

**Second Committee of Experts on Public Administration  
New York, 7 – 11 April 2003**

**Agenda Item II: Basic Data on the Public Sector**

Mr. Chairman,  
Ladies and Gentlemen,

You have before you document E/C.16/2003/3 that should be read together with the last year's presentation of the same subject contained in document E/C.16/2002/2. As you can see from review of both documents, two things have happened since last year.

First, we have tried to find a response to your request that in our thinking about measuring the public sector we try to be realistic and we try to focus as much on the input indicators as on the output indicators. This is the basis of our main recommendation this year that the Committee may wish to add to the established list an indicator to reflect provisions for the regular and independent financial audits of governmental and parastatal bodies. A broader menu of indicators is also suggested to include those related to functioning of the electoral and political system; and, functioning of the judicial system. Finally, a further expansion of the list of indicators, we believe, could include those that measure decentralization of public sector activities and grassroots involvement; legislation of privacy in e-commerce; and, a financial sector safety net.

Second, financial considerations, difficulties with scheduling and then an early convening of the present meeting have prevented us from organization of a Task Force on the Basic Data, as requested by the Committee last year. You will find among the recommendations a thought that the Committee may consider constituting such a group during the present session. Anyhow, it is best perhaps to decide about it when the Committee will know how much territory has been covered by the plenary discussion that is scheduled under this agenda item.

Your discussion and recommendations have practical implications for us. The Division is in the process of preparing the second World Public Sector Report. A chapter on basic data will be part of that report and we will know at the end of this week, after this session is over, if we stand a chance to present an expanded version of the public sector indicators in it, especially taking into consideration the deadlines imposed by the time required for processing the text of the report and its printing.

We happen to believe that what our report to the Committee and the Committee itself has started last year – a search for a conceptual framework for collection of the basic data on public administration – should be continued this year. Last year, the prevailing mood of the Committee, as mentioned above, seemed to be on the side of a conceptual framework that highlights the “output” of the public sector activities. True, among the five original indicators, majority are input indicators that reflect two of the key questions posed by the

last year's report: "How big is it?" and, "How much does it cost?" The Committee suggested that we shift towards the third one: "What do we get from it?"

While this shift is quite legitimate, we would need more guidance as to a more detailed knowledge of which aspects of the output would usefully enlarge the understanding of the public sector in the world. In other words, if we focus on output, what is worth knowing?

In this year's report we have chosen maximization of value to the citizen as an important criterion for measuring the "output". As we say in paragraph 15 of the report before you: "Government must also respond to the citizens' preferences in the effort to maximize value for every tax unit of currency it spends." As pointed out further in the same paragraph, this involves "processes to determine preferences" and "producing the same outcome at a lower cost, or producing more of a desired outcome at the same cost." This establishes two points at which the gauges for the performance of the public sector can be installed: the consultation process; and, the efficiency measures.

This approach has been chosen by us over two other competing approaches and perhaps it will add value to the ensuing discussion if we share them with you.

One would highlight individual empowerment as a guiding value for measuring the public sector performance, or outputs, if you will. It would claim that among all public sector activities, those that equip the individual to take care of himself are of greatest value. This concept is close to the core of the theory of human development, but stays more on the side of Amartya Sen's theory of "freedoms". It almost measures the activities of the government that in time would make it obsolete. From the point of view of human empowerment, the more successful the government is the less people need it. The gauge will have to be set then at the point that highlight "attrition" of government functions, but based not on the extreme neo-conservative desire to allow everyone to pursue happiness, whether they are equipped for it, or not; but rather based on full understanding of the net growth of human empowerment, human capabilities.

The other approach that seemed equally attractive to us at one stage would highlight transparency as the guiding value for measuring behaviour of the government at the delivery stage. It just has struck a cord when one of the experts in one of our experts meetings insisted, that given a choice between better policy and regulatory regime and transparency he would always choose the latter. Years of experience in public administration have taught him that most laws and regulations are made to be interpreted and creatively by-passed, while transparency vis-à-vis an oversight body has a transformative impact that cannot be switched off easily. The gauge will have to be set then at the point that highlights the availability, user-friendliness, timeliness and truthfulness of provision of information about the public sector activities.

Let me finish by stating that the value of measurement of the public sector cannot be overestimated these days. Human society needs public administrations to achieve its development objectives. Yet, these public administrations continue to find themselves

under pressure to privatise their functions – not in the sense of outsourcing activities to the private sector, but in the sense of catering to special interests. At the same time, technology can be used in governments both for strengthening their links with the oversight bodies as well as for getting greater independence from them. Putting a mirror to reflect these trends is in global public interest. There is a chance to make a positive difference, provided thought and creativity will guide the public sector measurement process.

Thank you.