

REPORT

EDI/ECA SENIOR POLICY SEMINAR ON DEVELOPMENT MANAGEMENT

Jointly organized by the

Economic Commission for Africa and  
The Economic Development Institute of  
The World Bank

(Addis Ababa, 6-10 July 1987)

#### A. Background

1. In 1986, the Economic Development Institute (EDI) of the World Bank embarked on a series of Senior Policy Seminars on Development Management for sub-Saharan African countries. The first in the series was held in November 1986 for selected French-speaking African countries. The second in the Seminar series for selected English-speaking States was jointly organized by the Economic Commission for Africa (ECA) and the FDA at the ECA headquarters, Addis Ababa, between 6 and 10 July 1987.
2. The role that effective management plays in bringing about economic recovery and development in Africa has been emphasized by ECA, and has particularly been recognized by the United Nations Programme of Action for African Economic Recovery and Development 1986-1990, which was adopted on 1 June 1986 by the 13th Special Session of the United Nations General Assembly. By focussing the delegates' attention on the theme, Institutional Reforms for Strengthening Development Management, the joint ECA/EDI Seminar underscores the importance of effective management, and highlights the policy and managerial responses dictated by the prevailing socio-economic situation in Africa.

#### B. Objectives of the Seminar

3. The main objectives of the Seminar are to promote the exchange of ideas and the sharing of experiences, among policy-makers, on the institutional arrangements for development management.

#### C. Participation

4. A total of 15 senior policy-makers, drawn from Ethiopia, the Gambia, Ghana, Sierra Leone, Sudan and Uganda, participated in the Seminar. In addition, representatives of the EDI and the ECA, and two consultants/resource persons, took part in plenary and group discussions.

D. Opening

5. The Seminar was opened on 6 July 1987 with a keynote address delivered by Mr. M. Tchouta-Moussa, Deputy Executive Secretary of ECA, on behalf of Professor Adebayo Adedeji, UN Under-Secretary-General and ECA Executive Secretary.

6. The Executive Secretary's keynote address focused on the current socio-economic crisis in Africa. It noted that after a quarter of a century of political independence, the continent had not recorded any significant achievements in the search for improved standards of living, consensual political arrangements, and effective public administration systems. Instead of rapid economic growth, Africa had to contend with the realities of economic decay, mass poverty and untold human suffering. The keynote address further recalled the initiative of the African leaders in formulating Africa's Priority Programme for Economic Recovery 1986-1990 (APPER) which formed the basis of the United Nations Programme of Action for Africa's Economic Recovery and Development 1986-1990 (UN-PAAERD). Both APPER and UN-PAAERD had attributed Africa's economic malaise to lack of structural transformation and pervasive low-level of productivity aggravated by endogenous and exogenous factors. The keynote address noted that the current initiatives carried forward the message of self-reliance and institutional re-dynamization - a message clearly conveyed by the Lagos Plan of Action and the Final Act of Lagos.

6. The address also called attention to the Abuja International Conferences on Africa: The Challenge of Economic Recovery and Accelerated Development which noted the progress attained in the implementation of the recovery and development programmes, and observed that the international community had not responded sufficiently to the appeal for assistance in tackling Africa's deepening socio-economic crisis. The address therefore reiterated the need to:

- (a) sustain domestic policy reforms and improve economic management;
- (b) ensure that structural adjustment programmes were consistent with the requirements for recovery and growth;
- (c) adopt external debt-alleviating measures (such as the lowering of interest rates on existing debts, converting bilateral ODA debt and interest obligations into grants, allowing repayment of debt in local currency);
- (d) increase aid flows and development assistance to African countries;
- (e) increase concessional resource flow through multi-lateral institutions.

7. The address concluded by stressing that urgent and positive steps be taken to overhaul the policy-making and implementation systems in the various African countries. In particular, there is need to adopt a forward-looking strategy in policy-formulation, and re-define the roles of the key programme implementation agencies in the public and private sectors.

8. The keynote address was followed by a statement delivered on behalf of the World Bank/EDI by Mr. Guy de Lusignan, Deputy Director, EDI. In the statement, the EDI Deputy Director observed that there was general agreement between the World Bank and ECA on the diagnosis of Africa's economic problems. There was also broad agreement on possible remedies as underlined by the decision to organize joint seminars on education, public expenditure programming and development management.

Findings and Conclusions

First Plenary Session: (Comments on keynote Address and Opening Statement).

