

## *Types of Central Planning Agencies*

It is a curious thing about the study of government that the identification of its implicit processes almost always leads to the creation of formal organizations for perfecting them. What is more, such new organizations seem frequently to induce a host of problems, which formerly appeared not to exist, concerning the relationship between the newly identified process and other processes. An example of this phenomenon is the planning process.<sup>1</sup>

### INTRODUCTION

THE PREPARATION and overseeing of national plans requires organized machinery to carry out two main sets of tasks:

1. The procedures by which a plan's goals are approved and realized. This involves the making of decisions about the level of the development effort (e.g., through the choice of investment, production and other targets to be included in a plan), policies to be followed to achieve development goals, and provision for appropriate action to attain planning ends (e.g., by the issuance of administrative orders or the adoption of other measures).
2. The process by which a plan is prepared on the basis of approved goals. This involves an examination of alternative ways in which available real and financial resources may be allocated to achieve development objectives and plan targets; detailing the measures and instruments of policy required to attain them; advising on the advantages and disadvantages of alternative courses of action; framing multiannual and annual development plans; keeping their implementation under review; and, through a system of progress reporting, advising on the need for appropriate action to achieve plan targets or to revise them.

<sup>1</sup> Johnson, A. W. "Planning and Budgeting," p. 145.

Because the first set of tasks requires the issuance of administrative orders to all parts of government and the adoption of policies and measures which greatly influence an economy, effective action on these matters can normally be taken only by an authority at the highest political levels. In most governments, this is the chief executive and his cabinet. The second set of tasks can be accomplished by a body of technicians who are qualified by training and experience to do the required work.

One may speak, therefore, of two tiers or levels of central planning machinery—the political and the technical. For the sake of administrative efficiency, as well as operating effectiveness, the more direct the connection between these tiers, the better; conversely, the interposition of additional tiers in the form of agencies, committees or other groups between the political tier and the technical tier complicates their relationships and increases the possibilities that their contacts with each other will be weakened. This is undesirable because effective planning requires that the technical body have access to, and the confidence of, the political body in order to be heard and to be in a position to know what is required of it. The presumption is, therefore, that the technical body should be attached directly to the political body. This is the way it is, in fact, in the USSR, where the central planning agency, the *All-Union Gosplan*, reports directly to the Council of Ministers. In a very few mixed-economy countries, also, the technical planning body reports directly to the chief executive and his full cabinet. Thus, when Jamaica's Prime Minister held the portfolio of the Ministry of Development, the draft-plan produced by the Ministry's Central Planning Unit went directly from the Unit to the Cabinet.

But this is not the only or necessarily the best way. In most mixed economies, where planning does not occupy the preponderant position it holds in the socialized economies, a chief executive and his cabinet are generally so heavily burdened with a wide range of foreign affairs, defense and internal political problems that they are unlikely to be able to devote to development planning the time required. Sometimes, the chief executive tries to lighten his workload by delegating some planning duties to someone else. As we have seen, this was done in Malaya (where the Deputy Prime Minister was given responsibility for planning) and Israel (where the Minister of Finance relieved the Prime Minister of planning duties).

But in most countries, a committee, agency or other body is set up to care for planning tasks which the chief executive and his cabinet feel

they cannot or should not handle. This can be a good thing because some ministers have little interest in planning and because a cabinet is *usually too large and unwieldy to give adequate consideration to many planning problems, especially in the earliest stages of discussion.* A group or entity which has the necessary prestige and confidence of a chief executive and his cabinet can provide general guidance on planning matters to government offices and supervise all planning activities including those of a technical planning body. It can screen and refine planning objectives, targets, policies and other proposals prepared by a technical planning body and other government offices before they are presented with its recommendations to a chief executive and his cabinet for final determination. It can thereby greatly lighten their duties, improve the bases for planning decisions and expedite planning procedures.

Nevertheless, the introduction of another organization between a cabinet and a technical planning agency creates new administrative problems, if only by raising questions about the status of the new organization vis-a-vis the technical agency and other parts of government. The form and composition of the new organization can also produce serious problems. It may take the form of a division of a ministry of development or finance, or a ministry of planning which reports directly to a chief executive or cabinet or, instead, to one or more intermediary groups. Or it may be a group composed of members of the cabinet, or of a mixed group of cabinet, legislative, regional or other government representatives, or one of politicians and technicians, or of representatives of the public and private sectors or, finally, of combinations of these. Some groups make a clear distinction between themselves on the political or decision-making tier and the planning group on the technical tier, while others seek to combine the two into a single organization which reports directly to a chief executive or a cabinet. To the bewildering array of forms must be added an equally bewildering array of names. Appendix IV lists the names (and the addresses) of most central planning agencies. Groups which are generally similar in composition and function in different countries vary greatly in the names by which they go.<sup>2</sup> Finally, within the same

<sup>2</sup> Thus, a planning committee of the cabinet, largely if not entirely composed of ministers, has been called an Economic and Social Board in Burma, an Economic Committee of the Cabinet in Malaya, a Development Committee in Kenya, an Economic Development Commission in Tanganyika, a National Economic Council in Honduras, an Inter-Ministerial Economic Committee in Israel, a Cabinet Com-

country, a planning body with one name may follow planning bodies with other names in rapid and confusing succession.<sup>3</sup>

### CABINET COMMITTEES

Despite the wide variation in the form, composition and name of planning agencies, there has been a clearly discernible trend in recent years in less developed countries toward the establishment of a committee of the cabinet as an intermediary group between a cabinet and a technical planning agency. Among other countries, Ceylon, Colombia, Ethiopia, France, Guatemala, Iraq, Kenya, Liberia, Libya, Malaya, Nepal, Paraguay, Saudi Arabia, Tanganyika and the United Arab Republic have created such committees.

