

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL

PROPIEDAD DE
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LIMITED

ST/ECLA/Conf.30/L.15
5 January 1968

ORIGINAL: ENGLISH

SEMINAR ON ADMINISTRATIVE ASPECTS
OF PLAN IMPLEMENTATION

Organized by the United Nations, through
the Economic Commission for Latin America,
the Latin American Institute for Economic
and Social Planning, and Headquarters Public
Administration Division and Office of
Technical Co-operation

Santiago, Chile, 19-28 February 1968

Item I (a) of the provisional agenda

PLAN FORMULATION AND IMPLEMENTATION MACHINERY

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PLAN FORMULATION AND IMPLEMENTATION MACHINERY ^{1/}

I. Plan formulation versus plan implementation

Experience of the developing nations which have resorted to planning in recent years as a means for achieving better results in social and economic development shows that there appears a great discrepancy between the plans and the real achievements. It is therefore felt that a shift in emphasis is necessary from methods and techniques of planning to problems of plan implementation.

It should not be forgotten however that, though the great emphasis put on plan implementation is fully justified, increase in the efficiency of planning depends, to a very considerable extent, on the procedures of plan formulation.

Conditions for efficient planning lie both in implementation measures and in planning methods and procedures. And, it should be stressed, implementation problems have a strong impact on plan formulation, and vice versa. Methods and procedures of planning should therefore be viewed i.e. from one particular point of view - that of their impact on the efficiency of planning.

The problem of implementation may be conceived as related to the objectives (implementation of the objectives).

It then concerns the adequacy of measures to objectives. This implies two elements:

- (1) Designing measures consistent with the objectives;^{2/}
- (2) Compliance of real action with the anticipated action.

^{1/} The purpose of this paper is to present certain observations on planning and on the planning machinery which may be relevant for increasing the efficiency of planning in certain developing countries. The observations and conclusions are based, to an important extent, on the planning experience of the socialist countries of Eastern Europe. It is not intended to describe this experience, however, but rather to draw certain conclusions from it which may have a wider significance.

^{2/} "Consistency" here means that the measures are adequate to bring about the expected results (the objectives).

A failure in implementation may be due to wrong measures, particularly to lack of consistency between measures and objectives, (1) to deficiencies in real action, (2) or to both.

It is also possible, however, to apply a more narrow concept of "implementation". One might assume that the problem under (1) above should be taken care of by planning proper, while the problem under (2) can be understood as "implementation proper". It would then follow that defining the policy measures is a function of planning proper (performed in the process of plan formulation). Planning would, in consequence, contain planning of the policy measures or, in other words, planning of implementation. Should we assume this proposition, it would not seem necessary to argue any further that correct planning is of first-rate importance for plan implementation (and, by the same token, for efficient planning). This statement is undoubtedly very true, and needs a strong emphasis. What would still be left is real action, but well planned action is a number one condition for successful action.

Both of the above definitions may be useful conceptually. It is worth indicating, however, that neither of them fully corresponds to the practical use of the term "plan implementation".

Depending upon the scope and character of planning, the policy measures may appear in a plan in a more or less wide scope, and be formulated in a more or less operational way. When a plan does not formulate all the necessary policy measures, they may be considered to be left for "implementation". Thus, e.g., pricing policy may be defined in a plan or be defined and implemented in the process of execution of the plan. There is quite a scope of the policy measures which may be included into planning or left outside it to be defined in the process of implementation.

It is to be observed, in the discussed context, that though, as a rule, the more the policy measures are given consideration (and are defined) in the process of plan formulation - the better for the efficiency of planning - it is not possible and often not desirable that all of them are defined in this process. As a matter of fact, even for the type of planning considered to be very comprehensive (in the case of socialist countries),

one can find one part of the policy measures appearing in the plans, while the other part, a very important one, is left to be defined in the phase of implementation.

From the above considerations it follows that the term "implementation" and still more "plan implementation" may have different meanings. One should particularly distinguish:

- (1) Implementation of objectives, containing both planning of the policy measures and implementing action;
- (2) Implementation proper, referring to implementing action only;
- (3) Plan implementation, embracing (2) and, to a certain degree, designing the policy measures.

