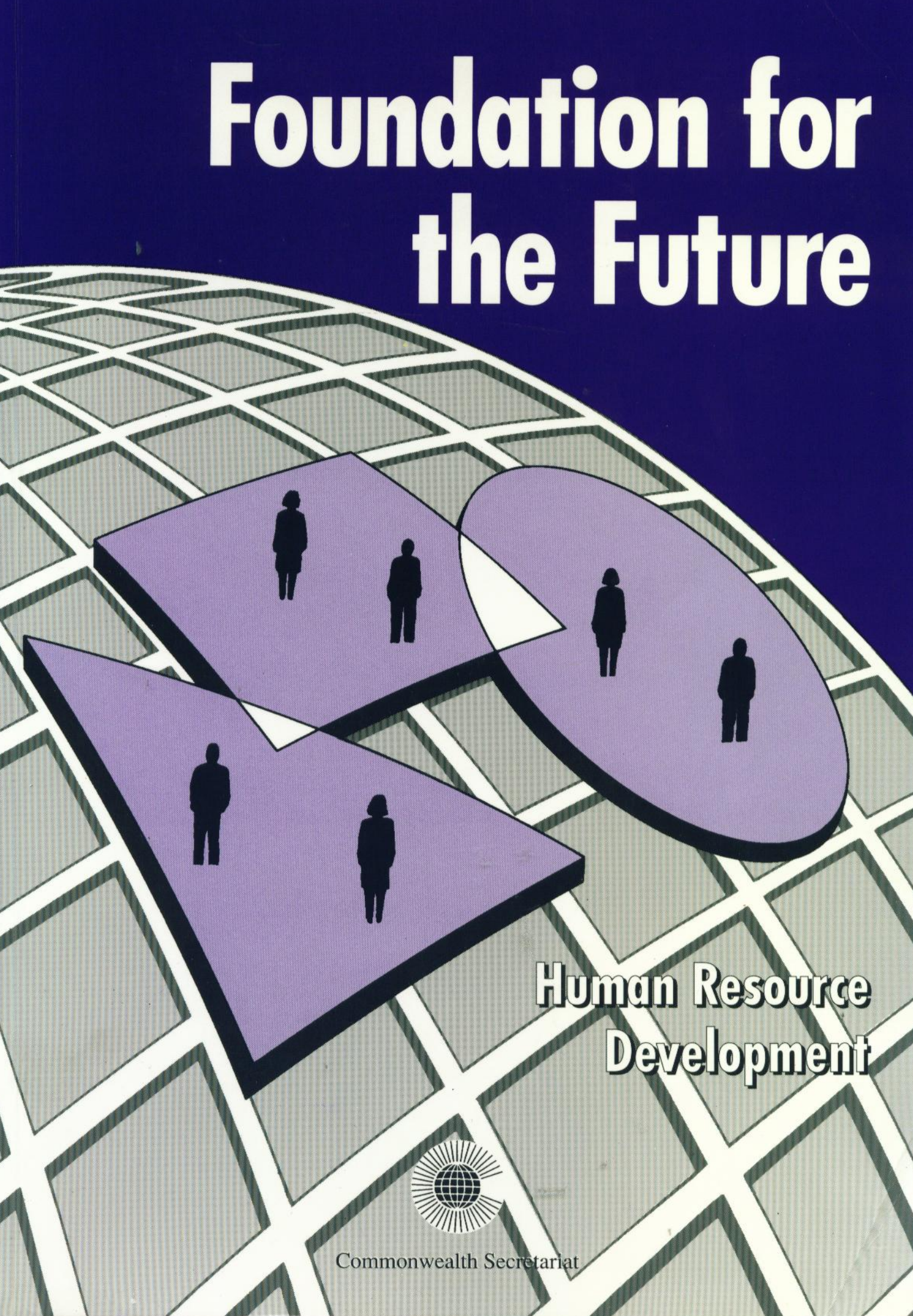
Foundation for the Future



Human Resource Development

Commonwealth Secretariat

FOUNDATION FOR THE FUTURE

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Report of the Commonwealth Working Group on Human Resource Development Strategies

Commonwealth Secretariat

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Letter of Transmittal

1 September 1993

Dear Secretary-General

On behalf of the Commonwealth Working Group on Human Resource Development Strategies which I had the privilege to chair, I have pleasure in submitting the Group's report. At the end of our deliberations we are firmly of the belief that the Commonwealth has an important role to play; both in its advocacy of human resource development as central to the process of development, and in technical support to member countries in formulating and implementing their national human resource development strategies.

The Working Group met twice; first in January 1992, when its 12 members mapped out a programme of work, and then in June 1993, when a small group of six determined the nature and focus of the Group's report. Between the two meetings eight specialist studies were commissioned and materials for a book on human resource development were prepared by Professor T V Rao from the Institute of Management, Ahmedabad, India.

Conscious that major policy documents on human development and human resource development are issuing from other international and regional agencies, the Working Group agreed that its own work should focus on key implementation strategies – on practical operational concerns. Its report is seen as a beginning in this endeavour, not an end. Translating a holistic view of human resource development into realisable programmes has a range of practical implications for governments which require detailed assessment.

Our arguments on strategy are underpinned by two fundamental beliefs: firstly, that human resource development is essential for sustainable economic, social and environmental development; secondly, that it is about the empowerment of people.

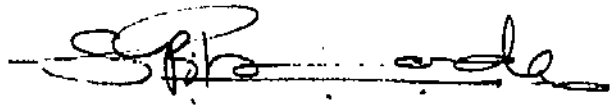
We have focused on five key strategies. The first is well-managed government as a requirement for effective human resource development programmes and as a human resource development end in its own right. The second is investment in the human resource development of women and girls. The third strategy lies in partnerships within and beyond government to harness the widest possible measure of support for human resource

development programmes. The mobilisation of resources in new and imaginative ways is the fourth. The fifth is the utilisation of, and investment in, science and technology for human resource development.

It is in this context that the Working Group puts forward its major recommendation: the creation of national missions on human resource development to address and implement human development objectives. Human resource development is a complex agenda, any one element of which requires partnerships within and beyond government. This necessitates ways of thinking and mechanisms which are task-oriented. It places a premium on leadership, communication, co-ordination, co-operation and commitment. It requires the participation and involvement of those targeted to benefit from human resource development programmes. A task-oriented, timebound, human resource development mission with measurable milestones is a practical strategy, underpinned by the highest authority in government to facilitate and/or deliver clearly defined and publicly understood programmes. The mission approach is not a miracle cure. It is an option and one that can take many forms appropriate to national setting. It is an approach which a number of Commonwealth countries are already adopting, although not necessarily defined in terms of mission.

We have entitled our report *Foundation for the Future*, reflecting our belief in the critical importance of human resource development for the future prosperity and well-being of the peoples of the Commonwealth. For this reason we very much hope that Commonwealth Heads of Government in Cyprus will consider our recommendations and endorse our approach.

Yours sincerely



Dr Sam Pitroda

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Introduction

1 People are at the heart of development: at the same time its architects and its beneficiaries. Among ordinary people – villagers and slum dwellers, farmers and factory workers, nurses and teachers, mothers and children, students and youths – this is a truism; ever valid as infants are reared, food is produced and livelihoods are earned. The promotion of individual, family and community well-being provides a human development agenda the world over.

2 National and international policy-makers have found the centrality of people to the development process a more elusive truth. Development paradigms come and go: over the past 40 years economic growth, meeting basic needs, state socialism, and variations of these have been proclaimed, challenged and discarded. The backdrop to such debates is at least one billion people living in absolute poverty.

3 In the 1990s the importance of the human factor in development is being reasserted. Higher priority in developmental agendas is being accorded to measures with a direct impact on human well-being. Investment in the basic health and education of people is also recognised to be an essential prerequisite for economic and social development. The empowerment of women through equal access to health and the conditions that safeguard it, to education, to the courts, and to political power is acknowledged to be capable of releasing a vast and largely untapped human potential. Technologies with the capacity to provide access to information, learning, and decision-making are opening new paths to education, employment and economic growth. The forces of democracy and participation are strengthening, calling into question concentrations of political and economic power. The role of government, and its accountability, is under scrutiny.

4 Such ideas and trends find expression both at national level in reconceptualised policies and in a variety of international fora. They have been articulated particularly in the series of Human Development Reports from UNDP, starting in 1990 and the three most recent World Development Reports from the World Bank on The Challenge of Development (1991), Development and the Environment (1992) and Investing in Health (1993). They find a common focus in the notions of human development and human resource development: paradigms which define development as the process of enlarging people's choices; of developing capabilities and competencies and of enabling people to put them to productive and socially responsible use.

5 These concerns find a natural resonance in the Commonwealth association which accords a high priority to human welfare and human rights and the development of the potential of its peoples. Commonwealth countries have a long tradition of working together in key areas like education, health and institution-building across the public service. A significant part of inter-governmental co-operation bilaterally, as well as multilaterally through Commonwealth Secretariat activities and assistance programmes under the Commonwealth Fund for Technical Co-operation, focuses on human resource development. These official efforts are complemented by extensive networks of Commonwealth professional associations and non-governmental organisations working to the same ends.

6 When Commonwealth Heads of Government met in Zimbabwe in 1991 they recognised, in their Harare Commonwealth Declaration, that human resource development was central to the promotion of sustainable development and the alleviation of poverty in all Commonwealth member countries, despite a wide diversity in terms of population, of income and of ratings on any human resource development index (see Box 1).

Box 1 Human Development in Commonwealth Countries

The 50 countries of the Commonwealth comprise a group of great diversity:

Population: Member countries range in size from India with over 860 million people to Tuvalu with 9,000. Twenty four member states have a population of under one million (Table 1).

Income (GNP per capita): Canada in 1990 stood at US$20,380 and Tanzania at US$110. Using the World Bank classification (1990) of low-income (US$610 p.a. per capita or less); middle-income (US$611-7619); and high-income (US$7620 and above) the 48 Commonwealth countries, excluding Nauru and Tuvalu, split 17:23:8 and by population 90.54%, 1.92%, 7.54%.

Human resource development indices: These also show great variations:

- eighteen Commonwealth countries, 14 of them in Africa, are projected to have an annual population growth rate of over 2.5 per cent in the period 1991 to 2000
- life expectancy at birth ranges from 77 in Canada to 42 in Sierra Leone (Table 1)
- eleven Commonwealth countries have adult literacy rates under 60 per cent
- only six countries have a mean of over eight years of schooling for people over 25 years of age (Table 2).

7 Foundation for the Future, *the Report of the Commonwealth Working Group on Human Resource Development Strategies, seeks to elaborate the message from Harare. It is addressed to governments and focuses on the strategies which they can employ in support of their own human resource development programmes and those of their partners in the private and non-government sectors. The Group's intention is not so much to contribute to the debate in a conceptual sense, as to develop a more concrete, specific and operational approach. This approach is encapsulated in five key strategies which are elaborated in Part II of our report.*

8 The report of the Working Group is backed by five short studies which were specially commissioned to assist its work:

- *Co-ordination of Human Resources Development: Policy-making, Planning and Implementation*
- *Decentralisation for Human Resource Development*
- *The Role of Non-Government Organisations in Human Resource Development*
- *Mobilising Resources for Human Resource Development Programmes: The Roles of Government, Non-Government Bodies and Individuals*
- *Human Resource Development in Four Asian Countries: Some Lessons for the Commonwealth Countries.*

9 The views expressed in these five studies, which were felt to deserve a wider audience, are those of the authors alone: they, and other studies specially commissioned by the Commonwealth Secretariat, (in the bibliography) provided a helpful input to the deliberations of the Working Group.

1 The Human Resource Development Challenge

A NEW VISION

10 The vision which informs this report is one which sees people at the heart of development, freed from poverty, in control of their own lives, and contributing to the common good. It sees people once again reconnected with governments, whose policies are directed first and foremost to human well-being and raising the level of skill and knowledge in the population; and whose processes provide for the full participation of all sections of society. The challenge is to open up opportunities for people to develop and apply their talents. Everyone must have access to the services and support that will enable them to make the fullest contribution to society of which they are capable. In support of this it is necessary to build and sustain an infrastructure of institutions which encourage learning and investment in human beings.

11 This agenda calls for a partnership between governments and other holders of power, authority and influence in society: those who control economic assets; the military leadership; community leaders, religious authorities, scholars and creative artists; and those who generate and distribute knowledge and information. By working with and through institutions and individuals, government will empower community organisations, and citizens themselves, to play a larger role in the leadership of society and in their own self-development.

AN INVESTMENT FOR THE FUTURE

12 'In the twenty-first century, the quality of a country's human resources will determine its ability to compete in international markets and assure the well-being of its citizens' (World Bank, Knight and Wasty, 1991 p.1). The experience of countries with limited land and natural resources, like Japan, Hong Kong, the Netherlands or Singapore, bears ample testimony to the fact that the real prerequisite for a country's economic growth and development lies in the skills, enterprise and industriousness of its population. Human resource development does not conflict with the pursuit of economic development: rather it is the key. It provides a sound foundation to face an uncertain future.

13 This is not to argue that, at least in the short term, spending on education, health and nutrition will automatically produce economic growth. If education is to be a productive investment it will pay off best where the population is highly motivated towards self-improvement, and where the link between effort and reward is most apparent to individuals and communities. The national culture and public policy must support what the education system is doing to encourage personal effort, openness to new ideas, respect for evidence and rational argument.

14 It is not the function of this report to sift the literature or rehearse the

debate on the returns, both private and social, to investment in the health, education and general well-being of people. The UNDP Human Development Reports and the World Development Reports from the World Bank quote much of the evidence (see also World Bank, Behrman, 1990) to the effect that primary schooling does positively affect the productivity of farmers; that better health and nutrition do improve work performance; resort to family planning does significantly enhance women's ability to engage in income-generating work.

15 As well as being a means to socio-economic improvement, human development is an end of such progress. It is a part of an enhanced quality of life and one that is not always fully reflected in statistics of GNP per head. As an alternative way of looking at levels of development UNDP has introduced the Human Development Index; a composite of life expectancy, adult literacy, mean years of schooling and an adjusted real GDP per capita. Countries are ranked according to their Index score. Scores and ranking based on 1990 data are reproduced in Table 3 for Commonwealth countries. Twelve of them are deemed to have a high human development rating, including Barbados which has the highest rank of all developing countries, Commonwealth or non-Commonwealth. A group of about 20 Commonwealth countries falls into the middle rank, while there are 19 Commonwealth countries with low ratings at the other end of the scale.

16 The UNDP Human Development Report 1993 suggests that there is no automatic link between a country's income level and its human development score. Thus countries such as Sri Lanka and Tanzania, whose HDI rank is way ahead of their per capita income rank, 'have done well in translating their income into the lives of their people'. There are other countries, for example, Angola and South Africa, which have yet to apply fully their considerable wealth to improving the lives of their people. According to the Report, income on its own is a poor indicator of human development. Moreover national indicators provide only a description of the 'average' which masks internal disparities – the poor, minorities, the disabled, gender imbalances – which may exist in acute form even in countries with a good average showing on the Index.

17 If human resource development is a foundation stone for sustainable economic growth, so too it may underpin good government. The effective conduct of public affairs requires educated and knowledgeable political leaders and officials at the centre, in the regions and in local communities. A well-functioning democracy also requires an informed electorate, a population which is aware of its civic responsibilities and rights, and arrangements at all levels for participation by individuals in the making of decisions that affect their everyday lives.

ESSENTIAL ELEMENTS

18 The term 'human resource development' is used in a number of different ways (see the study on Co-ordination annexed to this report).

Organisations frequently thus describe the professional development of the staff they employ. Governments often apply the term to their programmes of developing the public service through tertiary education and special training programmes. The term is also often employed more broadly in a national context to equate human resource development with education and training across the economy as a whole so as to prepare and 'slot in' individuals to occupational positions needed to make the economy operate efficiently. Despite the demise of the rigid manpower requirements forecasting approach to educational planning, this last usage remains a familiar one.

19 The Group favours a broader and more integrated view of human resource development. It recognises the importance of people as the key factor in the development process and of investing in human capital; yet it also emphasises the qualitative aspects of life and underlines that economic activity itself involves processes and products that enlarge human potential. There is clearly a significant overlap between the human development ideal promoted in UNDP's recent reports and human resource development as conceived in this report.

20 Translation of this concept of human resource development into policy and practice will have varying implications according to the circumstances of individual states, for example, their size, current levels of economic development, the prevailing political philosophy and the degree of exposure to adjustment programmes.

21 But whatever the precise formulation appropriate to individual countries, there is a set of critical and related elements which the Working Group sees as core constituents in any integrated view of human resource development:

- Education and training
- Primary health care
- Nutrition at adequate levels
- Population policies
- Employment

22 Outlays on **education** and **training** represent the best possible long-term investment for human resource development. People who cannot read, write or deal competently with numbers are severely disadvantaged; an illiterate and innumerate population is cut off from the modern world. Up to 90 million people in the United States are estimated to be below acceptable levels of literacy; unable to contribute fully to, or benefit from, the technological world of the 1990s. Governments in the developing countries in the process of structural adjustment should only limit spending on primary education as a very last resort, a lesson that is especially important in respect of girls.

> Educated women have smaller families, fewer of their children die in infancy, and the children who survive are healthier and better educated. Educated women are also better equipped to

> enter the paid labour force which is critical to the survival of the many female-headed households in developing countries. It is not surprising then, that nations with higher levels of female school enrolment in the past show higher levels of economic productivity, lower fertility, lower infant and maternal mortality, and longer life expectancy than countries that have not achieved as high enrolment levels for girls. (World Bank, King and Hill, 1991 p.251)

23 While primary schooling provides the foundation for later learning and tends to have the widest reach, other levels of education are needed to build on those foundations. In some countries the crucial bottle-neck may be quality secondary education, especially in mathematics and science-based subjects, whilst in others the priority need is to concentrate on training technical and vocational cadres. In all countries the formal school system requires complementing by appropriate education provision out of school: in the home, the field, the factory; through religious bodies, trade unions, community groups, employers; in academic studies, in craft skills, in leisure pursuits; through part-time attendance and through distance learning. Our societies must become learning societies.

24 Improving the people's **health** by preventing and treating disease, and ensuring the sufficient availability of food to secure adequate levels of **nutrition**, contribute to the productivity and longevity of a population and to its enjoyment of life. There are strong linkages among education, health and diet, improvements in each having beneficial effects on the others.

25 Since the 1950s the world's **population** has doubled. The five billion mark was passed in 1987. Most of this increase has taken place in developing countries which are least able in resource terms to meet the needs of a growing and youthful population. Poverty combined with high fertility rates threatens the well-being and survival of children and their mothers. Sustainable rates of population growth can be attained only by the willing consent and participation of people. Individuals need to be convinced that limiting births is good for themselves, their families and for society at large.

26 Millions of workers in developing countries are unemployed or under-employed:

> In Sub-Saharan Africa not a single country had single digit unemployment figures [in the 1980s]. In Latin America, urban unemployment has been above 8 per cent ... India and Pakistan, despite respectable GDP growth rates ... had unemployment rates above 15 per cent. Only the East Asian countries had low unemployment rates – below 3 per cent. (UNDP, Human Development Report 1993 p.35)

Employment is a serious issue in the developed countries, too (see Box 2). UNDP has highlighted the phenomenon of jobless growth.

Box 2 *Unemployment in Four Commonwealth Developed Countries*

	Total unemployment (1990/92 %)	*Long-term unemployment over 12 months (% of total unemployment)*
Australia	9.5	6.0
Britain	8.9	36.0
Canada	10.2	18.0
New Zealand	10.3	21.0

Source: UNDP, Human Development Report, 1993 p.210

27 Creating an environment for **productive work**, however defined, is a part of a human resource development strategy. Key components of this include training and re-training, developing entrepreneurial skills, and facilitating access to credit, land, technology and markets. The effective deployment of labour, and measures to assist its redeployment when conditions call for it, forms a key part of the human resource development agenda, in many ways as important as the initial preparation and recruitment of the work force. In a number of countries the economy suffers from obstacles to the mobility of labour between occupations, firms or regions of the country. In nearly every country too there are difficult policy issues to be faced concerning the importation of skills from abroad and whether or not the value of skills and enterprise that migrants bring outweighs the costs of social and cultural change that their acceptance may entail.

28 The allocation of resources will naturally differ according to circumstances. One illustrative breakdown was provided by the World Bank in relation to Sub-Saharan Africa in its study, *Sub-Saharan Africa: From Crisis to Sustainable Growth* (1989) in which the Bank argued for an overall increase in investment in people from about 4-5 per cent of GNP to 8-10 per cent by the year 2000 (including funding from donors). Its proposed budget allocations as a percentage of GNP were:

Universal primary education and quality improvement	2.2
Secondary and higher education	2.5
Family planning	0.8
Water and sanitation	0.5
Primary health care	2.5
Food security	0.5
Nutrition	0.2
Science and technology	0.8
TOTAL	**10.0**

29 We draw attention to the inclusion of **science and technology** in the World Bank's list of human resource development investment. They surely have a rightful place in any listing of a society's human capital. The knowledge and information base of a society in the form of scientific discoveries and research findings, technologies of production and useful artifacts, libraries and electronic databases, books, journals and films, constitute a massive storehouse of information on which to draw for human betterment. A good education will enable learners to have access to that store and to learn how and where to find out what they need to know. An important part of human resource development strategies is therefore to develop the infrastructure of institutions which produce and distribute information useful to producers and consumers: research institutions, statistical and data collection services, information services and libraries, the press and the media, communications networks of all kinds, formal and informal programmes of education and training for youth and adults; and to ensure that science and technology are applied to the manifold problems confronting society.

30 In considering the various strands of human resource development it is important to recognise and exploit the importance of coherence, linkage and co-ordination. These are reflected in the reality of people's own experience in everyday life. Thus the ability of women to use their skills, knowledge and talents in a particular activity may depend on the provision of child care, good nutrition and changes in cultural mores. There is a major challenge here for governments in recognising the inter-relationships and building on possible synergies. Their own structures and organisation are not always conducive to such an integrated approach, an issue we address later.

UNDERLYING PRINCIPLES: SUSTAINABILITY AND EMPOWERMENT

31 In *Our Common Future* (World Commission on Environment and Development, 1987) sustainable development was conceived as development that meets present needs without constraint on satisfying the needs of future generations; as development that is economically, socially and ecologically sustainable.

32 This report, by analogy, uses the concept of **sustainability** in the economic sense. Sustainable development conceived in this way cannot be achieved without putting in place the human resource development agenda of eliminating poverty, improving standards of health and education, reducing population imbalance, and providing opportunities for productive work. This does not challenge the imperative of economic growth; rather it reaffirms that a prerequisite for sustainable economic activity is human resource development.

33 There are a number of strands in the relationship between sustainability and human resource development:

Box 3 *Human Resource Development for Economic Development*

The critical importance of human capital for economic development is not a new idea, but it has acquired added urgency in recent years. This is related to the growing problem that developing countries have encountered in upgrading their human resources to meet economic development requirements. It is also associated with the fact that changes in the composition of global demand for goods and services have made it imperative for developing countries to reduce their dependence on the production of primary commodities and emphasise modern-sector industries and services if they are to increase their income and their employment opportunities. It arises, furthermore, out of the growing threat of massive labour redundancy owing to the introduction of labour-saving techniques, especially those which save on unskilled labour. Finally, it reflects the fears growing out of the region's continuing increase in population and changing demographic structure, resulting in a growing labour force... The challenge is to raise the productivity of the region's 2.7 billion people in an era of rapid economic and social change. The further development of the region is thus closely dependent upon both the effective use of its human resources and their continued enrichment through education, skills formation, improved health and nutrition and other means.

Source: ESCAP, Jakarta Plan of Action on Human Resources Development in the ESCAP Region, 1988 pp.7-8

(a) Whilst human resource development is a requirement for sustainable growth (see Box 3) so economic development and the benefits which accrue from it are indispensable for sustaining human resource development.

(b) Human resource development itself requires sustained long-term investment. Even for a single age-cohort of young people, education or better health cannot be brought about by sudden 'one-off' spurts of activity or investment. A long-term commitment is needed. By the same token it makes no sense to turn off the tap of education spending in an economic crisis, or in countries undertaking structural adjustment. Amongst the poor the growth of family livelihoods depends on access to services for improved nutrition, health and education; access to resources (land, credit, transport, etc) which enable productive activity; pricing policies which offer a genuine return for their labour; and participation in community programmes and projects.

(c) Choices among strategic interventions in support of human resource development should assess the potential multiplier effects of a

programme. Spending on education, notably primary education, should continue to be an essential investment priority in developing countries. We noted earlier the important spin-off effects of investment in basic education for women and girls.

(d) In some countries existing rates of population growth are unsustainable. A population growth rate of 3 per cent per annum results in the doubling of population in 23 years: five Commonwealth countries have projected population growth rates above this (Table 1). The point at issue is not so much the absolute level of population that a country might theoretically sustain as one of growth rates and the dual challenge which high growth rates pose. Firstly, there is the difficulty of increasing output fast enough to sustain and gainfully employ a rapidly expanding population. Secondly, there is a demographic structural problem resulting from unfavourable 'dependency ratios', representing the number of dependants that each adult of working age must support.

(e) As noted by the World Bank (World Bank, World Development Report, 1992 pp. 2-3), sustainable development in the environment is also crucial to human resource development:

> Inadequate attention has been given to the environmental problems that damage the health and productivity of the largest number of people, especially the poor...
>
> The costs of protecting and improving the environment are high in absolute terms, but they are modest in comparison with their benefits and with the potential gains for economic growth. Improving the environment for development may make it necessary to raise investment in developing countries by 2-3 per cent of GDP by the end of the decade. This would enable stabilisation of soil conditions, increased protection of forests and natural habitats, improved air and water quality, a doubling of family planning expenditures, sharply improved school enrolment rates for girls, and universal access to sanitation and clean water by 2000.

(f) Sustainable human development requires the development of a national institutional capacity to promote and implement policies and programmes in areas which are central to human resource development.

34 **Empowerment** of people is at the heart of human resource development. This involves:

- fostering the enlargement of human capacities: helping human beings to achieve their full potential through good health and education
- ensuring that people are able to develop and apply their knowledge and skills, and enhance their capabilities, through active exercise of these attributes in work, leisure and civic settings
- creating institutional mechanisms which encourage active citizenship.

35 The need for greater investment in health, education and training is addressed at several points in this paper, and need not be further elaborated at this juncture. Suffice it to say that in an increasingly complex and knowledge-based world it is those who can analyse and articulate information and arguments that share most fully in influencing the course of events in their society. To an ever-increasing extent recruitment to positions of influence and power throughout society is on the basis of formal education, training and professional qualifications.

36 Capabilities need to be not only developed, but also applied. Many countries fail to mobilise and use their best talents. There may be a failure to resort to open recruitment for positions of authority and leadership; an excessively hierarchical structure within organisations which stifles initiative; an absence of an environment which makes training a function of every activity and which encourages delegation of authority; a lack of career development provision within organisations.

37 If economic and social activity is itself to be an engine for human resource development then steps must be taken to create the institutional mechanisms which will empower people through active citizenship. Appropriate measures to ensure that power is shared more widely may include:

- delegating responsibility to local government, community organs and non-government organisations
- stimulating the growth and health of these partner institutions through appropriate fiscal incentives
- supporting institutions which protect and promote individual rights vis a vis government, land owners, employers or religious authorities
- setting up programmes of public information and adult education to make people aware of their rights and responsibilities as citizens, and of the services available to them
- enabling individuals and groups to have readier access to the media so that they can communicate with and influence others.

38 Empowerment is about access, about rights and about participation:

Access to good health, to learning opportunities, to resources which enable people to earn a living, and to the processes of government and the law: Such access requires the provision of the requisite services, such as health, education, employment, justice, on an adequate scale and in appropriate form; information and advice on how to tap the provision; and a set of financial and other arrangements to ensure that nobody is deprived of services by lack of means. Affirmative action may be needed to ensure such access for groups in society which have hitherto been marginalised or whose potential has not been fully realised. Greater access for women to basic education is a particular priority in many countries.

Rights to live in security, free from discrimination, harassment and arbitrary

arrest; freedom of belief, of association and expression; rights as an employee and as a consumer; participation in the shaping of society including the opportunity to choose its leaders: Only half the world's countries have elected forms of government. Governments should be competent, accountable and ensure respect for the individual and his or her human rights.

Participation and consultation, among and between government, community organisations, the private sector, and individuals: These can help reconcile divergent interests and can lend legitimacy to decisions reached. There is a particular onus on government to develop mechanisms for consultation with the public at large on matters of public policy, so that they are informed on important issues and are consulted before key decisions are made. It is particularly important that women be drawn more fully into the conduct of public affairs: presently they make up only about ten per cent of the representatives of all democratically elected governments.

39 The Commonwealth Working Group was concerned more with 'how to do' rather than 'what to do'. It became apparent in discussion with governments and agencies that real and practical difficulties are encountered in moving from a definition of objectives, needs, targets and policies to the creation of institutional frameworks able to give long-lasting effect to the practice of human resource development. The creation of partnerships outside of government; the recognition of linkage and reinforcement across sectors; the need for policy frameworks to which all parts of government subscribe; the requirement of working together across sectoral boundaries; the involvement of people in decisions which affect their lives: these and other inherent characteristics of a coherent national human resource development policy give rise to formidable political, managerial and technical problems. It is these issues which form the core of the discussion in the following sections of the report, Key Strategies and The Mission Approach.

II Key Strategies

40 We have examined the essential elements of human resource development and the principles which underpin it. We turn now to consider strategies which governments can employ in effecting human resource development. There is no shortage of documentation on what is wrong; there is less to turn to for guidance in making human resource development work.

41 The strategies considered here are both means and ends. They are both requirements for effecting human resource development and also integral components of the human resource development process itself. To take an example, a reformed and well-managed government is essential for the introduction and implementation of human resource development policies; at the same time competence and quality in government services reflect the success of human resource development policies.

42 Five strategies are examined:

- well-managed and more professional government
- partnerships with NGOs and the private sector
- priority for women
- mobilising resources
- using technology.

WELL-MANAGED GOVERNMENT

43 Improvement of the effectiveness of government is central to national efforts to promote human resource development. Before explaining in more detail the different dimensions of government reform, we wish to emphasise that, despite the contemporary prevalence of the view that governments should reduce their size and functions, the role of government will remain fundamental.

The role of government

44 This report is addressed to governments. Governments have a leadership role to play in defining human resource development policies and in creating economic and institutional environments which enable people to live healthy and productive lives.

45 There are, however, obvious limitations to governments' role. Firstly, they are constrained by their inheritance in terms of natural resource endowment; the infrastructure bequeathed by their predecessors and often a legacy of national or international debts.

46 Secondly, they are constrained by forces and institutions external to their own country: the whole international economic order including terms of trade, the activities of multinational corporations, and the policies of organisations like the World Bank and the International Monetary Fund.

47 Thirdly, governments have inherently limited leverage on the social and cultural milieu and on what one might term the 'institutional infrastructure' of their countries. It is after all the values, attitudes, mores, cultural and legal practices of a society that constitute the constellation of factors with probably the greatest impact on development. While such features of society are surely amenable to influence by outstanding leadership, they are slow to change and in fact only adjust through decisions by countless individuals throughout society. Moreover, the personnel of governments themselves – whether it is the political leadership of ministers and members of parliament, or senior civil servants and junior officials in the bureaucracy – tend to be imbued with those same values and attitudes that characterise their societies. These may be authoritarian values or consensual ones, tendencies to frugality or to extravagance, patronage and bribery or incorruptibility, far-sightedness or short-term indulgence, partiality or objectivity, respect for knowledge and the creative arts or philistinism. Governments will generally prefer not to be too far out of step with the moral and psychological pulse of society at large. However, in a number of countries which have achieved striking progress in recent decades, the opposite has been true.

48 The public sector in many Commonwealth countries has been witnessing dramatic changes in recent years. Since the mid-1970s, pushed by unprecedented economic crises in many countries and pulled by rapid changes in political and public opinion, governments have been increasingly concerned to adapt and develop the structures and values of the public sector in order to achieve greater efficiency, more responsive and flexible services, and a more co-ordinated approach between the public and private sectors.

49 The role of government is in the process of being radically reassessed and in many countries the emphasis is on reducing the share of GNP taken by the public sector. Greater emphasis is laid on the part that the non-government sector can play in development and in divesting government of its direct control and ownership functions, leaving it instead to concentrate its energies on setting the policy framework and devising incentives and measures to mobilise the efforts and activities of others. As part of this trend governments are devolving some of their responsibilities on to other organisations and are entrusting functions to parastatal bodies, to specially established executive agencies and to non-government organisations: in some countries public assets are being sold to the private sector.

50 There are parallel tendencies to re-emphasise the service role of government and its accountability to clients and customers; the openness of government to public scrutiny; and the need for democratic involvement both in choosing the political leadership and in overseeing the delivery of public services. Naturally, progress with this agenda, and even details of the agenda itself, varies from country to country within the 50 states of the Commonwealth. We discuss in more detail below (paras 53-93) some of the steps being taken to reform government.

51 Firstly, however, the rationale for government retaining a lead responsibility for human resource development perhaps needs restating. This leading role is grounded not just in historical experience but also in the fundamental nature of the task to be undertaken. There are several dimensions to ongoing government responsibilities in the field:

Leadership: Government provides the political leadership for the country and the vision of where society is heading in terms of its goals and aspirations. People look to governments for guidance on how those goals might be achieved through community and individual effort. They look for visible and sincere commitment. Without this sense of collective resolve and direction, it is difficult to mobilise the necessary investments and enthusiasm for human resource development.

Legal framework: Governments, through their constitutional, judicial and legislative institutions, have a responsibility for the legal framework of society which establishes and confers validity on social institutions, regulates behaviour between individuals, and guarantees individual rights and entitlements of different kinds.

Policy environment: A major function of government is to provide an overall policy environment that promotes human resource development at all levels and in all sectors by maximising the incentives to it, and minimising the obstacles; being watchdog rather than gatekeeper. Whilst organisations and individuals may be the prime movers in human investment, they act within an institutional, legal and fiscal framework established by government. The public information services, the tax regime, the rewards and honours system, the legal framework, can all be used to encourage human resource investments and effective deployment of the work force.

Resource provision: Irrespective of whether the institutions which deliver education and health services to the population are owned and managed by government, or are in private hands, government alone is likely to command the necessary resources to sustain such activities and is likely to be the principal source of finance for these services.

Public goods dimension: It is widely recognised that the benefits of a healthy and well-educated population 'spill over' from individuals and bring wider benefits to the society as a whole. If health services, education and skill acquisition are provided on a non-subsidised basis there will be a tendency for individuals to underinvest in them, since the benefits individuals can appropriate to themselves fall short of the overall advantage to society. There is public interest, which it falls to government to pursue, in ensuring that investments in these services are sufficient.

Reconciliation of interests: In human resource development, as in other fields of endeavour, conflicts of interest arise which must be the subject of public regulation. For example, the health, safety and right to training of

individuals in the work force may need protection against some employers' preoccupation with very short-term commercial objectives. The obvious benefits to society in labour mobility may conflict with employers' desire to reap the benefits of the training and experience they have provided to individual workers. Only the public authorities can devise measures which will encourage employers to invest in a skilled and flexible work force while protecting the rights of workers.

Equity and universality: Governments have a responsibility for the whole community, for protecting and sustaining the weak and disadvantaged. Those most in need of publicly provided services are often least able to access them, being inarticulate, ill-informed, or geographically or culturally isolated. Universality of provision and access to public services is virtually impossible without government intervention.

Government as employer and owner of assets: In most countries the public authorities remain much the biggest employer, especially in social services. It follows from this that government must give a standard-setting lead in terms of enlightened human welfare, health, education and training provision and policies for its own employees.

Government and external policy: Many facets of human resource development have international as well as national dimensions. Governments are signatories to international conventions concerning health standards and drug regulation, environmental protection, labour migration, copyright and patents. National policies on migration are relevant to the mix of skills available in the country, while policies on technical assistance and external aid may significantly affect the volume of resources available for development, including human resource development.

52 It is clear from the foregoing that government, albeit reshaped and reformed, has a continuing central strategic role in nurturing and mobilising human resources for development. It also has important responsibilities in ensuring coherence of approach in public policy.

Directions for reform

53 Changing the work culture and enhancing personal self-esteem are critical if human resource development is to be achieved. The prevailing work culture in many developing countries is feudal and hierarchical, based on perks, patronage and privilege as opposed to productivity and performance. Governments are role models for the rest of society in this respect. If it is accepted that national development in many countries is about developing a new work environment and new work culture, governments will have to take a lead in moving away from traditional methods based on command, control and mistrust to new methods based on persuasion, delegation and trust. Experience points to a number of key directions for reform of the public sector so as to enhance its capacity to develop the national human resource. We set out six of these below:

- structuring for efficiency
- decentralisation
- planning for quality
- probity and accountability
- staff development
- co-ordination.

54 Each one involves not only a change in organisational form but, perhaps more crucial, also a change in attitude. The search is underway for approaches which 'move away from a patrimonial bureaucracy where the emphasis is on control and exercise of power as an instrument of exchange, to one where emphasis is on delivery of services needed for development and rewards/sanctions reflecting performance and merit' (World Bank, Dia, 1993 p.vi). To date, progress has been least in those settings where the need for a new work culture is the greatest.

55 In Canada, where there is a public service renewal programme entitled Public Service 2000, the Clerk of the Privy Council and Secretary to the Cabinet in charge of the Programme has said that it is '... 10 per cent legislative change, 20 per cent change in systems, and 70 per cent change in attitudes and practices within departments and agencies, (see Box 4).

Box 4 *Canada*: *Public Service* 2000

Public Service 2000 is designed:

- to foster and encourage a public service that is: professional; highly qualified; non-partisan and imbued with a mission of service to the public
- to develop a public service that: recognises its employees as assets to be valued; places as much authority as possible in the hands of frontline employees and managers and provides scope for different organisational forms to meet differing needs.

Context for reforms:

- increasing demands on public services
- fiscal restraint – significant reduction in personnel
- controls that limit efficiency or improvements in service
- complexity of the administrative regime and its regulations
- greater devolution of authority and responsibility
- increasing complexity and interconnectedness of issues
- increasing openness of policy process
- increasing number of new players
- rapid and widespread social change
- impact of information technology
- low level of public confidence

Process of reform:

- launched by the Prime Minister of Canada
- supported by the President of the Treasury Board who is minister in charge of management in the public service
- led by the Clerk of the Privy Council
- carried forward by 10 task forces of 120 Deputy and Assistant Deputy Ministers on:
  administrative policy and common service agencies
  classification and occupational group structures
  compensation and benefits
  management
  resource management and budgetary controls
  service to the public
  staff relations
  staffing
  training and development
  work force adaptiveness
- involves consultation within and outside government

Features of reform:

(a) Each department will be required to develop its own mission statement.
(b) Consultation skills to be a key criterion for hiring staff; training related to consultation skills to be enhanced.
(c) Each programme to have a single operating budget – covering all costs – which managers will use to meet their particular needs.
(d) A percentage of revenue generated will be credited in the following year's programme budget.
(e) Savings through productivity increases will be rewarded.
(f) Systematic professional development programmes for all managers.
(g) For most departments the number of senior reporting relationships below the level of deputy will not exceed three.
(h) A human resources development council is being established to develop policies and programmes for effective management and professional development.

Source: Drawn from Public Service 2000: The Renewal of the Public Service of Canada, 1990 and Public Service 2000: First Annual Report to the Prime Minister of Canada on the Public Service of Canada, 1992

Structuring for efficiency

56 Recent experience shows governments choosing from a range of structural options, as discussed below. This development results in less homogeneity than formerly across the machinery of government: unity remains a feature of the civil service, but uniformity is assuming less relevance.

57 The creation of **semi-autonomous units** is one approach. The establishment of statutory boards in Singapore, executive agencies in the UK, and the experience of corporatisation in Australia has allowed a clear delineation between the functions of policy formulation and policy implementation. In this way, areas of relative freedom from bureaucratic constraint have been created in which a more business-like climate can be developed.

(a) The statutory boards in Singapore were created to achieve specific social development goals. They were designed to counter the traditional civil service emphasis on regulation and monitoring, and were structured specifically to encourage the return of talent previously lost to the private sector.
(b) Executive agencies in the UK were intended to redress the historical preference for policy development over service delivery within the civil service.

58 The establishment of executive agencies or similar bodies involves fragmentation of the traditionally uniform civil service, and substitutes the pursuit of explicit objectives for the traditional procedural concerns of the public service. Some have pointed out that this re-orientation tends to emphasise the 'vertical' relationships within governments, thus increasing accountability to the political leadership, whilst simultaneously reducing the 'horizontal' linkages between ministries, and the focus on the collective interest associated with more traditional models of public service.

59 Secondly, there is increasing experience of **privatisation** and divestiture which has brought this major option into the mainstream of policy analysis. Privatisation programmes have had mixed success, but there is ample evidence that divestiture from state control can unleash energy and innovation in provision of services to promote human resource development.

60 The public sector has always purchased specialist services from the private and NGO sectors. Some governments are now becoming interested in assessing the ability of the **market** to provide education, training, health or other services which have historically been considered to lie at the core of the public sector.

Decentralisation

61 Efficiency within government has also been improved through some restructuring of the central/local, or federal/state inter-governmental boundaries. Clarification of mutual roles and responsibilities, and particularly the rationalisation of the mechanisms for financial transfer between levels of government, has heightened efficiency and enhanced fiscal transparency.

62 Decentralisation takes different forms. A distinction can be drawn between **deconcentration** which means delegating bureaucratic authority to lower echelons of the public service, and **devolution** which involves sharing political and financial power with local authorities.

63 Deconcentration is the more diluted of the two forms of decentralisation; it may often be concerned more with maintaining uniformity and extending the effective reach of central government, than with responding to local need. Nevertheless, the decisions taken by local officials may be highly significant in the communities over which they have some measure of authority. Indonesia's health service provides an example of efforts to deconcentrate within a sectoral ministry (see Box 5).

Box 5 ***Indonesia's Ministry of Health***

Indonesia has 188 million people living on 13,000 islands. Its Comprehensive Health Improvement Programme sought to promote deconcentration to provincial and local levels. There are 27 provinces and 300 regencies. The programme aimed to develop the skills of field staff in the collection, management and analysis of epidemiological studies.

Benefits:

- the technical, managerial and planning capability of field officers is improved and the negotiating strength of the lower levels in the bureaucratic hierarchy increased
- field staff can show that their decisions may be more appropriate for their area than decisions taken centrally
- field officers are able to gain the support of local government

Drawbacks:

- better informed staff at the local level are not in themselves a sufficient condition for decentralisation
- the strengthening of local capacity has mostly entailed improving the professional standards of officials in the lower levels of government and not local people
- pay and promotion depend on central government

Source: Drawn from Brian Smith's Study on Decentralisation annexed to this report

64 Devolution is not practised on a major scale in developing countries: on average they devolve less than ten per cent of total government expenditure, and less than six per cent of total social expenditure, on local governments (Human Development Report 1993, UNDP). This lack of devolution derives inter alia from a political tradition of the state being at the heart of nation-building and a fear that decentralisation would accentuate divisiveness; from the absence of democratic structures; from low levels of spending on social services, which are the ones most amenable to decentralisation; from the shortage of qualified personnel to man locally-based services; from urban bias; and from the centralisation of aid expenditure.

65 Four main potential advantages flow from devolution of authority:

(a) It is designed to reflect local circumstances in terms of:

- decisions by local people or those accountable to them
- a better chance of realistic project design
- mobilising of local resources
- drawing on local knowledge

(b) It is designed to meet the needs of remote and inaccessible communities in large states and multi-island countries.

(c) It offers the opportunity for improved co-ordination of programmes with functions and services at the local level being brought under one entity.

(d) It offers opportunities for popular participation.

Box 6 *Devolution of Authority*

Ghana:
Decentralisation is seen as a necessary component of the structural adjustment programme being implemented in Ghana. It is believed that centralised state provision of social services and particularly education has not worked. Spatial planning has been introduced to overcome the deficiencies of central planning. District assemblies have been established. Assemblies have the power to raise revenues by taxing market produce and levying charges on the consumers of services. Their authority includes primary and secondary education, primary health care, and water supply. A recent examination of education provision suggests the likelihood of better access to schooling for the poor, an improved supply of teaching materials, and a greater contribution from school children and school leavers to the needs of their communities.

'Successful' Local Government in Africa – 11 Lessons

1 Operate in an area with a sound economic/revenue base.
2 Have clearly defined legal status and responsibilities.
3 Have the ability to raise revenue.
4 Mobilise resources through public sector activities.
5 Access to capital for infrastructural development.
6 Appropriate levels and mechanisms for central control.
7 Good management practices.
8 Good relations between officials and administrators.
9 Good relations with supervising ministries.
10 Responsiveness to constituents.
11 Observation of contact with other local authorities.

'Success' was cumulative.

Source: Drawn from Brian Smith's study on Decentralisation annexed to this report

Box 6 highlights the example of Ghana, where devolution is being attempted, plus the lessons which have been drawn from a study of 'successful' local government in Africa.

66 Decentralisation implies:

- a measure of **financial autonomy**
- increased levels of **participation**

67 **Financial autonomy** may be increased through a number of options for generating local revenue, namely, local taxes, user charges, grants and loans.

68 The most common form of **local tax** is on property, including land. The yields tend to be limited by problems of valuation and collection, especially in rural areas. However, in some countries the power to collect and use revenue from property tax is important; Philippines, China, India and Pakistan are prominent examples in Asia. An alternative is a tax on local income, for example, trading licences and motor licences. The considerable problems of local tax collection in Ghana were tackled through improving the revenue collection and by developing the planning and budgeting capability of local councillors and officials. Knowledge of the legislation and of the rights it conferred on local officials was improved. New procedures were installed to oversee collection. Better statistical records of population, property and taxable activities were developed.

69 Another option is **user charges**. They raise difficult questions over targeting: some argue that charges may deter the poor from using services and can be a barrier to equity. A contrary argument is that charging too little for a service may lessen its availability and quality.

70 Transfers from central government through **grants and loans** commonly account for over 70 per cent of local government income. Grants both help to ensure that the centre's policies are followed, and also 'buy' it the right to oversee, monitor and audit local government policies. The main problems in the relationship include central government's reluctance to devolve revenue-raising powers; conflict between centre officials and local leaders; and restrictions on the right to borrow. Local governments have been criticised for ineffective performance in tax collection and high administrative overheads. Local governments complain that their revenue base is the poorest sections of the community, while taxes on the more affluent are paid to the centre.

71 **Participation** is '... a means to a political mobilisation, the preservation and utilisation of indigenous knowledge, capacity building, power redistribution, stronger beneficiary commitment, political education, and healthier democracy' (Finsterbusch and Van Wicklin, quoted in the study on Decentralisation annexed to this report).

72 Participation in the context of decentralisation can take a number of

different forms ranging from more passive to active involvement in decision-making:

Resource mobilisation: The provision of labour, materials and cash for activities may mean extracting resources without delegation of authority.

Consultation on the planning and implementation of public services: Information-sharing between officials, professionals and beneficiaries can be critical to the success of programmes involving cultural change.

Project management: Representatives of local communities, including beneficiaries and users of services, become members of management bodies of public amenities (hospitals, schools, health centres).

Representative government: There are elected representatives on statutory decision-making bodies.

73 A study of primary health care in developing countries suggested that political characteristics largely determined the extent to which programmes were successful in meeting the needs of intended beneficiaries (see Box 7).

Box 7 *Primary Health Care in Developing Countries*

Participation in primary health care will be more successful:

- the more equitable the distribution of economic and political resources at the local level
- the more open and representative the local government structures
- the greater the social, ethnic and political homogeneity of the population
- the stronger the cultural values favouring communal activity
- the fewer the ideological barriers between the government and the target group
- the more available the avenues for using existing local organisations
- the greater the presence of other government programmes in the area.

Source: From Bossert and Parker, 1984, quoted in Brian Smith's study on Decentralisation annexed to this report

74 Especially in poor countries decentralisation may often run counter to the need for equity and equality. A commitment to equality of administrative standards, thus equalising the resources available to communities or ensuring comparable standards of service, may require strong central controls and financial support. Others will argue that in countries where administrative and managerial skills are in short supply, decentralisation will lead to fragmentation and inefficiency.

Planning for quality

75 Many recent administrative and managerial reforms within government have embodied a particular concern to raise and maintain the quality of services provided by government. **Quality management** approaches, initially introduced within the private sector, have been developed to assist the public sector improve quality.

76 Excellence and success within the public sector are increasingly recognised and rewarded. Practical and measurable quality standards are set, with participatory mechanisms to ensure that the need for quality has a broad 'ownership' at all levels of staff:

(a) The series of awards offered by the Malaysian civil service provides a clear example of a successful strategy for recognising excellence.
(b) Singapore was the first civil service to introduce Work Improvement Teams, developed from the Quality Control Circles employed in successful and innovative private sector companies to allow groups of staff from varying levels to discuss obstacles to quality openly and honestly, and to devise practical solutions for service improvement.
(c) India too has introduced some Work Improvement Teams.

77 Within many governments, there has also been a conscious reshaping of the work culture to achieve a more explicit **customer orientation.** Courtesy campaigns, customer care training, and comprehensive complaints procedures are ensuring that service-users are seen as active and freely choosing customers, rather than passive recipients of monopolistically provided state services:

> The development of Citizens' Charters in Britain represents an approach to empowering consumers by specifying and publicising their rights to redress, if government services do not meet advertised standards.

Probity and accountability

78 Current reforms are translating the broad appeals for transparency and accountability in government into operational systems for specifying the expected performance of staff and institutions.

79 **Anti-corruption measures** have always been given attention by governments, both because of the tangible losses, inefficiencies and inequities involved in corruption and because of its broader impact on public confidence in national institutions. The experience of Singapore indicates how strong political leadership and rigorous anti-corruption measures enforced by powerful and uncorrupted agencies can turn corruption from a low-risk, high-reward activity into the reverse (see Quah's study on four Asian countries annexed to this report).

80 The increasingly business-like approach implicit within many reform

programmes is allowing anti-corruption measures to be supported by tighter employment frameworks for senior officials. Contracts are shorter term with more detailed specifications to ensure that performance monitoring is more rigorous. Significantly, the development of tighter checks and controls is being matched by the more active use of incentives. Raising salary levels to make them more comparable with private sector positions can reduce the temptations of corruption.

81 **Public reporting** by agencies and departments, exposing to public scrutiny the financial position and performance achieved, is a potentially useful device. It encourages self-examination by those engaging in such annual stocktaking and promotes accountability to the public and its representatives. An important task is to develop appropriate performance indicators by which to assess the achievement of government in relation to national human resource development.

Staff development

82 In many countries there is today a more active concern with improving the competence and effectiveness of all levels of staff. This is an essential element of improving the efficiency of government and is an important human resource development objective in its own right. For the many employees of government it enhances individual self-esteem, self-respect and self-confidence. It encourages accountability and responsibility. If governments can demonstrate a work culture that places a premium on trust, reward and competence, they can set standards which permeate other sectors of society. Staff development may be approached in a number of ways, including more open recruitment procedures, special training programmes, and various performance-enhancing measures.

83 **Open recruitment procedures:** Widely-based recruitment for senior posts ensure that vacancies are filled on the basis of skills and competence. The assumption that a career-based civil service should receive semi-automatic promotion is weakening. At senior levels low-reward, high-security positions are being replaced with the exact opposite in some Commonwealth countries:

(a) In Australia and New Zealand the shift away from a career civil service has been emphasised by the establishment of Senior Executive Services which offer contract appointments, performance measurement, and intra-service mobility. The expectation is that public sector managers, often recruited from the private sector, will have a high level of managerial skills and talent and will be flexible enough to manage effectively in any government.

(b) Singapore has maintained a systematic focus on efficiency as the sole criterion for retaining or retiring senior civil servants. Seniority is no longer the basis for promotion and many of Singapore's permanent secretaries are comparatively young.

84 **Training:** This is increasingly tailored to individual needs. The focus by the Malaysian Government on establishing key national institutions capable of providing highly targeted training to strategic personnel provides a useful example of current developments in this field.

85 **Performance appraisal:** Techniques for identifying strengths and weaknesses of staff members' individual contributions may be linked to incentive packages to ensure that skills and personal achievements are recognised and regarded. The Malaysian New Remuneration System provides a clear example of a successful system for recognising and rewarding good performance. Meanwhile personal career planning ensures that individual ambitions and aspirations are harnessed towards the overall service of government.

Co-ordination

86 Human resource development covers a broad canvas. In the life of individual families different aspects like health, nutrition, education, work, leisure and social and political activities are not tidily compartmentalised. Synergy and linkage are part of the fabric of people's lives.

87 Problems arise as soon as one moves from the individual to the institutional level, and to the world of specialised tasks and functions. For governments, ensuring coherence and co-ordination across the spectrum of human resource development interventions poses a major challenge in view of the range of sectors, agencies, organisations and institutions which are involved. And yet a co-ordinated approach is necessary if inconsistencies of policy are to be avoided, if responsibilities are to be properly assigned, if linkages between policies and programmes are to be effected. Co-ordination involves:

> timeliness, harmony and complementarity of activities carried out by several autonomous agencies. Co-ordination is participatory, requiring decision-making to be shared, and therefore compatible with decentralisation and the devolution of authority and responsibility to lower levels of administration. It requires institutional structures that are more horizontally oriented, allowing information and responsibility to be shared among several agencies at various levels (quoted from Lorraine Corner's study on Co-ordination annexed to this report).

88 Co-ordination is not the same as centralisation or integration. It respects the complexity of human resource development and the different professional specialisms involved. Specialisation and the boundaries that it entails serve a certain functional purpose. But these separate identities are in no way negated by efforts to share information and inter-relate cognate activities.

89 Efforts to achieve multi-sectoral co-ordination for human resource development are various in their form and variable in their success:

(a) Working within a framework of common objectives may promote a measure of co-ordination among different ministries and agencies. As noted elsewhere in this report, there are a growing number of national plans drawn up in response to structural adjustment imperatives, to the Jomtien campaign on Education for All, to the World Summit for Children, and to regional and national initiatives. These plans transcend individual sectors and link them, requiring different parts of government to work together for the achievement of a common end. Vanuatu's current development plan provides one example of this (see Box 8).

Box 8 *Vanuatu's Third Five Year Development Plan* 1992-1996

Vanuatu's latest strategic plan identifies inter-sectoral co-operation as the major development issue, specifies the format and the planning procedures to be adopted by sectoral agencies in developing individual sectoral plans, and identifies three cross-sectoral development issues that all sectors and agencies must address in their plans: the role of women, the role of youth, and the environment and development.

Source: From Lorraine Corner's study on Co-ordination annexed to this report

(b) Another option for co-ordination is to assign special responsibility for co-ordination to units, commissions, or ministries. Three examples, concerned essentially with policy-making and planning, are provided in Box 9.

Box 9 *Co-ordinating Mechanisms*

Thailand: The key planning agency is the National Economic and Social Development Board (NESDB). It establishes national policies, strategies and programmes for economic and social development for every five year development plan. The NESDB has created an inter-agency committee on Human Resources and Social Development. This comprises senior officials from ministries, government agencies, organisations and universities. A Human Resource Planning Division and the Social Project Division serves as a secretariat. The secretariat analyses manpower supply, forecasts employment by sector and education and is the focal point for overall human resource development policy co-ordination and planning.

Papua New Guinea: Papua New Guinea has adopted the concept of 'lead' and 'support agencies'. At the macro-level, one department of government is designated as the lead agency for each national development objective, with primary responsibility for designing and implementing programmes and projects to address that objective. Other support agencies participate in the design, implementation and monitoring of programmes. At the micro-level, the basic unit of co-ordination, individual programmes are implemented by the department acting as lead agency, with other departments in a support role.

India: India is a union of states. State governments draw up their own development plans. Plans submitted by state governments are co-ordinated nationally by the Planning Commission headed by the Prime Minister. The Planning Commission has a full-time member in charge of human resource development (education, culture, youth, health and social welfare, women and child development). The Ministry of Human Resource Development, created in 1985, is charged with responsibility for securing co-ordination at the programme level. The Institute of Applied Manpower Research seeks to broaden awareness of manpower planning and development issues among central and state governments and public organisations. It undertakes training and sponsors research.

(c) Cases of co-ordinated implementation are less easy to come by. Botswana's multi-sectoral food security programme in the 1980s provides one example (see Box 10). This Botswana example is one of 'substantive co-ordination', whereby the effectiveness of a human resource development programme is enhanced by co-ordination. This is more than just ensuring that programmes with a common focus are managed efficiently; it is co-ordination consciously designed to ensure that human resource development objectives are met in a coherent way.

Box 10 *Botswana*: A *Food Security Strategy*

Botswana has less malnutrition than any other drought prone country in Southern Africa. A comprehensive food security programme has eliminated severe malnutrition among children under five, despite drought years and falls in grain production. The programme, started in the early 1980s, was designed to expand the capacity and flexibility of institutions concerned with different aspects of food security. The programme comprises:

- direct feeding programmes through primary schools and health centres
- additional water supply
- emergency public works schemes, providing supplementary income
- farm support and rehabilitation programmes.

Several ministries are involved. The Ministry of Local Government and Lands handles food aid imports, local purchases and distribution. The Ministry of Health monitors nutrition and organises on-site feeding in clinics. The Ministry of Education oversees feeding primary school children. The Ministry of Mineral Resources and Water Affairs handles domestic water supply in consultation with local government. The Ministry of Agriculture administers farm relief and recovery through extension and veterinary services. Programme elements are co-ordinated by the Inter-Ministerial Drought Committee, serviced by the Ministry of Finance and Development Planning.

Source: Drawn from World Bank, Sub-Saharan Africa: From Crisis to Sustainable Growth, 1989

(d) Market forces may themselves be an important mechanism promoting linkages and co-ordination. With reference to co-ordination and linkage between education, its quality and the employment market, Corner (the study on Co-ordination annexed to this report) observes that recent developments in manpower planning in developing countries, particularly in Asia, have emphasised measures to improve the efficiency of the labour market as an important way to ensure that the education and training sector produces the kind of human resources that employers are willing to employ.

90 The impetus towards substantive co-ordination as illustrated by the Botswana case is increasing, partly as a consequence of human empowerment. The participation and involvement of individuals and non-government organisations in designing and implementing programmes can lead to pressure being placed on government to undertake substantive co-ordination.

91 Small states, with small and relatively 'manageable' government systems, may possess particular advantages in achieving greater coherence and co-ordination. And yet, as the literature on the public service in the Caribbean suggests, entrenched sectoral interests can be found in even the smallest of public services.