The members of these committees are generally the ministers in a cabinet most concerned with development policy. The exact composition varies from country to country, but it frequently includes the ministers of finance, economic affairs or development (if one exists), agriculture, industry, transportation and communication, and public

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mittee for National Planning in the United Arab Republic and a Supreme Planning Board in Saudi Arabia. In addition to planning committees of a cabinet, there are other planning bodies on a variety of levels with an equally wide range of names. Thus, there are Planning Commissions in India and Pakistan, Commissariats for the Plan in France, the Malagasy Republic, Senegal and Spain, a National Economic Development Board in Thailand, a General Directorate of Planning in Viet Nam, a National Planning Office in Hungary, an Economic Planning Agency in Japan, a Higher Inspectorate of the Development Plan in Portugal, a Central Planning Organization in Turkey, a Federal Planning Institute in Yugoslavia and a State Planning Commission (*Gosplan*) in the USSR. (Treves, Giuseppino. *Government Organization for Economic Development*, p. 55.)

<sup>3</sup> For example, in Burma, the first planning organization was a National Planning Board, established in 1947. It was renamed the Economic Planning Board in 1948, but the name was later changed back to National Planning Board. In 1948, an Economic Council, under the chairmanship of the Minister of Industry and Mines, was created to screen development proposals before final Cabinet consideration. Earlier the same year, a Ministry of National Planning had also been established. Subsequently, an Economic Planning Commission and a Social Planning Commission were attached to the Ministry. In 1952, an Economic and Social Board was set up to supervise execution of projects and to advise on development policies. In 1957, the Ministry of National Planning and the Economic and Social Board were merged in a National Planning Commission. In the latest move, the nature and composition of this Commission were changed in 1961. In Ceylon, Ghana, Indonesia and the Philippines as well, many planning agencies have also followed one another or been added to the existing supply.

works.<sup>4</sup> In countries with special problems or interests, other ministers are included. Thus, since oil is of particular importance in Libya and Saudi Arabia, each of these countries includes its minister concerned with petroleum on its cabinet planning committee. In countries where an autonomous central bank controls the supply of money and credit, it has also been found desirable, because of the importance of monetary and credit policy for development, to include the head of the bank as a member of the committee.<sup>5</sup>

A planning committee of a cabinet composed of ministers who are most concerned with development and headed by a country's chief executive is in a strong position to make decisions which the cabinet will accept and to facilitate co-ordination of the most important sector programs in a development plan. This was true, for example, when Burma had an Economic and Social Board. Recommendations made by the Board were generally approved by the Government.<sup>6</sup>

Although this experience is typical in countries with such committees, some countries believe it is undesirable to have the most important claimants for development resources become judges of the way these resources are distributed. They feel that a committee of ministers with the greatest stake in development has a serious weakness because it places undue stress on compromise and because it is likely to have difficulties dealing with issues which are not questions with simple answers but complicated alternatives. They believe, therefore, that it is better to establish a cabinet planning committee with so-called "neutral" ministers who do not have an important claim on investment resources. They consider such a group to be best able to assess objectively the respective merits of the various proposals put forward by the interested ministries. This system has been attempted in the Sudan. The cabinet planning committee in that country, called the Economic Council, includes such "neutral" ministers as the Minister of Information and Labor, the Minister of Foreign Affairs and the Min-

<sup>4</sup> In countries where the public works ministry is merely a central construction unit for executing projects and programs already accepted, it is unnecessary and undesirable to include the minister of public works on the committee, since he has little to do with development policy. Nevertheless, he is sometimes included, as in Singapore.

<sup>5</sup> In countries like Turkey, where the central bank is not independent of the ministry of finance, the minister of finance can represent the central bank.

<sup>6</sup> Nelson, Joan Marie. *Central Planning for National Development and the Role of Foreign Advisors: The Case of Burma*, p. 191 [Citing, Economic and Social Board, *Annual Report for 1955-56*, Appendix II, pp. 5-6].

ister of Cabinet Affairs, besides the Minister of Commerce, Industry and Supply and the Minister of Finance and Economics (in which the Planning Secretariat is located), the Prime Minister and the President of the Supreme Council of the Armed Forces.

A committee with neutral ministers is not to be recommended. The basic interests of neutral ministers lie outside the area of development policy. If they have no strong opinions about resource allocation, they can easily be swayed by those in charge of development ministries; if they have strong views they may not be able to obtain the support of their colleagues who head development ministries and have responsibility for carrying out projects and programs. In the latter case, most problems are likely to end up in the full cabinet. It is true that a cabinet planning committee composed of the ministers who have vested interests in development may have to fashion compromise solutions acceptable to them all. It is also likely that the compromises will not appear to be ideal from the point of view of the technician. In working out final allocations of resources, each minister will probably not obtain all he wants and will usually have to settle for less in the light of the requirements of others. But in the political context in which governments operate in the real world, the results are likely to reflect the basic policies and objectives of the government in power.

It has sometimes been found in setting up a committee of the cabinet that too many ministers wish to be associated with it. Although a committee may have been established originally with only five or six members, other ministers may join its deliberations one by one until almost the whole cabinet is in attendance. In Ceylon, for example, provision is made for 15 members on the Sub-Committee of the Cabinet. Where a committee of a cabinet reaches this size it is just as well to have a meeting of the full cabinet. Experience shows that a committee of about six or seven members can operate effectively and that one of over eight is likely to have meetings where the depth of discussion is limited and its quality diluted. The best way of getting around the problem of ministers who wish to be associated with a cabinet planning committee but who have no major responsibilities for development policy is for the committee to invite them to join its meetings when subjects of direct concern to their ministries are being discussed. In this way, each minister is given an opportunity to be heard whenever his interests are involved. At the same time, the committee has an opportunity to acquaint him with factors which affect his programs.

