

Chapter XV

Organization of a Central Planning Agency

It is tempting to 'solve' the administrative tasks involved in planning by drawing and redrawing organization charts.—Anon.

STAFFING DIFFICULTIES

THERE IS an acute shortage of trained and experienced planning technicians and, as will be seen later, the shortage is exacerbated in most countries by the way in which technicians are organized in central planning agencies. Despite the establishment of United Nations' institutes in Africa, Asia and Latin America for training planners, as well as the expansion of the World Bank's Economic Development Institute to increase the number of planning personnel trained each year, the shortage is not likely to be greatly alleviated in the immediate future. It takes time to train planners and the demand for them is expanding more rapidly than the supply can be increased.

Planning is a multidisciplinary process which requires many skills. Technicians with a knowledge of mathematics, statistics, econometrics and research techniques are essential to carrying out the planning function. In addition, the planner should be well acquainted with the political and administrative organization in the country in which he works if he is to judge correctly the possibilities of implementing the plans he prepares.¹

Besides administrators who are necessary for co-ordination, central planning agencies use many kinds of technicians, including accountants, agronomists, architects, engineers, physical and social scientists, lawyers, educational experts, mathematicians, statisticians and even physicians and dentists. These technicians can provide technical infor-

¹ Abdel-Rahman, I. H. and Ramzi, M. *Organizational and Administrative Aspects of Development Planning*, p. 25.

mation and appraisals which are very useful in planning. But since the core of a central planning agency's work is to ascertain alternative choices for using resources, a task which is basically economic, a planning agency's greatest need is for economists. The establishment of a central planning agency also tends to accentuate the demand for economists in operating departments, ministries and agencies in a government. It is, therefore, the scarcity of qualified economists which is especially noticeable when a country attempts to plan.

Even when a central planning agency locates suitable economists and other specialists, it may be unable to recruit them or keep those who have been engaged. There may be several reasons for this. A position with a planning agency, especially when it is new, normally confers less prestige, power and opportunities for advancement than do comparable positions in operating organizations. Because of this, most technicians who want to work for a government prefer the greater security and superior status of regular government jobs, especially since a planning agency's salaries and personnel policies are often no better than those in other parts of government.

Nor are planning agencies able to compete successfully for personnel with autonomous public corporations or private firms. Technicians in many countries prefer, as a matter of principle, not to work for government. Some specifically object to working for a central planning agency, especially if it becomes evident that its proposals are largely disregarded by a government. But even where technicians have no aversion to working for a government or a planning agency, they can frequently earn more in private industry or in autonomous public corporations than in a planning agency. In Pakistan, for example, the Planning Board followed cumbersome civil service rules for establishing positions and for selecting, training and promoting personnel which seriously impeded the acquisition and retention of qualified technicians. Under these rules, salaries were determined on the basis of seniority instead of merit or performance. The salaries which the Board offered well-trained candidates without seniority were not high enough to compete with those paid by private industry, autonomous entities or international agencies and attempts to get government approval for higher salaries met with little success.² The Iraqi Development Board at first was able to obtain a staff of well-qualified technicians by paying higher wages than those prevailing in the rest of the government. But

² Waterston, Albert. *Planning in Pakistan*, p. 22.

when the Board was reorganized in 1953, Iraqi employees were incorporated into the regular civil service and salaries were reduced accordingly. This action induced staff resignations and resulted in reduced efficiency. In Nigeria, low starting salaries and low-level positions have made it difficult to attract and retain competent economists and planning technicians in regional and federal planning agencies.

Sometimes a central planning agency is set up on a temporary basis. When this happens it finds it especially difficult to acquire a qualified staff. Pakistan's Planning Board was greatly handicapped because it was a temporary organization for the first three years of its existence in an environment in which civil servants considered job security, seniority, rank and status to be of prime importance. Because it was a temporary agency, the Board could not offer jobs with permanent civil service status and had to obtain people either on short-term contracts or on loan from other agencies.³

Central planning agencies have generally found that if they are not to attract only "the rich, the crooked or the incompetent," they must be exempted from the unduly restrictive civil service regulations which prevail in many countries and pay salaries above those paid to regular government employees. But since it has not been easy to change the rules, planning agencies have often had to resort to subterfuge to acquire competent personnel. A central bank or other autonomous agency may be prevailed upon to put, or retain, a planning agency's employees on its payroll with higher salaries than those paid in government or to pay a part of their salaries; persons from other government agencies may be temporarily assigned from their regular jobs to the planning agency; temporary or part-time employees may be engaged; or full-time employees may be appointed to paid posts on committees or permitted to hold second jobs elsewhere.

³ *Ibid.* A temporary planning agency is also undesirable for reasons other than personnel difficulties. Indeed, a temporary planning agency is an anomaly because planning is a continuous process. Indonesia's Eight-Year Development Plan was drawn up by a temporary National Planning Council assisted by *ad hoc* staffs of civil servants in each operating department and working parties. When their tasks were completed there was no planning body left to review the Plan and make necessary recommendations to the authorities for appropriate action. Norway has found that its practice of using temporary planning secretariats to formulate multi-annual plans "is not a satisfactory system. Problems connected with long-term planning are so numerous and complicated that it is essential that there be a permanent organization to attend to and take the responsibility for this work." (Norway. Royal Norwegian Ministry of Finance. *Extension of Economic Planning*, p. 4.)

