

**EFFECTIVENESS, EFFICIENCY AND PUBLIC MANAGEMENT IN THE
THIRD MILLENNIUM
(summary of paper)**

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In the third millennium, present and future developed mixed-economy countries will have to tackle a series of formidable challenges. Included among these are an increasingly ageing population, with its financial repercussions on public programmes for social care, health care and pensions, growing competition resulting from economic internationalisation and globalisation, with its requirements for the training of qualified human capital and additional provision of transport, communications and energy infrastructures, the protection of the environment and the conservation of natural resources, the social integration of migratory flows, urban population concentrations and the increasingly complex justice system, to name but a few.

Even when technological progress and economic growth can contribute to satisfying growing social demands, the available public resources are probably insufficient and, in any event, relatively scarce, especially if public spending programmes are financed – as is desirable – in an orthodox manner. In other words, ensuring price stability by excluding the creation of money and the alienation of public assets for exclusive or predominantly financial ends, limiting the level of public debt and preventing fiscal pressure from exceeding critical thresholds that discourage the supply of productive factors (work, savings, risk-taking, etc.) or that encourage international tax evasion.

Greater social needs, on the one hand, and the obvious financial limitations, on the other, inevitably lead to the strengthening of different types of **efficiency** within the administration of available public resources; all this, however, is in a historically very dynamic technological and social context, characterised by the growing computerisation of both public and private management.

For the purposes of conciseness, the aim of this paper is to focus on two types of computer-assisted technique and online communication of general interest to improve efficiency, with regard to:

A) The **public budget planning** stage, to perfect both the socially desirable choice and the size of the many and varied expenditure and revenue programmes before the start of the budgetary cycle in its strict sense.

B) The **public budget implementation** stage, by its managers, in order to increase production – both public and private – of the public provision of goods and services, to reduce the social costs and to evaluate the results objectively.

In the first type of technique the paper centres, by way of example, on the cost-

benefit analysis focus of alternative public programmes which, starting from a specific level of resources, must provide the goods and services demanded by society for its welfare consumption and by the production system for its survival. Emphasis is placed on the new possibilities that applied research, computer programming and information technologies afford the legislative, executive and audit bodies of the different levels of public administrations which comprise an internationally integrated state.

The second group of techniques stresses those which try to measure the technical and allocating efficiency in production and, in particular, the possibilities of production frontier analysis methods, both deterministic and stochastic, based on recent applications of operational research in the fields of education, healthcare and even economic growth, underlining, as in the case of the type of techniques geared towards improved budgetary planning, the greater possibilities which current research, computer applications and advances in information technology offer public bodies, citizens and private managers.

In turn, the widespread application of both types of technique can only be achieved through a coordinated and simultaneous effort in the fields of basic research, their gradual practical and specific development in the public and private spheres, technological provision, permanent reform of the organisation of the state and the permanent technical training of civil servants, professionals and citizens in general. In all, an effort which in the fields of:

- a) applied research must design and provide budgetary planning and implementation computer programmes specifically adapted to the requirements of the various areas of public activity;
- b) training must, by means of continuous learning throughout the active life of public administration staff, achieve the understanding, integration, verification and perfection of the above techniques, thereby allowing the private sector agents – citizens and managers or their representatives before the public administration – to have direct contact online – where appropriate through internal networks – with the public administration, with the subsequent reduction in the social costs of fulfilling formal obligations; and
- c) the constant reorganisation of the public administration must redefine, with fundamentally technical criteria, the hierarchical levels, the optimum number and sizes of management units, the objectives to be achieved and their respective evaluative weightings, the indicators to be used, the materials and human resources required, the system of powers and responsibilities and, above all, the adequate individual and team incentive systems.