If it is pointless to have a committee of a cabinet unless attendance at its meetings is normally substantially smaller than at cabinet meetings, it is also important that the ministers themselves, not their subordinates, attend committee meetings. Wherever one minister starts sending a deputy to a committee's meetings, other ministers soon follow suit. Then, what began as a high-level political decision-making body is likely to become a discussion group of civil servants without power to make basic decisions. Experience shows that in countries with a civil service tradition, a subministerial committee composed of civil servants of high rank can assist a cabinet planning committee by reviewing, commenting upon and criticizing proposals. Because it provides officials in one ministry with an opportunity to acquaint themselves with the problems of other ministries, it is also a useful vehicle for educating them to take a broad view of development problems. Consequently, where it is employed, as in the case of Tanganyika's Coordinating Committee of Permanent Secretaries and Tunisia's Interdepartmental Planning Council, to review proposals before they go to a cabinet planning committee or to secure co-operation among ministries on the working level, it can perform a useful function. However, because a committee of civil servants has "a built-in drive toward lowest denominator solutions"<sup>7</sup> which too often produces "watered down versions,"<sup>8</sup> it is a poor instrument of innovation. Because of this limitation, it is no substitute for a cabinet planning committee. This is evident, for instance, in Jordan. In that country, the Development Board, largely composed of undersecretaries from various operating ministries, does not have the necessary authority to develop planning policy. As a result, the Council of Ministers must perform this task.

Where a cabinet planning committee exists, it is especially important that the chief executive of the government be the chairman and that he attend meetings whenever major matters come before the committee for decision. For example, the fact that Prime Minister Nehru made it a practice to preside over India's Planning Commission whenever important policy questions were up for determination, greatly enhanced the Commission's prestige and effectiveness. In some countries, the chief executive has found it possible and desirable to appoint a high official to act as vice-chairman when ordinary business comes before the

<sup>7</sup> United States Senate, Committee on Government Operations, Subcommittee on National Policy Machinery, *Organizing for National Security*, pp. 4-5.

<sup>8</sup> *Ibid.*

committee. In Ceylon and Saudi Arabia, for example, the Ministers of Finance are Vice-Chairmen of their respective cabinet planning committees. The UAR has used a variant of this form. The Cabinet, with the President of the Republic as presiding officer, has been constituted a Higher Council of Planning to issue general planning directives and approve the plan in its final form. There is also a Cabinet Committee for National Planning composed of the approximately ten ministers most concerned with development problems. The Committee is permanently headed by the Minister of National Planning who also holds the portfolio of finance and is, in addition, a Vice-President of the UAR.

Some argue against a cabinet planning committee composed of a chief executive and ministers on the ground that they are already so busy that they have no time to attend meetings of a cabinet planning committee. The answer to this argument is that if development of a country is not considered important enough to get the attention of top political authorities, the country is unlikely to develop rapidly. Planning cannot be regarded as another onerous burden added to those carried by an already overworked chief executive and his cabinet. It is, rather, a means by which they can execute their responsibilities for overseeing and co-ordinating development operations.

#### MIXED COMMITTEES

A planning committee composed exclusively or almost exclusively of ministers who dominate development policy in their government can maintain a close relationship with a cabinet and serve as its direct agent in planning matters. Despite these advantages, some countries have chosen to forego them or have sought to obtain them and others besides by setting up a planning group which combines ministers with others from outside a cabinet. With rare exceptions, such planning groups have been less effective than cabinet planning committees in obtaining the co-operation of their governments. This is because ministers, and others who are responsible for carrying out projects and programs, find it easier to ignore or resist recommendations which would limit their freedom of action when they are made by a planning group whose executive strength has been diluted by outsiders than when they are made by a prime minister and cabinet ministers most concerned with development policy.



Sometimes, the advantages of a cabinet planning committee are needlessly sacrificed to attain an advantage which could have been obtained as easily in some other way. For example, Burma, which had had relatively good experience with a cabinet planning committee,<sup>9</sup> subsequently replaced it with a planning body which also gave representation to states in the Union. The 16-member National Planning Commission which was established included ministers from both the Central Government and the states, as well as other individuals. In addition to producing too large a body to manage effectively, this arrangement put the state representatives in the wrong place. A more desirable solution would have been to retain a cabinet planning committee because of its special advantages and to set up a separate group with state ministers to advise the cabinet planning committee or the Cabinet itself on planning matters affecting the states. Experience in India, Pakistan and Nigeria indicates that in countries with a federal form of government, adequate voice can be given to states or regions through separate advisory co-ordinating groups without increasing the size or changing the nature of a planning group concerned with national planning policy.

The inclusion of foreigners as members of a national planning agency concerned with policy matters, as in the case of the Development Boards in Iraq and Jordan, has also inhibited close relationships between planning agency and Cabinet. Nor have attempts to combine representatives of the executive and legislative departments of a government in a planning agency on the policy level had much success. Here, too, experience shows that the best results can be obtained from separate advisory committees with legislative representatives and representatives of the central planning agency or government.

Colombia had a National Planning and Economic Policy Council, presided over by the President of the Republic, with four councilors as members. Two councilors were appointed by the President and two were selected by the National Congress. The Council, joined by four Ministers (Finance, Public Works, Agriculture and Development), the Manager of the Central Bank and the Manager of the Coffee Federation (which is important in Colombia), the Director of the Planning Department (the planning secretariat), as well as other invited ministers or heads of agencies, generally met as a group to consider planning policy and programs. With 12 or more participants at each meeting, the

<sup>9</sup> The Economic and Social Board.

group proved to be too large to function properly. The Council soon degenerated into a "debating society" in which the four ministers habitually resisted what they considered were infringements on their prerogatives. The legislative members came into conflict with members of the executive branch and particularly with the Director of the Planning Department, who was eventually forced to resign. The failure of the Council eventually resulted in its abolition and replacement by a cabinet planning committee. Iran's Plan Organization was provided with a Board of Control chosen from members of Parliament, but it was never permitted to carry out the functions assigned to it. In the Philippines, four representatives of Congress, two from each House, have been *ex officio* members of the National Economic Council. The presence of members of Congress has inhibited the President from making full use of the Council. Agreement among members of the Council and between the Council and the Executive is made more difficult because the congressional members include representatives of the opposition as well as the government party. The four congressional members on the Council were supposed to facilitate the approval by Congress of the economic policies and programs which the Council recommended.

