

# THE GOVERNMENT AND POLITICAL SYSTEM OF PAKISTAN: AN ANALYSIS OF THE CURRENT REFORM AGENDA

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## INTRODUCTION

Today several challenges in the contemporary international environment are shaping the debate on institutional reforms and good governance. Several challenges in the global environment are shaping the debate on governance and institutional reforms. These challenges are globalization, information revolution, democratization, the worldwide quest for re-inventing government, and the paradigm shift towards sustainable development

### 1. Globalization

The first challenge is the globalization of the economy, which is occurring partly because of sharp declines in communications and transport expenses. Deregulation, interacting with accelerating changes in communications and computer technology, has reinforced the movement towards an integrated global market. The changing patterns of economic growth of the last few decades have produced new poles of dynamism. Germany and Japan, vanquished in World War II, have dislodged the United Kingdom and France in economic league tables. The European Union matches the United States as an economic power. New areas of economic vibrancy are appearing in Latin America. The striking performance of China, India and some other East Asian countries, is shifting the world center of economic gravity. Globalization has increased capital flows and trade worldwide. Some developing countries that opened their economies appropriately have been successful in achieving prosperity in less time. Since 1990, capital flows to developing countries have increased six-fold, according to the World Bank. This development has been linked with another important global change – a paradigm shift towards development of a global knowledge economy. The two coupled are perhaps the single most significant change of our times. We are living in an era that is characterized by rapid change due to various technological, economic and social changes. Countries have jumped from poverty to world economic power in a single generation. Technological advances in telecommunication and computers proliferate in an ever-increasing stride. Great changes have come about as a massive transformation of the global economy is taking place right before eyes. History is being squeezed as never before, so to speak. The report of the Commission on Global Governance entitled Our Global Neighborhood argues that the term 'global village' has captured the impression of the electronic conquest of space. Technology has made the world smaller. Photographs sent space have established the insignificance of terrestrial frontiers. Also, investment, trade, transnational firms and industrial development tie the world's different parts much more closely than before in a many ways. A swelling web of interdependence obligates nations to work together. Events in distant places matter much more now. For example, industrial restructuring in the developed world can

decrease poverty in the developing world, which in turn can enlarge markets for the developed countries. The increase of interdependence, the multiplying of links and the reduction of distance has transformed the world into a neighborhood.<sup>1</sup>

The term globalization has been used primarily to describe some key aspects of the recent transformation of world economic activity. But several others, less benign, activities, including the drug trade, terrorism, and traffic in nuclear materials, have also been globalized. The financial liberalization that seems to have created a borderless world is also helping international criminals and creating numerous problems for poorer countries. Global co-operation has eradicated smallpox. And it has eliminated tuberculosis and cholera from most places, but the world is now struggling to prevent the resurgence of these traditional diseases and to control the global spread of AIDS.

Technological advances have made national frontiers more porous. States retain sovereignty, but governments have suffered erosion in their authority. They are less able, for example, to control the transborder movement of money or information. They face the pressures of globalization at one level and of grassroots movements and, in some cases, demands for devolution if not secession at another. In the extreme case, public order may disintegrate and civil institutions collapse in the face of rampant violence, as in Liberia and Somalia.

Globalization has also increased capital flows in trade worldwide. Capital flows to developing countries have increased many-fold, and this development is linked with the advent of a knowledge economy. A few Asian countries that opened their economies have achieved prosperity in record time. Thus, some countries have prospered while others have been clearly left behind. They have to play catch-up fast.

A new framework for a deepening the globalization of the world economy is being established under the aegis's of the World Trade Organization (WTO). This is evident on the demand side as consumerism spreads into all parts of the world and also on the supply side as capital technology, organizational expertise and commodities move rapidly from country to country as transnational corporation search out lower cost basis for production and distribution. Globalization is not merely an economic process; it is also political and social. Western culture has now become global. While many lament that globalization means Westernization, these criticisms have little impact because of a lack of any clearly articulated alternative. However, one may be involving in the Islamic world.<sup>2</sup>

Rapid development of telecommunications and global trade has created a global economy of truly staggering proportions. Consider some developments: While global trade in goods is 3 times higher than two decades ago, global capital movements are 70 times higher. Shridath Ramphal, co-chairman of the Commission on Global

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<sup>1</sup> See Commission on Global Governance entitled *Our Global Neighborhood* available on the Internet

<sup>2</sup> Ibid. 226.