I am rather inclined to maintain that identification of the crucial problem of the efficiency of planning in terms of "plan formulation versus plan implementation" is not most adequate. The crucial problem for efficient planning is that of adequacy of measures to objectives. This adequacy has to be brought about through planning and through real action.

Experience in economic development shows that the more active the planning, i.e., the greater changes and transformations in the existing set up (in income, employment, socio-economic structures, etc.) are aimed at, the greater are the requirements with respect to the policy measures. A plan which does not go far beyond continuation of the existing tendencies does not put special requirements in the field of policy measures (providing no serious changes are expected in the environment). If however, a plan aims at speeding up the rate of growth, structural transformations, creating more equal distribution of incomes and opportunities, etc., it may be unthinkable to bring these changes about without introducing the adequate policy measures. We are principally interested in the latter case. There is a wide understanding that the developing nations need an active planning (in the sense described above). The problem then is how to make an active planning also an efficient one.

Capabilities to apply the policy measures adequate to active planning are very much different from country to country. Throughout the historical experience it has been demonstrated that the political and institutional set up exerts a most important influence on the capabilities to apply policy

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measures corresponding to the objectives set forth by the developing nations and, therefore, on the efficiency of planning. There is no escape from this conclusion. No substitute for the necessary political and institutional conditions of efficient planning can be found in perfecting the planning methods and implementation techniques. The discrepancy between plans and real achievements observable in very many countries is principally due to the deficiencies in the political and social set up. This situation cannot be cured by turning to new planning methods or putting a new emphasis on implementation techniques.

I would like to stress that the significance of political and social relations and of institutional framework for successful development and efficient planning applies to all the countries in the world (also to the socialist countries). The situation in this respect varies, of course, very much in the various parts of the world. In certain countries obstacles of political and social nature may make planning almost completely impotent. In other countries obstacles of this nature may play a greater or minor role in inhibiting the optimal development possible within the existing economic conditions (both internal and external).

It is not intended in this place to discuss the reforms in political and social structures and institutions necessary or favourable for efficient planning. It is my intention rather to show in what ways the methods and procedures of planning can improve the efficiency of planning, providing that there exists a certain minimum of political and institutional conditions for efficient planning. Though this scope of considerations is undoubtedly limited, certain useful, and practical conclusions can be derived from it.

II. Better procedures of planning for greater efficiency of planning

Given the favourable political and social conditions, the efficiency of planning can be considerably increased by the following measures:

- (1) Active participation of the policy makers in the process of plan elaboration;
- (2) Wide participation of the various organizations, social groups, etc., in this process;
- (3) Getting wide popular support for the plan.

A first thing which is necessary for application of the indicated measures is a right understanding of the role and character of the planning process. The process of plan formulation should not be conceived as a mere analytical process of finding the feasible and desirable development patterns. It should be conceived as a true social process involving various institutions, social and economic forces, etc. Being a final result of this process a development plan is then a result of a certain kind of social mechanism devised for the purpose of planning.

Experience shows that proper organization and steering of the planning process may have a great influence on planning, and particularly on plan implementation. It can greatly increase the efficiency of the planning system.

In the past not enough attention has been paid to the problems of organization of the planning process (the socialist countries and France are a notable exception in this respect). Concern of many theoreticians and practical planners has been rather orientated towards methods of quantitative economic analysis. A greater emphasis put on the problems of the planning process (in its sociological, organizational, methodological aspects) seems fully justified. This seems particularly important to the developing nations.

Planning on the national level is essentially planning of and for the national, social and economic policy. Its subject is to design the national policy objectives and measures, and its function is to serve the policy on the national scale. This is, however, rather a statement of principles than a statement of facts. As a matter of fact, one can find "plans" which are anything but policy guides, which contain many things but no clear formulation of policies. It does not seem necessary to argue that, if this is the real situation, it is not desirable and proper.

It is only a corollary of the above that the policy makers should be the real planners themselves. Since, however, the planning process is a process in which many sides are involved, this statement means that the policy makers should participate actively in the planning process.

/The policy

The policy makers quite often do not participate in the planning process in a sufficient way, preferring to leave it to the planning experts. As a result, the plan may become a document representing rather the experts' opinions than the policy choices. Consequently, the policy tends to develop along its own ways, not availing itself of the advantages presented by planning. Planning becomes inefficient and policy unplanned.

