GOVERNMENT ADMINISTRATION AND PLANNING
A COMPARATIVE STUDY

by

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Any attempt to evaluate an entire nation and understand its ideals, its realities, its inevitable conflicts between ideals and realities and how it evolved to its present state involves a great deal of social sensitivity, sophistication, a sense of relativism, an open mind, and a free spirit.

How much more difficult, yet, to evaluate and understand a group of nations, especially through the subjective and personal views of a writer. This was the task of this paper, impossible to carry out without the experienced and generous orientation and encouragement of Professor Leland Edmonds. His assistance is gratefully acknowledged.

Thanks too, to Professors: Vernon Deines, Allan Brettell, and Joseph Hajda, for their valuable cooperation as advisors. Also thanks to all the friends whose encouraging word was heard in the most opportune and needed moments.
CHAPTER 1

INTRODUCTION

There are different ways of measuring the degree of development of a nation: by the per capita income, by the cultural level of the people, by the rate of literacy, etc. All these are more or less accurate parameters that allow society to appreciate the degree of development reached by a country, state, or region.

Underdevelopment from the social point of view is measured mostly by the phenomenon of marginality, which brings along poverty, hunger, and infra-human conditions of life. Marginality is a dichotomy of the global society. It enhances the differences between haves and have-nots. It encompasses all aspects of human life and social interaction: the political, the economical, the cultural, and the familial aspects. It means a lack of adequate structures to participate in the national life, and inadequate or no planning that will provide the adequate links among people, government, and environment.

Planning for development is in the current days a common task in all the countries of the world. It is especially important in the underdeveloped nations. It can be seen that both the developed countries as well as the underdeveloped
ones, have established or are working on a "Development Plan".

This sudden worry about the future, and the recognition of the need for a plan is a consequence of the socio-economic problems that society is experiencing today. It is expected that this plan will rationalize in time and in space the environmental relations between the physical space and the human activity. Thus, there is no planning activity aside from human society as there is no isolated solution to the problems of our current world. Planning, then, must be reflective of man and analytic of the cultural, social, economic, and political conditions surrounding him.

In this sense, planning at a national level must consider the two fundamental factors of activity: the first one is man and his interactions, his social structures, his institutions, and cultural values; the second one is land and the best use of its natural resources. A national plan of development shall seek the creation of adequate conditions to obtain a higher standard of living for all the inhabitants of the country as well as a balanced ecological process.

With a harmonious development of all the factors contributing to this principle, society is more likely to achieve the satisfaction of the material, spiritual, and moral needs of people. This is obtained through the preparation and implementation of a national plan. It is necessary to say at this point that no plan will be possible to carry out if it is not subordinated to the collective interest, if it
does not have an effective means of implementation, and if it does not provide an educational program that will allow the participation and firm support of the people.

For the purposes of this paper, national planning is defined as an overall (comprehensive), integrating, and coordinating activity that prepares and executes national plans and projects in accordance with a set of social, economic, and physical goals for the nation. Thus, planning for national development is an enormous, difficult, and complex task. At the same time, it is challenging and broad enough to interest professionals in almost every field.

This task is accomplished in several phases: a) preliminaries; b) preparation of the plan; c) adoption of the plan; d) implementation of the plan; and e) periodic revision. One phase without the others makes planning a worthless function.

"The preparation of a plan is not an end in itself, impressive as the product may be. Unless the plan is drawn in such a way as to provide a framework for actual implementation and unless it takes into account what is going to happen in reality, what has been done is not planning but merely another form of writing books and memoranda".  

At this point, it can easily be seen that the main problem in national planning is the correct coordination and understanding among the legislators, the executives, and the

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planning agencies. Technical and professional capabilities of a highly trained staff are a basic requirement if the plan is expected to be a reflection of the needs of the people and contemplate the feasibilities of implementation through the governmental system. Decision-making and election of priorities for the nation require a sophisticated political as well as pragmatic talent.

"... an increase in the efficiency of planning will depend also, to a considerable extent, on the methods and procedures of plan formulation. Conditions for efficient planning lie both in implementation measures and in planning methods and procedures. Moreover, it should be stressed, implementation problems have a strong impact on plan formulation, and vice versa". 2

With this in mind, it is the intention of the paper to analyze the coordination mechanisms, if any, in four different countries: 1) Sweden; 2) Israel; 3) Pakistan; 4) Bolivia. It is also intended to compare the achievements in planning, of these mechanisms or the lack of them. Finally, a critique from the author's point of view of a 20-year plan presented in Bolivia is offered. All these analyses -- the coordination mechanisms in government, the national achievements in planning and the critical study of the Bolivian 20-year plan -- are used comparatively in the last chapter, to predict the possibilities of success in the future of underdeveloped countries. The study was done with the major emphasis

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placed on the national planning level.

The thesis was developed in three phases involving the total process of elaboration. These phases were as follows:

a) The research phase, that was characterized by gathering of data and recollection of the necessary bibliography related to the subject.

b) The critical analysis of the material and readings was the second step. This was done in such a way that it was possible to further develop a comparative scheme of the relations between the government and the planning agencies in the four countries in analysis, and the influence of these relations on the degree of development in each one.

c) The third phase was the writing and compilation of the paper itself. Here the author put special care in the presentation of the conclusions and recommendations which are his exclusive responsibility.

The material used in the research phase of this study and through all its elaboration was mostly related to national and country planning. Also important were the regional planning readings. Reference was made to the publications of the United Nations Bureau of Economic Affairs and the Bureau of Social Affairs. Planning periodicals were also consulted. It is of importance to point out that the paper was not a product of a field study but rather a library research. The form and style used were those of the official planning department.
The thesis was organized in four chapters, each one with a specific interest and purpose. The first is an introduction that points out the problem, the hypothesis, the scope and the methods used in the study.

Chapter Two is an analysis of the governmental structure in the countries object of the study. It is also a schematic presentation of the power structure in these countries. Later, the attention was focused on the relations that exist between the governmental structure and the planning structure.

