Bridging the governance deficit — I

By Ishrat Husain

Published in Express- tribune, Karachi Apr 3, 2011 (11:27 PM) In Opinion

There is almost a consensus that Pakistan suffers badly from weak institutions and poor governance. However, there is a very little substantive discussion as to what must be done to bridge this governance deficit. Very few people are aware that a comprehensive agenda of reforms was developed three years ago. This agenda needs to be debated, agreed at the political level and then implemented.

What are the essential ingredients of this agenda? First, the civil service system is to be revamped so that individuals of high professional calibre and integrity are attracted, motivated and retained. This can be accomplished through a merit-based recruitment system, continuous training and upgrading of skill, equality of opportunity in career progression, adequate compensation, proper performance evaluation, accountability for results and rule-based compliance. Appointments to all senior positions should be open to all qualified and eligible government servants.

Second, the 18th Amendment has to be taken to its logical next step, i.e. financial and administrative powers ought to be devolved to the local governments. Most of the interaction of an ordinary citizen takes place at the district level with functionaries who are ill-trained and poorly paid but who enjoy enormous arbitrary powers. A district service comprising of qualified and competent civil servants should instead be constituted and administrative linkages have to be established between the union councils, town committees/tehsil councils and district governments. Law and order, disaster management and land record management have to be taken away from the purview of the district nazim and executive magistrates have to be revived. Devolution of development activities, projects, programmes and departments should remain intact and made more effective.

Third, the chief executives of about 100 key public sector institutions in the country such as PIA, Wapda, PSO, OGDC and Pakistan Railways should be selected through an open, transparent and merit-based procedure. A special selection board should screen and interview the candidates and prepare a short list for consideration by the prime minister. They should serve for a fixed tenure and cannot be removed arbitrarily. This process will minimise arbitrary discretionary powers in appointments, attract capable candidates for these key jobs, discourage the trend of appointing favourites and promote accountability.

Fourth, the use of information and communication technology can bring enormous benefits to the lives of the common citizens. E-government tools and developments in digital technology offer promising prospects for improving the efficiency of government, reducing the costs of transactions, introducing transparency and tracking performance and output. Computerisation of land records and issuance of licences and permits etc electronically will take away discretionary powers from lower level functionaries and reduce corrupt practices.

Fifth, a competitive private sector has to be nurtured and relied upon to achieve sustained economic growth. Despite the pursuit of policies of liberalisation and deregulation, the overbearing burden of government interventions in business looms large. New businesses face enormous difficulties in acquiring, titling, pricing, transferring and possessing land, in obtaining no-objection certificates from various agencies, in getting water and gas connections, reliable electricity supply, access roads, in securing finances for greenfield projects. The powers of petty inspectors from various departments/agencies are so vast that they can either make or break a business. The functionaries harass the business to extract pecuniary and non-pecuniary benefits for themselves. The growing trend towards ‘informalisation’ of the economy, particularly by small and medium enterprises, is an outcome of the high official and unofficial compliance costs on formal firms. The multiple agencies involved, too many clearances needed and avoidable delays at every level raise the transaction costs for new entrants. Unless the ease of entry and exit is facilitated and arbitrary powers of the officials reduced, competitive forces will remain at bay and the collusive and monopolistic practices of the privileged businesses will continue to hurt the consumers and common citizens.

Published in The Express Tribune, April 03rd, 2011.

Article taken from The Express Tribune - http://tribune.com.pk

URL to article: <http://tribune.com.pk/story/141768/bridging-the-governance-deficit--i/>

Bridging the governance deficit – II

By Ishrat Husain

Published in Express-Tribune, Karachi On Apr 4, 2011 (12:34 AM) In Opinion

One other source of grief to the citizens is the uneven and discriminatory application of government rules, regulations and instructions. As these rules are not known to anyone except some limited number of lower functionaries, they exploit their power of hoarding this knowledge for their personal benefit. Multiple rules exist on the same subject, as there has been no systematic weeding-out exercise undertaken. The manuals have to be purged of the multiple rules, regulations, instructions and circulars, and a concise, accurate and updated set should be posted on the website.

Seventh, we need police and judicial reforms. For the ordinary citizen, it is the police force which represents the face of the state and in Pakistan it is synonymous with oppression, extortion and high-handedness. False cases are filed, criminal activities are patronised, fake encounters are contrived where the accused are slain and those apprehended are tortured. The Police Order of 2002 was a promising start, but it was swept aside after the elections that year. The prosecution capacity of the state is weak, often venal, and shoddy. In the prisons, those who can afford to keep the warden happy get preferential treatment. In short, the state of our police service, prisons, investigation and prosecution capacities, and administration of justice is a scandal. Recent initiatives by the National Judicial (policy making) Committee, which is chaired by the chief justice of Pakistan, to reform the lower judiciary and ensure speedy disposal of cases are commendable. But the conviction rates are so low that the criminals are not deterred.

Eighth, we have got to trim the fat. Following the 18th Amendment and the new formula for dividing up tax revenue, the federal government has to be scaled down from 48 divisions to 23. Studies show that at least half of the government-owned corporations, autonomous bodies and departments can be wound up, merged, liquidated, privatised or transferred to the provincial governments. Fewer hierarchical tiers, delegation of highly centralised decision-making and introduction of e-government would save costs and recurrent expenditure.

If the agenda for governance reforms is available, why there has been little progress? The challenge of reforming these institutions in Pakistan is formidable as vested interests wishing to perpetuate the status quo are politically powerful and the coalition and alliances between the political leadership and the beneficiaries of the existing system are so strong that they cannot be easily ruptured. The elected governments with an eye on the short term electoral cycles are not in a position to incur the pains from these reforms upfront while the gains accrue later on to a different political party. The authoritarian governments are not effective as they do not enjoy legitimacy for sustaining reforms. Changing institutions is a slow and difficult process requiring, in addition to significant political will, fundamental but tough measures to reduce the opportunity and incentives for powerful groups to capture economic rents.

Published in The Express Tribune, April 4th, 2011.

Article taken from The Express Tribune - <http://tribune.com.pk>

URL to article: <http://tribune.com.pk/story/142222/bridging-the-governance-deficit--ii/>