These ways of staffing a planning agency are hardly ideal. While the use of part-time, borrowed or temporary personnel may be justified occasionally as an expedient to supplement a regular staff, a central planning agency must have a strong nucleus of regular, full-time technicians to insure planning continuity. In some countries, e.g., Colombia and Greece, the only way such a nucleus could be obtained was by engaging technicians by contract, a system of employment which circumvents civil service salary regulations. In other countries, e.g., Israel, more than the usual number of senior positions were established and exempted from restrictive civil service regulations. Only rarely do governments accept the need for central planning agencies to establish salary levels and other conditions of employment which will attract qualified technicians in sufficient number. When salary levels are high enough to attract competent personnel, other factors may intervene to interfere with the building up of a body of qualified technicians. In the Philippines, for example, salaries paid by the National Economic Council (NEC)

are generally on a much higher level than those in government corporations. . . . There is every reason to expect, therefore, that the NEC has among the best brains of the country on its staff. Yet, the very wide gap between NEC salary scales compared to the rates obtaining generally in the government service has been a source of trouble for personnel management in the agency. Positions in the NEC have been subject to political bargaining. The result is that, with respectable exceptions, technical jobs are now held by persons whose main qualification is political backing.⁴

Governments with well-developed civil services find it desirable, as part of the regular civil service rotation system, to add to the regular staff of a planning agency personnel with general administrative experience. For example, out of 49 staff members in Japan's Economic Planning Agency, 28 civil servants seconded from economic ministries were assigned for two-year periods.⁵ While many positions in a planning agency require technical training, administrators are also needed. In the Indian Planning Commission, for example, co-ordination work is often done by general administrators. Experience has shown that such general administrators are as useful as specialists for management and

⁴ Philippine Delegation. *Administration of Economic Planning and Programs in the Philippines*, p. 3.

⁵ Abdel-Rahman, I. H. and Ramzi, M. *Organizational and Administrative Aspects of Development Planning*, p. 10.

administrative jobs, and for some technical jobs.⁶ In Pakistan, civil servants with general administrative experience who are scheduled for assignment with the Planning Commission may go through a period of technical instruction at a university at home or abroad before taking up their duties with the Commission. Rotation is considered desirable in Pakistan because the Planning Commission is believed to offer too circumscribed an opportunity for a permanent career. Even more important, rotation of civil servants helps institutionalize planning in the government administration by providing the Planning Commission with personnel who have close connections in other parts of Government and by providing operating organizations with civil servants who have acquired planning experience in the Commission.

In the United Kingdom's semiautonomous National Economic Development Council (NEDC), the inclusion of some civil servants seconded by government departments in a staff largely drawn from industry and universities was considered an asset because it provided NEDC with people who are directly linked to the regular government administration and to the civil servants who are responsible for its operation. A Venezuelan decree⁷ classifies officials anywhere in the Government who perform programing or planning work as planning officials and provides for their rotation between the central planning agency and the operating organization; while in France, the fact that some staff members of the Commissariat Général du Plan are only temporarily detached from their regular departments is considered to provide assurance to every one that

the Plan is not the citadel of a clan or a group, but a meeting place where all people are welcome.⁸

LEGAL AUTHORITY

Some public administration experts believe that a central planning agency which has been established by statute has advantages over one that has been created by executive decree or resolution. Thus, a study prepared by the International Institute of Administrative Sciences for the United Nations contends:

⁶ UN. ECAFE. *Planning Machinery in India*, p. 16.

⁷ No. 492.

⁸ Massé, Pierre. "French Methods of Planning," p. 3.

Since planning and economic development involve the allocation and use of scarce resources, they usually result in political pressures from various groups which seek to maintain or increase their economic advantages. Establishment of the development organization by law offers some protection against selfish political pressures.⁹

But the available evidence does not support this view. Thus, on the one hand, Iran's Plan Organization, which was duly established by statute, was for a long time subjected to unremitting political pressure to which it eventually surrendered; while on the other hand, India's Planning Commission, which was set up by a resolution of the Government, has proved itself well able to resist political pressure. Nor does the manner of establishment seem to have much bearing on the status of a central planning agency. The Indian Planning Commission has enjoyed great prestige while the Philippines' National Economic Council and Thailand's National Economic Development Board, which are statutory bodies, have yet to win full acceptance by their respective Governments. If a central planning agency is supported by its government, the way it was set up appears to matter little; if it does not have that support, it is unlikely to be helped much because it was created by law.

Planning is a dynamic process involving many imponderables which only become apparent in operation. As the Indian experience shows, a planning agency which is not bound by legal rigidities can adapt itself easily to changing circumstance. In contrast, a legally constituted planning agency may lack flexibility since it must operate within the confines provided by law.¹⁰ If the law has been couched in broad terms, this is not a serious handicap. But in some countries, laws creating central planning agencies go into such great detail that they unduly restrict the agency's freedom of action. For example, the law which established Costa Rica's Planning Office¹¹ not only spelled out the Office's organizational subdivisions and minutely defined their functions and interrelationships within the Planning Office;¹² it also specified that the Office's Department of Long and Medium Term

⁹ Stone, Donald C. and Associates. *National Organization for the Conduct of Economic Development Programs*, p. 46.