Governance, says:<sup>3</sup> “A touch on a keyboard at a powerful money dealer's computer may hold individual nations to ransom. We have again been reminded these last few weeks how fragile the present world financial order is.”

In an expanding global market the prosperity of developing countries and, ultimately, the success of their governments, are dependent upon the performance of its government. As sophistication in communications grows, capital, technology and jobs are moving to whichever countries offer a competitive edge. To compete, countries need to harness technological and scientific advances to best effect in commerce and industry and in service delivery, within both private and public sectors.

As the developing countries journey on the path of industrialization, advanced industrial countries have evolved into postindustrial knowledge economies. In the new knowledge economy, creative intelligence underlies the affluence of the new society. Many developing countries also achieved higher growth rates than those in the already industrialized world. Great strides are made in combating hunger and disease, improving sanitary conditions, and providing education. The gains, however, are not equally shared. Some groups began to enjoy vastly increased prosperity while others languished in poverty. Economic forces are changing fundamental concepts that we have been familiar with for centuries. New meanings are being created as never before. The World Economic Survey notes that the demand of economics shape both culture and politics. It says:<sup>4</sup>

"Perhaps the history of the nation state has come to a turning point after all. In the future, it might be argued, it is the need for "mobility and communication" between economies, rather than within them, that will gain the upper hand. This demand will give rise to an increasingly homogenous global culture, just as its predecessor give rise to homogenous national ones. This in turn will not only promote economic integration but will also, however slowly, blur the political boundaries between nations. In future the contrast among the neat Modigliani surfaces will begin to diminish, and the colors start to merge.

In the future the trend of regionalization is sure to grow. Countries are coming together and integrating their economies to achieve economies of scale and other advantages. A successful experiment is unfolding in front of our eyes in the shape of European Union. North America is coming together under the umbrella of NAFTA. It is speculated that a new form of arrangement will be made at the regional level. Instead of normal competition countries seek various options through which they share resources and join hands in countless ways. Supranational institutions are in the making. At times it is referred to as “government by cartel” the World Economic Survey explains:<sup>5</sup>

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<sup>3</sup> Report available on the Internet

<sup>4</sup> “The World Economic Survey”, *The Economist*, 1997,

<sup>5</sup> Ibid.

The official name for this alternative to competition among governments is "harmonization". Its main political advantage is that, unlike competition, it keeps government big. In its early days, the EU is dedicated to the liberal principle of competition among governments: the rule of thumb is "mutual recognition" of each other's different standards and regulations. In time, this approach yielded to harmonization as the prefer way to build the single European market, gradually encroaching upon ever more areas of national economic policy. In a similar way, the United States has developed a preference for regional trade agreements such as NAFTA over the traditional multilateral approach to trade liberalization, as carried on by the get its successor, the WTO. These deals have allowed it to negotiate side-agreements on labor and environmental standards, and thereby bring its trading partners' policies more closely into line with its own. Now calls are amounting for harmonization of standards to be extended into the WTO itself."

There is an on-going debate about "globalization". Is it a good thing or a bad thing and whether to embrace it or resist it? However, every one agrees that international market forces have indeed emerged as powerful. Rapid development of telecommunications and global trade has created a global economy of truly staggering proportions. However, there is clear evidence to suggest that globalization does not benefit everyone. Many developing countries are caught in a debt trap, unable to maintain interest payments, let alone repay debt, public or private. Investment and imports are curtailed, exacerbating the difficulties of growing out of debt. Growth rates fell sharply, with average income per head actually falling on the two continents. Africa is today poorer than at the start of the 1970s. Everywhere, the poor suffered greatly from falling real incomes and rising unemployment. The report of the Commission on Global Governance entitled *Our Global Neighborhood* argues:<sup>6</sup>

"The 'lost decade' of development--for some, actually a 'lost generation'--has roots both in domestic conditions and the international economic environment. Economic policies that is too inward- looking left countries unable to respond to external shocks, and proved unsustainable. Inadequate global economic governance both contributed to the crisis and, perhaps worse, postponed its resolution."