Chapter Three reviewed, from a historical point of view, the development of planning and its achievements in the four countries. The nature and work of the planning agencies was presented. The relations with their governments were analyzed.

In the final chapter, the author summarized and presented his conclusions and recommendations. Emphasis was put on the comparative degree of development of the four countries. A brief outlook of the futures, and the possibilities offered by planning at a national level, were offered at the end of the paper.
"You don't have to plan to fail; all you have to do is fail to plan."

Anonymous
THIS BOOK CONTAINS NUMEROUS PAGES WITH ILLEGIBLE PAGE NUMBERS THAT ARE CUT OFF, MISSING OR OF POOR QUALITY TEXT.

THIS IS AS RECEIVED FROM THE CUSTOMER.
CHAPTER 2

GOVERNMENT AND PLANNING AGENCIES

Plan implementation is an important phase that determines the success or failure of a plan. This implementation phase is only possible through the powers conferred to the governments. The administrative structure of the government establishes the effectiveness with which a plan is to be executed.

"Planning is thus a function which has to be carried out by the government administration as a whole; it involves a triangular relationship between the political leaders, the planning agency and the various ministries or other public agencies. Strong support at the highest political level for the central planning agency is essential in countries attempting to introduce an effective planning mechanism. At the same time, a major function of the central planning agency in these countries is to promote the reorientation of governmental administrations around the work of development so that the discipline of the plan is adopted in decision making."  

This chapter intends to describe the structural organization of the various governments of the following countries: Sweden, Pakistan, Israel and Bolivia. It is also the intent of the chapter to present the national planning agency structures, if any, in these countries. Furthermore, the relations between government and planning agency in each

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country were traced and determined in order to evaluate their effects in the planning process.

Structure of the Government in Sweden

A parliamentary democracy for some authors, a constitutional monarchy for others, the Swedish government balances its power among the King, the Parliament (Riksdag), and the Cabinet (Statsrad). Currently, the King exerts no political power and takes no part in political activities. He represents the nation as the Head of the State according to the Constitution of 1809. In this capacity, he signs all important decisions of the Government. Although formally he makes the decisions, the responsibility for them rests with the cabinet members, who countersign the decisions.

"According to the constitution of 1809, the executive and the judiciary power is exercised by the King alone, i.e., the King in Council, in other words, the Government. The legislative power is exercised by the King and the Riksdag together, both possessing the right of absolute veto, but the Riksdag alone possesses the immemorial prerogative of the Swedish people themselves to tax themselves."\(^2\)

The Swedish Parliament has two houses or chambers:
"... The First Chamber corresponds to the Senate or House of Lords; the Second Chamber is more truly representative of the people."\(^3\)


The executive power is actually exercised by the Prime Minister appointed by the King. The Prime Minister selects the cabinet members, whose nominations -- like his own -- are not subject to approval by Parliament.

The political power rests with the cabinet. There are at the present eighteen ministers in the cabinet. The Prime Minister, eleven chiefs of department, and six ministers with portfolio. The different departments are: 1) justice, 2) foreign affairs, 3) defense, 4) health and social affairs, 5) communications, 6) finance, 7) education and ecclesiastical affairs, 8) agriculture, 9) commerce, 10) home affairs, 11) civil service affairs.

"Unlike the cabinet departments of other countries, the Swedish ministries act almost exclusively as policy planning staffs. Some fifty administrative agencies -- including, for instance, the treasury, the customs office, the social welfare administration, the public health service, and the state railways -- carry out the actual administration." 4

Structure of the Government in Pakistan

Before any description is made concerning the structure of the Pakistani government, it is necessary to point out some of its geographical peculiarities. This will provide a better picture of the country and its very special characteristics.

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Pakistan consists of two wings: West Pakistan, and East Pakistan, separated from each other by about 1,100 miles of Indian territory.

Pakistan has two capital cities: Islamabad in West Pakistan is the site of the executive and judicial powers, whereas Dacca in East Pakistan is the legislative capital city.

These geopolitical peculiarities of Pakistan have made planning more difficult and complicated. Both East and West Provinces have each had their own planning apparatus from the first day of independence. Each one has its own structure among the many agencies or divisions that form part of the planning apparatus. There is, however, a common link to both of them through the Ministry of Finance. Another common feature is the presence of foreign advisers on their staffs.

Since 1956, Pakistan has been a republican democracy. The three powers of the Republic are shared by: the President, the Central Legislature, and the Supreme Court.

The legislative power in Pakistan is exercised by the members of the National Assembly of Pakistan and the President. The union of both is called the Central Legislature of Pakistan.

The judiciary power is exercised by the Supreme Court that consists of a Chief Justice and six other judges. The Chief Justice is appointed by the President, and the other judges by consultation of the Chief Justice and the President.
The executive power is a prerogative of the President. He appoints all the members of the Cabinet at his pleasure.

"The President presides over the meetings of his Cabinet. His job in most of the cases is to provide for coordination of the activities under the various ministries. The President can no doubt override suggestions and actions of his colleagues but normally he would not do so." 

Charts number one and two are presented in order to give a more visual picture of the relations between the government and the national planning body: the Pakistan Planning Commission.

From the analysis of the governmental functions and the organization charts of Pakistan's administrative relations, it was deduced that the President holds the real power of the government; that enforcement of national plans is a task of the executive branch; and finally, that planning is a national task.

Structure of the Government in Israel

Israel's system of government is a parliamentary democracy. The Knesset (Parliament) is the supreme authority. It is also in charge of the legislative power of the State.

"Israel's parliament is the Knesset. It is composed of 120 members, and it legislates laws, solves fiscal and economic problems, and deals with internal and external

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policy, the State budget, culture and education, health, social welfare, and similar affairs of state."

The judiciary power is exercised by the Supreme Court. It has ten members. All the judges in the judicial system in Israel are appointed by the President upon recommendation of a Committee. This branch of the government is also comprised of the District Courts, Magistrates' Courts, and Special Courts.

