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P O L I C Y

**POLICY REVIEW : THE UNIQUE ROLE OF THE UNITED NATIONS DEVELOPMENT
PROGRAMME IN HUMAN RESOURCES DEVELOPMENT AND
DEVELOPMENT CO-OPERATION IN THE 1980s**

HUMAN RESOURCES DEVELOPMENT: ISSUES AND IMPLICATIONS

Report of the Administrator

Summary

The Report of the Administrator responds to Governing Council decision 85/46, paragraph 2, pertaining to a policy review on "The unique role of UNDP in human resources development and development co-operation in the 1980s". This report presents the main issues related to human resources development and indicates the operational implications for developing countries and the United Nations development system. These operational considerations in turn serve to identify what the unique role of UNDP should be in assisting Governments of developing countries in addressing the critical issues of human resources development.

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I. DEFINING HUMAN RESOURCES DEVELOPMENT

1. Since the early 1950s, economic studies have shown that increases in physical capital and labour cannot by themselves account for growth in aggregate output: there must be corresponding increased efficiency in their use, particularly in view of the impact of technological change.

Simon Kuznets identified these critical ingredients as the "residual" which determines the level of aggregate output.^{1/} Theodore Schultz attributed much of the measured residual to the quality of "human capital", which includes improvements not only in education and skills but also in health, life expectancy, and the capacity of individual workers and farmers to allocate and manage resources and make sound economic decisions.^{2/}

2. In the late 1960s and 1970s, doubts were raised regarding the link between increasingly heavy investments in education and training and the specific skills and occupations that were needed for a more productive society. Did education prepare people for the lives they had in fact to lead? To what extent did the educational experience contribute to unemployment of the educated and to the brain drain? Despite impressive increases in the percentage of literate adults, the absolute number of illiterates in many developing countries continued to increase. Despite advances in promoting science and domestic research, developing countries still lacked the capacity to benefit from new technologies and develop alternative technologies of their own. Moreover, growing concern for the enormous disparities in income and opportunities in many countries focused attention on the distributive and qualitative aspects of development. The case for human resources development was no longer couched solely in terms of economic growth but also in terms of the reduction of poverty: important initiatives were undertaken in such areas as primary health care, basic education and appropriate technology.

3. During the economic recession of the 1980s, however, support for human resources development has faltered. In the face of the stagnation in the economy of many developing countries, the squeeze of adjustment measures falls heavily on the sectors most concerned with the quality of human resources. In his statement before the Second Committee of the United Nations General Assembly in November 1984, the UNDP Administrator drew attention to the serious decline that was taking place in expenditures in education, health, housing, and social welfare in the developing countries. He also called for greater attention to the central role of human resources in the development process. Similarly, after analysing the linkages between economic retrenchment and basic levels of human welfare, a number of organizations, notably the United Nations Children's Fund (UNICEF), have argued for a broader approach to adjustment policies. Neglect of the human dimension was also the main message which came out of the Istanbul Roundtable held in September 1985, under the joint sponsorship of UNDP and the North-South Roundtable of the Society for International Development, where it was urged that international organizations "reaffirm the central importance of the human dimension in all their activities and take steps to ensure that their programmes and practices are redirected to offset the dangerous tendencies which have been arising".^{3/} The International Labour Organisation (ILO) is planning to hold a high-level meeting of ministers of finance and ministers of labour,

employers and worker leaders, and heads of international financial and economic institutions to examine the consequences of international financial and monetary policies on employment.

4. Thus, after nearly four decades of development experience, human resources development must be looked upon not merely as an instrument or precondition to economic growth but also as the development objective itself. Human resources development should be defined as the maximization of the human potential as well as the promotion of its fullest utilization for economic and social progress. This concern for the human dimension in development as an end as well as a means cannot be separated from the concern for productive employment and the satisfaction of basic needs. Productivity and inventiveness, even levels of fertility, are intimately linked to the general health and educational status of the population. Human resources development must be broadly defined because of its intersectoral links, for example, those between schooling, age of marriage and knowledge of family planning; between productivity and caloric intake; between education and the productivity of farmers. In the absence of a programme to create jobs and outlets for human energies, heavy investments in education and skill development only exacerbate the brain drain and place large segments of the population at the margin of development. Indeed, unemployment has degenerative consequences for society, whereas work experience has a salutary effect.

5. This definition of human resources development requires that people be given the opportunity to apply the full range of their skills and abilities, fulfil their desires and ambitions, and make their contributions to the improvement of their lives and their society. Thus, human resources development depends upon a political and social environment conducive to individual expression, self-fulfilment and the utilization of human potential. It is probably more dependent upon such an environment than it is on any particular educational training system or the mere availability of jobs; it thus depends on the very nature of society and its economic history and culture.

6. As the concept of human resources development evolved, it tended to be expressed in terms of the experience of the industrialized countries, not always with due appreciation for the diversity of cultures, traditions, values and general conditions prevailing in other regions of the world. It is now clear that regional, subregional and national differences must be taken into account. There are skill shortages and excesses; different ecosystems create unique opportunities and impose unique constraints; the needs of the more agrarian societies differ from those of the more industrialized. Some cultural and traditional values create disparities: a relatively homogenous population may facilitate the mobilization of human capabilities; constraining authority patterns can be detrimental to experimentation and creativity. Given these considerations, it is clear that an operational human resource development strategy can be articulated only within the context of each country's special conditions.

7. While there is agreement on the broad concept of human resources development, operational thinking often tends to be confined by the narrow, traditional terms of skill formation, technology transfer and managerial training. The lack of a broad operational definition militates against the formulation of strategies to deal holistically with the issues and the establishment of criteria for assessing progress in human terms. This paper develops that broader definition which in turn leads to new operational approaches regarding the role of UNDP in human resources development.