92 The UN Economic and Social Commission for Asia and the Pacific (ESCAP), within the framework of its Jakarta Plan of Action, has identified

11 lessons for building effective and efficient mechanisms for co-ordination. They are:

(a) **Establishing national focal points:** These, or co-ordinating units with responsibilities for formulating, implementing and monitoring policies and programmes, are desirable.

(b) **Strengthening national focal points:** This can be done through formalising their establishment through legislation; locating them at a high level within government; providing budgetary support; and providing technically qualified staff.

(c) **Establishing links between focal points and other government agencies:** A priority list of institutional linkages should be established, showing selective and formal linkages with key agencies.

(d) **Enhancing administrative co-ordination procedures:** Clear delineation and formal recognition of the focal point's functions, responsibilities and mechanisms are necessary; new administrative procedures for multi-agency and multi-sectoral co-ordination need to be instituted.

(e) **Financing human resources development:** This involves monitoring that human resource budgets are not unduly limited; monitoring cost-effectiveness; re-examining the provisions for inter-agency budgetary co-ordination.

(f) **Ensuring policy sustainability and continuity:** Co-ordinated policies, once established, should be sustainable and continuous; at the same time there should be room for flexibility and responsiveness.

(g) **Targeting priority issues and groups:** Co-ordination is successful when it is sharply focused; policy and programme co-ordination should not be spread across too many fronts.

(h) **Co-ordinated policy-making, planning and programming at the sectoral level:** It is necessary to raise consciousness and strengthen experience in a co-ordinated approach within ministries.

(i) **Decentralised planning and development:** Co-ordination among small groups or areas at a local level offers gains from participation and the more equitable distribution of power and resources.

(j) **Building a strong human resource development information base:** Data should facilitate the identification of issues and target groups nationally, regionally and sectorally; data needs to be packaged to meet the needs of co-ordinated policy-making, planning and programming.

(k) **Collaboration with the private sector:** Co-ordination should not be confined to government. Links with the private sector and NGOs

ensure a more demand-driven approach to human resource development, encouraging participation. Collaboration can range from the recruitment of professionals to privatisation of sectoral programmes and the participation of NGOs in programme delivery.

93 This is a highly structured approach to co-ordination. Although this checklist may not suit every country it does provide a useful framework for analysing the needs of individual countries.

PARTNERSHIPS WITH NGOS AND THE PRIVATE SECTOR

94 Governments should encourage the provision of human resource development related services by as a wide a variety of providers as possible. Partnership with non-government organisations (NGOs) is one option; co-operation with the private sector is another.

Non-government organisations

95 Non-government organisations including voluntary groups, community associations, religious bodies and a range of other NGOs have a long tradition of running schools, clinics and skill-training centres. Governments should welcome and work in partnership with such groups, not as substitutes for government services – although this may be appropriate in some circumstances – but as pathfinders, auxiliaries and partners supplementing government's own provision. They add to the stock of development resources and activity; they promote the formation of local institutions and can, in some circumstances, be more cost-effective than government.

96 In **primary health care** non-government organisations have played an important role in making the case for, and delivering, needed services, even if in most countries their work represents only a small proportion of the total health system measured in terms of personnel employed or patients seen. **Education** has been another major focus for non-government organisations, as additional providers, as suppliers of marketable skills for the unschooled and school dropouts, and through literacy programmes. Programmes for **women**, for **self-employment**, for the development of **co-operatives** and **credit unions** are other familiar areas in which community and non-government organisations work. Box 11 provides examples.

Box 11 NGOs *in Support of* Human Resource Development

The Bangladesh Rural Advancement Committee (BRAC) is one of largest NGOs in the developing world. It employs 4,500 people. It has an operational budget of approximately US$23 million. It operates a variety of large scale, multi-sectoral programmes, including oral extension therapy, child survival, women's health development, non-formal primary education and income generation for vulnerable groups.

Association National d'Action Rurale works with remote pastoral people (especially women) in Burkina Faso. Literacy work is combined with reafforestation, combating soil erosion, and market gardening. It works in a part of the country seriously under-served by government. It covers the work of three ministries

Inetnon Famagu'on, 'a gathering of children', is a child care co-operative run by participants and staff in Guam. It is co-sponsored by the Guam Women's Club. It is a day care centre to allow women with young children to continue their education and to share responsibility of child care with others in a similar situation by volunteering their time on a staggered schedule. The women are participants and beneficiaries.

A health project in Villa El Salvador in Peru is supported by a local NGO (INCIDES) and Save the Children Fund-UK. It aims to develop an appropriate primary health care system for a region of desert sandhills South of Lima – a low income, peri-urban area. The project has two main approaches. The first is primary health care through the installation of a basic range of services provided through voluntary health workers from the community; preventive health and health care; and democratic control of health systems by beneficiaries. The second is popular education to strengthen involvement and increase self-esteem and pride. Participatory surveys feed into action plans; street theatre, neighbourhood newspapers and posters are used.

97 Community organisations and non-government organisations (national and international) are already important agents for change and development. They are numerous (1,500 national NGOs in Rio de Janeiro, 23,000 women's groups in Kenya, 25,000 registered groups in the Indian state of Tamil Nadu, 2,500 NGOs on the OECD register for 25 countries). They are diverse, being operational and non-operational; specialised and multi-functional; religious and secular; national and local. One broad but helpful distinction is between 'project-based' NGOs and 'process-based' NGOs: the former concerned with measurable targets; the latter with attitudes, confidence, self-esteem and community action. The two are not mutually exclusive (see Charles Elliot's study on NGOs annexed to this report).

98 This heterogeneous group of NGOs has both strengths and weaknesses. NGOs may offer better opportunities for participation than their local government alternatives. They have been especially active in mobilising women, and raising their political awareness concerning their rights and opportunities. In many cases they have the freedom to experiment and to adapt. They can articulate needs at the micro-level.

99 On the other hand, although NGOs are often better resourced than governments, they are not necessarily better organised or integrated. Not

unlike governments, they often take a 'vertical' project approach, failing to capitalise on horizontal linkage and co-ordination with other services and agencies.

100 Moreover, relations between NGOs and governments are not easy: 'antagonistic co-operation' is one description. Tensions arise for a variety of reasons:

- exaggeration by the NGO sector of its benefits and achievements; an over-sensitivity to criticism
- a lack of realism on the part of NGOs about their capacity to give rise to substantive change
- governmental fear of the political implications of NGO work as a threat to existing power structures
- a lack of clarity over the NGOs' claim to be close to the people at grassroots level and to speak with any kind of authority as public representatives
- in some countries, the perception that NGO leaders are better paid and more independent than senior civil servants and that local employees are overpaid by international NGOs
- differences in styles of operation
- the distance between civil servants and what NGOs are doing on the ground
- the difficulties NGOs face, sometimes of their own making, in relating to government bureaucracies.

101 How then can the strengths and interests of government and NGOs be promoted in a mutually supportive way? The flexibility of NGOs, their ability to minister to groups which governments serve poorly, their capacity to be innovative in ways which may benefit government in the long term: these qualities need to be sustained, and there is much that governments can do to create a propitious enabling environment. At the same time NGOs need to acknowledge that if they wish to influence and be involved in the mainstream of human resource development activities, they must engage in dialogue with governments in a non-threatening way. There is no such thing as an NGO approach to development, but there is a place for NGOs to engage in national programmes of action as a partner of government and other development agencies.

102 There are no easy answers to issues of NGO and government linkage. 'Those countries that have established elaborate bureaucratic systems to liaise with NGOs have often been accused ... of seeking to control NGOs, and thus rob them ... of their independence' (see Elliot's study on NGOs annexed to this report). One option is to establish a joint liaison office, funded and run by government and the NGOs – a mutual listening post. In the experience of India and Bangladesh, a major obstacle to adopting this approach is the disorganised and competitive nature of the NGO sector itself.

103 Information and communication is certainly a start, but needs to be backed up by other practical measures such as:

- joint sectoral working parties and standardised administrative procedures
- co-option of leading NGO figures onto policy and advisory bodies
- removal or reduction of requirements for permits and other bureaucratic obstacles set by government
- establishment of systems of grants and subsidies, often on a matching basis, to encourage community-based voluntary effort
- tax systems to encourage charitable giving by both individuals and firms
- local-level dialogue and joint action with local government.

104 Most of the attention in government and NGO relations has focused on voluntary and community organisations engaged in development and relief work. A significant contribution to human resource development is also made by other kinds of NGO, such as professional associations, trades unions, trade associations, leisure, cultural and sports associations, public interest groups campaigns and lobbies, scientific societies and so on. Some of these are explicitly in the business of human resource development with activities directed to health, education, social welfare, professional development, science and technology; nearly all have a major impact by involving their members in purposeful activities and giving them experience and responsibilities in the conduct of the organisation's affairs.

The private sector

105 The private sector has a growing role to play in human resource development programmes. Governments need to consider how, through co-ordination, regulation and encouragement, the private sector can be enabled to make the substantial contribution of which it is capable. That contribution is made both by firms active directly in the fields of education, training, health, etc. and also by those operating in other sectors.

106 Private firms' direct activity in the social sector includes:

(a) **Supply of goods and services to public education, training or health authorities:** This has traditionally included the provision of equipment, construction of buildings, supply of books, or drugs, food, etc. Although education and health services are very labour-intensive, the value of government contracts can be substantial. The contractual relationship may also extend to services like insurance and transport. In some countries all kinds of ancillary services, such as catering, cleaning and caretaking, are now being contracted out to private firms instead of being undertaken by public authorities.

(b) **Support to the public system of health and education through sponsorship, gifts, or provision of services in kind:** Such activities may be

undertaken as part of a firm's general public relations, or may be a very localised expression of solidarity between a company operating in a local area and the schools, hospitals and clinics in that same community.

(c) **Provision of fee-paying education, training and health services in competition with the public system:** This phenomenon is sometimes welcomed by government as relieving the burden on itself of social provision for a significant part of the population. Other governments actively promote private provision out of philosophical conviction. All governments have to address issues of quality control and public safeguards; meeting entitlements of the whole population and not just of those who can pay; limiting any detrimental effects on public provision of siphoning off by the private sector of good staff, facilities and students.

107 The contribution of the private sector to human resource development extends beyond enterprises working in the social sectors, however. There is the 'employer' dimension of private sector activity: private firms provide training and experience to a large part of the national workforce. The acquisition of skills and knowledge, sometimes on the job but often in large specialised company-owned training establishments, represents a major investment. It is complemented by providing experience of technologies in productive settings and of working routines of modern organisations; an invaluable contribution to promoting the operational effectiveness of the population at large. A great part of the capacities of adult men and women is derived from work experience, through learning by doing. In this connection it should be recognised that the private sector has often led the way in promoting ideas and practices which percolate through to the public sector, about the whole area of personnel management and career development including recruiting, deploying, upgrading and training employees.

108 The Japanese experience is of particular interest. There the production of high-quality, well-trained workers is a company responsibility. The lifetime employment system in Japan has made it easier for companies to provide education and training along a career path. With a declining birth rate the importance of job training increases. To meet skill shortages many private training programmes have been established, the majority focusing on new technology. The combination of on-the-job training, the use of private training companies and public education and training is seen as the way ahead.

109 A third major contribution of private firms to human resource development is in extending the knowledge base of society through their research and development work. The 'spin-off benefits' to society at large from industrial research into products and processes is enormous. Individual major international corporations in some cases employ more research workers than are available in whole sub-regions of the developing world. For example, the Toshiba company has about 30,000 research and development

scientists and engineers in its employment, which is only a few thousand less than the total number of research and development scientists and engineers reported by UNESCO for the whole of Sub-Saharan Africa.

110 The main challenge for public policy in relation to the private sector and human resource development is to develop a regime based on mutuality of interest. The public interest is strongly advanced by firms investing in the training, health, safety and welfare of their employees. Firms have an incentive to make such provision in so far that they themselves reap the benefit of having an able committed workforce in their own employ. But there is a public interest in the reasonably free transfer of new knowledge, techniques and technology between companies and between the private and public sectors; and employees have an interest in individual mobility, in wider choice of employment and in diversifying their experience.

111 Policy-makers must attempt to balance and reconcile legitimate private and collective interests and motivate private operators to undertake activities which they perceive as serving both their own interests and those of society at large. Government has a range of policy instruments available to influence private behaviour, namely: tax and other financial incentives; legislation and regulation; award of contracts; exhortation, public commendation and recognition. It should also encourage the development within the private sector of collective organisations which will help firms identify their shared interest in promoting a healthy, skilful and resourceful workforce, and which will be viable partners to co-operate with government in planning human resource development strategies spanning both public and private sectors for the benefit of the whole nation.

PRIORITY FOR WOMEN

112 Women and girls constitute half the population of the globe. Any strategy for human resource development therefore should attempt to mobilise their talents and be directed towards their needs. Until now their potential has been very much underutilised. Due emphasis must be given to their role as producers and decision-makers as well as recipients and beneficiaries of services.

113 There can be little doubt about the relative levels of deprivation from which women suffer. Among the many manifestations of this are the low literacy rates that prevail for women. In King and Hill (World Bank, 1991 p.2) it is pointed out that, out of 51 developing countries for which school data or estimates in the 1980s are available, female adult literacy is less than 20 per cent in 14 of those countries; in no country is male literacy as low. In terms of health, women suffer more than men from iron deficiency anaemia, from stunting caused by protein malnutrition and from iodine deficiency. In the workplace they tend to be concentrated in lower status, low pay and low productivity occupations and are more likely than men to be unemployed.

114 The correction of these and other gender imbalances requires affirmative action by governments. This involves entitlements and incentives to enable women and girls to access education, credit, markets, jobs, public health care, legal services, decision-making fora, shelter and good sanitation. Empowerment of women and girls must be central to any human resource development agenda (see Box 12).

Box 12 *Women in the Commonwealth Caribbean*

Compared to women in many other parts of the developing world, Caribbean women enjoy many advantages. Their life expectancy approaches, in some cases exceeds, 70 years; education, at both primary and secondary levels, is generally available and accessible; labour force participation rates are more favourable than those for women in many parts of the developing world.

However, growing evidence from around the region attests to the gradual but persistent erosion of such development gains as may have been achieved in the past. Women face:

- growing unemployment
- declining real wages
- unsatisfactory working conditions in export processing factories
- persistent occupational segregation
- discrimination in promotion procedures
- increasing sexual exploitation at the workplace
- increasing levels of mental illness
- increased violence
- increasing levels of maternal mortality, morbidity, and nutrition-related diseases
- increasing malnutrition among young children

Development strategies that ignore or are insensitive to women's reproductive responsibilities are unlikely to make a connection between the parameters of those strategies and the problems women face.

It is hard for poor women to find a steady, reliable source of income to provide food, clothing and shelter for their households. One of the effects of the economic crises of the 1970s and the 1980s has been to curtail opportunities in paid employment and to open up more self-employment activities, especially street vending, petty commodity production, personal services and small-scale transportation. But the self-employed sector is crowded, returns are often minimal and there is no security.

Source: From Joycelin Massiah, in *World Development*, 1989

115 We have already identified (para 22) the fact that women are in a strategic position in human resource development as those primarily involved in the upbringing of the young and as managers of households. They play a pivotal position in ensuring that the potential of future generations is not impaired through avoidable malnutrition or damage to health. Ante-natal and neo-natal care is of vital significance in this connection.

116 The education of girls and women brings particular benefits to society on a number of special counts. Firstly, the mother's education is of crucial importance in ensuring that children attend school, acquire literacy and become effective members of society. Secondly, it is a safeguard for the children's own health and nutrition. Thirdly, educated women are also likely to be better household managers and more informed producers, consumers and traders. Fourthly, education gives women better access to the employment market and earning opportunities. Finally, women's education has a constraining effect on fertility by simple virtue of the fact that high-school and college enrolment tends to entail postponement of marriage and sexual relations. Educated women are more likely to attach high priority to family spacing and to acquire the knowledge to bring this about.

117 Of the many obstacles to be overcome if women are to have a larger role in society and development, some are cultural, some legal, and others require to be addressed by policy and programming (see Box 13).

Box 13 *Making* Development Gender-Responsive: The *Philippines* Experience

The National Commission on the Role of Filipino Women (NCRFW) prepared the Philippine Development Plan for Women (PDPW) 1989-1992 to accompany the Medium-Term Philippine Development Plan.

NCRFW recognised two conditions for the effective operationalisation of the Plan:

a committed and capable bureaucracy:

- a participatory approach to Plan development
- a Presidential imprimatur
- support for focal points in the bureaucracy
- women and development training and orientation
- policy and programme planning guidelines
- database programme on gender

a supportive environment:

- forging alliances – within government
  – across parties
  – globally

- support for the needs of women employees
- sexual harassment and discrimination programmes
- involving women in key executive positions
- developing links with women politicians

118 In terms of culture one must recognise that the problem is deeply rooted in traditional beliefs and values. Appropriate roles for women are defined in each culture and in many instances women have separate and often inferior status in terms of access to resources and decision-making. This reflects back into language, social observances and behaviour and leaves women with a sense of their own inferiority and incapacity. Much can be done through strong political leadership, through information services and the education system to promote among women a different perception of their capabilities and a greater sense of ambition.

119 A second set of constraints arises from gender discrimination in many different areas, be it the right to vote and participate in the political process; exclusion from certain occupations; limitations on the legal right to acquire, hold and dispose of property; restriction of choice as regards entering into or relinquishing marriage, and rights to guardianship of children; different ages of retirement from employment and different entitlement to social security benefits. Where these forms of differential treatment are institutionalised in the law or regulations, revision of those provisions should be high on any government's agenda.

120 Apart from removing the most obvious instances of discrimination, a programme of affirmative action on behalf of women is needed in all organisations and all areas of activity. In some cases, where women suffer from historical disadvantages, it will be necessary to adopt special measures to promote their access to the education and training necessary to help them overcome these obstacles. Measures may include direct action in terms of scholarships, fees and charges, and creation of additional places for women; also indirect support for families who may be inhibited from sending girls to school by lack of funds or by a continuing need for the child-minding and other domestic services which girls may customarily provide in the household. The restructuring of education provision to make possible part-time and evening study, as well as home-based learning at a distance, can yield important benefits in women's access to education.

121 Equally, special provisions may be required to assist women to obtain better access to employment. Because they carry the main burden of caring in society, this may require organised community or government provision of creches and nursery schools, or caring centres where the elderly and the sick can be safely left during the working day. In addition, employment structures need to be tailored to the position of women, particularly by making available part-time paid employment, recognising women's commitment to the home and family as well as to the workplace.

122 Commonwealth governments have identified many practical measures which may be taken to enhance the role of women in society and to mobilise their contribution to development. They include:

- developing gender-specific indicators to provide benchmarks for assessing women's progress and making policy interventions where necessary
- researching aspects of gender, the economy and society
- strengthening of women's organisations and groups through outreach programmes
- enhancing women's access to education and training
- structuring of the labour market and employment opportunities, as well as education and other services, to meet the convenience of women
- removing discriminatory laws and regulations which adversely differentiate women's roles and rights from those of men
- insisting on gender-free language in all public documents
- setting up public information campaigns on behalf of women's role in society
- taking affirmative action in selection, recruitment and promotion of women in the workplace and special programmes of staff development
- giving special attention to expanding services which will reduce the burden on women's time, especially those concerned with caring, provision of water supply and labour saving services to the home
- including women in all decision-making fora
- establishing ministerial posts in government with special responsibility for women's affairs, and women's bureaux
- adoption by governments and other public and private organisations of Plans of Action for Women.

123 In all these ways we believe that governments can give a firm lead to the whole of society in adopting measures which will ensure that the rightful place of women and girls in human resource development is recognised and brought to realisation.

MOBILISING RESOURCES

124 The shortage of financial and other resources for human resource development is the background to everything in this report.

125 To illustrate the enormity of the problem one estimate suggests that the additional recurrent costs associated with achieving gross enrolment ratios of 100 in primary schools by the year 2000 in all countries would amount to US$60 billion. The additional amount needed to achieve net enrolment rates of 100 and some qualitative improvement in schools is calculated at US$100 billion: an amount roughly equal to total expenditure on education in developing countries in 1990 (see Hinchliffe's study on Resources annexed to this report).

126 Governments have a central responsibility to ensure access for all to health care, food, clean water, good sanitation, family planning services and primary education. These are the foundations of human resource development. Evidence from countries which have experienced rapid rates of economic growth in recent years demonstrates that expenditures in these areas have considerable economic returns.

127 There are two main ways in which governments can mobilise additional resources for human resource development. The first relates to levels of government expenditure; the second to non-government resources.

128 Governments can endeavour to increase revenue and levels of overall expenditure; re-allocate resources across sectors; and re-allocate within sectors. More careful targeting may offer a way of using existing resources more effectively.

129 Substantially increasing overall government expenditure is not realistic for most countries. The national economy is insufficiently bouyant to generate the needed resources from taxation and other domestic sources. However, the international community could certainly be helpful in enabling countries to benefit from more favourable terms of international trade; in increasing the proportion of aid that goes to human resource development; and through debt relief.

130 Only a relatively small proportion of development aid goes to priority areas of human resource development. In 1989 6.7 per cent of bilateral aid of OECD/DAC countries was for health and population programmes; 10.7 per cent for education. Technical assistance, training and consultancy services for other sectors provide important additional support for human resource development in addition to what is done in education and health, though the benefit is somewhat eroded by the need to purchase the services supplied at prices prevailing in the supplying industrialised countries.

131 In Sub-Saharan Africa more is spent by governments on debt servicing than for education and health services combined. The cancellation of debt offers one significant way of generating more resources for human resource development.

132 Re-allocations across sectors could release significant resources for human development. Many poor countries spend two to three times as much on arms as on education and health. 'Even if Third World military spending were frozen for the next few years, rather than rising annually at 7.5 per cent, this would release $US10-15 billion each year for human development, (UNDP, Human Development Report 1991, p.82).

133 Re-allocations within a sector may be necessary if key and basic human resource development needs are to be met. While education and health together share between 17 and 23 per cent of total government expenditure, less than half is allocated to low cost, basic services for the

poor. For 30 per cent of health budgets to be spent on sending a privileged few for treatment abroad is not unknown (UNICEF, State of the World's Children 1992). Commonly, upward of 30 per cent of government's education expenditure is spent supporting the best educated five per cent. Within aid allocations too, there is a skewing towards the 'upper' and more selective end of the two sectors, for example, hospitals and universities. The aid community needs to re-assess its priorities if the alleviation of poverty and sustainable development is really to be the prime focus.

134 Switching resources across sectors and within sectors requires political commitment and will. It can be done – as Bangladesh's health care system demonstrates (see Box 14).

Box 14 *Bangladesh's Health Care System*

Bangladesh inherited an urban based, curative health care system. Now the system, based on the primary health care concept, has an institutional network for providing health care facilities from the grassroots level upwards. This shift is reflected in the increasing share of rural health clinics in the health budget – rising from 10 per cent in 1978 to 60 per cent in 1988.

Source: UNDP, Human Development Report 1991

135 A hotly debated issue in both developed and developing countries is the effectiveness of targeting those who are most severely disadvantaged. In developed countries the debate is in the context of the very high outlay per beneficiary involved in providing social support as part of overall welfare provision. In developing countries the issue is how to better target very substantial numbers of poor people.

136 There is a powerful case for seeking to ensure that where benefits are appropriable by individuals, public provision of social services should be carefully targeted on those most in need, with the rest of the population paying some or all of the costs of the services they receive, thereby sustaining human resource development. In practice this is a hard route to follow, both politically and technically. The difficulty is that social benefits are not completely appropriable but spill over to the whole community; people are not islands unto themselves. A particular problem is to ensure that in cases where it is justified to move from a system of general subsidy to one focusing only on those in need, the poor do not fall by the wayside because of patronage and corruption and ineffective systems of administration.

137 Governments can also encourage and facilitate the flow of resources from non-government sources. One argument for doing so is that a shift

from public to private support may make it more possible to focus government funds on the most basic among human resource development concerns. At the same time, however, any recourse to sources of funding independent of government carries with it the inevitability of greater inequality. Communities, families and individuals have different levels of resources so that a greater reliance on private initiatives is bound to increase the differentiation in levels of service consumed, and therefore makes people's life chances less equal.

138 One strategy for governments is to mobilise individual financial contributions to the public system of education and health care. It is possible to levy user charges and/or prepayment insurance schemes to offset some or all of public expenditure. The percentage of total costs offset in this way tends to be very low. Most assessments argue that charges of this type are a disincentive for the poor and reduce the take-up of services.

139 A second option is to charge consumers for higher order services, for example, higher education, where private demand and private returns are high. Charges, often accompanied by loan schemes, for tertiary students provide a major example. Experience suggests a poor repayment record for such loans in developing countries. It is also not clear that the public expenditure savings generated by the charges are in fact redirected to basic education and health, which is the justification often made for introducing user fees.

140 Another strategy is through the provision of services by the private sector, that is, the direct purchase of services from non-government providers, both for profit and non-profit. In theory this allows more public resources to be expended on those who cannot afford recourse to non-government provision. This approach is most apparent in the health sector (75 per cent of Indian doctors and 30 per cent of hospital beds in Nigeria are in the private sector). It raises questions of the availability of information to the poor and the sick; of whether the private sector will focus on those aspects of care which are most profitable; and of the competition among providers for scarce staff.

141 Mention was made earlier of the role which the private sector can and should play in facilitating human resource development. Employer family planning programmes have been in place in India since the 1930s. A study of private sector in-house training in Jamaica estimated that expenditure was equivalent to 7 per cent of the Ministry of Education's total budget and 27 per cent of its allocation for technical, vocational and tertiary education. In Latin America payroll taxes finance public sector training programmes. A range of countries elsewhere use a levy-grant system to encourage firms to develop their own programmes.

142 Non-governmental and community organisations provide another alternative but are rarely able to mobilise substantial resources on a sustainable basis. Their comparative advantage tends to be in making innovative

use of those financial resources which are available to them or in mobilising non-financial resources such as unpaid labour.

THE USE OF TECHNOLOGY

143 Human resource development strategy should seek to capitalise on the possibilities opened up by technological change. Technological development has implications for all aspects of social, political and economic life and provides the inescapable context for human development strategies.

144 Societies tend to be judged by their technological capabilities. Technologically advanced ones are described as developed countries; the technologically less-advanced as developing countries. Technology is potentially a great leveller, cutting across social, cultural and national boundaries and barriers in the opportunities it opens up. But machines, tools and materials may be costly, so that there is a danger of technology being disequalising unless solid arrangements are made to share access and control of technology. Also machines are only as effective as the people who create, manipulate and manage them. Technological development consists in finding a more efficient and effective way of doing things, thereby paving the way for progress: technology embodies problem-solving.

145 One analysis (World Bank, Knight and Wasty 1991 p.14) recognises six main elements of technological transformation:

- the increased rate of technological innovation (especially in microelectronics, biotechnology and new materials)
- the cross-cutting nature of technological change (the application effect)
- shortened technology life cycles and flexibility in meeting needs
- increased automation with a smaller role for unskilled labour
- increased energy and material savings
- substitution of traditional materials with new ones

146 Technological development is transforming the opportunities for and methodologies of human resource development. Technologies relating to modern communications – computers, desk-top publishing, solar lighting, video – are increasingly critical for expediting the process of learning and access to it, for increasing productivity, for enhancing efficiency, communications and outreach. In particular, the opportunities to standardise and custom-design modules for distance learning and information exchange are important and encouraging developments.

147 On the other side of the equation educating people in the skills and understanding of mathematics and science, and their applications, is fundamental to technological advance. The understanding, appreciation, assessment, application, development, management and monitoring of technology depend on a good infrastructure of education and training in science and technology, maintaining research and development units and institutions,

and on a supportive environment in terms of social attitudes and official policies.

148 In short, the benefits of technology enhance human resource development; and human resource development in its turn is the foundation needed to create the capacity to develop and apply technology for productive, problem-solving ends – a virtuous circle.

149 One part of the challenge is to overcome the mystique of technology. In many developing countries it is still seen as alien, urban and high-tech, rather than something which is already central and relevant to everyday lives.

150 A new way of thatching roofs, new uses for discarded containers, combining new plastics and metals with materials locally available are ways of using technology for human betterment at grassroots level. There is ample evidence from some of the toys and other contraptions made by children of the large reservoir of human inventiveness waiting to be developed and tapped.

151 Basic education, especially in mathematics and science, can stimulate the qualities of curiosity, experimentation and adaptation and has a major role to play in the development of a technically literate society.

152 International NGOs like Intermediate Technology have played a significant role in the promotion of low-cost technology. At the national level, campaigns of public education using the mass media, exhibitions, science fairs and competitions are needed. Overall, there is a need to promote technology as a problem-solving instrument central to a country's attitude and approach to development.

153 A second challenge is to develop institutional capacity to develop, adapt and adopt technologies to support human resource development. In many countries, this institutional base is extremely weak. One indicator of this is provided by the number of research and development scientists per 10,000 of the population (see Box 15).

154 Recent studies of industrial development in Ivory Coast, Nigeria and Tanzania show a continued failure to develop indigenous technological capabilities in much of formal sector African industry. There is a lack of fit between the industrialisation model adopted and the environment, in terms of skills, resources, markets and social structures; gaps between the capital and technology needed and domestic savings and skills. The industrial model does not generate a build up of technological mastery; solutions for technological or economic problems are sought from external sources or government finance. (Stewart, Lall and Wangwe, 1992)

155 It is necessary to develop a technology culture in government, industry, commerce and services which is driven by the desire to help meet

Box 15 ***Research and Development Capacity***

Country	Research and development scientists and technicians (per 10,000 people 1986-89)*
Australia	33.0
Canada	34.0
France	51.0
Germany	47.0
Japan	60.0
Sweden	62.0
Egypt	6.0
Fiji	1.8
Guyana	3.5
India	2.5
Korea	22.0
Malaysia	4.0
Mauritius	3.4
Nigeria	0.7
Pakistan	1.5
St Lucia	10.4
Trinidad and Tobago	4.5

**Source:* Human Development Report 1993 (pp. 144-145 and 194, Tables 5 and 32, Human Capital Formation)

the basic needs of the poor and to foster income generation and wealth creation in order to operate in a highly competitive, global market economy. Public and private sector research and development has a critical role to play if the competitive edge of a country is to be developed and sustained. This requires commitment on the part of government to enable industrial firms and other institutions to fund and manage their own programmes of research and development; and incentives to promote a climate for their investment in research and development individually and collectively. It also requires the mobility of scientific and technical personnel between industry (public and private), government and the academic world as one way of harnessing scarce expertise to address specific problems.

156 A report from the Carnegie Commission on Science Technology and Government in the United States (1993) argues that:

> Science and statecraft live in unresolved crisis. The consequences and power of science, both useful and harmful, are too important to be ignored. Yet the modern state is only beginning to incorporate modern science fully into its daily routines.

157 The report recommends 15 steps for the organisation and decision-making machinery of government to enhance the beneficial consequences of science and technology and to avert the unwanted results. These are:

(a) **The White House and Executive Office of the President:** Strengthen technical and advisory support at the highest level; integrate science and technology into the cross-cutting policy issues of environment, energy and the economy; co-ordinate across the Federal Government.

(b) **Congress:** Improve the quality and the way Congress receives scientific and technological information.

(c) **Judiciary:** Resource centres within the scientific communities and the judiciaries plus a non-government science and justice council to help courts manage and adjudicate cases involving science and technology information.

(d) **States:** Involvement in Federal policy-making through the setting up of a national organisation to speak for the States in technology matters.

(e) **International Affairs:** Action to bring an understanding of science and technology to diplomacy.

(f) **Global development:** Harnessing the potential of science and technology for co-operative global development through a National Roundtable for International Development.

(g) **International science advice:** Assistance to international decision-making by governments and international agencies, especially as it relates to global prospects for sustainable and equitable development.

(h) **National Security:** Integration of defence and commercial technology bases; a shift from a regulation based defence acquisition system to a market-based procurement system.

(i) **Economic performance:** Forging of strong partnerships between business, labour and universities; the Defence Advanced Research Projects Agency to be transformed into a National Advanced Projects Agency.

(j) **Mathematics and science education:** Strengthen mathematics and science education in primary and secondary schools.

(k) **Environment:** Environmental research and development, monitoring and assessment programmes should be integrated and directed to well-established goals.

(l) **Regulation:** Risk inventories should be compiled (food, drugs, occupational safety and health, environment, consumer product safety).

(m) **Non-government organisations:** NGOs should review their missions in advising government, develop co-operative consortia and promote policy at the national, state and local levels to improve pre-college science and mathematics education.

(n) **Technical leadership:** Improved systems for the recruitment of scientists and engineers at the highest levels in government.

(o) **Long-term goals:** A non-government national forum on science and technology goals to foster national discussion among all major sectors of society on objectives and priorities for future decades.

158 This is an agenda for a technological superpower. It illustrates the importance of science and technology across all facets of government and of development. In developing countries there is a strong need to develop indigenous capacity to address most of the issues on the Carnegie agenda in a different economic, social and political context.

159 The Jakarta Plan of Action (ESCAP, 1988) identifies science and technology along with employment and manpower development and the quality of life as the three key dimensions of human resource development. It argues for greater attention for scientific and technological research aimed at resolving quality of life issues. This requires support for science and technology institutions, strengthening their capacity to develop and adapt technologies to meet national needs; and establishing formal and informal links between public sector science, technology institutions and the private sector.

160 Policy on science and technology cuts across sectors. It needs to take account of existing technologies, institutional infrastructure and skills; be abreast of developments internationally; and assess the scope for innovation locally. It should strike a balance between current needs and future growth. A multi-pronged approach requires:

- focusing on areas in which it is possible to achieve national competitiveness; on critical areas of infrastructure; on basic human needs; on resources which have the potential for future growth and prosperity
- developing the science base at primary and secondary school
- encouraging skilled middle-level technicians through technical and vocational training
- fostering the development of technology facilitators, that is, those involved in technology transfers, acquisition and marketing
- promoting research and specialisation in national and regional universities with a focus on clearly identified problems to be met within a set time-frame
- encouraging the private sector to invest in research and development and not rely on imported technology alone; providing incentives to

industry to invest in research and development; treating industry as a creator of technical skills

- involving the private sector in the production of low-cost technology for basic human needs; sensitising the private sector to the needs of all parts of the national community
- marketing of new nationally-developed technologies; setting up joint approaches by nationally-funded institutions and industry
- encouraging scientific talent through appropriate personnel policies
- supporting regimes which balance the need to support patenting and intellectual property rights while facilitating the dissemination of research findings and methodologies
- establishing national partnerships and consortia among national laboratories and academic institutions, universities and industry, institutions and consumers
- establishing international partnerships to achieve technological interdependence rather than technological self-sufficiency
- ensuring the development of technology which supports environmental sustainability

161 A clear implication of a list such as this is the need to augment continuously the number of scientific and technical personnel in relation to a country's population. In addition, in many countries it is desirable to establish a new balance between scientific and technical personnel requiring investment in polytechnics, technical and vocational institutions; and training and retraining for industrial and technical personnel on a vastly increased scale.

162 The quality of research and development institutions requires special and specialised attention. Incentives are needed to recruit and retain personnel of high calibre. Induction into new technologies, rewards for the introduction and application of new ideas and techniques, opportunities to experiment in flexible and innovative ways, the chance to network with other individuals and institutions, are all, with other measures, part of a package to encourage professional commitment and development.

163 One of the key technologies for the future is information technology. The implications for human resource development are immense. Information records facts and opinions and advice. It provides the means for making calculations and assessing alternatives at speed, and in a variety of ways, unprecedented in human history.

164 It offers opportunities to network people, ideas, initiatives and actions across the world at electronic speed. It has the potential to create new work cultures, methods, values and environments essential in competitive, open and global markets.

165 It offers the possibility of greater openness, accessibility, accountability and decentralisation. It can vastly increase the efficiency and responsiveness of government. Equally it can be used by the state and other

powerful bodies to control information about people and resources. It can break hierarchies and bring about new organisational disciplines. It can improve productivity and cost-effectiveness.

166 The new technology can transform the prospects for humanity provided that it is accompanied by the human resource development that equips people to master it.

III The Mission Approach

167 Human resource development covers a broad and complex agenda which involves the institutions of central and local government, the private sector, voluntary associations, and individual citizens both as participants and beneficiaries. It is an on-going process; its success defined by qualitative improvements in the lives of people. It requires long-term commitment and leadership on the part of government extending beyond the lifetime of individual leaders and parliaments.

168 Human resource priorities vary. The Commonwealth includes states where more than half of all young people go to university or college, and others where more than half of all children never go to school at all and where many of their parents are constantly short of food and shelter. The priorities for action cannot be the same for both.

169 Yet whatever the context the five key strategies outlined in this short report hold firm. Human resource development does require well-managed government. Policies and programmes which help to release the potential of women and girls are critical and strategically important components of human resource development in all societies. Governments do have basic responsibility for defining, leading, and delivering human resource development programmes; but partnerships within and beyond government give added strength, credibility and purpose in meeting the specific and local needs of individuals and their communities. Partnerships help to release resources. Whilst government is the main provider, all available resources, whether financial or non-monetary, need to be harnessed in support of human resource development. Furthermore, no human resource development strategy in the 1990s can fail to utilise and strengthen science and technology. Ensuring that these strategies work in concert is the central challenge for government; how to get people, capital and institutions to work in harmony to achieve a common end.

170 Defining common ends and setting achievable targets is a central task for governments. But the history of development over the past forty years is littered with targets which have been set but not met; in some instances targets which never had any chance of being met. Yet attainable targets need to be set; especially in respect of the basic preconditions of life. To quote Anand and Sen (themselves quoted in the UNDP Human Development Report, 1993 p. 107):

> The important question concerns the lives that people lead – what they succeed in being or doing rather than the goods they consume... Do they have the capability to live long? Can they escape preventible morbidity? Do they avoid illiteracy? Are they free from hunger and undernourishment? Do they enjoy personal liberty and freedom? These are the basic features of well-being which derive from looking at people as the centre of all development activity.

171 The World Summit for Children (1990) set some international targets in response to questions of this type. **Goals for Children and Development in the 1990s** were recommended for implementation by all countries where they are applicable, with appropriate adaptation to specific national situations. Twenty seven goals were identified in respect of reduction of mortality, women's health and education, nutrition, child health, water and sanitation, basic education and children in difficult circumstances.

172 Both the World Summit for Children and the World Conference on Education for All (1990) have resulted in countries developing national plans, setting targets and putting programmes in place (see Box 16). These plans address important elements in the human resource development agenda. In another context, UNDP notes in its 1992 Annual Report that 28 developing countries (including Bangladesh, Botswana, Ghana and Pakistan)

Box 16 *The Children Cannot Wait – Ghana*

Ghana's National Programme of Action (NPA, 1992) on the follow-up to the World Summit on Children is a ... clear recognition of the importance of human development in the overall process of economic growth... Setting down strategies for education, health, nutrition and population growth for a decade from 1993, it [The Children Cannot Wait] states the following major human development goals for the year 2002:

- universal access to basic education and completion of primary education by at least 80 per cent of children in the age group 6-12 years
- reduction of adult female illiteracy by one half
- reduction of infant and child mortality rates by 35 per cent; from 77 to 50 per 1,000 live births and from 155 to 100 per 1,000 live births, respectively
- reduction of severe and moderate malnutrition among children five years and under by one half
- reduction in the proportion of children in especially difficult situations such as those abandoned or orphaned
- reduction of maternal mortality by one third
- increased access to safe water supply in rural areas, from 50 per cent to 90 per cent of the population
- universal access to safe water disposal facilities from a starting base of 74 per cent of the population
- widespread acceptance and observance of the Convention on the Rights of the Child

Source: Elizabeth M King, Paul Glewwe and Wim Alberts, PHREE Background Paper, World Bank 1992

have sought UNDP assistance in applying the human development concept to their national development plans. Twenty nine Sub-Saharan African countries are participating in the UN/World Bank Social Dimensions of Adjustment initiative. There are 48 signatories to the Jakarta Plan of Action on Human Resources Development in the ESCAP Region which includes the recommendation that plans of action for human resources development should be formulated and executed at the national level.

173 UNDP's Human Development Report 1993 (pp.19-20) recognises ten significant steps in putting a human development strategy into place:

(a) Prepare a national human development report (circumstances, statistics and policy concerns).
(b) Prepare a human development country profile.
(c) Improve human development statistics.
(d) Set human development targets (qualitative as well as quantitative).
(e) Cost the targets.
(f) Clarify who does what.
(g) Establish who will pay.
(h) Design a national strategy.
(i) Seek external co-operation.
(j) Build political alliances.

174 This plan of action represents a complex process. No country starts with a new and clean slate. It operates within existing political and economic circumstances. It is a process which in many countries will outlive the present incumbents of political power. It may require shifts in resource allocations, the benefits of which will not be realised for 10 to 20 years and will not be easily measurable because they are qualitative rather than quantitative in character (for example, participation in local politics; life-long learning). It will involve alliances with partners who have had a tradition of uneasy relations with government.

175 The ten steps are technical in nature. However,in part or in sum they are unlikely to be productive unless they are a part of a vision and a commitment which stems from the leadership of government and in many countries from the head of state.

176 One of the things that has impressed our Group is the evidence from rich and poor countries alike of concerted efforts to address specific issues and problems within a set of clearly defined human development goals. This requires some new ways of thinking on the part of governments; new partnerships, new mechanisms and new approaches in relationship to those from whom it draws its authority.

177 In this context the Working Group took particular note of the concept of national missions; an approach exemplified by the technology missions developed in India in the 1980s and developed elsewhere subsequently (see UN Advisory Committee on Science and Technology for Development, 1990).

178 The application of the mission approach to human resource development deserves the attention of governments. National missions for human resource development offer a credible and manageable way of addressing national priorities in a comprehensive but carefully targeted manner. Missions do not involve the creation of new and elaborate bureaucratic machinery. They are a means of utilising existing resources and administrative infrastructure more effectively; of harnessing the institutions of government to meet agreed ends. Their process entails a greater diffusion of responsibility within the system which itself contributes to human resource development.

Figure 1: Defining a national human resource development mission

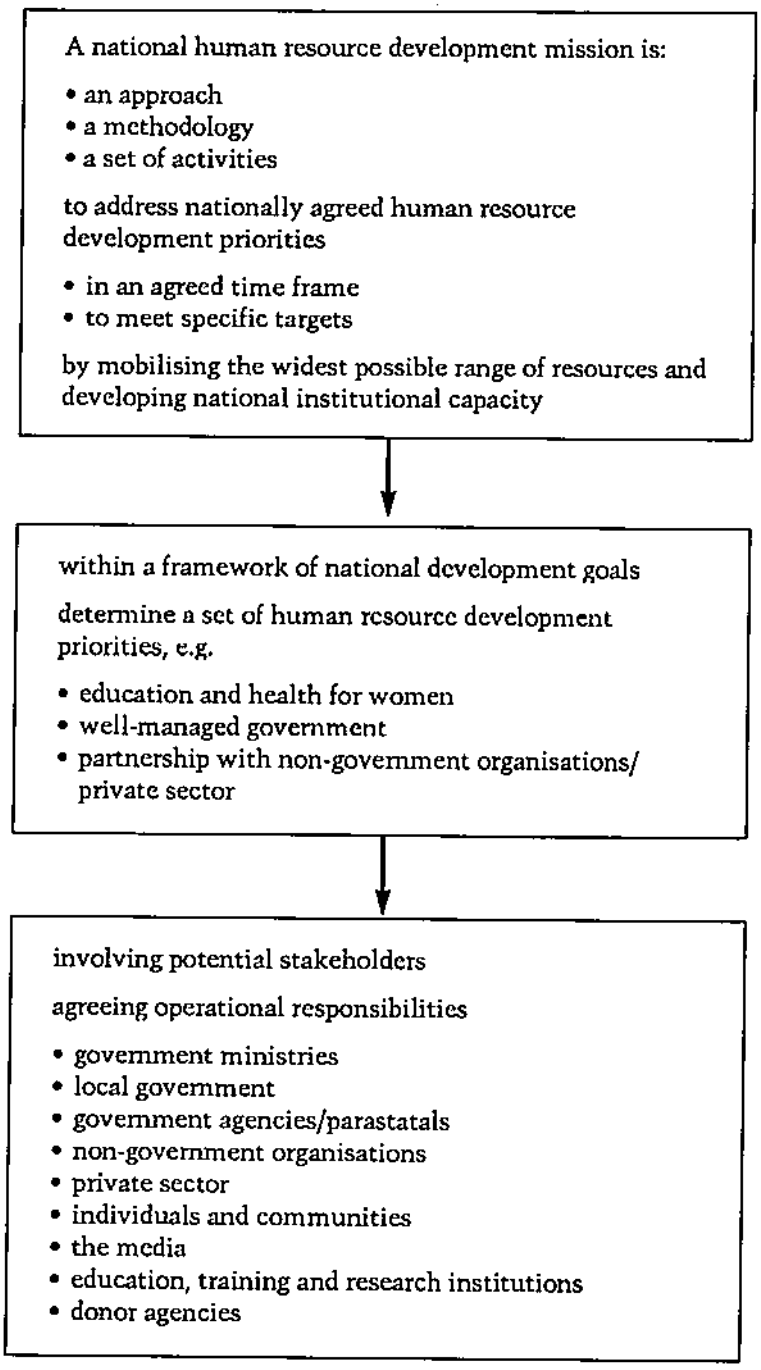
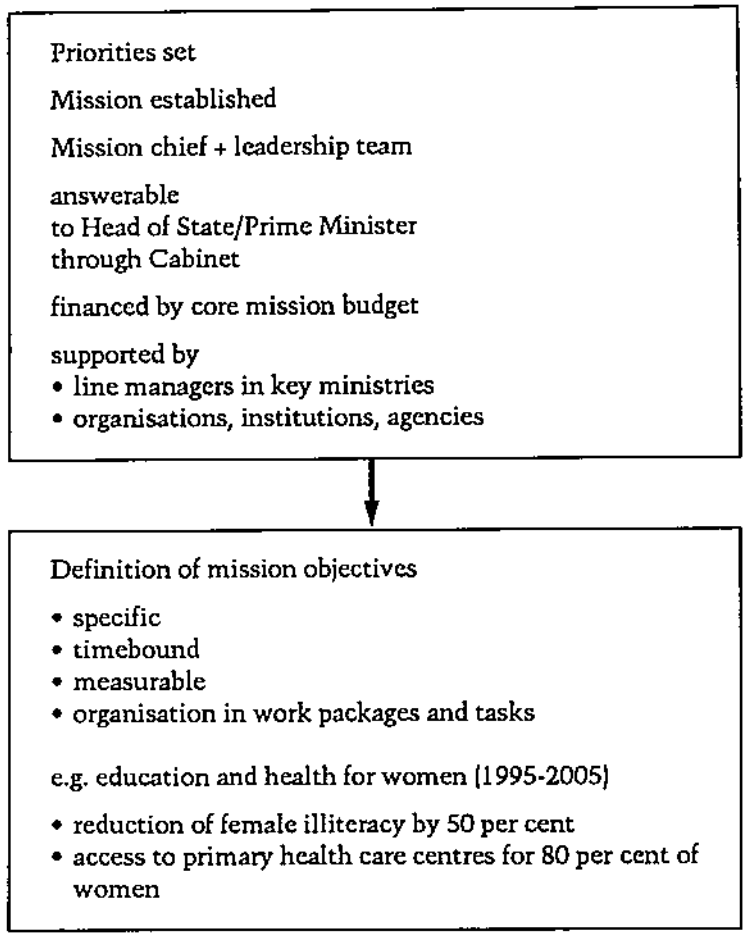


Figure 2: *The organisation of a national human resource development mission*



179 Figures 1 and 2 illustrate how a national mission might be conceived and organised. It highlights a number of central characteristics of the mission approach:

(a) The mission is established by the highest level of government.
(b) It is directly answerable to the head of state, prime minister or cabinet, who gives strong public commitment to the mission; and to a co-ordinating body made up of all the principal stakeholders relevant to the mission's focus of activity.
(c) It is headed by a person of achievement and public acceptability, with access to the highest levels of political authority.
(d) The head of the mission will motivate, manage, monitor and mobilise resources; interact with ministries, institutions, parastatals, the media, voluntary organisations and external agencies and have the authority to draw on their services.
(e) The head of mission will be responsible for the formulation of mission objectives and programmes following consultation at all levels, including those who will be the ultimate beneficiaries.
(f) A mission document will have widespread publicity with the active support of the media.

(g) The mission will have its own core budget.
(h) The mission will have its own small management team.
(i) The mission comprises a set of mini- or sub-missions each with their own specific focus.
(j) The mission will be enacted through partnerships; with ministries, NGOs, the private sector, the media, individuals, etc. as appropriate.
(k) Missions have specific lifetimes. They are there to meet an end; they are not ends in themselves.

180 Public Service 2000 in Canada, Ghana's The Children Cannot Wait, India's Technology Missions for drinking water, immunisation and literacy, Malaysia's Vision 2020 and many other examples suggest that countries are moving in the direction of giving focused attention to specific priorities.

181 These 'missions' are characterised by clearly established targets to be met within a given time frame. They are publicised and widely debated. They are accountable to the highest levels of authority. They are visible in the localities or departments or institutions where their impact is ultimately to be made. They are led by government but necessitate partnerships. Their style, their management, their activities are not bound by existing regulations and structures; they are by their very nature cross-sectoral and responsive to particular needs in particular places.

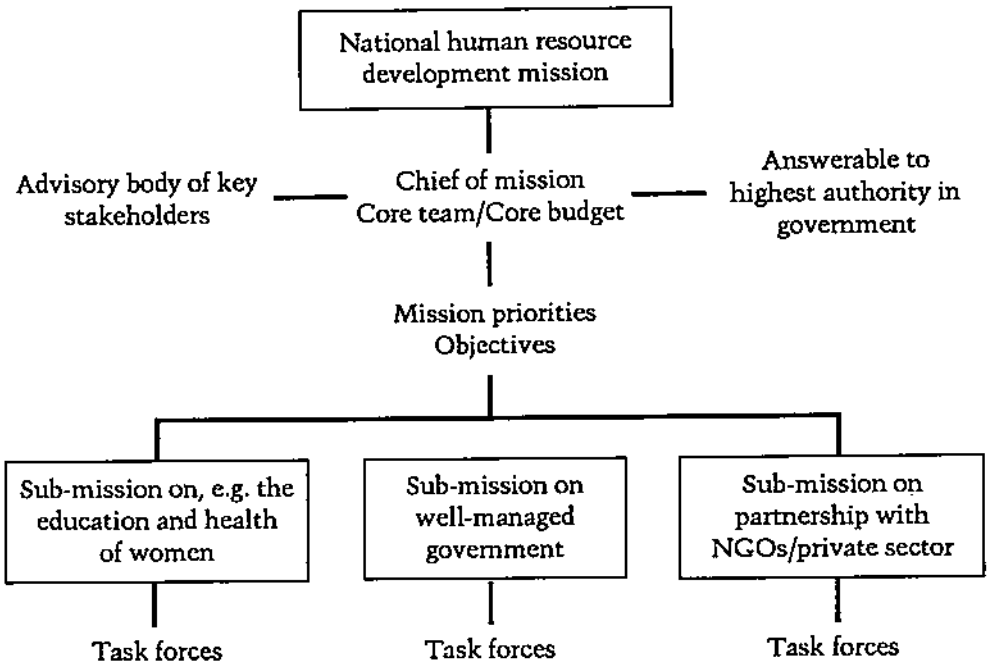
182 If they work well they incorporate a number of the key strategies to which the Working Group gives priority. They can be a demonstration of well-managed government. They cannot work unless they are open, transparent and accountable, giving ministries and others clearly defined targets which they have to meet. They necessitate co-ordination, decentralisation and partnership. They have a mandate to mobilise resources in an imaginative way from a variety of sources and, as the Indian examples show, they must make the best use of technology, whether old or new, whether adapted, adopted or newly developed, in support of their objectives.

183 It is clearly unrealistic to believe that a human resource development mission can address the totality of the human development agenda. The mission approach assumes that a set of key priorities will be identified and become the focus for specific mission objectives and activities.

184 Priorities, approaches and objectives will be country specific, matching local realities and local needs. No one 'cook-book' formula can be applied to countries with different stages of development, different forms of government and different resource availability.

185 Despite these differences, our principal recommendation is a single one: each government should establish a national mission for human resource development. It will be for each mission, in the light of the circumstances prevailing in that country, to work out both an overall human resource development operational plan and to identify, as part of such a plan, those sectors which merit priority and the time frames within which

Figure 3: Organogram of a national human resource development mission



particular sectoral targets are sought to be achieved. The components of this overall plan and the priorities on which they rest will naturally vary from country to country. Nevertheless the Group is convinced that the three components of well-managed government, priority for women, and partnership with non-government organisations and the private sector, will be common to all countries and should be accorded primacy by each national mission (see Figure 3). Each of these components would constitute a sub-mission with its own dedicated task force but these would report to the national mission and be conscious at all times that they are part of something bigger.

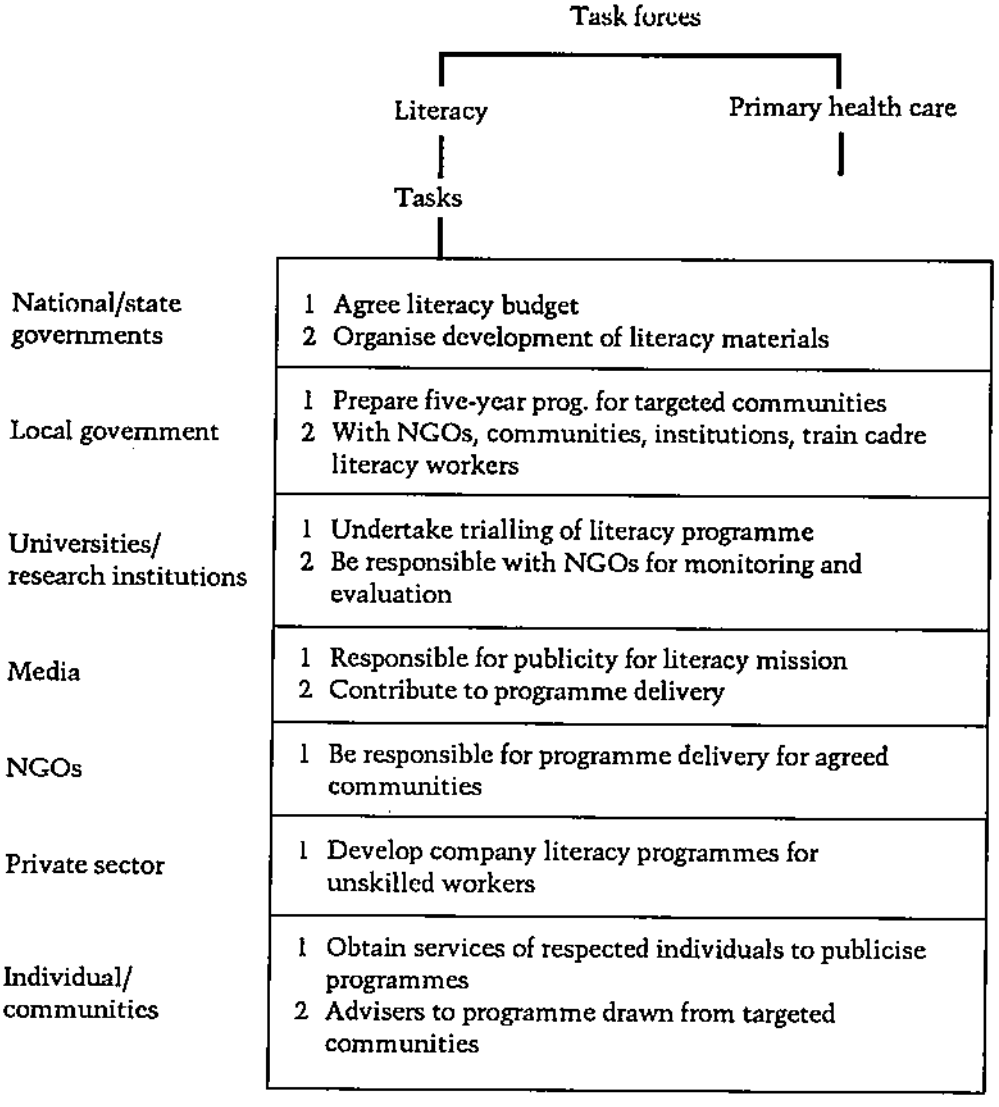
186 Governments are themselves aware that there is much to be put right in their own houses. Enmeshed in regulations and procedures from a different age; hierarchical and compartmentalised; concerned with maintenance rather than with change; sometimes overstaffed; faced with an agenda well in excess of the resources available; governments need reform if they are to provide the political and technical leadership for human resource development. Governments have to learn how to co-ordinate across sectors, genuinely devolve power and authority and work in new and productive partnerships. They need to use technology in support of their own effectiveness and as a tool for human development nationwide. The reform of government to be a genuine public service deserves its own focused attention through a human resource development mission.

187 Women have to be given pre-eminence in the human resource development agenda, both for reasons of equity and also because they are at the centre of all aspects of social and economic development. This demands

special and focused efforts to provide access to basic education [see, for example, Figure 4]; the provision of health services at the community level; access to family planning information and services and access to credit, training and equal opportunities in the labour market. These are needs and targets which could be addressed productively through the mission approach.

188 The Working Group has noted both the strength and the weaknesses of the work of non-government organisations in support of human resource development. At its best it is innovative, democratic and life-changing for the communities with which the organisations work. At worst, it is ephemeral and unsustainable; high on rhetoric, low on productivity. Whatever the judgement, the heterogeneous non-government sector is one with which governments need to work. Together there is the potential for value added activity. Yet developing the partnership is problematic – 'antagonistic co-operation'. This is an issue which needs to be addressed

Figure 4 Example of a sub-mission: education and health of women



head on. It is not a human resource development objective or end in its own right but it is a problem which needs to be cracked and one which could benefit from the mission approach.

189 The private sector is also active in support of human resource development in many countries. In some it is a major contributor especially in the area of training and skills development. It is often better equipped than government to provide and sustain human resource development investments which are specific to local circumstance and need. Governments should provide an environment which encourages and strengthens this capacity; which builds partnerships through consultation in the design of human resource development strategies and in support of the delivery of services by the private sector where these match national human resource development priorities. While there is acceptance of this in theory, in practice co-operation between government and the private sector is often bedevilled by attitudinal problems and the hangover of adversarial relationships. The creation of a more positive partnership therefore becomes a prime task.

