

**NATIONAL COMMISSION FOR GOVERNMENT REFORMS**

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**WHO IS A FEDERAL CIVIL SERVANT?**

Pakistan's public sector employs over 3.4 million at the Federal and Provincial level. The break down of this work force between the Federal and Provincial Government level is as follows:-

**Federal**

Secretariat	18,023
Attached Departments	251,187
Autonomous Organizations	389,923
Civilians Paid Out of Defence	168,170
Civilian Armed Forces	<u>124,080</u>
Total	951,383

**Provincial**

Punjab	863,896
Sindh	461,247
NWFP	268,285
Balochistan	167,144
AJ&K	<u>67,423</u>
Total	1,827,868

2. At present the definition of a Federal Civil Servant is both loose and vague. This paper makes an attempt to precisely define a Federal Civil Servant and then makes a few proposals in light of this definition to classify all the existing employees that are considered part of the Federal Civil Service and develops a category that clearly falls in the definition of Civil Servant.

3. Article 260(1) of constitution of Pakistan (1973) uses the expression "service of Pakistan" while Section 2(1)(b) of Civil Servants Act. (1973) defines "Civil Servant". The Supreme Court of Pakistan has held that person being in "Service of Pakistan", merely for that reason, cannot be classed as a "Civil Servant" as defined in Civil Servants Act. 1973. Therefore every person in the "Service of Pakistan" cannot

automatically become a civil servant. The pre-requisites for attracting the definition of civil servant to any government or public sector employees are laid down in the Civil Servants Act. of 1973.

4. Civil Servants Act. of 1973 defines Civil Servant in Section 2 (b) as follows:-

“Civil Servant” means a person who is a member of an All Pakistan Service or of a civil service of the Federation or who holds a civil post in connection with the affairs of the Federation including any such post connected with defence, but does not include.

- (i) a person who is on deputation to the Federation from any province or other authority
- (ii) a person who is employed on contract or on work charged basis or who is paid from contingencies **OR**
- (iii) a person who is “worker’ or ‘workman’ as defined in the Factories Act. 1934 or the Workman’s Compensation Act. 1923.

5. The need for a definition and the full coverage of civil servants is important as the Basic Pay Scales of the government should apply to civil servants alone and not other employees of the Federal or Provincial Governments. Secondly, a more rigorous definition would determine the size of the Federal Civil Service and the capacity for managing and developing human resources by the Federal Government.

6. In its previous as well as its most recent decision delivered by a 09 Judge Bench, the Supreme Court of Pakistan has determined that employees belonging to autonomous corporations/ bodies under the Federal Government will not attract the definition of civil servants. Thus if we exclude those working in the Corporations autonomous bodies the Federal Government’s actual strength is 561,460.

7. The question we are unclear and wish to raise is whether the civilians paid out of defence (168,170) and the Civilian Armed Forces (124,080) should be considered Federal Civil Servants while their terms of service, service conditions, emoluments and allowances and disciplinary rules are quite different from those serving in the Federal Secretariat, attached departments and subordinate offices. Some of the Civilians paid out of defence are paid out of contingencies or work charge basis or temporary contract or by organizations such as Pakistan Ordnance Factory (POF),

Pakistan Aeronautical Complex Kamra, Naval Shipyard etc. Even if at present the Civilians paid out of defence are at present categorized as civil servants it is for consideration whether this categorization is appropriate or should it be reviewed and these employees excluded from the purview of civil service and consequently outside the scope of Basic Pay Scale (BPS). As the Civilian Armed Forces under Interior Division, Anti Narcotics Forces under Narcotics Division and Airport Security Force under Defence Division are in fact uniformed forces under their own command and control structure, their inclusion in the category of Federal Civil Servants may create anomalies and operational difficulties particularly in matters of enforcing discipline as the rules and procedures prescribed under the Civil Servant Act are not particularly appropriate for application to uniformed forces. To remove any ambiguity it is proposed that these forces should be excluded from the category of civil servants by making the Civil Armed Forces autonomous under the control of the Ministries concerned.

8. There is a serious anomaly in the present organizational classification as Commercial Organizations such as Railways (PR), Pakistan Post Office (PPO) and Central Directorate of National Savings (CDNS) are treated as attached departments rather than autonomous bodies. These three organizations together employ 130,000 persons. There is no difference between them and those working in KPT, NHA, PIA or financial institutions etc. It is proposed that to ensure consistency and uniformity these organizations should be shifted from the category of attached departments to autonomous bodies. This will automatically move them out of the category of Civil Servants. The argument that these organizations may be drawing budgetary support from the Federal Government is untenable as the largest autonomous body i.e WAPDA is receiving subsidies year after year from the budget for meeting its losses. It is the legitimate right of every government to provide subsidy to Pakistan Railways