II. SUBSTANTIVE ISSUES

8. The concept of human resources development must be viewed in terms of substantive issues, in order to establish a conceptual framework that has sufficient content and specificity to allow the analysis to be extended beyond generalities and operational conclusions to be drawn. These substantive or policy issues do not lend themselves to any easy resolution: they are subjects of continuing research and consultation. Neither can they be treated here in any exhaustive fashion, but simply as illustrations of the range involved. Within the broad definition of human resources development given above, the issues covered in this paper can be grouped into those related to (a) education and training; (b) employment and participation; and (c) public sector management and human resource planning. Restricting the inquiry to these broad categories is not to deny the importance of other issues which also have an enormous impact on the livelihood and overall condition of people in the developing countries, such as those related to trade and commodity prices, military expenditures and security, indebtedness and adjustment policies. Rather, the scope of this paper will be limited to those human resource issues that have operational relevance for the technical co-operation activities of the United Nations system.

A. Education and training

9. Educational priorities. In the past, priority was given to types and levels of education which seemed to have a direct impact on economic growth, such as secondary and higher education, which was intended to produce the technicians and management personnel required by the economy. The emphasis has since shifted to the desirability of a minimum level of education for the population at large and, therefore, to greater priority for primary education and adult literacy programmes. Only when a critical mass of the population has a basic education can the work-force of a nation adapt successfully to technological and environmental change, and only then can higher education become meaningful. The right to education has become an economic imperative, reflected in the adoption of the principle of universal primary education and the unprecedented expansion of pupil enrolments. The key issue is one of balancing the long-range goal of a basic education for everyone with the immediate need for professional and technical skills. One of the most important roles of education is to develop general reasoning ability and positive attitudes towards work and society, as well as a national consciousness and a common intellectual heritage. The question may be raised, however, whether universal primary education is a reasonable goal in view of the poor quality of instruction, the problems of drop-outs and wastage, and the inadequacy of facilities. With shortages of qualified teachers,

especially in the rural areas, and the deterioration of educational quality, the productivity of primary schooling in terms of desired competencies has become an issue of much concern. On the other hand, over-emphasis on the kind of education that directly and exclusively serves the immediate requirements of the modern sector isolates the mass of population from the development process; in addition, it is unreliable, since forecasting future skill requirements is never very accurate. Moreover, according to World Bank studies, social rates of return at the more advanced secondary and higher levels are less favourable than in primary schooling.^{4/}

10. Curriculum relevance. Concern for the productivity of the educational system leads to a re-examination of the curriculum. The United Nations Educational, Scientific and Cultural Organization (UNESCO) has lent a good deal of support in this area. The large number of drop-outs and unemployed diploma holders calls for strengthening the links between education and the world of work. The problem, essentially one of a mismatch between aspirations and opportunities, can be alleviated by making the content of education more relevant to the cultural and social environment. Efforts to synthesize modern knowledge and attitudes with traditional customs and values include using the local language as the language of instruction and teaching the national language as a secondary language, as well as introducing practical and productive work into general education. Likewise, infusing into the curriculum issues such as nutrition, hygiene and family planning enhances its relevance, as does placing greater emphasis on science and mathematics in a society undergoing rapid technological change. However, some parents and children oppose efforts to introduce more vocational elements into the curriculum, seeing therein a second-rate alternative which restricts opportunities in the future. Also, simply imbuing education with a rural bias, such as through the operation of school gardens, cannot substitute for measures that make the countryside a better place to live in.

11. Teaching methods and educational technology. Along with changes in the content of education have come innovations in the learning process itself. Thanks to technological innovations, education today is in a position to make use of radio, television, and audio- and video-cassettes in countries where some rural schools do not even have a blackboard, and where pupils have neither paper, pencils nor textbooks. Programmed courses, computer-assisted instruction, and distance learning through radio and satellite communications can increase the internal efficiency of education by reducing wastage and by lowering unit costs. As UNESCO has noted, however, the revolution in the teaching-learning process anticipated two decades ago is yet to come. Innovations in educational technology have proven more spectacular than far-reaching.

12. Non-formal education. The concept of education as a fundamental right and prerequisite for social progress demands opportunities for lifelong education. This implies the broadening of educational opportunities at every stage of life. Literacy and adult education thus take on new importance as an integral part of basic needs. Experience has shown that determined campaigns can reduce illiteracy dramatically, but also that sustained action in literacy campaigns is difficult to maintain. The mass media and modern educational technologies offer promise for greatly extending the coverage of non-formal

programmes, but the instances of innovative programmes aimed at improving the local learning environment (through the use of video tape to teach literacy, for example) are relatively few. The key issue is how to link formal and non-formal education in a coherent, cost-effective and mutually supportive way. Examples of initiatives in this respect are the use of regular teaching staff to provide non-formal training after school hours and the combining of literacy training for women with the development of pre-school education.

13. Financing education. Governments hard-pressed by economic conditions find it increasingly difficult to finance education. Attention must therefore be given to improving the efficiency of the educational system so as to reduce the high repetition and drop-out rates. Depending upon the country's political system, there are also methods of cost recovery such as student loans, community self-help to reduce school construction cost, and greater decentralization to encourage community-run schooling. As the World Bank has pointed out, education has, especially at the primary level, a high social rate of return.^{5/} Because of the way education investment is financed, however, resources are often insufficient and poorly allocated. Particularly at the higher secondary and university levels, where the benefits to the individual are greatest, education is often heavily subsidized, serving to stimulate further excess demand and compound the problem of educated unemployment.

14. Vocational training. More than education, training is, by its very nature, the responsibility of different ministries, agencies and institutions, and often suffers from the absence of a co-ordinated national system.^{6/} The diversity of the inputs which shape any training activity calls for a broad systems approach to training design and implementation. Most training is delivered through public and private institutions which have generally proven to be costly, of limited scope, and not flexible enough in responding to changing manpower requirements and employment opportunities. The demand for training far outstrips the capacity of institutions; alternative ways of acquiring skills must be offered. Enterprise-based training is seen as a means of offering additional training opportunities at lower cost, as well as being more responsive to changing needs. Training offered on-the-job or through apprenticeship usually entails the precondition of already being employed. Such problems compel developing countries to search for more cost-effective ways to train large numbers of people. ILO has shown how new methods and approaches, such as modular techniques, mobile facilities, radio and television, can serve to lower training costs and expand the coverage of programmes to include categories of the population not ordinarily reached. Some valuable experience in this regard has been gained by the open universities, which are involved in the transmission of basic skills and knowledge related to gainful activities.