1. The timing of the senior policy seminars which coincides with the adoption of structural adjustment programmes could lead to a misconception that the seminars were meant to justify SAP, and thus diminish the intrinsic value of the seminars.
2. In formulating policy, the centrality of politics should be borne in mind.
3. To ensure that structural adjustment programmes are consistent with the requirements of growth and development, consideration should be given to the balancing of SAP with 'structural transformation' - the latter being the central theme of APPER and UN-PAAERD.
4. An internal, African strategy of economic development needs to be identified and implemented.
5. Regional cooperation should be stepped up, and intra-African trade promoted - especially, through 'counter-trade' which obviates the need for transfer of hard currency.
6. The mass of the people should be involved in critical development decisions, and meaningful scheme of decentralization should be implemented.

7. Each African government should create an environment conducive to developmental activity.

8. There is an advantage in the continuation of the current seminar series which focus on the theme of institutional reform for strengthening development management and encourages exchange of ideas and sharing of experiences on the same subject.

Session Two: (A brief introduction of 12 background reading materials, followed by the presentation of ECA paper on «Re-dynamizing Africa's Administrative/ Managerial Systems and Institutions for Economic Recovery and Development»).

1. The policy framework should be improved, and 'open' and forward-looking approach to policy-making should be promoted.

2. How 'open' a policy environment would be depends on the progress made towards open, democratic, and responsive government.

3. Think-tanks should be established to assist each government carry out independent, and at times, critical, analysis of complex but strategic problems, and propose workable solutions.

4. The roles of the policy-implementation agencies (the civil service, public enterprises, local government, «organized» and «informal» private sector) should be clarified, and obstacles to their efficient functioning should be immediately eliminated.

5. In specific terms, the civil service should become increasingly business-like, and be capable of handling complex and specialized issues in development management. That means it should strive towards balancing its generalist orientation with professionalism.

6. The compensation and incentive systems for public service organizations (particularly, the civil service and parastatals) should be reviewed to promote efficiency and improve productivity.

Session 3 : (Paper by Professor Dotun Philips, EDI consultant, on «Determining National Philosophy, Goals and Strategies: The Nigerian Experience»).

1. The experience described in the background paper is similar, in many respects to the experiences of other African countries.
2. An evolutionary, step-by-step approach to national policy-making in Africa is to be preferred to an overly ambitious, comprehensive, all-or-nothing approach.
3. The government, the civil service, and the public should be regarded as partners in development.
4. Particular attention should now be paid to the adoption of a bottom-up strategy in plan formulation, and the local communities should be actively involved in self-help schemes.
5. There is need to develop and internalize policy analysis capacity as a viable alternative to the «foreign» factor in policy formulation.

Session 4 : (Case Study: Institutional Adjustment in Terrafrie, by M. L. de Merode (focusing on the symptoms of economic crisis in Terrafrie, the causes of the crisis, the economic recovery programme formulated, the decision-making process, planning and budgeting system, the civil service, and the action plan prepared in consultation with the World Bank).

1. The precarious economic situation described in the case study reflects the experience of many African countries, but the prognosis lies in internal policy changes rather than in external imposition of socio-economic measures.
2. African countries face a dilemma: while the budget needs to be balanced, and the deficit margins have to be narrowed down, the pressure for governmental action in critical areas like education, health, and infrastructural development cannot be ignored.
3. While good and responsive government is essential for people-oriented development, institutions such as the World Bank are not in a position to make political decisions as to which type of government to deal with. Such decisions rest with the people themselves.
4. Heads of State and government should, in their own interest, take radical and painful decisions aimed at stabilizing their countries' economies.
5. Economic goals should be clearly articulated and institutions should be strengthened to relieve political leaders of routine administrative/managerial responsibilities.



Session 5: Presentation by Professor Dotun Philips on «Institutional Arrangements for National Development» - focusing on the dynamic and multi-dimensional nature of development, and emphasizing the importance of planning as a means of managing the inevitable process of change. A ten-point institutional reform programme (starting from determination of national philosophy and ending with the specification of an institutional review scheme) was also outlined.

1. The need for a gradual, step-by-step approach to institution reform and development was re-emphasized.
  2. Development is multi-dimensional. This raises the dual problems of specialization and coordination.
  3. The complex and multi-dimensional nature of contemporary development administration dictates the need for officials with professional and general managerial (planning, coordination, communication, team-building, and resource mobilization) skills.
  4. There is need to develop the capacity of grass-roots organizations in development plan formulation and implementation.
  5. The people should be focus of development.
-

Findings and Conclusions  
(Discussion Groups)