The analytical process of planning is always a process of learning for all taking part in it. It seems very important that the policy makers avail themselves of this opportunity. It is only by the active participation in the planning process that they can come to an understanding of the real social and economic problems involved in development in a way allowing them to make correct policy choices. For that purpose it is really very important that the planning methods and procedures are constructed in a way allowing to use the method of learning via planning.

Active participation of the policy makers in the planning process is, in the light of the planning experience of many countries, number one condition of "correct relationships" between the policy makers and the planning experts.

Next condition of the correct dialogue between the two parts is a common language and observing the proper places of each of them in the process.

To make active participation of the policy makers in the planning process workable and efficacious it is important and necessary that:

- (1) The policy makers understand the development interdependencies, the social and economic factors involved in development and particularly the inter-relationships between the policy objectives and the policy measures;
- (2) They understand the methods applied in planning in their general logic (not necessarily in all details);
- (3) The process of planning suits the requirements of decision making, and that the functions of policy decision making are built into the planning procedure.

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It is a fact that in a number of the developing countries the planning techniques and procedures applied are not devised with an aim to take the indicated requirements into account. Thus e.g. the planning techniques are often presented in a way which makes them incomprehensible to laymen, there appears a tendency to use in planning the models ignoring the function of decision making or including it in a way which is unsuitable for the policy makers. This situation hampers participation of the policy makers in the planning process and therefore weakens the quality and efficiency of planning.

For the correct dialogue between the policy makers and experts it is important that the two parties understand each other and observe their proper roles in the dialogue (i.e. in the planning process). Therefore, it seems justified to formulate a following proposition: The planning techniques and procedures should be so devised as to make it possible for the policy makers to take an active part in the planning process. Though this proposition may look like a truism, it is very important and has serious implications.

Certain practical conclusions which can be derived from the above formulated proposition include, inter alia, the following:

(1) The methods of plan elaboration should be as simple as possible and never unnecessarily sophisticated. It should be possible for the educated people, non-experts in the field of planning techniques to follow all the argumentation behind the major solutions of the plan.

Experience shows that the most crucial problems appearing in development planning can be understood, by and large, without sophisticated quantitative analysis. The latter should be used, of course, as an analytical instrument by experts. As such, however, it should not necessarily be brought to the front of the planning problems.

Particular attention should be paid to introducing the mathematical programming models. Mathematical models which produce the final solution to a plan in an understandable way (sometimes even to experts) should never be taken as a basis for dialogue between experts and the policy makers. Their suitability as an auxiliary, analytical instrument is another problem. Plans should never be produced, however, like a deus ex machina but should be worked out in a way which is fully understandable.

Mastering the planning methods and techniques is a praiseworthy tendency. One should never forget, however, that the best methods are not necessarily the ones which are the most new and fashionable. It is essential that planning methods be workable and efficacious in the environment where they are applied. This is a most important criterion for choosing the planning methods.

(2) A principal task of planning experts is to define the crucial options in the development policy. Those problems should become the subject of the dialogue between the experts and the policy makers.

Planning experts should be equipped with methods and develop approaches enabling them to select the problems of option and to present all the elements necessary for making correct choices. Experience shows that planning experts are not always best equipped to meet those requirements. Particularly the formal, "accounting", approach to planning, very popular among the planners, most often fails in identifying the crucial policy options. This can be only too well understood, since the formal planning models are very much similar all over the world, and the actual social and economic conditions very diversified.

It seems that, in order to perform the mentioned task correctly, general planning experts should shift the emphasis from the formal, consistency models to the socio-economic diagnosis and strategy considerations.

(3) Planning the development policy is principally planning of the policy measures. The planning experts often forget it.

Consistency between the policy objectives and the policy measures is a most important condition of efficient planning. This kind of consistency of a development plan is difficult to be arrived at with the help of formal consistency checking of the plan variables. Understanding of the real social, political, and economic conditions, attitudes, etc., may be more important here than skills in programming techniques. It is in this field that the policy makers may be stronger in understanding and argumentation than many of the planning experts. This may be one of the reasons why the experts sometimes withdraw from this subject and turn rather to formal devices.