190 The mission approach is not a prescription for all ills. It is an option: an option which encourages the qualities which are inherent in human resource development. The scale of the problems confronting many members of the Commonwealth – basic problems of food and health and education – have to be solved essentially at home, by the society in which they are found. Their solution requires leadership and commitment, access to the full range of human and financial resources, and the application of these resources to meet specific ends, by a specific time in an open and participatory way. The Working Group commends the idea of mission as a tool for development – a real contribution to human resource development.

Table 1 Population, average annual growth rate and life expectancy in Commonwealth countries

Country	*Population (1991)**	*Pop av.annual growth rate (1991-2000)** %	*Life expectancy at birth (1990/MRE+)**
Antigua & Barbuda	80,000	0.7	72.0
Australia	17,300,000	1.4	76.5
Bahamas	259,000	1.4	71.5
Bangladesh	110,600,000	2.4	51.8
Barbados	258,000	0.4	75.1
Belize	193,000	1.8	69.5
Botswana	1,289,000	2.9	59.8
Britain	57,600,000	0.2	75.7
Brunei Darussalam	264,000	2.1	73.5
Canada	27,300,000	1.3	77.0
Cyprus	708,000	0.8	76.2
Dominica	72,000	-0.2	76.0
The Gambia	901,000	2.5	44.0
Ghana	15,300,000	2.9	55.0
Grenada	91,000	0.4	71.5
Guyana	802,000	1.1	64.2
India	866,500,000	1.8	59.1
Jamaica	2,400,000	1.0	73.1
Kenya	25,000,000	3.3	59.7
Kiribati	71,000	n.a	56.0+
Lesotho	1,816,000	2.5	57.3
Malawi	8,800,000	2.6	48.1
Malaysia	18,200,000	2.1	70.1
Maldives	221,000	2.9	62.5
Malta	356,000	0.7	73.4
Mauritius	1,083,000	1.0	69.6
Namibia	1,834,000	3.1	57.5
Nauru	10,000	n.a	68.0+
New Zealand	3,400,000	0.9	75.2
Nigeria	99,000,000	3.1	51.5
Pakistan	115,800,000	2.7	57.7
Papua New Guinea	4,013,000	2.3	54.9
St Kitts & Nevis	39,000	-0.3	67.5
St Lucia	152,000	1.3	70.5
St Vincent & the Grenadines	108,000	0.9	70.0
Seychelles	69,000	0.9	70.0
Sierra Leone	4,200,000	2.6	42.0
Singapore	2,800,000	0.9	74.0
Solomon Islands	326,000	3.3	69.5
Sri Lanka	17,200,000	1.2	70.9
Swaziland	825,000	2.7	56.8

Country	*Population (1991)**	*Pop av.annual growth rate (1991-2000)** %	*Life expectancy at birth (1990/MRE+)**
Tanzania	25,200,000	3.2	54.0
Tonga	100,000	n.a.	67.0+
Trinidad & Tobago	1,249,000	1.0	71.6
Tuvalu	9,000	n.a.	68.0+
Uganda	16,900,000	2.8	52.0
Vanuatu	156,000	2.5	69.5
Western Samoa	168,000	0.3	66.0
Zambia	8,300,000	2.7	54.4
Zimbabwe	10,100,000	2.8	59.6 *

Sources:

Population totals: World Bank, World Development Report 1993 (p. 238, Table 1 Basic Indicators) and Commonwealth Secretariat, Basic Statistical Data on Selected Countries – with populations of less than five million (p.6, Table 1, Size Indicators and Other Characteristics) 1993

Projected annual average population growth rates 1991-2000: UNDP, Human Development Report 1993 (pp. 180 and 207, Tables 23 and 45 Demographic Profile) 1993

Life expectancy at birth: (+ MRE Most Recent Estimate) UNDP, Human Development Report 1993 (pp. 138 and 190, Tables 2 and 28 Profiles of Human Development), 1993 and Commonwealth Secretariat, Basic Statistical Data on Selected Countries – with populations of less than five million (p. 64, Table 29, Selected Demographic Indicators) 1993

Table 2 Adult literacy and mean years of schooling in Commonwealth countries

Country	*Adult literacy (1990) %*	*Mean years of schooling (1990: persons over 25)*		
		T	M	F
Antigua & Barbuda	96.0	4.6	5.1	4.1
Australia	99.0	11.5	11.6	11.4
Bahamas	99.0	6.2	6.4	6.0
Bangladesh	35.3	2.0	3.1	0.9
Barbados	99.0	8.9	9.2	8.6
Belize	95.0	4.6	4.8	4.4
Botswana	73.6	2.4	2.5	2.4
Britain	99.0	11.5	11.4	11.6
Brunei Darussalam	86.0	5.0	5.5	4.5
Canada	99.0	12.1	12.3	11.9
Cyprus	87.0	7.0	7.6	6.5
Dominica	97.0	4.7	4.9	4.5
The Gambia	27.2	0.6	0.9	0.2
Ghana	60.3	3.5	4.8	2.2
Grenada	96.0	4.7	4.9	4.5
Guyana	96.4	5.1	5.4	4.9
India	48.2	2.4	3.5	1.2
Jamaica	98.4	5.3	5.3	5.2
Kenya	69.0	2.3	3.2	1.3
Kiribati	90.1+	n.a.	n.a.	n.a.
Lesotho	78.0	3.4	2.7	4.0
Malawi	47.0	1.7	2.4	1.1
Malaysia	78.4	5.3	5.6	5.0
Maldives	95.0	4.5	5.1	3.9
Malta	87.0	6.1	6.4	5.9
Mauritius	86.0	4.1	4.8	3.3
Namibia	40.0	1.7	1.7	1.7
Nauru	99.0+	n.a.	n.a.	n.a.
New Zealand	99.0	10.4	10.2	10.6
Nigeria	50.7	1.2	1.8	0.5
Pakistan	34.8	1.9	3.0	0.7
Papua New Guinea	52.0	0.9	1.2	0.6
St Kitts & Nevis	92.0	4.6	4.7	4.5
St Lucia	93.0	3.9	4.0	3.8
St Vincent & the Grenadines	84.0	4.6	4.7	4.5
Seychelles	89.0	4.6	4.8	4.4
Sierra Leone	20.7	0.9	1.4	0.4
Singapore	88.0	3.9	4.7	3.1
Solomon Islands	24.0	1.0	1.2	0.8
Sri Lanka	88.4	6.9	7.7	6.1
Swaziland	72.0	3.7	4.0	3.3

Country	*Adult literacy (1990) %*	*Mean years of schooling (1990: persons over 25)*		
		T	M	F
Tanzania	65.0	2.0	2.8	1.3
Tonga	99.0+	n.a.	n.a.	n.a.
Trinidad & Tobago	96.0	8.0	8.0	8.1
Tuvalu	95.0+	n.a.	n.a.	n.a.
Uganda	48.3	1.1	1.6	0.6
Vanuatu	67.0	3.7	4.3	3.1
Western Samoa	92.0	5.7	6.4	5.0
Zambia	72.8	2.7	3.7	1.7
Zimbabwe	66.9	2.9	4.2	1.7

**Sources*:

Adult Literacy: UNDP, Human Development Report 1993 (pp. 135-137, Table 1, Human Development Index) 1993

Means Years of Schooling for Persons Over 25 (1990): UNDP, Human Development Report 1993 (pp. 144-145 and 194, Tables 5 and 32, Human Capital Formation) 1993

Table 3 **GNP *per capita*, UNDP Human Development Index and Rank in Commonwealth countries**

Country	*GNP per capita (1990) US$**	*UNDP Human Development Index**	*UNDP Development Index Rank*
Antigua & Barbuda	4,290	0.785	60
Australia	16,560	0.972	7
Bahamas	11,550	0.875	32
Bangladesh	210	0.189	147
Barbados	6,460	0.928	20
Belize	1,960	0.689	82
Botswana	2,230	0.552	104
Britain	16,080	0.964	10
Brunei Darussalam	14,120++	0.847	44
Canada	20,380	0.982	2
Cyprus	8,230	0.890	27
Dominica	2,220	0.819	51
The Gambia	340	0.086	167
Ghana	390	0.311	131
Grenada	2,130	0.787	59
Guyana	380	0.541	105
India	360	0.309	134
Jamaica	1,500	0.736	69
Kenya	370	0.369	127
Kiribati	750	n.a.	n.a.
Lesotho	540	0.431	120
Malawi	200	0.168	153
Malaysia	2,330	0.790	57
Maldives	450	0.497	112
Malta	6,690	0.855	39
Mauritius	2,310	0.794	56
Namibia	1,080	0.289	135
Nauru	n.a.	n.a.	n.a.
New Zealand	12,570	0.947	17
Nigeria	290	0.246	142
Pakistan	400	0.311	132
Papua New Guinea	850	0.318	129
St Kitts & Nevis	3,540	0.697	79
St Lucia	2,350	0.720	72
St Vincent & the Grenadines	1,170	0.709	76
Seychelles	4,820	0.761	63
Sierra Leone	250	0.065	172
Singapore	11,200	0.849	43
Solomon Islands	590	0.439	118
Sri Lanka	470	0.663	86
Swaziland	1,030	0.458	117
Tanzania	110	0.270	138

Country	*GNP per capita (1990) US$**	*UNDP Human Development Index**	*UNDP Development Index Rank*
Tonga	1,100	n.a.	n.a.
Trinidad & Tobago	3,670	0.877	31
Tuvalu	n.a.		
Uganda	180	0.194	146
Vanuatu	1,100	0.533	106
Western Samoa	920	0.586	98
Zambia	420	0.314	130
Zimbabwe	650	0.398	121

**Sources:*

GNP per capita 1990 US$: UNDP, Human Development Report 1993 (pp. 138-139 and p.190, Tables 2 and 28 Profile of Human Development) and Commonwealth Secretariat, Basic Statistical Data on Selected Countries – with populations of less than five million (pp. 8-9, Table 2, Economic Development Indicators) 1993

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Technical note: The Human Development Index includes life expectancy at birth; adult literacy and mean years of schooling, adjusted to provide a measure of educational achievement; and income expressed in the form of an adjusted GDP per capita.

Table 4 Females as percentage of males in secondary school enrolment and percentage of parliamentary seats occupied by women in Commonwealth countries

Country	*Females as % males in secondary enrolment (1988–90)**	*% of parliamentary seats occupied by women (1991)**
Antigua & Barbuda	n.a.	n.a.
Australia	71+	7
Bahamas	n.a.	4
Bangladesh	50	10
Barbados	92	4
Belize	n.a.	n.a.
Botswana	n.a.	5
Britain	106+	6
Brunei Darussalam	n.a.	n.a.
Canada	102+	13
Cyprus	102	5
Dominica	n.a.	17
The Gambia	45	8
Ghana	65	n.a.
Grenada	n.a.	n.a.
Guyana	105	37
India	61	7
Jamaica	111	5
Kenya	70	1
Kiribati	n.a.	n.a.
Lesotho	n.a.	n.a.
Malawi	50	10
Malaysia	105	5
Maldives	n.a.	4
Malta	n.a.	3
Mauritius	100	7
Namibia	n.a.	7
Nauru	n.a.	n.a.
New Zealand	106+	17
Nigeria	77	n.a.
Pakistan	45	1
Papua New Guinea	63	n.a.
St Kitts & Nevis	n.a.	7
St Lucia	n.a.	n.a.
St Vincent & the Grenadines	n.a.	n.a.
Seychelles	100	16
Sierra Leone	57	n.a.
Singapore	104	5
Solomon Islands	n.a.	n.a.
Sri Lanka	107	5
Swaziland	96	n.a.

Country	*Females as % males in secondary enrolment (1988-90)**	*% of parliamentary seats occupied by women (1991)**
Tanzania	80	11
Tonga	n.a.	n.a.
Trinidad & Tobago	104	17
Tuvalu	n.a.	n.a.
Uganda	44	12
Vanuatu	n.a.	4
Western Samoa	n.a.	n.a.
Zambia	56	5
Zimbabwe	85	12

* *Sources*

Females as % of Males in Secondary Enrolment (1988-1990): UNDP, Human Development Report 1993 (pp.152-153 Table 9 Female – Male Gaps; p. 196, Table 34 Female – Male Gaps for Australia, Britain, Canada, Malta and New Zealand where the figures (+) apply to upper secondary enrolment only) 1993

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Annex

MEMBERSHIP OF THE COMMONWEALTH WORKING GROUP ON HUMAN RESOURCE DEVELOPMENT STRATEGIES

The Commonwealth Working Group on Human Resource Development Strategies met twice. The full group met from 27-30 January 1992. A sub-group met from 1-4 June 1993 to discuss the Group's report. The members of the sub-group are shown with an asterisk.

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Human Resource Development in Four Asian Countries: Some Lessons for the Commonwealth Countries

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Co-ordination of Human Resource Development Policy-Making, Planning and Implementation

The study identifies three competing paradigms of human resource development.

1 *The civil service paradigm focuses on manpower planning and personnel management in the public sector.*
2 *The manpower planning paradigm is concerned with education, training and manpower planning in the economy as a whole.*
3 *The HRD paradigm takes an integrated view of people as both productive resources and the ultimate beneficiaries of development.*

Each paradigm has associated co-ordination approaches. Co-ordination is seen as referring to timeliness, harmony and complementarity of activities carried out by autonomous agencies. In most countries co-ordination has been seen to mean administrative efficiency. However, the multi-sectoral nature of human resource development requires more than this. The concept of substantive co-ordination is introduced. This places the focus on the extent to which policy-making, planning and programming meet the needs and are compatible with the capacities of target groups. The establishment of mechanisms to effect substantive co-ordination is seen as the most significant human resource development challenge in the coming decade.

(This is an edited version of a study prepared for the Commonwealth Working Group on Human Resource Development Strategies by Lorraine Corner, National Centre for Development Studies, Graduate Studies in Demography, Australian National University.)

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Introduction

Effective co-ordination of policy-making, planning and programme implementation is one of the greatest challenges in any area of public policy. Co-ordination of human resource development policy and planning is especially important in developing countries. The supply of high quality human resources is invariably limited, while the need for human resource development in the form of education, training and an improved quality of life for the majority of the population is great. The efficient and effective utilisation of educated and qualified personnel in government in order to achieve a higher level of human resource development for all, is a key development objective in most developing countries. However, lack of co-ordination in policy-making, planning and implementation has emerged as one of the major obstacles to the attainment of this objective.

Three factors make the achievement of effective co-ordination a particularly difficult task for national human resource development programmes.

CONCEPTUAL CONFUSION

Agreement is lacking about the concept of human resource development and the nature of the co-ordination problem. Competing and sometimes conflicting paradigms of human resource development have hindered co-ordination by creating confusion about both the nature of human resource development and its objectives. In this paper three major paradigms are identified, each with a different view of human resource development. The civil service paradigm regards human resource development as public sector training and development and the utilisation of manpower within the civil service, while the manpower planning paradigm focuses on manpower training and development in both the public and private sectors and employment in the economy as a whole. The HRD paradigm adopts a much broader view of human resource development that covers the role of individuals both as human capital and as consumers of the benefits of development.

Confusion inevitably arises when those involved in co-ordinating the national human resource development effort have different understandings of the nature and scope of human resource development.

MULTIPLICITY OF AGENCIES

Many different agencies and institutions are involved in human resource development. Regardless of the particular paradigm adopted, human resource development is multi-dimensional and therefore multi-sectoral. Even the most restrictive concept of human resource development embraces at least two major administrative departments, education and employment. With their unique administrative cultures, approaches and objectives, the task of effectively co-ordinating the activities of such large and disparate organisations has so far proved beyond the capacity of most governments. Thus, the need to obtain information about the relevant activities of the many agencies and sectors involved in human resource development, in order to involve them in decision-making and to communicate decisions to them, creates enormous practical obstacles to effective co-ordination.

INVOLVEMENT OF THE PRIVATE SECTOR

The private sector is often involved in key areas of human resource development such as education, training and health. Although such private sector participation is highly desirable from a number of perspectives, the differing basis of private sector decision-making greatly complicates co-ordination. Private sector activity and decision-making is based on and responds to market signals, not the directives of co-ordinating agencies. In some cases, therefore, co-ordination of private sector human resource development may have to be carried out indirectly through manipulation of market signals rather than through the direct mechanisms more often favoured in the public sector. The level of information available about private sector human resource development activities is also typically much more limited than for public sector activities, making the task of co-ordination even more difficult.

Three competing paradigms of human resource development

Although there is general agreement in developing countries about the importance of human resource development, there is much less agreement about the nature of human resource development and how it should be implemented. At least three competing paradigms of human resource development can be identified.

The first and most restrictive concept of human resource development, the civil service paradigm, focuses on manpower planning and personnel management within the public sector, and on the role of the tertiary education sector in meeting public sector needs. Thus, the concept is very similar to that embodied in the terms 'human resource development' and 'human resource management' used in relation to management in the private sector, where it refers to the training and utilisation of personnel within a firm or organisation. It largely encompasses the activities and concerns of a civil service commission or public service board (for an example of this approach see Pradhan, Bahadur and Reforma, 1991 Part V). A number of developing

countries in Africa and some small Asian nations with very low levels of development seem to consider human resource development largely in these limited terms.

The second understanding of human resource development, the manpower planning paradigm, is similarly focused on manpower planning and human resource management but with a much wider scope. Under this paradigm, human resource development comprises education, training and manpower planning and development in the economy as a whole rather than just the public sector. Emerging from the human capital literature, this was, until the mid-1980s, the dominant paradigm in developing countries. Both the civil service and manpower planning paradigms emphasise the supply-side role of people as important productive resources for national development.

The third, most recent and most comprehensive human resource development paradigm, here referred to as the HRD paradigm, challenges the supply-side view that sees the importance of human resources largely in terms of their role as inputs into development. Instead, it presents an integrated view of people as both productive resources and as the ultimate beneficiaries of development. It therefore regards human resource development as both manpower planning and development on the supply side, and the quality of life on the demand side (Corner, 1992). This approach is advocated in the Jakarta Plan of Action (1988) adopted by the 48 members of the Economic and Social Commission for Asia and the Pacific (ESCAP) in May 1988 and has much in common with the UNDP concept of Human Development.

Co-ordination is a vital issue for all these paradigms, but each reflects rather different approaches to it and emphasises co-ordination of specific aspects of human resource development.

The civil service paradigm

The most basic model of human resource development, the civil service paradigm, is based on an implicit macro-level human capital model in which national investment in education, specifically tertiary education, is seen as the key human resource input to national development. The paradigm assumes that the public sector is of critical importance to the achievement of development and that educated personnel are vital to the effective functioning of the public sector. Co-ordination therefore focuses on administrative decisions about the allocation of tertiary education places to secondary school graduates, and the allocation of tertiary graduates and in-service training opportunities within the public sector.

The main objective of co-ordination under the civil service paradigm is to ensure that the education system produces, and that the civil service is able to recruit, sufficient numbers of appropriately trained personnel to meet public sector demand. Where demand is constrained by the numbers of eligible tertiary entrants, the objective is to recruit as many trained personnel as possible. Thus the main co-ordination task is to match in-service training and the output of secondary and tertiary education to employment opportunities and skill requirements in the civil service. The

proper utilisation and continuing development of human resources employed in the public sector is a second focus of co-ordination under this paradigm. This requires the development of classification and promotion systems and the provision of in-service training and opportunities for upgrading of skills.

In many countries with limited supplies of tertiary-trained manpower, the first task of matching the output of the tertiary education system with public sector employment is largely accomplished through a scholarship/recruiting scheme administered by the Department of Education or the Civil Service Commission. For example, in Botswana the Bursaries Section, in the Training and Development Division of the Ministry of Education, administers a scholarship scheme designed to allocate eligible secondary school graduates to appropriate tertiary education places and, subsequently, to jobs in particular government departments and agencies. Until the late 1980s, such schemes in several African countries were largely confined to tertiary education and employment in the public sector. The majority of tertiary training institutions were government funded, and the public sector absorbed almost all tertiary graduates, while the domestic private sector was small, weak and employed few graduates. More recently, the growing strength and importance of private sector demand for tertiary educated manpower, and the limited financial capacity of the public sector to absorb all graduates, has resulted in the allocation of a limited number of graduates educated under government scholarship schemes to private sector employers, and the expansion of opportunities for self-funded tertiary study.

The second co-ordination task, determining in-service training needs and allocating staff to in-service training opportunities, has also tended to be carried out by a single umbrella organisation such as a public service commission, often through post-graduate scholarship schemes. In developing countries such schemes are usually funded by bilateral aid and provide for overseas training, usually in the donor country. As the capacity and need for domestic training has grown, the activities of specialised public sector training institutions such as administrative staff colleges have also been incorporated into the national system of public service personnel management and training. In Botswana, for example, public sector in-service training is under the control of the Directorate of Public Service Management, while in Kenya it is administered through the Ministry of Manpower Development and Employment and Ministerial Training Committees. In both Botswana and Mauritius, the national universities play an important role in providing senior level in-service training for civil servants, although Mauritius is also establishing a Civil Service College to play a wider training role in the public sector. Papua New Guinea is similarly revamping its existing Administrative College to play a much more active and prominent role in in-service training for public servants.

Thus, co-ordination of public sector human resource development under the civil service paradigm tends to take place through centralised, bureaucratic institutions. The comparatively small size of the bureaucracies adopting this paradigm facilitates the flow of information, while their social, and often cultural and political homogeneity, seem well-suited to effective co-ordination. However, despite such apparently ideal conditions,

personalities, political interests, or administrative history often conspire to frustrate co-ordination. In Mauritius, co-ordination within the civil service takes place through three central Ministries: the Ministry for Economic Planning and Development, the Ministry for Finance and the Ministry for Civil Service and Employment. Co-ordination of the closely related activities of these three key agencies is a difficult task. The creation in 1992 of a new Ministry for Manpower Resources to play a co-ordinating role for training and manpower has generated additional potential for confusion due to overlapping responsibilities. Thus, even in relatively small countries, co-ordination may be hindered by duplication and competition among central agencies.

The manpower planning paradigm

In most countries, the activities covered by the civil service paradigm of human resource development are only a part of a wider perspective described here as the manpower planning paradigm. This paradigm focuses on the training and education of human resources in the economy as a whole, not just in the public sector. Like the civil service paradigm, it is based on the human capital model, which is conceptually a model of individual investment decisions. However, although decisions about schooling, training, willingness to work and demand for labour are made by individuals and private firms, in practice the manpower planning paradigm tends to emphasise public sector decisions about education and training (Corner, 1986 p. 3). The task of co-ordination is to match demand and supply for labour in the economy as a whole, but manpower planning focuses on schools and training institutions, endeavouring to ensure that they are able to produce sufficient graduates to meet the demands of industry and the public sector for skilled and qualified labour.

APPROACHES TO CO-ORDINATION: LONG-TERM PLANNING

Under the manpower planning paradigm, two related yet separate approaches to co-ordination can be identified. The first is a technical solution directed towards long-term planning. It is characterised by the use of labour force projections as a manpower planning tool to forecast future demand for particular kinds and levels of educated and skilled manpower. Although typically carried out by a national planning or statistical agency or the ministry of manpower, this approach to co-ordination focuses ultimately on education policy. Manpower requirements are forecast by econometric simulations and models in order to predict future demand for the various types and levels of education. Population projections and estimates of labour demand over a given period then predict the enrolment rates required during the preceding period to ensure that the educational system will produce the required numbers of suitably qualified and trained graduates. Together, these provide the basis for long-term educational planning, particularly at the post-primary levels.

The conventional long-term manpower planning approach to the co-ordination of education and employment is best suited to economies with

low levels of human resource development that are dominated by the public sector. It has therefore proved more useful and more resilient in Africa than in Asia. Countries such as Botswana, which are still unable to meet even their public sector requirements for skilled and tertiary-qualified manpower, continue to find a simple manpower requirements approach useful. By contrast, most Asian economies with labour surpluses at all levels of education have realised the weaknesses and limitations of conventional manpower planning approaches and are searching for alternative human resource planning and management strategies (Amjad, 1987 pp. 23-34; Pitayanon, 1987 p. 78).

APPROACHES TO CO-ORDINATION: SHORTER-TERM MANAGEMENT

The second approach to co-ordination in the manpower planning paradigm is directed towards the shorter-term and emphasises management rather than planning. It is characterised by the use of administrative or institutional measures to make the most efficient use of existing educational and training resources. A variety of administrative arrangements and organisations have been used in an attempt to co-ordinate the current training activities of the many different institutions and agencies involved in technical and vocational education and on-the-job and in-service training. The Industrial and Vocational Training Board in Mauritius and the Tertiary and Vocational Education Commission of Sri Lanka were both established to improve effectiveness and avoid wastage and duplication in training. Their main task is to ensure that the resources currently available in the education and training system are used efficiently to provide the numbers of graduates that industry is prepared to employ with the appropriate skills.

The management approach to co-ordination of education and training under the manpower planning paradigm has often focused primarily on the supply side, and the interests of government and employers. Governments, particularly in recent years, have been especially concerned about the efficiency of the education and training system and have viewed the co-ordination problem primarily in terms of avoiding duplication of functions among training bodies. Past ad hoc approaches to perceived problems and deficiencies in the training system in particular have tended to result in the establishment of new institutions, thus duplicating effort. In Sri Lanka, for example, more than 15 government departments and ministries were involved in technical and vocational training in 1989 (not including private sector agencies), with consequent unnecessary duplication of courses, lack of common standards, under utilisation of staff and resources, etc. Co-ordinating mechanisms established primarily to deal with such problems focus largely on co-ordination within the education and training sector, with limited representation from wider community organisations, such as employers.

Employers are more concerned about the effectiveness of the education and training system, and its capacity to provide the types and levels of skills that are needed by industry. In a number of countries, bodies such as National Training Boards have been established largely to address the failure

of the education system, particularly the technical and vocational training system, to provide the skills required by employers. Co-ordinating mechanisms set up to improve the effectiveness of education and training tend to emphasise the interface between education and employment, and employers are more likely to be represented. A focus on effectiveness tends to be especially dominant in African countries, where shortages of skilled labour are a constant problem. The Industrial and Vocational Training Board of Mauritius, for example, concentrates largely on the accreditation and regulation of existing private sector training courses and the provision of new courses to meet unmet industry training needs. In contrast, similar bodies in Asia are more concerned with providing feedback to public sector education or training institutions.

Recently, the combination of high levels of unemployment and shortages of skilled labour has obliged many governments to review their perception of the education-employment mismatch to emphasise the demand side, the interests of students and the potential for education and training to lead to jobs. Large numbers of students in a number of developing countries have been unable to obtain employment, partly because the training they have received in the education system no longer matches the needs of the labour market. For example, a government report in Sri Lanka found that although 50 per cent of vocational students were trained in agriculture, only 10 per cent of youth sought agricultural employment (Presidential Commission on Youth, 1990).

Despite technical or vocational education qualifications, students and parents in the densely populated countries of Asia are discovering that technical and vocational education does not lead to employment. A 1988 tracer study of vocational and technical graduates in Sri Lanka found that the majority of recent graduates were not in employment (Da Silva, 1987). One reason for this is that, while the levels of economic growth that create new jobs have been modest, the youth cohorts producing new entrants to the labour force have been large, most having been born before fertility began to decline. They and their parents have high expectations that the investments they have made in education will lead to higher incomes and a good quality of life. Faced with the social and political consequences of failure to meet these expectations, Asian governments are increasingly focusing on a demand-side need to create productive employment for these young people.

Like a supply-side emphasis on the effectiveness of education, a demand-side orientation to co-ordination between education and employment must focus on the interface between the sectors. In Sri Lanka, for example, the Technical and Vocational Education Commission has been established to co-ordinate and regulate all vocational and technical education and training activities in the country, including those in the private sector. Included among its supply-side tasks is a review of tertiary and technical education to facilitate a re-orientation of the curriculum to meet future industry needs. On the demand side, government also hopes that it will address the failure of technical and vocational graduates to obtain employment. A demand-side orientation tends to be more important in the heavily populated countries of Asia, such as India and Sri Lanka, where high levels of unemployment and a general shortage of jobs are seen as more pressing priorities.

THE FUTURE OF MANPOWER PLANNING

The importance of the manpower planning paradigm in overall development policy has tended to decline in many developing countries during the late 1980s, particularly in the more rapidly growing Asian region. Until the late 1980s, developing countries placed considerable emphasis on long-term manpower planning and educational planning to ensure that the education and training systems produced the skills and levels of manpower required by the economy. However, experience has shown that most manpower planning forecasts were very poor indicators of actual manpower demand (Mehmet, 1987 pp. 94-102; Pitayanon, 1987 pp. 76-78). As the role of the private sector has increased and conventional approaches to centralised development planning in general have been questioned, developing countries, particularly those in Asia, have begun to move away from the long-term supply-side orientation of the manpower requirements approach towards the more short-term, labour-information and market-oriented manpower management strategies that are more typical of developed economies.

Many developing countries have ceased to issue overall long-term (usually five-year) development plans covering all sectors of the economy and instead prepare shorter-term (two- to three-year) investment programmes covering the public sector, accompanied by a broad indicative outline plan for the guidance of the private sector. Among the countries that have adopted this approach are Sri Lanka, Papua New Guinea, Tuvalu, Vanuatu and most of the Pacific Island states.

Developed countries have always placed much less emphasis on manpower planning, partly because the need for manpower planning in developed countries is much less than in developing countries. The supply of skilled workers in developed economies is a marginal issue, relating only to new entrants to the labour force and to skills upgrading for the comparatively well-educated workers already in the labour force, whereas some developing countries are faced with a need to create entire labour forces from largely uneducated and illiterate subsistence agrarian populations. The reduced role of manpower planning in developed economies is also partly due to rapid technological change, and the dominant role of the private sector and market institutions. Volatile market-driven growth and rapid technological change make it difficult to predict labour market trends and changing manpower needs. Fortunately, the comparatively free operation of market forces operating on a relatively educated population has largely removed the need for governments to undertake detailed manpower planning.

However, in recent years long-term unemployment has emerged as a major international problem even in those developed economies such as Australia and New Zealand that had formerly enjoyed full employment. As a result, governments in developed countries are now paying growing attention to manpower planning and the need to co-ordinate education and training with employment. Their approach has typically focused on increasing the quantity and quality of education in the schools, and on promoting a more active training role for industry. Increasing school

retention rates to raise general skill levels in the community, and efforts to make education more relevant to the needs of industry have been major issues in the formal education sector. The increased demand for adult education and a growing recognition that education is a life-long process that cannot be confined to schools have had a major impact on all areas of post-secondary education. Governments in the more developed market economies have also sought to increase the incentives for the private sector to provide more on-the-job training, often through training levies, and for industry to become more involved in technical and vocational education. While part of this is motivated by a need to reduce the burden of training on government budgets, the involvement of industry in both formal education and training is seen as a way of improving co-ordination between training and employment. Improved information flows about the supply of job-seekers, the demand for particular skills, and education and training opportunities and the less restricted operation of prices in the labour market are also seen as important means of improving co-ordination. Developed countries thus place considerable emphasis on the private sector and market solutions to this particular (and increasingly important) human resource development co-ordination problem.

Despite widespread dissatisfaction and disillusionment with traditional manpower planning techniques, a recent review reported little evidence of a shift towards alternative approaches to co-ordination of education and employment in developing countries (ESCAP, Hewavitharana, 1992 p. 31). New strategies for manpower planning have been advocated, particularly by the ILO and, in Asia, the Asia Regional Team for Employment Promotion (Amjad, 1987), emphasising the role of the market as a co-ordinating mechanism, and focusing on short-term adjustments through the provision of skills retraining and upgrading for workers and improved information to both workers and employers. However, such efforts are seriously handicapped by lack of technical expertise, lack of appropriate information, and the continuing lack of co-ordination between ministries of education and ministries of planning and production (Amjad, 1987 p. 30). In most developing (and many developed) countries there is little prospect that such measures will be capable of dealing with major manpower allocation problems and therefore of successfully co-ordinating education and training activities with employment. Co-ordination of education and employment thus remains the single most pressing and most intractable human resource development problem for almost all governments in developed and developing countries.

The HRD paradigm

The HRD paradigm that has been developed within the Asia and Pacific region since the mid-1980s represents a very different approach to human resource development. While it embraces both the civil service and the manpower planning paradigms, it also significantly extends the concept of human resource development. Three key characteristics distinguish the HRD paradigm from preceding views of human resource development:

- the explicit focus on the central role of human resources as the key factor in the development process

- the balanced and integrated treatment of supply and demand factors in relation to human resource development, placing equal emphasis on human capital and quality of life aspects
- the emphasis on the importance of paid employment in providing an incentive for human capital investments and the means of attaining an improved quality of life.

The HRD paradigm focuses on human resource development as an individual process in which the key decisions are made by households and families. The role of incentives for individuals and households in the decision-making process is therefore emphasised. In particular, participation in paid work is highlighted as the critical positive incentive in developing countries. In the case of investment in children's human capital through health and education, it is the evaluation by parents of a child's future employment and earning prospects (and of their returns from these) that is the critical incentive. Institutional factors, particularly social and cultural norms regarding certain kinds of behaviour, for example, attending school, travelling in public, dealing with government personnel, are identified as important barriers or disincentives to individual human resource development. In modern monetised economies, paid work links the demand and supply sides of human resource development from two perspectives. On the one hand, it provides the incentive for individuals or households to undertake human resource development investments while, on the other, it yields an income that provides individuals with access to the consumption benefits of development, leading to an improved quality of life.

Particularly at lower levels of development, there is a high degree of overlap between those factors that lead to an improved quality of life and those that enhance individual productivity. Individual characteristics such as physical fitness and educational levels reflect quality of life from a consumption perspective, but constitute human capital from a production perspective. Participation in the consumption benefits of development through education, health and nutrition enhances the quality of human capital. At the individual level, this increases productivity and therefore earnings, providing an incentive for human capital investments. At the national level, it increases the overall productivity of the economy and the level of national development. Thus, at both the individual and national levels, a human resource development strategy leads to positive cycles of growth and development.

The HRD paradigm is thus conceptually integrated, emphasising the importance of the interaction between economic and social development. The supply of human resources through health, education, training and other human capital investments is linked to the demand for human resources both at an individual level where wages are determined by the workers' human capital endowment in the form of health, education and training and at the aggregate level.

The concept of human resource development presented under the HRD paradigm is extremely broad. To the conventional supply-side human capital characteristics embodied in the health, education and skill levels of the individual, it adds the whole range of consumption components that represent

an individual's quality of life. Achievement of the kind of human resource development advocated under the HRD paradigm requires not just a sectoral or even a multi-sectoral HRD programme, but an HRD focus to the entire development programme. It is thus more accurate to talk of implementing a human resource development-oriented development strategy. Since this is a rather inelegant term, the remainder of the paper will refer to it as an HRD development strategy.

Issues in co-ordination of HRD

The conceptual integration of the HRD paradigm and the broad scope of human resource development that it advocates explain the increased attention being paid to co-ordination by governments seeking to implement an HRD development strategy. The remainder of this paper therefore examines co-ordination specifically in relation to policy-making, planning and implementation of human resource development under an HRD development strategy.

Not all countries have adopted the HRD paradigm of human resource development. However, the 48 Asian and Pacific members of ESCAP have formally adopted it in the form of the Jakarta Plan of Action, and the close congruence between that and the concept of human development that is being widely advocated by UNDP suggests that it is a goal that many other countries may strive for. Moreover, the problems of co-ordination involved in an HRD development strategy include all those that would be experienced by those seeking a less comprehensive model of human resource development.

INTEGRATION VERSUS CO-ORDINATION

In the early literature on this new paradigm, confusion and tension is evident about whether human resource development requires an integrated or a co-ordinated approach. The Expert Group Meeting convened in Tokyo in 1987 to consider 'Guidelines' for a plan of action on human resource development for Asia and the Pacific specifically mentioned an 'integrated plan of action' (ESCAP, March 1988 p. 11), following on resolution 260 (XLIII) of the forty-third session of the ESCAP Commission. However, the subsequent Jakarta Plan of Action on Human Resources Development in the ESCAP Region (June 1988) omitted reference to integration and included an entire section in Part Three, Arrangements for Implementation on Co-ordination (ESCAP, June 1988 pp. 41-3). This recognised that the complexity, interdependence and multi-dimensional nature of the emerging concept of human resource development demanded co-ordination rather than integration.

Integration: This term implies the consolidation and concentration of activities under a single authority. An integrated programme therefore requires centralisation of decision-making and administration through institutions which are typically rigid and hierarchical. It is associated with the concentration of power and decision making authority in the hands of a

comparatively small number of persons located in a central agency with strong top-down chains of command and vertical information flows. Integrated rural development activities, for example, have often been administered through specially established regional authorities whose broad powers tend to resemble those of local government.

Co-ordination: This refers to the timeliness, harmony and complementarity of activities carried out by several autonomous agencies. Co-ordination is participatory, requiring decision-making to be shared, and therefore compatible with decentralisation and the devolution of authority and responsibility to lower levels of administration. It requires institutional structures that are more horizontally oriented, allowing information and responsibility to be shared among several agencies at various levels.

A co-ordinated approach to the implementation of human resource development is necessitated by the multiplicity of agencies and sectors involved. Human resource development covers the activities of almost all major government agencies, including departments of education, labour and employment, and health. It also embraces many activities carried out in the private sector. An integrated approach to the implementation of a wide range of programmes focusing on a varied clientele is not practical. Even for policy-making and planning, an integrated approach is possible only in the more highly centralised and public-sector dominated developing countries.

AN INTEGRATED APPROACH TO HRD

Integrated planning strategies are attractive to less developed countries because they are particularly suited to low levels of human resource development. The centralised methods of organisation and management inherent in integrated approaches make maximum use of limited high-quality human resources. A small number of competent individuals located in a central institution such as a central planning agency can direct a national human resource development effort quite effectively. These top-down methods make minimum demands on less competent regional and sectoral staff, who are merely required to follow central directions. An integrated approach is therefore comparatively efficient where low levels of human resources act as major constraints to broader human resources development.

However, as countries develop, both the potential for and the advantages of an integrated approach diminish. All aspects of human resource development become more complex, and the level of expertise required begins to exceed the capacity of small groups of central agency staff. At higher levels of economic and human resource development, variation in local situations and divergent needs within the population make the uniformity of centralised programmes dysfunctional. The growth of information that also accompanies development tends to exceed the capacity of central units to utilise data effectively. Recent moves in many developing countries toward more market-oriented development strategies and a greater role for the private sector also reduce the importance of, and capacity for, the centralised planning associated with an integrated approach to human resource development.

An integrated approach to policy-making and planning in human resource development may, however, continue to be practical in many developing countries. Policies are usually national in scope and are formulated by central institutions of government such as a cabinet or cabinet committee: thus policy-formulation is centralised in most countries. Such central institutions provide an appropriate framework for the integration of human resource development policy. Macro-level planning is similarly intended to affect the country as a whole and takes place in central ministries or departments of finance and in national planning agencies, which can facilitate the integration of human resource development planning. Policy-making and macro-level planning thus remain areas where a more integrated approach to human resource development is both feasible and useful.

A CO-ORDINATED APPROACH TO HRD

However, it is increasingly recognised that a co-ordinated approach is both more practical and more appropriate for the implementation of human resource development programmes. A co-ordinated approach is most appropriate partly because the approach adopted in implementing human resource development itself contributes to that development. Top-down, non-participatory approaches to planning and programming contribute little to human resource development, particularly within government and the administration, precisely because they make few demands on lower-level staff. Centralised integrated approaches encourage dependence and inhibit initiative and creativity. They also tend to make inefficient use of information because the flow of communication is from the top, which lacks information on grassroots situations, to the bottom, which has access to the information but no power to act on it. By contrast, co-ordination can encourage individual initiative and creativity, and facilitate the more effective use of information at various levels of government. Co-ordinated and participatory approaches to human resource development implementation are also more appropriate because they allow for different (compatible) solutions to the same problem, increasing effectiveness by meeting a range of individual needs. Whereas integrated approaches tend to emphasise uniformity and rigidity, co-ordinated approaches can cater to diversity. Given the necessary minimum levels of human resource development, a co-ordinated approach to human resource development is more effective than an integrated approach.

CO-ORDINATION OF POLICY-MAKING AND PLANNING

The co-ordination of policy and planning for human resource development faces a number of problems.

Conflict between long-term and short-term planning

Long-term planning for human resource development focuses on broad objectives and priorities and is associated in developing countries with the preparation of long-term national development plans. However, the process

of allocating the resources necessary for programmes to achieve these objectives takes place in the context of annual budgeting and tends to respond to short-term financial imperatives. Budgets may also be determined in comparative isolation from policy-formulation and planning, by different personnel, and motivated by different concerns. Consequently, they often do not reflect stated priorities.

Human resource development programmes are particularly affected because this kind of development is a long-term process that requires substantial investments from the national budget. The returns on these investments are both indirect and difficult to attribute to particular programmes, and are realised only in the very long run. Because it is almost impossible to demonstrate the short-term impact of human resource development programmes, allocations for these programmes are especially vulnerable during budget reviews.

Financial burdens of past policy decisions

In times of serious resource constraint, co-ordination between human resource development policies and their actual implementation is also obstructed by the heavy burden of the routine budget, which is inherited from past policies and programmes. In the key human resource development areas of health and education, it is very difficult to reduce the routine budgets required to sustain large workforces and maintain the extensive infrastructure. It is therefore difficult to obtain additional resources from the national budget, particularly in times of recession, to implement the changes desired by policy makers. For example, despite the fact that health policy has emphasised preventive and primary health care in many developing countries for at least a decade, the major share of health budgets continues to be expended on the maintenance of modern curative medical staff and facilities inherited from previous policy decisions.

Conflict between national and sectoral interests

Co-ordination of sectoral programming with national human resource development policy objectives presents other difficulties. Human resource development, particularly under the HRD paradigm, involves the activities of a large number of sectoral agencies. Because broad sectoral policies and plans are often set by central rather than sectoral agencies, they are likely to be reasonably consistent with national policy objectives. However, these plans may not be effective or feasible. Even with sectoral inputs, usually from the most senior levels (which may not be well-informed), the central agency is likely to have poorer information on the problem and the resources available to address it. Moreover, the lower levels of sectoral agencies are unlikely to feel a strong commitment to the implementation of a sectoral planning process in which they did not actively participate. They are likely to be, at best, unresponsive to calls from the centre to co-ordinate their activities with those of rival sectoral agencies.

A number of developing countries have instituted a bottom-up, participatory planning process to facilitate local input into national planning. Although this represents a positive step towards implementation of an HRD strategy, the combination of approaches creates potential difficulties for

co-ordination. In most developing countries, national planning has tended to produce uniform policies and plans for the entire nation. In contrast, local planning initiatives are most likely to request specific policies and plans to meet particular local needs. This potential contradiction is typically resolved by restricting the local planning process to the identification of local projects that fall within national policy guidelines.

APPROACHES TO CO-ORDINATION: ADMINISTRATIVE

The approach to co-ordination of human resource development in developing countries has focused on the administrative efficiency with which programmes are formulated and implemented. This restrictive concept of administrative co-ordination focuses on the supply side, on management issues, the internal consistency of programme objectives, and the elimination of administrative duplication and waste. Administrative co-ordination has attracted attention in developing countries because of the heavy demands that co-ordination imposes on organisation and human resource development within governments and administrations. The main factors determining administrative co-ordination of HRD are largely internal to the administration and subject to government influence.

Role of administrative culture

Effective co-ordination requires co-operative behaviour, collaboration, and the sharing of information, decision-making, responsibility, authority and resources. Such characteristics are often quite foreign to the culture or conventional patterns of behaviour of the bureaucracies that administer government HRD programmes. Third world bureaucracies tend to be rigid, hierarchical, and dominated by small numbers of senior personnel. Even though the functions of the organisations in which the individuals work require sharing and dispersal of resources, individual performance indicators tend to encourage accumulation of power, decision-making authority and control over resources. Non-co-operative behaviour by leaders thus tends to be rewarded, while the large numbers of lower level personnel destined to remain at the base of the bureaucratic pyramid are encouraged to be passive, dependent and cautious. This cultural environment was described by a recent observer as:

> characterised by extreme departmentalism,... continuing power struggles among ministries, frequent changes at the senior policy maker and administrator levels, and overlapping duties. (ESCAP, Hewavitharana, 1992 p. 144)

Such an environment encourages behaviour that is directly contrary to that required for effective co-ordination.

Although often ascribed to the innate characteristics of the broader cultures of which they are part, these attributes of the administrative culture are partially a consequence of low levels of human resource development. Rigid and hierarchical patterns of decision-making are likely to emerge where the supply of educated and qualified personnel is limited. In such circumstances, young staff tend to be promoted before they have

acquired sufficient experience to carry out their duties with confidence. At higher levels, this leads to rigid adherence to regulations and precedents and excessive dependence on instructions from superiors. Consequently, communications tend to flow from the top to the bottom, discouraging initiative and restricting the access of the few top decision-makers to the information needed to make appropriate decisions. Lower levels of staff tend to avoid making independent decisions, and the resultant pattern of dependence and subservience becomes institutionalised. It may be reinforced by rigid and hierarchical traditional social systems, such as colonial or feudal regimes, but its origins lie in low levels of human resource development.

The lack of support for co-operative behaviour and co-ordinated effort is not an immutable feature of non-Western administrative cultures. Since these characteristics of bureaucratic culture are partly a consequence of low levels of human resource development, they can be modified by human resource development. Over time, education, management training, and personnel development can make bureaucratic cultures more compatible with co-ordinated approaches to human resource development. As the quality of human resources rises, procedures and administrative practices should be reviewed to take advantage of the higher levels of expertise and facilitate further human resource development. This will also lead to an environment that is more conducive to effective co-ordination.

Decentralisation versus centralisation

While co-ordination in the administration of human resource development requires co-operation and sharing of decision-making at all levels, the ultimate authority and responsibility for co-ordination of specific activities rests with a particular agency and at a particular level. In rigidly hierarchical administrative cultures, authority almost always rests at the highest levels and in central agencies, while responsibility may often fall on lower levels and sectoral agencies. However, effective co-ordination requires that authority and responsibility be held by one agency and at one level of the administration.

Because the administration of developing countries has typically been highly centralised and characterised by strong, vertically oriented, sectoral ministries, power and authority have been retained at the higher levels of the sectoral agencies. The multi-sectoral nature of human resource development has led to responsibility for co-ordination of human resource development programmes being held by central agencies at the national level.

However, recent trends in development policy have advocated decentralisation as a means of improving efficiency and effectiveness. Local authorities are considered to be better informed about and thus more effective at identifying and meeting local needs. It is now also recognised that the effectiveness of development programmes is increased by popular participation in decision-making, and that the local level is the most important for successful implementation of programmes. This suggests that responsibility for multi-sectoral co-ordination of human resource development should be located at a sub-national level.

However, while local participation and access to information are important it is also essential that the co-ordinating agency has the power and

authority to take decisions and ensure that they are implemented. Because co-ordination involves adaptation and modification of individual plans in order to bring them into line with those of others, it requires those involved in co-ordination to be flexible and able to take decisions and actions to modify policies, plans and programmes. This capacity is determined, first, by the possession of authority and control over the respective activities to be co-ordinated and, second, by the technical ability to make appropriate decisions. Organisations are typically most flexible where decision-makers have the greatest authority and control over policy and resources, and least flexible where officials are most dependent on initiatives and authorisation from others, usually those at higher levels. Thus, in the absence of a more decentralised structure, co-ordination of most human resource development activities must occur at the national level.

As policy formulation usually takes place at the central level, human resource development policies must also be co-ordinated at that level, typically through both the main policy-making body (for example, the cabinet), and the central planning agency. The level at which planning of human resource development is best co-ordinated depends to some extent on the nature of the national planning process. However, even in countries that provide for some local input, key planning decisions are usually made by central agencies. Thus, human resource development planning will also usually be co-ordinated by a central planning office.

Mechanisms for multi-sectoral co-ordination

The multi-sectoral nature of human resource development, particularly under the HRD paradigm, creates serious difficulties for co-ordination. Administrations in most developing countries are dominated by entrenched sectoral interests that are reluctant to give up the power and resources they hold, even in the interests of better co-ordination. The inherent difficulty of achieving horizontal co-ordination among vertically oriented and extremely hierarchical organisations also impedes multi-sectoral co-ordination.

A variety of administrative mechanisms have been devised to overcome such difficulties, including lead agencies, national planning processes and inter-departmental committees (ESCAP, 1991 pp. 85-6).

Lead and support agencies: Papua New Guinea is currently adopting a new approach based on the concept of lead and support agencies. At the macro level, one department of government will be designated as the lead agency for each national development objective, with primary responsibility for designing and implementing programmes and projects to address that objective. Other support agencies also participate in design, implementation and monitoring of programmes, by contributing their particular skills and expertise. At the micro level, the basic units of co-ordination, as well as of planning and budgeting, are individual programmes implemented by the department acting as lead agency, with other departments or agencies involved as support agencies.

National development plans: National development plans and planning processes are another approach to co-ordination. In Vanuatu, for example,

the latest strategic plan (Third Year Development Plan, 1992-6) identifies inter-sectoral co-operation as the major development issue, specifies the format and planning procedures to be adopted by sectoral agencies in developing individual sectoral plans, and identifies three cross-sectoral development issues that all sectors and agencies must then address in their plans. Two of these issues, the role of women and the role of youth in development, are universally recognised as human resource development issues, while the third, the role of the environment, would be regarded as a human resource development issue under the HRD paradigm. It is anticipated that this approach will assist all agencies to formulate and implement a co-ordinated approach to these common goals.

Co-ordinating commissions or ministries: A number of countries have assigned a special responsibility for inter-sectoral co-ordination to special commissions or ministries. These have usually been established to co-ordinate activities in particular areas, utilising inter-sectoral or inter-departmental committees as mechanisms for co-ordinating the activities of the independent agencies under their authority. In China, for example, various co-ordinating commissions and ministries often utilise inter-departmental meetings and joint documents as instruments of co-ordination.

The effectiveness of all horizontally oriented institutional arrangements established to achieve co-ordination has been seriously impaired by the almost universal failure of governments to adapt existing administrative procedures to support such co-ordination. The marked vertical orientation of administrations in most developing countries has created strong and well-defined vertical lines of communication within sectoral agencies. The routine reporting and decision-making procedures within these agencies, which naturally share this vertical orientation, are usually unaffected by the new institutional arrangements for co-ordination. Thus, efforts to co-ordinate the human resource development decisions of a number of sectors are often frustrated by the need for the sectoral representatives to seek prior approval for such decisions via vertically oriented sectoral chains of command. Rather than improving administrative efficiency, co-ordination may actually create new delays and obstacles to the implementation of programmes.

Budgetary pressures for administrative co-ordination

In many developing countries, government interest in administrative co-ordination has been motivated by a desire to achieve efficiency in the face of severe budgetary pressures. Although budgetary pressure is probably the strongest force for administrative co-ordination of human resource development programmes, its power is comparatively limited. In most cases, it is probably not sufficient to overcome the stronger incentives for empire-building and the accumulation of power and resources that tend to obstruct co-ordination.

APPROACHES TO CO-ORDINATION: SUBSTANTIVE

In terms of national development goals, the important issue is not whether

co-ordination ensures that human resource development programmes are administered in an efficient manner, but whether it improves their effectiveness in achieving human resource development. This second view of human resource development co-ordination, substantive co-ordination, focuses on the need to co-ordinate programme outputs with objectives and with the human resource development needs of target groups. Substantive co-ordination refers to the extent to which programme activities meet the needs and are compatible with the capacities of target groups. The most effective forces for substantive co-ordination tend to be external to government and the administration.

The role of demand

The main pressures for substantive co-ordination of human resource development arise from the demands of those who should benefit from programmes and who are therefore concerned about effectiveness. Demand pressures may arise during policy-formulation and planning, or during the implementation of programmes. Demand can only influence policies and planning where avenues exist for popular, local participation in policy-formulation, usually through democratic political processes, or in planning through bottom-up planning processes. More typically in developing countries, where popular participation in decision-making is limited, demand pressures emerge reactively in response to client dissatisfaction with an ongoing programme and their impact is largely confined to implementation. Because of individual differences, demand-driven co-ordination is likely to encourage a diversity of implementation strategies to meet the needs of clients.

Demand pressures for substantive co-ordination of human resource development may arise from interest groups or individuals. In developing countries the role of pressure groups is likely to be more important than that of individual citizens. For example, one important source of demand for substantive co-ordination between education and employment has been employers' concerns about the failure of the education and training system to provide appropriately trained manpower for industry. Middle-class concern about the inability of educated youth to find employment has been another important influence.

Individuals can only be effective in exerting demand pressures for substantive co-ordination of human resource development where appropriate channels of influence have been institutionalised. Such channels include democratic political processes, freedom of expression, particularly through active and independent mass media, freedom of information and individual empowerment. In many developing countries, the capacity of individual citizens to influence co-ordination is restricted, particularly by limited access to information and political channels.

In developed and some of the more democratic developing countries, pressure from individual citizens can be quite effective in pressing bureaucracies to undertake both administrative and substantive co-ordination. In developing countries it is comparatively more important in Africa than in Asia. Despite formally undemocratic regimes, the balance of political forces in several African countries requires central government administrations to

respond to influential local interests and pressure groups. Individual citizens in many more egalitarian African societies also expect governments and administrations to perform. When these expectations are not met, they may channel complaints through the political system which, in turn, will pressure the administration to redress deficiencies. By contrast, in some Asian countries with long histories under feudalism and feudalistic colonial regimes, individuals seem to expect little from governments and feel powerless to act in response to administrative or programme failure.

The role of market forces

Market forces are another important external mechanism for effecting substantive co-ordination in human resource development. They are probably the most important factor accounting for the comparative efficiency of human resource development programmes in developed, compared with developing, countries. For example, where labour markets are relatively free and populations have comparatively high levels of education, market forces have been generally more effective than administrative approaches at co-ordinating the output of the education system with the demands of industry. Because of the importance of information in facilitating independent decision-making, general education levels tend to be positively associated with the efficiency of labour markets. Consequently, recent developments in manpower planning in developing countries, particularly in Asia, have emphasised measures to improve the efficiency of the labour market as an important way to ensure that the education and training sector produces the kinds of human resources that employers are willing to employ (Amjad, 1987; Richter, 1984).

Participation and individual choice

Among other characteristics, high quality human resources are characterised by initiative, innovative behaviour, self-reliance, a high level of responsibility, and flexibility. Active participation in decision-making and choice helps to develop these characteristics, and is therefore an essential strategy for the attainment of a high level of human resource development. It is also an important aid to effective co-ordination of human resource development programmes because, in general, individuals are best able to judge their own needs and capacities. They will choose to participate in human resource development programmes that provide appropriate benefits and, in choosing not to participate in ineffective programmes, will encourage administrators to improve substantive co-ordination by making changes that better meet client needs.

INFORMATION AND COMMUNICATIONS

Information and communications are particularly important to effective co-ordination, both administrative and substantive. Co-ordination requires consensus about the goals to be achieved: agencies involved in co-ordinated activities must share common or at least mutually compatible goals. Agreement about objectives requires that all have access to a common information base about the problems to be addressed.

Information flows between the co-ordinating agency and the local implementation level are particularly important. In general, information about the needs and conditions of target groups will be greatest at the local level. However, in countries with low levels of human resource development, the capacity to process, analyse and utilise information may be quite limited at this level. Therefore, communication channels must be developed to promote the timely flow of information from local to central officials. In this way, multi-sectoral co-ordination at the centre can be firmly based on comprehensive and accurate information about relevant local conditions.

The information requirements for administrative and substantive co-ordination differ. Administrative co-ordination involves adapting and modifying planned activities in order to co-ordinate them with those of other agencies and therefore requires information about the relevant activities of other agencies, and their timing. Substantive co-ordination involves modifying programmes to improve their effectiveness in meeting client needs, and thus requires information about both clients and human resource development programmes.

On the demand side, information enables individuals to make informed and efficient choices and decisions about their own human resource development. More free-market approaches toward general economic policy are being adopted in many developing countries. Market forces are effective at achieving substantive co-ordination only if individuals have access to information and personal and political freedom to make appropriate and efficient social and economic choices. Choice and access to information also empower individual clients and target groups to apply demand pressures to improve both administrative and substantive co-ordination.

Information about client needs and the successes and failure of projects and programmes is essential to improve all aspects of co-ordination of human resource development policy-making, planning and programming. However, information in general, especially negative information about programme weaknesses and failures, is often difficult to obtain in developing countries. The secrecy that arises from individual insecurity and lack of confidence or which is associated with agency rivalries is not balanced by monitoring and review procedures or norms about freedom of information or public accountability. Effective co-ordination therefore requires the development of mechanisms to monitor and review human resource development programmes and to encourage agencies to share information.

The future for HRD co-ordination in developing countries

In addressing the need for improved co-ordination of human resource development, developing countries need to focus more on the type of co-ordination that is required. Most recent government attention has been devoted to improving administrative co-ordination, that is, to ensure that programmes are administered efficiently with a minimum of waste and duplication. This view of co-ordination focuses on arrangements and processes that relate primarily to the public sector, and has been motivated largely by budgetary pressures. While administrative co-ordination will remain important,

substantive co-ordination must become a more explicit focus of governments if national human resource development objectives are to be attained. Substantive co-ordination, which refers to the effectiveness with which programmes actually achieve human resource development among target groups, increasingly depends on parties and factors outside the public sector and in the wider community. Improving substantive co-ordination will require a very different approach that recognises the role of individual demand and participation, and accommodates the influence of markets and the private sector.

The success of administrative co-ordination depends on:

- the type of human resource development activity to be co-ordinated
- the level of human resource development in which co-ordination takes place.

Centralised and top-down approaches that are integrated within a single national political or planning institution work most effectively for policy formulation and planning activities. Such approaches are also most suitable, indeed difficult to avoid, in developing countries with very low levels of human resource development and extreme shortages of high level human resources. However, these highly centralised, autocratic, directive methods of co-ordination are essentially antagonistic to human resource development itself. Where the human resource development situation permits, co-ordination should be a participatory process that takes place among equals, where decision-making, information and resources are shared in the pursuit of common goals.