"The constitutional powers of the President, as defined in the Transition Law of 1949 and the Presidential Tenure Law of 1951, are relatively minor. He has almost no executive power, and his influence over legislation is confined to his choice of Prime Minister-designate. He does not participate in cabinet meetings, and he has no power to veto legislation." 7

The Cabinet is appointed by the President with the suggestions of the Knesset. The Prime Minister is the head of the Cabinet and holds the real executive powers of the government. There are eighteen defined ministries, and four without portfolio, in the Cabinet. These are: 1) Prime Minister, 2) Deputy Prime Minister and Immigration-Absorption, 3) Minister of Agriculture, 4) Minister of Finance, Commerce and Industry, 5) Minister of Communication, 6) Minister of Defense, 7) Minister of Education and Culture, 8) Minister of Foreign Affairs, 9) Minister of Development and Tourism, 10) Minister of Health, 11) Minister of Housing, 12) Minister of Interior, 13) Minister of Justice, 14) Minister of Labour, 15) Minister of Police, 16) Minister of Posts, 17) Minister

of Religious Affairs, and 18) Minister of Social Welfare.

A national planning agency in Israel is nonexistent. However, the Economic Planning Authority is subordinated to the minister of finance, who submits the plans to the Cabinet.

**Government Structure in Bolivia**

In Bolivia the system of government is a democratic republic. The Constitution provides for the balance of power by sharing it among three branches: 1) legislative, 2) judicial, and 3) executive.

The legislative power is a bicameral body composed of the Chamber of Senators and the Chamber of Deputies. The two Chambers together are known as the National Congress. At the initiative of the President, the Congress has the power to impose taxes on the people.

A judicial branch is an independent body according to the Constitution. The Supreme Court is the highest tribunal of justice. The ten members or justices are elected in the Chamber of Deputies from panels of three submitted by the Senate.

The executive branch of the government is exercised by the President of the Republic assisted by a Council of Ministers. The President appoints all the ministers of this Council and they are only responsible to him.

"The power of appointment is one of the chief executive's most important sources of strength; it enables him to exercise control over the large number of public servants at all levels of government. In general, the executive names all
government officials whose appointments are not specifically delegated to another branch of the government. Specifically, he appoints the ministers, the two attorney generals, the comptroller general, and the national superintendent of banks, as well as the presidents of important state agencies, from lists of candidates proposed by the two chambers of Congress.\(^8\)

As can be easily deduced, the supreme power of the government rests in the authority of the President of the Republic. This authority is emphasized in chart #3. The structure of the national planning ministry is shown in chart #4. The "Dirección Nacional de Coordinación y Planeamiento" (National Coordinating and Planning Department) is directly responsible to the President. It has the recognized authority to supervise and coordinate the plans of all the other ministries.

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"The man who is always busy planning things for tomorrow is usually too busy to do anything today."

Anonymous
CHAPTER 3

PLANNING HISTORY AND ACHIEVEMENTS

This, too, is an attempt to summarize the most important national planning tasks, agencies, and accomplishments carried out by the governments of the countries in study.

National planning is a complex and difficult task for every country. Each nation has its own specific problems upon which planning has to centralize its efforts. In some countries it is an administrative problem. In others it is an economic problem. In most of the developing nations, it is a comprehensive problem calling for a comprehensive solution.

Solutions to these problems are different in nature and in content. Sometimes they follow an ideological scheme or a philosophy. Other times they are pragmatic and self-centered. These solutions are in cases prepared and implemented by strong central governments. They are also considered as a local or state responsibility in some nations.

Because of the great variety of planning approaches to solve the problems in different countries, the author has chosen the above-mentioned nations as representative of contrasting solutions in the so-called free world.
A common characteristic of all the countries in analysis is that national planning is a very young field. Isolated economic or social approaches before the 20th century have been analyzed in this paper only as a historical background with some implications in the current planning efforts.

One other common characteristic of planning in these countries is that economic planning has been considered national planning and the set of national goals is generally a set of economic goals for the nation. Included somewhere in the plan, if any, are two or three token social targets. No major physical planning is found in these plans with the exception of Israel.

Planning as "...proposing to do, and doing, certain things in an orderly, premeditated, related and rational way, having in view some definite end that is expected to be beneficial..." is as old as mankind, but planning as a systematic and comprehensive effort is a modern field. It is this last type of planning which has been analyzed with more emphasis in this chapter.

Planning in Sweden

In considering the history of planning at the national level in Sweden, it is important to bear in mind that the government owns a great portion of the Swedish land as well as a large proportion of the production means of the country.

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"There is nothing that has as long a history in Sweden as government ownership: says Gunnar Myrdal, the internationally known Swedish economist and social scientist. Government and communal management is an inheritance from the bourgeois society. We Social Democrats are interested in increasing productivity and the further modernization of industry." \(^2\)

Land ownership in Sweden has a long history. In 1644, the King of Sweden decreed the reversion of alienated lands to the Crown; this was called the "reduction". This governmental ownership of land increased and declined in different times. In the second half of the eighteenth century, many laws were passed giving more powers to the government over the land. In 1919, the government increased its authority by a law passed in Parliament (Riksdag). This law allows the government to take over large areas of land, especially the areas not used for development. The local governments also have authority to buy land in the cities and the areas adjacent to them. The central government helps and controls these land purchases in the different municipalities.

"From 1904 to 1967, the city (Stockholm) spent more than $110 million on approximately 134,000 acres of open and underutilized space." \(^3\)

Other cities of less importance have also made excellent purchases of land which they keep in reserve for future development. The government's attitude toward the purchase of land for future planning since the beginning of the


century has been seen by expert planners as a positive contribution to national planning policies and plans.

The central government in Sweden has one other power over the land: the redistribution of land where it is suitable to the purposes of the national economy and the social welfare of the people.

"With the government as landlord, under the provisions of the liberalized law, it became possible for a farm hand with one tenth of the sum necessary for building a house and barns, together with a small working capital for livestock and tools -- say as little as $300 -- to set himself up as an independent farmer. The state reserves the right to take back the land if it is "sold" to any other than the direct heir of the original "purchaser". It is significant of the success of the land program that this has been necessary in only a negligible number of cases."

