

PRESENTATION BY

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ON

**GOVERNANCE SYSTEM  
OF  
PAKISTAN**

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# GOVERNANCE SYSTEM OF PAKISTAN

## A. NUMBERS

- i 3.50 million in total public employment.
- ii Average family size as per last census report is 6.8. Therefore number of persons dependant on public employment is 23.80 million, say 24.00 million, out of total population of 170 million– about 1/6<sup>th</sup>. Add 1,000,000 civil and 1,200,000 defence service pensioners and dependence on public revenues rises to a 1/5<sup>th</sup> of the populace.
- iii Wage bill is 4.3% of GDP – about the same as India, Bangladesh and China; less than Korea or Malaysia.
- iv 2,900,000 in civil bureaucracy; 600,000 in the Armed Forces.
- v 435,000 in civilian departments of GOP + 325,000 in state-owned enterprises of GOP, total 760,000.
- vi 2,140,000 in the provincial and local governments including 1,000,000 in Education, 400,000 in the Police and Civil Armed Forces and 240,000 in Health.
- vii Priorities for every Chief Minister should be education, law and order and health in that order. Remaining 25 odd departments in Provincial Governments including agriculture, roads and highways, irrigation, food, animal husbandry, etc, collectively employ about 500,000 persons.
- viii Nearly 95% of the employees in the 3 tiers of Government are in Grades 1 to 16.
- ix 85% of GOP's wage bill is disbursed to Grade 1 to 16 employees. Out of 435,000 employees in civilian departments of GOP, 24,000 are in Grades 17 and above. One officer for every eighteen non-gazetted officials – a very flat pyramid. Out of 24,000 officers, 1600 in grades 20 and above – At the apex

there are a little more than 250 posts of Grade 21 and Grade 22 in the Federal and Provincial Governments – mostly in the Federal Government.

- x Entire focus, effort, energy is on recruitment, training, prospects, etc, of the civilian bureaucracy in grades 17 and above especially in Grades 20 and above. NDU, NMC, NIPA and other training programmes are for the civilian officer corp. No real in-service training facilities for the Subordinate Services in Grades 1 to 16.
- xi Management Capacity has to be strengthened at all levels of admn. activity. Top level management is unable to bring out visible improvement in the delivery of services to the common man at the ground level especially in education and law and order control, because of deficiencies in skills and training at the lower rungs of the administrative structure. For better governance we need training and re-training from the lowest levels of administration upwards.
- xii We also need re-organization of Subordinate Service(s) – most welcome feature of proposals mooted by the National Commission for Government Reforms.

## **B. PURPOSE AND ROLE OF CIVIL BUREAUCRACY**

- ✓ 1. to promote the economic and social well-being of the people of Pakistan;
- ✓ 2. to ensure effective law and order;
- ✓ 3. to provide good governance in the form of efficient delivery of services to the common man especially in the fields of education, health and civic amenities;
- 4. to redress individual grievances of the average citizen in a timely manner;
- 5. to implement the laws in a fair and transparent manner;
- 6. to collect sufficient revenues to meet the manifold requirements of the Federal, Provincial and Local Governments;
- 7. to promote inter-provincial harmony.

### C. NEXUS WITH NATIONAL SECURITY

- a. economic well-being is a core value. A threat to economic welfare can jeopardize internal security and also weaken external security, Continuance of poverty at a high level can also lead to civil unrest;
- b. poor governance especially economic mis-management e.g. gas and electricity shortages, rising prices of essential commodities, shortage and high price of atta, is a threat to internal security;
- c. poor law and order, whether caused by terrorism, sectarianism or otherwise, is another grave threat to internal security especially if it is coloured by ethnic and provincial motivations or animosities;
- d. estrangement between provinces on national issues e.g. sharing of financial and water resources, movement of food-grains especially wheat, Kalabagh dam, etc, is yet another threat to national security.