Actually, however, this has not materialized. In fact, on several occasions members of Congress have expressly had recorded in the minutes of the Council that they were refraining from participating in the deliberations of the Council and not expressing their views on policy matters, precisely in order not to feel themselves bound to any commitment on the subject. . . . The last two economic plans of the Council, . . . both subscribed to without any dissent by the four members of Congress, contain important definite policy recommendations concerning the problem of exchange controls. Yet these recommendations of the Council, as far as I know, have not been sponsored in Congress by any of the Congressional members serving in the Council.<sup>10</sup>

In addition to members of Congress, the Council contains three members "at large" drawn from outside the Government. Other countries have included representatives of the general public or the private sector in their planning bodies on the policy level, some without government representatives, others in conjunction with ministers or

<sup>10</sup> Araneta, Salvador. "The Planning, Approval and Implementation of Economic Policy," pp. 135-136.

heads of government agencies. Thus, prior to 1958, a Planning Board composed solely of three distinguished private citizens functioned in Colombia. More commonly, private individuals serve jointly with ministers and sometimes a head of government on quasi-government commissions. The Philippines, as well as Ceylon, Ecuador, Guatemala, Honduras, India, Iraq, Jordan, Sweden, Thailand, Uganda and the United Kingdom, among other countries, have or have had planning agencies which include or included both government and non-government members.

Those who favor the inclusion of non-government representatives in the membership of planning bodies on the policy level, generally do so because they believe that this broadens the planning base by giving a direct voice to those outside government whose interests are affected by development plans. While some consider it desirable for a planning agency to have members who represent industry, agriculture or business, others advocate the addition of distinguished and respected citizens who represent no vested interest and, presumably, can thereby bring an objective point of view to a planning body.<sup>11</sup>

In practice, planning groups on the policy level composed in whole or in part of non-government members have almost never been effective. In Iran's Plan Organization (PO), for instance, a High Council of seven members drawn from outside the Government which was supposed to supply policy guidance for the PO was largely bypassed. In Ceylon, the Government did not convene its National Planning Council for long periods because the Government was reluctant to disclose confidential information to the Council's non-government members. In Guatemala, Ecuador and Honduras, ministers who were members of mixed planning bodies often did not attend meetings. They and their countries' chief executives usually paid little attention to the plans and proposals prepared by these planning bodies. In Ghana, where a National Planning Commission with mixed membership operates,

the Cabinet Ministers appear so little inclined to accept the Commission's authority that it is intended to appoint as its Vice-Chairman a Minister who will be politically responsible for planning.<sup>12</sup>

<sup>11</sup> In Iraq, it was believed that the presence of non-government members would provide the Planning Board with a stabilizing influence and insulate it from political change. In 1953, out of nine members, six were from outside the Government.

<sup>12</sup> United Nations Meeting of Experts on Administrative Aspects of National Development Planning. *Administration of Planning in Ghana*, p. 5.

Even in India, where the first Prime Minister's interest in the Planning Commission was a cohesive force, minister-members of the Commission absented themselves for long periods from the Commission's deliberations, leaving the field to its non-government members. The ministers took the position that it was unnecessary for them to attend because they could review planning proposals and express their views when the proposals were considered by the Cabinet. When ministers boycott or ignore planning bodies with mixed membership, members from outside government are indeed made to feel that they are outsiders. This happened in Uganda, where an ineffective Development Council with mixed membership eventually had to be abolished.

[The] failure of the Council to act as a high-level co-ordinating body is good evidence of the very great difficulty of operating a combined official and unofficial committee. After all, the purpose of Government is to govern and though it may take advice from unofficial people outside the government machine it can never be overridden by it. In these circumstances there is very great danger of the unofficial members feeling themselves to be serving no very useful purpose.<sup>13</sup>

It will be interesting to see what happens in Iraq, where a new Supreme Planning Council was set up in May 1964. The Council, under the chairmanship of the Prime Minister, has as members three ministers (the Ministers of Planning, Economy and Finance), the Governor of the Central Bank and four private full-time members. The Minister and Under-Secretary of Planning and the four full-time members form a Steering Committee of the Council which will do the actual work. The Steering Committee is, at least theoretically, administered by the members from outside the Cabinet. Kuwait also has a central planning agency with a mixed membership. But the Planning Board in that country has seven ministers against four members from the private sector. Lebanon's Planning and Development Council is headed by the Minister of Planning as Chairman and is composed of the Director-General of the Ministry as Vice-Chairman and eight experts in the fields of economics and other social sciences, resources and regional development. But the Council acts, in effect, as an organ of the Ministry of Planning. The Council of Ministers is the only policy-making group on planning matters.

<sup>13</sup> Walker, David. *Balanced Social and Economic Development in Uganda: A Case Study*, p. 85.

The record reveals that governments generally hesitate to entrust policy-making functions to outsiders who bear no public responsibility for governing. Ministers and other political leaders tend to hold the view that since they are responsible to their country for the success or failure of economic development plans they, and not outsiders, should have authority to formulate development policy. Although a government can accept or reject a planning body's recommendations and development plans, ministers seem to fear that if outsiders are members of a planning policy body they may "capture" it. They believe there is then a danger that the outsider will have an unduly partisan influence on planning and may use it to further his personal ends. Because of this attitude, which is widespread, it is best not to have outsiders on a government planning policy body. While political leaders in most countries recognize that a wise government will call on industrial, business, agricultural and other community interests for advice and suggestions, it is preferable to obtain these by setting up outsiders in separate advisory groups to the government instead of making them the equals of ministers in a planning agency on the policy level.