In 1909, after the private enterprise in charge of the supply of power for the industry went into bankruptcy, the government established the Water Power Administration in order to develop a national power system. Later, the government invested public money to purchase and subsidize the communications system. Currently, the state owns one-third of the power and transportation means of the country.

"As the state owns the major means of transportation, so also it owns the major lines of communication, telephone and telegraph. The state telephone and telegraph system continued to return a sizeable surplus through the depression." 5

In 1916, the Stockholm Cooperative Housing Society


was organized. A year later, this society presented plans for a low-cost housing program, and improved it through the years. Currently, thanks to the work of this society, Sweden enjoys one of the highest housing standards in the world.

"Increased prosperity is further characterized by a rise in the housing standard. A national housing policy in the form of credits and subsidies to families with children has been decisive in this connection." 6

From the many independent departments, boards, and divisions that played important roles in the development of Sweden, it is necessary to mention the Royal Board of Waterfalls. This board became later the planning agency for natural resources in Sweden.

Systematic and sound planning in Sweden was first used to solve the war problems. During the war and then after, the Swedish government took decisive steps towards national planning. Emergencies were solved immediately and the problem of increasing unemployment was treated in a long range plan. National planning in Sweden marked its first milestone in 1914 with the creation of the State Unemployment Commission. An unemployment plan, which later achieved the following goals, was presented by the Commission.

"First, it provided unemployment relief in cash. Second, it supplied employment combined with vocational

training for young workers. Third, it provided public reserve works for unemployed."

Years later the Commission presented a second plan to solve the unemployment problem. This plan adopted by the government had emphasis on the following activities: reserve works, cash relief, and youth programs.\(^7\) On the surface, it did not seem to have been changed from the first plan, but the essence was different in goals.

Although with the national government's support, planning in Sweden was still a piecemeal operation. Here and there plans were carried out by the government in the following areas: physical, economic, educational, social welfare, industrial growth, and natural resources.

Until the depression started in Sweden -- almost two years later than in the U.S.A. -- the piecemeal planning system of the government achieved very little in the comprehensive, coordinated sense of planning. It was with the depression that economic planning started in Sweden. The first of the economic plans was called the Antidepression Plan. Although unsuccessful, this plan set the roots for national plans of great importance in the later development of Sweden.

In 1933, a change in the government brought a change


\(^8\)(For further information refer to) Ibid., pp. 95-96.
in economic policies. The new government, with a different ideology, proposed the state control of the economy. The same year the Riksdag approved the second antidepression plan. According to the new government's views, the plan was called the "New Antidepression Policy".

Supporting the government's new policies was the Farmer's Party, at the time one of the most powerful parties of all. In return for their support they obtained from the government all the economic aids subsidies they demanded. The Price Control Policy came as a consequence of this demand. The government, on the other hand, reserved the right of planning, from then on, all the agricultural production in Sweden.

At the end of the thirties, the balance for planning in Sweden was positive. The good results of the policies adopted, supported, or encouraged by the government were evident. But planning was still a piecemeal task, although the grounds for national planning were already rooted in the government. World War II accelerated the development of planning in Sweden. Price controls, government purchases, and production control, strengthened the planning powers of the government.

"...Planning since (World War II) has been dictated by the need for self-protection and by the exigencies created by the international political, economic, and military developments." 9

Currently, there is no ministry of planning in Sweden.

9Ibid., p. 120.
but the coordination of plans at the national level is made by the Finance Ministry and two ministers without portfolio. Plans are still being prepared by independent agencies but the government has strong control over them. The best example of the excellent coordination of programs between the government and the planning agencies is the successful Social Insurance Program being executed currently.

"The Swedish social insurance system has been the subject of numerous large-scale studies and revisions. Important milestones in its history are the creation of National Health Insurance in 1955 and the decision to introduce a General Supplementary Pension in 1959. From January 1, 1963, the National Health Insurance Act, the Basic Pension Act, and the National Supplementary Pension Act have been combined in a single National Insurance Act." 10

With the same concern the government has adopted, supported, and promoted planning in other fields. Preservation and conservation of natural resources and historical places is strongly implemented by the government. Industrial production planning, agricultural production planning, recreation planning, housing planning and physical planning are largely promoted by the government. These are the first steps, although the decisive ones, toward a single comprehensive national plan.

It is true that Sweden plans, at large the whole economic system, but it is not through a national plan but through the adjustment and readjustment of the parts of the economic system.

Planning in Israel

Israel became a state in the spring of 1948 after a resolution adopted by the United Nations General Assembly. Shortly before this event, a group of Zionists gathered together to formulate a small-scale plan for the new nation. This plan was aimed at preparation and training of public employees.

"...They concentrated on the administrative and legal framework and not on economic and social policy. That this "improvised planning" withstood the shocks of the abrupt cut-off of the functions of the mandatory, the war of Independence, and the huge immigration, is a remarkable testimony of its quality." 11

The planning sequence in Israel has two periods with notable differences: the pre-state period which characterizes itself by the immigration of Jewish people from all the world into Palestine. This inflow of people was planned by the Zionist movement in order to help the settlement of the newcomers. This movement also planned a political campaign of influence in all the member countries of the United Nations in order to provide a place for the State of Israel in Palestine.

After becoming a state, Israel had to confront two difficult problems: immigration to Palestine, and a continuing war with neighboring Arab countries. These two problems did not allow the government to dedicate time or efforts to long-range planning. During the first three years of

11 Benjamin Akzin and Yehezkel Dror, Israel High-Pressure Planning (Syracuse, New York: Syracuse University Press, 1966) p. 7.
Israel's existence, most of the decisions were made in a haphazard way.