What is extremely disturbing is the fact of persistent poverty in a world of increasing affluence. How do you justify this situation? The report of the Commission on Global Governance entitled *Our Global Neighborhood* argues:<sup>7</sup>

"The dazzling performance of several developing countries in Asia has tended to blur a less admirable aspect of the economic changes of the post- war world: the relentless growth in the number of the very poor. Though the global economy has expanded fivefold in the last four decades, it has not rooted out dire poverty or even reduced its prevalence. Even some otherwise successful countries have not managed to eliminate poverty."

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<sup>6</sup> See Commission on Global Governance entitled *Our Global Neighborhood* available on the Internet

<sup>7</sup> Ibid.

In fact the number of persons falling into the World Bank's category of 'the absolute poor' has increased to 1.3 billion in 1993. South Asia and Sub-Saharan Africa are the poorest regions in the world today. About 800 million people do not even have sufficient and regular supplies of food.<sup>8</sup>

Not everyone has benefited from the globalization trend. Some are clearly worse off than before. Cook says that the new global capitalism has unquestionably enriched many people, but capitalists rather than workers. The worst affected workers are the unskilled who are least able to guard themselves. Globalization will provoke poverty, increase inequality, and increasingly lead to social "exclusion". These costs will increase even while globalization triumphs in its own terms. This will happen in an era when the capacity of governments to react will decrease.<sup>9</sup>

Shridath Ramphal, co-chairman of the Commission on Global Governance, in an article on globalization written for the first issue of *Sustainable*, a UNESCO-sponsored international journal edited from the Technical University of Catalonia in Spain. Ramphal points out that:<sup>10</sup>

“It used to be said that when the US economy sneezed, Europe will catch cold and the Third World will go down with pneumonia. This time the infection has started in East Asia, from where a wave of tremors has spread even to the US. So times have changed, with rich countries becoming vulnerable to infections from the poor. But in a vital sense things have not changed. What has affected countries such as Indonesia and Thailand is more pneumonia than sneeze. Irrespective of where the infection starts, it is the Third World that suffers most.

While globalization has benefited many economies, it has also made the world economy more unstable - as evidenced by recent turbulence - and even countries that have gained from globalization have become more susceptible to shocks, the article says. Globalization has also made the disparities between rich and poor wider, creating a more unequal world.

Furthermore, globalization has been very selective in offering its benefits. While foreign capital flows to the Third World has increased substantially, only a small set of countries has been recipients, and these are all middle-income countries except for China. Globalization's beneficial effects on trade have also bypassed many developing countries, whose trade as a proportion of their GDP has indeed shrunk... Higher growth is necessary in poor countries and as many as 1.6 billion people are poorer than they are 15 years earlier, and people in 19 countries poorer than 35 years earlier... But if raising total world consumption means running down the world's ecological capital, the poor can have a larger slice of the pie only if the rich accept a different share-out - and adjust to a smaller share for themselves.... The present crisis

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<sup>8</sup> Ibid.

<sup>9</sup> Clive Crook,

<sup>10</sup> Internet

of the world economy strengthens the case for a representative world forum to address such issues as the adverse effects of globalization."

## 2. The Information Revolution

The Information Revolution is no hyperbole for it is real. Consider some facts, the personal computer has joined the ranks of other tools - most notably video, television and the telephone - to create a vast and growing global network that people can use to converse, argue, teach, learn, hold meetings, buy or sell things, send and receive information of virtually all kinds. The Asian region is getting plugged into the global economy very quickly. A new Information Age has begun. Telecommunications is growing at baffling speeds. On a global level, various countries have declared their commitment to the active promotion of it as a key to improving productivity. In the current situation in which the principle means of generating economic values has shifted from manufacturing to intellectual activity and value of human resources is becoming increasingly diverse. The sophistication and enhanced productivity of intellectual activities are essential to achieve further economic development and higher standards of living; while at the same time overcoming major issues related to global it environments.

