

REFORMING THE GOVERNMENT

A CONCEPT PAPER

Pakistan's achievements in economic management and structural policies in the recent years are widely recognized both domestically and internationally. But almost all comparative country rankings whether originating from the World Bank* or Global Competitiveness Report of the World Economic Forum or other think tanks and institutions consistently rate Pakistan quite low in Public Sector Management, Institutions and Governance. Along with the weak Human Development Indicators this low ranking on the institutional dimension makes the task of poverty reduction, income distribution and delivery of public services quite difficult. The impact of good economic policies upon the lower strata of our society particularly those who are illiterate and are not well connected thus gets muted. The widespread hue and cry about the absence of trickle down effect of good economic policies is a manifestation of the dysfunctional nature of our public sector governance comprising, executive, judiciary and legislative organs of the state. While the reform of the judiciary and legislative organs is beyond the scope of the mandate given to the National Commission for Government Reform (NCGR) the reform of the executive branch – Federal, Provincial and local governments – will be the focus of our attention.

There are several ways to approach the task assigned to this Commission. One option is to spend several years in preparing a comprehensive blueprint and plan for bringing about the desired changes covering all aspects of the structure, processes and human resource policies of government. This option has the disadvantage that by the time the report is ready ground realities might have changed. Political support for reforms under this approach is most likely to wane as high costs are incurred upfront in pushing through complex, unpopular and difficult decisions but the benefits of the reforms do not become visible in the lifecycle of the political regime in power. The advantage of this option is that all deficiencies and weaknesses are addressed simultaneously in a comprehensive manner.

The second option is to prepare a long term vision and direction in which reforms should aim and move but combine this with an opportunistic approach whereby easy to implement changes are taken up first and the more difficult reforms are taken up later. The disadvantage of this option is that the changes introduced may be imperceptible and the

time taken for the whole process to complete may be too long. But the advantage is that incremental changes that create a win-win situation for all the stakeholders including politicians have a much better chance of getting accepted and implemented. It is suggested that the Commission may propose the second option as the modus-operandi for its working.

The preference for this option which is less elegant and imperfect lies in a dispassionate reading of the past history of reforms in this country. A large number of erudite Commissions and Committees have spent virtually thousands of man years in seeking out views and opinions from a diverse set of opinion makers and public at large, prepared elaborate diagnostic studies and presented very sensible set of recommendations. But except for some tinkering here and there most of the recommendations were not implemented because of lack of political will and courage. The two exceptions to this trend are:

- (a) the Civil Service Act. of 1973 which under the leadership of Mr. Z.A.Bhutto brought an end to the historical covenant between the Government and higher civil servants.
- (b) the Devolution Plan of 2001 under the leadership of President Musharaf which devolved powers from the Province to Districts.

These radical reforms uprooted the existing structures, processes and relationships but the transition period for their replacement by the new structures, processes and relationships has been quite long. In both these cases there was strong political will but fierce resistance to these changes was equally strong. Learning from these two examples the second option appears more pragmatic. We have at present strong political leadership for reform of the government and we need to develop long term framework in which the direction of the reforms is clearly laid down. The movement towards the ultimate goal post will, however, be more nuanced – by applying acceleration when the opportunity presents itself, through brake or temporary reversal when the resistance is fierce, through second or third gears when the opposition is neutralized and the results achieved pacify the opponents.

The sequencing, phasing and timing of the various reforms and their implementation will be guided by the speed at which consensus is built among the stakeholders and the decisions are made by the top policy makers but it is important to lay down the overall direction in which these reforms will move

The two main objectives of the NCGR are:

- a) to improve the delivery of basic services to the ordinary citizens of Pakistan and
- b) to improve the functioning of the various tiers of the government.

Broad Principles underpinning the reforms.

In order to lay down the direction in which the reforms will be undertaken it is essential that we get the agreement of the Steering Committee on the broad principles that will underpin these reforms. The following broad principles are outlined under each area of the reforms.

Civil Services

- i) open, transparent merit – based recruitment to all levels and grades of public services with Regional Representation as laid down in the constitution.
- ii) Performance – based promotions and career progression for all public sector employees with compulsory training at post induction, mid-career and senior management levels.
- iii) Equality of opportunities for career advancement to all employees without preferences or reservations for any particular class.
- iv) Replacement of the concept of Superior Services by equality among all cadres and non-cadres of public servants.
- v) Grant of a Living wage and compensation package including decent retirement benefits to all civil servants.
- vi) Strict observance of security of tenure of office for a specified period of time.
- vii) Separate cadre of regular Civil Services at the Federal, Provincial and District levels co-existing with contractual appointments.
- viii) Creation of an All Pakistan National Executive Service (NES) for senior management positions drawn through a competitive process from the Federal, Provincial and District level Civil Servants and outside professionals.
- ix) Introduction of four specialized cadres under the NES for Economic Management, Regulatory, Social Sector Management and General Management.

Structure of Federal, Provincial and District Governments.