15. Training for self-employment. ILO has noted that institutional and enterprise-based schemes reach only the 10 per cent of trainees who seek regular, salaried jobs in industry, rather than the mass of rural workers and self-employed who are also in need.^{7/} Training efforts must be increasingly directed to the needs of the rural urban and informal sectors, which presently absorb a growing part of the labour force. A UNDP/ILO evaluation of past assistance to industrial training projects underscored the fact that artisan

enterprises and the informal sector generally have benefited little from technical co-operation. Traditional forms of artisan apprenticeships have proven adaptable to present-day requirements, and small rural-based enterprises can have an important impact on decentralization and rural development. Also, according to some studies,^{8/} rates of return are impressive in the case of entrepreneurial training conducted by non-governmental organizations (NGOs) and including traditional components such as the use of credit facilities, keeping accounts, and the marketing of products and skills, as well as behavioural elements such as achievement motivation. The special training needs of youth, women, migrants and the disabled must be addressed. Another priority is the need to train managers and supervisors in both the public and private sector and to reorient their training away from formalistic approaches, which encourage paper qualifications to which salaries are rigidly tied, and from management principles that are not culturally relevant.

16. Training at the grassroots level. Human resources development, as noted earlier, involves the mobilization of the skills and energies of all the people so that everyone may contribute to the improvement of society. Valuable training at the grassroots level is being undertaken in some developing countries in order to facilitate self-managed participatory actions. This experience provides examples of new training approaches, involving participatory research designed to stimulate a critical awareness among the rural poor and guide them in seeking their own solutions to their most pressing problems. The ILO rural-community-based training in Bangladesh and Nepal features the involvement of the community in the design and execution of the entire training process; in eastern and southern Africa, ILO is implementing a regional skills development project which focuses on low-cost, community-based learning of skills.

17. Human resources for the green revolution. The farming community requires better educated workers with more diversified skills linked to irrigation, livestock care, and the other technical and managerial demands essential to the green revolution. Studies by the Food and Agriculture Organization of the United Nations (FAO) and the World Bank have clearly established the linkage between investments in farmer education and training and increases in agricultural productivity. Developing countries have been experimenting, often with FAO support, in innovative, low-cost training approaches, including group training, training and visit (T&V), and field-level workshops that are organized to identify local needs and map out a programme of action. However, training needs in the countryside have not always been met, and there is increased urgency to identify alternative skills and income-generating potential and to provide relevant training. In this connection, attention naturally focuses on off-farm skills associated with farm mechanization, pump irrigation, the processing of agricultural produce, and improvements in rural infrastructure such as transport, electrification and storage facilities.

18. Manpower for primary health care. An effective primary health care (PHC) network is an important part of the foundation for human resources development. The UNDP/World Health Organization (WHO) evaluation of PHC programmes has identified a range of issues which have emerged regarding

community-based health workers and their relationship to the formal health system.^{9/} New categories of skills, embodying new functions, are needed, together with a primary health strategy. PHC presupposes on-the-job training in the community; selection criteria for health workers based on commitment to work in the community rather than literacy and schooling; and stronger links with supervisory and technical personnel who may be available only occasionally to provide guidance and feedback. There is the parallel need for a major reorientation of the functions and perspectives of health personnel away from clinical treatment of disease and towards PHC, with emphasis on the family and the community. The World Bank and other organizations stress the need for a well co-ordinated and institutionally strong health system as a prerequisite to providing the support needed at the local level. As with other sectors, the issues include recovery of costs, especially for curative care; involving communities in the development of services; and increased pluralism in health service delivery through better co-ordination with NGOs and the private sector.

19. Human resources and industry. Human capital is increasingly recognized as the factor which provides the competitive edge in industry in all its aspects: management, research and development, production, marketing, engineering consultancies, etc. Technology advances, new forms of production organization and conditions of competition create imbalances between supply and demand in industrial skills and consequent shortages and surpluses. As the United Nations Industrial Development Organization (UNIDO) studies have shown, these imbalances are due to the time-lag between identifying the needs and training the people to meet those needs. They can best be addressed through flexible, broad-based education and training approaches, such as pre-employment and on-the-job programmes, re-training schemes and continuing education. Where industrial strategies have been adopted, human resource needs can be more realistically planned. Also, the development of new production systems and world-wide markets places a premium on up-to-the-minute information systems and close international contacts.

B. Employment and participation

20. Technology and employment. Since human resources development has been defined to include the fullest use of human potential for economic and social progress, the creation of jobs and the efficient utilization of trained manpower are important elements in the definition. Many organizations in the United Nations system, e.g., the United Nations Department of Technical Co-operation for Development (UNDTCD), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Centre on Transnational Corporations (UNCTC), UNIDO, UNESCO, ILO, the Intergovernmental Committee on Science and Technology for Development have studied the relationship between technology and employment. Other agencies such as the International Telecommunication Union (ITU), the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) have devoted attention to training requirements in rapidly evolving high-technology fields. There are many examples of the ways in which the issues of technology and employment are interwoven: in the provision of education and training which enhances the capacity of the work-force to cope with technological change and new production methods; in the development of a capability for

technological adaptation through an institutional infrastructure which can identify the potential of new technologies, in such fields as micro-electronics, genetic engineering and materials research; in adapting technologies obtained from abroad; in linking the laboratory to industry and agriculture; in the co-ordination of research and development; and in providing opportunities which will absorb trained local talents and thus counter the brain drain. Another key issue is the extent to which labour-intensive technologies, as in public works, can be cost effective. The obverse of this is the impact of labour-saving technologies, as in the case of industrial robotics and micro-electronics, in displacing skills and in polarizing the labour force into a technocratic elite, on the one hand, and those engaged in menial labour and the unemployed, on the other. Technology carries both an opportunity and a threat: it can improve working conditions and productivity but at the same time can cause social and economic dislocation. There is, then, all the more reason to build upon what technological knowledge already exists in villages and urban settlements and to develop technologies based on local experience and resources that are environmentally sound and will remain within the control of the users. Unfortunately, while the transfer of high technology has received a great deal of attention, rural needs have not received the same consideration. Rural technology centres have been established in some developing countries, but the institutional elements have often been inadequate to facilitate the transfer and application of technology. Educational and training efforts are still heavily influenced by external criteria and models and do not reflect the indigenous socio-cultural environment. Too much stress on universal standards, degree equivalencies and standardized testing can also have a dampening effect on indigenous creativity.