It is universally acknowledged that the world is being totally transformed, often in unexpected ways, by Information Technology (IT). For the past twenty years, IT has developed in a way unparalleled in history. The only certainty is that more change is over the horizon. In the 21<sup>st</sup> century, no aspect of human activity will be able to escape the influence of the new global technologies. They will eventually alter scientific knowledge and also cultural activity. This will happen everywhere. A new Information Age has dawned. In the industrialized nations, people and organizations are quickly adapting to it. Bureaucracies are being transformed into "cyberocracies", with information traveling easily across conventional boundaries. With the debut of the Internet a silent revolution is in the making. Within a few years the total number of Internet users will jump from 200 million to about one billion. The current figure for on-line sales is about \$200 billion, which is projected to grow to \$1 trillion by the end of next year. The world is increasingly getting connected to the Net. The Internet is sprawling in all directions as never before. It is creating a nascent economy of its very own. No wonder it has become the rage of the present times. Meanwhile, multinational corporations are going through a managerial revolution of their own as they apply new IT to stages of production and distribution. Some have been transformed into "virtual corporations" that are essentially networks rather than classical hierarchical organizations. In sum, the world has changed.

As the developing countries journey through the industrialization process, advanced industrial countries are quickly evolving into postindustrial knowledge economies. In the new Knowledge Economy, it is information that is replacing financial and physical capital as the primary competitive advantage in business. Creative

intelligence underlies the affluence of the new society.<sup>11</sup> The primary characteristics of the knowledge economy are: The downsizing of major corporations in both services and manufacturing accompanied by an ascent in entrepreneurship; a changing population profile caused by falling birthrates and an aging population; a shift in the economic centers of nations, from the location of capital, equipment and raw materials to the location of centers of knowledge and information; changing labor force; more women participation; the automation of manufacturing activities that is labor-intensive. Also, an increasing automation of a broad range of service activities.<sup>12</sup>

The most dramatic aspect of the shift to the industrial economy is the speed with which the change is occurring. The shift from agriculture to the industrial economy in the advanced countries of Europe, North America and Japan took several generations, the shift from industrial economy to the Knowledge Economy is occurring within a single generation. Several important dimensions distinguish the Knowledge Economy from the earlier ones. The shift includes the following: New management approaches to organizations are developed emphasizing human resource management and computer technology; education plays a central role when knowledge services are the largest sector in the economy; basic research and scientific knowledge become the driving force of the economy, producing new technology, creating new industries and providing opportunities for innovation; ideology in politics decline and political and economic power is dispersed; women increasingly participate in the national work force and demand pay equality along with men.<sup>13</sup>

Political scientists recognize that “information power” is becoming just as important in international affairs as a country's other strengths like military, economic, social and political. Meanwhile, corporations are going through a managerial revolution of their own as they apply new IT to all stages of production and distribution. Some transform themselves into “virtual corporations” that are essentially networks rather than classical hierarchical organizations. Individuals and NGOs too are becoming “netizens” or a new information-based civil society that is funding ways to harness IT for more participatory, open democracy. However, the world is changing quickly and unexpectedly, its also changing events. The Information Age will mean an altered lifestyle for many people.<sup>14</sup> The Information Age is different in more ways than one. It is surely affecting our lives also in more ways than one. We must understand what is changing and why? Crawford explains the essential characteristics of the Information Age as:<sup>15</sup>

Knowledge is expandable and self-generating:

The raw goods of an industrial economy are finite resources; iron ore is used up as steel is manufactured. Unlike iron ore, however, knowledge increases as it is used. In

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<sup>11</sup> Richard Covert, *In the Era of Human Capital: The Emergence of Talent, Intelligence and Knowledge as the World Economic Force and what it means to Managers and Investors*. (Harper Collins Publisher, 1991,) 3

<sup>12</sup> Ibid. pp. 18-19.

<sup>13</sup> Ibid.

<sup>14</sup> “The Web lifestyle” by Bill Gates, *The World in 1998*, op. Cit., 104.

<sup>15</sup> Richard Crawford, *In the Era of human Capital* (Harper Business/Harper Collins Publishers, 1991), 11.

using one's knowledge to improve a task, one improves his or her knowledge and expands his or her understanding of the task. In a Knowledge Economy, a scarcity of resources is replaced by an expansion of resources.

