

## ADMINISTRATION AND NATURAL RESOURCE DEVELOPMENT

## INTRODUCTION

Most people involved in technical assistance and consultancy work abroad, whether in the private sector or in some form of bilateral, or multilateral, assistance have essentially a technical or economic background. They perceive their role as essentially neutral or skill-oriented, being problem-solvers in a rather narrow sense. The purpose of this short paper is to examine the political and administrative framework within which such work **must** function. Too often this is ignored completely, or taken as some form of "given" factor, which is one of the reasons that technically-sound advice is often unrealistic and unworkable and this, probably more than anything else, accounts for the high failure rate of many technical-assistance projects. It is all too often the case that failure is blamed, in some fatalistic way, upon "political" or "social" factors as though they were totally exogenous to the project appraisal. Sometimes the administration which has sponsored the project is regarded by the foreign specialists as some form of "inevitable obstacle" standing in the way of successful implementation of technical programs.

This is a very inadequate way of approaching any development assistance work. Of course we all realise that the political and administrative apparatus of the host country is a matter of their own sovereignty and it is not the role of the technical assistance personnel to tell other countries how to run their own affairs. But, it is absolutely essential to understand the workings, the strengths and the weaknesses of the system sponsoring the study so as not to make totally inappropriate recommendations. Any review of the literature will very soon reveal that this dimension is almost totally lacking in the preparation of people for work overseas. Instead, somehow the "project director", or "head of mission" is left to sort this out, usually as the project proceeds. It would be a lot healthier if everyone working in such assistance fields had a sensitivity to, and awareness of, this dimension. This may lead to a lot more compromise solutions which technical experts will regard as less than satisfactory, but at least a sense of realism will intrude itself into the work and there is a better prospect of some useful outcome.

We assume and understand that everyone working overseas must be familiar with the different physical circumstances regarding soil, vegetation, climate and so forth. But the fact is that the administrative and policy climate is also **very** different. If we make such an effort to understand the physical dimension, then we should make an equal effort to understand the administrative context within which an physical or tech-

nical proposals are to be made. In the west we have become aware in recent years that, for instance, the standard cost/benefit appraisal procedures applied by project economists to much of the work in the resource-use, or environmental, area no longer adequately reflect the changed social values toward sustainability, quality of life or the transfer of pollution costs to the public at large through externalities. We have come to accept these changes through legislation. However, we have made little effort to understand the social values and administrative contexts of technical work in the Tropics. This paper examines some of the major administrative factors which need to be understood and taken into account.

One reason why this is so important is that in Developing Countries, in general, the Public Sector occupies a much more significant and **interventionist** role than is the case in most parts of western Europe. The reasons for this are many:

1. The very small size and undercapitalisation of the private sector;
2. The need to initiate many programmes basic to development in the private sector (developing infrastructure, energy sources etc.) which are beyond the capacity of the private sector;
3. The very considerable role of aid and technical assistance which is a **government to government** relationship in most cases so that much of the capital available for development comes through the public sector.

So, in most cases foreign technical assistance personnel are working for a client which is a state organ, not a private corporation. Thus it is necessary to understand the way in which such organs are constructed, their perception of their roles, the limitations on their effectiveness, their objectives and the pressures to which they are subject. Most often they will not make these clear to any consultants and, in some cases they may not even be aware of these things themselves. They may just be standard operating procedures which no-one has really thought about, evaluated or feels in any position to correct. This paper will examine some of these in the specific context of the development of natural resources.

## A. THE SECTORAL MODEL

Most natural resource problems are, by definition, of a highly-integrated nature involving several disciplines and crossing the boundary between natural and social sciences. The very definition of a "natural resource" implies a physical phenomenon which is useful because humans exploit it in some way. So there is an immediate interface between the physical and human science implied here. Furthermore, most of these problems involve some form of ecosystem management based on systems analysis in some form. This again,

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by definition, is a device which stresses integration and process rather than form or discipline.

The sad fact is that the public sector organisations whose responsibility it is to implement the findings of study and research, are simply not constructed that way. The normal form of public administration inherited from colonial times is what is best termed "sectoral". That is it is structured according to a series of defined functions such as Education, Health, Industry, Communications etc. That is a logical structure insofar as it reflects, to a great extent, the functions of public activity. And, it is true to say that it works reasonably well until you reach problems with a high level of integration and without a traditional "disciplinary" structure. Unfortunately, many natural resource/ecosystem management problems are of exactly that sort. At that point, therefore, the highly-integrated team, or systems, approach may meet a significant barrier when it comes to translating the project appraisal or research work into action or implementation. To whom do you speak at this level of integration? Usually nobody.

Very often this problem does not arise because the client who has perceived and sponsored the project is, itself, a government department (sector). Consequently the project will be defined in very narrow terms which are, essentially, the terms of reference of the sponsoring department. Thus the problem may not be what the department says, but the department itself! On the other hand there are many multilateral bodies such as the UN agencies (UNESCO's MAB program, UNEP's Anti-Desertification efforts etc.) that do think in the broad ecoproblem terms and do sponsor study at that level. Then the real problem emerges because it is difficult to communicate the findings of such study to an administration which is structurally incapable of absorbing information at this level of aggregation. So, it remains as study and, no doubt many technical assistance people spend their lives producing unimplementable answers because of this dichotomy between research and implementation. This may give a certain level of intellectual satisfaction, produce some interesting results and reports and give the sponsoring agency the satisfaction of thinking that it has done something. The results for the people on the ground encountering the real problem amount to nothing more than an "illusion of activity".