### D. SOCIO POLITICAL ENVIRONMENT

- (1) Bureaucracy does not function in a vacuum but in a socio-political environment and it is therefore necessary to note certain essential features of the present socio-political environment for proper appreciation of bureaucracy's role or, in certain cases, the failure to perform this role.
- (2) Our federation is a multi-lingual multi-ethnic entity. The federation has one dominant province, dominant in the sense that it comprises nearly 60% of the total population, dominant also in the sense that it is perceived to be a dominating presence by large sections of public opinion in the other federating units.
- (3) The test of the strength of a democratic system comes as and when there is a transition of power. It is only when a system sees several peaceful transfers of power in accordance with constitutional parameters that it can be said to be a functioning and successful system. The 2008 elections met this test.
- (4) We have weak political parties. One de-stabilizing and undesirable manifestation of this weakness is the flexibility of loyalties. The ease with

which our politicians move from one political party into another, and often back again, is because large numbers of these parties are based on personalities and/or formed for the purpose, often with official backing, for supporting or sustaining those in power. Strong political parties are an essential institutional building block for producing competent political leadership and strong political parties and competent political leadership both require the free inter-play of all political forces in periodic elections that are not only free, fair and transparent but also perceived to be such both at home and abroad. If the Intelligence agencies exercise restraint, as they have since 2008, and if the major parties remain committed to the Charter of Democracy we may see some degree of cure to this institutional weakness.

- (5) Bureaucracy has been used to facilitate change of loyalties. 1985 – 1997 five assemblies, each with 207 elected members of which, on average 125 feudal/tribal, 26 urban professionals, 38 contractors/businessmen. 2002 and 2008 – 272 directly elected members, composition more or less the same notwithstanding BA qualification. Feudals and businessmen susceptible to manipulation.
- (6) Other than the armed forces, whose power and influence is often unsettlingly strong for other institutions, we have weak institutions. The institutional weaknesses have been partly caused by the prevalence of corruption and certainly aggravated by its continuance.
- (7) A culture of tolerance is not evident in the inter-action between political parties in government as against those in opposition with the result that the latter seek extra-constitutional and extra-parliamentary remedies. Bureaucracy used to suppress political struggles outside Parliamentary process.
- (8) The independence of the judiciary was badly impaired by the number of times judges of the superior courts were made to swear oaths to defend different constitutional instruments. Recently we have seen a most welcome resurgence of judicial independence in the superior judiciary but at the district and civil

court level there is still not much change. Justice can still be either influenced or purchased.

- (9) Terrorist and sectarian groups who operate outside the pale of the constitution and the law have not sufficiently felt the iron fist promised after every outrage committed by them.
- (10) External factors particularly the confrontation with India which has required a dis-proportionate allocation of resources for defence at the cost of development expenditure and the needs of the social sectors leading to a situation where we have, with the exception of Nepal, the worst indicators in education and health even in the under-developed SAARC area. An electorate which is half illiterate and in which about half are un-educated and of which one-quarter to one-third live below the poverty line with inadequate health and other civic facilities does not provide a sound base for a stable political or administrative system.
- (11) The middle class in Pakistan wants every one other than itself to be regulated. We want high quality of service but are not prepared to pay for them. Part of the problem stems from our history in which even the middle class did not grow independently in the process of economic growth but flourished due to state patronage and through the employment process in the public sector or through industrial units established in public sector and then handed over to private entrepreneurs. It also benefited through the setting up of private industry which the state protected against competition both domestic and international. Pakistan's civil society in the form of this middle class still does not believe that we can prosper without government benefaction.

#### **E. EFFECT OF THE SOCIO-POLITICAL ENVIRONMENT ON CIVIL BUREAUCRACY**

- (1) Common and Correct impression that the quality of public service in Pakistan has deteriorated.