It was not until 1952 that the government started the first long-range plan mostly determined by political variables that exercised strong influences in the national plans. In most of the cases political decisions shaped the form and content of the national plans. Administrative effectiveness determined the speed and degree of concern with which the plans were carried out. In the first stages of Israel's national planning, the personnel lacked the necessary skills to put the things on the go. Wisely enough the government gave high planning priority to education and administrative training. The economic determinants were treated as second national priority. They are analyzed later. Social aspects such as population distribution, racial characteristics, interest groups, income differences, education, skills, etc. were also handled with expertise. A good balance of all these factors was reflected in the goals of the first plan. At the end they were all tied together with the physical plan that had enormous impact on the people.

However, it must be said that planning in Israel is a single-faceted activity until the plans are presented for final approval. Nonetheless, coordination and interaction among the different planning bodies is expected through an interministerial mechanism. To this respect, Raanan Weitz said: "... We have to find the means to link the aims of the
macroplan, which is the result of negotiation among various institutions at the national level..." 12 Currently most of the efforts are being channeled towards integration of all plans into a single comprehensive national plan.

"Increasing recognition of the need for an integrated, comprehensive approach has constituted the main driving force behind various attempts to engage in national planning. These attempts have taken two main directions: physical planning and economic planning. Physical planning has made impact on reality. Economic planning appears to be the catalytic agent capable of improving public policy-making on a national level." 13

Israel started its planning history in an area of vital importance to its survival, and the realization of the state: administrative planning. Although it started in the pre-state period, it did not develop as a systematic effort until 1952. At this time, the most effective administrative plan was the Israeli Defense Forces plan, which trained soldiers in public administration and business. The plan prepared the grounds for further development of the public and private corporations, as pointed out by Benjamin Azkin:

"This particular case is especially important because of the constant movement of the senior officers in to middle and high executive position in the civilian organizations, especially public and private corporations, where they often introduce systematic administrative planning based on the military administrative-planning-prototype." 14

Physical planning has been considered by the authorities


13 Ibid., Akzin and Dror, Israel High-Pressure Planning, p. 59.

14 Ibid., p. 40.
in Israel's planning as the framework for national planning. The Physical Planning Division was created in 1948 as a part of the Labor and Building Ministry. In 1949 it was moved and went to form part of the Ministry of Interior. Later on it became a department of the Economic Coordination and Planning Division. Physical planning in Israel is based on the Town Planning Act of Palestine of 1936. This act was amended in 1959 by a bill passed in the Knesset (Parliament) creating the National Planning Council. The structure and functions of this council were modified by another bill in 1965.

The National Planning Council has been working on a number of plans. Numerous changes were introduced in each different plan. However, the nature and essence of the general goals for physical planning have not been modified. They are presented as follows:

"...(1) reasonable dispersion of the population in the whole area of the country, with priority to settlement of the underpopulated areas in the south and in the hills; (2) optimal utilization of land, in view of the increasing population density in the coastal plain; (3) preservation of agricultural land for new agricultural settlement and enlargement of existing agricultural settlements; (4) crystallization of urban development on the basis of approved master plans; (5) differentiation between urban settlements according to size and reinforcement of interdependence between urban centers and their agricultural surroundings; (6) specific economic and occupational development of different towns, in accordance with their unique characteristics and their location; (7) preservation of open space between towns and villages; (8) direction of future urban development into nonagricultural areas; (9) identification of industrial areas on the basis of desired population distribution and manpower utilization; (10) strengthening of rural settlements through improvement of services and development of agricultural industries; (11) preservation of historic monuments;
(12) creation of recreational areas, as a counterbalance to overdensity and over development in the urban areas and their surroundings.  

Economic planning started also in the pre-state period of Israel. At this stage it was ineffective because of the lack of coordination among the personnel in charge of its implementation. In 1949 the Planning and Coordination Department put together a Four Year Development Program. This program had little effectiveness during the first two years, but produced good results during the second half of the time set for its duration.

These good results encouraged and pushed the government to create the Economic Advisory Staff for the period of two years. Because of the recommendations and suggestions of this advisory staff, planning became an effective tool for Israel’s development. In 1962, the Economic Planning Authority was created following one of the recommendations of the mentioned advisory staff.

The Economic Planning Authority prepared a Four Year Development Plan for the nation. This plan, with some modifications, was approved and adopted by the Knesset (Parliament). The following goals were supposed to be achieved by this plan:

"1. The continued rapid growth of the economy and the large-scale absorption of immigrants. This rapid growth will be expressed by an average yearly increase of 10 per cent in real national product, and will enable 70,000 immigrants to be absorbed each year.
2. The gradual reduction of the gap in the balance of goods and services. The plan will aim at reduction in the import surplus, from about $400 million in 1961 to $250

15Ibid., p. 62.
million in 1966, with the intention of reducing the gap still further in subsequent years.

3. The development of the Negev and of Central Galilee."\(^{16}\)

An institution that deserves mention in the history of economic development in Israel is the Bank of Israel that has worked closely with the Economic Planning Authority. The Bank of Israel was created as a consequence of the need to secure a stable and sound currency for the new state. Later, the Bank of Israel took central control of the banking system in Israel. Its functions, by law, are:

"... to administer, regulate and direct the currency system, and to regulate and direct the credit and banking system in Israel, in accordance with the economic policy of the government and the provisions of the Law, with the view to promoting by monetary measures (1) the stabilization of the value of the currency in Israel and outside Israel; (2) a high level of production, employment, national income and capital investments in Israel."\(^{17}\)

Other plans followed or were prepared together with the above-mentioned plans. Planning was imperative in many other fields: transportation planning, education planning, water resources planning, agricultural planning, industrial planning, capital imports planning, etc. All these activities played important roles in the history of development planning in Israel.

\(^{16}\)Ibid., p. 73.

Planning in Pakistan

National planning in Pakistan is a task of the government. It is almost exclusively in the hands of the government. It is accepted by the Pakistani people as a normal way of executing the governmental functions. Nonetheless, it is not exempt from hardships in its implementation.