## B. MANAGEMENT OR ADMINISTRATION

We have mentioned above that many administrations in Developing Countries have become extremely **interventionist** in the development process. This gives rise to another problem. The fact is that most administrations were created in colonial times to serve that economic and social system. In essence they were focussed on **procedures** and the regulation of an orderly public domain. Great stress was placed on continuity, loyalty and not rocking the boat.

Now, in contrast, these same bodies are cast into the mould of project initiators and managers. We frequently hear cries for the public sector to be more "businesslike" because they are deeply involved in the business of production and distribution. Of course, the thrust at the moment from the IMF and World Bank is in the other direction so that restructuring stresses the return of many of these functions to the private sec-

tor. However, the fact remains that many of the development investment programs are in state hands and will remain so. But what is there in the selection, monitoring, and evaluation of public-sector personnel which equips them to be managers? Virtually nothing. Most of them come from a conventional technical background or from standard western economics (which is not management). Some countries have started sending public officials away to study for MBA degrees at overseas universities but that is also missing the point, because government is **not a business**. It does not measure its success according to the end of year profits; it has many constituencies to satisfy and it has a vast agenda of welfare activities which may be difficult to quantify and squeeze into double-entry book-keeping.

However, there is a need for certain elements of the business world if the public sector is going to be a manager of the nation's resources: objectives and targets must be set; progress must be monitored; flexibility must be an intrinsic part of the system; performance must be audited and there must be clear responsibility, participation and accountability. Many administrations simply do not match up to this list and yet they proceed with the business of moving millions of dollars into production and distribution schemes. It is important to remember that the structure and function of the administration is largely inherited and is being applied to a role for which it was never created. Hence some of the frustration which is felt by foreign consultants over issues such as overly-bureaucratic approaches by the client, inflexibility, a concentration on procedures rather than results and so on.

## C. THE TIME PERSPECTIVE

The main concern felt with regard to natural resource management in the Tropics at present is the issue of **sustainability**. It is often said that Developing Countries seem to be engaged on the reckless destruction of their natural endowment. The reality of what is happening through deforestation (especially in the Tropical Rain Forests), desertification, soil erosion, salination and so on, seems undeniable. However the context within which this happens needs examination. Of course there are always cases where people who should, and do, know better, are recklessly asset-stripping the country for profit. The case of the export of charcoal from Africa for the Middle East is a good case in point. On the other hand there is a case to be argued that in many instances governments have to measure the case for conservation against the pressures for survival.

It is an unfortunate fact of life that, in a place like Africa, most governments have seen commodity prices fall, energy import costs rise, balance of payments deteriorate, terms of trade decline, populations rise and debts explode. Now, given that scenario it is evident that most policy makers and administrators will respond particularly to the "crisis management" mentality which is palliative, expedient and short-term. The pressure for them to think like this comes also from the international organisations which stress the urgent need to balance the budget (a short term consideration if ever there was one). It is extremely difficult in that sort of climate to give high priority to long term considerations such as conservation. We must not assume

that these countries are blind, reckless or rapacious. In many cases they are engaged in a very fundamental process known as "staying alive". Thus when western consultants, ngo's and the like come forward telling these governments what they should do to preserve their heritage or conserve their natural resources, it is to be hoped that these same people will also give as much attention to "how is this to be done?" and, "where are the resources coming from?" Otherwise they would be well advised to remain silent as it merely rubs salt into the wounds of countries in a very damaged economic state.

A further factor exacerbating the short-term perspective is the aid relationship. In many Developing Countries today, a considerable part of the capital budget comes in the form of aid, either bilateral or multilateral. Most aid is still bilateral and it is a feature of such aid that the donors want two things: a) economic projects (which conventional methodology defines to the exclusion of conservation) and b) quick results. The donors very often are not willing to commit themselves for the long time spans which are an essential feature of sound conservation programs. Since they have what often amounts to a stranglehold over capital expenditure, their time horizon is the one which tends to dominate.

#### D. CAPITAL VERSUS RECURRENT EXPENDITURE

As we have just mentioned it is frequently the case that aid donors and lenders dominate the capital scene. Many people with the responsibility for aid negotiations within the Developing Country will immediately recognise the remark, "we could immediately increase the amount of aid available to you if **only you had fundable projects**". This remark is not as straightforward as it seems. Funders and lenders provide the capital, usually foreign-exchange, side of development projects and **only** this side. To make a project work we need both a capital and an operating budget. If a project is "economically viable", by the strict definition of most donors/lenders, then of course it will cover its own recurrent costs from generated returns. But life is not as simple as this, especially where conservation or resource-using projects are concerned. There is often a long gestation period before any return at all starts to come in and it may be many years before the project can carry its own costs. In the meantime, where is the country supposed to find the money to cover these recurrent costs? The reluctance to accept a certain amount of aid is explained by precisely this fact: that capital is useless if you do not have the means to put it to work. Unfortunately, all too often countries succumb to the subtle pressures of the donors and lenders who imply that "if you do not accept this assistance, then future allocations may be reduced, cancelled etc." This produces the phenomenon of the "white elephant" project which simply cannot run because the resources are not there to make it run. In conservation-type projects this is going to be an especial problem because of the long gestation period. This is one of the most misunderstood problems in the development-assistance field. It could easily be resolved by allowing part of the operating costs as a loan against future returns and incorporating this cost into the initial appraisal. Then

no-one's sovereignty or economic soundness would be impaired and the project would, at least, have some hope of working.