Knowledge is shareable:

The transfer of knowledge to other people does not prevent its use by the original holder. The knowledge economy differs from its predecessors in its emphasis on developing knowledge through formal research and development efforts and on transmitting abstract knowledge to individuals through formal education and training. In agriculture and industrial economics most knowledge is acquired through experience. People learned through doing. The son learned farming by following his father and the daughter learned how to make clothes by following the master weaver. In the Knowledge Economy people must learn basic subjects like reading and mathematics and advance subjects like physics and accounting in the classroom before they can participate in the Knowledge Economy.

Knowledge is substitutable:

It can and does replace land, labor and capital. For example, a farmer who can grow more food on a specific piece of land using new farming techniques does not need additional land to increase production.

Knowledge is transportable:

In today's electronic society, knowledge moves at the speed of light. In a few seconds, one can fax to Taiwan a schematic for a new computer chip that represents months of intensive engineering work. As a result of the trend, the world economy has become more integrated, with more basic heavy industry based in the developing world while the historically industrialized countries move into the advanced sectors. It is estimated that by the year 2000 some 30% of all manufactured goods will be produced in the developing world. This trend is particularly evident in the Pacific Basin in the rapidly growing economies of Korea, Hong Kong, Singapore and Taiwan. For the rest of the century, the Pacific Basin, and in particular East Asia will be the dominant area of world growth because of its heavy concentration of rapidly advancing countries.<sup>16</sup>

### 3. Democratization

The transformations being brought by globalization and the Information Revolution are also bringing about a major change in the domain of ideas, starting with the end of the Cold War and the collapse of communism. The wider access to information has been healthy for democracy, which gains from a better-informed citizenry, as well as beneficial for development, scientific and professional collaboration, and many other activities. The wide linkages now facilitated can also help pull the world's people closer together. Media images of human suffering have motivated people to express their concern and their solidarity with those in distant places by contributing to relief efforts and by demanding explanations and action from governments. The media's influence on the shaping of foreign policy is considerable in many countries.

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<sup>16</sup> Ibid. 20.



New values of accountability, public participation, and openness have gained a high profile in the last decade or so. The rise of democracy is perhaps the single most important event of this century. The benefits of democratization are beyond doubt. Formal democratization is being deepened through more meaningful public participation in politics. Better accountability is commonly seen throughout the world as the key to better governance. The report of the Commission on Global Governance entitled *Our Global Neighborhood* argues:<sup>17</sup>

“The spread of democracy has been one of the most heartening trends of recent years... The recent tide of democratization has swept away many autocratic systems and several leaders who have clung to power for too long. Multiparty elections have been held in a large number of countries, allowing the public for the first time a real choice in who governs them. The implanting of a democratic culture is, however, not an instant or easy process.... The information and communication revolutions are helping to diffuse power throughout society, often transferring it from hierarchical structures to small groups, and increasing the ability of dispersed groups to communicate. Indeed, computer-based networking capabilities are giving new form and strength to civil society and facilitating partnerships with intergovernmental institutions...The spectacular changes of the few past decades have created a new value system, the participation of people in governance is now thought to be more critical than ever. Governments that do not have the support of their people can hardly survive.”

Better accountability is commonly seen throughout the world as the key to better governance. In the past decade many approaches have been pursued in attempts to tighten the reins of accountability within government and between government and the public. These approaches have sometimes been presented as cure-alls, i.e., wave the magic wand of new public management, democratization, civil society, and NGOs - and the problems of governance will disappear. The reality is much more complex.

Development means a process of social mobilization in whose course old economic, social and psychic links are destroyed. The developing world cannot be regarded as concocted or homogeneous societies therefore the present cultural and political variety must be assessed individually. No two societies are the same. It is absolutely necessary that each country build its own future according to its own requirements. Each nation has to chart its own destiny. In short, a new model has to be invented.

#### 4. The World-wide Quest for Re-inventing Government

Like all enterprises, government has to be managed properly. Policies have to be implemented as desired by top management. Does the enterprise do its job well? Do we have the means to check the effectiveness of a particular section of the enterprise and changing it if we do not like what we get? These issues are obvious when we

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<sup>17</sup> See Commission on Global Governance entitled *Our Global Neighborhood* available on the Internet

think enterprises. They should be also when we talk about government. Thus, governance becomes a primary issue here also.