¹⁰ Natarajan, B. *Plan Coordination in India*, p. 4.

¹¹ Asamblea Legislativa. Decreta, "Ley de Planificación," p. 413.

¹² Thus, Article 12 of the law provides that the Department of Annual Plans in the Planning Office must present the Office's Director with an annual plan not later than January 31 each year.

Plans must prepare ten-year and four-year development plans, that they must be rolling plans and that the ten-year plan must be based on a "permanent study of the supply and demand of manpower."¹³

THE ORGANIZATION CHART

Whenever possible, the internal organization of a central planning agency should not be fixed in detail in the law establishing the agency. Experience reveals that the initial concept of a central planning agency's internal structure rarely endures for long. In a surprisingly large number of cases, it is not put into practice from the start. Changed circumstances, the progress of planning or the replacement of a director frequently make it necessary to alter an agency's organization. Where the organizational setup has been fixed by law, this is not easy to accomplish. It is therefore preferable to leave to administrative determination what the detailed internal organization should be at any time.

Changes in organization, both minor and major, are so common in most planning agencies that it is hard to keep organization charts up to date. Shifts in the structure of power—within a government, in a planning agency or in both—may bring about basic realignments in command which are only inadequately reflected in an agency's chart of organization. In practice, therefore, few organization charts accurately represent the actual form of organization of a central planning agency.¹⁴ What is more important, charts do not show how personnel are distributed, whether the agencies work and, if they do, how they work. In the UAR's National Planning Commission, for example, a separate evaluation unit was unable to produce useful progress reports. It was therefore incorporated in the annual planning section, which was best able to compare results with plan targets. Actually, evaluation and progress reports were first made in each sectoral unit of the Planning Commission and then combined into a consolidated report by the evaluation unit. In the same way, both the form and function of other parts of the planning agency have evolved until they differ substantially from those included in the original law. The statute which

¹³ *Ibid.* Articles 7 and 8.

¹⁴ This is why only a few central planning agency charts are reproduced in the Appendices. Those shown are intended mainly to be illustrative rather than precise statements of organization.

created Turkey's State Planning Organization provided it with three Departments: Economic Planning, Social Planning and Coordination. But from the beginning, the Economic Planning Department has dominated the activities of the State Planning Organization. There is, in fact, no real division among the three Departments, and technicians in Social Planning and Coordination usually join forces with those in Economic Planning in working parties dealing with all problems.

The kind of organization which a central planning agency has depends on the kind of planning it does, the extent to which it engages in executive activity, and on requirements which are peculiar to the country concerned. The more detailed the planning, the more complex and unwieldy the organization must be, and the more inefficient it is bound to become. A plan including targets for the production of everything from tractors to vest buttons, as is sometimes the case in the socialized countries, needs a more elaborate organization than if it were limited to government action in a few key sectors, as is frequently the case in mixed-economy countries. If a plan lays out details of projects and programs, organization has to be more elaborate than if it simply formulates key policies and relies on operating organizations to work out details; more elaborate if the planning agency supervises execution of the plan, or carries out projects and programs, than if it limits itself to advisory function; and more elaborate if the agency prepares regional plans, or has to integrate them into a national plan, than if it does neither. The organization will also reflect special responsibilities which a planning agency may have to prepare, or supervise special programs, e.g., community development or village aid.

The size of a central planning agency's staff also depends on the kind of planning involved and the responsibilities assumed. Thus, the number of persons employed in central planning agencies in socialized countries is, on the average, much greater than in the mixed-economy countries. Bulgaria and Hungary, for example, have planning agencies with staffs of about 500 each, while Poland's numbers almost 800. Such large planning offices are to be expected in socialized countries since planning there is considerably more detailed and planning offices are more involved in executive activity than in the mixed-economy countries. Yugoslavia is again the exception among the socialized countries. When planning in that country followed the Soviet model, some 700 people were employed by its central planning agency; now that the planning agency is only an advisory body and draws up plans in broad outline, which republics, districts, communes and enterprises are ex-

pected to carry out, the number employed in the central planning agency amounts to about 180.

In the mixed economies, Iran's Plan Organization has had a force of about 1,000 because it implemented as well as formulated projects and plans. India's Planning Commission employed about 1,130 persons in 1964, not only because it is responsible for co-ordinating state and regional plans into the national plan, but also because it has frequently gone beyond the limits of an advisory body. Most central planning agencies in mixed-economy countries have staffs which range from 25 to 100 persons. The French *Commissariat Général du Plan* has a total planning staff of about 100 (of which 40 to 50 are professionals) but it relies heavily on other government agencies for many services. In contrast, Argentina's National Development Council, which carries out a considerable amount of research and also prepares sectoral programs, has a staff of about 375 persons.