Attempts by some countries to combine in a planning agency on the policy level representatives of several interests have generally resulted in compounding the defects found in mixed groups with only two kinds of members. They have also produced excessively large and unwieldy planning groups. In Tunisia, for example, inclusion of ministers and other executive department officials, members of the National Assembly and the Economic and Social Council, as well as representatives of workers', students', women's, farmers' and businessmen's organizations in the National Planning Council, raised the number of members of that planning body to over fifteen. Other countries, among them Ceylon, Sweden and the Philippines, have or have had planning agencies of approximately the same size, while Burma has had one with 18 members. The National Economic Development Board, established in the United Kingdom in 1962, included a total of 20 members, composed of ministers, chairmen of nationalized industries, industrialists, trade union leaders and college professors; while Ghana's National Planning Commission had 25 members drawn from public and private spheres of activity. Canada's Economic Council has 28 members: a full-time chairman, two full-time directors and 25 other members who are intended to represent different parts of the country and the economy. Italy's Planning Commission consists of 31 members of whom 13 are "experts" and the rest represent various economic inter-

ests; Korea's Economic Planning Board has seven ministers and about 25 other representatives; and Thailand's National Economic Development Board (NEDB) has 45 government and non-government representatives besides the Prime Minister, who is the Chairman, two Deputy Prime Ministers, who are Deputy Chairmen, and the Secretary General of the NEDB, who is an *ex officio* member of the Board and its Secretary. But the unchallenged record for size belongs to Indonesia's National Development Council, which had a membership variously reported to be from 74 to 83 persons drawn from regional and functional groups in the population.

#### NUMBER OF PLANNING TIERS

Most countries have been satisfied with one tier, in the form of a cabinet planning committee or one of mixed composition, between the cabinet and the technical planning level. Some have felt the need for a second tier. Thus, in Thailand there is the National Economic Development Board (NEDB) and the NEDB Executive Committee between Cabinet and Planning Office, while in Malaya, the National Development Planning Committee operates between the Cabinet and the Economic Committee of the Cabinet, on the one hand, and the Economic Planning Unit (i.e., the technical planning body) on the other. A few have even interposed three tiers between the Cabinet and the technical planning level. For instance, in what seems to be a superfluity of steps, planning proposals and plans in the Sudan move upward from an Economic Planning Secretariat in the Ministry of Finance to a second level, the National Technical Planning Committee (NTPC), a group of 17 permanent under-secretaries from various ministries, departments and boards. The responsibilities of the NTPC are to assess the country's resources, prepare draft development plans, recommend priorities for projects and the stages in which plans are to be carried out, and follow up the progress in implementing plans. The NTPC reports to a Development Committee, on a third level, under the chairmanship of the Minister of Finance and consisting of the ministers most concerned with development. The Committee's responsibilities are to consider the recommendations of the NTPC and report to an Economic Council, on a fourth level, composed in part of "neutral" ministers. The Council's responsibilities are to formulate economic

policy, and approve plans and annual budgets. These must go upward again to the Council of Ministers, on a fifth level, to obtain final approval. The five levels through which planning decisions must proceed might constitute a greater problem than they do if the NTPC were not the key group. In practice, once a matter has cleared through this Committee, the approvals of the Development Committee and the Economic Council are generally given routinely.

In sharp contrast with this approach, some countries have tried to combine into one planning agency both the policy and the technical planning functions. Under this arrangement, technicians and politicians are joined in a single agency immediately below a cabinet or council of ministers. Thus, the High Planning Council in Turkey's State Planning Organization is headed by the Prime Minister and has three ministers selected by the Cabinet,<sup>14</sup> the Under-Secretary in charge of the planning secretariat and his three department heads. The Indian Planning Commission also is a mixed body of ministers and technicians. Its membership has varied from 7 to 11 members. The Prime Minister is Chairman and the Ministers of Finance and Planning are *ex officio* members. Between 1951 and 1956 there were three ministers who were members. The number was thereafter increased to four and, more recently, to five. There are usually three to seven other members, some from outside the Government. All but one of these have been full-time members.<sup>15</sup>

The main rationale for planning agencies with both technical and political representation is based on two assumptions, both of which have already been mentioned. The first is that it is desirable for a central planning agency to be independent of government. The second is that government has an obligation for maintaining its authority over the planning process. These conflicting purposes are not believed to be

<sup>14</sup> The ministers were not specified in the law setting up the State Planning Organization because Turkey was being governed at the time by a coalition Government and it was necessary to assure representation on the High Planning Council for each of the three parties in the coalition. It was correctly expected that ministers selected would reflect political alignments rather than planning requirements. Thus, the Minister of Finance, who next to the Prime Minister is the most important Minister in Turkey, was not selected as one of the first group of the three ministers to serve on the Council.

<sup>15</sup> Paranjape, H. K. *Planning Commission, A Descriptive Account*, pp. 17-19. In mid-1964, the Planning Commission consisted of the Prime Minister, who was the Chairman, a full-time Deputy Chairman, the Ministers of Planning, Finance and Home Affairs (formerly Deputy Chairman of the Commission) and six full-time members.

necessarily incompatible.<sup>16</sup> Indeed, they are considered to be reconciled in a planning agency with both technical and political representatives. At the same time, these agencies are supposed also to have the additional advantage of bringing about a confrontation of political and technical views within the planning agency

to create a balance between the political and technical authorities, or rather to secure co-operation between politicians and technicians in the formulation and adoption of political decisions.<sup>17</sup>

Ministers and planning technicians in the planning agency are each supposed to contribute toward achieving this balance. The technicians supply the facts as they find them, letting the chips fall where they may, while the ministers provide their views based on political experience, thereby insuring that the final result adequately reflects both the technical and political aspects.