Running the government is the job of the civil service directed at the highest levels by the elected political leadership. Government can expand or contract its scale of activities like a business. Of course, there are some very basic differences between a business and a government. For example, the bottom-line (in terms of profit and income) is not the primary consideration of government. Other considerations are more important most of the time. But we will like to imagine that government could be as efficiently led as a business. One should remember that government is not just some abstract thing to look from a distance. It has been established to serve the people, and this is something that the people and the government should not forget.<sup>18</sup>

There is increasing worldwide emphasis, especially in developing countries, on restructuring government because of its failure to deliver in accordance with popular expectations. People complain that bureaucracies are behaving in an eccentric and haphazard manner. Sometimes, departments unnecessarily share responsibility for a single activity. Generally speaking, the system of bureaucracy has developed incrementally the world over, and each step is logical in itself, but, the resulting arrangements now consist of overlapping responsibilities, duplication of efforts, and competition among departments. These features are in contrast to the basic ideal bureaucratic model and seldom result in efficiency of operations. Thus, in many parts of the world, reorganization of civil bureaucracy has become an urgent need. However, it is not easy. Political forces supporting organizational status quo are usually stronger than those favoring the reorganization effort are. Generally, bureaucrats and politicians are known for their proclivity to hold on to power and status.

The question to be asked is that what is needed to strengthen the ability of government to perform effectively, efficiently and responsively. Answers to the question have changed overtime. Previously, there has been emphasis on institutional strengthening, development management and institutional development. Overtime, the definition what need to be done to build capacity has grown to include "action and processes that link the public sector, the market, and the civil society, the new definition suggest that capacity building is synonymous with development"<sup>19</sup>. The formulation is too broad, says Grindle. Getting good government means, among other things, strengthening organization, institutional reforms, and human resource development. It is these dimensions of capacity building that mainly focuses on management, structures and personnel. This implies distinct activities if these dimensions have to be reformed, strengthened or developed. The three dimensions of governance are inter-related and that effort to improve effectiveness, efficiency and responsiveness of the government must address all of them.<sup>20</sup>

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<sup>18</sup> Derbyshire and Derbyshire, *The Business of Government*, (Edinburgh: Chambers, 1987), 6

<sup>19</sup> Merilee Grindle. "The Good Government Imperative: Human Resources, Organization, and Institutions", *Getting Good Government: Capacity building in the public sector of developing countries*, ed., Merilee Grindle (Harvard Institute of International Development/Harvard University Press, 1997), 8.

<sup>20</sup> Ibid.

For the past twenty years, information and communications technology have developed in a way unparalleled in history. The only certainty is that more change is over the horizon. In the 21<sup>st</sup> century no aspect of human activity is able to escape the influence of the new global technologies. We are caught in a new era that is characterized by high rate of change. Governments have to keep pace with the great sea of changes enveloping them. These changes are taking place everywhere. These changes, highly complex in nature, have created an enormous for all systems of governance, especially in developing countries. Government systems can age and become irrelevant for solving current problems, or in benefiting from opportunities currently available. Re-structuring of the entire systems is the need of the hour. We can learn from mistakes committed by others. Many countries have progressed remarkably in the march of re-engineering government systems. Experiments in altering public sector institutions have employed different institutional models. Re-engineering government involves restructuring public organizations and systems. Organizational sizes, purposes, incentive systems, accountability procedures, authority distribution patterns, even organizational culture is changed. Why change? In order to achieve efficiency, effectiveness and fairness in public organizations. It is also undertaken to ensure that the development process remains unhampered by lapses and shortcomings in administration structures. Achieving objectives of good governance requires a long-term political commitment to make the system work. As administrative systems have become increasingly complex, procedures and structures have created red tape and inefficiency. Reinventing government is needed simply to keep up with the rapid change. Essentially, it involves a broad restructuring of public service systems. Organizational structures, purposes, incentive systems, accountability procedures, authority distribution patterns, even culture are changed in the process. To achieve efficiency and effectiveness, change undertaken must ensure that the development process remains unhampered by lapses and shortcomings in current structures. Thus, governance will be best in a society with an effective production and delivery of jobs and services in an efficient way and in legitimate conditions.