Only about one-third to one-half of a central planning agency's staff is generally classified as professional, the rest being administrative and other supporting personnel. Among the professionals in the central planning agencies of the less developed countries, few can be considered to be adequately trained and experienced. A planning agency with 50 to 60 persons listed as professionals is fortunate if it can count on five or ten individuals who are qualified by training or experience to carry out planning tasks with reasonable competence. Many an accountant, lawyer, engineer or physicist in central planning agencies performs the tasks of an economist. Some do it well, but most do not.

Because of differences in approach to planning and in circumstances in each country, there is no standard organization chart for central planning agencies which can be used as a universal model. At one extreme, at least in mixed-economy countries, is the organization chart of Iran's Plan Organization (Appendix V), which includes bureaus for supervising and following up plan implementation, financial budgeting and control of development expenditures, and engineering review of projects and programs, as well as planning; at the other extreme is the exceedingly flexible organization of the French *Commissariat Général du Plan*, which essentially comprises three small task forces dealing with (1) general economic and planning problems, (2) financial problems related to planning, and (3) regional planning. In the Philippines, the National Economic Council has a secretariat divided into an Office of Statistical Coordination and Standards (to promote an orderly and efficient statistical system), an Office of Foreign Aid

Coordination (to co-ordinate foreign aid and technical assistance) and an Industrial Development Center (to assist in the establishment of new industrial enterprises and in increasing productivity in existing plants), as well as an Office of Planning (Appendix VI). In Morocco, the Division of Economic Coordination and Planning was more a central statistical office than a planning agency (Appendix VII); while in Mexico, a Bureau of Planning and a Bureau of Public Investment, existing at the same level in the Department of the Presidency have created

a curious dichotomy . . . as the result of the coexistence of two parallel agencies independently occupied with two parts of what is essentially a single whole: national planning and the management of public sector investment.¹⁵

Nevertheless, most central planning agencies have basically similar organizations which include units, separately or in combination, for (1) planning, (2) progress reporting and plan evaluation, (3) co-ordination of plan formulation and execution, (4) technical assistance, (5) public relations and (6) administration.

The part concerned with planning is the heart of the organization. It is generally divided vertically (or sectorally) into sections dealing with specific sectors of the economy, and horizontally (or functionally) into sectors dealing with macro-economic and aggregative planning problems. The number of vertical sections varies with the importance attached in different countries to specific economic sectors or branches. The UAR's National Planning Commission has eighteen. The Indian Planning Commission has ten (Appendix VIII); Pakistan's Planning Commission has eight (Appendix IX); Ceylon's planning agency has only three. In the socialized economies, where heavy industry is important, industry is likely to be subdivided into sections dealing with ferrous and nonferrous metallurgical industries, mechanical construction and chemicals; fisheries are combined with industry in Portugal and with agriculture in Tunisia; in Yugoslavia tourism constitutes a separate section; and so on.

As previously indicated, authorities agree that operating organizations are primarily responsible for formulating sectoral programs and a central planning agency for reconciling them with each other and for integrating them into an aggregative plan. The establishment of sec-

¹⁵ Wionczek, Miguel S. "Incomplete Formal Planning: Mexico," p. 166.

toral sections in a central planning agency therefore calls for a small staff of specialists to do work which operating organizations cannot or should not do. Specialists in operating organizations almost always look at problems from the limited point of view of their own sector, while specialists in a central planning agency generally take a broader, national point of view. If there is close co-operation and collaboration between the technicians in the sectoral units of the planning agency and the operating organizations, both views can be harmonized. Otherwise, differences can and frequently do lead to duplication of effort. In the Indian Planning Commission, for example, the sectoral sections are supposed to collect and analyze data required to help formulate sectoral policies and programs. They are also supposed to keep in close contact with their counterparts in the various ministries and with the various departments in the States to assure a constant exchange of technical knowledge and information about policies and programs.¹⁶ Yet the view has been expressed that the sectoral sections in the Planning Commission sometimes duplicate the work in the central ministries and in state Governments, thereby divesting the ministries and states of a sense of responsibility for programing and for supervising execution in their respective fields.¹⁷ The same thing could be said about the central planning agencies in other countries.

The functional sections have the task of combining and reconciling the sectoral programs which operating organizations are supposed to produce with the assistance of the specialists in the central planning agency's sectoral sections. They also make

estimates of the value of total production in the economy; the flow of income to business enterprises, consumers, and the government; anticipated expenditures for goods and services by consumers, private business enterprises, and the government; the capacity of the economic system as a whole to supply the quantities of goods and services the three groups will wish to buy; and the capacity of the country's foreign earnings to finance the purchases the three groups will wish to make abroad. . . . [They make] estimates of changes in fiscal, monetary, and foreign exchange control policies on the aggregate demand for goods and services.¹⁸

One section may prepare long-term, medium-term and annual plans or there may be separate sections for each. In India, Pakistan and some

¹⁶ Natarajan, B. *Plan Coordination in India*, p. 15.

¹⁷ Gadgil, D. R. *Planning and Economic Policy in India*, pp. 107-108.

¹⁸ Hagen, Everett (ed.). *Planning Economic Development*, pp. 339-340.

other countries, a separate section prepares the long-term or perspective plans. There is also an increasing tendency to place manpower problems in a section of its own in keeping with the greater attention which planners are now giving to these problems. The Colombian and Honduran central planning agencies, in common with some others, have sections responsible for physical planning of urban and rural development. Where an agency engages in research, there may be a special research section. The UAR's National Planning Commission has two research units, one for Economic Research, the second for Operations Research.