A cabinet planning committee composed only of ministers who control most public investment expenditures automatically provides in its membership direct liaison with the most important spending ministries for the purpose of co-ordinating planning activities. Adequate liaison with the technical planning body is obtained if the technical body acts as the secretariat of the cabinet planning committee, and if the person in charge of the technical planning body is appointed as the cabinet planning committee's secretary. But the presence of technicians (who are sometimes from outside the government) in a planning policy body makes it more difficult to insure liaison and co-ordination with other parts of government. In Turkey, where the technical members of the High Planning Council are the civil servants who run the technical planning body, the problem is minimal. The civil servants provide liaison with the technical planning body and the minister members link the Council with the Cabinet. Although it is an autonomous body, a somewhat similar arrangement is supposed to operate with Jordan's Development Board, because of the presence of ministers and civil servants as well as non-government representatives as members of the Board. In Iraq the Minister of Development, who was also a member of the mixed Development Board and whose Ministry contained the planning secretariat, used to provide such liaison as was possible at the

<sup>16</sup> See, for example, Salter, James Arthur. *Development of Iraq, A Plan of Action*, p. 98.

<sup>17</sup> Turkey. State Planning Organization. *Planning in Turkey, Summary of the First Five-Year Plan*, p. 5.



time to both the planning secretariat and the rest of the Government through his membership in the Cabinet. But among planning agencies with both technical and ministerial members, India has the most elaborate liaison system. The Government has gone to great lengths to counteract both the presence of outsiders as members of the Planning Commission and the Commission's location outside the mainstream of government administration.<sup>18</sup>

As with other planning agencies on the policy level with mixed membership, planning agencies with both political and technical members have been found to be wanting. In practice, attempts to merge the technical and political points of view in one agency "in order to balance them" have largely failed. Experience shows that a planning agency cannot be both autonomous and politically directed at the same time. The two purposes are, in fact, irreconcilable. It is unrealistic to suppose that technical factors can be put on an equal basis with political factors in the planning process. As one Indian economist put it,

it has to be recognized that the preparation of a plan is itself, at least in part, a political process. A certain amount of exercise of

<sup>18</sup> A series of close links has been established between the Commission and the central ministries. Thus, the Prime Minister is Chairman of the Commission. Several ministers are members. The Secretary to the Cabinet, who as the highest civil servant in the administration and as Chairman of the Committee of Secretaries to the various ministries co-ordinates the work of all other government secretaries, is Secretary to the Commission. He is assisted by an Additional Secretary who devotes full time to the Commission's work. Finally, the Chief Economic Adviser to the Ministry of Finance has until recently been Economic Adviser to the Commission. Besides, by convention, members of the Commission who are not members of the Cabinet are usually invited to attend meetings of the Cabinet or its committees when proposals related to their respective fields of work are being considered. Important development proposals made by ministries are first considered by the Planning Commission before they are sent to the Cabinet. Similarly, whenever the Commission considers any matter which concerns other ministries, representatives of those ministries are associated with its work. Co-ordination between the Commission and Parliament is the responsibility of the Minister for Planning, who for a time was also Deputy Chairman of the Commission and, in effect, its operating head. Liaison with the states is obtained through the National Development Council, whose membership includes the Prime Minister of India, the chief ministers of all the states and the members of the Planning Commission. In addition three, more recently four, high-level Advisers on Programme Administration in the Commission, who operate as "touring ambassadors," maintain close contact with the states. Within the Commission itself, close relations between the members and the planning staff are insured because each member is in charge of specific areas of the planning secretariat's work. One technical member is responsible for agriculture, a second for education, a third for industry, a fourth for natural resources and a fifth for perspective planning. The Minister of Finance is in charge of the Commission's work in finance.

pressure and some compromises would inevitably affect the final shape of the plan. If the Planning Commission looks upon itself as a technical and advisory body, it can make an effort to make the examination of individual proposals and its total recommendations as objective as possible. On the basis of such objective recommendations, the appropriate political authority will arrive at final decisions which are practicable in political terms. However, if in one and the same authority, both aspects of the process are inextricably mixed, one or the other must suffer. Inevitably, it is the objective approach that suffers. Both the composition and the situation of the Indian Planning Commission have resulted in pushing the aspect of technical expertise and objective examination into the background. To all intents and purposes, in the preparation of plans and examination of schemes and projects, the Planning Commission and its organs appear to act on the level of political practicability.<sup>19</sup>

Nor is it realistic to assume that political authorities will long countenance technicians who assert their legal right to equality in any controversy with government ministers in a mixed planning agency on the policy level. When, for example, the three civil service technicians on Turkey's High Planning Council attempted it, they ended up by resigning from the Council and the Government. When the State Control Commission, one of two planning agencies in Ghana,

consisted of an equal number of ministers and senior civil servants, it did not work satisfactorily, as in practice the latter had no way of getting their opinions on technical questions accepted.<sup>20</sup>

Even the technical members of the Indian Planning Commission, who are often eminent and highly respected individuals from outside Government, have shown a tendency to defer to the political members. Besides, the first Prime Minister of India was the key figure in the Commission. Where a difference arose between the political and technical viewpoints there was little question that within the Planning Commission,

the Prime Minister not only arbitrated the alternatives which flow from the two sides, but that his overriding person could make 'agreement' where the issues have not actually been resolved.<sup>21</sup>

<sup>19</sup> Gadgil, D. R. *Planning and Economic Policy in India*, p. 101.

<sup>20</sup> United Nations Meeting of Experts on Administrative Aspects of National Development Planning. *Administration of Planning in Ghana*, p. 5.