"The cardinal lesson of the Pakistan experience is that if a development plan is to be carried out, it must have the Government's firm and constant support."\(^{18}\)

As in Israel, planning in Pakistan started before the country gained its independence in 1947. In the early forties the British government of India created the Department of Planning and Development that served both India and Pakistan. It was in this department that some important plans and projects were executed in national planning. Its staff was, as expected, experienced in the field.

After the declaration of independence, the Pakistani government established in 1948 the Development Board and the Planning Advisory Board. The staff members of these two boards were basically the same as those of the Department of Planning and Development. These two boards were directly responsible to the Cabinet Secretariat of the government.

Of great influence to the development of planning in Pakistan was the Colombo Plan for economic development for South and Southeast Asia. This plan defined as the

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\(^{18}\) Albert Waterston, Planning in Pakistan (Baltimore, Maryland: The Johns Hopkins Press, 1963), p. 3.
Cooperative Economic Development Plan was adopted by the Pakistani authorities immediately after its creation. In 1955, the government established the Pakistani Planning Board with three divisions: 1) Economic Division; 2) Projects Division; 3) Administrative Division. This Planning Board presented the first of the four Five-Year-Plans that were adopted by the government.

The First Five-Year-Plan was adopted by the government in 1956, a month before it was supposed to be started. Although this plan was comprehensive, it did not have the accuracy that was expected by the Planning Board. This was mostly because of the lack of available data and the shortage of time to collect it. However, the plan was sound and realistic. It also took care of the medium-range and long-range possibilities of development. The most important part of the plan was the formulation of socio-economic goals for both provinces considered as a single national unit. These goals formed part of the other three plans with some modifications. These goals were stated as follows:

"To raise the national income and the standard of living of the people;
To improve the balance of payments of the country by increasing exports and by production of substitutes for imports;
To increase the opportunities for useful employment in the country;
To make steady progress in providing social services, housing, education, health and social welfare;
To increase rapidly the rate of development, especially in East Pakistan and other relatively less development areas." 19

Treatment of both Provinces as a unit, and the allocations of more resources to one than the other, brought serious political and regional problems to the Pakistani government. These problems, and the respective cuts in the project execution budgets, were the cause of the partial failure of the First Five-Year-Plan. This plan did not achieve the desired targets designed and expected by the Planning Board.

"While the first four objectives posed largely methodological problems in allocating resources, it was the fifth objective which implicitly recognized the need for increasing East Pakistan's rate of growth until the average standards of living in the two Provinces were approximately equal that created critical problems for the Planning Board." 20

An analysis of the procedures, techniques, and political feasibility as well as adaptation of the plan to the reality led the Planning Board -- now with considerable experience -- to the preparation of the Second Five-Year-Plan. This time the plan did not have to confront the problems that the first one had to pass through. The Second Five-Year-Plan was more accurate, more comprehensive, and more realistic than the first one. These qualities helped in the accomplishments of the expected targets. This does not mean it was exempt from problems. The biggest one was the inefficient public administration system that could not put the plan to work with the necessary speed and skills. The paradox of this plan was that it had a program of

20 Ibid., Waterston, Planning in Pakistan, p. 44.
education and training for a more efficient body of public administrators in both Provinces. The preparation of the Second Five-Year-Plan was started two years before the execution phase of the first one was completed. The mistakes of the first one were corrected. A side effect of the plan was a change in the government, in 1958, that brought some changes in the structure of the central planning organization. It was strengthened in its powers and its functions were broadened.

"... The National Planning Board was renamed the Planning Commission and made responsible to the Chief Executive. The Ministry of Economic Affairs was abolished and its planning, expediting and progress reporting functions were transferred to the Planning Commission. At the recommendation of the Commission, which felt that detailed progress reporting should be done by a separate body closely associated with the Commission, the Government transferred the Commission's expediting and progress reporting functions to the newly created Projects Division in the President's Secretariat. Even after this change, the Planning Commission's authority remained much greater than its predecessor's.

Besides keeping all functions of the previous Planning Board, the Commission now became responsible for the preparation of, and getting Governmental approval for, the annual development program." 21

The objectives for the Second Five-Year-Plan were kept very similar to those of the First Five-Year-Plan, although the target rates were increased.

"... (1) achievement of a 20 per cent increase in the national income, equal in importance to the other five objectives in the Draft First Plan, but considered the "crucial" objective in the Second Plan, (2) improvement in the balance of payments, (3) acceleration of the rate of development in the countries' less developed regions and (4) achievement of an increase in employment opportunities." 22

21 Ibid., p. 73.
22 Ibid., p. 102.
This sound plan in the view of the government people of Pakistan was successful in achieving the goals it pursued. The cooperation of the people of Pakistan, the dedication of the government officials and the know-how due to international assistance and to international cooperation, American advisors, international loans and treaties were the basis of successful planning in Pakistan.

Planning in Bolivia

Although planning was practiced for more than 800 years during the Inca empire in the territory now known as Bolivia, little or no planning has been done after independence was obtained in 1825.

The instability of the political situation added to the numerous attempts of the opposition parties to overthrow the party in power through the well known "coup de etat" have made impossible any sort of look into the future.

"A high degree of political instability has plagued the efforts of good government in Bolivia throughout its era of independence. A glance of the record reveals that during the first century of the nation's existence, or from 1825 to 1925, there were twenty-eight presidents, two of whom resigned from office voluntarily, three died in office from natural causes, nine were forced to resign, four died in exile, and eight were assassinated either in office or soon thereafter. Seven presidents were inaugurated during the decade ending with the general election of 1947 and none finished a full four-year term in office." 23

The instability of the government, the exploitation of poor, and the numerous social and economic crises in Bolivia

resulted in the 1925 revolution. This revolution was the natural consequence of the added injustices of the oligarchy in power, plus the tin crisis that submerged the Bolivian economy into incredibly low levels. The final touch to the already convulsed state of affairs was the "Gran Chaco War" that drained the lives and resources of the nation. Shortly after, unemployment, hunger, inflation, social distress, and economic tensions made the revolution an imperative measure. The economic gap between the "haves" and the "have nots" was incredibly wide. The 1952 revolution that overthrew the military junta was received by the people as a blessing. The year 1925 marked the beginning of a new era for many people in Bolivia; in fact, for the great majority.