Lack of a common language between the policy makers and the planning experts occurs when the first talk the policy measures and second of the models. A common language has to be found in both fields.

The policy measures should become a major subject of interest to the planning experts. The main problems of option for the development policy should be selected first of all in this field, and become a main subject of dialogue between the policy makers and planning experts.

(4) It is advisable to organize the planning process in stages. This procedure known as "planning in stages" has the following important advantages:

- (a) It brings the policy makers into the planning process, requiring from them to take position with respect to the subsequent "versions" of the plan. At the same time this means that the function of decision making is built into the planning procedure.
- (b) It allows for a parallel development of the analytical planning process and of the process of decision making: both proceed from more general, strategic problems to more detailed problems. Experience shows that this way of formulating the policy lines is most suitable for the policy makers and also very convenient for the analysts.
- (c) It ensures a real co-operation between the policy makers and experts in the process and facilitates contacts between them.
- (d) It is a procedure allowing for learning via planning for all participating in it.

The specific solutions to the "planning in stages" procedure can and should be so devised as to facilitate co-operation between various participants and particularly between the policy makers and experts.

Planning limited to activities carried on by a central agency only is bound to be deficient. Such an agency is rather poor in information, which is needed, maybe poor in initiative, and not in a best position to take into account actual social and economic tendencies. That is why many countries organize the procedure of planning in a way allowing various

/economic organizations,

economic organizations, agencies, etc. to take an active part in the process of plan formulation. This is a basic principle of planning in the socialist countries. It is also applied in French planning and, to a certain extent, in quite a few of the developing countries.

The following arguments seem to be relevant, supporting the concept of a multi-participant planning process:

(1) It is important for plan formulation that the economic, social, technological, etc., knowledge accumulated in various organizations, research institutes, etc., is utilized. Organization of the planning process should be looked upon as a way of introducing the knowledge, experience, and conceptual effort of various organizations and individuals into the common effort of finding the best patterns of economic and social development of the country. This is particularly important in countries where the central planning agency is new and therefore often weak and not well staffed.

(2) Various organizations and agencies introduced into the planning process have not only the knowledge and information useful for plan formulation. They have also their own views, tendencies, criteria, etc. It is very important for a central planning agency to know them, since whether known or not in advance, they will appear in the course of plan implementation and influence it.

The various participants introduced into the planning process reveal their opinions about the feasible and desirable course of development. These opinions are, of course, based on their own criteria and interests, and on the information available for them. If the planning process is organized as a kind of multilogue among the various participants, and particularly between the central planning agency on one hand and the various sectors, regions, etc., on the other, this has particular advantages. The planning process becomes then a process of mutual influence. In it, and through it, the central planning agency can seriously influence the other participants of the process by way of informing them about the general development prospects and strategies and also by convincing them about the patterns suiting the national interests. Very often, of course, the sectoral or regional opinions will not be influenced by central agencies. This should

/be expected

be expected in cases when the differences of opinion reflect the real divergencies of criteria and interests. To know these cases is, however, most important for central planning. They indicate the fields where a change in the set up is required if the desired development has to come about. This is most important for planning the policy measures - for applying economic instruments, new institutional solutions, etc.

(3) Introducing various agencies and organizations into the process of plan formulation should help in getting the plan accepted. This argument does not seem to require any further comments.

(4) Collaboration of the central planning agency with the various participants in the process of plan formulation helps in educating these participants to think in macro-economic and development terms and to understand better the national interests. This is another aspect of the learning via planning process.

The above arguments show that by organizing the planning process in an appropriate way both, the quality and efficiency of planning can be improved. There is a vast experience confirming this proposition. This requires, as indicated, that for the purpose of planning a special mechanism should be devised. To organize such a mechanism is a difficult and delicate task. It involves a lot of problems of economic, social, and political character. Very often creation of new organizations may be necessary for that purpose. The problems involved here are rather different than the ones encountered in constructing the methods of quantitative analysis for planning purposes.