Public services at different levels have important problems in common. The statement refers to the problem of ungovernability of the state and a failure in controlling developments of society. These problems become visible in the field of finance where budget deficits occur and in management where efficiency and effectiveness decrease. The problem is also felt in the notion of democracy where a legitimacy deficit can occur. By efficiency is meant the relationship of input to output. Effectiveness is a relationship of output and effects. Legitimacy is the degree of acceptance of authority by those who have to accept the authority. Thus, governance will be best in society with "an effective production and delivery of jobs and services in an efficient way and in legitimate conditions taking into account the degree of dynamics, complexity, diversity and risk".<sup>21</sup>

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<sup>21</sup> Geert Bouckaert, "Governance between Legitimacy & Efficiency Citizen Participation in the Belgium Fire Services". *Modern Governance: New Government Society Interactions*, ed. by Jan Kooiman (London: Sage, 1993), 146

There is a strong consensus, both inside and outside of developing countries, that a restructuring of the entire management system of public services is the need of the hour. How can it be done? Each country must learn from mistakes committed by others. Some countries, like New Zealand and Great Britain, have progressed remarkably in the march of re-engineering government systems. Experiments in altering public sector institutions have employed different institutional models, however. What is then the management or governance philosophy best suitable for each country? The answer has to be found after patient deliberations. There are no easy solutions or shortcuts readily available. What is required, at the minimum, is that the approach be correct. Only a scientific approach will do. This requires careful analysis, systematic efforts, practical solutions and sustained efforts, plus a high level of political commitment by all concerned. In many developing countries there is usually a glaring lack of political commitment to see the reforms through. This is a problem that must be overcome quickly.

## 5. The Paradigm Shift towards Sustainable Humane Development

There has been a paradigm shift in the development debate towards people-centered sustainable development. A primary business of government pertains to development, both societal and economic. The challenge is to translate sound development goals into effective plans and then implement them. We are talking of good governance here. The report *Our Global Neighborhood* argues:<sup>22</sup>

“Development is increasingly seen as having a wider definition – more than simply the transition from poor to rich. Development means human dignity and political participation by segments of society previously excluded. The elimination of existing strong inequalities within society is central to a successful development process. Equality then is not meant equality in poverty, but above all equality of opportunity. In sum, with globalization the name of the game has changed. Transparency is now a universal value. All governments are expected to adhere to these new international standards. Today, it is impossible to be successful without being clean, participatory, open and transparent.”

The developing countries face a deepening financial crisis because of rising interest rates, adverse shift in trade and increasing national debts. Most developing countries find it necessary to negotiate with the international financial institutions for resources to keep their economies functioning. They are seeking economic stabilization loans from the IMF, and structural adjustment loans from the World Bank. These requests for international support coincided with the rise of neo-liberal thinking in the West. The World Bank and IMF heavily influenced by neo-liberal thought, made loans conditional on recipient governments agreeing to their economic targets. Central amongst such conditions are targets for lower levels of public expenditure, reduced government intervention in economic, industrial and financial policy and parastatal divestiture. The focus of this early structural adjustment Programs is economic. Although the measure has profound implications for the public sector and social

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<sup>22</sup> *Our Global Neighborhood*, op. Cit.

welfare, such second order effects are not given much attention. While many developing countries signed up such loans very few fulfilled all of the loan conditions. Wherever reductions in the size of the public bureaucracy occurred, these are arbitrary or based on the award of "golden hand shakes" rather than a systematic review of priorities.<sup>23</sup>

Given the scarcity of multilateral and bilateral aid today and the fact that developing countries have substantial debts to service, it seems probable that future resource flows to developing countries will decline. Meanwhile, donors are insisting on more "conditionalities" being met in order to access funds. There is evidence to suggest that the setting of conditions, demanding certain policy changes, will remain a significant aspect of foreign aid in the coming years. Most common conditionalities include the observance of economic policy conditions like devaluation of currency, floating interest rates, and reducing public expenditure. Other institutional requirements for change are commonly - public enterprise divestiture and opening of the banking system. Currently, some of these conditionalities also include political matters, such as election and media freedom and human rights. Western advocacy groups are also pushing conditions to be set in terms of an environmental management, cut in military expenditure and balance in gender opportunities.

