

*influence of ... for ...*

Lecture to Study Seminar 28 (Public Personnel Policies and Administrative Reform) on 18th July 1972 entitled:

The Implications for Public Administration of the new theories of Development

Ten years ago, the general view of both theorists and practitioners was that if economic growth were fast enough, the main social problems would be eased, especially unemployment and inequality (both between rich and poor, and also between town and country). In fact even in fast-growing economies social problems have remained as intractable as ever; in many they have grown worse. This has cast doubt on the whole body of development doctrines which were until recently in vogue - notably in fields such as aid, private investment and trade policy. \*

Many aspects of Government policy also need to be looked at in a different way. For example fiscal policy. Originally, for many countries, during the colonial period, the purpose of taxation was to cover revenue. Then in the 50s and 60s we began to look at taxation with new eyes, because different types of taxes had different sorts of effects on economic growth. Import duties not only raised revenue, they also created the market for industrial products. Tax incentives, such as tax "holidays" also encouraged industrialisation. But now we are asking other questions: Are these tax measures stimulating uncritical absorption of foreign technology, i.e. over-mechanisation? Accelerated amortisation allowances are deliberately designed in industrial countries, from which they are copied, to encourage firms to invest in a lot of equipment - but perhaps this is not what you want to encourage if the problems are unemployment and foreign exchange shortage. Similar questions arise in the use of import control & exchange controls: new criteria are thrown up by this change in the way we look at the problems today. Another example is wages policy. We are now looking critically at enclaves with rather privileged wages and fringe benefits, that cannot be afforded for the country as a whole.

New approaches to planning are also indicated. When we are talking about the unemployment problem and the distribution problem, we are talking about basic structural problems of underdevelopment, which are not going to go away in a few years. Major ways of dealing with these problems, like land reform and educational reform, take many years, even decades, before they change the socio-economic structure. Planning implies a perspective longer than the life of governments. Four, five or six years look a very short period for tackling these enormous problems of underdevelopment.

\* This paragraph summarises the first ten minutes of my talk.

I am implying the need for a somewhat more deliberate role on the part of the civil service. During the 'Crisis in Planning' conference at IDS, someone said that the planning office has to represent the unborn generation. In the pure theory of administration, the administrator waits for the politician to give him the priorities, to tell him what policies he wants, what are his objectives and so forth. This is actually, to put it mildly, an oversimplification of the process in any official department here or overseas. Civil servants have a greater or lesser capacity to steer politicians. They put issues to the politicians in ways that lead the latter to propose some answers rather than others. Whether government by civil servants is necessary or not in the industrial countries, it is less clearly outrageous in a country which faces the sort of structural problems that have emerged in the past decade in the Third World. Politicians tend to opt for the short term alternative. Suppose you go to a 'typical' Prime Minister with the following question: Would you rather that we undertook a policy which yielded results in four years or in fourteen? He will almost certainly pick the one with a payoff in four years.

One of the areas of policy being most critically examined now is education. This is among the main activities of government. One of the main forms of unemployment now is educated unemployment (i.e. the unemployment of those with some years of secondary education), sometimes found even in countries where there is a scarcity of labour. This raises questions about what the education system is doing - not merely what techniques it is imparting to those being educated but also the attitudes to work it creates in their minds. Secondary schools are often still carrying out the function for which they were set up in a country's colonial days, of producing the office staff for government and entrants to universities, many of whom would also eventually become civil servants. This function became even more important during the phase of 'localisation' of the civil service, accompanying Independence. Typically the expansion of secondary and higher education has accelerated while recruitment to the civil service has slowed down. The majority of job opportunities are still in manual work, especially in agriculture in many countries. Young people do not move from the fifth form into the paddy field with any alacrity, and it is this which raises questions about how attitudes to work are formed in educational systems. Schools are one important, but not the only, influence producing people who have no intention of indulging in manual labour, who look on it with contempt.(1)

(1) These points are illustrated in "Matching Employment Opportunities and Expectations", a report for Ceylon under the ILO's World Employment Programme.