Where a central planning agency has jurisdiction over the collection, arrangement and publication of government statistics, it will generally have a separate statistical section or division, with subunits, to carry out this function. In Tunisia, however, the central planning office in the Ministry of Planning and Finance chose to distribute the 150 members of the central statistical staff among its planning units. This approach may make it easier for each unit to control the statistical work for the economic sector with which it is concerned, but it greatly increases the need for, and difficulty of, co-ordinating all statistical activities. Even where there is an independent central statistical office, there may be a small statistical section in the planning agency to evaluate or regroup statistical data for planning purposes or to conduct quick surveys. The Indian Planning Commission, for example, has a Statistics and Surveys Division for these purposes. There may be advantages in having a few statisticians attached to a central planning agency to deal with short-range statistical estimations. They can collect information from other entities, including the central statistical office, and make analyses required by planners. Such an arrangement leaves the central statistical office free to continue its longer-term statistical programs without frequent interruptions from planners for *ad hoc* investigations and interpretations. But a statistical section of this kind in a central planning agency is likely to be more useful at a later than at an early planning stage. It is important, in any case, that the field of operation of the statistics section be clearly delimited. If it assumes too many functions, it may end up duplicating or usurping the work of a central statistical office.¹⁹

In some circles, there exists a strong conviction that the traditional

¹⁹ This is avoided in India's Planning Commission by having the Director of the separate Central Statistical Office act, *ex officio*, as Chief of the Statistics and Surveys Division.

administrative structure of many governments in less developed countries usually has been oriented toward economic action, and, as a consequence, that this has retarded social planning. Thus, the Economic Commission for Asia and the Far East (ECAFE) has concluded that

the persistence of the economic-biased machinery [in ECAFE countries] has tended to obstruct social development planning.²⁰

This belief, shared by a number of countries, has led some to set up separate social planning entities within their central planning apparatus to redress what they considered to be an imbalance between social and economic development planning. At one time, for example, Burma established a Social Planning Commission as well as an Economic Planning Commission and, in Honduras, a Division of Social Planning was set up alongside a Division of Economic Planning in the central planning agency of that country. Iran and the Philippines also have established social planning units separately from economic planning units in their central planning agencies. A Social Planning Department, as well as an Economic Planning Department, was included on the same organizational level in Turkey's State Planning Organization because it was believed that planning for social projects and programs involved inherently different techniques from economic planning (Appendix X).

But the division between social and economic planning has proved to be an artificial one. In practice, it is difficult or impossible to distinguish between the two. Decisions made in economic planning generally determine results in the social field. Thus, if a target to increase production by, say, 8 per cent per annum is set in a plan, the resources required to achieve such a high target, and hence the resources remaining for social programs, are largely predetermined.

If a central planning agency is entrusted with the co-ordination of technical assistance, this function is almost always carried out by a special section. In most central planning agencies, a progress reporting and plan evaluation section is generally separated from a planning section. In Pakistan, for example, it was set up as an independent section; while in Turkey the function was included in a Coordination Department with three sections, one to follow up the implementation of plans, another to co-ordinate public and private plan execution, and

²⁰ UN. ECAFE. "The Interrelationships Between Social and Economic Development Planning," p. 21.

the third to recommend administrative, financial and legal measures to facilitate plan implementation. Tunisia has a similar form of organization, with an office for plan supervision and co-ordination (*Sous Direction du Contrôle du Plan*) set apart from the office concerned with the drafting of plans (*Direction du Plan*). Those who advocate separating progress reporting and plan evaluation from the planning function within a central planning agency believe it is important that planners should not be asked to report on, and evaluate the progress of, their own plans. But experience indicates that evaluation units separated from planners usually do not have enough knowledge of the plan to evaluate its progress effectively. In the UAR, for example, a separate evaluation unit set up in the central planning agency was eventually combined with the planning section because the planners were found to be best able to relate to the plan data received from operating organizations on the progress of their projects and programs.

With the growing interest in regional planning, central planning agencies are increasingly establishing a section concerned with the co-ordination of regional planning. India has for many years had a Programme Administration Division which acts as a secretariat for the three or four Advisors for Programme Administration whose responsibility it is to assist States in their planning activities and maintain liaison between the Planning Commission in the Central Government and the planning bodies in the states. Several of the emerging countries in Africa, including the Malagasy Republic, Mali and Senegal, also have sections in their central planning agencies which are responsible for co-ordinating regional with national plans. Like India, Madagascar and Senegal use touring representatives from their central planning agency to maintain close liaison with planning bodies in the regions.

Finally, all central planning agencies have an administrative section which performs the usual housekeeping functions for the agency. This section may also include units concerned with publications and public relations.