III. General planning machinery ^{3/}

Experience shows that planning on the national scale requires an adequate technical apparatus. The function of planning is carried, as a rule, by some sort of specialized agency. The character of this agency, its location within the set-up of the government machinery, its functions and rules of functioning, all have serious influence on the quality and

^{3/} By the "general planning machinery" the machinery for planning at the national, or central level, as opposed to sectoral planning or other planning in limited scope, is understood.

efficiency of planning. A diversified experience is available on these matters. Particularly the following sorts of solutions have been experienced in many countries, and are worth considering:

- (1) Entrusting the planning functions, on an ad hoc basis, to some sort of independent body of experts (e.g. of an international organization);
- (2) Entrusting the planning functions to one of the existing Ministries;
- (3) Creating the ministry of development, responsible for the development budget (which is separated from the ordinary budget) and at the same time engaged in the functions of development planning;
- (4) Creating a specialized ministry of planning;
- (5) Creating a specialized planning agency of an advisory character, attached to the top executive authority (the Council of Ministers, the Prime Minister, the President).

As in many other cases of administrative solutions, it is not reasonable to state categorically which of the alternative solutions is the best one under all circumstances. The art of administration which aims at achieving the best results through organization of human activities has to assume that the human set up is the most important element of efficiency. Taking, however, the caeteris paribus assumption with respect to allocation of the human factor (i.e., assuming first of all that the various alternatives have no influence on the availability and selection of experts and of the leadership), the following observations may be formulated with respect to the described sorts of solutions concerning the national planning agency.

(a) Planning of the national development policy is the function and the responsibility of the Government and, therefore, it is only too obvious that it has to be carried within the government machinery - by a government agency. Employing an independent body of experts for that purpose - as a steady solution - cannot bring about satisfactory results. There is quite a sufficient empirical evidence showing that planning independent of policy

/making cannot

making cannot be efficient. This institutional solution shows to be particularly deficient in arranging a sound and productive dialogue between the experts and the policy makers, which is a condicio sine qua non of efficient planning.

Availability of independent socio-economic development research, both quantitative and qualitative, is of course most desirable for any country. This research can and should be widely used for planning purposes. It may be found particularly desirable that some independent research centres come up with proposing the alternative development strategies. No independent body of experts can be, however, a substitute for the government planning agency. Experience shows also that the stronger and the better the planning agency, the more favourable conditions for utilization of independent development research for planning purposes.

(b) It has never been found workable in the longer run to marry the general planning functions with certain sectoral administrative apparatus within one ministry. In a marriage of such heterogeneous elements one side has to suffer, and it is most often that planning being new, more difficult, and controversial, is the loser.

(c) Although arguments valid against the solution under (2) are also applicable, mutatis mutandis, to the case of (3), this last solution merits some more consideration.

Being newly established, very often weak in personnel and influence, it may be found advisable to endow the planning agency with some real power and influence. In this way the role and position of the planning agency may be strengthened, and therefore also the influence of planning on the economic policy. Endowing the planning agency with competence in the field of development budget works undoubtedly to this effect. This is an argument which cannot be neglected.

If it is really found that, within the particular circumstances strengthening of the influence of the planning agency can best be achieved by endowing it with competence in budgeting of the development programme, the discussed solution may be deemed justifiable. It should not be considered however, it seems, to be a model and a steady institutional solution. Experience shows that performing the technical functions connected with financing and executing of the development budget may seriously disturb

/successful performance

successful performance of the basic planning functions. It seems therefore rather desirable to find a solution in which the appropriate influence of the planning agency can be achieved by other means.

(d) Planning on the national scale is by its nature a function of the general executive authority. In relation to the various government agencies (Ministries or the other similar sectoral agencies) it is a function of general guidance and co-ordination of activities. Therefore, it is not necessarily an optimal solution when the general planning function is carried by an agency similar to those of the sectoral Ministries. It is rather accepted, as a rule, that the Ministers are equal partners in the Government. Hence, it may be difficult for one of them to perform the functions of general guidance. It is not that this sort of institutional solution is unworkable. Still, in many cases it does not prove to be the best one.

(e) From the above considerations it follows that the institutional solution presented above under (5) may prove rather a best one. This solution can actually contribute to more efficient planning providing however, that the following conditions are also fulfilled:

The planning agency is in the position and has the leadership capable to exert a real influence on the policy decisions and by that way on the activities of the government agencies;

It is strong in expert brains, impartial, and inventive;

It develops correct relationships (the dialogue) with the policy makers, drawing them into the planning process.