21. The urban informal sector. A large part of urban populations depends for a living on small trading, manufacturing and service activities which have no formal relationship with the Government or with the banking system. Because of its service orientation, this informal sector expands rapidly as the overall urban population grows. Developing countries increasingly realize the importance of this sector in providing opportunities for livelihood, as distinct from regular paying jobs, to a large segment of the labour force; they see, too, that the policy of benign neglect practiced in the past is no longer a viable option. Enhancing incomes within this informal sector, even marginally, can set in motion an indigenous process of improvement. The issues pertain to how people living in such an unstructured environment can be supported with appropriate training, credit and technical services in such a way that the environment itself, which involves fragile client relationships, is not adversely affected. Care must be taken not to upset the highly competitive small-scale nature of activities which contribute to labour absorption. Although the informal sector has been extensively analysed by ILO, experience in operational interventions is extremely limited.

22. Brain drain. The loss of highly trained, high quality manpower to more developed countries represents a loss not only of knowledge and skills but also of leadership capacity, originality of thought and creativity. While one country's loss may be another's gain, and remittances from expatriate nationals can constitute an important source of national income, on balance, the brain drain clearly has a negative impact. If there are any solutions to

the problem, they depend in part upon adjusting education and training to employment opportunities and training people to be functional in their own society. Countering the brain drain and convincing expatriates to return home also depends on a political climate of confidence and optimism about the future, which is not often the case. Special incentives coupled with technical co-operation programmes which encourage the reintegration of expatriates, such as those of the Intergovernmental Committee on Migration and the Transfer of Knowledge through Expatriate Nationals (TOKTEN), administered by UNDP, are needed on a wide scale. An issue in certain developing countries is how to ensure that scarce domestic and external financial resources are not used to support the training of people intent on going abroad while there is still a heavy demand at home for their services. Also, UNESCO has found that basing development projects in national universities can have a positive effect in countering the brain drain; thus strengthened, the institutions serve to motivate the best brains to stay home or return home. Since imperfect selection systems, however, can all too often make the merit system an instrument of elite self-perpetuation, the United Nations University also believes in the importance of developing mechanisms for the global networking of scholars, working in their own countries with access to information from around the world.

23. Youth employment. As the United Nations Secretary-General said in his June 1981 report on preparations for the International Youth Year, unemployment is "the most critical socio-economic problem related to youth".^{10/} Since then, the slowing of economic growth in many developing countries has only exacerbated the crisis, which stems from the growing disparity between the aspirations of young people and the type of jobs that are available to them. A large percentage of the young population live in the rural areas, where programmes to extend cultivated areas, intensify cropping and adopt labour-intensive techniques still offer little encouragement in providing a sufficient number of jobs. Many young people flock to the towns, where some resort to very low-paying jobs in the informal sector, while others remain unemployed. Village polytechnics, leadership training programmes, training for self-employment, and linking education to work in order to counter the paper qualifications syndrome, are essential in any strategy designed to deal with this seemingly intractable problem. Some developing countries have also devised special youth employment schemes, such as the creation of production and service co-operatives and national youth service programmes. Sometimes training is combined with the production of consumer goods or foodstuffs, or as part of a labour-investment scheme. The Domestic Development Service (DDS) programme of the United Nations Volunteers (UNV) has proven effective in supporting small income-generating enterprises in Asia and the Pacific. As ILO has pointed out, however, some schemes, besides being costly, raise difficulties in the choice of objectives, selection of projects, and integration into more comprehensive programmes. They are also small compared to the size of the youth labour market.

24. Women in development. The 1985 joint agency/UNDP assessment,^{11/} requested by the Governing Council on progress made to increase the participation of women in development during the United Nations Decade for Women, found that there is heightened sensitivity on the part of Governments to the central role of women in most aspects of the development process.

Important actions have been taken to create an institutional and legal environment conducive to integrating women in development. Programmes to reduce fertility and postpone marriage have had a positive effect on the participation of women in the labour force. Much, however, remains to be done in improving access to education, non-formal training and extension services. Because of cultural attitudes and norms, women still suffer discrimination in labour markets, where they occupy poorly paid positions and lack support services, such as child-care facilities. Technological progress has not always been friendly, wiping out jobs that have been traditionally held by women. Where women have a recognized economic role, as in cottage industries and food marketing, they may lack access to credit, or the collateral on which credit depends, as well as opportunities for technical and management training. In national statistics, the economic and household activities of women are usually treated as unpaid family workers, and their involvement in the planning and implementation of projects which have direct impact on their livelihoods can often be little more than token. In sum, while much has been done to stimulate awareness of the role of women in development, the difficulties are unresolved.

C. Public sector management and human resources planning

25. Public sector management. In many developing countries, the public sector absorbs not only a large part of the national product but also many of the human resources, especially the output of the secondary and higher educational system. The fact that public servants are often poorly utilized and managed constitutes perhaps one of the most serious wastes of human resources at the present time. With job security, but without career prospects linked to performance, the capabilities of trained professional and technical staff are sometimes grossly underutilized, and creativity is discouraged. The emergency in Africa has underscored the need to improve personnel systems and reinforce administrative capabilities, especially as related to economic and environmental management, food security, the use of capital investment and the co-ordination of external aid. The problems of weak public-sector management, however, are by no means limited to Africa. Much attention has been devoted to these issues by developing countries, often calling on support from the public administration division of UNCTAD, which has provided expertise in administrative reform, public financial management, the improvement of public enterprises, training and personnel administration, and the development of management information systems. The issues, however, remain critical and widespread.