- a) Devolution of powers, responsibilities and resources from the Federal to the Provincial Governments.
- b) Establishing inter-governmental structures with adequate authority and powers to formulate and monitor policy formulation.

- c) Clear separation of policy making, regulatory and operational responsibilities of the Ministries/ Provincial departments.
- d) Making each Ministry/ Provincial department fully empowered, adequately resourced to take decisions and accountable for results.
- e) Streamline rationalize and transform the attached departments/ autonomous bodies/ subordinate offices/ field offices etc. into fully functional arms of the Ministries for performing operational and executive functions.
- f) Reduce the number of layers in the hierarchy of each Ministry/ Provincial department.
- g) Cabinet Secretary to perform the main coordinating role among the Federal Secretaries on the lines of the Chief Secretary in the Provinces.
- h) Revival and strengthening of the Secretaries Committee at the Federal/ Provincial Governments to become the main vehicle for inter-ministerial coordination and dispute resolution among various ministries.
- i) District level officers interacting with the general public in day-to-day affairs should enjoy adequate powers, authority, status and privileges to be able to resolve the problems and redress the grievances of the citizens.
- j) Police, Revenue, Education, Water Supply, Health are the departments which are highly relevant for the day-to-day lives of the Ordinary Citizen of this country. The internal governance e structures of these departments, public grievance redressal systems against these departments and checks and balances on the discretionary powers of the officials have to be introduced.

Business process re-engineering

- i) All laws, rules, regulations, circulars, guidelines issued by any Government ministry/ department/ agency should be available in its most up dated version to the general public free of cost in a user-friendly manner on web page and in electronic and print forms at public places.
- ii) Service standards with timelines for each type of service rendered at the District, Thana and Union level should be developed, widely disseminated and posted at public places in each department.

- iii) Rules of business at the Federal, Provincial and District Governments should be revised to make them simple, comprehensible empowering the Secretaries/ Heads of Departments/ District Coordination Officers to take decisions without multiple references, clearances and back and forth movement of files. Post-audit of the decisions taken should be used to ensure accountability rather than prior clearances.
- iv) Delegation of financial, administrative, procurement, human resource management powers should be revisited and adequate powers commensurate with the authority should be delegated at each tier of the hierarchy.
- v) Estacode, Financial Rules, Accounting and Audit Rules, Fundamental Rules and all other rules in force should be reviewed systematically and revised to bring them in line with modern management practices.
- vi) E-Government should be gradually introduced in a phased manner. Technological solutions, hardware and software applications are easy part of the process but the most difficult aspect is the Training and a change in the culture, attitude and practices. E-Government should be driven by business needs rather than crafted as an elegant technical solution.

The above principles, if agreed, will form the long term framework and direction in which the NCGR will carry out its work.

Second track.

In the meanwhile a second track will also be followed in which some quick win reforms will be implemented from time to time as an opportunity presents itself. For this purpose, the Commission will follow a more flexible route. For example;

- (a) it has decided to focus on four major areas where the interaction between the ordinary citizen and administrative machinery of the government is most intense. These four areas are:
 - 1. Police and enforcement of laws.
 - 2. Land Revenue Administration
 - 3. Education
 - 4. Health

The Commission has formed four sub-committees to review and examine the efforts being made by the government, private sector and civil society in each of these areas and come up with incremental solutions that will make the existing system more efficient and responsive to the needs of the public in the immediate or short run. The Commission has also formed another Sub-Committee to recommend revision in the Rules of Business for removing impediments in the functioning of the government departments/ ministries/ agencies and empowering the heads of the departments to deliver results.

The preliminary recommendations of the sub-committees will be presented to focus groups of stakeholders drawn from diverse segments of society – Secretaries Committee, political leaders, businessmen, NGOs, academic refined civil servants etc. – for soliciting their feedback and views. Once this feedback is incorporated the sub-committees will finalize their recommendations which will then be discussed by the Commission and then presented for consideration and decisions by the Steering Committee.

- (b) The Commission can and will present other stand-alone recommendations to the Steering Committee outside these four priority areas that are not contentions but can make an immediate difference in the efficient functioning of the government.
- (c) The Commission will also act as a facilitator and conduit for the reforms formulated by the Federal Ministries/ Provincial Governments and table them, after its own analysis for the decisions by the Steering Committee.
- (d) In all cases the Commission will act as a watchdog and monitor the compliance of the decisions taken by the Steering Committee. In case of non-compliance the heads of the Ministry or Department concerned will be called upon to provide the rationale before the Steering Committee.

CONCLUSION

The NCGR will follow a two track approach in fulfilling its mandate and meeting its objectives:

First, the Commission will develop a long term framework and direction in which the reforms will be implemented. For this purpose, the Steering Committee should consider, debate and agree on the broad principles underpinning these reforms.

Second, the Commission will consider and present recommendations to the Steering Committee from time to time on issues and subjects that can make an impact or difference to the functioning of the Government in select areas in the immediate or short run.

In each of the above cases the distinctive characteristic of this Commission will be its emphasis on securing decisions from the highest policy makers at a single forum, ensuring that these decisions are implemented and monitoring the progress and results.