- (2) During his address to the Civil Officers at Government House Peshawar on 14<sup>th</sup> April 1948 the Quaid repeatedly urged them not to indulge in politics or to be pressurized by politicians even if it involved some consequential hardship in the matter of postings and transfers. Quaid's advice has not been heeded over the years by either the politicians or the bureaucrats. There has been political involvement in the recruitment process which reached a sort of zenith during the lateral entries in the 1970s. At the lower levels the recruitment process in departments such as the Police and Education, has been an instrument of political patronage. This patronage has protected the corrupt from disciplinary action thereby undermining the integrity and efficiency of the administration. This corruption combined with eroding quality has directly led to poor governance at all levels.
- (3) But it would be simplistic, and incorrect, to blame politicization of the civilian bureaucracy alone as the cause of poor governance. There are many other factors and I will briefly mention them without however assigning greater or lesser weight to any of them. You will judge for yourselves. We have had quota-based recruitments to the federal services. These quotas were due to end in 1993 but were extended through a constitutional amendment upto 2013. In 1996-97 when I was Establishment Minister a study was made as to which area benefited from the quotas and which areas lost out. 557 candidates passed the CSS Exams in 1996 185 vacancies were to be filled by the FPSC on the basis of these result:-

	<u>As per Quota</u>	<u>On merit</u>
Punjab	96	141
NWFP	24	24
Sindh	38	12
Balochistan	18	2
NAs/FATA	7	3
AJK	<u>2</u>	<u>3</u>
	<u>185</u>	<u>185</u>

- (4) There is no financial or other incentive for better performance. Once you reach the top of your pay-scale you move-over automatically to the next higher scale. Promotion is basically determined by seniority. So long as you avoid adverse reports you will climb to the top level regardless of whether you work after office hours or get to office and leave office after and before the official timings.
- (5) The employment opportunities created in a variety of professional, business, trade and management through the process of economic growth have meant that the civil services are no longer attracting the best available talent as was the case in earlier decades when such alternatives were much more limited in scope and numbers.
- (6) Then, there is, for lack, of a better word, the attitude problem Shahid Kardar, for 14 month Punjab's Finance Minister, after his resignation wrote in Dawn of 7.9.2002

“One lesson I learnt was that government is a service of its employees, for its employees and by its employees. Hardly ever in the 14 months did I hear of the rights of the tax-payer or the rights of the recipients of services like education, health and water supply. Only the service providers, the govt. servants, appeared to have rights. They are fully protected and practically unaccountable. It is easier to dismiss a government than a government servant who fails to turn up for work or does not do his duty.”

Shahid Kardar has put it very strongly. I would put it in much milder terms. But even putting it mildly the fact is that there is a lack of empathy between the government servant and the public. Consider for example a Bobby walking the beat in London Streets. He greets all the shop-keepers and property-owners as he walks by. You approach him — sure of his help — in case of need. Is there any such fellow-feeling between our police and the common man. The sad fact is that until such fellow-feeling develops there will be no permanent improvement in law and order because law and order, or the lack of it is in the ultimate analysis a question of public perception.



- (7) Removal of constitutional guarantees and abolition of separate services contributed to politicization because in the post 1973 period — under Bhutto and Zia-ul-Haq and later under Benazir Bhutto and Nawaz Sharif—bureaucrats realized that you needed high political or military connections to obtain, choice postings or promotions. Politicians and senior military officers were in their own interests only too happy to oblige and this “I scratch your back you scratch mine” relationship continues to this day.

#### **F. PERFORMANCE OF CIVIL BUREAUCRACY**

1. The end object of public policy is to provide good governance. There is a popular, near universal, perception at present that there is a lack, a failure, of good governance. Who is responsible? A survey conducted by Governance Institutes Network International in connection with a report prepared by them on Executive Education on Governance in Pakistan, published in December 2009, indicates that the groups perceived by the general public to be responsible for poor governance in Pakistan are civil servants closely followed by politicians and some way back by the Armed Forces, in that order. As to what constitutes good governance the public identified the rule of law, political stability and financial stability as the three most important ingredients. And finally the three traits identified, in order of importance, as the most likely to lead to good governance were fear of God, accountability and accessibility to the public. If you agree with the findings of the survey then you also know what the priorities should be.
2. Let me at this stage try and take stock for you of how well or how poorly we have performed in four areas of public policy. Four out of seven that I identified earlier as the main roles of the civil bureaucracy viz. law and order including the menace of terrorism, economic well being, better delivery of services to the common man, and collection of revenue.
3. First, law and order. The matter is one of perception, public perception, both at home and abroad. Does the common man feel secure when he goes to work or goes to pray or when his wife goes to the market or when his children go to