Administrative co-ordination in developing countries thus involves a constant tension between the drive for the efficient use of human resources, and the desire to utilise methods that enhance the human resource development of those engaged in co-ordination. This tension must be recognised if appropriate approaches to co-ordination are to be devised. Some conventional explanations of failures of administrative co-ordination in developing countries are closely related to the level of human resource development within the institutions involved. Failures are often attributed to the prevailing culture within which co-ordination is sought, for example, to the nature of Asian or African bureaucracies. However, the characteristics that obstruct co-ordination, such as autocratic behaviours and power-seeking on the one hand, and dependence on authority, reluctance to take decisions, and apathy on the other, are themselves partly a consequence of generally low levels of human resource development. They are not inevitable and can and should be addressed directly through personnel development and human resource management programmes. The task is to ensure that the rewards and incentives for individual and group behaviour within the public service promote and reflect the efficient use of resources. Thus, personnel development and human resource management within the public sector offer the most important avenue through which efficient administrative co-ordination can be attained.

However, more important than administrative efficiency for the achievement of national human resource development goals is effectiveness, which depends on substantive co-ordination. Programmes in which administrative

arrangements are well co-ordinated to make efficient use of resources do not necessarily meet the needs of target groups and produce effective human resource development. Substantive co-ordination depends largely on factors that are external to government and the administration. In particular, substantive co-ordination may be brought about by pressures from client groups because their interests are most closely associated with the achievement of effective human resource development. Thus, in order to achieve substantive co-ordination human resource development, policy-making, planning and programming must become responsive to external forces, particularly to market forces and the interests of client groups.

Strategies for substantive co-ordination tend to be both novel and potentially threatening to governments and administrations in developing countries. Achievement of substantive co-ordination through the influence of clients and markets requires freedom of information and freedom of individual choice in many areas where neither currently exist in many developing countries. It also requires the development of appropriate channels of communication between client groups and the government and administration. For most developing countries, the establishment of such mechanisms for effective substantive co-ordination will be the most significant human resource development challenge in the coming decade.

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Decentralisation For Human Resource Development

This paper examines the contribution which decentralisation can make to the planning and implementation of policies for human resource development. It draws on experience in a range of countries to identify successful initiatives that might be transferable to other settings. Particular reference is made to experience in developing countries. Evidence has been drawn from both Commonwealth and non-Commonwealth countries, countries at different stages of development, small states and countries undergoing structural adjustment programmes.

The benefits of decentralisation to human resource development programmes are described, citing illustrative examples from different countries. Problems and obstacles that decentralisation frequently encounters are referred to: the main focus, however, is on successful innovations in decentralised government and administration so that lessons can be learned which might enable other countries to avoid some of the problems which have become such a dispiriting feature of decentralisation programmes, particularly in developing countries. The focus is on the choice of successful options which are in principle if not always in practice open to policy makers concerned to decentralise power.

(This is an edited version of a study prepared for the Commonwealth Working Group on Human Resource Development Strategies by Brian C Smith, University of Dundee.)

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Introduction

This analysis of decentralisation is organised according to the following dimensions of the subject:

Organisation: the different ways in which decentralised decision-making can be institutionalised.
Finance: the options in different decentralised organisations.
Participation: the encouragement of popular participation in the design and delivery of human resource programmes.
NGOs: the use of non-governmental organisations in the process of planning and implementation.
Spatial equality: the problem of inter-regional equality of standards when different areas have different levels of resource.

The paper concludes with a summary of the main lessons to be drawn from the case material.

Human resource development (HRD) is used here in its broadest sense. Sometimes HRD has a very narrow meaning, referring specifically to industrial and vocational education and training (see, for example, Chowdhury *et al.*, 1988). Sometimes it is used to refer to employment and manpower planning (see, for example, International Labour Organisation, 1981). The usage adopted here is that of the World Bank which sees human resource development in terms of education and health care on the grounds that healthy and educated people are the principal means for achieving development. Human resource development programmes are those which seek to improve standards of education (including health and nutrition education), health care (including maternal and child health through family planning), and public health, especially clean water and sanitation (World Bank, 1989b Ch.3; see also Uthoff and Pernia, undated).

It is common to find services relating to human resource development decentralised to local levels of government. In Zimbabwe, district councils provide health and education services and organise self-help projects such as schools and health centres. Botswana's district councils have statutory responsibility for primary health care, primary education, community development and social welfare. In Papua New Guinea, control of health services has been decentralised to the 19 provincial governments, reflecting a wide-

spread acceptance of the view that decision-making in health care should be moved to levels at which it can be responsive to community needs (Thomason, 1988). Health care may be decentralised to ad hoc health boards, as in the UK. In these functions both central and local governments are generally involved, the former represented by its field services. The division of responsibilities is highly variable, but every country's system of decentralisation is inevitably complex (Rakodi, 1990; Gasper, 1990).

Organisation

In the context of the provision of public services, including those in the area of human resource development, decentralisation refers to a territorial division of power. To decentralise is to divide the territory of a unitary nation state, or the constituent parts of a federation, into smaller areas: rural or urban districts, provinces, regions, cities, villages, municipalities or whatever local terminology is adopted to label the units of decentralised administration (see Smith, 1992).

Decentralisation next requires the delegation of authority to institutions. A distinction must be made between devolution, deconcentration and territorial agencies.

DEVOLUTION

Political authority is delegated when power is devolved to area governments by legislative enactment. Local and regional government in unitary states are familiar forms of devolution. The areas for which political institutions are created may vary in size. A village may have an elected local government council; so might a large region. Local government might be arranged in a pyramid with large areas further subdivided. Ideology may be highly significant in this, as in Ethiopia's *Zemecha* campaign in which peasant associations formed a new administrative base below local authorities and were made responsible for land redistribution, the administration of local justice and local development projects (Sisaye, 1979). Institutions within a system of devolution will usually be created by democratic methods of recruitment into office, though this is frequently mixed with appointed and ex-officio office-holders owing their position to central government decisions rather than the choice of local communities. A devolved government will usually have a range of functions to perform, though single purpose elected bodies are by no means unknown. Devolution is thus highly variable in terms of size of area, method of political recruitment, and range of function (Smith, 1985).

Local government in Botswana

Botswana is unusual in the African context, in the extent to which representative local government has survived and prospered since independence. This may have been helped by the country's multi-party democracy and the common membership of a powerful politico-bureaucratic elite held by both the civil

servants of the district administration and the elected members of local authorities (Reilly, 1983). The local government structure consists of nine rural and five urban districts, varying greatly in area, population and resources. Each district has a popularly elected council with some nominated members. Statutory responsibilities include primary education, primary health care and water supplies. In 1986 the councils took over responsibility for regional health teams. Botswana boasts the best rural health record in Africa and district councils take much of the credit for this.

District councils are expected to raise their own recurrent revenues from a local income tax, but expenditure regularly exceeds income, with the deficit being made up from central government grants. As with many systems of decentralisation in developing countries, many problems experienced by local governments can be attributed to organisational shortcomings within central government. Botswana's district councils often do not receive the administrative support which they need from central government. The central government also employs the bulk of the country's qualified manpower, leaving district councils with a shortage. Central control has tended to increase (again fairly typically), including a loss of control over staff to a centrally directed unified local government service and close financial scrutiny. There have been times when central control has been tightened because politicians at the centre saw local councils as potential centres of opposition (Gasper, 1990). However, since independence local government in Botswana has enjoyed greater responsibility than most other systems of local government in Africa (Reilly, 1983; Tordoff, 1988).

The benefits of devolution

The main advantages of devolution are, first, that it is designed to reflect unique local circumstances in development plans and their implementation. Local needs will be reflected in decisions that are taken by local people or their elected representatives who are accountable to them. Projects will be more realistically designed since local demands will be tempered by the availability of local resources, including local knowledge. Local resources can be mobilised by accountable and responsive local institutions (United Nations, 1962; Maetz and Quieti, 1987). Elementary mistakes by external planners, such as issuing bicycles to community health workers and so ensuring that only men would be chosen when there was a predominance of obstetric problems; or setting educational standards for health workers so that only those most likely to leave the village, the young, could qualify, can be avoided by detailed local knowledge (Thompson, 1986). Decentralisation of health care to strong local governments which plan, finance and implement their activities should produce feasible policies that reflect practical realities: 'local knowledge of development potential and constraints could

be used to ensure that primary health care has the greatest possible effect, and community participation and inter-sectoral collaboration could become more feasible' (Vaughan *et al.*, 1985 p.10).

Decentralisation in Papua New Guinea

The benefits of health service decentralisation can be seen from the case of Papua New Guinea where it has contributed to substantial improvements in the health of the population, by improving access to health services and so lowering infant, childhood and maternal mortality, and increasing life expectancy (Reilly, 1989).

The same country provides evidence of the costs of over-centralisation. The National Youth Movement Programme has an administrative structure which is hierarchical, complex and centralised. Very little information is fed back from local communities into the bureaucracy. From the perspective of the youth groups on which resources for job creation, training and community development are targeted, the administrative structure appears remote and unresponsive. Consequently the funding and technical support of projects is frequently too delayed to be implemented, youth groups are overwhelmed by the paperwork needed to secure central approval for a project, and necessary technical assistance is rarely available (Mills, 1989). Devolution is required to remedy these defects.

HRD *and structural adjustment in Ghana*

The case of Ghana, one of over 30 African countries currently implementing structural adjustment programmes, most of which have incorporated decentralisation in the public sector as part of them, is particularly interesting in this context. Decentralisation is seen as a necessary component of the structural adjustment programme currently being implemented by the Ghanaian government. It is believed that centralised state provision of social services and particularly education has not worked and that what is needed is a devolution of responsibility to local communities. Social provision thus becomes demand led and so reflects local needs and priorities. The assessment of needs should be more realistic and the allocation of resources between sectors should be based on a firmer set of priorities. It is intended that there should be spatial planning rather than centralised sectoral planning.

New districts were accordingly delineated in 1988 with average populations of 100,000. District assemblies have been

set up with two thirds of their members elected and one third nominated. The District secretary is a member as well as the chief executive. Assemblies have the power to raise revenues by taxing market produce and levying charges on the consumers of services. Their social responsibilities include primary and secondary education, primary health care, water supply and public health. Though it is too early to assess this decentralisation programme fully, a recent examination of educational provision suggests that decentralisation will lead to better access to schools, especially for the poor, an improved supply of teaching materials, and a greater contribution from school children and school-leavers to the needs of their communities (Gould, 1990).

Physical size and inaccessibility are often given as reasons for decentralisation. Even in small states there may be remote areas and widely dispersed populations which add to the difficulties of centralised administration of services such as education. Many of the Pacific states and territories, for example, have widely dispersed populations cut off from each other by sea. Such countries possess social structures and local organisations consistent with their need for decentralisation. Yet in health care it appears that there is central domination and control and few opportunities for community participation in resource allocation (Newell, 1983).

In education such areas have special needs and problems for which centralised programmes may not be relevant. Small states may also have fragmented and distinct cultural groups which increase the demand for decentralisation in order to ensure proportionate access to jobs. In such cases central governments may have to enforce minimum qualifications for recruitment into public services and standard terms and conditions of service. Decentralisation may be encouraged by the development strategy chosen for a small economy. If economic development is thought to be dependent on the ability to exploit a multiplicity of small-scale initiatives, centralised decision-making might obstruct the development of creative and innovative development efforts. Policies for human resource development, and especially education, in small states will have to satisfy these requirements by decentralising decision-making on teaching methods, curriculum content and instructional strategies in order to produce creative and flexible citizens. Organisational considerations, such as small-scale, limited job specialisation, cost effectiveness and internal communications in small states might, however, pull in the opposite direction (Bacchus, 1990).

Another advantage of devolution is that development programmes will be better co-ordinated if decentralised to multi-functional local authorities (Chikulo, 1981; Conyers, 1981 and 1983; Maetz and Quieti, 1987). In theory co-ordination, as well as mobilisation, participation and effectiveness should be maximised by the use of multi-functional local governments. In this way a range of functions and services are brought under one corporate entity. Co-ordination is important in the provision of services for human resource

development, whether these are administered at the local level by local governments or the field officers of central ministries. For example, the health sector alone cannot improve the health of the population. Education, water supply, sanitation, nutrition and even inequalities of income need to be tackled as well (Muhondwa, 1986; Tarimo and Fowkes, 1989). Multi-sectoral decentralisation seems to be necessary for the promotion of community participation, too. Rifkin's survey of over 200 primary health care projects found that programmes which sought to promote only health and health-related services actually limit community participation. As health is not necessarily a top priority, lay people see little scope for their own involvement, and professional planners tend to define the problems and present communities with the solutions (Rifkin, 1986).

Finally, devolution clearly provides opportunities for popular participation. At the very least it requires people to vote candidates into office and a tiny minority to take decision-making responsibility as local councillors. This is, however, often thought to be an inadequate degree of participation. Ways are frequently sought to involve people more directly in the provision of goods and services which are supposed to benefit them and their communities. These will be discussed below under the heading of participation.

Obstacles to devolution

Devolution, particularly in the special circumstances of developing countries, has had to confront many obstacles. Firstly, decentralisation has often been impeded by a lack of trained personnel. This often results from an unwillingness on the part of central authorities to transfer the necessary financial, administrative and technical resources to local authorities. Personnel shortages affect all types of decentralisation. The best technicians and managers are often concentrated in the headquarters of national departments and agencies. In many developing countries government at all geographical levels is impaired by administrative incapacities. In Papua New Guinea, for example, decentralisation drew a large proportion of the small number of trained people in the country away from the central government (Bray, 1985). Studies of Asian countries have suggested that poor management, inadequate training and weak supervision have severely restrained the effective delivery of public services. Shortages of technical and managerial skills at the sub-national level mean that local decision-makers are heavily dependent on the central authorities for resources and guidance. This reduces the political significance of local institutions and indirectly adversely affects their potential as instruments of participation and mobilisation (Rondinelli and Mandell, 1981; Rondinelli *et al.*, 1984).

Revenue collection in Ghana

A management training programme in Ghana shows what can be done, in this particular case to improve the revenue collection and development planning and budgeting capacity of local councillors and officials. The 1971 Local Administration Act had devolved extensive revenue powers to district councils but

their subsequent record of revenue raising had been very poor. Knowledge of the legislation and the rights it conferred at district level was inadequate. Information of the likely yields from different revenue sources was lacking. There were no control and accountability procedures to ensure that revenue was properly deposited in the district treasury.

Popular opinion saw local government taxes as a form of punishment. Revenue collectors had no incentive to collect from remote rural areas.

An Economic and Rural Development Management training programme was launched in 1977 and within a few years dramatic improvements were being recorded. New procedures were installed to oversee collection and the morale of collectors was heightened. Better statistical records of population, property and taxable activities were developed. A crucial factor in the success of some districts was the willingness of officers and councillors to work together in identifying and overcoming constraints and in recognising the importance of accurate data and historical understanding (Warren and Issachar, 1983).

Secondly, the attitudes of central government officials towards local authorities in their areas and under their jurisdiction have often hampered devolution. In Peru, for example, an attempt to decentralise educational decision-making to community councils was thwarted by the opposition of national bureaucrats to the delegation of power and acceptance within the political culture of extreme centralism (Stromquist, 1986). Central controls are often administered in ways that discourage initiative.

Sri Lanka's Performance Improvement Programme

In recognition of the need to strengthen local government, Sri Lanka launched a Performance Improvement Programme based on a management by objectives approach to policy development and evaluation. This involved setting objectives in increasingly specific terms (e.g. improving performance in revenue collection as measured by the generation of more local revenue according to performance indicators for this objective, in this case a recovery rate for self-generated revenue). The achievement of objectives is rewarded by financial grants from the central government.

A key feature of the programme is the guidance and support given by the centre to generate enthusiasm, ensure understanding and modify the programme on the basis of annual evaluations. A computer-based information system has been established to enable comparisons between councils to be made. Local efforts are supported by technical assistance and formal

training. The role of central government officials, especially those of the Ministry of Local Government, Housing and Construction, has been changed from that of inspector to that of guide, philosopher and friend. The success of the programme has encouraged its extension, with World Bank support, beyond operation and maintenance in urban authorities to include capital works and rural areas (Bertone, 1992).

Successful local government

A recent review of seven cases of successful local government in Africa (Olowu and Smoke, 1992) derived a number of important lessons and policy prescriptions that may well be applicable elsewhere. 'Success' was defined as being 'able to mobilise substantial resources and provide a reasonable level of services relative to other local authorities in the country being considered' (p. 4). Indicators of such success were mainly financial, so the results of the review are pertinent to the section on finance. However, key institutional parameters which were considered a priori to be determinants of success, such as the management of financial information and the staffing situation, were also examined.

The following factors were associated with successful local government:

- **location:** operating in an area with a sound economic and therefore revenue base
- **a clearly defined legal status and responsibility:** avoiding wasteful duplication of service provision and conflict over resources
- **ability to raise revenues:** interacting in a mutually supportive way with the private sector by providing well-managed services and infrastructure which in turn generate sources of revenue such as agricultural taxes, marketing fees and commercial licenses
- **municipal enterprise:** mobilising resources by public sector enterprises such as the sale of traditional beer, market facilities, hotels and bus parks
- **access to capital for infrastructural development:** generating surpluses from recurrent revenues or easy access to loans from a central loans authority
- **appropriate levels and mechanisms of central control** providing local authorities with access to sufficient resources (taxes or grants): freeing central review and approval from bureaucratic delays and political disputes (especially in the payment of inter-governmental transfers), striking the right balance between meeting national priorities and protecting local autonomy, and backing control with adequate financial, technical and administrative support (especially training)
- **good management practices:** developing effective revenue collection, financial control, personnel management (including continuity of senior staff), and management records
- **good relations between councillors and officials:** leaving technical and routine management to administrators while elected representatives concentrate on policy formulation and project priorities

- **good working relations with central co-ordinating, supervising and sectoral ministries:** building local capacity by joint projects and formal co-ordinating committees
- **responsiveness to constituents:** making efforts to consult constituents and intended beneficiaries on needs, location of facilities, and charges. A profoundly important finding is worth citing in full: 'When local people are more closely involved in the decision-making process, they feel that the council is working with them to promote development in the area. Residents are more likely to be co-operative in these circumstances, and development projects are more likely to be successful.' (Olowu and Smoke, 1992 p. 13)
- **observation of other local authorities:** learning about success and failure through field visits organised bilaterally or through local authority associations and government agencies.

The Olowu and Smoke study suggested that success was cumulative. As capacity develops, problems are dealt with more effectively, confidence among constituents, central government and even aid donors intensifies, resources and support increase (including a greater willingness on the part of local residents to pay taxes), and local capacity for good policy-making and management develops yet further.

What, then, are the things that should be concentrated on by reformers? The following strategies emerge from the studies:

- develop a data base for comparisons of performance
- improve the management of revenue collection
- develop new sources of local revenue, such as charges, vehicle taxes, local authority enterprises ('enormously productive'), redistributive inter-governmental transfers, loan boards, municipal development banks and private channels
- strengthen central government's capacity for efficient monitoring and support of local government, and prevent abuse of central government powers by clearly defining the rights and responsibilities of local government through constitutional provisions.

This analysis is supported by a study of less successful decentralisation in Senegal. Decentralisation is seen as a necessary component in a structural adjustment programme designed to reduce public expenditure, privatise public enterprises and reduce the level of central government intervention in the economy. Centralisation has meant slow and ineffective implementation, an inflated and underproductive civil service, and little co-ordination between hierarchically controlled and compartmentalised ministries. The lessons from this over-centralisation confirm the findings from examinations of successful cases of decentralisation that there is a need to:

- clarify the role of local authorities; strengthen the economic base to give local governments access to the resources needed to provide essential services and infrastructure
- decentralise more authority to the field offices of technical ministries so that better support can be given to local governments
- improve by training the capacity of administrative and technical

personnel to manage local infrastructure and finances (Rondinelli and Minis, 1990).

Evaluations of decentralisation in other countries support these recommendations (Bray, 1985 on education in Papua New Guinea).

DECONCENTRATION

An equally familiar form of decentralisation is when authority is delegated to the field personnel of central government departments and other agencies responsible for areas defined according to the administrative needs of the national organisation. Here bureaucratic authority is deconcentrated from headquarters to field offices. The personnel involved are professionals who are employed within an organisational hierarchy. The authority delegated is mainly managerial or administrative, though the political motivation and consequences of decisions taken by field personnel may be highly significant. This form of decentralisation may be more concerned with maintaining uniformity across areas than with varying policy to reflect the individual circumstances of different localities and communities. Deconcentration is also highly variable, in size of jurisdiction, levels of discretion, and status of the officials involved. Field personnel are particularly significant actors in systems of decentralisation in developing countries, often with a prominent role given to a prefectoral co-ordinator such as a district governor, commissioner, administrator, officer or executive secretary (Mawhood, 1987; de Valk, 1990b). Decentralisation everywhere, not least in developing countries, almost always integrates devolution and deconcentration. The greater power of the latter is often seen as a problem which developing countries are still struggling to overcome.

Field administration can sharpen the awareness of central planners of local needs, increase the efficiency of the centre by relieving it of routine decisions, and facilitate co-ordination at the point of implementation (Phillips, 1963; Maddick, 1981; World Bank, 1989a). This has been demonstrated by studies of educational administration.

In Venezuela over-centralisation in ministerial headquarters has meant that when administrative procedures do not run smoothly there is no rapid response capability. Lower-level officials cannot solve the problem. A standardised, national plan for educational needs cannot recognise the special social, economic and cultural characteristics of different regions. Changes can only be initiated centrally, so opportunities for beneficial innovations are lost. The centre is deluged with information which cannot be properly assimilated and evaluated (Hanson,1970).

In contrast, deconcentration of non-formal education in the Adult Education Division in Thailand's Ministry of Education enabled the programme to be significantly and rapidly expanded (Armstrong, 1984).

Access to resources distributed by officials will be eased by deconcentration which reduces the level of bureaucracy in decision-making and makes it easier for target groups to claim the benefits to which they are entitled (de Mello, 1981; Cheema and Rondinelli, 1983). Access is particularly important in health care, a service which in many countries does not reach the

people because of expense, distance or irrelevance for technical, linguistic or cultural reasons (Newell, 1989).

Deconcentration in the Indonesian Ministry of Health

What can be done to decentralise within a national ministry concerned with human resource development is shown by Indonesia's Comprehensive Health Improvement Programme which was partially effective in promoting deconcentration to the provincial and local levels in the Ministry of Health, a highly centralised bureaucracy extending downwards to 27 provinces divided into 300 regencies. The programme aimed to develop the skills of field staff in the collection, management and analysis of epidemiological studies.

The main lesson to be derived from this programme is that if the technical, managerial and planning capability of field offices is improved the negotiating strength of the lower levels in the bureaucratic hierarchy will be increased. The power relationship between field offices and ministerial headquarters is thus altered. This enables the field staff to demonstrate that their decisions are more appropriate for their area than decisions taken centrally. Field offices are also able to gain support for health projects from local government. The allocation of resources then reflects the special conditions and problems of different areas, thereby achieving one of the objectives of decentralisation. Better information at the periphery is, however, only a necessary and not a sufficient condition of decentralisation. The Indonesian case also shows that administrative structures and budgetary controls are even more important determinants. Without changes here centralised decision-making will remain to some extent arbitrary, inflexible and inefficient in the use of resources (Bossert *et al.*, 1991).

Decentralisation programmes have often been undermined by the lack of co-ordination between the field offices of national departments. Departmentalism, centralisation, internal power conflicts and bureaucratic empire-building have been known to waste resources through the duplication of plans and organisations. Often co-ordination has been blocked by inadequate delegation of authority and resources to field officers. Field officials have sometimes been given inadequate status and support services. When an integrated approach to local-level planning has been achieved by bureaucratic dominance, it has been at the expense of popular participation (Stubbings, 1975; Rondinelli, 1983a p. 196 and 1983b; Oberst,1986; Collins, 1989; Mutizwa-Mangiza, 1990; Ruthen, 1990).

Field administration may involve no popular participation at all. Minimal kinds may be created when consultative arrangements are grafted on to bureaucratic decision-making in field offices.

TERRITORIAL AGENCIES

A third type of institution is also usually part of the complex pattern of decentralised decision-making. This is the special-purpose administrative agency with a limited geographical remit for a function which is thought to be appropriate neither for local government nor conventional central administration through a field office. The motive for the creation of such bodies is usually to depoliticise and debureaucratise the management of a service or public utility so as to free it from political interference and enable it to respond to commercial pressures and market forces. They have been used extensively in Asia and Africa for development projects and programmes of different kinds. Such semi-autonomous, or parastatal, organisations are usually managed by an appointed body whose members owe their office to central decision-makers even if local organisations, such as local government councils, have been empowered to nominate candidates for membership. Health care is often organised through such institutions as area health boards or regional health corporations.

There is frequently perceived to be a problem of accountability with such bodies. Decision-making is placed at arm's length from the public arena. Special-purpose bodies represent a technocratic approach to the management of public services. A study of decentralised agencies in Colombia under a programme of 'demunicipalisation' found that the agencies set up were characterised by their distance from popular democratic controls. This does not prevent such bodies from being riven with internal political factions, often along party political lines. Such bodies often replace open and local democratic political conflict with internal conflicts based on national rather than local interests and issues (Cheema and Rondinelli, 1983; Smith, 1985; Collins, 1989).

Participation in the work of special-purpose agencies is similarly usually restricted to the administrative and political elites represented on managing boards. There is growing pressure to find ways of involving people more directly in the services provided by such agencies. Hence the growing attraction of non-governmental organisations as a means of providing a more participative and responsive form of development.

There is also a problem of co-ordination which is difficult between special-purpose agencies with their semi-autonomous status, distinctive areas and specialised jurisdictions. These qualities can produce institutional fragmentation and dispersion leading to confusion about which agency is responsible for a service in a particular locality.

Finance

Decentralisation implies a measure of financial autonomy. This is usually thought to require the authority and ability to raise revenues independently of the central authorities. Some of the choices that can be made for financing decentralised government will be more consistent with local autonomy than others. The devolution of tax powers will depend on whether the central government's objective is local resource mobilisation, income redistribution or demand management. Revenue allocations in the

form of grants or retained revenues will vary according to whether the objective is territorial equality, regional autonomy or minimum standards of service provision.

The main sources of revenue available to local and regional governments are taxes, charges, grants and loans. Taxes on property are extensively used despite the fact that in developing countries the yields are limited by valuation and collection problems. Taxes on local incomes provide for greater financial self-sufficiency because they are buoyant in the face of inflation and more capable than property taxes of bridging the gap between expenditure needs and self-sufficiency (Newton, 1980; Mawhood, 1983b; World Bank, 1987 and 1989a; Adamolekun, 1991).

The fiscal gap between expenditure needs and income tends to be filled by central grants. General grants which can be spent at the discretion of the receiving government are more consistent with decentralisation, especially devolution, than specific grants which are intended for a specified service and which usually have conditions attached. Grants allow expenditure to be funded by progressive taxation, but may induce inefficiency if they disguise the real cost of local services. Local governments can also charge for the services which they provide, though charges and fees are inappropriate for services targetted at poorer sections of the community. Borrowing enables the cost of a project to be spread over time. A final source of revenue is voluntary contributions which people may be persuaded to donate for local projects.

The fiscal dependency on central government which is so common a feature of decentralisation throws doubt on the viability of many attempts to devolve power. Weak tax efforts usually accompany weak tax powers. Consequently transfers from the centre commonly account for over 70 per cent of local revenues. Central control has a tendency to increase in line with growth in the proportion of local revenues provided by central allocations. Grants not only help ensure that the centre's policies are followed. They buy central governments the right to supervise, audit, inspect, initiate and criticise the policies of local authorities. Attempts at reform of tax structures have rarely been successful. Local governments are usually left with the poorest sections of the community while the incomes of the wealthier sections are taxed by central governments. Reform of intergovernmental finance in developing countries is badly needed. The main problems are central governments' reluctance to devolve independent revenue raising powers, conflict between officials and local leaders, and constraints on borrowing powers. At the local level there has been a failure to collect taxes effectively, and a high volume of expenditure devoted to administrative costs (Rondinelli, 1981a; Rondinelli and Mandell, 1981; Bird, 1990).

Decentralisation means that new resources will be mobilised through the more efficient production and maintenance of goods and services, the encouragement of self-help schemes mobilising labour, technological know-how and money, and the greater willingness to pay local rather than central taxes. Improving the tax effort of local governments is particularly important when countries where local governments are a heavy drain on central finances are subject to stabilisation and structural adjustment programmes

(Maddick, 1963; Rondinelli *et al.*, 1984; Commonwealth Secretariat, 1989; World Bank, 1988 and 1989a).

Community financing is often advocated for local services, especially health and education, when there is a resource gap between needs and what the central government is able and willing to allocate. Even in China 'it is simply impossible for the government to finance all the health care costs: the mobilisation of collective and private resources is imperative' (Chen and Tuan, 1983). Community financing needs to be distinguished from privatisation and the charging of fees because it implies that the population of an area collectively provide some or all of the service through a formal organisation. Community financing requires an authority with the power to enforce contributions to the collective effort. This implies some form of local government, especially if the prioritising of expenditure and political accountability are added as desirable features of the system. Representative local government would seem to be required for community financing: the more the financing of the service has to be put on a progressive basis, the more recurrent as well as initial capital costs have to be met, the more equality between communities becomes a consideration, the more the service includes expensive specialist facilities, and the more it is intended that all members of the community rather than just the wealthy should benefit from the service provided (Williams, 1986).

More recourse to user charges is sometimes advocated. It is feared that this will disadvantage the poor who are in greatest need of services provided free at the point of delivery by being funded from taxation. User fees can be a barrier to equity (Williams, 1986; Bray, 1987; Waddington and Enyimayew, 1989). However, Thobani has suggested that in the case of education in Malawi, charging too little can hurt the poor by causing the service to be rationed or lowered in quality. An expanded though more expensive service increases the access to it of the poor as well as having a long-term beneficial effect on income distribution through wage compression. In Malawi low user charges for primary education have led to declining quality and high drop-out rates, both of which have hurt the poor more than the rich. Also, by charging discriminatory prices efficiency objectives can be achieved without raising the price to the poor (Thobani, 1984). A survey of health financing in a broad cross-section of Indian voluntary organisations found them all to be concerned that mechanisms to prevent the poor from being excluded by charges should be put in place. Such mechanisms include waiving fees, sliding scales for prepayment and insurance schemes, and options to pay in cash or kind (Dave, 1991).

Participation

Participation is a means to political mobilisation, the preservation and utilisation of indigenous knowledge, capacity-building, power redistribution, stronger beneficiary commitment, political education, and healthier democracy (Finsterbusch and Van Wicklin, 1987). There are many different activities that have been labelled 'participation' in the context of decentralisation. Some forms of participation are stronger than others. They by no means all

permit the same level of public involvement and decision-making. The weaker forms sometimes appear to be mere tokenism, or even repressive.

CONSULTATION

Participation may mean no more than a right to be consulted on the planning and implementation of public services. Participation becomes part of the information-gathering process in bureaucracies or local institutions such as health centres or schools. If the intended beneficiaries are able to provide genuine feedback to project agencies then design, implementation and outcomes can improve. Information sharing between officials, professionals and beneficiaries can be critical to the success of programmes involving cultural change, as in family planning or nutrition (Paul, 1987). In Ledeberg, a poor suburb of Ghent in Belgium, the involvement of patients of a community health centre in distributing health education information and advising on aspects of management such as surgery hours and financial policy was judged to be a success in improving health education, support services, and the perceptions of general practitioners (De Maeseneer and Debunne, 1988).

PROJECT MANAGEMENT

A stronger form of participation is found when representatives from affected groups can become members of the managing bodies of local public institutions such as recreation centres, hospitals, health centres or schools. This may be extended to include the management of projects such as elementary education or employment creation schemes. Participation of this kind may combine the management of services with the organisation of productive activity and the exercise of influence on planners and decision-makers responsible for the allocation of resources. If the identification of needs and priorities can be backed up with resources to carry out a project, then participation moves beyond sharing decision-making authority with bureaucrats to a power of initiative which is qualitatively different from a capacity to decide on other people's proposals (Paul, 1987). This kind of decentralisation may mean reducing the power of intermediate levels of representative government, as the British policy of decentralised management to school governing bodies shows. Here the powers of local government over education have been severely curtailed (Thomas and Levacic, 1991).

REPRESENTATIVE GOVERNMENT

Participation may mean the creation of formal structures of representative government at different levels in the spatial hierarchy. Elected representation on statutory decision-making bodies, such as a local government council, is a strong form of participation, especially if the area is small enough for accountability and responsiveness to be strong. In Nicaragua, for example, local government has been very significant for the mobilisation of support for community improvements such as health centres, water supply, schools, and campaigns for public health and literacy. Local government has

also been an 'articulate interface' between the population and the state agencies controlling the scarce resources for community projects (Downs, 1987). However, sometimes more direct forms of participation are needed to accompany this essentially delegated form if popular support is not to be alienated and projects are to be successful, especially if local government responsibilities are not matched by resources (de Valk, 1990a; Mwape, 1990).

Democratic participation through the machinery of representative government at the sub-national level is prone to erosion by higher levels of government through a widespread tendency to replace representative institutions with more bureaucratic forms and relegate democratic institutions to an advisory role. This inclination towards deconcentration rather than devolution means that decision-makers nominated or employed by central governments replace locally chosen leaders on local councils and committees. Mixed or dual systems of local administration, in which representative bodies and technical committees of officials work in parallel, have generally not been very successful. Numerous problems have been encountered, including the subordination of elected representatives so that local planning deteriorates into the production of shopping lists of projects from which it is hoped the centrally appointed decision-makers will choose. Local leaders are frequently overruled if they are seen as politically opposed to those in power nationally.

RESOURCE MOBILISATION

A rather misleading but very common use of the term participation, particularly in primary health care, refers to the provision of labour, materials and cash to a project by those who will benefit by its completion. Certainly people who volunteer their services as village health workers, help build and maintain a clinic, contribute money to pay the expenses of a health worker, fill in a pool for mosquito control, or make furniture for a health centre (Annel, 1982; Kasongo Project Team, 1984; Inambao *et al.*, 1987) may be said to be participating in that project. Community participation in health care often means no more than supplying labour, materials or money, as a survey of management experiences in district-level projects in Ghana, India, Iran, Korea, the Philippines, Thailand and Zaire found (Vaughan and Smith, 1986). The example of China's people-run schools confirms what has been found elsewhere: that participation has served as a pretext for extracting resources from the population without delegating any authority to them (Robinson, 1986). There is a case for reserving 'participation' to mean at least a role in supervising and managing the facilities created either by local self-help efforts or public agencies, if not in choosing the projects themselves. It is widely believed, and there is a good deal of evidence to support such a belief, that participation meaning a delegation of power can have the effect of mobilising resources such as labour, materials and cash, as well as people.

Financing community services, such as health care, through voluntary labour as well as direct personal payments for drugs and treatment, though widely recommended, has serious drawbacks. It may enable governments to evade their responsibilities for generating or reallocating resources. It places

the financial burden on those least able to bear it. It requires extensive external back-up (Stinson, 1984).

However, such local-level participation is economically efficient if it makes use of under-utilised labour and skills. Participation can release untapped resources of different kinds. Health care is a good example. Participation can increase the supply of health personnel by training paramedics and community health workers to advise rural people on the prevention of common diseases and to diagnose and prescribe treatment. Systems of health insurance can be set up. Health centres can be established and maintained by village people as in China's co-operative medical system where the idea of co-operation has been extended by local initiative from economic to health issues. Traditional medicine can be incorporated into the modern health service as in the case of traditionally trained midwives for example. Community health workers in parts of India have organised women into credit co-operatives, income from which has been ploughed back into health care provision. Other income generating activities have been spin-offs from health care programmes at village level. Health volunteers can be used to train others as well as give advice and training on hygiene, sanitation, family planning, immunisation and school health activities. Traditional means of soliciting contributions for charitable activities have been exploited. Villagers can be trained to construct their own equipment for the supply and preservation of safe water. The mobilisation of such resources increases the access of poor people to health care which is tailored to the specific needs of communities. Schemes financed by direct community contributions in cash or in kind may be more responsive to local preferences and demands and encourage less wasteful uses of facilities. In this way the resources are used efficiently (Carino, 1987; Carrin, 1988). So the delegation of powers that enable resources to be released that would otherwise go untapped contributes to solving the problem of scarcity in rural communities as well as bringing other benefits generated by the participative experiences involved.

This type of participation may be just an extension of central government's public services and therefore involve little or no decentralisation of authority. The participation of youth in literacy campaigns in developing countries illustrates this point. Young volunteers forming or working with NGOs may be carrying out tasks decided upon locally, but study-service schemes and literacy campaigns, such as those in Mozambique and Nicaragua, involve students working for local communities as an extension of the government's education service. Governments tend to provide the funding and specify the tasks to be performed which may include work on community agricultural and industrial projects in addition to teaching and ancillary activities (Gillette, 1985). If education which is aimed at the wider community beyond school-age children is to reflect the community's real needs then a measure of decentralisation is needed to levels below that of the local education authority where some sectors of education are a function of local government. The United Kingdom's experience of community education has features which will be familiar in many other parts of the world: limited resources; demands for more vocational and practical courses; and the reluctance of professionals to relinquish control over educational

issues, including financial ones. The lesson from UK experience that has widest application is that if community schools are to be more than merely existing schools with facilities that the non-school-age community can use there needs to be community participation in decision-making, community control over a proportion of the funds, and co-operation between teachers and other community workers (Watson, 1980).

THE BENEFITS OF PARTICIPATION

Firstly, participation increases the chances of local projects being successfully designed and implemented. The beneficiaries of projects are more likely to articulate their real needs than outsiders. Studies of community participation in urban housing, population, health, nutrition and irrigation projects find that project design is improved even when participation means no more than consultation. Understanding of the needs of the beneficiaries is improved. Community participation means that the preferences of the beneficiaries can shape new and existing projects, and mobilise demand for the services being set up.

Secondly, community involvement in implementation improves project maintenance, day-to-day management and cost recovery rates. Significant savings in time and money have been recorded as a result of smooth implementation of tasks that are normally subject to conflicts of interest and delays. Some studies found participation in implementation and maintenance to be more important than participation in the earlier stages of a project. Decisions made by local people not only produce solutions that are socially relevant but also encourage the use, maintenance, repair and funding of the facilities created. As projects progress, the utilisation of local skills and knowledge, local ownership and control of outputs, and community capacity all become more important for success (Paul, 1987; Bamberger, 1987; Finsterbusch and Van Wicklin,1987; Narayan-Parker, 1988; Harbeson, 1990).

Thirdly, participation should mean that the needs of the poor will be met by organisations that encourage their political mobilisation and give them opportunities to win control over resource allocation through majority decision-making processes. Groups that are politically weak will be able to exercise the power that their numbers and needs justify, so ensuring a more equitable distribution of benefits in society. Participation empowers people by giving them experience of decision-making under conditions of conflict and scarcity. Participation makes people more effective politically and administratively. They become more conscious of their collective strength in negotiating with the authorities. They motivate the users of local services and articulate demands for other self-help projects and community services beyond those associated with the original project. New leaders emerge. Administratively people become better at making decisions and managing projects (Maddick, 1963; Bonney, 1982; World Bank, 1988; Samoff, 1979; Rondinelli, 1981a and 1983a; Reilly, 1983; Paul, 1987; Bamberger, 1987 and 1991; Conyers, 1990).

Participation in local development projects is particularly important for women in developing countries as it frequently leads to greater activity,

including leadership roles, in other community institutions such as political parties, welfare organisations and co-operatives. Through participation women gain awareness of their potential influence, develop self-confidence and self-esteem, and improve their decision-making skills (Ellis, 1987; Akande, 1992).

Such empowerment may be necessary for achieving human resource development objectives. For example, health status is known to be related to socio-economic status. Inequalities in wealth, political power, income and education create inequalities in health. 'Unequal "health chances" derive from unequal "life chances"' (de Kadt, 1982). If empowerment and consciousness raising through participation can reduce such inequalities, they will contribute to the improvement of health status independently of public health service provision.

Because of empowerment all forms of participation face the problem of domination by local elites. The case of Nepal is just one among many. According to a recent study, local participation is controlled by the better-off members of the local community, and by government officials. The richest farmers dominate the entire *panchayat* system, 'making it difficult to reach the lower socio-economic strata through any development scheme' (Bienen *et al.*, 1990 p. 73). In Thailand local institutions are dominated by the rich and powerful. Projects are rarely decided upon in a democratic fashion (Rigg, 1991). Even small health care projects in India have been confronted by the local power structure which closes ranks if existing systems of distribution benefiting the elite are threatened by the development of self-reliance among the poor (Antia, 1988). Setting up new community institutions may simply provide the already powerful with new ways to increase their economic and social privileges. There may also be strong opposition to an empowered population if it leads to demands by organised, articulate and well-led community or target groups that the rich and powerful are unwilling to concede.

A review of over 200 cases of community participation in primary health care shows what is true for all other aspects of human resource and community development: that community participation involves power and conflict. Communities are not socially homogeneous. Community leaders do not always seek benefits for the entire community. Government planners and community representatives do not necessarily share the same objectives. Programmes designed to serve the interests of the poor can exacerbate community conflict because they will usually mean that 'those who have had a monopoly on a certain kind of power are asked or forced to give up that monopoly' (Rifkin, 1986). Therefore it has to be recognised when planning all kinds of community participation that it does not exist outside a political context.

PARTICIPATION IN PRIMARY HEALTH CARE

After surveying the literature on primary health care in the Third World Bossert and Parker concluded that political characteristics largely determined the extent to which programmes reached the intended beneficiaries and participation was successful. Experience from a large number of cases confirms that participation will be more successful:

The more equitable the *distribution of economic and political resources* at the local level, the *more open and representative* are local government structures.

The greater is the *social, ethnic and political homogeneity* of the population....the stronger are *cultural values* favouring communal activity and co-operation.

The fewer are the *ideological, social and cultural barriers* between the government and the PHC target group, the greater is national political support for community participation.

The more available are avenues for *channelling participation* through existing local organisations ...the greater is the presence of *other government programmes* in rural areas, and the more successful has been their experience with community involvement (Bossert and Parker, 1984 p. 698, emphasis in original).

Primary health care in Zambia

The case of primary health care in Zambia confirms that in planning community participation local politics and interests need to be taken into account. Twumasi and Freund argue that the way to avoid destructive clashes with local political interests is to integrate primary health care into an effective local organisation which claims the support of the local power elite as well as the rest of the community. In the case of Zambia, the way to institutionalise a programme within the existing socio-political structure was through village development councils bringing together traditional leaders, elected party officials, community health workers (CHW) and other local notables such as the head teacher of the village school. The advantages of this scheme are that it would neutralise opposition by co-opting local power-holders, minimise the likelihood of the CHW being regarded as a political threat, provide a broader-based forum than a specialised health committee to discuss resource matters, create a channel of communication between the community and field officials in agriculture and education as well as primary health, and bring about accountability, especially in financial management (Twumasi and Freund, 1985).

PROBLEMS OF PARTICIPATION

Participation is not a sufficient condition for success. Other factors that need to accompany it are:

- adequate funding
- a skilled and motivated implementation team
- small-scale technology
- guarantees of service quality and quantity

- good communication with the intended beneficiaries
- sound monitoring procedures
- compatibility with existing local communal institutions and systems of collective management (perhaps associated with kinship, traditional leadership, or other traditions of local co-operation (Paul, 1987; Useem *et al.*, 1988; Rigg, 1991).

The benefits of participation also have to be set against the costs that may be incurred. These can arise from increased organisational complexity, additional staffing requirements, and increased commitments in response to pressure to add to the scope of a project.

One problem that is frequently encountered is that field officials are inclined to regard local leaders as representing an unnecessary intrusion of politics into what should be a technical matter. The centrist attitudes of field officials make them scornful of popular participation in development activities. National officials fear that decentralisation may mean a loss of control and status. Professional staff, such as doctors, may view community efforts as threatening to their interests. This is as much a problem for developed as for developing countries, as the experience of educational decentralisation, participation and empowerment in poor inner-city neighbourhoods of American cities revealed (Reed, 1991). As the professional competence of officials increases so may centralisation. All this is antithetical to the principle of local choice by local people using their own judgements and holding their leaders accountable. It prevents the legitimate articulation of local demands by the people's elected representatives (Rondinelli,1981a; Kasfir, 1983; Cheema and Rondinelli, 1983; Mawhood, 1987; Wunsch and Olowu, 1990, Ch.4; Ruthen, 1990; Adamolekun, 1991; Smith, 1992). If professional expertise is required for the provision of an efficient service then it is imperative, if the values of decentralisation are to be preserved, that this expertise should be provided at the lowest level consistent with the resources required.

It is particularly important for decentralised human resource development to find solutions to these problems, since community participation has been found to require support from the staff of vertical ministerial hierarchies. Primary health care involving, for example, community health workers, community volunteers or traditional birth attendants, has suffered from a lack of supervision by professionals as the cases of The Gambia, Ecuador and Nicaragua have shown (Walker and Cham, 1981; Heiby, 1982; Mangelsdorf *et al.*, 1988). When provincial and district teams have been motivated to provide support, performance has improved, as in the case of Zambia (Inambao *et al.*, 1987). Technical and managerial support for primary health care from both local community and the health administrators and professionals is needed (Vaughan *et al.*,1984).

Panama's village health committees

An analysis of Panama's village-level health committees identified several factors distinguishing successful from unsuccessful performance in improving preventive health care.

1 Success was found where there was commitment to community health by the regional and district medical directors employed by the Ministry of Health who regarded participation as more than a means of just cutting costs.
2 The technical support constituted an integrated health team which maximised contact with the community through its range of expertise.
3 There were active associations of health committees to pressure the government for improvements, lend money to individual committees, provide a link between new and existing committees and train committee officials.
4 Local political leaders were supportive.
5 The health committee leadership was knowledgeable, able and experienced, and received assistance from health officials.
6 Communities with successful health committees were less socio-economically stratified than where there were inoperative committees.

Health reformers may not be able to do much about this last factor, but it is important to remember that in health care, as in all other areas of decentralisation, the less inequality there is the less people are forced into dependency relationships with more wealthy and powerful members of the community and the more willing people are to join popular organisations 'without fear of political and economic repercussions' (La Forgia, 1985 p. 60).

Non-governmental organisations

Such organisations are extremely varied in their composition and objectives. Membership is usually restricted to the direct beneficiaries and objectives range from the ownership and management of assets to pressure-group activity to defend the weak against the authorities or others with power in the community. NGOs may be integrated into the provision of services, perhaps by other forms of decentralisation such as local government, or may provide groups and communities with benefits which they are unable to obtain from the state because of their political weakness or from the market because of their economic weakness. The functions of NGOs include the provision of services in the fields of social welfare, health, agriculture and infrastructure that have all at some time in some country been provided by government agencies at the local level. They are often involved in community development or in meeting basic needs such as food and health care. They often have a role in rural production and improvements in productivity. The services they provide include day care centres, nursery schools, health clinics, homes for destitute children and the aged, vocational training, informal education, sports and recreation programmes, and community self-help projects providing roads, water tanks, irrigation canals, sanitation facilities, wells and working capital for local, small-scale

agriculture and handicraft projects (James, 1982; World Bank, 1983; Bamberger, 1987; Rondinelli *et al.*, 1989).

THE CASE FOR NGOS

The advantages of using NGOs in human resource development at the local level are as follows:

1 **They increase the supply of local resources, both human and material, either in self-help projects or in partnership with government.** NGOs add to the stock of development resources available rather than substitute for state provision. They encourage the development of local institutions and can be more cost-effective than governmental alternatives (Siedentopf, 1987).

2 **NGOs may offer better opportunities for participation than conventional local government.** By giving people a sense of involvement they increase support for development. They raise political awareness by providing disadvantaged groups with opportunities to be involved in collective decision-making. They should therefore not only be better at defining the needs which a project is supposed to satisfy but should also show greater commitment to the poor than conventional state organs. Participation in the running of an NGO can extend to pressure-group activity as well as the management of projects. More important still, participation in this kind of activity can strengthen political consciousness and awareness of the causes of the problems facing the poor. So participation in the group itself, as distinct from the NGO's role in service provision, is very important.

   NGOs have been important for mobilising women in societies in which hitherto they had played a passive role. In Indonesia, for example, women have been active through the medium of the Family Welfare Movement in improving water supplies in remote rural districts. The success of their scheme induced feelings of pride, self-confidence and competence, enabling women to take leadership positions in new local water users' groups which they themselves have initiated (Narayan-Parker, 1990).

3 **NGOs are often found to be more adaptable to changing conditions and new problems than state bureaucracies.** In some countries they have developed in a few localities as substitutes for the state provision of services in the fields of education, health care, and child care as well as in a wide range of economically related activities. They are freer to experiment, incur less cost if things go wrong (especially if based on voluntary effort and self-help), and are particularly good for pilot projects which if successful can be taken over and extended by the government. NGOs have also contributed to the development of appropriate technologies such as windmills and handpumps.

4 **By providing relevant information for the identification of local priorities NGOs articulate local needs more directly and effectively than state agencies, at least as far as specific needy groups are**

concerned. They propose realistic ways of meeting immediate and pressing needs. They also influence local administrative agencies to ensure greater responsiveness among bureaucrats to local needs. The 1983 World Development Report described bureaucracies as 'physically and psychologically remote from the poor' and therefore unable to respond to popular needs. The bureaucracy can also be made more effective by using the skills of NGOs as well as the private commercial sector (by such means as contracting out to private companies or local community associations for services related to primary health care or school construction). Smallness of scale reduces bureaucratisation which again contributes to responsiveness. Unlike government bureaucracies, NGOs do not work through uniform structures, rules and procedures, but have flexible organisations and management processes. In theory they have many of the advantages which decentralised state administration is said to have: the clear identification of local priorities; sensitivity to local needs; an important source of information for planners, producing more responsive and realistic local plans. They can help to ensure co-operation in programmes producing change (Esman and Uphoff, 1984 pp. 24-26).

NGOS IN HEALTH CARE

The comparison by Carino (1987) of non-governmental involvement in health care in six Asian countries shows what can be achieved, often in the face of considerable opposition. Carino's analysis drew on case studies prepared for a project on 'Decentralisation for Rural Development' sponsored by the Asian and Pacific Development Centre and the Konrad Adenauer Foundation, and cases described in presentations to the workshop on 'Improving Social Access to Basic Services' held in Malaysia in 1982 and to the International Conference on 'Primary Health Care and People's Movement' held in Thailand in 1986. The nine projects analysed were from Bangladesh: Gonoshasthaya Kendra; China: Co-operative Medical System; India: Deenabandu and Mahbubnagar; the Philippines: Makapawa and the Community-Government Collaboration for the Improvement and Maintenance of Health; Sri Lanka: Vedagedara; and Thailand: Health Promotion in the Community and the Champuacg Primary Health Care Group.

All the projects were motivated by a wish to see health services reach poor communities lacking proper facilities. They all trained local people to deliver basic services. Sometimes these were nominated by the local communities to be served. The Deenabandu project relied extensively on women. One organisation, Health Promotion in the Community (HPC) in Thailand, used local influentials such as monks, teachers and health professionals as its representatives in the village. The health professionals were important in the initial stages but everywhere met resistance from their colleagues in the medical profession and government. Nevertheless, dedicated officials were able to support desirable innovations even within the context of centralisation and control.

The projects appeared to have been successful in increasing access to treatment during illness, improving the environment and taking other

preventive measures. Awareness of the importance of health and hygiene has been heightened. Individual and community responsibility for physical well-being have been accepted. Local conditions and the specific needs of volunteers and communities are taken into account in planning services. Programmes have been flexibly designed. The more common health needs are responded to more quickly than before. Some of the projects expanded into other sectors, such as sanitation, water supply, literacy, credit and even a rice bank to help in times of shortage, in recognition of the inter-relationships between health and other aspects of rural life.

Political consciousness and confidence have been enhanced. Levels of participation ranged from providing volunteers or enrolling in an insurance scheme to involvement in planning and implementation or initiating a medical co-operative system as in China. Community health workers in Deenabandu organised poor landless women into associations which not only developed into credit co-operatives but also assisted villagers to defend their interests in other ways, such as strikes against landlords and pressure on the government for other basic community facilities. An important finding was that 'when participation is extended from health to....major problems with landlords, government and other power-holders, the organisation is comparatively stronger and longer-lasting' (Carino, 1987 p. 101). Empowerment seems to make NGOs more durable. This is important since any kind of participation exposes cleavages and conflicts within even small-scale communities along class, kinship and other lines.

THE VULNERABILITY OF NGOS

The spontaneous local community group is often fragile, firstly because of external opposition from powerful economic interests and political forces. Local organisations, especially those representing the interests of the poor, can expect to encounter resistance from local and regional elites such as important landowners and merchants who dominate the formal structure of local government, and from national government leaders and administrators who regard local organisations as a challenge to their authority and bureaucratic convenience. NGOs are often perceived by central governments as actively criticising them, presenting an alternative political voice, and capturing a growing share of aid funding (Bowden, 1990). They can become subordinated to government, local elites and even to well-intentioned external agencies.

One reason for governmental opposition to NGOs is that the co-ordination of development efforts at the local level is not made easier if organisations outside government's control are determining priorities and directing the flow of resources. However, from the perspective of most NGOs, co-ordination by government should not be one of the objectives of decentralisation. Greater understanding on the part of central government of the perceptions as well as the roles of NGOs is vital to the creation of a mutually supportive relationship between them. It is widely felt among practitioners that it is valuable to have a written policy on NGO-government relations, a code of conduct for NGOs drawn up by themselves, and a recognised, autonomous umbrella organisation (Conyers and Kaul, 1990).

Another source of fragility is their vulnerability to internal conflicts of interest, leadership problems and divisions on caste, religious and even gender lines. Internal factionalism can be present, reflecting kinship, ethnic, religious, caste and partisan divisions in the community. Shortages of political, organisational and technical skills frequently inhibit effectiveness (Esman and Uphoff, 1984, Ch.6). A participative, egalitarian style is always threatened by oligarchic forms of leadership in the hands of the socio-economic or even traditional elite. Government officials may play important roles, especially in NGOs that have been initiated as part of a government development programme.

Studies of many NGOs also reveal that the poor tend to be under-represented, experiencing access problems similar to those encountered with government agencies. Patron-client relations may extend into NGOs and provide the motivation for participation by the poor. Excessive dependence on one or two committed leaders with highly personalised styles of management can mean that the successes of an NGO may be hard to replicate (Bhatt *et al.*, 1987 p. 54).

SUCCESSFUL NGOS

Surveys and case studies in the field of human resource development have identified numerous factors relating to success. Voluntary organisations for primary health care have successfully sustained community participation when they have been relatively small-scale, operated in areas neglected by government services, posed no political threat to the establishment or the medical profession, avoided bureaucratic defects, enjoyed enthusiastic and capable leadership, and attracted support from other agencies (Vaughan, 1980).

A more recent comparative survey of local, non-commercial development projects (Conyers and Kaul, 1990) concluded that success was dependent on four sets of factors:

- the project environment, especially a favourable political environment providing material and ideological support, qualities of leadership, and a history of self-reliance
- the basic character of the project, especially beneficiary participation, use of local resources, and an appropriate organisational culture
- the mode of project initiation, especially careful initiation in the community, and starting on a small-scale
- project organisation and management, emphasising clearly defined project goals, flexibility, responsiveness, autonomy, accountability, learning through problem-solving, and human resource development.

The success of the Family Welfare Movement in Indonesia, a nationwide women's organisation, in local programmes of immunisation, maternal and child health, nutrition, diarrhoeal disease control and family planning, has been explained primarily in terms of cultural factors. Obligations to do voluntary work accompany status in a hierarchical society. Women have become increasingly self-confident as a result of their involvement in the Movement. They have been motivated by affective and cognitive, as well as

material, rewards; the opportunity to bring about social change; and togetherness. Voluntary efforts and community health insurance have drawn on cultural values emphasising the interests of the community before those of the individual (Lenart, 1988).

In Thailand a village-level water and sanitation programme involving co-operatives achieved considerable success because members were elected and so accepted and trusted by villagers (Menaruchi, 1986).

Success for* NGOs *in Sri Lanka

The Sarvodaya Shramadana Movement in Sri Lanka shows how a non-profit NGO combines non-formal education with wider community development inspired by Gandhian ideas of equity for the poorest members of the community and Buddhist principles of co-operation and unity. Participation is based on indigenous practices and existing leadership. Human resources in a village are initially mobilised to meet a communally identified need for roads, housing, loans, wells or cottage industries. The process raises villagers' consciousness of their economic, social and political problems. A longer-term aim of the Movement is education and training to improve the socio-economic prospects of the village. However, education is always linked to other aspects of development, such as health care and the formation of groups among mothers, youth, farmers and so on. Though not enough success has been recorded in employment generation, the Movement has strengthened the psychological foundation for development effort and successfully mobilised self-help projects. As with many self-help schemes, financial, managerial and technical resources which the Movement cannot provide are badly needed (Colletta *et al.*, 1982). In order to keep the benefits of decentralisation and bottom-up planning, such support should come from local levels of government.

Spatial equality

National governments are often committed to equality of administrative standards, so that the public provision of education, health care, training facilities and other developmental activities available in one area is of the same standard as in other parts of the country. Developing human resources, especially in developing countries, has important equity objectives. A combination of central controls and financial support is used to achieve this essentially political aim.

Central control may have other objectives, and the decentralisation of any function of government is likely to be accompanied by procedures for central supervision. Equalising the resources available to communities, for example, in access to educational facilities, and then ensuring that they are

used to provide a comparable standard of service everywhere is just one example. Other objectives of centralisation include increasing efficiency when economies of scale can be secured, and maximising the use of scarce managerial and professional skills.

CENTRAL CONTROLS

The types of power taken by central governments vary considerably. Central authorities may be given powers to advise and inform, rather than sanctions to enforce central policy. Advice and information may be associated with other powers, such as the right to inspect local establishments run by local authorities, such as schools, police forces, prisons, clinics or hospitals. Inspectorates may be a source of important professional advice to local institutions. The appointment of key local personnel, such as chief education or medical officers, can be subjected to central ministerial approval. There may be a statutory requirement to draw up plans for the development of local services which are then subjected to central scrutiny and approval. Professionals in central ministries may issue circulars containing guidance on best practice or the interpretation of central policy directives.

Financial controls and inducements are the most important mechanisms for securing equality of standards. Selective or general budgetary supervision may be used. Selective controls take the form of loan sanctions, mandatory minimum levels of expenditure on specified services, or formulae for grant aid to local governments. Ceilings can be placed on local budgets or even on the rate of local tax that can be levied. Grants often constitute a significant proportion of local revenues, especially when inter-regional equality is a national political objective and where there is a vertical gap or mismatch between local expenditure and revenue. When the objective is equal standards the main financial problem that will be encountered is the inadequate tax base of the poorer communities. It is likely that central grants will have to provide the funds for development projects in localities where the tax base is too small.