26. Public service training. Overstaffing at the lower grades often co-exists with shortages of professional and technical personnel, and many developing countries must resort to expatriates and the costly overseas training of nationals. Since many developing countries have no policies and plans for public-sector training, training tends to be poorly co-ordinated both by Governments and among donors. There is often little relationship between training and career development, resulting in poor performance. Training programmes at the operational level need to be carefully reviewed in order to be made more relevant to the demands of the job and more closely linked to promotion prospects. A more flexible, problem-solving approach based on specific needs, such as food production or industrial technology

management, is often advocated. The need to strengthen management training at the national and subregional levels is recognized. In its latest efforts in this area, UNDP, in co-operation with the Economic Development Institute of the World Bank, looked critically at this issue in late 1984, when reviewing the Eastern and Southern Africa Management Institute (ESAMI) in Tanzania.

27. Decentralization. In its basic rationale, decentralization is one of the means of channelling the energies of people into the development process. In certain countries, decentralization is taking place within the framework of integrated rural development. Some developing countries seek to improve the efficiency of education and the allocation of scarce educational resources through a decentralization of authority among different levels of administration. There is likewise a recognized need to involve communities, employers and worker organizations in the design and execution of training programmes; at the same time, sustainable non-formal education activities must be planned at the local level if they are to be firmly based on the needs and motivations of adult learners. Decentralization is vital to the implementation of family planning and primary health care programmes, and WHO cites the lack of adequate and continuing support to village health workers, in terms of supervision, equipment, periodic refresher courses, and feedback, as a major obstacle in implementing primary health-care programmes. As a general rule, however, the machinery of Government tends to be concentrated in the cities and their immediate environs. Shifting administration to the periphery is politically far more complicated than carrying out administrative reform at the centre; responsibilities are therefore not properly divided among the various levels of administration, and field offices are incapacitated by the lack of trained staff, miniscule budgets, and political interference. The lacunae of public sector management are invariably more serious at the local level and have a debilitating effect on efforts to mobilize human resources.

28. Manpower planning. Long-term forecasts of manpower needs have, more often than not, proven to be unreliable and insufficiently disaggregated. Some reorientation of methodologies is now taking place to improve projections of manpower and training needs.^{12/} Instead of long-term forecasting and costly updating, a continual monitoring of labour market conditions is being advocated. Also, instead of attempting to force aggregated data into a single analytical framework, the trend is towards the use of a wide range of techniques to tap many sources of information (such as industry reports, job advertisements, and key informants, with detailed first-hand knowledge of particular labour markets). Only through such relatively short-term signalling devices is it felt possible to provide relevant updated information on labour supply and demand, including that of the rural and urban informal sectors, which have hitherto been largely left out of the analysis. In addition to these technical issues, these methodologies require considerable institutional capacity. The National Household Survey Capability Programme, which is co-sponsored by UNDP and the World Bank and co-ordinated by UNDTCD, is designed to develop a system which will provide a continuing flow of relevant statistics to a variety of users. Moreover, these new methodologies presuppose a rather highly sophisticated information system in order to collect a diverse range of data on such subjects as skills, training needs, division of labour and productive activities.

29. Population policies and planning. Often noted in the United Nations Fund for Population Activities (UNFPA) needs assessment reports is the need for comprehensive planning which goes beyond labour market data and deals with the wider dimensions of the human condition, such as fertility, nutrition, female occupations, and child-rearing practice. Population planning units have been set up with UNFPA support in many developing countries as focal points for information gathering and exchange with research institutions and other Government bodies, and the drawing up of training programmes. In most developing countries, fertility reduction is fundamental to a human resources strategy. On the basis of such a strategy, population policies are formulated with regard to the provision of family-planning and maternal-health services, incentives to discourage large families and the mobilization of community-level support. Rarely, however, are population policies integrated with manpower and training policy within the framework of a comprehensive economic and social plan; even when they are, there is usually need for much greater commitment and co-ordination to ensure that plans are then put into operation.

III. OPERATIONAL IMPLICATIONS

30. A comprehensive human resources strategy. A viable human resources strategy must take into account skills and capabilities available and needed in both the modern and informal sectors; productive activities at the local and household levels; as well as such factors as population growth; unemployment and underemployment; and internal migration. It requires assessing the stock of education in the population and the cost effectiveness and relevance of different kinds of educational and training programmes, private as well as public. This report has also noted the importance of basing technology and employment policies on the availability of knowledge and skills as well as on the traditions, values and aspirations of the people. Similarly, population policies need to be firmly established with reference to social patterns and cultural constraints. This is an extremely difficult task, yet a realistic human resources strategy can be developed if there is the institutionalized capacity to capture, process and analyse the kinds of information that are not usually included in national accounts and other aggregated analyses. The experience of developing countries participating in the National Household Survey Capability Programme suggests that there are means of generating statistics which will meet the requirements of a variety of users: planners, employers, training institutions, health services, and others.

31. Although the United Nations development system is heavily involved in assisting Governments in such activities, co-ordination between sectors is often deficient and precludes the formulation of a comprehensive strategy. UNDP should be more substantively involved in its central, co-ordinating capacity at the country level, especially since technical co-operation planning is an integral part of human resources planning. Substantive involvement means that the UNDP office must be further strengthened to serve not only as a partner with the specialized agencies involved in human resources planning at the sectoral level, but also as a focal point for developmental research on human resources issues. Under present conditions, such research receives little or no exposure in policy-making and programme

design, where it can have an impact. UNDP involvement would, moreover, serve to underline the importance of integrating into the economic development plan a comprehensive human resources strategy that includes the technical co-operation components. Human resources development would thus logically be given a prominent place in country programming. The heightened role in human resources assessment and planning that is recommended here may necessitate some reorientation of UNDP personnel policies in order to make sure that the qualifications of staff members equip them with the ability and interest to become substantively involved.

32. What is being suggested goes beyond Recommendation 3 in DP/1985/4, which calls for the establishment of national plans for priority technical co-operation. It is more in line with the concept of the National Technical Co-operation Assessments and Programmes (NATCAPs) initiated by UNDP. The NATCAPs are a recently-developed means to help developing countries better define and deal with their main problems in development management. The exercise includes a broad assessment of human resources needs and training capabilities involved in the management of the economy in general and of the priority sectors in particular, and thus NATCAPs should lead to overall human resources plans. The ways in which NATCAP experience can be incorporated into an institutionalized system for formulating a comprehensive human resources strategy requires further study. In this connection, the World Bank has already indicated an interest in carrying out, jointly with UNDP, human resources assessments. Studies of the performance of the education and training systems, together with household surveys to measure productivity, income, etc., would be used to assess human resources capacity in selected countries. Combined with institutional and financial information, the results of these surveys could result in substantially improved planning for human resources development.