It has been experienced that forming a high-level committee (headed by top politicians), working in an operational way with the technical expert body of the planning agency, proves very often to be a very good institutional solution facilitating realization of some of the mentioned conditions.

The following functions are most often listed as the basic ones of the central planning agency:

- (1) Elaborating the development plans;
- (2) Following up realization of the plans;
- (3) Organizing the over-all planning process.

The emphasis put on the indicated functions varies from country to country. While item (1) is always listed as a basic task of the planning agency, quite often not enough attention is paid to (2), and item (3) may be neglected altogether.

Elaboration of the medium-term development plan is usually a first task assigned to the newly created planning agency. As however mentioned earlier, it is often being forgotten that designing the policy measures is a most important element of planning. It should be necessarily included into the basic duties of the planning agency.

With progress in developing the capabilities in programming the planning agencies turn often to the more ambitious task of long-term development studies and programming. The need for long-term studies may be more or less urgent, and also the conditions for carrying useful studies of this type may be more or less favourable, according to circumstances. It merits attention, however, that though conditions and possibilities for over-all long-term programming may not be ripe enough, it may prove very useful and even urgent to work out partial long-term programmes, particularly for the various fields of infrastructure. It is not necessary to wait with those studies for a general long-term development programme.

Following up realization of the development plans is often carried by the planning agencies by way of elaborating periodical (annual) progress reports. In the reports the economic performance of the country is reviewed, analysed, and measured against the plan objectives, and the policy measures suggested aiming at assuring realization of the plan. It is quite often, however, that the last element is neglected or forgotten altogether.

Experience in introducing planning has led many of the developing countries to the conclusion that elaborating the medium-term plans and following up their realization by way of annual progress reports does not prove sufficient to make planning really efficient. It is considered desirable and even necessary for that purpose to introduce the operational, short-term (annual) plans. In the socialist countries, where annual plans constitute an important element of the system of plans, these plans perform the following functions:

/(a) They

- (a) They introduce the necessary changes into the medium-term plans;
- (b) They design the measures of plan implementation.

For the purpose of making planning more efficient and policy more coherent and purposeful it seems important that the planning agencies in the developing countries include annual planning in their basic duties. Introducing annual planning helps to make the planning system more elastic (allowing for adapting the medium-term development plan to the changing conditions in a systematic way) and allows for proper designing of the current policy measures, particularly for better co-ordination of the annual government budgets with the development plan. The last problem proves in many developing countries to be of crucial significance for the planning system.

While elaborating the development plans is considered everywhere to be a basic function of the planning agency, it is not always fully realized that for performing this task in an appropriate way it is necessary that the central planning agency takes very active steps in organizing the over-all planning process. Since this involves many government agencies and other organizations and, indeed, means influencing the whole institutional set up to adapt it to the planning system, it is not without reason to list this function as a selected and important one of the planning agency. A few lines of activities in performing this function seem to merit special attention.

Availability of statistical and other information is always of crucial importance for planning. Therefore, the planning agency has to care about developing the informational basis for planning and indeed, organize it when necessary. It is found desirable and often very necessary, that the central planning agency exerts an effective influence on the programmes of statistical research carried by the statistical agency. In a few cases the central statistical office has been put under direct control of the planning agency. This solution does not seem necessary and desirable. A practice consisting in working out annual programme of statistical research, approved in a way allowing for effective influence of the planning agency, developed by some countries, has proved successful and seems to merit particular attention. Statistical offices are not found

/most suitable

most suitable for collecting technical information and other information coming from external sources. If this sort of information is considered important for planning, the planning agency should come with the proposals of creating the appropriate organizations or other ways which might help in supplying the information required.

Since, as indicated earlier, the planning process should involve many agencies and organizations, it is necessary that the central planning agency works out the general planning procedure and guides the planning process throughout all the machinery involved in it. Though establishing formal rules of the planning procedure (defining the stages, the participants, the forms of draft-plans, etc.) is quite important for organizing the planning process, much more difficult tasks are encountered in framing the various institutional arrangements which may be needed for planning. Most often it is found necessary to establish new organizations or institutions performing the various functions in the planning process. Such needs appear very often in the following fields:

Creating capacities for project studies (feasibility studies) in the various sectors;

Establishing the regional planning bodies;

Developing research and planning capacities in the various sectoral agencies;

Creating institutions allowing to draw the private sector into the planning process.