A study in Tunisia shows that reforming the method of subsidising provinces and communes can significantly increase the resources available for capital projects in poorer communes. Here resources available to local government have both increased and been distributed more equitably. Dependency on central grants will persist until the poorer communes succeed in building up their tax base. This suggests that the grant system should be directed towards its own replacement by local taxes, by encouraging economic activities which will provide a tax base (Nellis, 1985).

CENTRALISATION AND EQUALITY

Since national controls and resources are frequently used to achieve spatial equality, territorial redistribution is often thought to require centralisation rather than decentralisation. Only central governments are believed to be in a position to redistribute resources between areas or income groups in the interest of social justice and equality. If it is thought that the citizens of different regions, districts or localities should receive equal standards of

welfare, housing, education or health care it becomes increasingly difficult to preserve local autonomy to decide on standards and priorities. Equality enlarges the activities of the centre at the expense of localities and requires standards of administrative performance by local governments to be territorially equal (van Putten, 1971; World Bank, 1989a pp. 72-3). When, for example, the government of Zimbabwe wanted to equalise educational opportunity it embarked upon a programme of expansion with the aim of redistributing services in favour of rural areas and standardising the pupil-teacher ratio (Ota, 1986).

Primary health care in Norway

The 1984 Municipal Health Act in Norway allocated responsibility for primary health care to representative municipal government. Public regulation of primary health care was strengthened. Municipal autonomy was enhanced. Central control over staffing, internal administration and the scale of health services was relaxed, especially after a general block grant replaced a health service grant and removed the lower limit previously imposed on health service expenditure. The reorganisation contributed to the extension of representative democracy. It was assumed that in supplying services according to locally determined need, municipalities would produce a more equitable distribution of health care. Instead, when measured by expenditure levels and staffing ratios, growing inequality has been an outcome of the reform. By fragmenting decision-making among many autonomous local authorities an equal level of service regardless of location, 'an important ideological principle in the Norwegian welfare state', has been undermined (Elstad, 1990).

REDISTRIBUTION AND DECENTRALISATION

Spatial equality, the financing of decentralisation and the role of NGOs are all inter-related. In many social areas, including education, communities are expected to finance local projects and activities through self-help and community participation (see above). Such community financing, as the case of Harambee schools in Kenya shows, may have serious consequences for both the quality and equity of the resulting service. A study of Kenya showed that community financed education was qualitatively inferior to governmental provision as measured by the quality of teachers and attainment levels. It was also found to have exacerbated inequalities in the distribution of educational resources, facilities and opportunities between regions, districts, socio-economic groups, and sexes: 'self-help efforts may well have perpetuated existing inequalities, since they tend to be best supported and most successful where people are most able to help themselves', i.e. where

education is already relatively well-developed in districts that are already relatively affluent (Lillis, 1987). So encouragement to NGOs and community financing for other developmental objectives must take into account the possibility of equity costs of this type of local initiative.

However, while it might be impossible for local governments to redistribute income from rich to poor by direct methods (see Smith, 1992), in some developing countries decentralisation is part of a programme to produce a redistribution of resources and a more balanced development of the country. Decentralisation can spread the benefits of economic growth by using resources more efficiently to promote development in poor or economically backward areas. Centralisation has often resulted in scarce resources being concentrated among the rich and powerful. Poor communities cannot always rely on national governments to meet their needs. They have to mobilise their own resources, economic and political, if central agencies are to be pressured into delivering services to intended beneficiaries (Rondinelli, 1981b; Maetz and Quieti, 1987; Commonwealth Secretariat, 1989 p. 137).

Spatial inequality can be tackled in other ways. Preferences for public goods, as well as the need, cost and ability to pay for them, vary according to geographical location. Distributional inequalities reveal themselves in the geographical location of amenities and services such as parks, hospitals and libraries, and in the incidence of pollution and environmental degradation (from the location of refuse dumps or major highways, for example). The costs and benefits of community life are usually unevenly distributed by neighbourhoods which in their turn are specific to different income groups. Spatial inequalities such as these are found in most developing countries. They can be remedied by area-specific policies (Bennett, 1980 p. 42; Rakodi, 1990; Simon,1990; Maro, 1990a and 1990b).

Decentralisation and equity in Tanzania

The case of Tanzania shows that spatial equity in services relating to human resource development needs a combination of central and local intervention. The Arusha Declaration of 1967 included the reduction of spatial inequalities among its objectives and the 1972 decentralisation reform had as one of its political objectives a more equitable redistribution of development in the country.

A study of decentralisation and spatial equity in Tanzania (Maro, 1990c), particularly in the provision of social services, conducted between 1976 and 1980 and a further study of inequalities in the distribution of health facilities carried out in 1984-85 found that decentralisation had worked to reduce spatial inequalities in a number of ways. First, more regional, district and village service centres had been created. Villages became the nodes through which essential services were provided to the rural population. New villages were established. The greater number of villages meant that services had to be

more widely dispersed. Secondly, people were encouraged to establish health, education and water facilities through self-help projects, with government providing capital and technical personnel. The establishment of health facilities in rural areas was funded partly by government and partly by self-help. The increase in resources was clearly biased in favour of the areas that had fewer facilities before decentralisation. The provision of health services was accompanied by education campaigns to improve nutrition, maternal and child health programmes, and family planning facilities in health centres and dispensaries. Access to primary education was improved and regional inequalities in the allocation of resources were reduced.

The resources for social service development came primarily from the central government. Decentralisation contributed to the more even spatial distribution of facilities by the creation of more territorial units, particularly based on villages, which had to be serviced with health care, education and water supplies. These services became more accessible to more people. In this sense decentralisation contributed to a reduction in inter-district disparities, rather than in the sense of a devolution of power to local institutions, though this happened to some extent too.

Conclusions

The lessons that may be learnt from the experience of decentralisation in decision-making for human resource development can be compressed into five major points:

- be aware of the social, economic and cultural setting to which power is to be decentralised
- accept that decentralisation will require conflict resolution through political processes
- clarify the status and role of all decentralised institutions, governmental and non-governmental
- ensure that support is provided from central governmental authorities
- provide the necessary training.

These points can be elaborated as follows.

THE SOCIO-ECONOMIC SETTING

Whether a successful innovation can be transferred from one country to another, or maybe even from one region within a country to another, will depend on local social, political and economic circumstances, including cultural factors. Social, economic and cultural settings must be analysed to see whether there are likely to be serious obstacles in the context into which the new institution or procedure is to be transplanted. Participative

modes of decentralisation have been found to work best when there are few ideological, social and cultural barriers between government and target groups.

The economic base is particularly important for viable local government, since this will determine the revenue position of local authorities. In most settings the revenue position is the key to achieving other desirable attributes of decentralisation, such as local autonomy and meaningful participation. The ways in which local institutions interact with the local economy are likely to be crucial for their financial strength. Local authorities can strengthen the taxable resources at their disposal and develop new sources of municipal revenue by providing services which support the public and private sectors locally. Social provision then benefits from the public revenues generated.

The social setting is important when considering the best ways for local governmental institutions to maintain a high level of responsiveness to citizens and intended beneficiaries of services. The co-operation of local people in projects designed to improve their health or educational status is important for successful implementation. Such co-operation is dependent on effective mechanisms for consultation.

Local society may be able to support stronger forms of local participation than consultation, such as NGOs. Decentralisation planned by central governments needs to be aware of local potential for spontaneous participation in service provision, and develop mutually supportive relationships with such groups and associations. Participation has been found to be dependent on the existence of relative equality and homogeneity in social, ethnic and cultural terms as well as other features of a favourable project environment such as local leadership and a history of self-reliance, and to work better when channelled through existing local organisations. Cultural factors, such as a sense of duty towards the local community, can be exploited by decentralised human resource programmes. Such social, economic and cultural factors will vary from place to place. Formal institutional designs such as devolution and field administration need to be sufficiently flexible to respond to these variations.

THE POLITICAL CONTEXT

The reform of decentralised government and administration is a political change, with implications for the power structure both locally and nationally. Indeed, political considerations are often the motive for change in the first place. Community participation, whether through the institutions of representative democracy or more direct forms, involves power and conflict. No participation exists outside a political context, especially when group action becomes more durable as the result of expansion beyond service provision into pressure-group activity. Empowerment is likely to be resisted by groups whose dominance is threatened. Integrating local services in effective organisations which have the support of the local power elite, including the professionals involved in service planning and delivery, may be a necessary condition of successful decentralisation.

Recognition of the risk of political conflict is especially important when decentralisation is coupled with equity objectives, such as protecting low

income groups from exclusion when charges are levied for public services such as education, clean water and health care. Methods of financing community services such as progressive or regressive taxes, voluntary contributions in cash or kind, or charges on users individually all reflect political choices about equity. So attempts to decentralise should never be thought of as merely technical managerial devices.

CONCEPTUAL CLARITY

Conceptual explicitness is of the utmost importance. The terms 'decentralisation' and 'participation' can be used in so many different ways that false expectations can be raised and politically damaging disappointments experienced. Ambiguity may be politically desirable for those in power. That is something that has to be recognised. Only politicians can do something about it. However, specialist policy advisers called upon to design new systems of decentralisation should be absolutely explicit about what kind of institutions they envisage in their new scheme of things, where decision-making powers are to be located, and who is entitled to play the different roles created. Legal status and responsibility need to be clearly defined, perhaps through constitutional provision, to avoid duplication and conflict. This is particularly important when one form of participation at the local level (such as in the management of schools) can conflict with other forms (such as local authorities responsible for planning the local education service), or when the activities of NGOs are inconsistent with the objectives of government plans, including those formulated by local governments.

SUPPORT FROM THE CENTRE

Successful decentralisation depends on commitment from the central government. Administrative support is needed to ensure that local institutions are adequately staffed, empowered to raise revenues in ways consistent with the objectives of decentralisation and other government policies, and efficiently provided with the technical and financial resources that cannot be obtained locally. Local government's capacity needs to be strengthened both for the benefit of its own administrative performance and to allow it to provide managerial, technical and financial resources to self-help schemes within its locality.

Central controls should be freed from bureaucratic delays and political disputes. Central government's own capacity for efficient monitoring and support will almost certainly need to be strengthened as an integral part of a programme of decentralisation, especially if there is a serious intention to change the relationships between levels of government from one marked by hierarchy and subordination to one more characterised by partnership.

With deconcentration, administrative structures and budgetary controls that are consistent with the required level of delegation to field staff need to be put into place. Since the field offices of technical ministries will be involved in a regime of support to other decentralised institutions, it is important that field staff have the resources and discretion to provide an efficient service and that they are committed to the public participation that

most forms of decentralisation entail. Support for local innovations requires field staff to be dedicated as well as well-resourced. Co-ordination between departments at the local level is also dependent on adequate delegation and resources.

Central support is also neeeded when decentralisation is combined with equity objectives. There is a potential contradiction between decentralisation and equity which needs to be resolved by appropriate central government action. Decentralising decision-making to autonomous local bodies, or leaving services to be provided through self-help schemes, can lead to wide diversity in standards of service and levels of access from one area to another. Communities and groups that are already advantaged may be able to build on their strengths and perpetuate the inequalities between the residents of different locations. Decentralisation can contribute to the improvement of life-chances in poor communities, but spatial equity needs a combination of local and central interventions. Central funding and technical assistance can be biased towards areas in need without automatically reducing the autonomy of local institutions. However, a balance between decentralised power and equality of standards needs careful design.

TRAINING

The benefits of decentralisation can be maximised if good management practices are established. This requires lower level decision-makers to be trained in effective revenue collection, financial control, personnel management and management information systems including data bases for the comparison of performance between institutions and over time. Training in project management, including the maintenance of new facilities, is particularly important. Governmental as well as non-governmental organisations can benefit from the qualities of project organisation and management associated with successful local development projects: clearly defined project goals, flexibility, responsiveness, accountability and learning through problem solving.

Training can lead to better relations between elected representatives and professional staff when decentralisation takes the form of devolution, and between local governments and sectoral ministries. Good relations between officers and councillors improve administrative performance in such areas as data collection and problem solving.

Training programmes should include learning from the successful experiences of comparable institutions in other localities. To ensure the lessons that are passed on are relevant to the circumstances in a particular country, the trainers should, where possible, be the practitioners who have participated in the successful experiments. Local authority associations and government agencies can assist in facilitating such exchanges of information.

One of the main spin-offs from training is empowerment. The findings from innovations in field administration apply equally to other forms of participation. When the technical, managerial and planning capacity of the lower level decision-makers is improved their negotiating strength is increased. Better statistical records of population, property, taxable activities

and community needs for health and education improve morale and the quality of local leadership as well as administrative performance. A stronger capacity to identify local needs and solve local problems alters the balance of power between levels of government and strengthens local autonomy.

INTER-RELATIONSHIPS

The factors that have been associated with successful decentralisation are all inter-related. Socially homogeneous communities enjoy more effective participation because there is less political dependence of the poor on the rich. Relations between local institutions and the local community are affected by the support with which central government is prepared to follow up its decentralisation initiatives. Local participation is affected by the level of integration between human resource development programmes. Central support is necessary for responsibilities to be clearly laid down in law. Training and technical assistance are vital parts of the administrative back-up which central governments need to provide. Clarification of the rights and responsibilities of local authorities, NGOs and other forms of democratised management at the local level will help turn central control into central support by preventing abuse of central powers. Clarification of the objectives of local institutions, perhaps accompanied by rewards for achievement, will help change the relationships between levels of government and generate enthusiasm for the whole decentralisation programme.

Consequently, planning a programme of decentralisation in the policy areas related to the development of a country's human resources is a complex business, but one that will repay the effort handsomely. The final message which can be identified from the case material on all kinds of decentralisation is that success breeds further success. Successful decentralisation is a cumulative process. That means cumulative benefits for local communities.

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The Role of Non-Governmental Organisations in Human Resource Development

The NGO world is complex. There are national and international NGOs. There are product-oriented and process-oriented NGOs. There is a complexity of interaction within the world of NGOs, within government, and between the two. NGOs can contribute to human resource development by their very existence, and through the development and introduction of new technologies. Arguments for and against the ability of NGOs to raise the confidence and competence of people through their activities is debated. The role of NGOs in the delivery of health care, education and the development of co-operatives and credit unions is explored. Government – NGO relationships are described as antagonistic co-operation. Practical suggestions are put forward to enable the relationship to be more positive and productive.

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Defining the size and scope of NGOs

Non-governmental organisations (NGOs) have become important agents of change and development in many developing countries. Although precise statistics are difficult to acquire and interpret, not least because there are definitional problems, the table below gives some idea of the scale of the potential that the NGO sector offers.

Voluntary agency funding as a percentage of bilateral aid: 1991 in $m

	Bilateral aid	*Vol. agency funds*	%
Australia	753	55	7.3
Canada	1690	226	13.3
New Zealand	82	12	14.6
UK	1483	327	22.0
US*	6827	1877	27.5
Ireland	23	26	113.0
Germany	4479	757	16.9
Switzerland*	423	91	21.5

* = 1989 figures

Source: Development Co-operation, Report of the OECD Development Committee, Paris, 1991

Although individual country figures vary greatly, the striking fact is that in major donor countries voluntary assistance has come to represent a very significant proportion of the total flow of funds.

This is not limited to funds alone. Although figures on personnel are even more difficult to collect and interpret, the same general picture emerges. If people working with missions are included, for example, Ireland sends many more people overseas in a voluntary capacity than in the form of official technical assistance. In the Commonwealth donor countries, the proportion is much lower, but it is still very significant.

These figures, of course, apply only to international NGOs; they therefore leave out of account the work of national NGOs. The latter may not mobilise the same scale of financial resources as the international agencies; but they often employ more people and, sometimes funded by the

international agencies, deliver a greater volume of services to the grass roots than the international agencies could ever achieve by themselves.

The scale and density of national NGOs is remarkable. In Rio de Janeiro alone there are more than 1,500 national NGOs; in Sri Lanka membership of national NGOs is in aggregate numbered in millions; in India the administration complains that it cannot keep up with the registration of new NGOs; in Mali the NGO sector is essentially a parallel apparatus to the state in matters of rural development and micro-income generation. At the other extreme, Somalia under Siad Barre and his divided successors did not encourage NGO activity of any kind; a fact that makes current emergency relief the harder to mobilise.

Taken together, the international and the national NGOs are thus substantial participants in the development process as a whole; and in the development of human resources in particular. This very size and its associated complexity have brought NGOs into contact with government in ways that are not always positive for either side. The ensuing difficulties and ways in which they may be reduced will form the core of this paper.

WHAT CONSTITUTES THE NGO SECTOR?

'The NGOs' or 'the NGO sector', are aggregate terms that often obscure the heterogeneity and complexity of the voluntary non-governmental organisations.

International level

International agencies may be operational or non-operational. The former may run their own projects, employing expatriate and/or local staff, but accepting full managerial responsibility for those projects. Save the Children Fund, for example, is usually operational; Oxfam tends to be non-operational, funding local NGOs to carry out particular projects.

Similarly, international agencies may or may not choose to be conduits for official aid, whether food aid, financial aid from bilateral or multilateral programmes, or emergency aid. Some which are content to act so nevertheless set very tight limits within which they will accept official funding. Others either refuse official funding altogether, arguing that it compromises their independence; or for whatever reason are not thought by official donors to be appropriate channels. Many religious NGOs would fall into this latter category.

Some international NGOs are highly specialised, either in terms of area or region within which they will operate, or in terms of the expertise they have available. NGOs specialising in technology transfer, such as the Appropriate Health Resources and Technology Action Group or Intermediate Technology Development Group, are examples of the latter. Others, especially non-operational agencies, may be involved in funding a very wide range of programmes, from emergency feeding centres to vocational training to water reticulation schemes to care of the handicapped or the elderly. Although it has recently become fashionable for the NGO sector to seek to package groups of projects to give, or appear to give, them a greater degree of coherence than they would otherwise have, there are often

internal pressures on such agencies to maximise the coverage of their programmes across the globe in order to attract as wide a spread of donors as they can.

The same general point has to be made in terms of geographical coverage. While there are some international agencies that are determinedly committed to one region, or even one project within one region (The Friends of Vellore Hospital in India, for example), this is relatively rare except among the smallest players. In general, international agencies like to have as wide a geographic spread as they can manage with minimal competence so that they can show what work they are doing when one region rather than another attains public prominence. International NGO leadership does not like to have to admit in public that they are doing nothing in a high-visibility part of the world; in the wake of a natural disaster, for example. That this wide spread (with attendant risks of less than perfect knowledge of, or sensitivity to, local conditions) can have unfortunate consequences is an implication examined later in this paper.

National level

Many of the same distinctions apply when the focus shifts from the international to the national. Specialist or general; religious or secular; close to government or distanced from it; large or small; national or local; all these are obvious defining characteristics. Two more distinctions are especially important for the major thrust of this paper.

1 Volunteer or employee-based: Some national (or local) NGOs are heavily dependent, sometimes completely so, on volunteer labour. They employ no full-time staff and no professional managers, which is not to deny that some of the volunteers may be professional managers in their paid employment. Others by contrast, usually closely allied to the international agencies, may employ large numbers of personnel, some of whom may be highly qualified professionals. As in most parts of the developed world, it is probably true that there has been a shift in the balance in the developing world too; from the former, volunteer-based type of organisation towards the more professional, full-time employer.

2 Project or process-based: The second distinction is even more important. Perhaps in part as a result of pressures from official donors or governments in recipient countries, the majority of NGOs in developing countries are 'project-based'. They have defined goals, measured in terms of some physical output: so many vaccinations delivered; so many latrines built; so many wells dug; so many farmers adopting a particular technology. They may or may not achieve those targets; and those targets themselves may or may not have been wisely chosen. The definitional point is that there is a time-bound, specific objective that the project is designed to achieve. At its most extreme, this concern with 'project' can reduce the NGO to the status of a public service contractor to the government or an official donor.

By contrast there is a still small but rapidly growing number of NGOs, especially but by no means only on the Indian sub-continent and in Latin

America, that are concerned with 'process' rather than 'product'. That is to say, the activities of the NGO in a given area or community may be much more concerned with peoples' attitudes, confidence, ability to act together, readiness to claim their rights than with hard physical outputs. The process type of NGO may use physical targets as a means to an end; they tend not to see them as ends in themselves.

It is important, of course, not to overdraw this distinction. The very best projects take as much trouble with process as they do with product. A good example is the organisation called Comprehensive Health Care Services, led by Dr Sankar Jain, working with the tribal people of the Koraput District of Orissa in India. It combines what it calls a 'people-oriented health care system' with attempts to strengthen local tribal community organisations, and women's participation in them. To take another example, Alfalit is an organisation that operates in many countries in Latin America. It started life under the domination of missionaries from Miami, but has now established its independence, though still remaining close to the church. It runs four sets of carefully interlocked programmes: women's training and participation in community self-development; grass roots education and training in communications; peoples' organisations for development; and training in the church for community development. Product and process thus go hand in hand.

As a result of working with such projects as this, many of the international funding agencies (though not all, especially in the US and Germany) have, over the last ten years, learnt that neglect of process is usually counter-productive. Nonetheless the 'project-cycle' can impose its own disciplines and its own distortions; the best of process-intentions can go by the board if project-failure is staring the leadership in the face. A recent detailed study of an Australian funded project in Kenya in which Australian and Kenyan NGOs were imported late in the day makes exactly this point with great precision. 'Product-oriented' entry points that are supposed to lead to 'process-oriented' work become subverted into ends in themselves.

This whole topic is of vital importance in the context of the role that the NGO sector does and could play in the area of human resource development. For product and process are two approaches to the same goal of raising the quality and quantity of human resources.

While governments tend to be comfortable with product, they are much less so with process: This generates one of the most persistent, most divisive sources of tension between NGOs and government in nearly every developing country where NGOs are significant players.

Governments that seek to deal with 'the NGO sector' as an undifferentiated, non-competitive mass are almost certain to make difficulties for themselves: The NGO sector is a surprisingly complex, variegated and pluriform creature. This very pluriformity implies a degree of competition between NGOs. One of the most marked developments within the last ten years has been the growth of, and the growth of consciousness of, this competition. Most obviously, they compete for official resources, in both donor and recipient countries. However, they compete across a much wider range of goods

than resources: for projects; for partners; for personnel; for publicity; for visible marks of 'success'; for patronage by the rich, powerful and famous. It is a disservice to the truth, when, for the sake of brevity or convenience phrases like 'the NGOs' or 'the voluntary sector' are used as though there was sufficient homogeneity or unity of non-competitive purpose to justify the use of such an umbrella term.

The NGOs and government

Although this topic recurs throughout this paper, it is worth making some preliminary points to serve as a context in which to place the more specialist points that will emerge in the specific discussion of human resource development.

First, it is well to recognise that from the standpoint of the government, the NGOs bring both resources and risks. The resources are:

- money: sometimes as much as 10 per cent of all aid inflows are routed through the NGOs; more usually about 5 per cent
- personnel, sometimes with scarce and very specialised skills, usually from the home country of the NGO concerned; increasingly from other developing countries
- technology and research capacity, especially in the areas of agronomy and health care
- contacts with opinion-formers in the developed countries, a resource increasingly valued by at least some developing countries' leadership as a way of changing political opinion in the North.

So much is well known, but the NGOs also bring risks:

- of overloading the bureaucracy, especially in the capital: being so disparate and competitive, they are extremely reluctant to be dealt with in a standardised package; indeed they cannot be so dealt with except in very routine areas of administrative contact
- of nourishing or harbouring opposition to the regime or the bureaucracy
- of deterring foreign investment
- of affecting the distribution of investment or the provision of services by demanding counterpart funding or staffing as a quid pro quo for their own involvement.

These risks impact different parts of the civil service; but so do the resources. As shall be seen later, NGOs offer rich pickings to those who can co-opt them for their own purposes. The bureaucracy is not immune to these temptations, anymore than it is immune to an appreciation, realistic or exaggerated of the risks presented by the NGOs.

As long as a registration procedure is water-tight; and the authorities can so devise a process that it genuinely separates the high-risk or high-nuisance from the merely tiresome or awkward, it might be helpful to have a formal entry point: When the question arises of how governments can in general maximise the benefits but minimise the risks or costs associated with the

NGOs, there is no one answer, indeed some would argue that it is unanswerable except in the most pragmatic terms. Some governments have sought to control NGOs through a process of registration. In India, for example, it has been a condition of receiving overseas funding that an NGO be registered. Bangladesh has much the same provision, given greater teeth by the creation of a cell of the Cabinet concerned to oversee government's (not always placid) relations with the NGO sector.

To imagine that a simple 'gate' could be constructed through which all NGOs would pass and which would give both government and NGOs all the information and contact they require is too simplistic: Most countries operate with a less centralised regulatory framework, in the knowledge that most of the bigger NGOs and virtually all the international NGOs have inevitably to contact a large number of ministries before they can begin work on the ground. Indeed it is the investment of scarce civil service time in the sometimes labyrinthine processes of clearance and liaison that irritate both sides.

The complexity of the interaction between government, in its various, often competitive manifestations on the one hand; and the wide variety of competitive NGOs on the other cannot be ignored. These two groups are jockeying for position within their own world, but they are also jockeying for a position that will enable them to maximise the benefits (or opportunities) they think the other 'side' possesses. When each side finds a near-perfect fit: i.e. an NGO that will deliver extra services in an ideal format to a valued client group at no cost to government; or a government department that will clear the way for the NGO precisely to fulfil its mandate and then protect it from predators, each will seek to exclude others from the relationship. Glib talk of co-ordination is then redundant.

The NGOs and human resource development

NGOS AS ENTITIES

What contribution, then, can the vast and diverse array of NGOs make to human resource development? In addressing this question a fundamental distinction is made between what contribution NGOs make through their work-programme, that is what they actually do on the ground, and what contribution they make in themselves, by, as it were, their very existence. These are examined in the reverse order. Out of these discussions will emerge the strengths and weaknesses of the NGO sector, enabling a return more specifically to a review of relations between NGOs and governments.

What do NGOs contribute to human resource development in their own right, by their very existence, apart from what they achieve on the ground? Is it the case, for example, that NGOs compete for scarce high-level or technical personnel, starving other institutions: government; the health services; the schools system; rural development agencies, of one of their scarcest resources? This is a charge sometimes made against the NGO sector, especially in those countries in which shortages of particular skills or levels of experience are acknowledged as major constraints on development.

In situations of extreme skill shortage, the NGOs compete along with other would-be employers for scarce skills. Here the importance of the definitional discussion becomes clear. National NGOs (whether they operate on the national or local level) are far less likely to bid up the price of such labour than are international operational NGOs. Indeed, an examination of the cases where there have been complaints of NGOs poaching scarce people from government (and paying them highly in the process), shows that it has usually been the international operational NGOs that are the subjects of such criticism. They can afford to pay; and there is a sense in which they cannot afford to run the risk of their projects collapsing because of poor recruitment and personnel policies. Most of the big international operational agencies are under irregular but intense public scrutiny and failure makes poor publicity. They tend to seek to insure against that by attracting the very best people they can find and paying them enough to retain them.

Such is, or was, the basic market position. It needs to be moderated in at least three directions.

1 International agencies can afford to bring in expatriates, and tend to do so if local skills are in short supply. This can bring them into conflict with national indigenisation policies.
2 Like other international agencies (especially the World Bank and some of the more enlightened bilaterals) and at about the same speed, NGOs have learnt the indispensable contribution sound management can make to a programme of work. They therefore tend to plan and budget for senior staff development, even if in the interim they have to employ expatriates.
3 The international operational agencies have learnt a great deal, often by making mistakes, over the last 20 years. They have learnt the centrality of good management locally, but they have also begun to learn that the old, post-colonial contrast between 'local' and 'expat' is too crude. Some of the best practice in the international operational NGOs now is to rotate senior appointees of all nationalities, giving a Kenyan, say, experience working with an expatriate in Kenya; then a spell working in London or New York or Paris; then a spell in Tanzania or Ghana; then back, perhaps to a very senior or even the senior position in Kenya.

This process of senior staff development reflects not only the increasing size and sophistication of many of the larger organisations; it also reflects something of what they have learnt about the processes of development itself: that no one country, no one project, has all the answers (nor all the questions); and that the fundamental processes of impoverishment, marginalisation and victimisation recur in different guises throughout the developing world.

While it may well be irritating for government and public services to find a steady but rather modest leaching of talent to the NGOs, the loss has to be seen in a wider context of what conduces to good development practice in the country as a whole. There is, however, a more delicate point to be made. It is sometimes said that the NGOs not only poach good, or even the best, people from government; they offer a haven for the malcontents, the

antagonised, the irreversibly critical, and give them a powerful platform from which to speak. The author has heard such complaints from senior government figures in Ghana, Bangladesh, India, Sri Lanka and Kenya. In Mali it is notorious that many of the civil servants purged as a result of an IMF administered structural adjustment loan set up a vast and highly integrated 'shadow' civil service in the NGO sector.

There is clearly truth in this. A senior civil servant who falls foul of his or her minister may well find life in a well-financed and active NGO a more pleasing prospect, especially if he or she can achieve there things that he or she was prevented from achieving while in government employ. There is little doubt that in at least some countries, of which Bangladesh and Kenya are the two most vivid examples, the strained relations between the government and at least some of the bigger international (or international-financed) NGOs stems from the sense that both politicians and civil servants have that they are being constantly sniped at by people who have power but no (official, publicly accountable) responsibility. The solution does not lie in trying to silence the critics, a policy that has backfired badly in countries (like Malaysia, Zimbabwe and, somewhat earlier, Malawi) that tried it. Rather it lies in fashioning channels of communication and genuine hearing where both sides can speak honestly, fearlessly, but with a proper understanding of the constraints of the other. Some recent authors have argued that NGOs have a duty to challenge government officials to serious, well-informed debate on key issues on which they have specialist knowledge and first-hand experience. That is not necessarily comfortable for the officials concerned; and too often such challenges are resented or shrugged aside as irrelevant or misguided.

So far this section has concentrated on high-level personnel. What of the more modest levels of skills? Do NGOs make a positive net contribution or are they parasites on the rest of the community? Most NGOs are far too small and fragile to mount the sophisticated training and career development programmes that are a feature of some of the best large private sector concerns. One of the prevailing weaknesses of the NGOs, is their relatively short time horizons. This is partly the result of their project orientation: it is also a fact of their own lives as publicly (voluntarily) funded bodies. The funds might dry up, as they spectacularly have in a number of UK and US agencies over the last seven years. It is also the case that there tends to be a more rapid turnover of staff in the NGO sector than comparable government or industrial bodies. This is partly a result of the insecurity that is the flip side of short planning horizons; partly the result of relatively low pay (and sometimes of esteem); partly the result, especially in the Indian subcontinent where government and private sector provision is more advanced, of lower fringe benefits (especially pensions).

The net effect of this is to give NGOs little incentive to train middle-level employees in a sustained and planned way that will bring out all their potential. That is one side of reality. The other side, no less important, is that many NGOs, especially national NGOs, have an ideological commitment to their staff that extends far down the hierarchy of skill and responsibility. Again one needs to disentangle: some NGOs are unimaginative and hidebound with respect to the potential locked up in their employees,

reflecting some of the worst hidden assumptions of neo-colonialism; others are the reverse. Some indeed see sharing training capacity with government employees as a natural extension of their work. Thus ActionAid Vietnam selected people with responsibility for agricultural extension from provincial and district government for training in improved agricultural techniques for environmental protection and enhanced production.

To the author it appears to be generally true that the more 'process'-oriented the NGO, the more concerned it is to secure whatever training or experience it can afford for its own staff; and, less usually, for government collaborators. 'Process' agencies tend to be less hierarchical, less impermeable, less rigid. They also tend to be smaller and poorer. They tend thus to be more willing but less able to develop their own staff to the full.

A final topic in this general area is the provision by NGOs of volunteers to fill gaps in the manpower supplies of particular sectors, usually but by no means always, of government service. Teachers are the classic example. The NGO sector is deeply divided about the wisdom of making good deficiencies of personnel in countries with high unemployment: should not governments, it is argued, be encouraged to establish sufficient training capacity to make good whatever shortfalls there are rather than becoming dependent on inexperienced expatriates? However, training needs trainers, and some of the best volunteer programmes are offering training rather than chronic gap filling. Whether volunteers are in fact used as short-term solutions to training needs or as near-permanent and cheap substitutes for indigenous skills is a matter for governments to decide. Whether they decide wisely is beyond the remit of this paper.

SKILLS AND TECHNOLOGY

To see the NGO sector as a whole as parasitic is as misguided as to see it as a rich source of new skills. Where new skills are imparted, are they the right skills? Whereas the rhetoric of many (especially international) NGOs is that they develop the right technologies, their critics argue that the NGO sector is as insensitive to the appropriateness of the technologies it introduces as are the multinational corporations. Again one can find examples where that is undoubtedly the case. The author visited the offices of an international operational agency in Bangladesh in the wake of a hurricane and found the sole topic of conversation among the senior (and mostly expatriate) executives to be the difficulties that surging electric current was causing for the computer-based project recording system. Although no doubt there is a place for computer skills in Bangladesh, it is open to question whether the imparting of such skills by an NGO is entirely 'appropriate'. Set against that is the remarkable work done in many primary health care projects. In the best of these, medical and para-medical staff are 'untaught' many of the assumptions and approaches they have acquired in curative and pseudo-high-technology medicine (often in western medical schools) and re-equipped with relevant health-promotion and illness-prevention techniques that make them more able to contribute valuably to their country's health. The integration of western skills with traditional curative practices, as in a project run by the Comissao pela Criaco do Parque Yanomami in Brazil and

funded by a consortium of international donors takes that logic a step further.

Somewhat similar arguments can be applied across a wide range of developmental disciplines. In many, from engineering to education, there are reasons for thinking that the best of the NGOs have developed techniques, approaches, ways of doing things that are an improvement on 'best (western) practice'.

Bridges in Bangladesh

An international operational NGO in Bangladesh found that it could redesign small to medium size bridges and save roughly half the cost, partly by using lighter specifications and partly by redesign that made possible erection by hand labour only. The agency concerned taught all its own expatriate and national engineers how to build the redesigned bridges, and after a time, when some of them went to work for the government, the new design became standard.

It is not always easy, however, for professionals in government service, many of them with years of experience, to learn from tiny, fragile, foreign semi-professional organisations dominated by expatriates, or their young employees.

A remarkable institution in India, run by an expatriate but now almost exclusively funded in India and staffed entirely by Indians, has shown how much can be achieved, using relatively simple aids, to enable the severely handicapped to become self-sufficient. The institution has become widely recognised as a training ground for special needs teachers from all over India and its staff have established 'daughter' programmes in a number of cities.

In both these cases, the NGO sector has provided a new technology, technique or approach and has taught that to enough of its own staff to make a much wider impact. In this sense, the very existence of the NGOs adds a source of innovation or adaptation which is more likely to be successful because the NGOs are typically short of funds and, as they constantly claim, closely in touch with the real needs of their clientele. This raises a set of questions for government, only some of which can be touched on here.

It is of course an open question whether the innovations pioneered by the NGO sector in the field of human resource development are then applied more widely. There may be valid reasons why public sector programmes do not adopt them: there may be doubts about replicability; about the need for additional training; about the cost of recurrent expenditures; about the long-term quality or viability of the output. These are all serious issues that have to be investigated carefully on a case by case basis, by government departments already short of resources and skilled manpower in relation to the tasks imposed on them. Sometimes, government departments do indeed adopt technologies developed by the NGOs, and even hand over part of the

work of the ministry to be carried out, under contract, by the NGO concerned. For example, the Government of Uganda has decided to use the model of teacher training developed by the Mubende Integrated Teacher Education Project run by ActionAid Uganda in ten of its northern regions.

However, there is too often a certain bias in the public service against innovations, either technical or incorporated in particular NGO trainees, that come from the voluntary sector. In part this is the result of a wider problem to which this paper will return; in part it is the result of pressure of time on senior public servants; in part it is ignorance of what could be achieved; and in part it is a public service *amour propre* that too readily discounts ideas, often very simple ideas, that come from outside. More often it comes from two related issues that the public sector finds hard to handle. The first is the integration of elements from different ministries; the second is the recruitment and retention of dedicated people who will work in unattractive locations for sustained periods. One example that combines both these can be taken from Burkina Faso.

Literacy in Burkina Faso

In Burkina Faso where the literacy rate is 16 per cent, literacy work is combined with soil-erosion, reforestation and market gardening activities by the NGO called Association National d'Action Rurale. This works with remote pastoralist peoples, and among them gives particular emphasis to work with women. This NGO thus straddles the work of three ministries, and puts employees in parts of the country seriously under-serviced by public employees.

Many governments would find it hard to replicate the pattern of work illustrated in Burkina Faso. Moreover, when government is slow to react, the NGO sector sometimes finds itself caught in an unenviable trap. If the public services are slow to adopt the technology that has been developed, the private sector may be anxious to do so, but at a cost that will exclude the poorest sections of the community, the very people the NGO sector is usually proclaiming itself as most anxious to protect and serve. An example from Tanzania illustrates this.

Growing grapes in Tanzania

An international operational NGO working in a particularly difficult environment in rural Tanzania found, unsurprisingly, that the major constraint on human resource development in that area was poverty. Maize yields had fallen dramatically as the result of rising population pressures and earlier intensive cultivation; and rainfall had dropped, possibly as a result of

severe deforestation. Levels of living, measured in terms of infant mortality, school enrolment ratios, morbidity rates and diet, were low and falling. The NGO concerned put in a multi-dimensional programme that had health, agricultural, reforestry and women's participation elements. It was only modestly successful, and extremely expensive as a result of high transport costs for expatriates and Tanzanian employees. It then discovered that household incomes could be raised tenfold by encouraging households to grow and dry grapes. The climate was ideal; the soil was adequate and there was still enough cattle dung in the area to make production possible; a suitable species was identified and an appropriate drying technology developed. Government was approached to help with marketing. While discussions were going slowly ahead, Greek tobacco farmers in the area heard of the enormous potential of the new crop and started to exploit it. The NGO then had to decide: did it trust that the government would eventually come up with the necessary marketing services; or did it fly in the face of its own ideology and seek some kind of arrangement with the private sector, knowing that if it did so, the price received by the producers would be only a tiny fraction of the real value of the crop?

This exposes the sharpness of the dilemma from both sides. The NGO, and many of the peasants with whom they were working, thought they had made a major breakthrough, offering remarkably high reward/risk ratios for a modest investment by government. However, from government's standpoint, the request from the NGO seemed unrealistic. There was no appropriate budget line in the budgets of any of the ministries involved. Recent experience with marketing agricultural commodities had been, to put it gently, disappointing. Trucks and fuel were anyway in extremely tight supply throughout the country and especially in the rural ministries. It seemed to the senior government officials (in the capital rather than in the district, where appreciation of the possibilities might have been more enthusiastic) that the NGO was reflecting all the enthusiasm of the amateur.

Greeks now exploit the crop. Virtually no grapes are grown by peasants.

This example poses the more general issue of the concurrence, or otherwise, of the priorities of the NGO and the relevant government department(s). Officials sometimes complain that NGOs do, or seek to, distort the priorities of the department. The resources that the NGO can bring makes compliance with their priorities a real temptation to the hard-pressed, resource-poor department concerned. Some departments, for example agriculture in both Zambia and Tanzania at various times in the last 15 years,

have developed quite sophisticated negotiating strategies to deal with this situation, recognising that though they have little in the way of resources, they are nonetheless the vital gate through which the NGOs must pass if they are to work in the rural areas at all. This enables the ministry to extract a price; and the price can be the higher if two NGOs are in competition to work in the same area or in the same technical field. If part of the price is to put resources into something that the department does recognise as a high priority (even though the NGO may not share that view), it is possible that both sides can benefit. It hardly needs adding that this negotiating approach needs delicacy, skill and sensitivity. Most NGOs have more claims on their resources than they have capacity to meet, and so too tough a negotiating stance on behalf of the ministry can have the effect of frightening the NGO off altogether.

PEOPLES' PARTICIPATION

As has already been seen, there is a type of NGO, more commonly national rather than international, that emphasises process above project or product. It is false to make too rigid a distinction, however, and many product-oriented agencies have learnt much about process in the last ten years and now seek to take it seriously. Inevitably some are more successful in doing so than others. Nonetheless 'peoples' participation' has for long been part of the argot of the NGO sector, implying that it is more democratic, more participative and, so the argument goes, more likely to be effective than 'top-down' development. Aspects of this argument will be referred to later; for the moment the bare outlines of the case suggest that NGOs give a higher priority to a participative style than do typical government development schemes. Does it then follow that the implementation of NGO schemes therefore raises the competence or confidence of participants in a way that would be consistent with conventional notions of human resource development?

The NGO community itself certainly believes that to be the case. It can cite a large number of case-histories that make the general point that a participative approach, consistent with but not quite identical to what an earlier generation called 'felt needs', is both more humane and more effective than normative planning from a government agency, however well intentioned and democratic that government might be. More specifically the argument is made that such an approach identifies the latent talents of the people and puts them to use. Invidious as it is to choose one exemplar, a regional peasant farmers' organisation in Chimborazo, Ecuador, has shown how a community facing extinction through environmental breakdown can be revitalised by mobilising the resources, skills and enthusiasm of the people. In that sense the process is the very best type of human resource development, for it discovers the resources available in the community and sets them to work.

It is not part of the present argument to call that into question nor to impugn the quite astonishing results that some of the best agencies using these 'animation' techniques have achieved. However it is worth sketching in the other side of the coin. While process-development can be

extraordinarily effective, it cannot be assumed of itself to solve all the familiar problems of grass roots development. For it is too often true that the more process-oriented NGOs are weak on the management of increases in production. As in the case of the Tanzanian grapes, all the process in the world is in the end no substitute for more income, more resources. Yet the NGO sector, partly because of a degree of ideological rigidity, is sometimes slow to recognise the centrality of the need to raise income. Process-oriented NGOs tend to respond to that charge by making the point that to raise income without enabling people to preserve or adapt their institutions and ways of relating to each other is only to open the gates to the network of exploitative relationships that surround the poor in general and perhaps especially the rural poor. Governments and politicians need to take that argument seriously; but NGOs have to learn to recognise that it should never be allowed to stand in the way of the primacy of production and income generation. At the moment there is too often a dialogue of the deaf on this, and related, issues. It is worth pausing to ask why.

In most of the developing countries of the Commonwealth, projects are seen as sources of patronage to local politicians. They offer the chance of jobs for clients and potential clients; and the politician can usually claim to have been instrumental in securing the benefits of the project for the people. Process-based work offers no job opportunities and no immediately tangible benefits. Indeed the more radical process-based work will encourage the peasantry to ask searching questions about the legitimacy and role of the local politicians, often encouraging them to expose the self-serving quality of many politicians' supposed service to the community. To put it crudely, then, politicians want 'real' projects which offer lots of potential patronage. (Some) NGOs, aware of the dangers of having benefits hijacked by politicians, will only offer process. In the Australian project at Magarini among the Giriama, the NGOs actually refused to do anything but process-type work for three years, thus attracting the wrath both of the Government of Kenya and of the Australian International Development and Aid Board. Both wanted to see results, but the former also wanted to buy clients in an area that has for long been deeply contested politically.

This general issue becomes the more germane as NGOs tend to target the very poorest (and often the most marginalised) groups, of which, as it happens, the Giriama are a good example. The justification for such targeting hardly needs spelling out here, though it is worth emphasising that the NGOs often claim that it is their intention to reach groups, often with very considerable hidden or undeveloped capacities, that are almost by definition excluded, whether deliberately or by oversight, from government programmes. These may range from groups discriminated against by reason of gender, ethnicity, physical or mental handicap, age, remoteness, political loyalty or illiteracy to groups which for no apparent or easily identifiable reason simply fall through the net of government services. For most of those categories there is little problem from the standpoint of government. These are groups that are, by definition, hard and expensive to reach with services; let the NGOs do what they can. The case is different, though, with groups that are thought to be hostile to the government. The Northern peoples of Uganda under Obote; the Turkana for a time under Kenyatta in Kenya; the

Indian peoples of the Amazon basin in present day Brazil; immigrants from the Sahel in the Ivory Coast and to a lesser degree in Ghana; these are some examples. Government is not especially keen that these peoples be brought benefits, especially if those benefits could be deployed in areas where the government has a chance of attracting support. Least of all does government want these people being 'conscientised' with the support of foreign NGOs.

Governments may be too anxious on this score. It has to be asked whether NGOs can actually overcome the structural marginalisation of these groups to enable them to participate first in their own immediate economic, social and political environment; and then in the wider environment of the region and the nation? Some NGOs certainly use rhetoric that suggests that such is their aim. Some, of which the Bangladesh Association for Rural Development is perhaps pre-eminent, succeed, sometimes brilliantly.

The great majority, even of the well-financed international organisations, however, lack the resources first thoroughly to understand the sources of structural marginalisation; and second the institutional patience to stay with the marginalised groups for long enough fundamentally to change their self-understanding and capacity for action.

Process development in Ethiopia

An international operational NGO targeted particularly needy communities in Southern Ethiopia as the recipients of a wide range of inputs within a broadly participative approach. Progress was, however, agonisingly slow (as genuine process development always is in the early stages). The Norwegian headquarters of the agency became impatient that there were no 'success stories' to report to its national constituency. Pressure was put on the expatriate Field Director to move faster. He passed that pressure down to his Ethiopian staff on the ground. Realising perhaps that their jobs would be at stake if the HQ decided to pull out of so unpromising a project, the local staff decided to recommend abandoning the community approach and switching to a household approach. Implicit in this switch was a move from community mobilisation to a gift-based relationship whereby the allegedly poorest families (in a desperately poor area) received gifts of money, cattle and other assets to lift them out of poverty. The HQ, and presumably its donors, were satisfied, but the long-term results of the project had been fatally compromised. A few households had been made (briefly) somewhat better off; the capacity of the community to discover and use its own human resources for its own long-run development had been lost.

There will always be tension between NGOs and governments about potential beneficiaries. The tension could be reduced if governments did not allow themselves to be the victims of the NGOs' own propaganda. This is part of a wider issue of information flows, which will be returned to later.

Service delivery

This section reviews some of the services typically delivered by the NGO sector in the general area of human resource development. The following are some of the issues around which tension between governments and NGOs tend to emerge.

HEALTH CARE

The part played by international and national NGOs in health care, especially the delivery of primary care to the poor and remote, needs little emphasis here. The Churches and other religious groups gave the provision of health care an early priority, and inevitably given the chronology, that took the form of building and staffing hospitals. In Malawi, for example, the Private Health Association of Malawi (PHAM) was for many years the sole provider of hospital care, co-ordinating the efforts of a wide variety of mission agencies in this area. Although, interestingly, the first major experiments in primary health care (PHC) were introduced through the government health service (again in Malawi), the NGO sector was quick to learn the arguments for switching resources from hospitals to PHC. Although some notable rearguard actions were fought, especially by German and French church-based agencies, by the mid-1970s PHC had become the focus of the vast majority of new expenditures by NGOs in the health sector. Again with some notable exceptions, most governments sought, not always successfully, to follow the same track.

With the emphasis on PHC went concentration on mother and child health (MCH) and largely out of that grew an awareness that even MCH had to be seen in the wider context of community health. This in turn demanded a radical new approach to training the doctors who were to deliver this type of health care. Two of the most challenging experiments in training this new generation came from the NGO sector in the Indian subcontinent: from Vellore in southern India and from the Aga Khan Medical School in Karachi. It is a matter of regret that in these two countries, and in others which have not had the living testimony of these institutions, even more so, bitter opposition from the medical establishment, well ensconced politically, has made the dissemination of this type of training much slower and more attenuated than concern for the delivery of health care to the mass of the people would warrant.

If the NGOs have played an honourable and sometimes distinguished role in making the intellectual and practical case for the revolution in health care, they are, in most countries, only a small proportion of the total health system if measured in terms of personnel or patients seen. They are, however, far better resourced than the local equivalent unit of the government health service, so that the proportion of the total health expenditures

accounted for by the NGO sector can be very considerable. If this is broken down further and account is taken of, say, the vehicles dedicated to health care delivery, it is often found, especially in sub-Saharan Africa, that it is the NGOs (including in this category UNICEF) that far outweigh the government health service.

That this leads to a number of frictions is inevitable, for example, the discrepancy that often follows in the quality of care between the NGO sector and the government health service, especially in remote rural areas. It is not (or not necessarily) that the government health professionals are under-motivated and under-trained; it is rather that they have no vehicle to visit the community; they have few drugs to prescribe; they have the minimum of support staff; they have no adequate laboratory facilities and, very often, having no functioning autoclaves, cannot safely perform even minor surgery. For all its limitations the nearest NGO clinic or PHC unit compares favourably. For the truth is that if the NGO was not able to offer a higher standard of service, it would have to quit. Its constituency would not tolerate the conditions under which many health professionals are obliged to work by the extreme scarcity of resources at the command of the government.

If the NGOs are typically better resourced than government services, they are not necessarily better organised or integrated. Family planning is a difficult but desperately important case in point, raised to a higher power by the onset of AIDS in much of Africa. In their original conception, both PHC and MCH were supposed to include proper emphasis on family planning, the argument being that take-up rates were much higher when family planning was put in the context of the health of the family as a whole. For a number of reasons, not excluding lack of enthusiasm by some governments for family planning on the grounds that their countries were under rather than over populated, the proper integration of family planning has often proved remarkably awkward. The NGO sector has often been to blame; with family planning and MCH organised vertically (often back to international organisations like the IPPF and UNFPA) with inadequate local co-ordination and too much protection of areas of responsibility. The result has often been, not only unnecessary duplication and cost-raising, but also lower take-up rates, quicker rejection and lack of confidence in the technology. It is debatable whether the NGO sector can tackle these problems by itself. The evidence from India suggests probably not. It may prove to need very determined political leadership to ensure that health strategies that rightly emphasise the survival of the child are routinely accompanied by strategies that maximise parents' control over their own family building.

This points to a wider issue, which can be touched on only briefly here. As exemplified by UNICEF (and the WHO, not, of course, an NGO), the NGO sector has a penchant for vertical programmes. A problem is identified, and resources are mobilised to deal with it. Family planning is one example; but the Expanded Programme of Immunisation of WHO; the Child Survival Package of UNICEF; the safe drinking water projects or latrine construction projects of a large number of agencies are others. This raises much wider questions than co-ordination of delivery services. It raises questions of priority; of sequencing; of maintenance; of supervision; of

community participation and of coverage. These are critical issues in terms of the long-term success of any intervention and to ask whether the vertical approach takes them sufficiently seriously is neither to prejudge the issue, nor, much less, to argue that a more horizontal approach would necessarily produce better solutions. What is clear is that intensive vertical 'drives' are not especially efficient in the long run as the evaluative literature on water supply has long pointed out. They may be the easiest way for the NGO sector to mobilise, but to make the criterion is to put the cart before the horse.

To this extent, the way in which many Commonwealth governments have sought to integrate development administration at the regional or district level should be a means by which the NGO sector can be persuaded to co-ordinate and integrate their services better with both other NGO efforts in the area and with government services at large. That is the hope. The experience so far in many countries is that regional development administration too easily falls victim to two diseases; inefficient management; and constant misappropriation of funds by politicians. As long as that is true, the NGO sector will not wholly unreasonably fight shy of becoming bogged down in regional administration, in health care or any other activity.

EDUCATION

Next to health care, the major historical focus of the NGO sector in most Commonwealth countries has been education, again led by the missions. At independence, governments tended to take all formal educational provision into their own hands, sometimes leaving a handful of religious foundations in the private sector. From that it does not follow, however, that the NGO sector has made no further contribution to education. Three very different types of involvement are highlighted here.

As early as the mid-1960s it had become clear that the formal educational sector in many Commonwealth countries was in deep trouble. Voters demanded universal primary education and as much secondary education as possible, but governments did not have the resources to meet those demands, and even in trying to do so, often put quality seriously at risk. Further it quickly became apparent that for many graduates of the school system, there were no jobs that used their educational attainments. How did the NGO sector react to these problems?

Community-based schools

First, the NGO sector became a significant additional supplier of education. The most obvious examples of this are to be found in Kenya and, outside the Commonwealth, in the Ivory Coast. In both countries, government encouraged schools to be constructed and maintained by voluntary associations of would-be parents and their allies in the community. In slightly different ways, government covered recurrent costs (especially teachers and their salaries) to staff schools for which local associations took responsibility. In the vast majority of cases, these were entirely local efforts with no support from abroad and little enough from the capital. In some ways they illustrate precisely what can be done when the community becomes aware of its own capacity to meet its real needs.

That such community-based schools, by no means limited to Kenya and the Ivory Coast, bring their own problems is well known. Management is sometimes poor. Continuity of policy can be short-lived. Maintenance of the physical plant (and of the teachers' houses) may be slipshod. The community may be dissatisfied with the quality of the teachers provided, and the teachers can resent the control exercised by the community. Such difficulties are common, but need not be fatal. Perhaps more serious is the finding that it is the more successful, more economically integrated and more ambitious communities that have the resources, confidence and local leadership to provide this type of school for their own young people. This implies that the kind of communities increasingly targeted by national and international NGOs are precisely those who are least likely to be able to meet their own educational needs. Governments tend to resist such NGOs (except occasionally religious groups) founding schools to serve such poor communities, with the result that regional income and welfare differences become the more marked.

Skill training schemes

The second way in which the NGO sector has responded to the difficulties that beset formal education in many Commonwealth countries is to try to equip the unschooled or the early drop-out with marketable skills. For understandable but, with hindsight, regrettable reasons some African countries demanded the closure of many such programmes at the time of independence on the grounds that they were a relic of colonialism, preparing the people for a life time of servitude. It took between ten and twenty years for that mistake to be reversed, and perhaps for the last shreds of paternalism or racism to disappear from vocational projects.

One of the foremost examples of the new approach, very popular in Kenya in the early 1970s, was the Village Polytechnic. The idea behind this approach, spearheaded by the development department of the National Council of Churches of Kenya (NCCK), was to give a range of skills to young people in one locality so that each trades person would be a customer for the others and, by providing complementary services, extend the range of contracts the group as a whole could credibly compete for. Although it attracted wide international support and enthusiasm at the time, the Village Polytechnic movement was relatively short-lived, and that for a reason that has bedevilled many parallel ideas in skill training in the rural areas. The market is simply too narrow.

Inevitably, the graduates of the Village Polytechnics either reverted to subsistence agriculture, thus allowing their skills to degenerate through neglect; or they went to the towns in search of work. There they encountered as competitors graduates from urban skill training programmes, some funded by the private sector, some by government, but the great majority funded by national or international NGOs. Whatever the source of funding and management, these projects run into much the same problems: at the end of the course, the newly qualified worker cannot find a job that will enable him (and less usually her) to use the newly acquired skill.

It is this constant problem that has led many NGOs into starting income-generating projects annexed to or growing out of training schemes.

Gonoshashthaya Kendra in Bangladesh is one well-known example; work sponsored by the NCCK in Mombasa and by the Christian Service Committee in Malawi are fair parallels. By and large, governments have not been willing or able to follow the NGO down this track. There are good reasons for that. The rate of return on many income-generating schemes tends to be low, especially if the products are not designed for a niche export market or do not have the support of an NGO marketing organisation. The schemes take a great deal of managing and often require disproportionate amounts of scarce and expensive accountancy and book-keeping input. Nor very often do they successfully achieve what they set out to achieve: supplying outlets for middle-grade technical skills. Too often they quickly degenerate into low-skill, routinised production jobs, for rates of pay that, for the scheme to be even remotely self-financing, have to be fixed below the legal minimum. Thus Shree Seva Mnadii, an Indian NGO based in Madras, found itself faced with a strike by its workers, poor women from some of the worst slums, because the workers discovered that they were being paid less than the law demanded.

That there is a near-insoluble problem here is beyond doubt. Maybe a more carefully planned and integrated approach to skill-formation by both the NGO and government departments involved could play a role, most probably quite a modest one, in at least ensuring that the supply side of skills more roughly approximates the demand side. The sad reality, however, is that many people, especially the more able, energetic young people, want to have a skill so that they can at least compete in the job-market. Without any skill, they have no chance of a job. With skill, they have a fighting chance. They will do all in their power to acquire that chance; and the NGO sector cannot and probably should not be prevented from giving them one. A more radical proposal would be for government to actually reduce its role in this area, leaving the NGO sector to meet as much of the demand as it is able. Politically that may pose problems, but the pressures that would be felt could be somewhat sidetracked if the closer collaboration of the NGO sector and government, which is one of the main points of this paper, could be achieved.

Literacy work

A third type of educational enterprise that has seen major NGO involvement in a wide range of countries is literacy work. Fashions have come and gone on both the priority to be accorded literacy and the techniques by which it is to be achieved. Those fashions have affected multilateral official funding rather more than NGO activity, especially perhaps that associated with religious work where ability to read the scriptures and the hymnal has long had great emphasis. Some of this work has grown and been secularised until it forms an important part of the whole national effort. For example, in Sierra Leone, the Provincial Literature Bureau and the Bunumbu Press were originally founded in 1946 by the United Christian Council of Sierra Leone and the Sierra Leone Government. The latter has continued to fund it and it now produces adult literacy materials and carries out literacy programmes for the government.

Where literacy work has been fundamental to 'conscientisation' or

'empowerment', two terms much used by NGOs that are process-oriented, governments have been somewhat, and occasionally, especially in Latin America, very, hostile to it. Unfortunately some of this hostility has too often washed over on to all literacy work. The reluctance with which the Government of Bangladesh sanctioned the work of LISA is one example. Anxieties have been expressed by the Governments of Kenya, Sri Lanka (especially in the face of the threat from the Tamils with which some Church-related literacy groups were associated) and the Philippines.

However understandable, the evidence suggests that this hostility is somewhat misplaced. It is hard to find any examples of regimes which have been seriously threatened, much less toppled, by the work of literacy or conscientisation groups. The only credible candidate might be thought to be Somoza's Nicaragua, but even there most independent and objective observers would now agree that it was the disaffection of the urban middle classes that was far more important in bringing the regime down than the opposition of newly-literate peasants. Even in North Brazil, the home and proving ground of conscientisation, the organisational and empowerment skills of the 'base communities' are directed much more against the illegal seizures of land by 'posseros' than against the state or federal governments as such. In the Philippines 'people power' was in fact much more an urban, middle class phenomenon than a peasant's movement. Certainly some groups from the urban slums who had been 'conscientised' by NGOs and radical church groups joined in demonstrations that helped to displace Ferdinand Marcos, but their earlier attempts to persuade the government to address their own grievances, e.g. lack of water supply or harassment by the police, had been unfruitful. To put it perhaps cynically, governments have very little to fear from literate, even 'radicalised', peasants and slum dwellers as long as the urban middle class is not in open revolt. Arguably they have much more to fear from an illiterate and confused peasantry who can the more easily be misled by demagogic rabble rousers.