Although the government had objectives for the development of the country in a broad sense, it did not have the detailed plans to achieve these goals. Three measures came to change the socio-economic structure of the nation: 1) the nationalization of the large mines; 2) the agrarian reform; and 3) universal suffrage. These measures were pushed in a rush, without previous planning, and failed to achieve the goals they were designed to achieve. But the government needed to consolidate its stability of the power, and by issuing these decrees, gained the support of the peasants who form the majority in Bolivia.

"... When choices present themselves on the national scene, preferences are given to solutions promising quick
gains to partisan, regional and individual interest rather than to those promoting general national goals."  \(^{24}\)

Aware of the failure of past governments and his own mistakes during the first term he was Chief Executive, Victor Paz Estenssoro proposed for his second term in the government, the creation of the National Planning Council. In 1960, the Senate passed a law approving the creation of this Council. In 1961, the government broadened the scope and powers of this Council which then became the Council of National Planning and Coordination.

"The first task of the Council has been the preparation of a 10-year development plan. In drawing up the plan, the Council received assistance from the Economic Commission for Latin America, the Technical Assistance Board, the Food and Agriculture Organization and the United States Operations Mission to Bolivia. Declaration of the Alliance for Progress program by the United States Government has given strong impetus to planning activities, which ended in the presentation of the Economic and Social Development Plan 1962-71, to the Committee of Nine ("Wise men") of the Alliance for Progress in 1961."  \(^{25}\)

Few accomplishments, if any, can be mentioned in the ten years of life of the plan. Among the positive results of this plan is the creation of the National Direction of Coordination and Planning in 1968, as a Ministry. This Ministry has started an administrative program in order to promote and develop public administration skills among the government employees. The plan will also help to define each


\(^{25}\)Ibid., p. 452.
public position, and its function. On the negative side of the Ten-Year Plan, a failure to achieve most of the goals can be forecast due to the following causes: six changes in government with the subsequent changes in administration, lack of governmental cohesiveness, failure to obtain the required international credit, and little or no encouragement of foreign investment in the country, the last due to a policy of closed economy. With this picture of the past, it is certainly a general thought and wish of the people that the Second Plan would be better than the first one, and the achievements at a higher level.
"The man who leaves nothing to chance will do a few things badly, but he will do very few things."

Halifax
CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

Data related to governmental structure, planning structure, and the interaction of both, have been presented in the preceding chapters. A historical evaluation of the national planning process has been introduced later. Four nations were studied in their government-planning relationships. In this chapter, the author shall present the findings and conclusions arrived at after careful analysis.

"The main elements of the planning process consist in the evaluation of possibilities and objectives, the formulation of plans and policies for their realization, the preparation of specific programmes of action, the execution of plans and their periodic review and adjustment. The nature of the machinery established to perform these planning functions varies considerably from country to country, reflecting such factors as the importance of the role assigned to planning, the stage of development, the nature of the political and economic system and the existing structure of government." ¹

The above quotation synthetizes in a precise way the steps to be followed in the statements of comparison among the countries studied.

Through the analysis and critiques in the previous chapters, it was noted that the governmental machinery is

different in the four countries. How different? In Sweden the Parliament has apparently more power than the King and his Cabinet. Pakistan shows a very strong tendency to concentrate the power in the President. Israel demonstrates a working democracy in its Parliament that holds the governmental authority. Bolivia almost delegates by constitutional right dictatorial powers to the President.

The governments are different, certainly. But, how does this affect planning? Another look, this time at the planning structures and situation in the governmental organization indicates that Sweden does not have any officially recognized national planning agencies. Israel has a non-official coordinating agency at the national level. Pakistan has a national planning system clearly defined and accurately placed in the government. In Bolivia, the national planning agency is officially recognized by the government. It reports directly to the President.

Up to here it is clearly understood that the most developed countries among the four studied do not have overt national planning policies. However, their place in the world economy, their scientific advances, and their economic wealth indicate that with an apparently adverse factor -- lack of national planning -- they have achieved the highest standards of living in the world.

Leaving Bolivia's planning aside for the moment, let the analysis go through the accomplishments of Pakistan and Israel. It was said that Pakistan's national planning
started from the beginning of the Republic. In 1970, at the end of the Third Five-Year-Plan, Pakistan is confident in its future. The following quote from the "Interim Report Services" shows it.

"In another dramatic move reflecting confidence in Pakistan's financial stability and economic outlook, the World Bank announced last month an additional loan of $8 million to help underwrite the expansion of the natural gas pipeline in the northwestern region of the country. The gas will be exploited as a raw material for a new $78 million urea fertilizer plant which will produce 345,000 tons of fertilizer annually to speed the growth of agriculture. Pakistan today has attained self-sufficiency in food grains for the first time in its history."  

Pakistan has had, during the last decade, a gross national product growth rate of 5 to 6 per cent as an annual average. This average is considered by economists as an excellent rate of growth for development.

In Israel, the achievements of planning are obvious. With a current per capita of more than $500 and a gross national product growth rate over 6 per cent, Israel is in the best position to be called in short a developed country.

A common feature of all countries is the high rate of growth in G.N.P. This is in the case of Sweden a product of more than one century of use and abuse of the natural resources. Lately there has been an improvement and the government has pushed the local agencies to plan in a comprehensive way. In Pakistan and in Israel, these rates

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of growth are the product of only two and a half decades of planning. All this shows that planning for development is not only a matter of improving the living standards of the people, but improving them quickly.

Another analysis indicates that in Sweden the lack of national planning is being noticed more and more. Social problems, economic problems, and ecological problems are pointed out daily, and their proportions are increasing. In Israel and Pakistan these same problems exist, but they are being treated in a comprehensive way, and the tendency is to decrease in proportion.

Now, if planning at a national level sounds like the best solution, why is it that in the underdeveloped countries planning is not as effective as expected? Even when, as in Pakistan, the governments are conferred with strong powers.

