokichi HIRONO
Seikei University
3-3-1, Kichijoji-kita-machi, Musashino City,
Tokyo 180 Japan
- (10) Professor Daiichi ITO
Graduate School for Policy Science,
Saitama University
225, Shimo-ookubo, Urawa City 338, Japan

2. Officers

- (1) **Course Leader**
Mr. Atsuki TOKUYAMA
National Personnel Authority
2-1-1 Kasumigaseki, Chiyoda-ku, Tokyo, 100 Japan

- (2) **Training Officer**
Ms. Ritsuko SAKAMOTO
Institute for International Cooperation
Japan International Cooperation Agency
10-5 Ichigaya-Honmura-cho,
Shinjuku-ku, Tokyo, 162 Japan

- (3) **Coordinator**
Ms. Mutsuko SHINDO
Japan International Cooperation Center
P. O. Box 300 Shinjuku Mitsui Bldg.,
2-1-1, Nishishinjuku, Shinjuku-ku,
Tokyo, 163-04 Japan