CO-OPERATION AND CREDIT UNIONS

There is one further area of service delivery that merits some exploration in the context of human resource development, though it may seem to fit awkwardly with some of the more traditional activities usually considered under that head. The enabling of people to trust one another sufficiently to work together; to share resources; to share labour and its product; to plan together; that enablement is central to the whole undertaking of co-operatives and credit unions. In most countries, NGO involvement in co-operatives or credit unions actually predates that of governments; indeed many people argue that it is essential to the very nature of co-operation that it be spontaneously generated from the bottom rather than imposed or encouraged (or bribed) from the top.

Especially in the years immediately after independence many African Commonwealth countries sought to use co-operatives as a way of accelerating the rate of agricultural progress without giving rise to a capitalist rural economy and the emergence of a class of landless labourers. There thus followed the superimposition on the often small and fragile NGO-related

co-operative movement, a huge raft of officially sponsored co-ops. In some cases, as in Tanzania, Uganda and Zambia, the results were tragic; in others merely wasteful.

Naturally one needs to recognise the political dynamics that lay behind this history. Nonetheless, it is an object lesson in how the rapid and insensitive scaling-up, and simultaneously the political co-option, of a voluntary form of organisation can break it. While it is true that in some countries, Zambia for example, the NGO-related co-operatives were too small and too few to give much of a guide as to the nature of the problems that would be encountered and their possible solutions, in others, like Ghana and Kenya, that was less true. Even in Zambia the NGO and churches sought to warn the government (and the President directly) that the ambitious plans for producer or credit co-operatives were likely to come seriously awry. As happens too often, government was unready to hear bad news, especially from the voluntary sector which was too quickly dismissed as amateur or idealistic.

Partly as a result of the mistakes that were made in the 1960s and 1970s, there is now much more understanding of how delicate and demanding even the simplest co-operative is in terms of the human relations that make it work; and in terms of the skills and aptitudes required of its members. More governments have either launched or thoroughly overhauled their co-operative training programmes, but in many countries, again especially in Africa, these remain seriously underfunded with inevitably negative impacts on the quality of training given. Rather few countries have seen the possible benefits of a coalition approach to co-operative training with the NGOs nor the possibilities for tapping the resources of the bigger international funding NGOs that this could bring. Through the Mindolo Ecumenical Foundation in Kitwe, Zambia has explored these possibilities with some success.

While many Commonwealth governments have sought to encourage agricultural producer and marketing co-operatives, the ultra-small scale credit union movement, especially among women, has been typically largely left to the NGOs. Occasionally, as in India, these have been so successful that they have become national institutions, and have then attracted government interest. For the most part, the tiny revolving funds, or variations on the theme of credit unions (sometimes, as in the *shomitis* in Bangladesh, incorporating a community-improvememt element) have been left to the NGOs for the obvious reason that they are too small, too fragile and too demanding of managerial inputs to be worth government effort. That does not, however, prevent hard questions being asked: is it the case that the savings thus mobilised, tiny in individual amounts but sometimes significant in aggregate, are used with maximum effect in the micro-economies from which they come or in the macro-economy at large?

It is clearly the case that some NGO-inspired savings are not effectively applied, but that is true of every saving institution in every Commonwealth country, large commercial banks included. The central question is whether small credit unions and co-operatives with surplus funds have access to high-yielding (that is abnormally profitable) investment opportunities; and if they do so have access, are they inclined to finance those opportunities? The evidence on this is very confused. Academic research on the informal sector

has shown that some very small-scale investments can be immensely profitable; but that is not inconsistent with the more usual argument that returns to capital, like returns to labour, are on average low at the bottom of the income distribution. It is, however, hard to see what follows from that. Poor peoples' savings may not indeed be ideally invested; and, the mirror image of that, excellent investment opportunities further up the income scale may go unfunded. From that it does not follow either that the credit unions waste capital; nor that NGOs are performing a disservice by encouraging poor people to save.

World in Need, a British international funding agency, plays an innovative role in Indonesia in this respect, by acting as a mini-investment bank, channelling savings from projects, co-operatives and credit unions in its portfolio to carefully researched and supervised projects in need of capital. Because of its own wider funding base and financial strength, it is able to guarantee the lenders against loss, while giving them a stake in potentially highly profitable investments. It might be thought that this is a role for an official agency, perhaps an offshoot of an agricultural bank or other source of official credit. Without ruling that out altogether, it is worth pointing out that such an involvement would imply the government in three obligations it would be well advised to weigh very carefully: guaranteeing the performance of small, high-risk enterprises; supervising those enterprises, sometimes on an almost day to day basis; and, third, finding the resources to make good the savings of depositors in case of the financial collapse of the investing enterprises. One only has to reflect on the nature of these risks (and costs) to see that this activity is much better left to (a rather rare quality of) international NGOs. If governments are really concerned about the efficiency with which the savings of the poor are invested, they should consider encouraging financially strong NGOs, or consortia of them, to provide this intermediary function, rather than trying to do it themselves.

This section has reviewed the major services in the general area of human resource development that the NGOs deliver: health; education; skill enhancement; income generating projects and the building up of solidarity institutions like co-operatives and credit unions. A host of other activities have not been mentioned explicitly, from water reticulation to support of the aged; from specialist work with the physically and mentally handicapped to emergency feeding programmes. Some of these have direct implications for human resource development; nearly all have indirect effects. They all form part of the rich tapestry of activities that NGOs have sponsored and need to be born in mind in the rest of this paper. The last section of this paper will draw together some of the themes that have emerged in this review and return to the many areas of discussion on NGO-government relations that have had to be postponed so far.

The core of the issue: NGO-government relations

PROBLEMS

That the relationships between governments and the NGO sector as a whole are too often unsatisfactory has emerged again and again in the foregoing pages. A recent writer has used the term 'antagonistic co-operation' to describe the relationship. In the all too common atmosphere of mutual distrust, contempt and misunderstanding, everyone involved loses, and no one loses more than the very people both NGOs and governments claim to serve.

Part of the difficulty arises from a tendency in the NGO sector to exaggerate its benefits and its achievements; and to deny its many difficulties and shortcomings. NGOs tend to attract the idealistic, the committed, the critics of the status quo. That is part of their strength and their genius. It tends to lead, however, to both an impatience with criticism of their activities: and an over-readiness to condemn the activities of others, including others in the NGO sector itself, that deviate from the purity of the line of a particular NGO. With this intellectual and emotional over-commitment, there goes a largely repressed anxiety about the actual effectiveness of what the NGO is doing. In private very many NGO leaders and employees will admit that their scale is too small to make any difference to 'the problem'; that they cannot deliver sustainability and replicability in the design and implementation of their projects; that once they withdraw their support, their cherished schemes will disappear as fast as the morning dew.

This anxiety makes them extraordinarily defensive or aggressive in their relations with those they see as their critics; with the NGO sector itself or outside it, and especially towards government officials, who too often are demonised as the protectors of the status quo, the paid agents of the rich, the powerful and the oppressive.

Government personnel, however, bring their own misperceptions to the relationships. At the political level, there is, as we have already seen at some length, a tendency to exaggerate the likely threat posed by groups with whom process-NGOs work. More widely, there is a fear that the NGOs will threaten existing power structures perhaps by direct political action; more likely by the generation of adverse publicity or ill-informed public comment. Now that the NGOs have much closer relationships with the World Bank (and even, through the Bank, with the International Monetary Fund), the perceived threat (almost certainly exaggerated) has taken on a new, more daunting, dimension, and certainly governments have sometimes over-reacted. Malaysia took draconian powers against environmentally-related NGOs in 1981/82; and Kenya became increasingly hostile and suspicious as the demand for more open government took hold in the late 1980s.

If politicians tend to exaggerate the threat posed by NGOs, NGOs often underestimate, and are therefore naive about, the patronage that attaches to their work. Of course politicians will seek to exploit them, both materially and rhetorically, and of course they will lean on civil servants, especially at the local or regional level, to ensure that the location, cost, structure and

stream of benefits maximise the opportunities of patronage. This is one (but only one) reason why decisions from regional development committees or their analogues are slow, confused, subject to sudden reversal, sometimes unimplemented, and even unimplementable. To the NGO, especially one led by expatriates or accountable to a funding agency overseas, these characteristics are as frustrating as they are infuriating. In an extreme case, the NGO either pulls out or, in some ways much more dangerous in the long run, seeks to minimise its contacts with the government, doing as much as it can invisibly.

However, it is at the level of civil servants that the most abrasive relationships develop. That there is a degree of straight jealousy, especially in the upper echelons, had better be faced directly. Senior civil servants see some NGO leaders as better paid, better serviced, better travelled and far more independent and therefore deriving greater job satisfaction. In most countries, this is, however, true of only a tiny handful of NGO leaders; even in a country like Bangladesh that is well stocked with NGOs, perhaps only 30 Bangladeshis in the NGO sector have conditions of service that greatly exceed what they could aspire to command in government service. Most NGO employees are paid on government-related scales or less.

There are, however, countries where the problem is greater: and there are international NGOs that have shown themselves remarkably insensitive to the difficulties that can be caused by over-paying local employees. Oxfam, that in general has an enviable reputation in most of the countries in which it operates, has, surely unwisely, decided to pay its Ethiopian employees at the same rate as expatriates. That may deliver Oxfam from the familiar and uncomfortable hook of paying people with different skin pigmentation different rates for the same job, but it does nothing to allay the fears of government employees that they are being criticised by over-paid amateurs in the NGO sector.

Another source of irritation is the perceived mismatch between the styles of official and NGO agencies. Civil servants are quick to deride the lack of what they regard as professionalism among the NGOs. This can range from trivial issues like clothing and hair styles to much more substantive issues like accounting procedures; taxation returns; performance of immigration duties and filings to whatever department of government has oversight of the NGO sector as a whole. There is a culture clash, and the more determined the NGOs are (and some of the process-NGOs are very determined) to fashion alternatives to bureaucratic, hierarchical and formal styles of working, the more resonant is that clash.

Civil servants could helpfully look beyond style, however, to substance. The questions that need to be asked are not about ways of doing things; but about the long-term results that are achieved on the ground, and that of course poses another set of problems for the civil servants. They do not see, and usually cannot fairly be expected to see, what is going on on the ground, which may be three days hard travelling from their desk. They are dependent upon the reports of the NGOs themselves; or on the reports of their local officials. The former they discount (sometimes but not always rightly); the latter have their own difficulties which will be examined now.

Many NGOs are unclear about how to relate to the government

bureaucracy as a whole; and to its local manifestations in particular. They tend to have to deal directly with fairly senior people in the capital: the Ministry of Finance to get foreign exchange and import clearance; the Ministry of Labour or Foreign Affairs to get work permits; the Ministry of Agriculture to agree a programme of work in the rural areas; the Ministry of Local Government to get clearance to work in a particular area and so on. Having established, often with great difficulty, delay and frustration, this network of relationships, they tend to use them directly rather than go through the local bureaucracy. The Irish agency, Concern, for example has equipped its field officer in Wollaita, Ethiopia, with a field telephone so that he can call the relevant official in Addis Ababa and over-ride the local officials. Its operation in Tanzania worked in much the same way.

Understandable from the viewpoint of an overstretched field director (and his impatient overlord at HQ), this leads to friction, often disguised, denied or suppressed, with the local officials. When asked for their impression of the work of the agency by their own superiors in the capital, they are exaggeratedly negative. A report is an invitation to even the score.

That there will always be tensions between civil servants and the NGOs can be taken as axiomatic. The question is whether more formal machinery will help or hinder the relationship. Those countries that have established elaborate bureaucratic systems to liaise with the NGOs have often been accused, sometimes not without justification, of seeking to control the NGOs, and thus rob them of the feature they prize above all others, their independence. A far better approach is to seek the assistance of the NGOs in establishing a liaison office, for which NGOs and government accept equal responsibility, and equal financing. This joint system should be seen first and foremost as a mutual listening post; a forum where ideas can be discussed; where experience (even in the form of formal evaluation reports, those most sacred of objects that are usually released to only the most inner quorum) can be shared; failure acknowledged; success appreciated; irritation expressed; difficulties and misunderstandings ironed out.

A few Commonwealth countries have something approaching this, usually in rather an embryonic, informal and above all sectoral stage e.g. the Voluntary Health Association of India. One of the major difficulties that has been experienced in countries where it has been tried, such as India and Bangladesh, is that the NGO sector itself is so disparate, disorganised, competitive and fiercely independent, to the point of mutual jealousy and deep distrust, that it has proved impossible to put together a vehicle that will genuinely represent and serve all organisations, especially, paradoxically, if relations with government are to be a major part of the agenda. It is clearly unacceptable to have a multiplicity of such umbrella organisations, not least because the time of government personnel of a seniority that ought to be taking part is strictly limited. It would be sad if governments were tempted to impose such a structure as a price of continued access to the country, for such imposition would compromise the systems from the start.

PROGRESS AND OPPORTUNITIES

If those are the difficulties, they should not blind us to the progress that is being made. For example, in Togo, the government invited the Conseil des Organismes non-Gouvernmentaux en Activité au Togo (CONGAT) to play a role in co-ordinating NGO activity with government activity. Although the relationship has not always been easy, the very fact that the government felt able to take that initiative is a sign of a quality of co-operation that is rare in Africa and only marginally less so in Asia.

Yet without much more regular, honest and open communication, it is hard to see how relationships will improve. Much of the hostility is based on misinformation, misperceived threats or the misapprehension of propaganda for fact. The communication needs to be two-way. Many NGOs, particularly the 'radical' variety, are strong on ideology, but weak on practical experience, especially of larger undertakings. Their ideology is their prerogative and it would be an act of political barbarism to seek to repress it. It needs, however, to be checked against the reality; the reality as perceived by a large number of actors from a large number of perspectives. What stands up from that critical examination perhaps needs to be taken seriously by all the parties in the dialogue.

Communication alone is not enough. Out of it is likely to emerge a series of changes: some very trivial; some routinely administrative; some much more profound, that each side could make to accommodate the legitimate concerns of the other. The question then arises how free each side is, or thinks itself to be, to make those changes. The degrees of freedom are often very limited. The national NGOs are accountable to their constituents and their supporters (though, and this is a further complication in the relationship, some governments believe that they are accountable above all to them). More and more are, in one sense or another, accountable to the international funding agencies, whether voluntary or official. The international agencies are accountable to their donors, often alert to any breath of scandal or inefficiency assiduously relayed to them by the media.

By the same token, civil servants are accountable to their seniors and ultimately to their political masters, and the political masters are likely to want to bring their own agenda to this debate, not always in helpful ways.

While it is far too simplistic to conclude that without major political change nothing can be done, it is wise to acknowledge that the degrees of freedom are probably quite small. That makes it the more imperative that what can be done is done, that is:

- joint sectoral working parties for information exchange at quite senior levels of both NGO and government
- so far as possible standardised administrative procedures that both sides thoroughly understand and accept
- a small but powerful trouble shooting desk, perhaps in the office of the Prime Minister or President, which is both a first point of contact and a buffer between NGO and government
- above all an openness and mutual confidence that can set aside posturing in favour of an honest address to the crucial issues.

All that will only come out of sustained dialogue. That dialogue will, however, have to accept one of the recurrent themes of this paper: that the self-understandings; the motivations; the drives and ambitions of NGOs are neither identical among themselves; nor, much more, the same as those of government, whether in its administrative or its political persona. To expect perfect harmony or unity of purpose is therefore a triumph of hope over reality. That should not, however, deter all those involved from seeking mechanisms that improve on a situation that currently varies from the scandalous to the mildly inefficient. The poor of the world have the right to demand that.

Mobilising Resources for Human Resource Development Programmes

The Roles of Government, Non-Government Bodies and Individuals

The study focuses on mobilising resources for basic schooling and health services. Three ways for governments to mobilise resources are discussed: increasing revenues and overall levels of expenditure; re-allocating resources from other sectors; and redirecting allocations within sectoral ministries towards specific HRD programmes. The study also examines ways of mobilising community financing and NGO support for HRD, and mobilising the contribution of individuals. The financing of HRD programmes which focus on basic needs is the essential responsibility of governments. While it is not always necessary for the government to be provider it has to be the financier. A greater reliance on individuals and communities while increasing overall resources also increases the different levels of services consumed and ultimately the life chances of people.

(This is an edited version of a study prepared for the Commonwealth Working Group on Human Resource Development Strategies by Keith Hinchliffe, University of East Anglia, Norwich and National Institute of Public Finance and Policy, New Delhi, India.)

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Introduction

One of the major messages contained in the literature on human resource development is the need to formulate comprehensive and integrated strategies and programmes. As a simple example, programmes to expand basic education for girls on the grounds of them receiving and implementing messages relating to birth spacing, primary health care and nutrition in later life will be more successful when contraceptives, immunisation services and a variety of foodstuffs are available. It is also important, though less widely recognised, that a comprehensive resourcing strategy be developed which integrates the inputs of all tiers of government together with those of non-government organisations, employers, community groups, entrepreneurs and individuals in the roles of pupils, patients, parents, consumers and so on.

Currently, in most countries, while there is an awareness within government that several sources of funding and other inputs for human resource development are being utilised there remains a significant lack of detailed knowledge of their extent and very rarely have they been considered as a whole and policies devised which explicitly aim to integrate them. For central governments this means devising strategies not only to maximise their own contributions within the constraints set by other objectives, but also to maximise the inputs from these other entities. However, since a major focus of human resource development strategies will be to promote access to programmes which enhance the quality of life for the whole population, attempts to generate and utilise non-government resources need to be devised within a context whereby the poorest sections of society are not discriminated against.

A second issue in the consideration of resourcing human resource development programmes in an integrated way is the necessity to define resources more widely than is usually the case. Discussions tend to focus solely on finance. Economists, in particular, are prone to neglect those contributions which are not monetised (such as unpaid labour) or do not enter authorised budgets. This can lead to erroneous conclusions. For instance, a situation in which parents pay tuition fees and the school provides all instructional materials tends to be rated more highly in terms of cost recovery than a situation in which no tuition fees are paid but parents directly buy their children's materials. Similar situations may occur with

regard to the financing of feeding, again in schools and in hospitals. Particularly for those services which would be centrally placed in any human resource development strategy, such as primary schooling and primary health care, the level of community resourcing in at least the initial phases of its provision is large in many countries. Such capital inputs, however, do not get included within the state or central government's capital budget accounts. The contributions of resources such as those described above are capable of being monetised. There are, however, many resources including the mobilisation of peoples' energies and creativities whose values cannot be estimated but which are important in any human development strategy.

This paper focuses on analytical issues involved in some of the alternative ways of increasing total resources for HRD and provides a wide set of examples. It does not cover the whole breadth of HRD components, nor does it consider the whole range of policies necessary for raising the level of HRD. The focus is on the mobilisation of resources for basic schooling and health services, including family planning and potable water, and to a lesser extent resource considerations of nutrition and food security programmes, and employment promotion schemes. There is no consideration of the place of human and political rights and little of the issues of participatory development and empowerment beyond those which have implications for resource mobilisation. Several aspects of human resource development do not require a further mobilisation of resources. Rather they need action on other fronts. In some instances these may involve more effective planning (e.g. of food stocks and distribution) and in some a reduction in discrimination, and a reduction in legal or cultural barriers. In such cases the issue is more one of increasing the access of disadvantaged people to existing resources than increasing the levels.

The final point to be made in this introduction is that the primary audience of this paper is central government politicians and their civil servants. In this regard, therefore, the focus of the paper is on the policy options and considerations available to this group. Discussions regarding non-government organisations, employers, aid donors, individuals and so on occur within this context. The central objective is to aid the formulation of strategies to maximise resources across society for a programme of human resource development. Given that those sections of society most in need of basic facilities are the poorer ones, such maximisation strategies need to be considered within a framework of equity.

Some dimensions of the resource problem

This paper does not present a description of the level of human resource development across the developing world. Such accounts can be found elsewhere, for instance in the UNDP's annual Human Development Reports. However, to provide some context within which to discuss approaches to resource mobilisation, two examples are presented below. The first is sector specific (primary education) across countries and the second, country specific (India) across sectors.

COVERAGE AND COST OF PRIMARY SCHOOLING

A study of the coverage and costs of primary schooling across the developing world has recently been undertaken by Colclough and Lewin (1991) for UNICEF. In 37 of the 95 countries for which comparable data are available, gross primary enrolment ratios are below 90 per cent. Among these countries the median value is 65 per cent and in 12 the gross enrolment ratio is less than half. The situation is worse for girls. On average their enrolment ratio is 68 per cent that of the boys. Not unexpectedly, low enrolments are a predominantly low income country phenomenon: two thirds of the countries involved had per capita incomes below US$450 in 1986 and they constituted two-thirds of all low income countries. Geographically, 24 are in sub-Saharan Africa, five in North Africa and the Middle East, five in South Asia and three in Latin America.

In practice, the situation in primary schooling is much worse than that implied above. First, due to both under- and over-age enrolments, gross ratios are invariably much greater than net ratios (the latter being the proportion of, say, 6 to 11 year-olds who are in schools). Colclough and Lewin cite Colombia and Lesotho in this respect where gross ratios are around 115 while only 70 per cent of the children in the official school age group attend school. Often there is a 20 point gap. Second, national averages hide very wide regional differences, particularly in highly populated countries. For instance, India is not among the 35 countries cited as having particularly acute deficiencies in primary school enrolments. However, in six northern states with a combined population of 360 million the gross enrolment ratio was only 79 per cent in 1986. Third, the data used in the study were taken from UNESCO records. These in turn are provided by governments and are often overestimates assuming that those who attend school on the first day of the school year attend on the other days and are 'fully' enrolled. This particular problem can be vividly demonstrated with reference to Latin America, a region not generally containing countries in the most educationally deprived category. Overall, first grade repetition as reported by UNESCO averages 20 per cent. However, new estimates and simulations painstakingly produced by Schiefelbein (1989) suggest that the real rates are often double those reported and continue to be at significant levels even in the upper grades of primary education. Around 30 per cent of all primary places are filled with repeaters. Summarising the overall situation in a 'typical' Latin American country: between 30 and 40 per cent of primary grade 1 entrants do not complete the full cycle; of those that do complete almost one third have repeated at least three grades; nine years of primary schooling are necessary to produce one primary school graduate of five grades and the average pupil remains in school for between five and six years completing between three and four grades. This situation occurs in the most educationally advanced developing region.

The cost of achieving net enrolment ratios of 100

Returning to the Colclough and Lewin study, the aggregated results of the national estimates suggest that the gross additional recurrent costs associated with achieving gross enrolment ratios of at least 100 by the year 2000 in all countries would amount to an additional US$60 billion. Through a variety of cost-saving and cost-shifting reforms, this might be reduced by around half. This would still result in many seriously under-resourced school systems with many children remaining out of school. The additional amount needed to achieve net enrolment ratios of 100 and some minimum qualitative improvement in school environments is calculated to be US$100 billion: roughly equal to the total amount spent on education in developing countries in 1990.

Using just the single example of primary schooling, it is very evident that the resources required to provide each child with even a minimum quality will be very large. This is just one aspect of human resource development.

HUMAN RESOURCE DEVELOPMENT IN INDIA

In the second example, the emphasis is shifted from examining a single sector across countries to briefly considering the state of human resource development in general in one highly populated country: India. Among the salient circumstances are:

Nutrition levels: When documented in the late 1970s and early 1980s in the major states these indicated that 41 per cent of households were 'calorie inadequate' ranging from 23 per cent in Andhra Pradesh to 65 per cent in Uttar Pradesh. Eighty per cent of children below 13 years had intakes below those recommended. In six of eight states documented, 'moderate and severe' malnutrition was present in over 40 per cent of 1 to 5 year-olds.

Mortality and morbidity rates: These remain high throughout the population but particularly among the poor and among females (World Bank, 1989). Despite gains in recent years, the average life expectancy rates across the country have increased to only 57 years for men and 56 years for women. Most gains in survival rates have been in the south, west and north-west while death rates remain very high in the central and eastern regions. For example, the official infant mortality rate in 1985 in Kerala was 31 and in Uttar Pradesh 142. Age-specific death rates are higher for females than males in each age range up to 35 years. Malnutrition is a major cause in younger age groups and child-bearing related deaths are important in early adulthood.

Literacy: The overall rate is 54 per cent for males and 29 per cent for females. In rural areas female literacy averages 18 per cent and among women in scheduled tribes and castes, below 10 per cent. In all states except Kerala, over two thirds of women are illiterate. Gross enrolment ratios in primary classes are officially said to be 108 for boys and 77 for girls. However, taking net rates (age specific rates for 6 to 10 year-olds) in the nine educationally most backward states these average 64 per cent overall and 51 per cent for girls. In Rajasthan, the rates are 45 and 23 per cent respectively (World Bank, 1991a). Within the schools, facilities are often meagre. One third of rural primary schools have just one teacher and the typical rural school has one room. Over half do not have drinking water and 40 per cent have no blackboard (World Bank, 1989). Out of every 100 girls who enrolled in Class 1 in 1975, 23 reached Class 5. The similar figure for boys was 32.

Water supplies: These are deficient in all Indian cities. The per capita daily supply in Madras is one third of that recommended. Supply is also unevenly distributed, with the poor often being charged for publicly provided supplies. According to the WHO only 8 of India's 3,119 towns and cities have full sewerage and treatment facilities. In Calcutta and Madras only 29 and 32 per cent of the population are connected to the sewerage system. In Bombay, only 28 per cent of the population in the suburbs are connected. More than half of Bombay's population and one third of Madras' live in slums, while in Delhi 600,000 are homeless. Presenting the above figures, and others, to demonstrate the deteriorating quality of life in India's cities, Pangotra and Shukla (1992) state that 'The major causes of urban health problems are poor sanitation and water supply systems, air pollution, industries discharging dangerous effluents into water bodies and lack of decent housing'.

The examples above provide sufficient evidence that problems exist on a large scale in the provision of basic needs for human resource development. The quantitative estimates prepared on the provision of primary schooling and the descriptions of the general situation in India, by no means limited to that country, demonstrate the large amounts of resources which will be necessary if the situation across the developing world is to be substantially improved. It is unlikely that all the increased resources can come from national governments. However, as argued above, governments do have the responsibility to lead in the process of resource mobilisation through both a re-examination of their own efforts and innovative programmes aimed at motivating others to generate contributions. In the following three sections the attempt is made to review and evaluate a wide range of initiatives which have been taken on these issues.

Mobilising government resources

In many countries the role of government in providing social and economic services is being re-evaluated. Following the often extreme critiques over the past decade or so, a more balanced view appears to be forming. The highly successful economic experiences of many East Asian countries demonstrates the need for active governments working in what UNICEF

(1992) terms 'intelligent partnership' with the private sector and market mechanisms. In addition to this partnership (as opposed to a balance, implying opposition) there is perhaps a greater consensus than ever developing that it is the responsibility of governments to provide at least the basic investments to ensure that the entire population has access to adequate basic health care, food, clean water, safe sanitation, family planning services (if desired) and at least a primary education. Substantial evidence, from both research studies and the experiences of those countries which have recently experienced the highest rates of economic growth, has accumulated in recent years to demonstrate that expenditures on such programmes have considerable economic returns and are the foundations for widespread prosperity.

In principle there are three major ways in which national governments can increase their own expenditures on HRD programmes:

- increasing revenues and overall government expenditure
- re-allocating resources from other sectors
- redirecting allocations within sectoral ministries towards particularly HRD focused programmes.

In addition, the effectiveness of expenditures on HRD programmes may be increased through greater targeting towards those most in need. Advocating significant increases in overall government expenditures is probably not very realistic for most developing countries outside East Asia in the foreseeable future, although some suggestions are made below along these lines.

RE-ALLOCATING RESOURCES FROM OTHER SECTORS

More attention has been given recently to possibilities of re-allocations. The 1991 Human Development Report, produced by UNDP, concentrated on the role of national governments in promoting human development, defined in terms of ensuring long, healthy and creative lives. One strong conclusion was that enormous amounts of finance could be directed to human resource development activities through a restructuring of existing budgets away from excessive military expenditures and loss-making public enterprises. The report demonstrated that while governments of many developing countries spend over 25 per cent of gross national product through their budget, less than a tenth of this is focused on priority areas for human development. An example (not taken from the report) is Arab states. On average they spend over twice the share of GNP on military expenditure as do OECD countries (around 12 per cent) but spend only one eighth of the amount spent by OECD countries on each child in the education system. It was also argued in the report that only seven per cent of aid from bilateral donors is focused on HRD programmes. Overall, the report concluded 'The lack of political commitment, not of financial resources, is often the real cause of human neglect'.

RE-ALLOCATING RESOURCES WITHIN SECTORS

UNICEF's The State of the World's Children 1992 argues that while education and health together share between 17 and 23 per cent (by region) of total government expenditure less than half is allocated to low cost, basic services for the poor. Out of 23 developing countries for which comparable figures are available, only three governments allocate more than one fifth of their expenditure to primary health care and primary education while 15 governments spend 12 per cent or less. WHO calculates that of the US$12 billion spent each year on water supply systems, 80 per cent pays for private taps in the homes of the relatively well-off (at $600 per person served) and only 20 per cent for public wells and standpipes which can bring clean water to the poor majority (at $30-50 per person). Similarly with health services. 'For many times more money to be spent on curative than preventative health is the norm; for 75 per cent of public spending on health to serve only the richest 25 per cent of the population is not untypical; for more to be spent on sophisticated operations than on the low cost control of mass disease is not uncommon; for 30 per cent of health budgets to be spent on sending a privileged few for treatment abroad is not unknown' (UNICEF, 1992). In the education sector the situation is similar. In African countries, one year of primary schooling costs roughly one per cent of the cost of a year in university. Even in Malaysia where the government has given priority to expanding and improving primary schooling, the corresponding figure is only four per cent. Commonly, upwards of 30 per cent of government's education budgets are spent supporting the best educated five per cent. Options for intra-sectoral restructuring include reducing, or more realistically freezing, enrolments in tertiary education, particularly in countries where graduates cannot be productively employed (South Asia). Cost recovery schemes involving fees and loans and attempts to lower unit costs will be considered in more detail later.

Stewart (1992) has recently examined some of these general issues with regard to the education sector in those developing countries (the majority) which have undertaken economic adjustment programmes over the past decade. Only four out of 21 African countries increased overall levels of government expenditure as a proportion of national income. In other words, governments generally reduced expenditure rather than increased revenues in their efforts to reduce budget deficits. In Latin American countries, however, more governments increased the proportion than decreased it. Turning to the ratio of education expenditure in total government expenditure, this fell in just under half the African countries and in just over half the Latin American countries. Combining these two ratios, the proportion of national income spent by governments on education fell in 12 out of 16 African cases and in seven out of ten Latin American countries. Given that increases in national income fell below population growth rates in most of these countries in this period, per capita education expenditures fell, in some cases significantly. Exceptions are always interesting. Despite falling income per head for much of the period, per capita education expenditure in Ghana increased by over 40 per cent, alongside reductions in the budget deficit. Similarly, per capita education expenditures were maintained in

Kenya despite total government expenditure falling as a proportion of national income. The third aspect considered by Stewart was the share of primary school expenditure in the total and changes in this share. A priori the very large differences in the primary shares between countries (between 21 and 83 per cent) suggest that possibilities exist to alter the allocations. Interestingly, between 1980 and 1987, 15 out of 23 African countries increased the share allocated to primary education and in Latin America only two out of eight reduced it.

To argue that it is feasible to switch large amounts of resources out of certain activities and into others may be regarded as politically naive. However, the variations in 'effort' which countries make in providing basic services are very large and the many studies which have been made to 'explain' differences in levels of expenditure or service provision between countries have invariably found no explanation beyond political commitment. Taking the Caribbean as an example, government recurrent expenditure on education in the late 1980s as a percentage of GNP varied between 5.4 and 4.8 per cent in Barbados and Jamaica and 1.4 and 1.3 per cent in Haiti and the Dominican Republic (World Bank, 1992b). In the latter two countries public expenditure on primary education was equal to less than 0.7 per cent of GNP. Turning to East Asia, the variations are again wide. In Malaysia, government recurrent expenditures are equal to 6 per cent of GNP and within this figure primary schooling consumes the greatest share, while in Indonesia similar expenditures are equal to just 1.8 per cent of GNP. Turning to health, data for the mid 1980s indicate that government expenditures were equal to 1.8, 1.4, 0.9 and 0.6 per cent of GNP in India, Sri Lanka, Pakistan and Indonesia respectively (Berman, 1991).

Current government expenditure levels and patterns reflect a mix of vested interests and 'technical' evaluations. It would be over simplistic to expect these to change rapidly and significantly. In the following section, however, some suggestions and illustrations are presented regarding opportunities for incremental government increases in resources for HRD programmes. It is often argued that these are unlikely to be sufficient to address the need. There is, therefore, also an emphasis on the ways in which government might encourage greater resources from different components of the non-government sector.

Increasing mobilisation: problems and opportunities

PROTECTION

In this section, a number of general policies and particular illustrations are presented which focus on opportunities for increasing government resources for HRD programmes. Initially, however, an example is given of a situation in which basic services were protected in the context of a downturn in the economy and in government expenditure: Malaysia during the mid 1980s.

Protection of basic services in Malaysia

The expansion of educational opportunities has been a major policy of government since the mid 1960s but particularly since 1972 when the New Economic Policy was introduced with the explicit objective of raising the economic status of Malays, partly through positive discrimination in the education system. A consequence of this has been the priority given to the development of a high cost primary school system. Reflecting this situation, education has been allocated large, and increasing, amounts of public expenditure. Between 1961 and 1965, 1971 and 1975, and 1981 and 1985, these expenditures as percentages of national income increased from 4.4 to 5.8 to 6.1 per cent. In 1985, following several years of steady economic growth the Malaysian economy moved into recession with GNP falling, even in current market prices and in 1986 the fall was even more severe. From 1987 the economy has expanded. Reflecting this pattern of economic growth, government expenditures were reduced in total for each of the years 1985, 1986 and 1987. In the latter year they were 11.7 per cent lower than in 1984. The allocation to education, however, continued to rise over this period by 11.5 per cent and its share of total expenditures increased from 15 to almost 19 per cent and of national income from 5.7 to 6.3 per cent. This commitment to education in general and to primary and lower secondary schooling in particular is a good example of governments' ability to protect expenditure in sectors once they have accorded them priority (Hinchliffe, 1992).

Another example of a government explicitly giving high priority to education, and particularly to primary schooling, is Ghana. In recent years much has been written about the relative 'success' of the changes in economic policy which have been implemented in that country with a reversal of several years of falling per capita income. Questions of whether the economy has stabilised or structurally adjusted, however, continue to be discussed. Less attention has been given to one aspect of the society which certainly has been adjusted structurally: the education system. Here, only the changes in resource allocation will be presented.

Expenditure on education in Ghana

In 1970, total government expenditure was equal to 22 per cent of national income but by 1983 this had fallen to 8 per cent. Of this total, education was receiving a declining share. As a consequence of these two factors, the proportion of national income spent on education fell from 4 per cent in 1970 to 1.2 per cent in

1983. Since national income remained virtually constant, real expenditures fell by two thirds. During 1985, government interest in developing and implementing a substantial reform programme for the education sector began to evolve and by late 1986, with the support of the World Bank, it had detailed, adopted and announced a far reaching six year programme to expand and improve basic education. By 1989 the education resourcing situation had changed substantially. Government recurrent expenditures were over three times higher than in 1985, and education's shares of total government recurrent expenditure and national income were back to their 1970 levels (26 per cent and 4 per cent respectively). In addition, a major shift had occurred in the distribution of expenditure between levels. The proportion spent on primary in 1989 was 42 per cent compared to 35 per cent in 1985 (Hinchliffe, 1990).

These two examples of governments which were able to divert increased shares of resources to a key area of HRD demonstrate the viability of such an approach if the political will is there.

CONSTITUTIONAL FRAMEWORK

In both of the countries described above, government funding of education (and other programmes of human resource development) essentially flows from and is controlled by the centre. Some of the most highly populated developing countries, however, are organised along federal principles. These include Brazil, Nigeria, India, Pakistan, Indonesia and China. Almost uniformly, in such political systems government programmes which are central to human resource development, such as primary schooling, primary health, family planning, food distribution programmes, housing, water supply, are the responsibility of state and local governments. In most federally organised developing countries, these tiers of government have few directly generated revenues and depend for their incomes on the distribution of centrally collected revenues. Questions of distribution take two forms. First, the division between the centre, the state governments combined and the local governments combined and, second, the distributions between individual states and local governments. Often these shares are incorporated in the constitution or decided by independent bodies. Quite obviously, what shares of total government revenues are allocated to each tier of government and how these correspond with their different sets of responsibilities is crucial to the pattern of sectoral funding in general. If the relative resources and responsibilities do not match, there is a danger that high priority areas will be under-funded and low priority ones over-funded. For instance, if primary health care and primary education are the constitutional responsibility of local governments while hospitals and universities are the responsibility of the central government, there is a possibility that the latter will be better resourced than the former unless provision is made to ensure that the

lowest tier of government always benefits from increased centrally collected revenues. In countries with a federal system the procedures for allocating revenue become crucial when considering the adequacy of HRD programme funding. Mobilising more resources then becomes an issue of altering the revenue distribution formula. An interesting illustration of the issues involved is provided by Nigeria.

Funding in a federal system: Nigeria

The method and criteria for funding the three tiers of government in Nigeria have been at the centre of the political stage since Independence (Hinchliffe, 1989b). Between 1960 and 1987, the constitution was altered no less than 16 times over this issue. Primary schooling and primary health care have undoubtedly suffered in the process. Until the new constitution of 1979, responsibility for primary schooling was concurrent, that is shared between both the federal and state governments. This was changed to give ultimate responsibility to the state governments. In varying degrees throughout the country, powers were further devolved to the local governments resulting in a wide variation in the levels of participation (and funding) by these two tiers of government. Eighty per cent of state and local government revenues on average are statutory grants. Until the late 1970s the revenues from individual taxes were each divided between federal and state governments as a whole and individual state allocations were then based on the joint criteria of derivation and equality. In 1978, major changes were proposed for the formula resulting in a single set of allocations from total revenues in what is termed the Federation Account. The revenues in the Account were divided thus: federal 55 per cent, states 32.5 per cent and local governments 10 per cent. The total revenues for both state and local governments were then divided largely on the basis of equal shares and population. The new arrangements increased the shares of centrally collected revenues distributed to the state and local governments. The quid pro quo was that the non statutory grants for primary education which the federal government had been allocating during the late 1970s were then phased out.

These changes might not have been problematic had the revenues in the Account continued to grow. In fact, from 1981 they fell for several years and not until 1986 did they recover to even the 1981 nominal level. Since primary schooling was the major item of both state and local government departmental recurrent expenditure (averaging 40 per cent across the states), the impact of the fall on it was generally severe. Further, because of the over-riding principle of equal shares in the revenue allocation formula, those states with higher school enrolments were much more adversely affected than the others.

In Imo State, for instance, levies on parents were imposed equivalent to almost half of the total costs. Enrolments fell by 20 per cent and in 1987 were still 10 per cent below the levels of 1977. Responding to the funding crisis, in 1988 the Federal Government established a National Primary Education Fund into which ostensibly the Federal Government would make a contribution equal to 65 per cent of primary teachers' salaries. This system existed for two years and was replaced in 1990 by fundamental changes to the constitution which totally removed the state governments' responsibilities over primary schooling and handed them to the local governments. At the same time the latters' share of the Federation Account was increased to 15 per cent and more recently to 20 per cent while the state governments' share was decreased to 25, then 24 per cent. These changes have been very recent and it is unclear exactly how they will affect the total levels of expenditure in primary schooling. There is a widely expressed fear that the additional shares will be diverted into areas other than education and that the states will not be in a position to lend support.

The Nigerian example of the problems of primary school funding is common to the many developing countries which are organised along federal principles. The issue is a general one. Federalism has two potential drawbacks. The first is the possibility of a mismatch of responsibilities and resources between the various levels of government. The second is the spatial inequalities which may arise in the provision of services resulting from either wide variations in the incomes of the units of a particular level of government or the substantial differences in the cost of service provision. In the context of mobilising resources for additional HRD programmes in such countries there are two areas on which to concentrate:

1. Ensure that those tiers of government which have responsibility for programmes are adequately funded in relation to the responsibilities and resources of other tiers of government.
2. Even if the overall allocation to a particular tier is commensurate with its responsibilities ensure that the allocation criteria between units of an individual tier do not over-fund some and under-fund others.

DECENTRALISATION

Federalism is an extreme form of decentralisation. Local governments also exist in unitary systems of government. Consideration of resource mobilisation efforts of government overall, therefore, requires giving some attention to the possibilities of increasing the levels of local finance for HRD programmes. Currently it has been estimated that on average, 15 per cent of total government expenditures are financed at the local level in developing countries and 32 per cent in the industralised countries (Bahl and Linnes,

reported in Winkler, 1989). Obviously there are differences according to political structure and size. It might appear, therefore, that some potential exists for increasing this share in developing countries. In practice, however, in the short run, two constraints often exist. First, the most common local government tax is the property tax which does not automatically lead to an increase in revenues as local incomes or the cost of services increase. Second, to be effective the tax requires sophisticated and objective evaluations and a skilled administrative corps. Alternatively, local governments may receive income through the automatic return of part of a centrally collected tax on incomes, sales, employees or some other measure of business activity. Such tax receipts, however, may not represent any increase in the overall total national level of taxation.

In practice, most community financing of local services in most developing countries is through direct payments for user fees, donated labour and materials and various forms of association fees. These will be discussed in greater detail later. Here, some constraints are mentioned briefly.

1 Levels of user fees particularly for very basic services are often small and seem to conflict with ideas of, for instance, free education and equal access.
2 In many countries legal requirements necessitate the revenues returning to central government.
3 If contributions are voluntary, for instance through parent-teacher associations, there is the free rider problem (that is, benefits also accrue to non-contributors) with a consequent likelihood that contributions will be limited and decrease over time. With regard to labour and materials for the building and maintenance of service infrastructure, much experience points to initial success followed by less attention given to financing recurrent requirements.

In practice, then, there appear to be quite significant constraints on local governments and communities, particularly in poor areas, raising revenues to support basic services. Certainly this is the conclusion reached by Winkler (1989) surveying experiences of the decentralisation of education.

EFFECTS OF STRUCTURAL ADJUSTMENT

Turning now specifically to some of the opportunities for governments to increase spending on HRD programmes, there are some unexpected possibilities, particularly for some of the low income countries which are undergoing adjustment programmes. The growing consensus towards a two-legged strategy for government comprising market friendly economic policies and a concentration on the provision of social and economic infrastructure may doubly reinforce the flow of resources for HRD programmes. While reductions in government expenditures on directly productive (but loss-making) enterprises such as car assembly and steel plants in Nigeria and the very many public sector enterprises in India are meant to be aimed at reducing the overall government deficit and/or reducing taxes, a consequence may be to increase the chances of raising expenditures in HRD programmes. The chances of this occurring, of course, increase further if government revenues

are also rising. One of the consequences of the substantial devaluations which have occurred in many countries has, indeed, been to raise government revenues. When government income is highly dependent on taxes on primary product exports and the domestic currency is devalued, the result is a large increase in revenues. This has occurred, for instance, in both Ghana and Nigeria. Between 1985 and 1989 total government revenues in Ghana increased by 364 per cent. In Nigeria, the increase has been even greater. Government revenue in 1986 was N18.3 billion rising to N97.5 billion in 1990.

When increases in revenues have to be used to purchase foreign inputs, the falling exchange rates responsible for the increases result in very little real change. When, however, the increased revenues are mainly spent on domestic items the increases in real terms can be large. Compared to most other government sectors (e.g. military, police) education and health are likely to be low consumers of foreign exchange. Perhaps more important, those parts of the education and health systems which are basic needs and more likely to be accessed by the poor, such as primary schools, rural health centres and water bores, consume far fewer foreign inputs than universities, hospitals and taps in urban homes. There is then an opportunity to expand expenditure in those sectors providing social services and within these to shift the emphasis towards the provision of basic services to the whole population.

DEVELOPMENT AID

Another line of action for generating additional resources for HRD programmes is the restructuring of development aid. Currently only a very small proportion is devoted to programmes of human resource development. In 1988, of all bilateral and multilateral aid the percentages spent on individual programmes were:

primary education	0.5	other education	9.0
primary health care	1.5	other health care	3.2
population programmes	1.3		

For twelve industrialised countries for which information is available the average share of the aid budget spent on a combination of primary health care, primary and secondary education, family planning, and rural water supply and sanitation was 9.3 per cent, ranging from 5.2 per cent for Canada to 15.8 per cent for Switzerland (UNICEF, 1992). One reason often put forward to defend these small shares is a corollary of the case made above for increased budget allocations; the small proportion of foreign exchange required in these programmes compared to others. This argument only has relevance when domestic currencies are not convertible and overvalued and in any case it should not be beyond the capabilities of governments and the aid community to devise modalities for the effective use of aid in these areas. Since HRD programmes are precisely the types of programme for which the populations of industrialised countries probably believe aid is used for, the very low percentages would appear to offer some opportunities

for increased levels, if receiving governments can also be persuaded that such programmes are priority ones.

One approach to increasing expenditures on HRD programmes which the World Bank has been pursuing recently is via its loans for foreign exchange support. While it is left to a receiving government to use the loans to finance imports of the type it decides, the Bank requires agreement on a programme of, say, primary school expansion or primary health care provision in the least served districts. Such a programme is currently being discussed in India.

In the past there has been a reluctance in some countries to incur loans (even concessionary ones) for social sector development, particularly in primary schooling and primary health care. Such loans have been regarded as being for consumption purposes rather than for investments. These views are changing as both research results and country experiences indicate that expenditures in these areas are a requirement for economic growth. Some governments, however, still need to be convinced.

In this context it is useful to point to one middle income country which has seen startling economic success in the past few years, where government expenditures have recently been increasing by over ten per cent a year and yet which continues to borrow heavily for primary and lower secondary schooling. That country is Malaysia. Over the past decade the country has negotiated three large loans with the World Bank for these purposes including a recent one of $160 million, and from the Asian Development Bank. Another example is India where until recently major aid commitments were not used for primary education. In the last three years British, Swedish, German and UNICEF aid projects have begun being implemented in this sub-sector and a large World Bank supported primary school project is currently being designed.

DEBT RELIEF

For many developing countries (indeed, most of the developing countries outside East Asia) the main constraint on expanding expenditures on human resource development programmes is the large share of the recurrent budget which is being used to service foreign debt. In total, the developing world is now transferring over $40 billion a year to the industrialised countries above what is received. Comparing expenditures on debt service to those on education and health combined as percentages of total central government expenditure, the following figures emerge:

Region	*Education and health*	*Debt service*
Sub-Saharan Africa	18	20
South Asia	23	15
East Asia	25	11
South America	16	14

In several cases, the large amount of debt servicing is still not equal to the

interest payments due with a resulting increase in the total debt owed. The situation, at least in relative terms, is obviously the worst for countries of sub-Saharan Africa. More is used for debt service than for all education and health services combined. The cancellation of debt, more than any other measure (apart from a severe reduction in the levels of military expenditure) is the major way in which more resources might be generated for human resource development programmes in these countries. So far, progress along these lines has been very slow. The most ambitious set of proposals for the very poorest countries, the Trinidad Terms, relate to perhaps 15 per cent of total African debt (UNICEF, 1992). If reductions in debt could be tied to reductions in military expenditure, the resources available for programmes providing basic services across countries would be substantially increased.

INCREASED TARGETING

In addition to increasing the total amount of government expenditure allocated to HRD programmes there may be opportunities to ensure that any given amount is focused more on those in need and less on those who enjoy relatively high incomes. In other words, expenditures within HRD programmes could be more strongly targeted towards the poor, enabling higher allocations for them without increasing the overall size of the programmes. The opportunity is particularly apparent in 'safety net' programmes such as food subsidies and employment creation schemes. An interesting case is Jamaica.

The 'safety net' in Jamaica

In the mid 1980s, the government operated two forms of nutrition programme: general food subsidies and food stamps. The first benefited rich and poor alike but since the rich spend more on food they benefited most, by over 80 per cent per person. Eligible beneficiaries of the second programme included pregnant and lactating women and children who attended public health clinics, people on public assistance and households where the head earned below J$50 a week. Half of the poorest 20 per cent of households received food stamps while only one in 16 of the richest 20 per cent received them. In 1989 the government took the decision to reduce and eventually phase out the general food subsidies while at the same time substantially increasing the value of food stamps for those eligible.

Another example of a food subsidy programme is the Public Distribution System in India. This scheme has been attributed with widely reducing famine but again it is untargeted (to the extent that the ration cards are virtually treated as identity cards without which passports can be difficult to secure!). Around 15 million tons of food grains are being distributed a year

with a subsidy equal to U$1 billion (Ravallion and Subbarao, 1992). Given the current need for budgetary stringency together with the potential increase in food prices due to liberalisation measures, the need for greater targeting to protect the poor has increased. The rationality of targeting government expenditures in general and safety net programmes in particular is clear. The challenge is to ensure that in moving from a system of general subsidy to one focusing only on those in need, the poor do not fall by the wayside.

In the rest of this paper, sources of finance and other resources provided by individuals and non-government bodies for HRD programmes are discussed at the same length as the discussion of central government finance above. The reason for this is not that non-government resources are, or even potentially are, as important. Whatever the efforts of individuals and non-government bodies, governments will continue to provide the bulk of resources for HRD programmes in areas such as primary education, health care, potable water and sanitation. In addition, as discussed above, there are possibilities either by increasing total government revenues or increasing the shares for particular sectors and sub-sectors, to provide additional resources for HRD programmes. There are, however, a number of reasons for focusing attention on non-government resources.

1 The additional resources from these may be significant in relation to the additions which may flow from governments, particularly in countries where reductions in the budget deficit have gained greatest priority.
2 The shift from public to private resources in some sub-sectors may release resources for programmes more central to HRD concerns.
3 Government policy-makers need to consider the sources and potentialities of non-government resources much more carefully and to devise national strategies aimed at maximising all resources for providing HRD programmes.

As will become clear, however, there are few simple ways to increase resources and several of those recently advocated suffer from particular drawbacks.

Community and NGO resources

In this section, resources flowing to HRD programmes from sources other than government or the direct beneficiaries are discussed. The sources include local community groups, the more formal set of non-government organisations (NGOs) and employers. To complicate any neat compartmentalisation, many of the NGOs receive income from government, presumably on the grounds that their form of organisation allows more efficient operation in certain cases, from foreign donors and also from their 'customers' in the form of fees. Because of the diversity and overlapping nature of the bodies involved, and the forms of funding, the major part of this section comprises a series of case studies across sectors, countries and types of organisation. General principles and lessons are drawn at the end.

Government expenditure in India on health service provision has been estimated to be around 5-6 per cent of total recurrent expenditures and 1.8 per cent of GDP (Berman, 1991). Both these figures are high relative to most other countries in the region. However, it is estimated that these expenditures only constitute around 20-40 per cent of total health expenditure in the country. The rest is private expenditure.

As is the case in most (all) developing countries, a critical long-term issue for health policy is the balance between private and public sector provision. This entails setting priorities for public sector activities. From the present financing mix it is evident that government cannot fund the entirety. The logical approach is for a public concentration on those activities which have the greatest payoff across society, i.e. public goods, and where externalities are widespread. In the Indian context these would include prevention of communicable diseases, various minimum needs programmes and family planning. Surveys of the distribution of state health expenditures by programme suggest that too few government resources are flowing into such programmes relative to those in others. One approach is to call for more resources overall. Another, not a substitute, is to reduce subsidies for lower priority services as a whole and to increase charges for those who are able to pay, particularly for curative care.

A recent programme of research in India, funded and co-ordinated by the Ford Foundation, has documented several successful examples of resource generation for health services from communities and those receiving services (1989). A large proportion of operating costs in the voluntary sector has been raised from better off patients while protecting access to the poor. Summary descriptions of just three of these schemes are reproduced below.

Three health care schemes

The Voluntary Health Services (VHS), Madras: This is a large NGO which manages a 350-bed hospital and a rural outreach programme in 32 villages outside Madras city. VHS calls on a variety of creative financing sources to meet its expenses, in addition to receiving substantial government and donor support. Patient collections in the hospital generate 57 per cent of operating costs. Despite this high level of fee collections, 70 per cent of patients are treated free of charge. This is made possible by the development of a steeply progressive fee structure requiring higher income patients to pay well above the cost of their treatment. Despite this mechanism, VHS costs are lower than comparable private services due to its higher level of internal efficiency, lower overheads and substantial donated time of specialist medical staff. VHS also manages a prepaid 'medical aid plan' which provides some insurance-type coverage to members, with membership costs graded by income level. Other sources of funds include surplus-earning diagnostic facilities and deluxe room accommodation.

Parivar Seva Sanstha (PSS), New Delhi: This is a 'social enterprise' providing family planning, abortion and reproductive health services in many parts of India. PSS covers almost all its operating expenses for its urban clinics from patient collections. Through a creative system of local pricing, clinics in poor neighbourhoods charge patients well below the cost of services, while those in better-off areas charge above service costs and transfer their surplus to poorer areas.

Ashish Gram Rachna Trust (AGRT) Pachod, Masharashtra: This organisation uses patient collections to support the remuneration of village-based health workers and dais. They also charge for preventative services such as immunisations. AGRT maintains that villagers are willing to pay a small fee even for preventative services such as immunisation when they are confident that they receive good quality vaccine and services are brought to their homes or neighbourhoods at convenient times. Collections for village-based workers provide incentives for those staff to carry out their tasks seriously and also give villagers a sense that the workers work for them.

From these few examples it is obvious that large proportions of operating costs in voluntary sector programmes have been raised from better-off patients while attempting to protect access to the poor. While the NGOs readily admit that they have not satisfactorily solved all the problems of means testing they have at least begun the process.

The amount of care provided by this sector is small in relation to the total. A recent survey by the National Sample Survey Organisation in India relating to the treatment of illnesses during a 30 day period, indicated that 25 per cent of all those receiving treatment had done so in public institutions, 53 per cent from private doctors, 18 per cent in private hospitals and around 7 per cent from a variety of other sources. However, more than their coverage, the NGOs may be of greater importance in experimenting with and evaluating different programmes of cost recovery or sharing. In 1975-6, the public health services recovered 6.4 per cent of their expenditures through user fees. By 1988-9 the share was down to 1.6 per cent (Tulasidhar, 1992). However, any efforts to reverse the situation will need to proceed only after the evaluation of well-designed experiments which in addition to imposing charges include quality improvements in service, more information and greater accountability and the demonstration of effective mechanisms for protecting the poor. This is where the experiences of NGOs such as those described above are particularly useful.

FINANCING OF NIGERIAN AND CARIBBEAN SCHOOLS

Community financing of education, particularly capital expenditures, has been widespread across much of Africa and the Caribbean. Among the most

widely known examples have been the Harambee movement in Kenya and the Brigades in Botswana. The case studies here cover two states of Nigeria and the Caribbean region. Differentiating community groups from NGOs can be difficult and not necessarily very useful. No attempt is made here. The focus is on non-government and non-profit provision.

Plateau State, Nigeria

Here community and voluntary agency schools augment government provision at both primary and secondary levels. Community schools are particularly prevalent at the primary level. These are schools constructed by groups of individuals who then attempt to have the school recognised as a government school with all further costs borne by government. The capital costs involved can be substantial. Problems with such developments may be inefficient location with a duplication of facilities and the unplanned for burdening of government with recurrent costs. Local government officials state that in the future all new primary schools and additions to existing ones will entail a mix of public and private finance.

Of more interest in the context of this paper are the voluntary agency schools. Most of these are at secondary school level. Again, these require some form of recognition by government in order to receive any funds but the relationship is much more at arms length. Most of these schools in Plateau are church-based. The schools receive grants for an approved number of teachers based on the State's pupil-teacher ratio policy. All other expenditures for additional teachers, non-teaching staff, equipment, maintenance and so on are the responsibility of the agency. In turn the schools enjoy much greater freedom than the government schools. For example, they set their own entrance examinations, find it easier to limit enrolments and class sizes and potential teachers are interviewed rather than simply posted. In Plateau, enrolments in these schools are a quarter of the total and between 1986 and 1992 grew by 5 per cent a year compared to 1 per cent in the government schools.

Imo State, Nigeria

Community involvement in education has also always been strong in what is now Imo State. Most primary and secondary schools were built and run by Christian missions (again partly through grants-in-aid from the State) until their takeover by government in the early 1970s. Since then wider communities have become involved. It is estimated that 70 per cent of secondary schools have been built by groups outside government. Again this zeal has sometimes lead to an over abundance of schools with teaching resources spread too thinly.

English-speaking Caribbean

Grant-aided schools are also prevalent across the English-speaking Caribbean (World Bank, 1992b). Again they are predominantly associated with the churches. The level of grants and the nature of the financing mechanisms vary between countries as do the divisions of operational responsibility. In the smaller islands grant-aided schools are particularly numerous at both primary and secondary level. In Grenada, for instance, 73 per cent of primary and 63 per cent of secondary pupils are in such schools. In St Vincent 49 per cent of secondary enrolments are in grant-aided schools. Assisted schools are also prevalent in Trinidad providing 72 per cent of all primary places. Of all the Caribbean countries, Belize has the most developed system and the Government's partnership with the churches is explicitly stated as being at the centre of education policy. Denominational schools provide 90 and 50 per cent of primary and secondary places respectively. Grants to primary schools cover all teacher salaries plus 50 per cent of the cost of supplies and maintenance. For the secondary schools, grants cover 70 per cent of teacher salaries and supplies. In addition to increasing total educational resources (beyond those provided by government), the independence allowed to school management boards may potentially result in more effective use of resources within schools. The assisted schools in Belize are not without their problems such as the very poor physical state of many primary schools, high levels of pupil attrition and poor results in the regional examinations. Nevertheless, the potential positive effects of such approaches in terms of resource mobilisation merit attention.

Primary schooling in Haiti

A very different example of the role of non-government and non-profit agencies in providing programmes for human resource development is primary schooling in Haiti. Public expenditure on education as a share of GDP is the lowest in the world and as a consequence the NGO sector, particularly the churches and missions, has become the main provider for large segments of the population. Overall it provides over 60 per cent of total primary school places in subsidised rural and urban slum schools with virtually no resources from the Government.