33. Co-ordinated treatment of education and training. As noted earlier, the planning and delivery of training, by its very nature, has to be shared among agencies of Governments and various institutions and enterprises, each with its own interest in agricultural extension, health training, vocational training, management training, small enterprise development, etc. Education investments also suffer, though probably less so, from the fact that literacy and non-formal programmes are administered by other ministries, and the integration of private schools into overall education priorities usually leaves much to be desired. The special interests of donors and the fact that training activities are often project-related contribute to this fragmented treatment.

34. Training activities such as fellowships, study grants, seminars, courses, workshops, and travel grants, financed by different donors often suffer from duplication and waste, because of the lack of any comprehensive human resources plan or focal point with sufficient overall authority. There is often no co-ordination between bilateral and multilateral funding sources, nor any sharing of training information; the evaluation of fellowships, training, and follow-up on return remain weak links in the system. Any training strategy should establish priorities and give special attention to the needs of women. The problem is compounded by the absence of a plan which specifies the types of training appropriate for overseas or in the country, and the lack

of a policy which makes use of local or nearby training facilities, has a negative impact on the development of sustainable national and regional institutions. Even in the absence of a comprehensive strategy, much could be done to improve the efficiency of donor-supported training activities, provided there is a genuine commitment to collaborate on the part of the Government and the various donors.

35. A related issue is the continued, even increasing, reliance on expatriates in many developing countries. A human resources strategy must therefore include a realistic appraisal of the true need for expatriate expertise. The strategy would include ways of encouraging nationals living abroad to return home, with perhaps a voluntary register of expatriate professionals as a first step. The TOKTEN approach in meeting short-term consultancy requirements could also be developed further to encourage more long-term stays and ultimately complete repatriation. With respect to certain skills in surplus, moreover, the register might include professionals who are willing to work abroad and thus facilitate the sharing of skills between developing countries as is advocated under various technical co-operation among developing countries (TCDC) schemes.

36. A longer time-frame. Human resources development must be a long-term commitment, and the necessary investments must be considered as investments in the future. The Istanbul Statement on Development: The Human Dimension, stressed the need to find ways to ensure that the pressures of economic stabilization do not violate the very purpose of development, which is to enhance the human condition. The UNICEF appeal, at the Istanbul Roundtable, for "adjustment with a human face" reflects the importance of sustaining long-term, local-level actions with finance flexibly provided and with longer-term commitments.

37. From the point of view of Governments and donors committed to human resources development, these recommendations have important programming implications. Evaluations carried out by UNDP have consistently shown that in such areas as educational innovation and reform, and agricultural research and extension, projects should be more realistic in recognizing the need for longer time spans. Developing institutional capacity needs at least ten or fifteen years. Human resources programmes, unlike large capital and physical projects, entail sustained interaction with people and full use of local skills. They are also largely a matter of costs which must be met locally. Financial sustainability through the use of local resources over the long term is often left unattended by concentrating only on the capital and foreign exchange requirements of projects. Special attention must therefore be given from the earliest planning stage to the potential for cost recovery or the capacity of the Government budget to bear the costs over time. In cases of heavy local costs, donors should be prepared to commit food aid and other resources, including financial resources, to improve the living and working conditions of Government field staff and local workers in the countryside. The costs of in-service refresher training courses for a number of years after the project has officially ended may need to be met, and expatriate nationals may need to be provided on long-term Operational Assistance (OPAS)-type

arrangements, in accordance with the Governing Council decision 85/10. In other cases, further assistance could be given to allow for visits by short-term consultants. The underlying principle is that the international community should be prepared to make such terms of assistance available over an extended period of time until such projects become self-sustaining, which is indeed always the aim.

38. There is a substantial bias on the part of donors to project funding as contrasted to programme funding. Projects which deal with time-bound start-up costs and require detailed up-front planning, coupled with rigorous adherence to tight implementation schedules, are usually out of phase with local realities. Furthermore, they virtually assure that the real decisions will remain with professional technicians and Government officials and that the involvement of the people will be limited. By contrast, longer-term involvement in human resources development should be planned within the context of a Government programme, in such areas as basic education, literacy training and family planning, preferably involving several donors. In human resources programmes, there is invariably a need to deal systemically at different levels, rather than with particular institutions or technical issues. Donors should support the overall programme, taking responsibility for different parts of the programme. Instead of initiating projects individually and then trying to co-ordinate them as best they can, aid agencies could join from the onset in a multi-year commitment to achieve specific human resources targets.

39. Bringing the poor into the development process. Mobilizing the full potential of the population presupposes a level of critical consciousness in the society that will enable all segments of the population to be brought into the development process. As the experience of a number of developing countries demonstrates, such balanced development does not necessarily accompany economic progress. This may be due in part to the fact that modernization strategies tend to focus on structural changes, such as those which provide opportunities and incentives to increase income and productivity, without enough attention to ensuring that the local culture, embodied in values, institutions, and customary relationships, is ready to take advantage of new conditions.

40. The UNDP action plan for participatory development explains the need to involve the rural and urban poor in the design and execution of development projects which directly affect their lives, particularly long-term human resource activities, whose benefits may be neither highly visible nor immediate.^{13/} The success of a project often depends on how the beneficiaries perceive their needs, and therefore they should be involved in the early stages of planning in order to ensure their participation over the long haul. The empowerment approach, in contrast to the usual delivery approach, seeks to develop small, self-managed participation groups and thus strengthen the economic base of the poor so that they can play a direct part in improving their own conditions. The aim of this approach is to develop a critical consciousness so that people feel that they have the capacity to change their lives. In this respect, the empowerment approach differs from many community development and co-operative programmes, which are more easily controlled by local elites and preserve the status quo. There are isolated

instances of this approach being tried with considerable success, sometimes with valuable support from the UNV DDS programme. To undertake this approach more generally, however, would require far-reaching changes in priorities in many developing countries.