<sup>21</sup> Malenbaum, Wilfred. "Who Does the Planning?" pp. 305-306.

The ineffectiveness of Ghana's State Control Commission made it necessary to change it into an interministerial body. In Turkey, consideration is being given to converting the High Planning Council into a cabinet planning committee. In India, also, sentiment has developed for separating the technical and political aspects of planning. Whatever the eventual outcome of the continuing debate, it has produced an awareness that the merger of political and technical viewpoints in one planning agency on the policy level secures neither independent objectivity nor government responsibility in planning. Indeed, the results finally reached in such an agency by political bargaining and negotiation often obscure what was originally considered to be technically desirable and confound attempts to fix responsibility. When everything goes well, everyone takes credit. But when things go wrong, the technicians blame the politicians and the politicians blame the technicians, with no one the wiser since the role played by each is buried in the archives of the planning agency. It then becomes plain that a government must assume ultimate responsibility for development and, hence, for planning. For this, there must be a clear division between the political and technical tiers. This brings us back to the point made at the beginning of this chapter. In most countries, a cabinet planning committee has been found to be the most effective means by which a government can exercise authority commensurate with its responsibility for planning development.

#### THE TECHNICAL PLANNING AGENCY

Where a separate planning agency on the policy level exists, provision must also be made for a group of planners on the technical level. This group, as we have seen, may be located in various places: in the office of a chief executive, in an old-line agency like finance or economic affairs, in a ministry of planning or in an autonomous planning agency. It may be headed by one man or several. In Pakistan, for example, the Planning Board was a three-man body composed of full-time members. Each member of the three-man Board was nominally responsible for supervising the day-to-day activities of designated sections of the Board. In theory, the members of the Board collectively made all major decisions. But the Board almost never met as a body and the Chairman, an exceptionally able senior civil servant with great prestige, was the *de facto* operating head of the agency. Later, when the Board became the

Planning Commission with the President as its Chairman, the Deputy Chairman assumed the prerogatives formerly exercised by the Chairman of the Board. Since the two regular members of the Board and, later, the Commission have always accepted the Chairman's and, later, the Deputy Chairman's pre-eminence, there has never been any problem about the relative position of each member. But in Colombia, where two of the four Council members worked full time and expected to supervise specific activities of the technical staff, serious problems developed because the Director of the technical staff felt he could not administer his organization efficiently with two additional, and nominally equal, supervisors at his elbow all the time. In India, the problem has not arisen although responsibility for running technical planning activities in the Planning Commission is divided among Commission members. But this was partly because the Deputy Chairman (until 1964), the Commission's operating head, was a busy man with many duties. He was responsible for the Commission's relations with Parliament as Minister for Planning, for the work of specific sections of the Commission's technical staff as a member of the Commission and, in addition, for the central Ministry of Labor and Employment, whose portfolio he held. But the pre-eminence of India's first Prime Minister was the most important reason why few problems arose from what superficially appeared to have been multiple direction of the Commission's technical planning activities. He was the effective head of the Commission and because of his personality, the other members were, in fact as in name, his subordinates. More recently, a new full-time Deputy Chairman assumed office. He has made it clear that he operates as the effective day-to-day head of the Planning Commission.

On the basis of the available experience, therefore, there is little to recommend a system which divides responsibility for directing a technical planning agency in a less developed country among several people. Collegiate executive groups do not work well in countries where personal leadership is the rule. Where, as in Pakistan and India, collegiate executive groups appear to have operated effectively, examination indicates that one member of the group was in fact the recognized head. But where, as in Colombia, the dominance of one of the group was not accepted by the others, it has led to dispersion of authority and conflict among members of the group.

The disadvantages of a group as the executive head for a technical planning agency must be widely apparent or suspected since one-man direction is by far the most common form. If the technical body is in a

ministry, the head is generally either a minister or a subordinate. If it is an autonomous agency, its director or a subordinate usually heads the technicians. If the technicians are in a chief executive's office, one man is usually appointed as the head.

The question of what rank the head of a technical planning agency outside a ministry should have is one that has been much debated. In some countries, e.g., Pakistan and Indonesia, the operating head of the agency has the rank of minister without cabinet status. This may give some satisfaction to the one who possesses the title; it may also, as it does in Pakistan, insure that all important cabinet papers are made available to the head of the central planning agency and that he has an opportunity to comment on them and to present the planning agency's views at Cabinet meetings;<sup>22</sup> but it is doubtful whether it helps much in improving the standing of his agency. Indeed, a case can be made for the view that to put the head of a planning agency on the ministerial level weakens, not strengthens, his position vis-a-vis the other ministers. He needs no official rank if he draws his strength from the fact that he speaks to the ministers with the authority of the chief executive. In Pakistan and Indonesia, as in other countries, the position of the technical planning agency largely depends on the attitude of the Chief Executive toward it and the closeness of the relationship which the agency's operating head has established with the Chief Executive and his Cabinet.

Where a cabinet planning committee or mixed planning agency exists, the head of the technical planning agency should be its secretary and prepare its agenda, and the technical planning agency should be its secretariat. In the USSR, where the head of the *All-Union Gosplan* reports directly to the Council of Ministers, he always participates in the Council's economic deliberations. It is desirable, similarly, in mixed-economy countries, for the head of the technical planning agency to be invited to participate in cabinet discussions when they relate to planning matters.