It is very important to stress that the central planning agency should not limit its functions to elaborating the plans within its own framework only. For the sake of improving the quality of plans and for the sake of making planning more efficient, any central planning agency should apply measures aiming at organizing the planning activities throughout all institutional set up of the country.

As stressed earlier in this paper, planning on the national scale is essentially planning of the national social and economic policy. It follows that the general planning machinery should be conceived as including two basic elements:

- (1) The decision-making authority;
- (2) The technical planning apparatus.

Identification of those two elements is obvious: the first is the Government,^{4/} the second the central planning agency. This means that the planning agency is a sort of technical apparatus for preparing decisions, and not a decision-making body. It is therefore very often emphasized that the central planning agency be understood as having advisory functions and therefore, as a body of advisory character. Arguments for this proposition are rather strong. This character of the planning agency can be accepted, it seems, as a model institutional solution. Still, certain very important qualifications have to be indicated in this context.

The advisory character of the planning agency can be defended for the case only when there exists really an efficient and proper co-operation in planning between the Government, on one hand, and the planning agency, on the other. This requires first of all, that the Government is actually engaged in planning its policies. If it is not committed to planning, however, and not ready to submit the activities of its various agencies under the control of the planned policy, turning the planning agency into an advisory body may bring about turning it to one or another sort of intellectual, not very productive exercise.

Experience shows that, though advisory as the proper functions of the planning agency should be, it is still very important that the advice given by it (in form of draft plans, recommendations for policy measures, etc.) carries heavy weight. It is particularly important that the planning agency has a strong enough influence to countervail the sometimes very powerful sectoral forces. It is, undoubtedly, not easy to assure a strong enough, real countervailing influence of a body having principally an advisory character. The strength of argumentation, based on correct information, research, etc., is certainly of great importance here. Still, in most cases this alone may not prove sufficient. It is therefore

^{4/} The functions of the Parliament are not taken into account here. Though they may be of crucial importance for the relationships between the Parliament and the Government they do not affect as a rule, the relations between the Government and the planning agency.

considered very important to strengthen the planning agency politically, what is often being achieved by putting a person with strong political position at its head. It is also to be mentioned that forming a high-level committee working operationally with the technical apparatus of planning (as indicated earlier in this paper) helps in strengthening the real influence of the central planning agency. It may be found, however, that still other institutional solutions are necessary to assure the required influence of the planning agency within the whole framework of the government machinery.

Efficient performance of the central planning agency depends, to a very great extent, on the quality of its staff. The difficulties in obtaining high quality staff for the newly organized planning agency in a developing country are only too obvious. There is no one country in the world, however, which would not encounter troubles in staffing the newly created function of planning on the national level.

With all the limitations and difficulties encountered, it is very important to select the personnel which, though not well prepared in advance, would be suitable to acquire the important qualities required for planning on the national level. Experience shows that the new staff can acquire the necessary technical skills in relatively not a very long time through "learning via planning", additional training courses, etc., providing however that it is properly selected. It is therefore very important, for selection of the staff, to keep in mind certain qualities required from the national planning experts. To those, most important qualities, there belong:

- (1) A good knowledge of the country's economy, society, and of its institutional set up;
- (2) Connexion of dynamism and inventive power with expertness;
- (3) Ability to think in macro-economic, development terms;
- (4) Acquaintance with the development experience of other countries;
- (5) Ability for quantitative analysis.

It is because of those requirements that the best results are obtained when the staff for the central planning agency is being recruited from among the two groups:

The well experienced experts from the various Government and other organizations;

The young, ambitious people from the universities and the other research institutions.

A proper combination of those two sorts of people can produce a best composition for the planning agency, though each of them certainly requires a different type of training.

For efficient performing of its functions, it is also very essential for the planning agency that it does not adopt the routine ways and procedures prevailing in certain agencies carrying on the traditional administrative functions. It should rather develop patterns of organization and procedure similar, to a reasonable extent, to those of the research institutions.