Another area of improvement lies in budgetary system reform. Many countries still move forward on an annual basis moving from budget to budget. It is extremely difficult to get any long-term commitment to something like conservation with a context such as this. There should, at least, be an indicative commitment several years hence. It is a sad reality that when the crunch comes in terms of the national economy, one of the first things to go is the conservation budget. The reason for this is that few people in the financial, and often the planning system, perceive the real economic benefits of this expenditure. It is sometimes seen as preventative, which means to many people just a cost somehow reducing damage. However, that damage is rarely calculated in terms of lost yields, income, future revenue. This is a fault of methodology which normally fails to include these things in much the same way as it has traditionally "externalised" the environmental costs of major projects. There is some progress to report in this area since both the World Bank and the OECD are preparing appraisal methodologies which internalise sustainability and conservation (or the "environmental aspects" as they are sometimes called). A recognition is needed by all technical and economic advisory workers and their counterparts in the host governments that "ecological sense is economic sense". In most cases these two elements are seen by the conventional practitioners as being in conflict.

#### E. MONITORING AND EVALUATION

It is absolutely essential that, as a matter of policy, the administrations of Developing Countries incorporate monitoring and evaluation into their project design **as a matter of course**. We are all familiar with the number of dam, irrigation, ranching and other projects which have gone badly wrong or have simply failed to match expectations. But how often do we see a clear statement of why they failed? There is no reason for a project to have objectives and targets if these are not going to be effectively monitored. Within the public sector there is nearly always some form of financial monitoring often conducted by the Ministry of Finance which is charged with the responsibility of seeing that public money is spent according to the budget provisions, procedures etc. On the other hand there is all too rarely any body which publicly conducts a physical monitoring of the project to see that it is doing what it said it was going to do. There are sometimes annual reports which give an account of the activity of the last year, but how often do these measure that performance against the stated projections? If this is not done, and if there is not an evaluation in a broad sense at the end of some critical stage, then there is no learning process, no accountability and little hope of these same problems being avoided in the future. We expect joint stock operations to produce a public audit annually but our expectations of public sector development projects are much more modest. Of course no-one, least of all politicians, wants a public examination of possible mistakes but this is essential. In short, any project which does not have provision for monitoring and evaluation is not a project at all.

## F. PARTICIPATION

If the state does adopt this central role in development then it is the initiator of most changes. If we accept the fact that the administration, as the executor of policy, is enacting the popular will, then we have some sort of public endorsement for the activities being conducted. However, this is too indirect in most cases and the popular perception of many development activities is that they are "government schemes". This may produce one of two distinct approaches: a) the handout approach that we will wait for the government to do everything and; b) the alienation approach which says that I have no control over what is going on and, hence, I am not much motivated one way or the other.

It is essential that resource-development activities which involve local populations are an expression of locally-perceived needs. Project appraisal must incorporate clear evidence that this has been investigated and proved. There is a tendency by foreign experts to regard the backwardness of local communities as a real impediment to development and to work around it. This is a very wrong approach as most communities naturally want to improve their own position. Of course if the top-down approach has predominated for a long time, their expectation will be that they have no place in this set up and so their involvement will naturally be rather muted. The perception of the "common man", rhetoric apart, by many administrations is an extremely patronising one. In the case of credit, for instance, agricultural banks often fall into the trap of lending to the better-off farmers because they know that

these people: a) have seizable assets; b) can read and write and fill in a loan form; c) are accessible to loan officers (have a postal address). Furthermore, it is felt that somehow these people are "used to money and fully within the cash economy" and so will put a loan to good use. In this fashion, the really poor who could do a great deal with very little simply get by-passed completely. Yet, in Malawi and Bangladesh where there is loan provision for the very poor farmer the success and repayment rates are very much better than for the larger farmers.

## CONCLUSION

This has been a very brief review which has only outlined some of the main areas where the administrative structure itself is going to intrude into the development process. It is clear that this framework is absolutely fundamental to an understanding of the context within which development is, or is not, likely to succeed. Clearly governments rarely bring in foreign experts to study the system of government itself. But to ignore, or externalise this, is to remove a critical variable from the process of analysis. Technical people normally regard their work as somehow "neutral", especially in the natural sciences. But this is an act of self deception. Anything they propose or do is going to impact within a socio-economic system, and all science and technology is culture specific. At the minimum, an awareness of this is a required part of the training of technical experts.