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**FUTURE VISION FOR THE PUBLIC SECTOR ORGANIZATION**

**IDEOLOGICAL SCOPE AND IMPLEMENTATION PROGRAMS**

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***A vision developed for Public Sector reform and development***

**by**

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The desire for creating effective public and private sector that contribute to achieving and leading development requires identifying the role and the field of each sector. This is the major challenge. Thus, we should investigate the public sector, in its current volume, to extract some important indicators:

**First:** public sector was formed from nationalized projects which were not in one activity or specified activities and were not subject to specific organization or arrangement. Thus, the activities of public sector ranged from shoes making, poultry breeding, underwear clothes, steel to vegetables and the like. The services provided by the public sector activate the wholesale trade to retail trade and from transportation to tourism.

**Second:** Public Sector was developed from ambiguous philosophy and was focused on ambiguous theories that led to conflicting assessment of the purposes and objective until it became a store for sustenance that assume aid objective, rather than profit motif to eliminate unemployment in whatever price.

Thus, public sector was considered a unique example for excess employment that reached 40% at some branches.

**Third:** In the beginning, Public sector suffered from the same troubles confronted by state administrative sectors, in the absence of reward and penalty scales. Thus, reward was decreased or even eliminated and the penalty was vanished. Thus, the diligent and negligent became equals with the loss of responsibility of the leadership to the base in the organization hierarchy that normalize its management and distribute its

responsibilities between executing companies, holding establishments and supervising ministries.

**Fourth:** the public sector did not work in a group with the economic production criteria, however the work was the prospective of social sustenance. Thus, development was increasing downfall in the level of productivity and also the level of awareness that reached at some branches to the least degrees.

**Fifth:** public sector with its major and excess employment and personnel with the low productivity faced major sequent financial losses in number of its branches that led the state to financially support it.

**Sixth:** public sector make use of exploiting statuses prevailed in some of its branches and enable to impose the acquired return which is not depend on the production capacity compared to the protection maintained by the state for its activity in these branches.

**Seventh:** public sector caused defect for the accumulation of the past years in the downfall of the technical capital of equipments and machines in its productive branches. The due maintenance was ignored, and due replacement of the equipments and machines was forgotten. Thus, the renovation of this sector require major costs exceed forty thousand millions pounds.

## **REFORM CRITERIA**

These primary indicators, with the current status of the public sector, should not take us from mentioning some of successful and unique examples in the management of some branches. However these few exceptions prove the rule and do not negate it. Thus, conclusion is upon the basis not the exception. The evidence for this is that public sector accounting and imposition of penalties were out of control in most cases and sometimes were over any popular issue. Also, the evidence appeared from the fact that various companies were established and then vanished and liquidated without any reason for the establishment or liquidation. Thus, I ask those who defend the public sector that the interest is not in the philosophical theories, however through practical experiments. The current status of the public sector and its development should be on the basis of the quantitative and qualitative criteria. These criteria are considered the criteria shares as we support public sector that produces excessive quantity and quality. At the same time, we hope to pave the way to the private sector to contribute in economic development, efficiently and sufficiently. Concerning the social considerations, the state faces them with other policies other than sinking of Public finance with the employees who did not produce. However, for the political strategic considerations, it should be taken into account in some of the productive branches such as energy, heavy industries and military production. In these vital production branches, sacrifice of economical consideration is nothing.

## **FIRST: THE VOLUME OF PUBLIC SECTOR**

We should investigate the volume of public sector in the light of the objective of its existence. Whereas the objective is to lead development and directing it to the objectives required for the society which are the sufficiency and justice. Thus, public sector should be available where this objective is available and should vanish where its existence is like nonexistence. Thus, let's ask what is the objective from existence of public sector in fields like hotels and tourism, for example. Does the objective is to protect the low-income individuals or the protection of national security. What is the objective and mean of existence in retail field, particularly, after elimination supply support for most of basic commodities. There are various production and service fields that are difficult to be changed in the existence of public sector in them due to the major volume of invested finance and the risks result from it as the case with energy industry, heavy industries and means of transportation.. etc, and other fields that are impossible to be rendered for the private sector for social and security reasons. In these fields, the public sector field should be existent to bear the responsibility, however most of its productive units suffers from blocking due to lack of organization, impotence of management and excessive employment. Thus, it is necessary to search the status of the productive units in technical terms to determine the causes of blocking and the extent of saving them. The units are impossible to be saved due to the major losses, however they could be liquidated through sale; merge in other units or other solutions. There is a necessity to give the revision of these unit to private committee formed for the same purpose and independent from government and state to neutrally perform the

revision on the lights of the proper economic criteria. Thus, we see that the first step in the solution of the public sector crisis shall be through dealing with its branches in accordance to the objective of its existence. Thus, these branches could be divided into three groups:

- A- Service branches group, headed by tourist hotels, cinema, theatres, play areas, commercial distribution units of the consumptive and durable commodities and the contracting units that do not work directly in the field of contracting. These branches should be liquidized through sale or using liquidation account in the development of other aspect of public sector.
- B- Group of production branches in the field of the medium industry that should be revised and dealing with them all over each unit and on the light of the economic criteria, as whatever prove strong should be supported and whatever impossible to continue should be liquidized or merged in other existent specific units.
- C- Group of essential productive branches such as energy, mining, heavy industries, petrochemicals and military and strategic industries. These branches should be remain and supported after being reorganized as it form the core of the public sector which is able to lead the development.

Thus, the question now concerned with the fate of the personnel in the productive branches and units that shall be liquidated. No doubt that the workers in public sector are the first people desire to escape from the economic crisis as they are the first pay its price. We assure that this corrective and reforming action shall not harm the personnel rights at these branches and units. However it shall lead to the contrary to

insure these rights and supporting them. There are several reasons that superceded by developing and advanced countries for these rights, including but not limited to the following:

- A- Submit the shares of the intended for liquidation companies for Public subscription after evaluation of capital and extraction of the due portion for the workers of the company.
- B- Preventing workers from the right of selection to posses early pension in addition to major reward at the end of service.
- C- Redistribute the portion of workers on the productive branches of the public sector in need after qualification.

No doubt that the finance saved from the total of liquidation could achieve the essential purposes to insure the personnel. Any way, the service branches of public sector required for liquidation are the branches in which the density of workers are lesser compared to the other branches. Then the replacement of the private sector ant its solutions in the place of the public sector in these branches shall led to absorption of excess personnel.

## **SECOND: ORGANIZATION AND UPDATING THE PUBLIC SECTOR**

The issue of development and update of public sector is a focus point. The public sector is a unique example to lack of organization which was reflected directly on all aspects of activity.

There are several researches addressed the issue of public sector reform. However, there were many difficulties that faced them including lack of facts and impossibility of access to the substantial accounts.

**The central cores that should be subject to reform are as follows:**

- 1- The organizational structure of the public sector as a whole to release this structure from administrative affiliation to the executive system of the state and being affiliated to independent authority.
- 2- Granting the productive unit comprehensive flexibility in decision-making processes through providing them with financial and administrative independence and asking them in the scope of determined and specified objectives. Optimal separation principle could be applied in the cases allowed through the nature of the project.
- 3- Support of the business sector units board of directors with efficient directors appointed from out of production units authorities.
- 4- Reform of salaries structure for the promotion of standard of living for the personnel and achievement of balance between the cost of personnel and the other elements of cost. The objective of this reform is to keep the skillful personnel and attraction of efficient labors from out of the public sector.



- 5- Link the bonuses to production as bonuses could not be distributed on the public sector labors, except upon the substantial production achieved during the production cycle.
- 6- Using the technical economic criteria to measure the level of performance in the productive units and the extent of development attached to production and productivity.
- 7- Development of codes and provisions that controls the public sector for the focus on reward and punishment and development of these regulations and codes to suit the nature of the activity in each branch of production branches.
- 8- Reorganizing the administrative and financial control systems to be subject to the public sector units to for local and external control and simple, specific control systems enable to avoid control interaction that block the productive activity.
- 9- Directing the investments of the public sector towards replacement, renovation and development for the existent facilities and not to expand new investments except in accordance to the substantial need for these investments.
- 10-Reviewing the participation of external public sector and development of controls to insure these participations in the development of public sector units. The objective is to avoid the consumption of public finance and concealment of public sector losses behind illusionary participations.

If the reform of public sector is not carried out in accordance with the previous criteria, this reform shall not be fruitful. This reform should be inclusive in all levels of financial and economic structures and should lead to eliminating the obstacles that handicap balance between the production and consumption and the emergence of increasing expansion gaps.