41. If it is to play a more important role in mobilizing the energies at the local level, the United Nations development system must support Governments in establishing a much closer relationship with indigenous grassroots organizations. Parent associations, mothers' clubs, urban neighborhood planning groups, rural churches, local health committees, youth clubs, and similar groups can make important contributions to the planning and implementation of human development programmes. They are generally small and weak, which makes collaboration with them difficult. Their priority concerns often diverge from those of the Government; jealous of their independence, they may even show mutual distrust.

42. With the exception of UNV activities in a number of developing countries, UNDP assistance tends to be channelled to Government institutions at relatively high levels. The UNDP action plan calls for more explicit effort in programming which involves grassroots institutions. To move in this direction, workshops can be organized at the national level in order to identify opportunities for collaboration with the private sector and grassroots organizations. Such exchanges could lead to a better overview of skills supply and demand in a wide variety of activities and serve to suggest opportunities for collaborative training and job creation projects.

43. More attention to public sector management. This paper has touched on some of the administrative and management deficiencies which result in poor utilization of trained human resources and which militate against effectively dealing with crucial issues of human resources development. The need to make bureaucracy more sensitive to the needs of the people is a basic prerequisite to mobilizing human potential. In addressing common issues of public sector management, developing countries can work together, as in the case of the International Center for Public Enterprises (ICPE) in Ljubljana, Yugoslavia. This Center, which has been supported by UNDP, carries out research, training and consultancy services related to all aspects of public enterprise management.

44. The crisis in sub-Saharan Africa served to highlight dramatically the weaknesses of Governments in the management of programmes to improve production, provide services, and address the basic needs of the population. Because of administrative weaknesses, their ability to co-ordinate and effectively utilize technical, capital and commodity assistance for the purpose of alleviating the crisis and building future capacity was sorely restricted. The 1985 UNDP/World Bank joint technical co-operation assessment mission to Somalia identified the need to improve the Government's ability to manage the development process, as "foremost among technical assistance requirements and transcending all other needs". The mission further found that without major reform of the civil service, much technical assistance being provided "remains a temporary exercise, likely to be ineffective in the longer term".^{14/} The Working Group which was set up last year by the United Nations Director-General for Development and International Economic

Co-operation to recommend how the United Nations might develop a special action programme for administration and management to strengthen administrative and management capabilities in Africa, noted in its draft report of 21 January 1986 the need for donors to assist Governments to improve the efficiency of the public services and the management of resources, including emergency assistance; to decentralize administrative authority; and to enhance the functioning of public enterprises. While the crisis in Africa has brought the issues into focus and called for a greater effort by the United Nations development system, the problems are of wider geographic dimensions, affecting developing countries world-wide.

45. The ways in which adjustment measures are prepared and implemented so that human resources programmes are not jeopardized will differ from one country to another. Whatever the country-specific approach may be, however, it will inevitably include practical measures to rationalize budgetary, accounting and auditing policies and improve tax administration in order to mobilize domestic resources and provide appropriate incentives. Much will also depend on improving the delivery of administrative and other services at the local level, which entails developing a more efficient and decentralized civil service and devolving greater authority to local levels of administration. Given the need for restraint on Government expenditure, the contracting out of some functions and the reduction of personnel are often indicated as necessary. At the same time, raising basic salaries may be crucial to civil service reform. The international community should be ready to take a more active part in helping Governments find solutions to such sensitive and difficult problems. Although direct support of salary costs is undesirable, other incentives may be more palatable, such as those relating to field staff conditions. Incentives for staff to leave the civil service are provided in some countries in the form of land and loans. As mentioned in paragraph 37, other incentives might be considered, particularly if coupled with a general shift of personnel to local levels of administration and field duties. With the current emphasis on projects, incentive payments are discriminatory and act to the detriment of overall morale and the efficiency of Government institutions. In a system of multi-donor support to human resources programmes which receive genuine Government priority and commitment, however, the financing of incentives and perquisites could be more broadly applied and later phased out as the programme becomes fully established. With regard to the United Nations system of technical co-operation, a common position on such matters is needed. UNDP, working closely with Governments, enjoying their confidence and having access to all sectors, should take a leading role.

46. Commitment to strengthening institutional capacity. During economic recessions, those countries where institutions are weakest and where sustained human resources development actions are most needed are the very ones which must shift priorities most sharply to increase production and create investment opportunities. Excessive pressures for immediate results often shift attention away from the need for the sustainable institutions within which trained persons find satisfaction and work. The preoccupations of donors reflect the shift, with more emphasis on humanitarian operations, direct support to production activities, and the delivery of services which make least demands on Government counterpart resources. The operational bias of aid donors, particularly for projects which are thought to have immediate

impact on the poor, and of experts and consultants, who have to make quick judgements on the basis of short visits, and the urgency to show quantifiable results detract from the needs of institutions which acquire capability only with time and experience.

47. Institution-building has been a concern since the early days of technical co-operation. Making sure that capacity can be sustained is a more recent concern, which stems from many evaluations by UNDP, the World Bank and others. Institutions established with project assistance often lack the capacity to generate benefits after the project has ended. Project attention is traditionally given to individual institutions rendering particular services and to their strictly technical functions. The economic and management dimensions, such as planning, information and feedback, revenue mobilization, and career development of personnel, are relatively neglected. Although a substantial part of all technical co-operation is related in one degree or another to the development of institutions, what has taken place has been very uneven. Long-term and on-the-job training are quite often neglected because of the pressure of the institution's responsibilities: project outputs become confused with institution outputs. Because training is not sufficiently related to long-term institutional requirements, future capacity to utilize effectively trained personnel is compromised and subsequent training in isolation can make virtually no difference. Instead of limited and temporary interventions to establish sound operational systems and processes, project staff stays on longer, at considerable costs; yet in the end their effect is strictly transient. The institutions they leave behind are often unstable and inefficient, with frustrated, disillusioned staff.