A. Policy Analysis and Strategic Planning

1. Think tanks have an important role to play in policy analysis capacity building in African countries. However, it is essential to define their exact roles carefully within each national context especially the extent of their involvement in the decision making process and actual executive functions.
2. While it is desirable to involve outside advisers in policy making in government (as a means of strengthening policy analysis capacity), their relationship with the political political functionaries, on one hand, and with the senior career civil servants (who also provide policy advice) on the other, need to be carefully managed. The objective should be how best to improve the quality of policies without causing frustration and ill-feeling among the different actors.
3. Policy analysis training programmes of varying duration should be organized for different categories of officials in Africa. These programmes should be organized at national, regional and international levels.
4. Political decision makers (notably ministers) will benefit from carefully structured and well organized training programmes. To ensure the effectiveness of ministerial-level policy training, it is essential to pay attention to the quality of trainers (importance of relevant practical experience), the location of the training (outside the seat of government) and the training methods (emphasis on active and participatory training methods). Usually, the support of the head of state or head of government for such senior policy training programmes is critical to its success.
5. Systematic and structured involvement of public opinion in policy-making can help to improve the quality of policies and enhance the potential for effective implementation.

6. In determining national strategic choices, it is necessary to strike a balance between centre-down and bottom-up approaches. Current emphasis on bottom-up approaches in many African countries are aimed at correcting the existing strong bias in favour of centre-down approaches.
7. To achieve the desirable objective of limiting the impact of the 'foreign' factor on national policy-making (including the determination of strategic choices), it is necessary to combine the systematic strengthening of national policy analysis capacity with deliberate and regular utilization of available policy analysis capacity. Both the African governments and donor agencies are urged to pay greater attention to the utilization of qualified African policy analysts.

#### B. Coordinating National Development Policies

1. Since development is multi-dimensional in nature, the coordination of national development policies must be interpreted to involve the economic, political, social, cultural and technological components of development. Normally, national co-ordination should be at the highest political level, involving the topmost government, party and bureaucratic office holders.
2. While macro-coordination involves coordination among development institutions, among sectors, among levels of government (where appropriate) and between public and private sectors, micro-coordination involves coordination within each of the component parts of the macro entity. The former should be the responsibility of the office of the head of government and the latter should be the function of the chief executive of the relevant micro component.
3. Development plans are probably the best instruments for achieving coordination of national development in developing countries. However, the relative merits and demerits of separate or combined ministries of planning and finance deserve careful consideration. Whatever institutional arrangement is adopted, it is important to spell out clearly the respective roles of planning and finance institutions and the central bank. Furthermore, the relationships between these core coordinating

organs and the technical ministries should be clearly set out.

4. There are both advantages and disadvantages in the idea of a national planning commission as the superagency for coordinating national development planning. The Indian experience shows how such an institution can be used as a mechanism for coordinating the coordinators. Each African state will have to create an appropriate institution for performing this critically important task.
5. A special dimension to the coordination of national development policies is the co-ordination of decentralized development. Adequate authority and resources should be made available to ensure effective coordination at the sub-national and local levels. In particular, the institutional arrangements for coordination at the decentralized level should include mechanisms for involving the people at the grassroots in the formulation and implementation of policies.
6. If in the process of promoting effective coordination between the public and private sectors, the private sector should become strengthened, care will have to be taken to prevent foreign dependence of the private sector. Within the context of coordinating public and private sectors for national development, the private sector should be interpreted to include NGOs whose activities also deserve effective coordination.

C) Measures for Strengthening Civil Service Personnel Systems

1. The seven key issues identified in civil service personnel systems are as follows: civil service size, recruitment procedures, career development, reward and compensation, training, discipline and standards of behaviour and industrial relations.
2. The causes of the poor performance of most civil service systems in Africa include serious decline in the quality of new entrants, the neglect of the civil service institution by both the government (inadequate equipment and deteriorating conditions of service) and the institution's leadership (lack of commitment and dynamism); fragmentation of the institution; problem of periodic 'purges'

(mass dismissals) and partisan politicization. To remedy the situation, adequate resources should be allocated to institutions and conditions of service for civil servants should be improved. In particular, the scope of the career civil service should be clearly defined and protected while serious attention should be paid to professionalism and training.

3. The location of the training function, especially the training of the most senior administrators should be at the highest political level possible. This strategic location is likely to facilitate the adoption of a national training policy and its implementation.
4. Uncertainties over the most appropriate location of the central agency for personnel management significantly affect personnel policies and practices. Uncertainties over the balance to maintain between central personnel management and line management of personnel affect for better and for worse personnel policies and practices.
5. Given the complexity of the issues associated with personnel policies and practices, systematic and detailed study should be carried out at national, regional and international levels with a view to finding appropriate practical solutions.

D. Other Issue

To improve the performance of public enterprises in African States, it might be desirable to consider the Gambian experiment with performance contracts. This experiment currently involves three public enterprises whose boards are not under individual ministers but come directly under the presidency.