school? Statistics are irrelevant here because very substantial numbers of crime go unreported. Judged by the huge number of travel advisories of foreign governments telling their nationals either not to travel to Pakistan or if they do then it will be at their own risk, the foreign perception about law and order in Pakistan is clearly negative. But sadly it would appear that the perception of our own people is not much better. And, amongst many, one of the principal reasons is the disconnect, the signal lack of empathy and cooperation, between the public and the police. Very regrettably the police is not seen as a friend or as a protector. So, in awarding marks on the implementation of this all-important component of public policy, our collective performance has to be adjudged as below average, if not poor, both in the past and as of now. And clearly a main priority for all our training institutions especially those of the civil bureaucracy must be to address this problem which requires early and effective re-establishment of the writ of the State and implementation of that illusionary dream of changing the thana culture.

4. Terrorism: earlier, sectarian and RAW; today, sectarian and ideological. Police arm of civil bureaucracy cannot by itself successfully counter terrorism. Needs support of military and para-military units. (Anti-terrorist Legislation of 1997: H. C. judges refused to sit and try terrorists, police would not interrogate. JITs had to be formed. In the Punjab, the Elite Force. French experience: OAS. Pooling of intelligence under Interior Minister. Formation of RAID. 200 personnel – Rapid turn-over – not more than 6 months.
5. In the matter of economic well-being I would say that despite several shortcomings the overall record is reasonably good. During the last 60 years, 1950 onwards, our average rate of GDP growth has been between 5 to 6%. Our GDP is today 12 times larger than what it was at the time of independence. Per capita incomes, however, are not 12 times the 1950 levels because our population has, in the meantime, increased five-fold from about 33 million to about 170 million. South East Asian economies have had somewhat higher rates of growth than the rate of growth of Pakistan's

economy but the reason why their people are so much better off today than us is because they have effectively controlled their rates of population growth. When we separated in 1971 Bangladesh had a population 10 million more than ours. Today it is 15 million less. A deep and lasting injury was caused to Pakistan when the Population Planning Programme initiated by General Ayub Khan was more or less dismantled during the years of General Zia-ul-Haq.

6. Remaining with the issue of economic well-being I would like to focus on another important point. In 1965 Pakistan's exports of manufactured goods were more than Indonesia, Malaysia, Philippines, Thailand and Turkey combined. I am making this statement on the basis of World Bank Reports. Today, our exports of manufactured goods are less than half those of the Philippines, one-eighth those of Thailand and one-tenth those of Malaysia. Why? For the reason, amongst others, that there is a fundamental distrust, amounting to antipathy, between our civil bureaucracy and the business community. Please compare and contrast our bureaucracy and business relationships with those between Japanese business houses and Japan's Ministry of Trade and Industry. MITI in Japan is a leader in the proactive partnership with the Japanese private sector. It coordinates the periodical restructuring of local industry. It counsels and guides business houses with reference to export markets, identifies companies with export potential and provides them with funds for research and development, and helps to regulate competition between Japanese exporters in foreign markets. I would, therefore, stress that yet another focus of our public policy for the future, should be to promote better and healthier inter-action between our trading and business communities, on the one hand, and the relevant ministries of the federal, as also of the provincial, governments on the other. And I would add here, in the context of Pakistan, the need for similar inter-active relationships between the bureaucracy and the farming community and the service providers such as the transporters and the professionals.
7. When we speak of good governance in the form of better delivery of services to the common man in the fields of education, health and civic communities,