Because of the close association which the head of a technical planning agency must have with a chief executive and his cabinet, it is much more important that he have the full confidence of the chief executive and know how to work well with ministers and heads of agencies than that he be an economist or a planning technician. He

<sup>22</sup> The same objectives, and more, can sometimes be achieved by designating the head of the central planning agency as the Economic Secretary of the Cabinet with responsibility for preparing its economic agenda.

need only know how to use the results produced by economists and planners and how to make them comprehensible and acceptable to the political authorities. There are economists and planning technicians who have the confidence of a chief executive and, more rarely, the co-operation of ministers and heads of agencies. Of course, when such a person is available, he can also head a technical planning agency. But well-trained economists and planning technicians are scarce, especially in less developed countries. Furthermore, the record unfortunately shows that the heads of technical planning agencies are expendable. When things go awry with plans or when a government changes, they are among the first to go. Some have even had their civil rights suspended, a few have been jailed, and one was executed. A question arises, therefore, whether it is not better for a planning technician, as well as for planning, if he seeks and holds the job next to the top one instead of the top job in a technical planning agency, leaving the top job to someone who is easier to replace. In some countries, e.g., Iran at one time, the head of the planning agency was primarily concerned with those tasks which required political contacts outside the agency.<sup>23</sup> While he engaged in discussions with ministers, politicians, businessmen and other persons and groups outside the agency, a technician was in charge of the technical aspects of plan preparation and execution within the agency. In this way, the holder of the top job acted as a buffer for the technician against the shafts which ministers and other politicians regularly aimed at the planning agency. There is, however, this difficulty in the way of widespread application of this formula: few planners have demonstrated the "passion for anonymity" required to forego the top job when the opportunity arose to get it.

#### SUMMARY AND CONCLUSIONS

The preparation and overseeing of national plans require machinery to carry out (1) procedures by which a plan's goals are approved and implemented and (2) the process by which a plan is prepared on the basis of the approved goals. The first set of tasks requires action on the political level, in most countries by the chief executive and his cabinet. The second set of tasks requires action on the technical level, usually by a body of technicians. In general, the more direct the connection between the political and technical levels, the better.

<sup>23</sup> Chile has a similar arrangement for its *Oficina Central de Planificación*.

Because the chief executive and cabinet of most mixed-economy countries are too overburdened to devote the time required by development planning, there is an increasing tendency toward establishing a planning committee of the cabinet as an intermediary group between a cabinet and a technical planning agency. The committee is generally headed by the chief executive and is composed of the ministers most concerned with development policy and the head of the central bank if he is responsible for monetary and credit policy. Some countries prefer to include in the committee's membership ministers who do not have large claims on investment resources, on the belief that this helps assure objective assessment of investment proposals submitted by spending ministries and agencies. But for several reasons, a committee with "neutral" ministers is likely to be less effective than one composed of ministers with the greatest stake in development.

A committee of the cabinet must be kept small if it is to operate efficiently. Other ministers can be invited to join committee meetings when subjects of direct concern to their ministries are being considered. It is important that the ministers themselves attend committee meetings, because if one minister begins to send a subordinate, other ministers are likely to follow suit—and the committee is likely to become a discussion group of civil servants without power to make basic decisions. Experience shows that in countries with a civil service tradition, a subministerial committee can perform a useful purpose in reviewing and criticizing proposals, but that it is an inadequate substitute for a cabinet planning committee.

It is important that a country's chief executive be the chairman of a cabinet planning committee. Although he may appoint a high official to act as vice-chairman for ordinary business, it is essential that the chief executive himself preside over committee meetings when major questions are discussed. If the top authorities do not have the necessary time to participate in major discussions, the country is unlikely to develop rapidly.

Some countries have tried planning bodies which combine ministers with members from outside a cabinet, but such planning bodies have generally been found to be less effective than cabinet planning committees. The inclusion of regional or provincial representatives, foreigners, legislators, and representatives of the public or business interests in planning agencies on the political level have generally inhibited close relationships between the agencies and their government authorities. This is because governments have been unwilling to entrust policy-

making functions to outsiders who bear no public responsibility for governing a country. Because of this, it is preferable to obtain the participation of interested persons outside a cabinet in the planning process by setting them up in separate advisory groups.

The planning machinery in most countries has operated with only one level or tier, in the form of a cabinet planning committee or one of mixed composition, between the cabinet and the technical planning agency. But some operate with two or, with what seems to be a superfluity of steps, three tiers.

In contrast, other countries try to combine in one planning agency both policy and technical planning functions. Those who favor this kind of organization believe that it reconciles what would otherwise be incompatible objectives, i.e., a central planning agency's need for independence from political authorities and a government's obligation for maintaining its authority over the planning process. But a cabinet planning committee, composed only of ministers who control most public investment expenditures, automatically provides direct liaison with the most important spending ministries. Liaison with the technical planning body is obtained if the person in charge of the technical body acts as the cabinet planning committee's secretary. The introduction of technicians in a planning body, especially if they come from outside government, makes it more difficult to insure liaison and co-ordination with other parts of government.

Experience shows that a planning agency cannot be both autonomous and politically directed simultaneously. The two purposes are, in practice, irreconcilable. A government must assume ultimate responsibility for development and, hence, for planning, and this requires that there be a clear division between the political and technical planning levels.

Where a separate planning agency on the policy level exists, there must also be a group of planners on the technical level. This group may be located in one of several places. It may be headed by one man or several. A system which divides responsibility for directing a technical planning agency among several persons has little to recommend it. Experience shows that direction by one man is best.

The question of what rank this man should have has been much debated. But the question is usually unimportant since the status of the head of a technical planning agency is largely determined, not by his rank or title, but by the attitude of the chief executive toward him and the agency he directs. He need not be an economist or a planning



technician. It is much more important that he have the full confidence of the chief executive and his ministers. And he needs to know how to use the results produced by economists and planners and how to make them comprehensible and acceptable to the political authorities. Well-trained economists and planners are scarce. Unfortunately, the heads of technical planning agencies are often made to bear the brunt when things go wrong. Due to the political perils of the job, it would appear better for the scarce planning technicians to hold the job next to the top one instead of the top job in a technical planning agency, leaving a buffer for the technicians, who would be free to concentrate on the technical aspects of planning for which only they are fitted by training and experience.