48. To circumvent institutional deficiencies, and in competition for scarce counterpart resources, donor agencies have resorted to special incentives, particularly salary supplements, or have created special project units in order that projects are implemented according to schedule - thus weakening the existing structures even more. Crash programmes and mass campaigns, such as child immunization or emergency feeding, if not planned carefully, can create parallel manpower needs which detract from longer-term, less dramatic involvement in creating viable institutions and sound delivery systems.

49. More emphasis on training and programme support, involving a longer-term multi-donor commitment, would result in greater attention being given to building the institutional capacity to meet human needs. This will obviate the need for special mechanisms, as typified by project units, and place responsibility squarely where it belongs, making the institutions and their staff more relevant and instrumental, and thus stronger, in the development process.

IV. THE ROLE OF UNDP

50. This review of substantive human resources development issues and some of their operational implications has identified elements of an appropriate technical co-operation response. A global workshop on human resources development in Tokyo on 2-5 April 1986, where a number of eminent scholars and development practitioners will address this, and no doubt other, issues, should broaden the base of our analysis, introducing economic, political and regional considerations.

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51. The unique role of UNDP in the matter stems from its central co-ordinating position in the United Nations development system at the country level. Its role is also based on the confidence UNDP enjoys with Governments and its access to all sectors. Of course, human resources development is of fundamental concern to the United Nations development system as a whole. With regard to many of the central issues noted in this paper, Governments will continue to draw on support from different parts of the United Nations system, in addition to that of other multilateral and bilateral agencies. The unique role of UNDP, referred to in Governing Council decision 85/46, paragraph 2, is essentially one of assistance in ensuring that the resources of the United Nations development system are applied coherently and systematically, through country programming, by helping Governments to attend to the crucial issues of human resources development.

52. Based on this analysis, the following proposals are made to enhance the central role of UNDP in human resources development:

(a) Support, by initiating human resource surveys on a country-by-country basis and through more focused country programming, the efforts by Governments in developing a comprehensive human resources strategy which would be based on population statistics, labour market analysis, household surveys, studies of the performance of educational and training systems, and developmental research on human resources issues; such a strategy would, moreover, build on the recent experience of NATCAPs;

(b) Assist Governments in developing a comprehensive training strategy and in co-ordinating the training activities of all donors, taking into account future requirements for foreign expertise; the use of national experts; and appropriate incentives to counter the brain drain and encourage the return of expatriate nationals;

(c) Initiate an explicit and concerted effort, starting with workshops and conferences at the national level, to involve grassroots institutions in dealing with human resource issues and in mobilizing the vast reservoirs of untapped human potential through a serious commitment on the part of Governments to programmes which involve genuine popular participation;

(d) Take a leading role with the appropriate United Nations specialized agencies in developing, with Governments, long-term programmes to be supported by commitments from Governments, other donors and NGOs over a ten to fifteen year period, in order to ensure the sustained intervention and priority that is needed in such areas of human resources development as family planning, pre-school education, literacy training, primary health care, and the mobilization of unemployed youth;

(e) Ascribe higher priority in the country programming process to correcting the deficiencies in public sector management, and take a leading role within the United Nations development system, and in co-operation with other donor agencies, in assisting Governments to establish a balanced system of incentives to improve and streamline the civil service and devolve greater responsibility to local levels of administration;

(f) Emphasize the sustained building of the capacity of institutions dealing with human resources development, e.g., institutions concerned with vocational and managerial training, research and extension, credit and small business development, delivery of health and educational services, to plan and manage programmes; to mobilize financial resources; to provide service particularly that required by the neglected segments of the population; and to establish a conducive environment from the initiative and dedication of their staff resources;

(g) Provide substantive leadership in the field of human resources development through involvement at the country level in the articulation of human resources strategies and, at the regional and global levels, in conducting research on human resources issues in collaboration with academic and other institutions; such research, financed with Special Programme Resources, would deal with the broader political and socio-cultural aspects of human resources development.

53. A commitment to concentrate UNDP efforts in these seven broad areas requires the utilization of UNDP resources in a more concentrated and strategic manner. On the basis of the Tokyo Workshop and the regional workshops which are planned, UNDP envisages sponsoring with Governments human resources meetings at the national level, where the broad policy and strategy considerations emanating from the workshops would be adapted to the special conditions and constraints existing in each particular country. Country programming would take account of this process and reflect the priority given by Governments and the United Nations development system to human resources development. IPF and other resources administered by UNDP would be allocated accordingly. The vast experience of the United Nations specialized agencies, and the resources of other multilateral and bilateral donors, would be brought to bear on the human dimension in the coherent and concerted effort that is needed to achieve the goals of human development.

Notes

1/ Simon Kuznets, Capital in the American Economy: Its Formation and Financing, (Princeton University Press, 1961).

2/ Theodore W. Schultz, Economic Value of Education, (Columbia University Press, 1963).

3/ Istanbul Statement on Development: The Human Dimension, September 1985, p. 20.

4/ See for example, "Education and Income", World Bank Staff Working Paper No. 402, July 1980.

5/ Ibid. See also George Psacharopoulos and Maureen Woodhall, Education for Development, (World Bank Publication: Oxford University Press, 1985).

6/ See International Labour Organisation, Training Challenge of the 1980s, Geneva 1980; "In-depth reviews of the ILO's Vocational Training Programme", GB. 224/PFA/10/2, Geneva, November 1983.

7/ Statement by the Director-General of ILO at the UNDP Study Programme - North-South Roundtable, Istanbul, September 1985.

8/ For example, "Review and Synthesis of Past Research on Entrepreneurship, Training and the Strengthening of Entrepreneurial Performance", a report by Management Systems International to the US Agency for International Development, October 1985.

9/ "Human Resources Development for Primary Health Care", UNDP Evaluation Study No. 9, October 1983.

10/ International Youth Year: Participation, Development, Peace, Report of the Secretary-General (A/36/215, 19 June 1981).

11/ "Women's Participation in Development", UNDP Evaluation Study No. 13, June 1985.

12/ See Lothar Richter "Manpower planning in developing countries: changing approaches and emphasis", International Labour Review, Vol. 123, No. 6, 1984.

13/ UNDP/PROG/115 of 11 November 1985.

14/ UNDP/World Bank, "Somalia: Report of a Joint Technical Cooperation Assessment Mission", October 1985.