the focus has to shift from the federal to the provincial and district governments. The record of performance here is a mixed one. On the one side there are our major cities such as Islamabad, Lahore, Karachi, Faisalabad, Hyderabad, Peshawar, Quetta and others where living standards are comparable to the cities of, say, Eastern Europe though here also there are slum areas and katchi abadies where people live well below the poverty line. We have a well-off upper middle class and growing numbers of middle class families, perhaps a quarter of the total population, who have reasonable, indeed considerable, purchasing power. The other side of the picture is that a quarter to a third of the population is below the poverty line and perhaps another 40% just above the poverty line, that is they are living on an income of between one to two dollars per day per person. Pakistan's human development indicators are not good. They are amongst the lowest even in our own backyard viz. the SAARC area. It would take much too long to identify all the factors that have contributed to this sorry picture. Paucity of resources with the Provincial Governments is obviously one of the reasons and one can only hope for better things as a result of the very substantial transfer of resources that has taken place, as a result of the latest National Finance Commission Award, from the Federation to the Provinces. This assumes of course that the provincial governments will have the political will to ensure that the extra transfer of revenues flows to the social sectors. The development of the required administrative capability to implement this political will, if forth coming, should be a primary focus of public policy.

8. Finally a quick word about collection of revenues. A World Bank financed study, as also the papers prepared for the National Finance Commission, show that 93% of the combined revenues of the federal, provincial and district governments are collected by various agencies of the Federal Government, most notably the Federal Board of Revenue. Other studies suggest that there are huge leakages. Collection of revenues at existing rates of tax, should be at least 50% more than what they are. If so the lost revenue is as much Rs.500 billion per year. Clearly we could double even triple the expenditures on our

education and health facilities and civic amenities by ensuring good governance in the matter of collection of revenues. How to do all this should clearly be yet another main focus of our public policy and it is in this area more than any other that I would commend for consideration the three principles identified by the general public as most likely to lead to good governance viz the fear of God, accountability and accessibility.

## **G. LEADERSHIP AND INSTITUTIONS**

1. A few words about leadership. What distinguishes a leader from the rest of us? As I see it a leader must have most, if not all, of the following attributes:-
  - (1) he should have vision, a goal, a cause, the ability to make people share his vision and join him in achieving his goal;
  - (2) he should value principles but be able to blend idealism with pragmatism;
  - (3) he must be capable of taking firm decisions but regard consultation as an obligation before doing so;
  - (4) he should seek power not for his personal glory or satisfaction but for what he can achieve for his country;
  - (5) he should know how to delegate authority but not hesitate to take action against those who fail to properly exercise it; and
  - (6) he should know and accept, when the time comes, the need for a change of leader.
  
1. There is an in-built craving in all of us for the emergence of a leader who has these qualities, a leader who will take us to the cherished goal of a just, prosperous and democratic Islamic society. Is this likely to happen?
  
2. The modern world is a world of nation states. The nation state is a mega institution. Under our Constitution it is the basic duty of every citizen to be loyal to the state and not to any leader, and it is the state, and not the leader or even the government, which is to ensure elimination of all forms of exploitation and the gradual fulfillment of the fundamental principle from each according to his ability, to each according to his work.
  
3. To look for ideal leaders is to pursue a mirage. Leaders such as the Quaid-e-Azam, King Faisal of Saudi Arabia, Kamal Ataturk, Ayatollah Khomeini,

Chairman Mao-Tse Tung who had most, if not all of the qualities I have enumerated, come but once in a nation's history. If against the run of history we get another Quaid, a leader who is truly upright, capable and dedicated, we may for a time achieve justice and internal peace and harmony, but as soon as such a leader is succeeded by the type of leadership we have experienced thus far in our history we will be back to square one. I am not saying that we abandon the hope or the search for honest and dedicated leadership. However, what is far more important is to give priority to the building and strengthening of institutions.