If a central planning agency composed of a series of interdependent functional and sectoral units is to perform satisfactorily and meet its planning deadlines, the activities of the various units must be co-ordinated and scheduled in accordance with a strict timetable. It is not unusual to find central planning agencies in which one section knows little about what other sections are doing. Two or more sections may send questionnaires on the same subject to other government offices or to an industry within a short period of time without being aware of the

duplication. A system may not have been established to make available or even call attention to information obtained by one section to the others. As a result, much existing data needed to fill gaps in knowledge go unused. Duplication, wasted effort and the presentation of data in noncomparable forms are frequent. For example, in one Latin American country, the plan-frame included tables prepared by different sections of the central planning agency, some of which were in current prices and others in constant prices.

For effective planning, there is need to insure that basic production, income, investment, revenue, population and other data used by one section of a planning agency are the same or consistent with those used by other sections; that projections produced by one section are reconcilable with those produced by other sections; and that financial and physical targets are synchronous. For this purpose, there must be frequent meetings and consultations among the heads of the various units in a central planning agency. It may be desirable for a planning agency to set up a "consistency committee," composed of the chiefs of units engaged in substantive planning, with the task of achieving internal consistency in basic data and approach to planning. Such a committee is used with considerable success in Pakistan's Planning Commission. Pakistan's consistency committee not only attempts to insure that uniform basic data are used in all parts of the Planning Commission; it also produces preliminary evaluations of progress and other reports providing data for projections made by the various sections of the Commission.

Many central planning agencies operate on an *ad hoc* basis and unforeseen "rush jobs" frequently intervene to interrupt the regular course of work. Few planning agencies, even those which have existed for a long time, operate in accordance with well-defined operating procedures. Worksheets and other basic source materials are rarely maintained for reference purposes, filing systems are inadequate and even such a simple matter as getting copies of an important compilation of statistics may become a major task for heads of sections. There is little or no follow-up on matters of importance either inside or outside the planning agency because no one may have been made responsible for this. Liaison with other parts of government may be haphazard and personality problems, inevitably encountered in every organization, may make it impossible for appropriate liaison and co-ordination between a planning agency and other government offices to operate effectively.

There is, therefore, much need for "planning the planning" in central

planning agencies. But the greatest need in most central planning agencies is for central co-ordination by a high official whose primary responsibility it is to perform this function. In many countries, the director of the planning agency attempts to do this job. The heads of sections, even at the lowest levels, may report directly to him, especially if there are vacancies in the upper echelons of the agency. Since the director of a planning agency has many responsibilities, coordination is frequently inadequate. In Indonesia, for example, the National Planning Bureau for the first year and a half of its existence was

a kind of headless monster. General direction and co-ordination were provided by the Minister of Finance, Dr. Sumitro, who had been designated by the Prime Minister as co-ordinator of the Planning Bureau. Because of the wide range of his responsibilities, however, Dr. Sumitro was unable to give continuous attention to the affairs of the Bureau.²¹

In Pakistan, also, activities of the Planning Board and, later the Planning Commission, were poorly co-ordinated because the operating head of the planning agency could not, in the absence of a "chief of staff," cope with the task and also discharge his other obligations. In Thailand, as in Pakistan, vacancies in the upper levels of the central planning agency aggravated the problem of co-ordination. At one time, Thailand's National Economic Development Board (NEDB) included a Technical Cooperation Office, a Central Statistical Office and a National Income Office, as well as a Planning Office. But the post of Planning Director had not been filled and all section heads in the Planning Office reported directly to the Secretary General of the NEDB or to one of his two Deputies. Only the Secretary General made an attempt at co-ordinating the work of the sections in the Planning Office. Since he also had at least nominal supervisory responsibility over the three other offices in the NEDB, served on the NEDB Executive Committee and had to carry out various other time-consuming tasks, co-ordination within the Planning Office was weak.

THE TASK FORCE APPROACH

The typical central planning agency starts operating with an organization chart which provides for the familiar arrangement of sections

²¹ Higgins, Benjamin. *Economic Development, Principles, Problems, and Policies*, p. 734.

along functional and sectoral lines. But the organizational pattern is likely to reflect what the first director and his advisers consider ideal, rather than one which can be staffed immediately. Since planning talent is very scarce, attempts to fill vacancies are generally haphazard and only partially successful. Positions are filled whenever suitable technicians can be obtained, not necessarily in the order of priority dictated by planning requirements. For some units, only candidates for low-level positions may be engaged; for others, only a chief may be found. Some units may have only one or two technicians, some may have none, and others may have more than enough to get the unit's work done in time. Even when some units are individually understaffed, poor definition of their respective roles or lack of adequate internal co-ordination may lead to duplication of effort so that, taken as a whole, more people than necessary are employed in getting a job done. Thus, overstaffing and understaffing may exist side by side in the same agency. In India, for example,

there is a view within the Planning Commission as much as outside that some sections, if not the Commission as a whole, are overstaffed. This may be true to a degree, but taking all factors into account, . . . the Commission is probably not . . . over-expanded. . . .²²

Indeed, it has been estimated that nearly 20 per cent of the Commission's posts are vacant because of the shortage of qualified personnel.²³

But with a total staff of over 1,000, of whom well over a third are professionally trained, India's central planning agency is incomparably better off than most planning agencies. In many countries, the planning agency has only a handful of qualified technicians who cannot operate effectively unaided by outside technical assistance. In Nigeria, the central planning agency had a staff of only nine Nigerian civil servants, mostly very young and inexperienced, when the National Development Plan was being prepared, for the most part, by three foreign advisers.²⁴ When Ghana's Seven-Year Plan was being formulated, the Ghanaian staff of the Office of the Planning Commission included only four senior civil servants with adequate qualifications

²² Venkatasubbiah, H. *Hindu Weekly Review*, p. 10.