The economy works better, no doubt, without restrictions. This does not generally mean that the social aspects will follow the same pattern. Nor does it mean that a fair distribution of the surplus is obtained. Fair here means the necessary amount to live decently and as a human being. The government control and ownership of the public services provides a better socio-economic balance. Pakistan has a mixed economy with a tendency to strict control on the part of the government. Although the per capita income is no more than $150, more people share and enjoy more of the
richness of the country. In Israel the economy is controlled by the government. It is also competitive but not completely free. The achievements of Israel's planning are widely known.

One important characteristic recognized in three of the countries, and of vital importance in Bolivia's planning, is the openness of the economy to foreign markets, and the encouragement of foreign capital flows to these countries.

Bolivia's planning experience is very young; it has much to learn from the other countries. However, this process of assimilation of "know how" must be accompanied by a strong awareness of the national reality. That Bolivia needs a variety of advisors in the many fields of planning is obvious. But these advisors must submerge themselves in the socio-cultural life of the Bolivian people to make their tasks worthwhile.

"... one of the most serious gaps in knowledge required for planning is likely to arise, not merely from a lack of general "technical know-how" but from ignorance of the local conditions in the underdeveloped countries themselves, and inefficient "feedback" of this vital local knowledge from the different parts of the country to the central planning machinery..."

Finally, if national planning is to be treated in Bolivia in a comprehensive way, the decision-makers must be open-minded and prepared enough to realize the need of foreign capital as well as international trade without

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3 Hla Myint, The Economics of the Developing Countries (New York: Frederick A. Proger, 1965), pp. 120-121.
heavy tariffs. This acceptance of foreign money is necessary because of the lack of national capital and the almost miserable national investment.

The future of the world does not have any more time to waste in futile discussions on the need of national planning. Action is needed now. The styles and forms adopted need not be similar, but adequate to the needs of the society. Whether or not national planning is put into practice will indicate, in the future, whether or not society will survive.
BIBLIOGRAPHY


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ILLEGIBLE DOCUMENT

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Chart One

Organisation for Planning and Implementation in Pakistan

Government Conference → President → Cabinet

National Economic Council

Executive Committee of the NEC

President's Secretariat

Office of the Prime Minister

Economic Affairs Division

Planning Division (Planning Commission)

Chief Economic Adviser

Cabinet Division

Central Government Planning

Party

Finance Ministry

Central Statistics Office

Central Statistics Planning Units

Central Departments Planning Units

Provincial Planning and Development Departments

Provincial Development Planning

Parties

Other Provincial Departments Planning Units

NOTE: Broken lines show advisory or indirect relationship; solid lines show direct supervisory relationship.
Chart Three

The Government of Bolivia
Chart Four (Supplement)

ORGANOGRAMA ESTRUCTURAL DE LA DIRECCIÓN NACIONAL DE COORDINACIÓN Y PLANEAMIENTO

CONSEJO TÉCNICO

DIRECCIÓN NACIONAL DE COORDINACIÓN Y PLANEAMIENTO

ASESORÍA JURÍDICA

SECRETARÍA GENERAL

SECRETARÍA TÉCNICA DE PLANIFICACIÓN

AUXILIAR TÉCNICO Y DESEMPLEOS

DIRECCIÓN DE PROGRAMACIón GENERAL

DIRECCIÓN DE PROGRAMACIÓN REGIONAL E INTEGRACIÓN

DIRECCIÓN DE PROYECTOS PRODUTIVOS

DIRECCIÓN DE PROYECTOS DE INFRAESTRUCTURA

DIRECCIÓN DE PROYECTOS DE INVERSIONES PÚBLICAS Y PROTECCIÓN

DIRECCIÓN DE ESTADÍSTICA Y CENSOS

DIRECCIÓN DE SERVICIO CIVIL

DIRECCIÓN DE ORGANIZACIÓN NACIONAL

INSTITUTO SUPERIOR DE ADMINISTRACIÓN PÚBLICA

DIRECCIÓN DE SERVICIO DE ADMINISTRACIÓN

SECRETARÍA DE ADMINISTRACIÓN

DIRECCIÓN DE ADMINISTRACIÓN

SERVICIOS GENERALES

CONTABILIDAD Y HABILITACIÓN

RENTAS, DIPLOMADO Y DE MINISTROS

PERSONAL

ARCHIVO Y BIBLIOGRÁFICO

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A COMPARATIVE STUDY

by

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AN ABSTRACT OF A MASTER'S THESIS

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MASTER OF REGIONAL AND COMMUNITY PLANNING

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ABSTRACT

There are different ways of measuring the degree of development of a nation: by the per capita income, by the cultural level of the people, by the rate of literacy, and so on. From a social point of view, underdevelopment is measured primarily by the phenomenon of marginality, which involves poverty, hunger and other inhuman conditions of life.

Planning for development is now becoming an accepted process in all countries of the world, especially in the underdeveloped nations. Planning at a national level must consider the social, political, economic and physical elements in order to achieve the desired standard of living for all inhabitants of the country, as well as a balanced ecological system.

For the purpose of this study, national planning is defined as a comprehensive, integrative, and coordinative activity that prepares and implements national programs and projects in accordance with a set of social, political, economic and physical goals for the country. This requires preliminary plan analysis, plan preparation, plan adoption, plan implementation, and periodic plan revision.
This study analyzed the planning process in four different countries; Sweden, Israel, Pakistan and Bolivia; in order to compare the coordinative mechanisms in government and the national achievements in planning. The Twenty Year Plan for Bolivia was then critiqued based on this analysis. It was determined that the most developed countries, in terms of gross national product, generally had the least developed national planning process, thus reflecting the free market economy influence. Nevertheless, social, economic, political and physical problems were increasing in the developed nations, as well as the underdeveloped countries.

It was concluded that with or without a national planning process, the development of a country is highly dependent upon foreign trade and investment. National planning may be a useful development technique, primarily in underdeveloped countries where equitable decision making on resource allocation is often not practiced.