RELIGIOUS MISSIONS IN AFRICA

The education sector is not the only one to have been expanded through the efforts of NGO and community groups. In Rwanda, religious missions have traditionally provided most health care services. They currently provide 40

per cent of the total and are reimbursed by government for 86 per cent of staff salaries. Similarly, a large proportion of mission expenditures in Zimbabwe are also covered by the government (World Bank, 1991). In Zambia and Ghana it has been estimated that 30 per cent of total health care services are provided by the missions and 50 per cent in Uganda. Of particular relevance to the consideration of HRD programmes, many church and mission activities are in remote rural areas and cater for among the very poorest in society. In the early years following independence, there was often friction between the churches and national governments as the location of facilities was not always based on medical needs alone. More recently, however, the missions have developed the reputation for providing efficient, quality care. Bennett (1992) puts forward several reasons for this : the emphasis placed on training and supervision of staff, greater flexibility which allows adaptation to local conditions, willingness to experiment with new management techniques and, of course, the religious motivation. Consequently, missions and NGOs in general are important as agents of innovation (De Jong, 1991). In addition they often operate in areas, such as family planning, with which governments may not want to be totally identified.

These organisations, particularly the missions, face increasing problems. External support has been declining and often falling levels of government subsidy and fee differentials between public and private sectors have exacerbated the situation. For instance, Bennett (1992) states that in Zambia in 1990 the Ministry of Health allocated only 6 per cent of its total budget to mission facilities although they provided 30 per cent of all health care. In Lesotho, missions have had to increase fees as external income has fallen. As a result both demand and revenue have fallen with a consequent reduction in the quality of service and a further fall in demand and income.

Generally, in many countries the (not-for profit) non-government sector which provides substantial inputs to HRD programmes faces a variety of often contradictory pressures. On the one hand governments with tight budgets have been reducing subsidies while on the other, overseas donors are increasingly enthusiastic about funding many of these organisations. Those NGOs caught in the middle are most likely to be the missions whom donors in general appear to be less willing to fund. With regard to primary health care this may constitute a major problem for several African countries.

REVOLVING FUNDS

Another form of non-government financing is based directly on the community. Community financing schemes, however, are not necessarily meant only to develop financial support but also as a method of developing communities' capability in the management of their own development. According to the recent survey by Creese (1991), community financing of the operating costs of health care has, in all documented cases, provided a relatively small contribution. Most successful have been revolving fund projects to cover the costs of pharmaceuticals. Since the costs of these are the biggest component of recurrent costs of health care after salaries, this is

by no means irrelevant, but should be seen in the overall financing context.

Among the most comprehensively developed systems of community financing for health care is that found in Thailand (Wibulpolprasert, 1991). In 1987, revolving drug funds were operational in 45 per cent of all rural villages, funds for nutritional activities in 43 per cent of villages, sanitation funds in 35 per cent of villages and health card (prepayment/insurance scheme) in 20 per cent of villages. However, despite the impressive coverage of these funds, particularly in the rural areas, community financing contributed less than one per cent of total health care expenditure. It is in the training (broadly defined) and increased empowerment of villages that the scheme is regarded as being successful. This is also the conclusion of Yacoob (1990) reviewing the role of community financing in water and sanitation projects.

In their review of community financing for health projects, Abel-Smith and Dua (1988) argue that problems arise from both the level and long-term stability of revenue reliability and from the inability to help with foreign exchange needs. They also point to the tendency to exacerbate existing differences both between and within communities. In the 'classic' work on community financing Stinson (1984) concluded that 'Community financing is, at best, only a partial solution, that...may be more difficult and less effective than the re-allocation of current resources, and that governments have to facilitate and encourage, not impose'.

NON-FINANCIAL RESOURCES IN BRAZIL

Financial resources are not the only form of resources which non-government groups can provide for HRD programmes. In UNICEF's The State of the World's Children 1992, an interesting example from Ceara region in Brazil is described to illustrate the potential of government to galvanise other bodies for basic health programmes. Between 1986 and 1989 the infant death rate was cut by one third, child deaths from diarrhoeal diseases by half, child malnutrition by half and immunisation levels increased by 40 per cent. Much of these improvements came through extensive programmes of basic health information which emphasised the importance of breastfeeding, immunisation and the prevention and treatment of common diseases. To harness people for this task the government appealed to the church, the NGOs, the mass media and the business community. The commitment of the church was said to be crucial, providing thousands of volunteers to carry messages to hundreds of thousands of people in the poorest areas of the state. Since then around 3,000 community health workers, mainly poor rural women, have been trained and the Brazilian government now plans to extend the scheme to nine other states of the north-east.

SCHOOLS IN BANGLADESH

Another model of non-government resources for HRD programmes is the combination of local NGOs and direct donor funding. One of the most publicised examples of this is the BRAC (Bangladesh Rural Advancement Committee) non-formal primary education programme in Bangladesh.

The largest NGO in Bangladesh, BRAC has been operating rural development programmes for the past 20 years. BRAC schools were initiated in 1985 in 22 villages. By 1991 the number had increased to 4,500 out of a total of around 50,000 schools. The target of the schools is said to be the 'unreachables': children from the families of the poorest of the landless, particularly girls. Two programmes exist. First, a three year programme for 8 to 10 year-olds who have dropped out of school or never attended and second, a two year programme for those aged 11 to 14 who have never attended school. Absenteeism and dropout rates are exceptionally low and success rates reportedly very high. BRAC schools differ from the government schools in terms of the scheduling of teaching, the recruitment and training of teachers, pupil-teacher ratios, curriculum and in various aspects of management. All evaluations of the BRAC schools have argued that one of the most important factors in their success has been the high level of community and parental involvement in finding or building a classroom and maintaining it, determining the length and timing of the school day and assuring regular attendance.

The annual unit cost per pupil is around $15. All income is from foreign donors, in particular Interpares (Canada), NORAD, SIDA and UNICEF. Pressures to expand are strong. A recent evaluation argues that the main factor which has enabled the rapid expansion of the programme has been BRAC's years of experience in running rural development programmes, including a large-scale nation-wide health programme, with the resulting organisational support system which it has developed throughout the country (Lovell and Fatema, 1989). Another factor, mentioned here but taken up in the following section, is that attendance at BRAC schools is free and there are none of the charges which the government schools impose.

Despite the many positive evaluations of this programme, however, important issues remain. Among the most important is the relationship to the government school system. Are the schools meant to be experimental in testing new ideas and methods of operation, are they an additional or alternative system, are they replicable? Because of the particularly difficult economic situation in Bangladesh and BRAC's proven ability to attract large amounts of donor funding, the organisation has gained the necessary political space to carry out its own programmes. Even so, these questions which are relevant to much NGO activity still arise.

INDIA'S LITERACY PROGRAMME

The overall literacy rate in India in 1991 was 52 per cent of the population aged seven years and above. Regional and gender disparities are great. Female literacy is 39 per cent while the male rate is 64. The range for females is from 23 per cent in Bihar to 87 per cent in Kerala (though no other state has a rate above 53 per cent). The National Literacy Mission which was launched in 1988 is attempting to increase the rates substantially and is financed by the central government and administered directly in the districts. The Eighth Five Year Plan sets literacy goals of 90 per cent by 1997 (implying an additional 80 million people in the 15 to 35 age range) and 100 per cent by 2007. The programme relies heavily on NGOs and on the

development of a high degree of motivation and voluntary based campaigns. However, these, which were the key to success in the literacy campaigns in Kerala, are precisely what are missing in the northern states where the bulk of illiterates is concentrated. Despite very large disbursements of finance in recent years, the annual average number of people made literate between 1988-90 was less than in the period 1985-87.

VOLUNTARY INSURANCE SCHEMES

Until their disbandment, the agricultural co-operatives in China were involved in operating prepayment schemes for health services. A similar scheme was attempted in Thailand at the village level but despite the relatively low premium and the high priority given to it by the Ministry of Health coverage was less than one quarter in the implementation areas. According to Abel-Smith (1991), it has still to be shown that voluntary local prepayment schemes can make a major contribution to health financing. More recent surveys in India, however, suggest that this view may be too pessimistic. According to a survey by Dave (1991) of twelve voluntary organisations providing health care, six implement prepayment/insurance schemes. In some, significant resources are involved. Taking one example, the membership fee income covers 96 per cent of child health workers' salaries, drug costs and mobile support units but cannot cover referral costs. In another, membership fees plus entrance fees do cover referral costs but only 10 to 20 per cent of community level costs. At yet another, fee income and drug collections account for only 13 per cent of total income but again at the community level cover the cost of salaries and drugs. In the final two cases, membership fees are 15 and 34 per cent of total income. It appears that in all of these schemes, prepayment or membership fees are a not insignificant part of the total funding.

GENERALISATIONS

The modes of operation in community based and not-for-profit organisations are numerous and generalisations are of dubious value. However, two are made here:

1 Despite the popularity among many donors for these forms of organisation it is generally the case that, particularly since the reductions in external income for the churches and missions, their major strength is not in terms of mobilising continuing amounts of financial resources. There are exceptions to this of course and some indigenous NGOs such as BRAC (and some of the other NGOs in Bangladesh in particular), are able to attract significant amounts of external assistance. Whether this is actually an addition to the amounts which would have been received by the country in any case is another issue. In general, however, NGO activities tend to be substantially supported by the national governments.
2 The strength of community groups and NGOs is more in terms of mobilising non-financial resources, particularly in the form of unpaid

labour and inspiring high levels of performance from it, and of being able to innovate, experiment and in general carry out activities within a more flexible institutional environment than that usually allowed in government bureaucracies.

Thus, while NGOs may be cost effective they still need to receive financial resources, mainly from government and, to a lesser extent, from individuals who are prepared and able to pay for the service provided. While they may utilise resources more effectively than governments in certain situations they are not the answer to the question of how to increase substantially the overall levels of financial resources for HRD programmes.

EMPLOYER HRD PROGRAMMES

Finally in this section, the potential for increasing the efforts of employers in health and education programmes for their workers and the population of the immediate neighbourhood is discussed. The most widespread of these programmes have been for family planning and for literacy/training activities.

In a comprehensive review of employer programmes in family planning in developing countries Lewis and Kenny (1988) illustrate 28 examples in 14 countries. The first employer family planning programmes were begun by Indian companies in the 1930s. Since then employers in Egypt, Philippines, Korea, Sri Lanka, Indonesia, Bangladesh, Turkey, Mexico, Peru, Bolivia, Nigeria and Thailand have also developed programmes. The firms have sensitised their employees about family planning, established a set of motivational activities, covered all costs of contraception and family planning services and developed monetary incentives, especially for sterilisation. The corollary has been to establish disincentives for large families. The advantages to firms of small families are obvious: reductions in stress and the demands on time, in the costs of maternity leave and child care needs and in medical care costs when employers provide these as part of gross remuneration. In some cases, programmes have also probably been developed from a sense of social responsibility. The authors note that in many instances, for example, India, Sri Lanka and Turkey, the labour unions have also been positively involved.

In the introductory section of this paper, it was argued that one of the requirements for the new approach to human resource development was for governments to take a comprehensive view of programmes supplied. One of the areas about which government commonly lacks systematic knowledge is in-plant training, particularly in the private sector. While there are many instances of firms either conducting literacy courses themselves or providing the facilities, their main human resource development programmes have been in vocational training. While such training is more likely to be provided to those who already have some educational background, an understanding of the level and composition of it might provide governments with opportunities to reduce their own training activities, thus enabling a switch of resources to basic education. The levels of financial resources can be significant. A recent study of private sector in-plant

training in Jamaica estimated that expenditure was equivalent to 7 per cent of the Ministry of Education's total budget and 27 per cent of its allocation for technical, vocational and tertiary education.

There are several ways in which such training may be encouraged. These include:

- allowing national development banks to give in-plant training programmes access to their subsidised credit lines
- allowing imported equipment and supplies for training programmes to enjoy concessionary duties similar to those for certain other high priority activities
- treating training expenditures as deductible costs for corporate tax purposes
- allowing firms to pay trainees below the minimum wage for, say, the first six months of training.

Wider than the above suggestions is the imposition of payroll taxes on firms for the specific purpose of financing training. There are essentially two types of payroll taxes. The first, utilised predominantly across Latin America, provides revenues to finance public sector training programmes. The second forms part of the levy-grant system which aims to encourage firms to establish their own programmes through a series of rebates and which appears to be the preferred form outside Latin America. A survey by Whalley and Ziderman (1989) indicated that tax rates tend to be between 0.5 and 2 per cent and that most of the countries which operate these schemes are in the middle and lower-middle band of developing countries, rather that the low income ones where, perhaps, the administrative obstacles and the revenue : collection cost ratio may be low. Two important points need to be made regarding payroll taxes:

1. Ultimately they tend to be paid, not out of profits, but by the workers in the form of lower wages or by consumers in the form of higher prices.
2. No case can be made on theoretical grounds for giving greater protection to public expenditure on training than to, say, general education or health expenditure.

Though calls for specific taxes to finance the latter have often been made, none has been introduced (Dougherty and Tan, 1991). One scheme which perhaps comes close to this is the Basic Education for Skills Training (BEST) programme in Singapore. In a review of in-service training in that country, Pang and Salome (1986) commented, 'The implementation of the BEST programme by the Government to help the unskilled workers to obtain the basic literacy and numeracy skills necessary for further training, was vital for their upgrading'.

Mobilising the contributions of individuals

The role and extent of contributions to human resource development programmes from those who directly gain from them have been partially discussed above. Here the attempt is made to be more systematic. In

principle there are two ways in which resources can be mobilised for these programmes through individuals' payments:

1 User charges or prepayment/insurance schemes can be levied on individuals to recover some or all of the public expenditures used on them, e.g. in primary schools, primary health centres, for drinking water and sanitation projects, for contraceptives.
2 Services can be purchased directly from the non-government sector whether for-profit or not-for-profit, e.g. non-government schools, health centres, hospitals, commercial contraceptive suppliers, etc. with the possible result of both increasing total expenditure on HRD programmes and allowing more public resources to be focused on the poor who cannot afford to pay for such programmes.

A third way in which increased resources may be generated for HRD programmes is through charging for those publicly provided activities which cannot be construed as serving the basic needs of the mass of the population so enabling resources to be freed up and shifted towards HRD activities. Examples of this line of thought are:

- to make students in higher education pay for a much larger proportion of their costs and divert the savings to primary schooling
- to charge for non-life-threatening hospital treatment and divert the savings to immunisation programmes
- to reduce the subsidies on the provision of individual water taps in urban areas and expand programmes for rural sanitation.

Before discussing specific programmes to further shift financing responsibilities for basic education, health and other similar services onto individuals it is useful to summarise the traditional arguments to support their public provision and subsidy.

1 Since the benefits of such services partly accrue to other than the direct recipients, reliance on individuals is likely to result in aggregate private purchases below socially optimal levels. For instance, immunisation against infectious diseases may not be carried out to the extent socially required if individuals are charged.
2 Inefficient credit markets through which people might borrow in order to finance, for example, their education would reduce access particularly for poor people resulting in both inequity and reductions in social efficiency as those who could benefit from extra education would not receive it.
3 The allocation of basic services through markets and the ability to pay would strengthen existing inequalities among adults and their children.

The counter argument is that by bringing social services further into the marketplace through expanding the coverage of charges to the beneficiaries, subjecting the public system to demand-led pressures and increasing private provision both the efficiency and the equity of provision will increase as will the resources available for them.

COST RECOVERY OF PUBLIC EXPENDITURES

Arguments that the recipients of social services should contribute to their provision, at least in part, have intensified over the past decade. Part of the justification for such arguments lies in the increased budget constraints felt by many developing country governments following attempts to reduce budget deficits, and part in the ascendancy of a particular set of economic theories which have been interpreted as calling for minimum state involvement in the social and economic life of individuals.

Before turning to experiences of user cost programmes, it is salutary to note that 'free' public programmes usually entail private costs. A recent study of unit costs in both primary and secondary schools in Jamaica found substantial average annual outlays on transport, lunches, uniforms, supplies, additional tutoring, books and school fees and charges. Compared to a government-borne unit cost in all-age primary schools of US$100, private costs were US$205. In secondary schools the respective totals were US$260 and US$314. Between one quarter and one third of private expenditures were for books and other educational materials. Fees, however, were proportionately very low.

User charges in education

An important early study for the development of the user fee argument in education was made by Thobani in 1982 and subsequently published in 1984. In this he argued, in relation to Malawi, that primary school fees were not only effective in raising educational resources but were also an equitable instrument which could lead to an expansion of enrolments. The central argument was that the income raised would increase education provision and quality, and that this would have the greatest positive impact on the poor.

In fact, however, few arguments have been made in favour of fees at the primary school level and attention has focused more on secondary and, particularly, higher education. Experience with compulsory fees in primary schooling, forced by budgetary crises, has been that they undoubtedly reduce enrolments. One example is Nigeria in the mid 1980s where enrolments fell significantly (up to one third) in many states which were forced into levying charges (Hinchliffe, 1989). Similarly the point was made earlier that the evaluations of BRAC schools in Bangladesh have consistently pointed out the positive effects of a no charge policy on enrolments and dropout rates compared to government schools where charges are levied.

Where fees are not compulsory and exemptions can be obtained on the basis of inadequate incomes, as is the case in the 'facilities fees' charged in Sri Lanka, the deterrent effect is obviously lower. However, their importance in revenue terms is obviously diminished. Again using the Sri Lanka example, Lewin and Berstecher (1989) demonstrate that while facilities fees are collected in 63 per cent of schools and school development society funds (from the community as a whole) are collected in 54 per cent of schools, the combined collections were equal to only 1.3 per cent of the teachers' salary budget in 1986. While even marginal increases in expenditures on school materials have been shown to be capable of substantial effects, in terms of

being able to substitute for public expenditures, primary school fees are a non-starter. There is perhaps more possibility of charging user fees at higher levels and diverting resources to the primary level. This is discussed below.

User charges in health services

User charges appear to be more prevalent in the provision of health services than education, particularly for primary levels of service. At the outset of this discussion, three points are useful to make.

1 Cost recovery in the health sector is regarded here as a policy instrument, not a policy objective. If it is necessary for the purposes of resource mobilisation, it is an unfortunate necessity and not inherently desirable.
2 In the discussions which are being widely undertaken in developed countries regarding health financing, a greater reliance on user charges is not emphasised. More emphasis is placed on prepayment/insurance schemes.
3 Fees have two effects. They generate resources from individuals who believe that the service is worth paying for and they divert people who cannot pay to other, cheaper, sources and forms of health care if any exist.

The importance of fees in the financing of publicly provided health services tends to be small in gross terms. Vogel's (1988) recent study of African counties demonstrates that apart from Ghana, few countries are able to recoup more than 6 per cent of the government recurrent health budget from fees while the percentage in many countries is below 4 per cent. In Ghana the figure is 15 per cent. Creese (1991) argues that there is no large-scale experience of fees having been used to improve the quality and accessibility of services in a way that would compensate for the regressive effects of charges. Further, reviewing the quantitative studies which have been made of the utilisation of public health services by different social groups and changes in demand following fee changes, Creese (1991) concludes that user charges deter those patients at greatest risk and that a trade-off between health status and revenue-generation is being made. If fee income was being used to improve quality and accessibility the user charge system could be redistributive by taxing the better off and further subsidising access to the poor. Again on the basis of current evidence, Creese argues this is not occurring. (Evidence presented earlier for the voluntary agency health institutions in India, however, suggests otherwise.)

Summarising the current knowledge of the effects of user charges in the public health system, there is the potential for improving the financial base but there is also evidence that charges deter those people whose health needs are greatest. Consequently, if cost recovery schemes are to be expanded there is a need to develop more careful systems of means testing and to redistribute funds to primary health activities for those in greatest need. As is the case in the education system, more of an argument can be made for charging for secondary and tertiary forms of service. The question arises of whether it is realistic then to expect revenues raised in one subsector to be used in another. Political and administrative realities suggest it

is not. While the search for evidence of successful user charge programmes needs to continue, it is unlikely that such programmes will be able to generate significant resources for the public health sector in most developing countries.

The introduction of charges for government health services provides an incentive for communities to organise prepayment (or insurance) schemes. Those who pay then become eligible for 'free' health care. However, according to Abel-Smith (1991), it has still to be shown that voluntary local prepayment schemes can make a major contribution to health financing. One option would be to encourage private health insurance schemes. In developing countries these have severe drawbacks. Costs are high, those choosing to be insured are likely to be less healthy than those who do not and individual insurers are in a weak position to negotiate with providers. As a consequence of the limitations of community and private voluntary insurance schemes some governments in developing countries are beginning to consider the gradual development of compulsory schemes initially for those in regular employment and then extending coverage. If such a scheme could be made to work it could cover the whole cost of the services used by those insured, rather than the small share which in practice user charge programmes are able to achieve. Obviously such a scheme would face difficulties. Abel-Smith documents the circumstances necessary for such a scheme to be viable:

- enough persons working for employers on a regular basis to justify the administrative effort
- the provision of insured persons with services which they regard as worth paying for but which do not extend to the quality of medical care provided
- employers must be able to afford it
- administrative capability to operate the scheme with efficiency and without corruption
- government commitment to a policy of 'health for all' otherwise the services for those not insured are unlikely to be expanded and improved.

Not all countries can fulfil such conditions. Those which are more likely to are in South East Asia and Latin America.

User charges for water supply

User charges have also been advocated for water supply and sanitation programmes. In many cases 'willingness to pay' has been emphasised not just for financial purposes but also, particularly by donors, as a measure of community commitment to programmes and the likelihood of their sustainability. This is likely to give too much weight to the concept and too little to other factors which determine whether communities are able to manage and sustain programmes. Empowerment is about more than generating cash to pay back loans. There is a further issue, which is discussed by Yacoob (1990). Assistance programmes in community water supplies are mainly concerned with meeting the needs of poor rural communities often with a subsistence economic base. Willingness to pay may be there but the ability

to pay, without going into debt or selling off cattle and other future revenue earning assets, may not. More controversially, some donors and implementing agencies then attempt to persuade communities to establish business activities to enable them to pay for the water. Those that do not are unable to access donor funds. As Yacoob argues 'These practices raise serious ethical questions for the entire development community'. Cost recovery becomes an end in itself and one well beyond the initial objective of mobilising resources.

PRIVATE PURCHASES OF PRIVATE SERVICES

The section above concentrated on the option of increasing the contributions which individuals pay for services provided by the public sector. The case has also been increasingly advanced over the past few years that governments should encourage the private 'for-profit' provision of social services including schools, health care and family planning services. The main argument has been couched in terms of the overall increase in resources directed towards these services with the secondary argument that the greater (inherent?) efficiency of the private sector would have a beneficial impact on public sector institutions. As an adjunct, it is also sometimes argued that encouraging private provision releases more resources per capita for those who remain within the public sector. Schemes for the public sector to purchase directly privately provided services have also been put forward as has the suggestion that the state provides individuals with some sort of financial entitlement (vouchers) which can then be 'spent' on a competitive array of services provided by both the private and public sectors. Here, the concern is mainly with the argument that an active encouragement of the private sector will result in more resources being available for programmes of human resource development.

It is useful to begin this discussion by considering the current size of the private sector in social service provision and the reasons for this.

Private education sector

In the education sector, private sector provision of primary schooling is everywhere small. Where it exists it is expensive and utilised by the social elite. In many developing countries the reason why relatively wealthy parents are prepared to pay for this level of schooling is that the superior educational resources it provides increase the chances that their children will gain entry to the most prestigious government secondary schools. The only impact of a small minority of children in private primary schools on the state sector is to, perhaps, marginally decrease the pupil-teacher ratio. Most research, in particular that emanating from the World Bank, suggests that changes to class sizes within a very wide range have no impact on pupil performance. In practice, the effect of encouraging a small private primary education sector is likely to have a negative impact on primary school finance as the most influential members of society, including politicians, are likely to utilise the private schools and minimise their interest in supporting public education.

Private health sector

By contrast, in most developing countries the private health sector is of a significant size. Bennett (1992) suggests that it accounts for 37 per cent of all health expenditure in Iran, over 30 per cent of hospital beds in Nigeria, 25 per cent of doctors in Papua New Guinea and 22 per cent of the total number of hospitals in Thailand. Limited empirical studies in India suggest that private resources for reproductive health may far exceed public resources (Berman, 1991). Almost three quarters of Indian doctors are practising in the private sector, while 30 per cent and 55 per cent of hospital beds and dispensaries respectively are provided within this sector (Jesani and Anantharam, 1989). These figures include both for-profit and not-for-profit activities but the former are believed to dominate strongly. It is perhaps ironic that while the international development agencies publish policy papers arguing for the expansion of the private sector in both the provision and financing of health care in developing countries, it is often already greater there than in the industrialised countries. Two forces appear to be leading to an increase in the private sector. In many poorer countries, real budgetary provisions to the public health sector have recently fallen resulting in reduced services or user fees. In this case people have been pushed away from the service. In other countries, largely fast growing and middle income, demands for more sophisticated care have increased beyond the increases in public sector provision. Generally, in terms of typical HRD health programmes, it is most likely that recent increases in the utilisation of non-government facilities have resulted from reduced access to public services.

Ways of increasing private sector provision

Governments may encourage private sector health service provision in several ways (much of the discussion also applies to schooling). First, at the most minimal level, legal, administrative and other restrictions may be removed. In many countries these are significant and have often been developed with reason. In the health sector there are concerns over quality. For instance, Vishwanathan and Rohde (1990) report the results of studies in India where 40 per cent of diarrhoea episodes were treated with injections by private 'doctors' whereas only 6 per cent received oral rehydration solution. In the case of primary education, some governments may regard the existence of private primary schools as encouraging racial divisions within society or again may have concerns over quality. In principle, however, quality controls and uniform standards can be established. While governments may wish that 'consumers' were satisfied with public services, the very existence of the private sector particularly in health demonstrates that very often they are not, or (ironically) cannot afford them. In the absence of increased public coverage and quality, it is difficult to make the case for denying the private sector a role and at least allowing it to operate subject to realistic quality controls.

A second method of increasing private sector involvement is through privatisation, generally defined to include changes in ownership and the contracting out of particular services, and the direct use of incentives to encourage its growth. Attempts to convert public institutions to private

ones have been few. Chile is an exception. Beginning in 1980 the government transferred vocational secondary schools to private non-profit organisations, primary and secondary schools to municipalities and encouraged private individuals and organisations to open tuition-free schools. The latter two types were financed by a subsidy payment per student. By 1982 when the scheme was suspended due to budgetary constraints, 81 per cent of public schools had been transferred while the number of private subsidised schools had increased by 33 per cent (Castaneda, 1986). Alongside these policies the government also attempted to promote private medicine through a variety of schemes and incentives. By the mid-1980s, however, only 3 per cent of the population were covered by private health insurance (Scarpaci, 1986).

More experience has been accumulated by governments privatising particular programmes or activities, particularly in health and health-related fields. Lewis and Kenney (1988) provide a comprehensive description of experiences in family planning programmes. Private providers and distributors of contraceptive services offer an alternative to government programmes, are said to be typically more convenient and offer higher quality products and services. However, they can of course only serve those who can pay and the authors argue that the pattern of operation in developing countries is one in which higher prices and lower volume is more profitable than lower prices and higher volume. An increasingly common approach is 'social marketing' whereby private distributors are used to market government-subsidised products. Such an approach is also being developed in some countries to market other types of health products. Private for-profit providers also play an important role in some countries in the provision of sanitation and water supply. Lewis and Miller (1987) describe private-public relationships generally across sub-Saharan Africa while Roth (1985) focuses on the situation in the Ivory Coast where public authorities handle the construction of water systems and contract out the operation and maintenance and collection of charges to private operators. Pharmaceutical production and distribution are other areas where purely private or joint public-private operations play substantial roles.

Government decisions regarding the appropriate role of the private sector in primary health and related services need to take several potential problems into account (Bennett 1992):

1 Individuals have limited information and knowledge of the nature of their sickness and the most appropriate treatment. This can result in the provider manipulating the patient and selling inappropriate or excessively expensive treatment. Such situations have been extensively documented in both developed and developing countries.
2 Equity is a problem. The private sector will concentrate on those aspects of care which maximise profit and will not provide for those who are unable to pay. To encourage more widespread services requires governments to formulate incentives in the form of tax relief or subsidies. The values of these need to be carefully considered.
3 Competition arises between public and private sectors for scarce medical workers. A common response has been to allow the

development of some private care in government facilities or to allow public sector doctors to run private clinics outside their regular work hours.

4 Contracting out services such as laundry, cleaning and catering to the private sector may simply replace one monopoly with another. If greater efficiency and lower costs are to be achieved, competition among potential providers needs to be maximised. Contracting out clinical services poses greater problems and few developing countries have experience of this.

COST RECOVERY AND REDIRECTION OF RESOURCES

A further way in which access to basic services for the whole of the population might be maintained or increased in the face of constraints on public finances is through the imposition of charges on individuals for higher-order services and the diversion of the savings to the more basic ones. This approach has become widely adopted, particularly by the international financial institutions and among bilateral donor agencies. Put very simply, the argument is made that the benefits of higher-order services such as tertiary education, medical operations and individual water supplies accrue mainly or wholly to the consumer resulting in private and social demands coinciding without subsidies, whereas for basic services such as primary schooling and inoculations against contagious diseases there are wider social benefits and hence a need to encourage take-up beyond that which would occur if individuals had to pay for them. In other words, the external benefits justify subsidisation in the latter case but not in the former. Each of the two arguments can be made singly: one does not depend on the other. However, over the past few years there has been a tendency to link the two. The joint case has been made most forcibly with regard to the education system. For instance, Mingat and Tan (1985) in a typical exercise of this type argue on the basis of data for twelve African countries that primary school enrolments could increase by an average of 40 per cent if higher education students bore the full cost of their studies. The objection that making higher-order social services dependent on individuals' income and thereby discriminating against poorer sections of society is then countered by the suggestion that loans, in the most extreme cases subsidised, be made available which can later be paid back. In the case of education, in particular, the whole argument is reinforced by the contention that such a framework would not only increase the efficiency of the total system (in terms of the relationship between social costs and benefits) it would also lead to greater income equality through reducing the subsidy to those who will consequently earn higher incomes than the rest of the population.

Over the past decade a great deal has been written on the subject of cost recovery in general and student loans in particular. Much of this has focused on the effects on the utilisation of services, particularly by the poor, and the alternative mechanisms to recoup public expenditures. These debates are not central in the context of this paper. Of more importance are the actual magnitudes of savings likely to accrue in practice and the likelihood of these being redirected towards basic services. The case of education and the

practicalities of shifting savings made in higher education to primary schooling is discussed below.

Since the mid-1980s many developing country governments, particularly in sub-Saharan Africa, have been persuaded to increase the share which university students pay for their education. In most cases the emphasis has been on reducing public subsidy for accommodation and food. In few cases have any fees for tuition been levied. Alongside the increased charges (or reduced subsidies) loan schemes have been introduced in some, though not all, countries. One of the most innovative of these is in Ghana. Collection is through the social security deduction system and during the first years of employment graduates' contributions go directly to the Ministry of Education rather than to their own retirement accounts.

The experiences with loan schemes in terms of the financial impact in favour of government have been generally poor.

Student loan schemes

Albrecht and Ziderman (1991) have analysed the recovery rate of 24 student loans programmes from 20 countries. Of these, 17 programmes offered loans to cover maintenance only and no tuition fees were charged. Taking into account the amount of hidden interest subsidies on loans, losses due to default and administration costs the recovery rate varied from a high of around 65 per cent in Barbados and Quebec to negative rates in Kenya and Venezuela where the administration costs outweighed the small amounts which were collected. The average rate of recovery was 35 per cent. Again, most of the charges and loans were for accommodation and feeding only.

In the seven countries analysed where tuition fees are charged, the proportion of total teaching expenditures recovered from students who take loans varied from 4 to 14 per cent. The authors offer three recommendations to increase the effectiveness:

- greater targeting of loans to students who need the support
- reducing interest subsidies but in ways which limit debt burdens
- stronger methods to reduce default.

They also suggest alternative forms of cost recovery including a graduate tax levied in addition to normal income tax, payroll taxes on the users of graduates and periods of community service either during or after graduation. It is interesting to note that this recent World Bank study concludes that while it may be possible to improve on schemes which have so far had only marginal impacts on reducing government expenditure, most programmes possess severe limitations.

The second part of the 'redirection' argument supposes that savings made in one sub-sector, such as tertiary education, can then be transferred to other

sub-sectors such as primary schooling. If correct this would serve as a powerful counter argument to those who criticise the whole approach on grounds of equity. Unfortunately, however, this part of the argument is likely to reflect a misreading of budgetary practices in most countries (Hinchliffe, 1993). Education budgets rarely begin with a fixed amount which is then divided across levels of education. Rather the overall total is built up from the sub-totals. In relatively sophisticated developing countries, such as Malaysia, the latter are based on a series of fixed norms: for teachers per class; support staff per class; per capita allocations for materials per subject; and so on. In others, projected enrolment increases are used to argue for pro rata increases in allocations. In either of these situations, whether the allocation to higher education slightly increases or decreases is unlikely to have any impact on the allocation to primary schooling: certainly a fall in the former will not automatically lead to a rise in the latter. Ministries of Finance tend not to operate in that way. This is not to argue that comprehensive strategies to increase allocations to programmes central to human resource development should not include attempts to restructure sectoral programmes and place greater priority on activities for which the poor have greatest need. Rather it suggests that if this is to occur it will require actions which go well beyond marginally tampering with cost recovery schemes.

Conclusion

This paper has focused on issues of resource mobilisation for the provision of basic social needs across the societies of developing countries. Coverage has extended over the public sector, and both the for-profit and the not-for-profit private sectors which rely on a mixture of government, foreign donor and individuals' donations and direct payments. A wide range of possible initiatives to increase resources for HRD programmes has been described together with some of the problems and limitations. The experiences of many countries in putting initiatives into practice have been documented. Mobilising additional resources for HRD programmes is only one approach to expanding their scope and coverage. Another is to use existing resources more efficiently. Practitioners in the fields of education, health care, water and sanitation, for example, know that much more could be achieved with existing resources if a variety of constraints was removed and more imaginative approaches adopted. Indeed, there has recently been a call in parts of the literature in this field to shift emphasis away from cost recovery towards cost reduction. Ways of using resources more efficiently have not been dealt with in this study.

The financing of human resource development programmes which focus on the basic needs of the populations of developing countries is the essential responsibility of government. The aim should be to ensure that no-one is denied essential services through a lack of financial resources. What is 'basic' will be defined differently in each society, though some core will be common. While it is not necessary for governments always to be the provider, since NGOs and even private individuals can be utilised and have often been shown to be more effective than government, they do have the responsibility to be the financier. Through increasing total revenues,

redirecting resources from some activities to others and increasing the targeting of programmes there is a great deal of scope for most governments to fulfil this responsibility. Some governments, however, continue to believe that they are not in a position to fully perform this role and others look for supplementary resources to at least help cover the costs of programmes which go beyond basic needs. Apart from funds which come from abroad and are not fungible, ultimately most of these come from individuals in their role as consumers. This paper has described a wide range of examples and experiences of attempts to mobilise these resources. In most there is a trade-off when assessed from the viewpoint of society as a whole. A greater reliance on individuals and individual communities while increasing overall resources also increases the different levels of service consumed and ultimately the life chances of people.

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Human Resource Development in Four Asian Countries: Some Lessons for the Commonwealth Countries

The study focuses on Japan, Singapore, South Korea and Taiwan. The four countries are said to be successful in human resource development and human resource utilisation. The study concentrates on the latter concept, especially in relation to public service employment. For macro-level HRD policies, three important requirements are identified: promotion of economic development within a framework of political stability; investment in education and training, especially at the secondary and tertiary level; and programmes dedicated to minimising corruption. Measures are identified for improving public personnel management: realistic recruitment procedures; measures for retaining talented personnel; competitive compensation and minimising overstaffing. 'A country's development performance turns largely on its ability to properly allocate, upgrade and manage its human resources.'

(This is an edited version of a study prepared for the Commonwealth Working Group on Human Resource Development Strategies by Jon S T Quah, Ph.D., Faculty of Arts and Social Sciences, National University of Singapore.)

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Introduction

> Any resource not fully utilised constitutes waste and mismanagement. Full utilisation of the intelligence, the talents, the time, and the potential of people provides the company with its most important opportunity for achieving its financial goals. ... Human resources, viewed as a limited commodity, deserves special attention for maximum utilisation.
>
> (Killian, 1976 pp. 4 and 16)

In 1971, Chi-Yuen Wu, a former director of the United Nations Development Administration Division, predicted that one of the trends of public administration in the 1970s would be its increasing focus on personnel administration and training because of its growth in size and in complexity. Indeed, the government's role was 'to exert a constructive influence on the national labour market, to encourage the production of skills, which are required to meet the changing needs of government and country and to circumscribe the wastage of such skills,' (Wu, 1972). Wu's prediction was correct, as can be seen from the burgeoning literature on personnel administration and training during the last two decades. However, the increased attention to human resource management or human resource development (HRM or HRD) in recent years has not been matched by a corresponding focus on human resource utilisation (HRU) in public organisations.

Following Kiggundu (1989 p. 148), HRD refers to 'the development of institutional arrangements and behavioural processes for the acquisition of general knowledge, skills, abilities, attitudes, and values in order to bring about general improvements in the human condition'. On the other hand, HRU is 'the extent to which an organisation has the capacity for sustained deployment of available human resources for the effective performance of its critical operating and strategic management tasks'. According to Kiggundu (1989 pp. 148–9):

> Most discussions on human resource management in developing countries focus on human resource development but virtually neglect human resource utilisation. Yet, without human resource utilisation, it cannot be guaranteed that human resource development will result in effective performance of the

> organisation's important tasks. In order for the various human resource development initiatives undertaken by various developing countries and international development agencies to be of direct benefit to organisations in developing countries, we must be as concerned with problems of human resource utilisation as we are with issues of development.

For example, in *The Handbook of Human Resource Development*, there is no mention at all of HRU, as its editor, Leonard Nadler, incorrectly assumed that HRD would only contribute to an efficient HRU, given his definition of HRD as 'organised learning experiences in a definite time period to increase the possibility of improving job performance [and] growth,' (Nadler, 1984). Indeed, the possibility of an inefficient HRU or under utilisation of human resources is not discussed at all in either the handbook or his most recent book on HRD (Nadler and Nadler, 1992).

Similarly, the more recent reader *Human Resources in Development along the Asia-Pacific Rim* (Ogawa, Jones and Williamson, 1993) deals with the linkages between HRD and population change, economic development, labour markets, education, health, and ageing. However, like Nadler's handbook, it omits discussion of HRU.

The purpose of this paper is to rectify the research gap on HRU by referring to the HRD and HRU experiences of four Asian countries, namely Japan, Singapore, South Korea and Taiwan. These countries have been selected because of their success in HRD and HRU. An analysis of these countries' experiences in HRD and HRU can provide valuable lessons for the governments of the Commonwealth countries to enable them to improve their HRD and HRU efforts.

This paper is divided into four major sections. The first analyses the various causes of the under utilisation of human resources. The second section focuses on three macro-policies for improving HRU:

- the promotion of economic development
- the investment in education and training
- the implementation of an anti-corruption strategy to curb corruption.

The third section deals with four ways of improving public personnel management:

- by using realistic recruitment
- by managing talented personnel
- by providing competitive compensation
- by minimising overstaffing.

The concluding section identifies four lessons that can be learnt and assesses the extent to which Commonwealth countries may be able to apply them.

First there is a need to define and justify the particular focus on human resources in this paper. According to Gilley and Eggland (1989 pp. 3–4), organisations have three types of resources which are defined thus:

> *Physical resources* are machines, materials, facilities, equipment, and component parts of products. These are often

referred to as fixed corporate assets.
Financial resources refer to the *liquid assets* of an organisation. They are the cash, stock, bonds, investment, and operating capital.
Human resources refer to the people employed by an organisation. Measuring the value of human resources is difficult because it is hard to use standard and traditional measures such as fixed and liquid assets. As a result, human resources cannot be depreciated as physical resources can, or used to reflect the net worth of an organisation as financial resources are. Human resources, however, are just as important as physical and financial resources.

While physical and financial resources are important for HRD and HRU, the main emphasis in this paper will be on the efficient use of human resources.

Causes of under utilisation of human resources

Why are human resources not fully utilised? There are six major causes of the under utilisation of human resources:

- inadequate workforce planning
- improper induction of new employees
- inefficient personnel placement
- ineffective workforce
- underemployment
- poor employee motivation.

In his book *High-Talent Personnel: Managing a Critical Resource*, Hinrichs (1977 p. 113) contends that 'effective management of high-talent manpower finds its expression in full utilisation of the organisation's talent resources,' which contributes to 'sustained motivation and job satisfaction, and ... productivity' for the high-talent employees. Indeed, attitude surveys of professional employees in the United States found that under utilisation of their skills was a major cause of job dissatisfaction among the high-talent workforce.

INADEQUATE WORKFORCE PLANNING

In dealing with HRU, two aspects are particularly relevant: the amount of work to be performed by the individual, and the type of work. Inadequate workforce planning, which is the major source of trouble in relation to the amount of work to be done, results in three problems (Hinrichs, 1977 pp. 114–15):

1. Overstaffing or understaffing to handle a particular job.
2. Inadequate ratio of supporting personnel to high-talent professionals (also, inadequate supporting equipment and facilities).
3. Bureaucratic inefficiencies and generally poor management, which permit inequities in the distribution of the workload.

In addition to poor workforce planning, there are four reasons for utilisation problems concerning the type of work (Hinrichs, 1977 p. 115):

1 Inefficiencies in the selection and placement of personnel, which tend to put the wrong types of people in the wrong jobs.
2 Lack of personal motivation and commitment to the specific work being done. This results largely from inadequate supervision; not infrequently it is a carry-over from slipshod indoctrination and orientation to the job.
3 Inadequate emphasis on personal development and growth in the day-to-day context. People are allowed to go stale, and their talents 'dry up'.
4 Insufficient job mobility. Management fails to recognise that a job which once provided variety and challenges for high-talent skills has been mastered to the point where it now utilises only a small fraction of his or her abilities.

Even though proper workforce planning is the vital foundation for effective utilisation, there are three major contributors to the efficient use of talent:

- the induction of new high-talent employees
- the placement function
- the methods of dealing with ineffective staff.

IMPROPER INDUCTION OF NEW EMPLOYEES

According to Hinrichs (1977 p. 117), 'to achieve the most effective utilisation of high-talent workforce resources, management must recognise the sources of strain in the induction process and make a concerted effort to minimise them'. The first source of strain is 'the widespread disparity between the way in which the new college hire views his role within the organisation and the way the company sees it,' (Hinrichs, 1977 p. 116). On the one hand, young graduates view the job as a challenge to prove themselves and an opportunity to further their careers. In contrast, the organisation's perception and expectations of fresh graduates are less favourable; they are viewed as immature, inexperienced, over-ambitious, unrealistic and unwilling to take risks.

A second source of strain occurs when recruits are not adequately prepared or provided with the proper orientation for their new jobs. Advanced planning is required to avoid 'slipshod treatment' of their first exposure to the organisation. Instead of allowing recruits to 'sink or swim' or immersing them in an extensive full-time training programme, Hinrichs (1977 p. 118) has recommended the middle approach of nurturing a close working relationship between recruits and their supervisors because a successful job orientation will foster in recruits 'the feeling that full utilisation of resources is desired and expected by the organisation'.

INEFFICIENT PERSONNEL PLACEMENT

The *raison d'être* of personnel placement is to ensure that the right individual is allocated the right job so that the organisation will maximise its return on investing in the recruit. This is done by matching the position with the individual on the basis of actual abilities and making subsequent job assignments on the basis of development needs and appraisal findings. The organisation can rely on systematic replacement charts, promotion lists, and job-rotation plans and schedules to ensure effective placement and the maximum development of personnel. Using a skills inventory to match job positions with personnel development recommendations not only prevents job stagnation, but also enables the high-talent employee to utilise his or her capabilities to a greater extent (Hinrichs, 1977 pp. 120–21). Thus, efficient personnel placement contributes to HRU.

INEFFECTIVE STAFF

There are three reasons for ineffective staff in an organisation (Hinrichs, 1977 p. 125):

1 Obsolescence: when the job outgrows the person because he or she fails to keep up to date with advances in knowledge and technology for personal or situational reasons.
2 Over-promotion: when someone is promoted to a position beyond the level of his or her capabilities, i.e. lacks the necessary skills, ability, knowledge and experience for the job.
3 Loss of motivation: when someone is bypassed for promotion or prevented from attaining other important goals, he or she becomes passive and focuses on non-work sources of gratification.

However, ineffective staff are not dealt with constructively by organisations afflicted with under utilisation of human resources because the causes (obsolescence, over-promotion and loss of motivation) are embarrassing, associated with failure and are hard to identify. Accordingly, instead of employing the constructive approach of upgrading or improving the motivation of the employee who has been bypassed in his or her job, the usual method of most US companies is threefold: to demote, to transfer to another less sensitive position, or to release from the company (Hinrichs, 1977 p. 125).

Since the removal of marginal performers is too costly and compounds the problem, Hinrichs has recommended that a constructive approach be employed to tackle the problem of ineffective staff. This approach presupposes the existence of the following conditions:

- an effective performance appraisal process
- management by objectives
- extensive use of training programmes
- use of job rotation to improve the utilisation of an individual's skills
- efficient personnel placement to prevent ineffective performance.

Demotion and release should be used as a last resort and only after an attempt has been made to upgrade and salvage the marginal performers (Hinrichs, 1977 pp. 126–7).

UNDEREMPLOYMENT

Kiggundu identified underemployment as a cause of under utilisation of human resources, but did not provide a detailed analysis of this problem. He wrote (1989 p. 168):

> Countries such as Bangladesh, Iran, Vietnam, China, Nigeria, Ethiopia, and Pakistan are characterised by a young, fast-growing population, high unemployment and underemployment rates, and political instability. It is not hard to imagine that within the next 25 years, these countries will have tens of millions of young, energetic but unemployed, unemployable, underemployed, uneducated, undereducated, and terribly under utilised citizens.

Underemployment is a major cause of under utilisation of human resources in Japan as far as women and elderly workers are concerned. According to Shunichiro Umetani, Professor of Economics at Tokyo Gakugei University (personal correspondence):

> The largest labour wastage in Japan is occurring probably by the way Japanese industries employ women and elderly workers. Though Japanese women are just as well educated as men in recent years, employers are still reluctant to employ them on equal terms with men in terms of development and training opportunities provided on the job and the opportunity of promotion.

Apart from prejudice, Japanese industries discriminate against women because they are viewed as a 'high-risk group' where corporate investment in training and development is concerned. This is because women tend to stop working after marriage and especially after having a child since it is difficult to obtain domestic help, which is extremely expensive due to its scarce supply (Umetani, personal correspondence). When two employees in the same company marry, 'nepotism rules are invoked; and, of course, the wife is the one who retires,' (Steinhoff and Tanaka, 1988). In other words, Japanese companies are reluctant to invest in the training of women as they are more likely to leave their jobs after marriage or motherhood.

Older workers (those aged 50 and above) are also underemployed in Japan as they are perceived to be 'less productive than their younger colleagues, less capable of learning new things, more likely to take sick leave, and under the Japanese system of salary/wage administration, they are a more costly workforce,' (Umetani, personal correspondence). Indeed, in Professor Umetani's view, 'Japanese industries waste human resources by ignoring the stable work pattern of elderly workers who have much experience and skill developed over a number of years,' (personal correspondence).

In Singapore, women generally experience less discrimination than their

Japanese counterparts, but there is still some degree of underemployment especially in senior positions as women managers face the following corporate barriers to their career advancement (Chan, 1988):

1 Married women are considered unsuitable for jobs that require frequent travel.
2 Companies are reluctant to hire a woman to head a department staffed by men.
3 Companies seldom recruit female managers from outside, preferring to promote female staff who have proven track records within the company.
4 Companies hesitate to employ women to supervise plants, shipyards, or construction sites, places labelled 'off limits' to women.
5 Employers often doubt whether women (especially working mothers) will take their careers seriously and be willing or able to work the long hours necessary to succeed.
6 Employers commonly believe that women will have a much more difficult time gaining the trust and respect of customers.

POOR EMPLOYEE MOTIVATION

In his analysis of the under utilisation of human resources, Hinrichs referred briefly to the lack of personal motivation to the work being done as a consequence of inadequate supervision and improper job orientation. He also identified the loss of motivation resulting from being bypassed for promotion as one of the causes of ineffective staff in an organisation (Hinrichs, 1977 pp. 115 and 125).

A more detailed analysis of the 'motivational crises' in developing countries has been provided by Kiggundu. He contends that motivational problems are manifested in such attitudes and behaviour as 'low productivity, inefficiency, corruption, industrial sabotage, lack of will, inertia, indecision and risk-avoidance, and lack of loyalty and commitment to the organisation,' (Kiggundu, 1989 p. 168). Two studies cited by Kiggundu (1989 pp. 168 and 169) are briefly discussed here.

Low motivation in public officers

In his study of 67 Indian middle-level public officers in Delhi administration, Sharma (1986 p. 13) found that in different government departments, 'a significant proportion of work hours is lost simply for the reason that the people working at different levels were not appropriately motivated to work'. With such poor motivation, it is not surprising that these civil servants were unable to implement national development programmes. Sharma gave three reasons to account for the low motivation of these officers:

- lack of professional commitment

- preoccupation with lower-level needs such as food, shelter, clothing, transport, housing, and working conditions
- competing and conflicting demands between individual and family needs on the one hand, and organisational demands and expectations on the other.

Sources of low motivation

A study of 341 Zambian employees from the public and private sectors by Machungwa and Schmitt (1983) identified the following major sources of low motivation:

- personal problems (domestic quarrels, alcoholism, etc.)
- unfair organisational practices
- poor relations with superiors, co-workers, or subordinates
- lack of fit between the job and the worker
- inadequate intrinsic and extrinsic sources of motivation (pay, recognition, and physical working conditions)
- lack of opportunities for growth and advancement.

Kiggundu (1989 pp. 170 and 172) concludes his analysis by asserting that organisations in developing countries are 'hard to manage or work for' because of their 'heterogeneous membership, limited resources, diffused goals, weak management systems, and inadequate incentives' and their 'highly politicised' nature. He recommends the need for further research 'to study the complex causes of these motivational problems and to find effective practical solutions that would increase effective utilisation of human resources'.

Macro-policies for improving human resource utilisation

What policies can be introduced by governments to improve HRU in their countries? Japan, Singapore, South Korea and Taiwan share an important similarity: all four countries do not have natural resources. Consequently, their governments have concentrated on the development of their human resources. According to Harbison and Myers (1964 p. 2), human resources can be developed by means of formal education, training programmes, self-development, and improving the health and nutrition of the population.

In this study, consideration is given to the following three policies:

- promotion of economic development
- investment in education and training
- adoption of an effective anti-corruption strategy.

PROMOTING ECONOMIC DEVELOPMENT

Goh Chok Tong, who became Singapore's second Prime Minister on November 28 1990, was the first Deputy Prime Minister and Minister for Defence when he spoke on the 'Political Pre-conditions for Economic Development' on November 9 1985 to the delegates attending the Eighth Asian-Pacific Leadership Development Seminar in Singapore. In that speech he said:

> Economic development can succeed only if the government is totally committed to it. Politics must not be allowed to interfere in the development process. The government would have to make policy decisions on the basis of economic logic rather than political ideology; otherwise, the results will be disastrous.

If a government is concerned with the improvement of HRU in its country, it must begin by introducing policies which will promote economic development because it requires the investment of substantial resources to implement the other two policies of emphasising education and training, and combating corruption. In other words, without economic growth, no government can afford to educate and train its people or to implement an anti-corruption strategy.

Prerequisites for economic development

Writing in 1960, Spengler identified four minimal political conditions for economic development namely 'minimal public services; growth-supporting and growth-stimulating arrangements; personnel; and political instruments'. A more recent book by Gillis *et al.* (1987 p. 23) has observed that although economic development in England during the 18th century occurred with little direct assistance from the government, the situation since then is such that 'successful growth is not really possible without the active support of a government'. They further contend that, if a government is unwilling or unable to play a positive role in promoting economic development, 'then the government itself can be considered a barrier to development or a fundamental cause of poverty,' (1987 p. 23).

More specifically, Gillis *et al.* have identified three political prerequisites for economic development:

- political stability
- political independence
- government support of development.

The need for political stability was explained by them thus (Gillis *et al.*, 1987 pp. 23–4):

> ... governments must be able to create and maintain a *stable environment* for modern enterprises, whether public or private. At a minimum, civil war, sustained insurrection, or invasion by hostile forces must be avoided. ... Investors will not put their money into projects that pay off only over the long run if, in the short run, a change of government could lead to the project's being confiscated or rendered unprofitable by new laws and

other restrictions. Where instability is particularly rife, a common solution among the wealthy has been to stop investing in the local economy and to ship off a large part of their wealth to banks in Switzerland or to indulge in conspicuous consumption.

Political independence is a precondition for the promotion of economic development as the experience of most colonial governments has shown that they made 'only limited investments in training local people, in developing electric power resources, or in promoting industry,' (Gillis *et al.*, 1987 p. 24). Indeed, these governments were interested in creating a stable environment solely for the benefit of a small number of traders and investors from the colonising nation, but not for the benefit of the local population as a whole. South Korea and Taiwan were colonised by the Japanese, and Singapore was a British colony for about 140 years.

Governmental support is the most important prerequisite for economic development because without such support sound policies for promoting economic growth will not be implemented or even formulated in the first place. However, policies designed to promote economic development do not benefit everyone in the same way and might even result in adverse consequences for some groups. 'If those who become worse off in the short run are in a position to topple the government, that government will be unwilling or unable to take the steps necessary to promote growth,' (Gillis *et al.*, 1987 p. 24). This explains why some governments have not been able to devalue their currencies, to eliminate overstaffing of public enterprises, or to remove subsidies on basic consumer goods, even when such policies made good economic sense in the interests of the nation as a whole (Gillis *et al.*, 1987 pp. 24–5). In short, one major reason why 'many nations are still underdeveloped is that their governments have been unable or unwilling to pursue policies that would achieve development,' (Gillis *et al.*, 1987 p. 26).

Government commitment to economic development

An important implication arising from Gillis *et al.*'s third precondition for economic development is the legitimacy and power of the incumbent government. The greater the legitimacy and power of the incumbent government, the greater its willingness or ability to pursue policies that would promote economic growth as it would not be overthrown by those groups who are against such policies or who might be adversely affected as a result of such policies.

This is certainly true for Japan, Singapore, South Korea, and Taiwan, which have not only met the above-mentioned prerequisites, but which also have governments committed to the economic development of their countries. Space limitations do not permit a detailed analysis of these four countries' paths to economic development. Suffice it to say that these countries have succeeded in their efforts in promoting economic development as can be seen in the tremendous improvement in their per capita GNP between 1962 and 1986.

Table 1 shows that all four countries have improved their per capita GNP, with South Korea increasing its per capita GNP by 22 times during the 1962–86 period. Japan and Taiwan have expanded their per capita GNP by 21

times, while Singapore managed to improve its per capita GNP by 15 times. If the period is extended until 1990, the rate of increase is even more impressive: South Korea, 49 times; Taiwan, 47 times; Japan, 42 times; and Singapore, 23 times. In terms of ranking, the country that has made the most progress in economic development is South Korea, from 99th to 44th position; followed by Taiwan, from 85th to 38th position; Japan, from 30th to 11th position; and Singapore, from 38th to 25th position.

Table 1: GNP per capita of Japan, Singapore, South Korea and Taiwan: 1962, 1986 and 1990 (US$)

Country	*1962*		*1986*		*1990**
	Amount ($)	*Rank*	*Amount ($)*	*Rank*	*Amount ($)*
Japan	610	30	12,838	11	25,430
Singapore	490	38	7,411	25	11,160
South Korea	110	99	2,372	44	5,400
Taiwan	170	85	3,580	38	7,997†

Sources: Adapted from *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialisation* (Wade, 1990 p. 35, Table 3.2)
*1990 data (except Taiwan) from *Social Indicators of Development 1991–92* (The World Bank, pp. 159, 169 and 277)
†1990 Taiwan figure from Republic of China Yearbook 1991-92 (p. 180)

INVESTING IN EDUCATION AND TRAINING

> If you plan for a year, plant a seed. If for ten years, plant a tree. If for a hundred years, teach the people. When you sow a seed once, you will reap a single harvest. When you teach the people, you will reap a hundred harvests. (K'uan-Tzu, 551–479 BC)

One important feature of Confucian thinking is the 'belief in the perfectibility and educability of human beings'. Indeed, this Confucian focus on education has been accepted as an important aspect of Chinese culture (Tai, 1989). Needless to say, the Confucian emphasis on education is found in Japan, Singapore, South Korea and Taiwan. Agreeing with Alfred Marshall's view of education as 'a national investment' and his astute observation that 'the most valuable of all capital is that invested in human beings,' (Harbison and Myers, n.d. p. 4) the governments in these countries 'have rushed to invest heavily in human resources. Parents, teachers, and students treat education almost like a national religion, and government and society devote considerable resources to a frantic expansion of schools and classes,' (Tai, 1989).

Indeed, as can be seen from Table 2, these four countries have undergone the most rapid expansion of enrolment in secondary schools and higher education in the world between 1965 and 1985 (Tai, 1989). The most spectacular improvement in education is seen in South Korea, where the enrolment in secondary schools and higher education as a percentage of the age group has increased from 35 per cent to 94 per cent and from 6 per cent to 32

per cent respectively between 1965 and 1985. Similarly, the Taiwanese government's investment in education has reaped handsome dividends as the enrolment in secondary schools and higher education has risen from 55 per cent to 99 per cent and from 4 per cent to 25 per cent respectively. In Singapore's case, the secondary school enrolment has grown from 45 per cent in 1965 to 71 per cent in 1985, but the proportion of age group in higher education has improved marginally from 10 per cent to 12 per cent during the same period. Of the four countries, Japan's 'penchant for education' dates back to the educational reforms introduced during the Meiji period and 'by 1872 a universal and compulsory system of education had been introduced and the foundations for secondary education had been laid,' ('Meiji Japan's penchant for education'). This explains why the expansion in enrolment in Japanese secondary schools and higher education has been less impressive in recent years than that in South Korea and Taiwan. Similarly, Table 2 shows that while the education expenditure as a percentage of GNP in Japan increased from 4 per cent to 5 per cent between 1960 and 1986, it has grown at a slower rate than those in Singapore, South Korea and Taiwan which have more or less doubled during the same period.