Continu- -> [Those of us working on this mission last year came across one  
ation of small example; during the insurrection we were there and living  
Footnote in a periodic curfew. When the curfew hour approached the  
(1) on secretaries offered to type at home. Clerks working with us,  
Page 2. however, refused to carry the typewriters to the car saying  
this was a task for peers. Eventually the economists and an  
administrative officer did it. Attitudes of this kind are fatal  
to countries depending heavily on manual labour. This incident  
goes some way, in fact, towards explaining the Ceylonese  
insurrection.] The State has in addition a quite separate  
function in development, apart from its general policies.  
This is its role as a big employer itself, as a setter of wages  
and as a buyer from the rest of the economy. It is in fact the  
largest single employer, and its behaviour in this role has a  
major influence on other employers. One has to pose here the  
same questions one asks about other businesses. First, is it over  
mechanised? Is it spending too much on calculating machinery  
and computers, considering the level of unemployment? (1) Is it  
setting inappropriate standards in its own public works? (2)

At the root of addiction to modern technology is the  
notion of technical excellence in the education system, especially  
its higher levels not only in industrial countries, but wherever  
they have provided the model for educational systems. The  
graduating engineer wants to build a bridge which spans something  
with no supports visible at all if possible, The young  
architect wants to design a building made entirely of glass.

But more important; where is the Government spending its  
money? Is the bulk of its expenditure on secondary schools  
going into the cities or into the country areas? If most  
secondary school expenditure takes place in the cities, this  
may well aggravate the rural/urban imbalance, not only because  
it creates more income in the cities (through teachers' salaries,  
etc.) but also because it encourages people to migrate to the  
cities because they can't find secondary schools locally.  
Finally, it reinforces the urban bias in what is taught - the  
type of education designed to produce office workers.

(1) The computer has become in the 1970s the sort of symbol of  
modernisation which a modern airport was for an earlier  
generation of governments. If the government questions this  
unthinking attempt to import foreign techniques it can have  
a great effect on the rest of the economy. [Another question  
one raises about any business today is whether its operations  
encourage the emergence of the chief cities, especially the  
capital, as economic islands remote in income levels and  
style of life from the rest of the economy. In the case of  
government departments, do these always, especially technical  
departments, need to be in the capital?]

(2) These questions are examined in "Towards Full Employment"  
the report of an ILO mission to Colombia.

Similar issues arise over many forms of government expenditure. Is the bulk of government expenditure on housing going into the cities or into the small country towns? Are the health department's resources going into teaching hospitals in the capital which would only reach a small fraction of the population and produce very expensive doctors, or into a proper national network which will reach into the villages? [The third question one asks about any business is about its salary and wage structure. Is this reinforcing or modifying inequality? In particular, does it encourage young people to look for clerical jobs? In many countries of Africa and Asia, the government is by far the whole nation, especially if one takes account of public corporations, such as railways. Typically the salary level was inherited from the colonial regime, when it was set according to what was needed to induce an Englishman or a Frenchman to go overseas to do an administrative job. In other words, it was set in relation to English and French salaries, not to local income levels. In fact the salaries of colonial civil servants were often 80, 100 or 200 times the typical income of the small peasant or domestic servant in the country concerned. The posts were also secure and pensionable. When Independence came and these services were localised there was an understandable resistance on the part of civil servants to getting salaries more in line with what the country could afford. This resistance was reinforced by the "Brain Drain", so that doctors and engineers in public service tend to look over their shoulder at the salaries that they might be earning in other parts of the world.

High remuneration in the public service aggravates the country's social problems in a number of ways. In the first place, it means that the government can employ fewer people, undertake less public investment, afford fewer social services etc.

Secondly, it has implications for the patterns of consumption, especially if there are interest free loans for cars, and housing subsidies of one kind or another. It encourages the emergence of a living standard which can only be afforded by a very small percentage of the population, but which acts as a model for the public as a whole, encouraging types of expenditure which create very little local employment.

Thirdly, it reinforces the desire for an office job - in fact the determination of the secondary school leaver not to accept inferior employment (see above). [Lastly - but perhaps most important - is the effect on the mind of the civil servant. We are living in an age when administration clearly has to be concerned with social problems, which means very largely with rural problems, and has to play a part in mobilising people for this enormous effort to change the structure of society. Yet it is not easy for any of us who live a life separated from social

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realities to take them adequately into account in our thinking on policy issues. Even if there were no great income gaps, the very fact of living in the capital imparts biases. An official is after all interested in the provision of education for his own children, in urban hospital service, etc.

But this bias is much greater if he has had an education and enjoys a style of life far removed from those of those living in the countryside. This can be partially corrected if all civil servants are required to work part of their career - say ten years - outside the capital. In the case of the education and health services, and of course agricultural services, this is at least possible, though often bitterly resisted by those concerned. In other departments, this may only be possible where local and central government service is integrated. Some civil servants do not even visit country areas for months, or years, at a time. All sorts of excuses are available permitting officials to avoid going into the countryside; many work in the capital the whole of their professional life.

To understand a country's realities is particularly hard for an expatriate adviser, but it is not much easier for a local official, living the life of a colonial servant.

The question I am posing, in brief is:- Does the government help to cure unemployment and inequality through its policies and its example? Or does it make them worse?

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