²³ *Ibid.*

²⁴ United Nations Meeting of Experts on Administrative Aspects of National Development Planning. *Administration of Planning in Nigeria*, p. 3.

who were reinforced by no less than 16 foreigners obtained through a variety of national and international technical assistance agencies.²⁵ Thirty Afghans work in Afghanistan's Ministry of Planning, but most of the significant work is carried out by 20 foreign and international advisers. Pakistan's Planning Commission, like India's, has an elaborate organization chart with a large number of sections and subsections, but they have been lightly manned because the Commission has been unable to staff them adequately. Foreign advisers were largely responsible for preparing Pakistan's First Five Year Plan and, to a somewhat lesser extent, for preparing the Second Plan. After more than a decade, the Commission still has need for foreign technical assistance. Latin American central planning agencies generally have only a small complement of technicians who are distributed more or less according to a table of organization with only one or two men per section and often with no staff in some sections.

Frequently, the shortage of planners, which is real, is made to appear greater than it is because of the size and complexity of the organization chart. An agency with many sections naturally requires a larger and more specialized staff, and is therefore likely to have more vacancies than one with fewer sections. This can give an impression that the agency with the more elaborate organization chart is more seriously understaffed than the one with the smaller and simpler organization, even if the first agency has more technicians than the second. The larger agency may, moreover, be less effective than the smaller because its staff is more specialized and dispersed. It may be working on many more subjects than the smaller planning agency but, because of inadequate staffs in many sections, the end results may be less timely and hence less useful than the output of a smaller and more concentrated staff. There may, therefore, be virtues in keeping a central planning agency small and its organization simple, especially at the beginning. This has been Mexico's experience:

Our country's experience in the matter of State investment had demonstrated the advisability of not creating large scale agencies with an excess of staff when they have to deal with definite problems which, nevertheless, have great repercussion on the public sector or on the national economy. There are great advantages in starting an agency in a modest way, with a small technical

²⁵ United Nations Meeting of Experts on Administrative Aspects of National Development Planning, *Administration of Planning in Ghana*, p. 9.

and administrative staff, and, particularly, with specific tasks which although apparently of limited scope at first, may, with experience, contemplate further steps. This is exactly the experience gained by the Federal Government in: (a) determining the appropriate level of public investment, bearing in mind the pertinent necessities and the available funds; (b) evaluating investment projects in order to determine their economic and social value; (c) coordinating different investments and according them priority in terms of funds and needs; (d) formulating the annual and six-year investment programs of the State, adjusting them to the trends of the national economy.²⁶

In Mexico's case, planning has been limited to the public sector. But the experience has been the same in France, which plans comprehensively for a well-developed economy. In that country, it will be recalled, the size of the professional staff in the central planning agency is purposely limited to 40 or 50 persons. The organization chart of the Office of the Commissioner for the Plan originally provided for divisions along the usual functional and sectoral lines. However, the Commission has found that best results can be obtained from its small staff, not by dispersing it into sectoral and functional sections according to the prevailing stereotype for central planning agencies, but by consolidating it into three major task forces dealing with national planning, the financial aspects of planning and regional planning. By setting up a list of priority subjects for each task force and concentrating its efforts on the most important jobs first (as well as by delegating as much work as possible to operating, research and other outside entities), the Commissariat has been able to produce effective plans on schedule.

It may be that what the French planners do because they want to keep their staff small, most planning agencies would find profitable to do because they have no choice but to have small staffs. Rational use of available personnel in the agencies of many countries is often made difficult because of planners' preconceptions about what constitutes the proper organization for a central planning agency. As a result of these preconceptions, basically similar organizational structures are set up in countries which are basically dissimilar in their stage of development, the character of their planning problems and the rate at which their planning needs change. They also encourage the acquisition and dispersal of specialists into sections prescribed by an organization chart

²⁶ Salinas Lozano, Raul. "Comision de Inversiones," pp. 10-11.

to work on subjects which may or may not be of immediate use. The need in developing countries is for organizational flexibility to meet differing and changing situations. The virtue of the French system is that it embodies the flexibility of organization and mobility of staff required for the effective use of a small staff in varying circumstances.

If other countries adopted this approach, the number of task forces and the assigned subject areas might be different from country to country, depending in part on what was considered important and in part on how many competent leaders were available to head the task forces. Conceivably, four or five task forces might be better than three in some cases, although in an agency with a small staff even four task forces may disperse technicians unduly. There are advantages in having fewer task forces. The smaller their number, the greater the stimulation for planners to identify and concentrate on the highest planning priorities, postpone less important items and eliminate unnecessary frills. The fewer the task forces, also, the more compact the staff; hence, the smaller the need for supervisory, co-ordinative and administrative personnel and the easier to use the services of foreign consultants and technicians in training and advising the staff.