4. This is one of the essential prerequisites for our future economic and social prosperity. All of you have a role to play in this task. The effective implementation of development policies needs high levels of management skill. The training imparted by institutions such as yours is of vital importance for the development of these skills, and there is no doubt that yours and other training institutions are doing a commendable job. Permit me to reiterate, however, that management capacity needs to be strengthened at all levels — not only in the Federal and Provincial Governments and their autonomous corporations and bodies but also in local government and the private corporate sector. Unless a certain level of management skill, management capacity, is available throughout the system, down to the lowest level, efficient top level management may find itself unable to bring out visible change and improvement in the delivery of services to the common man. Education, training and re-training down to the lowest levels of administration are essential ingredients of the strengthened institutions we need for providing better governance.
5. The message to build strong institutions was given to us 1400 years ago by Almighty Allah Himself when through verse 159 of Sura Al-Imran He made it obligatory on the Holy Prophet (Peace Be Upon Him) to seek counsel in all affairs. Strong institutions create a system which automatically produces the leadership for the continued growth of these institutions. The economic and social success of the West, Japan and many of the South-East Asian states is

based on the strength of their institutions not their leaders. In the context of our Islamic faith our institutions need to be built and strengthened on the basis of adl wal ihsan. Adl regulates selfishness and self-interest. Ihsan acts to protect against injustice and helps those in need. The law and the spirit of justice are and must remain two faces of the same coin.

#### **H. PERCEIVED WEAKNESSES OF THE BUREAUCRATIC SYSTEM**

1. Absence of a long-term HRD Policy.
2. Risk aversion of civil servants due to fear of NAB.
3. Politicization.
4. Dominance of DMG.
5. Over-centralization.
6. Rapid-turn-over and transfers especially Police.
7. Less than adequate compensation.
8. Creation of parallel units to meet donor conditionalities.
9. Antiquated rules and procedures.
10. Turf wars between ministries/governments without effective co-ordination mechanisms.
11. Inadequate redressal mechanisms.
12. Absence of internal accountability.

#### **I. POSSIBLE REFORMS FOR THE FUTURE**

- (i) A new All Pakistan Service – the National Executive Service (NES) alongwith the Provincial Executive Service (PES) for each province, for filling senior positions (Grade 20-22) in the Federal/Provincial Secretariat and other identified select key positions in other attached departments/autonomous bodies/corporations. The NES/PES to be open to all existing officers serving the Government and also to the professionals from outside meeting certain eligibility criteria. Regional/Provincial quotas for recruitment to NES to address the complaints of smaller provinces regarding non-representation at Secretary/Additional Secretary levels in the Federal Government.
- (ii) A new District Service encompassing posts of Grades 1 – 16 to be established for each district, or group of districts. Article 240 of the Constitution of

Pakistan stipulates that there would be All Pakistan, Federal and Provincial Services. Such a provisions should be included in a future 19<sup>th</sup> Amendment. The Constitution does not mention a District Service. In view of the fact that most of the interaction of a common citizen takes place at the district level such a properly constituted and well trained group of civil servants is essential at the District level. For City District Governments the District Service can be extended to include Grade 17 officers. These District Service officers to share the posts with the Provincial and APUG officers.

- (iii) Provincial Technical and Professional Services with multiple cadres such as, Education, Health, and Engineering Services etc should be set up by each province where the critical mass and viable pyramidal structure criteria are met.
- (iv) Contract, short term, part time employment and the use of consultants would be encouraged to fill in the skill gaps or perform jobs of exceptional or non-repetitive specialized nature.

#### **J. GOOD GOVERNANCE**

Good governance can make a huge difference in our social, political and economic environment. Good governance is an essential ingredient for realization of the goals set out in what I call our national vision viz. the Objectives Resolution which is both the pre-amble and an integral part of our Constitution. Democracy, freedom, equality of status and opportunity, tolerance, social justice, an enabling environment in which minorities are able to freely profess and practice their religions and cultures, the rule of law, none of these are possible without good governance. And finally what is the cost, what is the price, that we are paying for the lack of good governance. A very recent study made by the Institute of Public Policy affiliated with the Beaconhouse National University suggests that poor governance, especially in economic and financial matters, is costing us 0.7% of our GDP. This translates to a billion dollars per annum, and that is quite a tidy sum.