Table 2: Educational statistics for Japan, Singapore, South Korea and Taiwan: 1960–86

Country	*Secondary school enrolment (%)*		*Higher education enrolment (%)*		*Education expenditure (% of GNP)*	
	1965	*1985*	*1965*	*1985*	*1960*	*1986*
South Korea	35	94	6	32	2.0	4.9
Taiwan	55	99	4	25	2.5	4.7
Japan	82	96	13	30	4.0	5.0
Singapore	45	71	10	12	2.8	5.2

Sources: Secondary school and higher education enrolment data from 'Economic Performance in Five East Asian Countries: A Comparative Analysis' (Wu and Tai, 1989 p. 51, Table 7)
Education expenditure data (except Taiwan) from *Human Development Report 1990* (UNDP, p. 155, Table 14)
Educational expenditure figure for Taiwan from *Educational Statistics of the Republic of China 1992* (p. 43)

Japan

The linkage between educational achievement and economic growth has been clearly established, judging from the experiences of the four countries. For example, many scholars like Reishauer (1977 p. 167) and Vogel (1979 p. 27) have attributed Japan's success to its educational system. According to Porter (1990 pp. 395 and 397), one of the factor conditions for the rise of Japan is its abundance and continual upgrading of skilled human resources:

> With a long tradition of respect for education that borders on reverence, Japan possessed a large pool of literate, educated, and increasingly skilled human resources. ... What is unique about

> Japan's post-secondary educational system is the education and training that is provided both for workers and managers in Japanese companies. ... In-company training is rigorous and essential for advancement. ... In-company training is continuous and focused on the specific skills and fields relevant to the industry involved. ... Employees accumulate specialised skills throughout their careers, underpinning the continuous upgrading of competitive advantages.

Drucker (1973) contends that the Japanese workers' 'cheerful willingness' in accepting 'continuing changes in technology and processes' is the result of 'continuous training' in Japan, which consists of two features:

> First, that every employee, very often up to and including top managers, keeps on training as a regular part of his job until he retires. ... Second, the Japanese employee is, for the most part, trained not only in his job but in all the jobs at his job level, however low or high that level is.

The cult of continuous training in major Japanese companies has been made possible by the 'lifetime employment' of workers and their promotion on the basis of seniority alone. In Drucker's view (1973):

> It is precisely *because* Japanese managers have 'lifetime employment' and can, as a rule, be neither fired [n]or moved, and *because* advancement for the first 25 years of a man's working life is through seniority alone, that the Japanese have made the care and feeding of their young people the first responsibility of top management.

Thus, it is not surprising that Japan leads the way in the training of workers as its per capita expenditure on formal off-the-job training is S$3000, compared to S$750 for the United States, S$300 for West Germany, and S$100 for Singapore (Cox, 1987).

South Korea

In Porter's judgement (1990 p. 465), South Korea has 'the best prospects of reaching true advanced status in the next decade' because the 'Korean people, companies, and government have made major investments in factor creation, well beyond those of most other Asian NICs and other developing countries'. The Koreans have a high degree of commitment to education and their commitment was the strongest among the countries examined by Porter. This view is shared by Amsden (1989 p. 217), who has observed that South Korea has scored 'higher in most educational indicators than even Singapore,' which had adopted a high-skill growth strategy earlier.

This heavy investment in education in South Korea has resulted in a high literacy rate, a high average level of education, and an extensive higher education system of over 100 technical colleges and more than 100 universities and colleges, which 'sets Korea apart from virtually all other developing nations,' (Porter, 1990 pp. 465–6).

To supplement the local educational system, the Korean government and Korean companies have provided generous scholarships for top Korean

students to study abroad, especially in prestigious universities in the United States. Table 3 shows that, once again, South Korea has set the pace among the countries studied by Porter as it had 20,520 students studying in the United States in 1987 with nearly 73 per cent of them in graduate programmes. It can also be seen from Table 3 that Japan is second with 18,050 students, Taiwan is fourth with 6,052 students, and Singapore is sixth with 4,870 students. However, in relation to the population size, Singapore has 18.7 students per 10,000 of its population studying in the United States, compared to 5 students for Korea, and 1.5 students for Japan.

Table 3: Foreign post-secondary students in the United States by nationality: 1987–88

Nation	*Number of students*	*Overall rank in 'number of students'*	*% of students in graduate programmes*	*Number of students in US per 10,000 population*
South Korea	20,520	4	72.8	5.0
Japan	18,050	6	23.6	1.5
UK	6,600	12	38.5	1.2
Taiwan	6,052	NA	NA	NA
Germany	5,730	17	45.8	0.9
Singapore	4,870	20	21.6	18.7
Italy	2,200	32	NA	0.4
Sweden	1,600	49	NA	1.9
Switzerland	1,040	61	NA	1.6
Denmark	670	NA	NA	1.3

NA indicates that information is not available
Sources: The Competitive Advantage of Nations (Porter, 1990 p. 466, Table 8–6)
The figure for Taiwanese students studying in the United States from *Educational Statistics of the Republic of China* (p. 54)

Like their Japanese counterparts, Korean companies invest heavily in training. Large companies are required by law to provide training for their employees. Porter (1990 p. 466) observes that a large Korean conglomerate will usually devote between US$25–30 million to training facilities alone. Korean employees are also provided with one to two weeks of training every year. Finally, many Korean senior managers in the large companies have advanced degrees, including doctorates in technical fields from universities in the United States and elsewhere.

Singapore

The Singapore government has also invested heavily in education and training. Indeed, the government expenditure on education has increased by 45 times from S$63.39 million in 1959 to S$2,869.054 million in 1991. The enrolment in educational institutions at primary, secondary and tertiary levels has grown one and a half times from 352,952 students in 1960 to 535,243 students in 1991 (*Economic and Social Statistics Singapore 1960–1982* pp. 231 and 248; and *Yearbook of Statistics Singapore 1991*

pp. 294 and 317). In October 1979, the Skills Development Fund (SDF) was established by the government to boost the training of workers by providing incentive grants to companies for training their employees. It is also concerned with the retraining of retrenched or redundant workers. The SDF is financed by the collections from the skills development levy imposed on employers with workers earning S$750 or less a month (*An Applicant's Guide to the Training Grant Scheme Skills Development Fund*, p. 1). A review of the SDF's performance in 1987 concluded that it 'made training available to more employees in the company' and consequently, 'more companies responded positively by stepping up their own training activities,' (*Initiatives for Reskilling the Workforce*, p. 12).

Finally, Singapore's investment in education and training during the last three decades has resulted in a quality workforce, which has been rated the best among the ten newly industrialised economies (NIEs) by the International Institute for Management Development and the World Economic Forum in their *World Competitiveness Report* in 1991. The report ranked Singapore as the most competitive NIE, followed by Hong Kong, South Korea, Taiwan, Malaysia, Thailand, Mexico, Indonesia, Brazil and India. The Singaporean workforce was rated the best in terms of eight criteria:

- compulsory education
- in-company training
- economic literacy
- professional women in the workforce
- worker motivation
- labour flexibility
- industrial relations
- organised labour.

Similarly, since 1980, the Business Environment Risk Intelligence (BERI) Report has also rated Singapore's workforce as the best in the world (*A Tribute to the Singapore Workforce*, pp. 31–5).

MINIMISING CORRUPTION

> The available data suggest that corruption has a deleterious effect on administrative efficiency and political economic development. (Gould and Amaro-Reyes, 1983 p. 28)

Corruption is a serious problem in many countries, and in many parts of the world it has become a way of life with local variations and manifestations of various forms of corrupt practice (Quah, 1988). Bayley (1966) argued that corruption in India had not only harmful, but also beneficial effects. However, this revisionist school of thought is no longer popular as more recent research studies have shown that the costs of corruption clearly outweigh its benefits.

For example, the two World Bank consultants, Gould and Amaro-Reyes, concluded that corruption had a negative effect on administrative performance and political and economic development in the developing countries. They wrote (1983 p. 29):

> There seems to be little doubt that under conditions of systematic or widespread corruption economic efficiency, together with political and administrative performance, declines below optimal levels and thus lowers general welfare.

Their assessment was confirmed three years later by Carino (1986) who analysed the effects of graft and corruption on the individual, the organisation and society in seven Asian countries (Hong Kong, Malaysia, Nepal, the Philippines, Singapore, South Korea and Thailand) and concluded that:

> Corruption clearly entails increased administrative costs through overpayment of supplies and materials and losses in government revenue. ... Corruption makes administration difficult as it creates a second line of authority parallel to the formal one, in the process undermining and weakening it. ... In the society, the first set of harmful effects concerns the losses in the government treasury on both the revenue and expenditure side. ... Corrupt civil servants may change target beneficiaries, impose unauthorised controls or fees, or otherwise alter the allocation of values set by law. ... Our conclusion then is: corruption is toxic, with very few exceptions.

Since corruption has more costs than benefits, it must be minimised in order to improve the utilisation of human resources in a country. In other words, if corruption is widespread and not curbed, it will hamper the efficient utilisation of human resources as the proper procedures will not be observed in the performance of the various personnel management functions, and decisions will be based on ascriptive and not achievement criteria. In short, if corruption is not minimised in a country, that country will encounter difficulty in promoting and maintaining meritocracy and in ensuring the efficient utilisation of human resources. Indeed, corruption constitutes 'a waste of scarce public resources' which could be used 'to improve the living conditions of the poor through economic growth, equity, and provisions of public services' in the developing countries (Benaissa, 1990).

The extent of corruption

Corruption occurs in all the four countries, but its extent varies according to its causes and the effectiveness of each government's anti-corruption strategies. For example, Singapore has succeeded in minimising the problem of corruption by implementing an effective anti-corruption strategy which reduces both the incentives and opportunities for corruption (Quah, 1989). In contrast, a paradoxical situation exists in Japan, which has on the one hand, a low level of personal corruption among the senior civil servants (Koh, 1989 pp. 227–9) and on the other, a high level of 'structural corruption' involving top political and administrative leaders (Dixon, 1977; Johnson, 1986; Kearns, 1990). In South Korea, a full-scale investigation into bribery of senior civil servants conducted after President Chun Doo Hwan stepped down in February 1988, resulted in the arrest and conviction of about two dozen of his relatives and business associates. President Roh Tae Woo

appointed a 54-member presidential task force in May 1990 to tackle the problem of corruption (*Straits Times*, Singapore, May 1990). Similarly, corruption is a serious problem in Taiwan, and the exposure of a bribery scandal involving seven members of the Taipei City Council and six senior officials in the Taipei Parks Department in March 1989 compelled the government to 'declare a war against official corruption,' (*Straits Times*, March 1989).

The consequences of corruption in a country can be minimised if its government has an effective anti-corruption strategy and implements it. The effectiveness of anti-corruption measures depends on two factors:

- the adequacy of the measures in terms of the comprehensiveness of their scope and powers
- the level of commitment of the political leaders to the goal of eradicating corruption in the country.

In other words, for anti-corruption measures to be effective they must not only be properly designed to attack the causes of corruption in the country, but must also be sponsored and upheld sincerely by the political leaders. Needless to say, the most elaborate and well-designed anti-corruption strategy will be useless if it is not supported by the political leadership (Quah, 1988).

Singapore's success story

Among the four countries, only Singapore has an effective anti-corruption strategy. Indeed, the fact that corruption is not a way of life and is perceived to be 'a high-risk, low-reward' activity in Singapore, is an indication of the effectiveness of the anti-corruption strategy adopted by the People's Action Party (PAP) government after it assumed power in June 1959. As corruption was rampant during the colonial period, the newly elected PAP government was determined to minimise corruption in Singapore in general and in the civil service in particular. Its anti-corruption strategy is based on the following logic of corruption control: since corruption is caused by both the incentives and opportunities to be corrupt, 'attempts to eradicate corruption must be designed to minimise or remove the conditions of both the incentives and opportunities that make individual corrupt behavior irresistible,' (Quah, 1989).

More specifically, the PAP government relies on the Prevention of Corruption Act (POCA) and the Corrupt Practices Investigation Bureau (CPIB) to spearhead its anti-corruption strategy. The purpose of the POCA and CPIB is to curb corruption by reducing the opportunity and increasing the price to be paid for corrupt behaviour if one is caught. In addition, the PAP government's anti-corruption strategy also relies on reducing the incentive to be corrupt among civil servants by constantly improving their salaries and working conditions.

The salaries of Singapore civil servants are very high by international standards to dissuade them from leaving the civil service for private sector jobs and from engaging in corrupt activities. The linkage between low salaries and bureaucratic corruption is clearly seen in Indonesia, where civil servants find it difficult to survive on their meagre salaries alone because

these constitute only one-third of the amount needed by the civil servants to support their families. A survey of regional officials in Indonesia has indicated that these officials consider low salaries to be the most important cause of corruption (Smith, 1971). As is shown later, the salaries of senior civil servants in Singapore are higher than those of their counterparts in Australia and the United States.

There are three reasons behind Singapore's success in minimising corruption:

1 Her political leaders, especially the former prime minister, Lee Kuan Yew, and the present prime minister, Goh Chok Tong, are strongly committed to the elimination of corruption in the country.
2 The PAP government has adopted comprehensive anti-corruption measures to reduce both the opportunities (by means of the POCA and CPIB) and incentives (through periodic salary revision) for corruption.
3 The political leaders have established and maintained an incorrupt anti-corruption agency (the CPIB) which is staffed with honest and competent personnel to investigate corruption cases and to enforce the POCA impartially.

In sum, 'Singapore's experience in tackling corruption demonstrates the importance of having incorruptible political leaders who are committed to wiping out corruption by enacting comprehensive legislation and by establishing an incorrupt anti-corruption agency to enforce such legislation,' (Quah, 1989). Thus, Singapore's experience shows that it is possible to minimise corruption if there is strong political will. In developing countries, political leaders who are truly concerned with the efficient utilisation of their human resources, cannot afford to ignore the problem of corruption as it constitutes a serious obstacle to the successful implementation of their efforts in HRD and HRU.

Improving public personnel management

> ... the systems ... that *govern public employment* constitute probably the *single most important contributor* to ... competent, considerate, responsive, realistic carrying out of public functions. If those personnel systems are practical and make sense, the chances for wise and efficient administration are good; if they are outmoded, not well designed, or misdirected toward tangential objectives, the chances for such beneficial administrative results are poor. (Stahl, 1983 p. 6)

Since the quality of the personnel is the crucial factor responsible for the effectiveness of the civil services in the developing countries, it is important for these countries to have effective public personnel systems if they wish to improve the quality of life of their population through the implementation of socio-economic development programmes. Moreover, the need for improving public personnel management in the developing countries is more urgent in the 1990s as most governments are no longer expanding, as

they were in the 1970s and 1980s, but experiencing slower or no growth partly because of dwindling or limited human and financial resources, and partly because of privatisation. Thus, the challenge facing the developing countries is for their governments to continue to improve the personnel management of the civil services so that these become more cost-effective in meeting the needs of the population without a concomitant increase in staff.

In his analysis of public personnel management in Kenya, Tanzania and Zimbabwe, Harry Taylor (1992) pointed out that these countries, like other developing countries, have difficulty in reforming their public personnel systems because of the 'chronic demotivation and a lack of commitment' of their public bureaucrats. The cause of these problems in these and other developing countries is threefold: low wages, lack of incentives, and poor transport and lack of basic facilities. Indeed, the twin problems of poor motivation and low commitment among civil servants in the developing countries make it difficult for the governments to achieve the objectives of public personnel administration, i.e. the attraction of qualified and talented candidates to join the civil service, and the retention of these candidates by ensuring that they perform well through the matching of their needs with the organisation's goals.

In their perceptive analysis of the causes of performance discrepancies, Mager and Pipe contend that such discrepancies are not always caused by genuine skill deficiencies, but by poor employee motivation, which was identified earlier as one of the causes for the under utilisation of human resources. If employees cannot perform as desired because of genuine skill deficiencies, they require training to rectify these deficiencies. However, if employees with the necessary skills do not perform well, no amount of training will improve performance as they are not motivated to perform in the first place by the reward system (Mager and Pipe, 1984, Parts I–III). In other words, training is not always the answer to poor employee performance. The key to higher employee performance and HRU is the improvement of the reward system so that employees are neither punished for performing, nor rewarded for not performing.

What can be done to improve employee motivation and HRU in the developing countries? The quality of public personnel management in a country can be enhanced by the adoption of the following four measures:

- using realistic recruitment
- managing talented personnel effectively
- competitive compensation
- minimising overstaffing.

USING REALISTIC RECRUITMENT

In his book *Organisational Entry: Recruitment, Selection, Orientation and Socialisation of Newcomers*, Wanous introduces the distinction between traditional recruitment and realistic recruitment. Traditional recruitment refers to the approach of 'selling' the organisation to outsiders, especially potential recruits, by presenting only positive information and distorting the

information presented to emphasise the positive aspects. According to Wanous (1992 p. 41):

> The selling of the organisation involves two actions:
> 1 Only positive characteristics are communicated to outsiders rather than those things insiders find dissatisfying about the organisation.
> 2 Those features that are advertised may be distorted to make them more positive.

There are four reasons for the widespread use of traditional recruitment in many countries, including Japan, Singapore, South Korea and Taiwan.

1 A low selection ratio (i.e. 'a small proportion of those who apply are actually hired') is required to justify the personnel budget because an organisation with the maximum selection ratio of 1.00 (i.e. every applicant is hired) cannot justify its expenditure on personnel selection. Thus, the selection ratio can be reduced by attracting more applicants (Wanous, 1992 p. 42).
2 By using traditional recruitment, the organisation retains control or initiative in the entry process by lowering the selection ratio and reducing the risk involved in recruiting newcomers.
3 The organisation is concerned with matching the capabilities of applicants to the job requirements and wants to recruit the most capable newcomers by attracting as many applicants as possible and selecting the most competent candidates (Wanous, 1992 pp. 42–3).
4 Organisations emphasise job performance rather than job satisfaction for two reasons (Wanous, 1992 p. 43):

   > First, the dollar costs of poor performance are felt immediately by the organisation and are easier to calculate than are those associated with low job satisfaction. Second, the dollar consequences of negative job attitudes have not been as easy to document in the past as they are today.

Unlike traditional recruitment, which is designed to attract as many candidates as possible, realistic recruitment does not attempt to 'sell' the organisation, but provides 'outsiders with *all pertinent* information *without distortion*,' (Wanous, 1992 p. 43). Wanous contends that realistic recruitment is superior to traditional recruitment for four reasons (1992 pp. 48–51):

1 Realistic recruitment provides a 'vaccination effect' by giving job candidates an accurate and realistic account of what they could expect from joining the organisation during the recruitment. Thus, realistic recruitment ensures job survival by reducing 'subsequent unnecessary turnover caused by the disappointment of initial expectations inflated by traditional recruitment'.
2 Turnover is reduced by 'a better matching of individual job wants and organisational climates' through the provision of more accurate and complete information for job candidates to make a more effective choice (the 'self-selection matching effect').

3 By clarifying the organisation's expectations of newcomers' job performance, realistic recruitment encourages them to 'develop coping strategies so that they will not fail in the new job,' (the 'coping effect').
4 Realistic recruitment contributes to the 'personal commitment effect' because job candidates tend to be much more committed to their job choice decision when they believe that they made the decision 'without coercion or strong inducements from others'.

The adoption of realistic recruitment by public organisations in the developing countries will enable them to deal with two major causes of their under utilisation of human resources: improper induction of employees, and poor employee motivation. Realistic recruitment will ensure that newcomers are properly inducted into the organisation by reducing the sources of strain and preparing them for their new jobs through an orientation programme. Since newcomers have chosen to join the organisation after being provided with all the relevant information without distortion, they are more likely to be satisfied and motivated, and are unlikely to leave the organisation.

As the use of realistic recruitment in public organisations is not widespread in most countries, many obstacles need to be overcome before it can be introduced. The focus on traditional recruitment in the developing countries is understandable given that the civil service is usually the largest employer. Indeed, the civil services in these countries rely on traditional recruitment to lower the selection ratio and to justify the budgets of the central personnel agencies. Another advantage is that the low selection ratio gives the impression that only the 'best' candidates are chosen since only a small proportion of those who apply are actually hired. Furthermore, given the low salaries in the public sector in most developing countries, it is not surprising that the civil services employ traditional recruitment to attract as many candidates as possible. The central personnel agencies in the developing countries also rely on traditional recruitment to enable them to compete with the private sector for personnel and to minimise the less attractive aspects of working in the public sector.

While the emphasis on traditional recruitment in the developing countries is understandable, the time is now opportune for these countries to reconsider their approach to recruitment. Since the civil services are the largest employers, there is no shortage of civil servants in these countries. As traditional recruitment is more expensive in the long run if turnover is high, the civil services in the developing countries should rely on the realistic method to recruit senior civil servants since it reduces turnover as the candidates tend to stay longer in their jobs than those recruited by the traditional method. In short, the adoption of realistic recruitment must not be an isolated measure, but should be part of a comprehensive reform package to improve HRD and HRU.

MANAGING TALENTED PERSONNEL

In its eleventh annual ranking of corporate reputations in the United States, *Fortune International* asked 8,000 senior executives, directors and security

analysts to rank 311 companies in 32 industries on 8 attributes. Of the four subjective attributes of reputation, the respondents identified a corporation's ability to attract, develop, and keep talented people as the third most important attribute after the quality of its management, and the quality of its products or services (Reese, 1993).

Since talented personnel form a critical but scarce resource in developing countries, they are always in demand and also highly mobile. In view of their mobility, talented individuals do not have to join the civil service in the first place, but can opt for more lucrative careers in the private sector. Moreover, talented senior civil servants can leave the civil service whenever they wish for private sector jobs. This 'brain drain' of talented civil servants from the public sector to the private sector is perhaps unavoidable in many developing countries, given the wide disparity in salaries and working conditions in both sectors. The problem becomes critical, however, when talented people from both sectors emigrate to more developed countries.

The economic recession of recent years in the United States, the United Kingdom, Canada, Australia and Germany has stemmed the brain drain of talented personnel from the developing countries to some extent. On the other hand, the economic affluence and labour shortage in Japan (before the present recession), Singapore, South Korea and Taiwan, have enabled these countries to compete successfully in the international market-place for talented personnel. Of the four countries, Singapore has the smallest population and has been the most successful in attracting talented personnel from other countries because of its 'open door' policy and attractive salaries and fringe benefits for professionals on expatriate contracts.

In his book *Managing Talent: Making the Best of the Best*, Sadler (1993 pp. 16–17) correctly pointed out that the first requirement for the chief executive of 'the talent-intensive organisation' was 'to recognise its nature, to grasp the strategic significance of the fact that without an adequate supply of highly motivated, exceptional talent, the organisation has no future, regardless of its current share price or level of financial reserves'. As recruitment has been discussed in the previous sub-section, and compensation will be dealt with in the next sub-section, the focus here is on the selection and promotion of talented personnel.

Selection of talented personnel

The civil services in developing countries face tremendous obstacles in competing for talented personnel because of low salaries and poor working conditions on the one hand, and on the other, the more attractive salaries and fringe benefits of private sector firms or multinational corporations in these countries or elsewhere. Secondly, because of the prevalence of corruption and for political reasons, selection for civil service positions need not be based on the merit principle, but on patronage and other ascriptive criteria. For example, in the case of Malaysia, the merit principle has not been adhered to fully, especially in the case of selection to the Administrative and Diplomatic Service, where a quota system of four Malays (the majority group) to one non-Malay (the minority groups) has been practised since 1952 (Quah, 1986).

In terms of selection method, the civil services in Japan, South Korea and

Taiwan use competitive examinations, while the Singapore Civil Service (SCS) relies solely on interviews to select qualified candidates. To be eligible for appointment to the SCS, a candidate must satisfy six criteria:

- citizenship
- age
- education
- experience
- medical fitness
- character (i.e. no criminal conviction, no record of corruption and not a security risk).

Eligible candidates for Division I and II appointments are interviewed by members of the Public Service Commission (PSC), which is one of the two major central personnel agencies in Singapore. The PSC serves as the gatekeeper to the SCS by controlling the quality of new personnel and ensuring fairness and impartiality in selecting candidates on the basis of merit (Quah, 1986).

In the Japanese Civil Service (JCS), the competitive examinations are administered by the National Personnel Authority. According to Koh (1989 p. 79), the higher civil service examinations are 'keenly competitive' and passing them by no means guarantees an appointment to the JCS as 'only about half of the successful candidates are actually hired'. It is interesting to note that, even though 'the phenomenon of Todai [Tokyo University] dominance in the higher civil-service examinations' has declined during the postwar period, Todai remains the 'single largest supplier of successful candidates' in the JCS's competitive examinations (Koh, 1989 p. 86).

In South Korea, the central personnel agency is the Ministry of Government Administration (MGA), which conducts the open competitive entrance examinations for the South Korean Civil Service (SKCS). The MGA administers the Senior Entrance Examination for subdivision chiefs at ministry level (Grade 3B) and this is the highest level examination to the SKCS for capable young men and women (Hwang, 1980).

In the Taiwanese Civil Service (TCS), the Examination Branch is responsible for the examination, employment, and management of civil service personnel at all levels of government. Examinations for senior and junior civil servants are conducted annually or whenever necessary. By the end of 1990, the TCS had 552,786 civil servants, with 183,558 working in local government agencies, 89,091 in enterprises operated by the central and local governments, and 183,307 in public schools at all levels (*Republic of China Yearbook 1991–92* pp. 99–101).

To compete for the best candidates in the labour market, the PSC in Singapore offers attractive undergraduate scholarships to students with excellent results in the Cambridge General Certificate of Education Advanced Level examination to study at the local universities or prestigious universities abroad. After graduation, these 'scholars' are bonded to serve the SCS for a fixed number of years, depending on the duration of their scholarships. The most prestigious scholarship is the President's Scholarship; 119 President's Scholars were selected during the 1966 to 1990 period (*Public Service Commission Annual Reports 1966–1990*). In recent

years, the PSC has enhanced the competitiveness and prestige of its scholarships to meet the challenge posed by those private organisations offering equally attractive scholarships to bright students.

Promotion of talented personnel

Since talented personnel are mobile, the civil services in the developing countries must not 'rest on their laurels' when they have succeeded in getting 'the best and the brightest' to become civil servants. Indeed, Singapore's experience shows that if high-flyers are not given accelerated promotion, they will resign from the SCS and take up private sector jobs. Civil servants in Singapore are promoted by the PSC on the basis of official qualifications, experience and merit. Eligible candidates for promotion are interviewed by PSC members and selection boards. An officer's merit is ascertained by his or her performance in the grade he or she is in, as well as the assessment of his or her ability to carry out the responsibility and duties of the next higher grade. Three factors are taken into account by the PSC when considering an officer for promotion (Kang, 1988 pp. 29–30):

- his or her supervisor's confidential reports on performance and service records
- the recommendations of the officer's supervisors and ministerial or departmental committees
- the assessment of the officer's ultimate potential.

In recent years, those who have resigned from the Administrative Service have complained 'that promotions came too little and too late,' (Lee, 1989 p. 3). The speed of promotion of a senior civil servant depends on his Currently Estimated Potential (CEP) and the time norms for promoting officers with that potential. In other words, the higher an officer's CEP, the shorter the time norm, and the faster his speed of promotion. However, the promotion of senior civil servants has been slow in the last few years because of the permanent secretaries' conservative evaluation of the CEPs of their officers, and the slow time norms for promotion (Lee, 1989 p. 13).

Accordingly, the Singapore government has supplemented its 1989 salary revision with accelerated promotion for high-flyers since 'promotions are a much more selective and discriminating method to reward good officers than pay rises alone,' (Lee, 1989 p. 12). To hasten promotion, the government has shortened the promotion time norms so that officers will be promoted to their final ranks by the age of 45 instead of 50. Furthermore, all capable officers should now reach the rank of principal assistant secretary two years earlier than previously, that is by the age of 30, within eight years of joining the Administrative Service and about the time of expiry of their scholarship bonds. For more senior positions, the permanent secretaries of the larger ministries and the chief executive officers of the major statutory boards can be promoted beyond superscale Grade C to Grades B, A, or even to Staff Grade posts (Lee, 1989 pp. 13–14).

Unlike the civil services in Japan, South Korea and Taiwan, the SCS does not rely on seniority as an important criterion for promoting high-flyers in the Administrative Service. This policy can be traced to the selective retention and retirement of senior civil servants in 1959 by the newly

elected PAP government, which emphasised efficiency as the sole criterion for retaining or retiring senior civil servants, and de-emphasised seniority as the basis for promotion (Quah, 1992). Consequently, competent civil servants were promoted to more responsible positions regardless of their seniority. This policy is responsible for the relative youthfulness of the permanent secretaries in Singapore, especially in comparison with their much older counterparts in Japan, South Korea and Taiwan. Indeed, the average age of the 15 permanent secretaries in Singapore is 48 years, and the oldest permanent secretary, who is the Head of the SCS, is 62 years old (Quah, 1993 p. 18).

In sum, the management of talented personnel is perhaps the most important challenge facing the civil services in the developing countries. In view of the scarcity and mobility of talented personnel, the civil service must be able to compete with the private sector for the best talent in the country. However, the selection of the best talent is not enough. Indeed, Singapore's experience shows that the high-flyers must be motivated by accelerated promotion.

COMPETITIVE COMPENSATION

In its report, *Leadership for America: Rebuilding the Public Service*, the Volcker Commission (1990 p. 33) began its third chapter on 'A Culture of Performance' with the following assertions:

> The desire to perform at full potential is the most important asset any employee can offer. ... In the government, it creates public value. ... The commitment to performance cannot long survive, however, unless the government provides adequate pay, recognition for jobs done well, accessible training, and decent working conditions. Quality service must be recognised, rewarded, and constantly reinforced. It is not enough to exhort the workforce to do better—government must provide tangible signals that performance matters.

Of the four countries, Singapore is the only one that fully shares this view, as is reflected in the competitive compensation enjoyed by senior civil servants. Indeed, as is shown later, senior civil servants in Singapore earn extremely high salaries, unlike their counterparts in Japan, South Korea and Taiwan. For this reason, we will focus on the SCS's policy of competitive compensation which is designed to pay senior civil servants well so that they will not be tempted to indulge in corruption, or to leave the SCS for better paid private sector jobs.

SCS *salary revisions*

When the PAP government took office in June 1959, it could not afford to raise civil service salaries as Singapore did not have the resources to do so. On the contrary, the PAP leaders reduced the civil servants' salaries by removing their variable allowances. Indeed, the first salary revision was introduced 14 years later, in 1973, when Singapore had already achieved rapid economic growth as a result of its industrialisation programme. The

1973 salary revision was designed to reduce the gap with the private sector. A second salary revision was initiated in 1979 for the same reason (Quah, 1984).

A 1981 survey of the earnings of 30,197 graduates found that graduates in the private sector were earning, on average, 42 per cent more than those in the public sector. In the PSC's view, this finding explained why 8 superscale and 67 timescale administrative officers had resigned from the SCS between 1978 and 1981. The government responded by substantially revising the salaries of senior civil servants in April 1982 to reduce the disparity in pay between the public and private sectors, and to stem the brain drain from the SCS to private firms (Quah, 1984).

The most recent and most substantial salary revision for the SCS was announced by the then Minister for Trade and Industry, Lee Hsien Loong, in parliament on March 17, 1989. This revision was necessary for two reasons (Lee, 1989 pp. 2–3):

1 As a result of resignations, the size of the Administrative Service had declined by 30 per cent from 260 officers in 1975 to 183 officers in 1989.
2 The salaries of the senior civil servants were no longer comparable to those in the private sector.

Lee (1989 pp. 3–4) provided the following evidence to substantiate the second reason:

1 The most successful of those who left the Administrative Service are earning 40 per cent to 100 per cent more than their contemporaries who stayed.
2 In every age group below 40, the most outstanding Administrative Officer is earning less than 150 other persons of the same age in the private sector.
3 The salaries of the top three officers in banks, oil companies, multi-national corporations, local manufacturing companies and law firms exceed by many times the gross salary of a substantive permanent secretary at superscale C.

Since 'low salaries and slow advancement are major factors in low recruitment and high resignation rates' in the Administrative Service, Lee indicated that the PAP government's fundamental philosophy was to 'pay civil servants market rates for their abilities and responsibilities. It will offer whatever salaries are necessary to attract and retain the talent that it needs,' (Lee, 1989 p. 5). Accordingly, he recommended a substantial salary increase of between 13 per cent and 20 per cent for timescale officers. The revised salary package also included two other features (Lee, 1989 p. 8):

- an increase in the existing end-of-year non-pensionable variable bonus from one month to one and a half months
- a new discretionary performance-based bonus of up to two months of salary for superscale officers, in order to relate benefits to individual performance.

International comparisons

As a result of the 1989 salary revision, senior civil servants in Singapore have perhaps the highest civil service salaries in the world (see Appendix A). For example, the gross monthly salary for the top administrative position (Staff Grade V) is S$42,026 or US$25,103 which is extremely high by international standards. Indeed, the basic monthly salary for Staff Grade V is S$32,425 or US$19,651 or A$28,196. This is much higher than the top monthly salary of GS-18, the highest salary scale in the US Federal Service, which is US$7,224 or S$11,920 (Wright and Dwyer, 1990 p. 6) and higher than the top monthly salary in the New South Wales Public Service which is A$18,278 or S$21,020 (Wood, personal communication).

On the other hand, as Lee pointed out in his ministerial speech, the gross monthly salary for Staff Grade V is modest when it is compared with the salaries of the top executives in the private sector in Singapore. This can be seen in Appendix B which shows that the Staff Grade V monthly salary is higher than the highest salary for car dealers and engineers, but much lower than the highest salary for bankers, share brokers, lawyers, doctors and surgeons, accountants, multinational manufacturers, architects, local manufacturers and senior executives in oil companies. Indeed, a recent survey of executive salaries in eight Asian cities shows that top managers (head of organisation) and senior managers (head of division) in Singapore earn the highest gross salary, while middle managers (head of function) and junior managers (head of job area) in Taipei are the best paid (*World Executive's Digest*).

Lee concluded his March 1989 speech in parliament by promising that the government 'will continue to carry out regular surveys of private sector salaries to stay competitive. As the economy grows, and private sector incomes rise, we will regularly adjust civil service salaries to keep in step. Paying civil servants adequately is absolutely essential to maintain the quality of public administration which Singaporeans have come to expect,' (1989 pp. 21–2).

In short, as a result of competition from the private sector, salaries in the civil service in the developing countries should be made as competitive as possible to reduce the brain drain and to minimise corruption. However, this precondition is difficult to satisfy, especially in those developing countries which are not experiencing economic growth and are suffering from severe budgetary deficits.

MINIMISING OVERSTAFFING

In 1980, Drucker identified overstaffing as the 'third deadly sin in public administration'. According to him (1980):

> It is even worse to overstaff than to overfund [because] the one certain result of having more bodies is greater difficulties in logistics, in personnel management, and in communications. Mass increases weight, but not necessarily competence. Competence requires direction, decision, and strategy rather than manpower.

In other words, civil services in the developing countries should remain lean and trim if possible.

The best way of dealing with the problem of overstaffing in the civil services in the developing countries is to 'downsize' or, more positively, 'rightsize' (Hendricks, 1992 p. 5). According to Tomasko (1990 p. 59):

> Companies good at getting the most mileage out of management and staff reductions ... have broader objectives than job elimination. For them, the overall goal is to build the most efficient and effective organisation they can, and then to put practices in place that will keep on delivering this kind of organisation. They seldom use the meat cleaver to slim down, because one of their objectives is to come out of the downsizing with a strong and committed work force.

In July 1987, Japan had a total of 4,506,725 public employees. South Korea had 650,000 civil servants in 1986, and there were 552,786 civil servants in Taiwan in 1990 (Koh, 1989 p. 70; MacDonald, 1990 p. 140; and *Republic of China Yearbook 1991–92* pp. 99–101). Unlike these three countries, whose civil services have grown rapidly, Singapore has succeeded in preventing overstaffing in the SCS as its size has only increased by 2.2 times from 28,253 employees in 1959 to 61,340 employees in 1992 (Quah, 1984; *Singapore: Facts and Pictures* 1992 p. 26). In fact, the SCS has been downsized from 70,001 employees in 1987 to 61,340 employees in 1992 (*Singapore: Facts and Pictures 1987* p. 27). There are three reasons why the SCS has been able to avoid overstaffing:

- the introduction of computerisation in 1981
- the implementation of the zero-growth workforce policy in 1988
- the privatisation of some of the government hospitals in recent years.

Only the first two reasons will be discussed below.

Computerisation

The first computer was installed in the SCS in 1962 and was used for the national census, national statistics and the SCS's payroll. In 1979, the Management Services Department conducted a computerisation and mechanisation survey and found that the SCS's efficiency could be improved considerably by computerisation and automation as 105 major information and operational systems could be computerised (Chuang *et al.*, 1983 p. 5). The National Computer Board (NCB) was formed on August 15 1981 to promote, implement and guide the development of information systems in the SCS. The Civil Service Computerisation Programme (CSCP) was introduced by the NCB in September 1981 to improve both efficiency and productivity in the SCS by promoting the widespread use of computers among civil servants.

As a result of the CSCP, computerisation has made extensive inroads in the SCS and enabled it to enhance efficiency by reducing workforce costs. The CSCP has been successful because it 'generated S$2.71 in returns for every dollar spent on computerisation and reduced the need for 5,000 posts in the Civil Service by automating manual and repetitive tasks and stream-

lining operations,' (*Straits Times*, January 1993). The SCS became fully computerised in 1990 as it had 107 mainframes and minicomputers, 10,000 personal computers and terminals, 293 operational application systems, and 606 computer professionals. Moreover, the budget for computerisation had increased from S$14 million in 1985 to S$150 million in 1990 (*Straits Times*, January 1993 p. 40). Finally, computerisation in the SCS has also resulted in significant improvements in public services in terms of shorter waiting times and faster turn-around and response.

Zero-growth workforce policy

In 1986, the PAP government launched a workforce reduction exercise to reduce staff levels in the SCS by 10 per cent over five years. This objective was not unrealistic because of the rationalisation of departmental functions and activities, streamlining of work procedures, more extensive mechanisation, automation and computerisation, privatisation and contracting-out of work. As part of the exercise, all public sector organisations were asked by the Ministry of Finance to form workforce scrutiny teams to review their activities to improve workforce utilisation and achieve a greater reduction in staff requirements. The purpose of each scrutiny was to assess whether the activity was necessary in the first place and, if so, whether it could be done at lower cost and with less staff. Training courses were organised by the Management Services Department and the Auditor-General's Office to provide the local scrutiny teams with the expertise required to review staff requirements ('Civil Service System in Singapore', 1989 p. 11).

A major consequence of the workforce scrutiny exercise was that it led to the zero-growth workforce policy. In 1988, the government decided that ministries should work towards zero growth in total staff strength over the actual Financial Year 1986 level. During 1986, the PSC began regulating recruitment to match attrition in order to achieve the zero-growth target in the SCS. The Budget Division calculated the ceiling recruitment figure or target of the various ministries for each year and informed them that no provision was made for additional workforce requirements arising from new functions and services or increases in workload as these needs were expected to be met by retraining and redeploying existing staff. However, subject to the limit set by the recruitment target, ministries were allowed to redistribute available vacancies across cost centres and programmes.

In sum, unlike other civil services which are afflicted by the problem of overstaffing, the SCS has been downsized and has managed to keep trim and lean because of the privatisation of the hospitals (not discussed here), computerisation and the zero-growth workforce policy.

Conclusion: Lessons for the Commonwealth countries

> Development, by and large, is man-made. Abundant natural resources, although important, are neither necessary nor sufficient for sustained growth. The excellent performance of countries like Japan, Switzerland, and the Republic of Korea amply demonstrate that the lack of resources is not an insurmountable

> barrier to rapid development. ... Thus, a country's development performance turns largely on its ability to properly allocate, upgrade, and manage its human resources. (Ozgediz, 1983 p. 76)

In 1987, the Population Crisis Committee (a research organisation concerned with population control) published a composite index based on four indicators: literacy, infant mortality, income, and calorie intake. According to its Human Suffering Index, Mozambique was rated as having the worst quality of life in the world, and 24 of the 29 countries belonging to Group 1 (countries with 'extreme human suffering') were from Africa. The other five countries were Nepal, Kampuchea, Bhutan, Bangladesh, and North Yemen. The 42 countries listed in Group 2 (countries with 'high human suffering') included Pakistan, India, Sri Lanka, and South Africa (Zeigler, 1990 p. 320).

One major weakness of HRD efforts in African countries is the inefficient management of human resources. A comparative study of personnel management in Ghana, Kenya and Nigeria (Akinnusi, 1991) identified three major problems:

- the use of particularistic criteria in making personnel decisions
- the politicisation of personnel functions in public sector institutions
- inefficient HRM.

A more comprehensive review of HRD activities in Africa by Roberts, the World Bank's regional co-ordinator for Africa, concluded that there was still considerable room for improvement (Roberts, 1990):

> In most African countries, the public sector has grown more rapidly than the economy, with huge HRD investments to upgrade the calibre of public service, reduce the number of expatriates, and provide careers to the rising elite. The outcome is well known. Civil service administration in most of Africa is bloated and inefficient, and many governments have begun significant reductions in staffing. Public services such as education and health have accounted for some of the most important progress made in Africa since independence, but at too heavy a cost for contracting economies. Poor financial planning, inefficiencies, and inevitable cutbacks have led to declines in the quality of public services.

What can the Commonwealth countries in Asia and Africa learn from the experiences of Japan, Singapore, South Korea, and Taiwan in HRD and HRU? The short answer is: a great deal. However, whether the incumbent governments in these countries are willing and able to apply the secrets of success of the four Asian countries remains to be seen. First the lessons that can be learnt are identified before the feasibility of the required reforms is discussed.

LESSON 1 COMMITMENT TO ECONOMIC DEVELOPMENT

This first lesson is an obvious one, but it is easier said than done for many Commonwealth countries in Asia and Africa. Indeed, as was discussed in

the sub-section 'Promoting economic development' above, governmental support is the most important precondition for economic development. A comparative analysis of economic development in Japan and South Korea (Lee and Yamazawa, n.d. pp. 188–9) concluded with the following advice:

> The lessons drawn from Japan and [South] Korea for populous developing countries that lack natural resources are clear. ... A well-educated population that is entrepreneurial, hard-working, and capable of absorbing imported technologies is most important. But above all, there must be a political leadership committed to economic development and a bureaucratic system that can implement its vision. Otherwise, economic policies, however well-conceived they may be, remain only a social blueprint.

A similar conclusion was reached in an earlier study which identified 'the political leadership's commitment to economic growth' as an important ingredient of South Korea's experience in managing development (Kim, 1983).

Like Japan and South Korea, Singapore and Taiwan are also fortunate to have governments that are committed to economic development. In 1959, when the PAP government assumed office, Singapore was a poor country which was afflicted by unemployment (5 per cent), housing shortage, high population growth (3.3 per cent), corruption, and a low standard of living (GNP per capita in 1960 was S$1,330 or US$443) (Quah, 1992 p. 153). Accordingly, the PAP government invited a United Nations Industrial Survey Mission led by a Dutch economist, Albert Winsemius, to formulate an appropriate industrialisation programme for Singapore to overcome her economic problems. The Winsemius team recommended an immediate crash programme to reduce the unemployment problem. It also recommended a ten-year programme which included the following features (Chia, 1986):

- the promotion and creation of the necessary investment climate for industrialisation
- the introduction of import restrictions to protect infant industries and the launching of an export drive
- the reliance on private enterprise and the offering of incentives to attract foreign investment.

In his discussions with the then Prime Minister, Lee Kuan Yew, Winsemius had stressed the importance of two preconditions for Singapore's success in industrialisation (Drysdale, 1984 p. 327):

> Number one is: get rid of the Communists; how you get rid of them does not interest me as an economist, but get them out of the government, get them out of the unions, get them off the streets. How you do it, is your job. Number two is: let Raffles [the Englishman who founded Singapore] stand where he stands today; say publicly that you accept the heavy ties with the West because you will very much need them in your economic programme ....

Prime Minister Lee took Winsemius's advice to heart and succeeded in neutralising the communist threat and in attracting many multinational corporations from the United States and Europe to invest in Singapore (Quah, 1985; Mirza, 1986 pp. 256–63).

In short, the first prerequisite for the successful implementation of HRD and HRU efforts in a country is the government's commitment to economic development. Without it, economic growth would be impossible and the country would not be able to afford to develop its human resources through education and training.

LESSON 2 COMMITMENT TO MINIMISING CORRUPTION

In his recent analysis of the political situation in the Philippines, Wurfel (1992) referred to corruption as 'a cancer' which 'became more deeply embedded in the culture and in the conduct of business and government during the Marcos era'. Even though the record of tackling corruption among the four Asian countries is an uneven one, the fact remains that efforts in HRD and HRU are more likely to succeed if the political leaders and senior civil servants in the relevant Commonwealth countries are honest and do not succumb to corrupt behaviour.

Singapore's experience in combating corruption shows that it is possible to minimise corruption if the political leaders are sincerely committed to this objective. Initially, the PAP government's anti-corruption strategy focused on using legislation (the POCA) and the CPIB to reduce the opportunities for corruption as it could not then afford to raise the wages of civil servants. However, after the attainment of economic growth in the early 1970s, the government relied also on salary revision to prevent senior civil servants from engaging in corrupt activities or from leaving for private sector jobs.

For Commonwealth countries plagued by pervasive corruption, the situation might appear to be hopeless as it would be difficult, if not impossible, to convince corrupt political leaders and civil servants to turn over a new leaf and abstain from corrupt activities. To be sure, these individuals have paid lip service to an anti-corruption stance by promising to eradicate corruption, especially during their election campaign or, in the case of military leaders, after a *coup d'état*. The reality, however, presents a totally different picture as corruption is not only tolerated, but also encouraged since it is perceived by many to be 'a low-risk, high-reward' activity.

The key ingredient for a successful anti-corruption strategy is the commitment of the political leaders to the eradication of corruption. If such political will is lacking, nothing can be done. According to one observer (Theobald, 1990 p. 143):

> Where the political will is absent no amount of laws, bureaux, commissions or draconian punishments will even begin to make an impact on, let alone deal with corruption. Where the politically powerful use their position to shield relatives and friends, where public offices are normally doled out to kinsmen, cronies and financial backers, administrative measures against corruption will have minimal effects. In fact they too are often

employed to target relatively unimportant bureaucrats or politicians who have fallen from grace, whilst the real culprits in the political class are left to their own devices.

If corruption cannot be minimised by the governments in Commonwealth countries concerned with improving their efforts in HRD and HRU, those efforts will be futile since without a clean civil service, 'all the gains made in development would not be shared among the population as the spoils would be squandered by corrupt politicians and bureaucrats,' (Quah, 1992). In short, corruption is a barrier to efficient HRU in these countries.

LESSON 3 INVESTMENT IN EDUCATION AND TRAINING

The experiences of Japan, Singapore, South Korea and Taiwan clearly demonstrate the important role played by their governments in improving the quality of their human resources by investing heavily in the education and training of their populations. Indeed, for these countries with no natural resources, there was no other option.

Investment in education and training is costly and can only be done by a country that has attained economic development. The economic success of the four countries has enabled them to devote about 5 per cent of their GNP to education (see Table 2 in the sub-section 'Investing in education and training'). Needless to say, international agencies like the World Bank, the United Nations, and the Commonwealth Secretariat, can provide financial and/or technical assistance to developing countries in Asia and Africa to enhance the education and training of their populations. However, as there are limited funds available to cater for the needs of so many countries, such international efforts can only supplement, not replace, what needs to be done by the governments of these countries in HRD and HRU.

In his new book, *Preparing for the Twenty-First Century*, Kennedy has identified the emphasis on education as the most important factor responsible for the rapid economic growth of the East Asian NIEs. In his view, this focus on education was derived from the 'Confucian traditions of competitive examinations and respect for learning, reinforced daily by the mother of the family, who complements what is taught in school,' (Kennedy, 1993 p. 197). However, such cultural support and commitment to education is usually lacking in many African and Asian countries, where 'education is regarded as less important in many cultures than it is in East Asia,' (Kennedy, 1993 p. 340).

Thus, the third lesson is also clear: those Commonwealth countries in Asia and Africa which can imitate the heavy investment in education and training made by Singapore, South Korea, Japan and Taiwan, will certainly enhance the quality of their HRD and HRU activities. The catch, however, is that many of these African and Asian countries will not be able to follow the four countries' path because of the poor economic situation. Furthermore, the underdeveloped nature of the educational system in a poor country like Somalia, 'where the adult male literacy rate is only 18 per cent and the female literacy rate a mere 6 per cent' and where 'only 37,000 pupils are in secondary education' in 1986 (Kennedy, 1993 p. 340) increases the

burden on its government and makes the task of developing and upgrading its human resources an extremely challenging one.

LESSON 4 REFORM IN PUBLIC PERSONNEL MANAGEMENT

This final lesson is dependent on the government's ability to develop the economy, to minimise corruption, and to invest in education and training. In other words, the government in a Commonwealth country can only initiate comprehensive reforms in public personnel management after it has successfully implemented the three macro-policies for improving HRD and HRU.

As talented personnel are scarce in the Commonwealth countries in Asia and Africa, the civil services of these countries must introduce comprehensive reforms in personnel management so as to compete with the private sector and the developed countries for the best talent. Without such reforms, the civil services will be no match for the private sector or the developed countries. Accordingly, four changes are recommended.

1 These civil services should nurture talented personnel by attracting them to join and by motivating them with accelerated promotion.
2 The high-flyers should be provided with competitive salaries to retain them and to minimise the brain drain to the private sector.
3 Realistic recruitment should be introduced to ensure that only motivated candidates join the civil services.
4 To avoid overstaffing, the civil services should be downsized by relying more on computers and adopting a zero-growth workforce policy.

This comprehensive package of reforms in personnel management is expensive to implement because of the rewards offered to the high-flyers, especially the competitive salaries, and the high cost of computers. More importantly, the implementation of these comprehensive reforms requires a government with a strong political will because of the revolutionary nature of the reforms. The new emphasis on rewarding high-flyers on the basis of merit, regardless of their age or experience, contradicts the traditional emphasis on seniority and patronage as criteria for promotion. At the same time, the use of realistic recruitment and the focus on downsizing are unpopular measures because they would undermine the role of the civil service as the major employer in the country. Thus, politicians, senior civil servants and other groups who have benefited from the status quo would resist the new changes.

In his analysis of public personnel management problems in three African countries, Taylor (1992) concluded that there was no political will in these countries to solve the problems of low wages, limited incentives, and poor infrastructure, because the 'inefficient and ineffective status quo' favoured the following two groups:

> Firstly, the political leadership in some LDCs seem to have reached the conclusion that a poorly-run, inefficient, and grossly overmanned public sector is the lesser of two evils when compared to the alternative of improving efficiency by reducing

> the size of the public sector, thereby creating a large pool of educated unemployed, who may be perceived as an unwanted source of political challenge. Secondly, the senior officials and managers within the public sector have a vested interest in maintaining the status quo because currently it offers them the opportunity to dispense patronage and wield power. Reform would jeopardise that patronage and power.

The message for Commonwealth countries which are concerned with the improvement of their efforts in HRD and HRU is unambiguous: their governments must improve and be committed to economic development and to minimising corruption; they must also invest in educating and training their populations; and they must introduce comprehensive reforms in personnel management. The recipe for success is clear; but whether the cooks (policy-makers) are willing and capable of paying the price of developing and upgrading the human resources remains to be seen.

It is difficult to conclude on an optimistic note in view of the tremendous obstacles involved in changing the status quo in many countries. In this vein, the historian, Paul Kennedy, has observed (1993 pp. 344–5):

> Clearly, a society which desires to be better prepared for the twenty-first century will pay a price to achieve that transition; it will need to retool its national skills and infrastructure, challenge vested interests, alter many old habits, and perhaps amend its governmental structures. But this assumes long-term vision at a time when most politicians—in both rich and poor countries—can hardly deal with even short-term problems; and it means political risk, since many of the reforms proposed would be unpopular among vested interests. Alongside voices calling for change there exist large constituencies wanting things to stay as they are, to freeze things rather than respond.

In the final analysis, whether or not the Commonwealth countries in Asia and Africa are willing and able to emulate the experiences of Japan, Singapore, South Korea and Taiwan in HRD and HRU, depends entirely on whether their political leaders, civil servants and population are willing to pay the price of success or are content to continue paying the exorbitant price of failure. There is hope if they choose the first option. The situation is hopeless, however, if they settle for inaction and the status quo.

Appendices

A: *Monthly salary of superscale officers in the Singapore Administrative Service*

Grade	*Basic salary(S$)*	*Monthly variable component (S$)*	*Gross salary (S$)*	*(US$)**
Staff Grade V	32,425	9,601	42,026	25,470
	28,950	8,572	37,522	22,741
	28,100	8,320	36,420	22,073
Staff Grade IV	27,825	8,239	36,064	21,857
Staff Grade III	23,225	6,877	30,102	18,224
	21,100	6,247	27,347	16,574
Staff Grade II	20,125	5,959	26,084	15,808
	19,550	5,788	25,338	15,356
Staff Grade I	17,025	5,041	22,066	13,373
Grade A	14,550	4,308	18,858	11,429
Grade B	12,300	3,642	15,942	9,662
Grade C	10,175	3,012	13,187	7,992
Grade D1	9,100	2,694	11,794	7,148
Grade D	8,100	2,398	10,498	6,362
Grade E1	7,550	2,235	9,785	5,930
Grade E	7,000	2,072	9,072	5,498
Grade F	6,450	1,909	8,359	5,066
Grade G	5,900	1,747	7,647	4,635
Grade H	5,350	1,584	6,934	4,202

Source: Public Service Division, Singapore

*The exchange rate is US$1.00 = S$1.65

B: Average 1987 *monthly income of the top three executives in selected Singapore companies and professional firms*

Average monthly salary (S$)	*Average of all companies*			*Highest within group*
	Top	*Second*	*Third*	
Bankers	141,206	30,700	22,044	196,833
Shareholders	122,430	33,989	28,515	214,833
Lawyers	102,297	100,113	69,510	157,150
Doctors and surgeons	92,917	59,524	50,985	99,258
Accountants	72,235	59,534	56,801	75,256
Multinational manufacturers	63,748	31,809	28,915	81,681
Architects	50,004	23,750	17,306	59,260
Local manufacturers	49,779	26,028	22,160	80,900
Oil company executives	34,739	25,446	21,141	56,194
Car dealers	28,767	17,531	8,620	40,417
Engineers	28,216	18,778	13,890	32,537

Source: 'Salary Revision for the Administrative, Professional and Other Services' [Lee, 1989 p. 25]

Note: The current Permanent Secretary Superscale 'A' average monthly salary is S$23,565 while for Superscale 'C' it is S$16,033

Private sector salaries do not include unquantified side benefits which could add another 15 per cent

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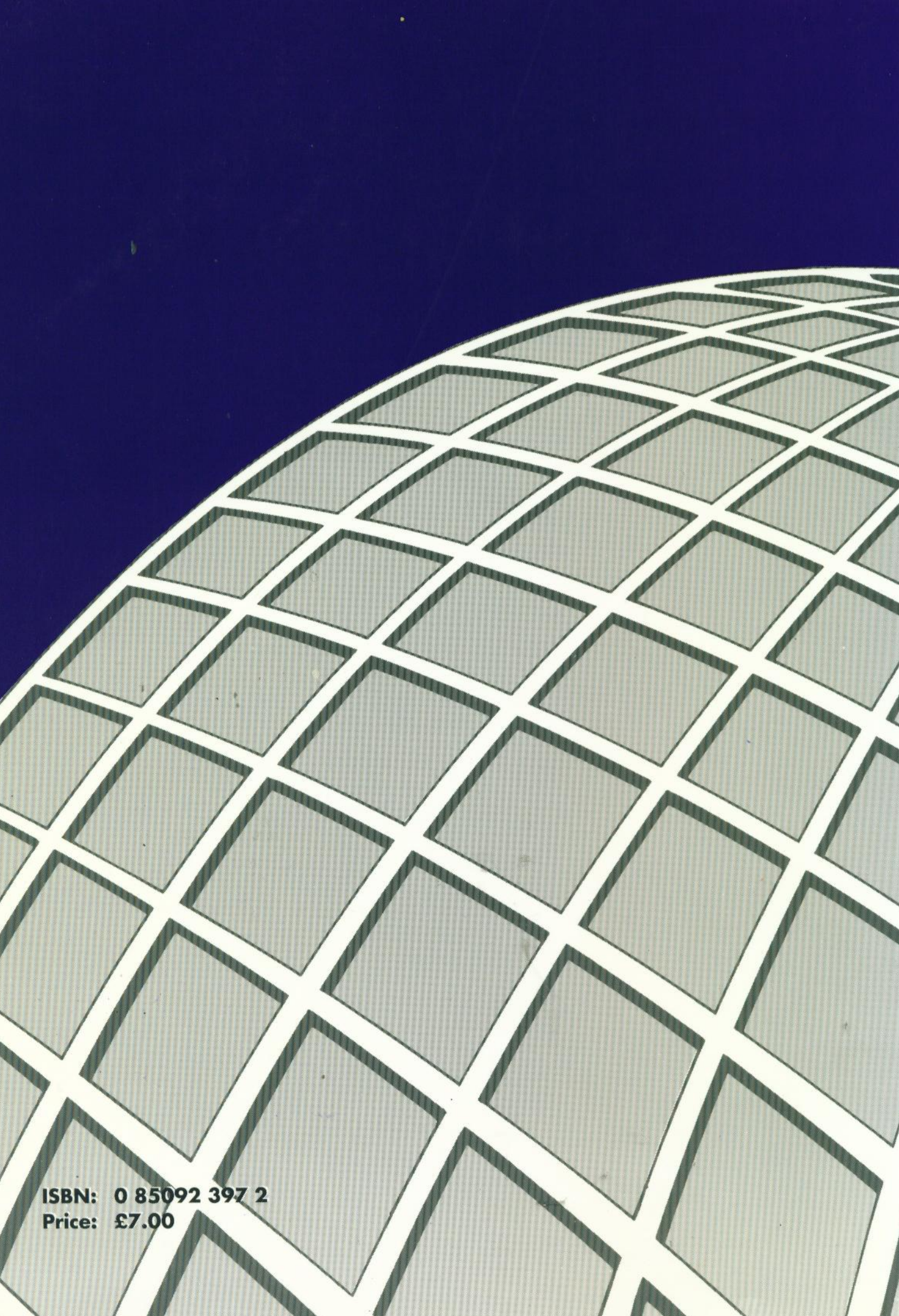

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