Many conventionally organized planning agencies have been driven by necessity to combine technicians and specialists from different sections into working parties to concentrate on specific rush jobs. But this practice has generally been viewed as a temporary expedient. Nor has it always worked well since it required the disruption of existing administrative arrangements and made it necessary for specialists to work outside their own fields. Experience has shown that for a task force to operate effectively, it must be composed of individuals who are capable of working in a variety of fields. This calls for personnel and organizational arrangements which differ materially from those prevailing in most central planning agencies. Thus, if technicians are to work in task forces without functional specialization in the formal organizational sense, many more general economists and other generalists must be engaged than sectoral or other specialists. A few specialists may be needed, but in the task force approach it is the generalists who have to acquire some degree of competence in several fields as may be required. The planning agency which employs task forces must also have a much more flexible organization than the conventional type, with a simple hierarchical structure placing stress on group activity and mobility.

SUMMARY AND CONCLUSIONS

There is a world-wide lack of qualified planners which is likely to persist for a long time. Even when a central planning agency can locate suitable candidates, it often does not succeed in recruiting them or keeping those it has engaged. There may be several reasons for this, but it is often a question of salary and/or archaic personnel regulations. Central planning agencies set up on a temporary basis find it especially difficult to acquire a good staff, but a temporary planning agency is undesirable in itself because planning is a continuous process which only a permanent body can carry out.

Because of civil service or other government restrictions, planning agencies often have to resort to the use of part-time, borrowed or temporary personnel. It is essential that a central planning agency have a strong nucleus of regular, full-time technicians to insure planning continuity. Governments with well-developed civil services have, however, found it desirable to add to the regular staff of a central planning agency general administrators as part of their regular civil service rotation system; among other advantages, rotation hastens the institutionalization of planning.

Some experts believe that a central planning agency which has been established by statute has advantages over one created by executive resolution. But this view is not confirmed by the record. If a central planning agency is supported by its government, how it was set up seems not to matter much. If it does not have that support, its position is not made better because it was established by statute.

Since experience shows that it is frequently necessary to alter a planning agency's organizational setup, it is desirable to leave the details of organization to administrative determination. Where the organization has been fixed by law, this is not easy to do. In practice, few organization charts provide a reliable indication of the way the organization actually works.

The kind of organization which a central planning agency has, and its size, depends on the kind of planning it does, the extent to which it exercises executive functions and on requirements which are peculiar to the country concerned. Generally, planning agencies in the mixed economies have staffs which range from 25 to 100 persons but some have much more; and the numbers are usually much greater still in the

socialized countries. Only about one-third to one-half of a central planning agency's staff is generally classified as professional, the rest being administrative and other supporting personnel. Few of the professionals in the planning agencies of the less developed countries can be considered adequately trained and experienced.

While there is no standard organization chart for central planning agencies which can be used as a model for all countries, most planning agencies have basically similar organization. These usually include units for (1) planning, (2) progress reporting and plan evaluation, (3) co-ordination of plan formulation and execution, (4) technical assistance, (5) public relations and (6) administration. The heart of the organization is the part concerned with planning. It is generally divided into sectoral sections dealing with specific sectors of the economy and functional sections dealing with macro-economic planning problems.

The sections concerned with economic sectors in a central planning agency are supposed to do work which operating organizations cannot or should not do. Unless there is close co-operation between technicians in planning and operations, differences can and frequently do lead to duplication of effort. Besides being concerned with over-all economic and planning problems, the functional sections have the task of combining and reconciling sectoral programs. Each planning agency sets up functional sections which reflect the functions it performs. There has been a trend toward establishing separate perspective and manpower planning sections as a result of planners' increasing interest in these subjects. Sometimes, the inclusion of a small statistical section has also proved useful.

Some countries, including Burma, Honduras and Turkey, have considered it necessary to set up social planning units apart from economic planning units as a way of emphasizing the importance of social programs. But the division between social and economic planning is an artificial one and it is usually difficult to distinguish between the two.

In many countries, the director of the planning agency attempts to co-ordinate the work of the various functional and sectoral sections. But since he has many responsibilities, co-ordination is frequently inadequate. The greatest need is for central co-ordination by an individual or group within the agency whose primary job is to perform this function.

Although there is a shortage of planners, the shortage is often made to appear greater than it is because of the size and complexity of the

organization. An agency with many sections may give the impression that it is more seriously understaffed than an agency with fewer sections, even if the former has more technicians than the latter. The larger agency may, moreover, be less effective than the smaller because its staff is more dispersed.

The French Commissariat Général du Plan has found that its small staff can be used most effectively by consolidating it into three task forces. It may be that other countries with small staffs would find it profitable to emulate the French task force system. It has the flexibility required for making the most efficient use of a small planning staff under varying circumstances. The system also is likely to stimulate planners to identify and concentrate on the most important planning tasks and postpone less important ones.

Many conventionally organized planning agencies have been compelled by necessity to combine technicians and specialists from different sections into working parties in order to concentrate on specific jobs which had to be done quickly. This has not always worked well since it required changes in existing organizational arrangements and made it necessary for specialists to work outside their fields of competence. Experience shows that if a task force is to operate effectively, a planning agency must make greater use of generalists than is usual and lay less emphasis on hierarchical authority and more on group activity and mobility.