or Pakistan Post Office for operating on un-remunerative routes or delivering mail in remote places for purely social purposes. This fact does not entitle these organizations to be run as attached departments of the Ministries. They are all for their practical purposes self-standing and autonomous business corporations generating their own revenues and incurring expenditures to support the business. As Railways is competing with private Road Transport and Post Office with the Private Courier Services, it is not fair to put these two organizations under the rule-bound strait jacket of government departments. These organizations should be given operational, financial and administrative autonomy to run their operations on commercial considerations with the caveat that they will carry agency functions of social nature on behalf of the Government. Excluding the Civilian Armed Forces, Civilians paid out of defence and those employed in commercial ventures the size of the Federal Service will be reduced to about 139,000.

9. The next question to consider is whether teachers, health professionals and workers in Islamabad should be employed by the Federal Government or by Islamabad Administration in the spirit of devolution. Most of the problems in health care and education service delivery arise as teachers and health workers are transferred frequently from the usual places where they reside. In case they are employed by the local government this particular friction will disappear and the monitoring and management would be sharply improved. It is proposed that the employees working in the Federal Government educational and health institutions located in Islamabad Capital Territory should not be Federal Civil Servants but employees of the Islamabad local government or in case of those run by the Ministry of Defence transferred to local Cantonment Boards. In case the Federal Government wishes to maintain some of these institutions under its control then the teachers and health workers should be the employees of those institutions rather than accorded the

status of Federal Civil Servants. Applying the same logic about 19,000 workers employed in Northern Areas Administration should also become part of the Northern Areas Local Government.

10. An agreement on precise definition of and coverage under 'Civil Servants' category and consequently the application of Basic Pay Scales only to Civil Servants should be the first order of business before the restructuring plans for civil service move ahead.

11. It is therefore proposed that a Civil Servant should be defined as a person (i) who fulfills the conditions laid down in Section 2(b) of Civil Servant Act. 1973 and (ii) whose terms and conditions of service i.e tenure, appointments, probation and confirmation, seniority, promotion, termination, reversion, removal, retirement, efficiency and discipline, pay leave, pension and gratuity etc. are governed under Chapter-II of Civil Servant Act. 1973 and the rules enacted there under. Any person who does not fulfill any of these two conditions materially should not be included in the category of Civil Servant.

12. This proposal, if accepted, could limit the size of Federal Civil Service anywhere from (a) 92,000 employees under the above category of Civil Servant to (b) 260,000 if the civilians paid out of defence are included to (c) 384,000 if both the civilian paid out of defence and civilian armed forces are included.

13. Under scenario (a) the Federal Secretariat will have a strength of 18,000 and the attached departments 74,000. The largest attached department i.e CBR (with 30,000 employees) is in the midst of an active restructuring exercise and has its own management structure and terms and conditions of service including the compensation packages. Similarly, the Auditor General is proposing conversion from the present status of attached department to an independent Supreme Audit Institution. The cadre of about 12,000 employees under the Auditor General will then be operating under

terms and conditions different from those under Basic Pay Scales. The Federal Government, in that case, would be left with approximately 50,000 Civil Servants under the Secretariat and the attached departments. Only these Civil Servants would then be subject to restructuring making the increase in compensation and benefits quite affordable and management of Federal Civil Service more doable.

14. It may be argued that the financial implications of any revision in compensation and benefits to this particular group of precisely defined Federal Civil Servants would spill over to the other categories of public servants, autonomous bodies and provincial governments. This may be true but by de-linking, those categories of public sector employees from an automatic revision in the basic pay scales the stage is being set whereby the decentralized decision making by the respective bodies would not necessarily be guided by the changes in the basic pay scales. The current practices of National Bank of Pakistan, PSO, PIA and a host of other corporations and autonomous bodies in setting their own salary and benefit scales independent of the basic pay scales of civil servants should become widespread over time. In those autonomous bodies or Corporations where the Federal Government is the sole provider of budgetary resources the Ministry of Finance representative on the Board of these bodies will have the veto power on all financial matters including the setting or revision of pay scales and compensation packages.

**ANNEX**

**Federal Government Employment**

<b>Total Employees:</b>	<b>951,000</b>	
minus Autonomous bodies		390,000
minus Civil Armed Forces		124,000
minus Civilians paid out of defence		168,000
minus Commercial Organizations		130,000
minus transfer to Local Governments		<u>47,000</u>

Total Civil Servants    92,000

<b>Federal Civil Service.....</b>	<b>92,000</b>	
<b>Of which C.B.R.....</b>	<b>30,000</b>	
<b>Audit &amp; Accounts.....</b>	<b>12,000</b>	
<b>Secretariat.....</b>	<b>18,000</b>	} 50,000
<b>Other Departments.....</b>	<b>32,000</b>	