

Coordination failure

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PAKISTAN would be an excellent case study for anyone studying topics such as ‘perpetual confrontation and polarisation of all kinds’, ‘blame game’, ‘passing the buck’ and ‘don’t accept responsibility’. Recent examples of public squabbling include those of: electric power regulator Nepra and the water and power ministry; the Planning Commission and the two energy ministries; the Privatisation Commission and the Sindh government on the steel mills; the interior ministry and Sindh on the Rangers; and the tussle over CPEC routes as well as that related to the Nandipur project and LNG procurement.

Any other country, while faced with a persistent, severe energy crisis that is hurting industry and exporters besides creating public disaffection; the challenges of implementing the National Action Plan; and the urgent need to build a consensus on CPEC routing would pull in all stakeholders to work towards finding an acceptable solution and move ahead. What are we doing? Dissipating our efforts and diverting our limited organisational capacity to defend our turf and blame each other.

No wonder, whether we have a democratic or autocratic form of government, the picture that emerges is that of a country in utter disarray and confusion — one without direction. The ensuing tumult imposes a heavy price on the economy. Business and investors remain uncertain about the policy stance of the government. More important, the responsibility for implementing policies remains highly diffused. Civil servants are reluctant to carry out orders as they want to avoid a media trial, NAB and parliamentary inquisitions, while the ministers think they are helpless and cannot do much because of bureaucratic obfuscation and obstruction.

The private sector holds the slow decision-making or no decision-making of government officials responsible for their poor performance. Government officials see private businessmen as tax evaders and loan defaulters who enrich themselves at the country's expense. The federal government finds it difficult to carry all the provinces together on a common platform and the 18th Amendment has created a number of gaps in policy space. The root cause of all these ills lies in our governance system, ie coordination failure. We are all aware of market failure and government failure but it is becoming increasingly apparent that coordination failure has also played havoc with economic progress.

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The structural flaw is the absence of clarity on responsibilities, accountability and resources. Policymaking, regulatory and public ownership, and functions of the government have not been clearly separated. Policymaking and implementation are divided in theory between the ministry concerned and attached department/ autonomous bodies. In practice, however, the ministry interferes in their day-to-day functioning. Accountability for results therefore becomes difficult. Inter-ministerial consultation has by and large become a formalistic routine where every single file originated by a line department is sent across various divisions for comments and clearances.

The law division in some cases has delayed clearances for years with the result that project deadlines have been missed, contracts have lapsed and cost overruns kicked in. In normal circumstances, with different goals and mandates, each agency believes it has done its job by carrying out its limited mandate. But these partial outcomes do not always add up because they require substantive inputs and actions by other agencies. However, in our system, there is nobody who can put these parts together and transform them into a whole except the prime minister where the ultimate authority lies.

What can be done to overcome coordination failure?

First, the Rules of Business should be reviewed and revised to clearly define the mandates and terms of reference of various agencies/ departments and inter-ministerial processes to remove overlapping jurisdictions, ambiguity in the division of responsibilities and duplication of work. Where necessary, agencies should be merged or closed. Regulatory agencies should be made truly autonomous and made accountable to parliament. Policymaking should be the exclusive domain of the ministries. Boards of directors should be empowered to oversee the state-owned enterprises without any interference from the ministry.

Second, a three-tier coordination mechanism must be put in place. At the operational level, the secretaries committee should be revived. The committee must dispose of technical issues at its level or prepare a detailed analysis and recommendations for the Economic Coordination Committee and the cabinet. At the federal level, the cabinet should meet more frequently and take collective decisions that involve several ministries and agencies or require a resolution of conflicts.

The formation of ad hoc sub-committees so frequently deployed by our top leaderships is simply a dilatory tactic and represents a weak resolve not to take tough decisions. For federal-provincial matters, the Council of Common Interests should be convened at regular intervals. The CCI must have a well-articulated agenda with background papers on issues between the federal and provincial governments or among the provinces.

Third, three deputy prime ministers for economic coordination, the social sectors and security matters should be appointed with the ministers holding their respective portfolios reporting to them.

Fourthly, the prime minister should have a quarterly monitoring meeting to review progress and resolve any outstanding hurdle in the way of implementing cabinet or CCI policies and decisions.

Finally, the highly personalised and overly centralised authority resting in one individual should be replaced by institutionalised decision-making both at the federal and provincial levels. It is not humanly possible to chair 50 bodies, groups, committees, ad hoc meetings in any meaningful manner.

We haven't learnt from the successful examples of other countries. Japan and Korea are shining examples of countries which have made tremendous progress because of collaboration, consensus, cohesion and working together for the larger national interest. Government, private businesses, academia and CSOs interact frequently and consult each other to understand each other's viewpoints. If these countries were able to make such headway why shouldn't we consider doing away with our tendencies of perpetual confrontation and polarisation, indulging in a blame game, passing the buck and not accepting responsibility?

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