The World Bank has become an important "think tank" for how to improve policies and institutional capacities in the developing countries. It is significant not simply in terms of the grant and loans, the bank disburses, but also in terms of the way its actions shape the behavior of domestic policy makers and other donors. Many analysts blame the bank for development failures in the developing world. In response, the World Bank has begun to put emphasis on issues pertaining to poverty alleviation, good governance, and environment conservation. Issues of good governance have considerable implications for public administration in the developing countries. Achieving objectives of good governance requires a long-term political commitment to make the system work.

Generally, international donors' agencies have come to emphasize that governance is the essential issue in project aid. For example, USAID has noted that "the finest planning and budgeting system in the world are of little use, if there are not quick and accurate means to track progress and to know the relationship between the planned events and actual events".<sup>24</sup> James Wolfensohn, the previous President of the World Bank, in a very recent address to the Bank's Board of Governors said:<sup>25</sup>

"We need a new development framework. What might countries look for in such a development framework? First, the framework will outline the essentials of good governance - transparency, voice, the free flow of information, a commitment to fight corruption, and a well-trained, properly remunerated civil service... Ownership matters. Countries and their governments must be in the driver's seat, and, in our

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<sup>23</sup> Ibid., 224-25

<sup>24</sup> "The Effectiveness of Aid to Pakistan" (Islamabad: Economic Affairs Division, GOP and UNDP, 1990) 1 A.9.

<sup>25</sup> *The Nation*, November 9, 1998.

experience, the people must be consulted and involved. Participation matters - not only as a means of improving development effectiveness as we know from our recent studies, but as the key to long-term sustainability and to leverage".

The question is how best to develop our society given our particular historical legacy, culture and values system? How best to accelerate the democratization process? Development and modernization also encompasses democratization in the sense that old structure, the ones we inherited, are broken up. Clearly, effective organizational structural reforms have to be entrenched in order to improve performance of the state services. How can it be done? The governments must realize that it have to move quickly and surely for all their civil services ail from a number of serious shortcomings. Some developing countries are better than others are in this regard.

While the colonial era ended, the colonial style of administration remains still in vogue in many developing countries. These countries are clearly behind the times. That is tragic to say the least. Several previous attempts at reform failed to make a difference. Red tape and mal-administration is now legendary in the public services.

The issues are complex with no easy solution in sight. We need to be aware of this fact. These new approaches to accountability and development have gained a high profile in the last decade or so. They can be powerful, but they should not be regarded as the new panaceas. In truth, the history of development studies shows a recurrent tendency to put exaggerated faith in new approaches only for these to result in disappointment: national planning, administrative reform, basic needs, market-led development, and so on. We should avoid perpetuating this tendency. The lesson for us here is this: in development, there are no magic wands.<sup>26</sup>

### REFORM OF THE EXECUTIVE

Pakistan, after fifty-seven years of existence, is at a historical crossroads. The country faces an acute crisis of governance. Problems with the administrative setup include poor planning, waste, mismanagement, inefficiency and the absence of a work ethic. Malfunction is the norm not the exception in the bureaucratic structure of the country. Excessive discretionary powers, overlapping of jurisdictions and the absence of clear-cut demarcations of authority and administrative control have weakened government performance. The gap between policy-making and policy-execution is wide partly due to weaknesses in the bureaucracy and the generally low quality of state personnel. Overall, government restructuring is haphazard and ill planned. In sum, independent observers agree that the overall performance of the GOP is poor or lackluster at best. The crisis of governance in Pakistan mainly stems from a deficient federal setup and over centralization of power in the national government. The World Bank, among others, believes that Pakistan has suffered due to rampant corruption and weak government that has created serious economic imbalances. During a visit to Pakistan

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<sup>26</sup> Op.cit.pp.13-14

in October 1997 James Wolfensohn has publicly stated these faults in the country's economic and political system.<sup>27</sup>

What are the problems in our political system and why? Pakistan moved from a parliamentary system to a presidential one and then finally reverted back to the original parliamentary system. Whatever the form of government the country is governed in a highly centralized manner. In the past, it was sometimes named as a vice regal system as understood in the colonial British Raj era. The question is whether centralization of power and the structure of the federal setup have anything to do with good governance?

Another glaring fact is the presence of immense poverty in Pakistan. The inequitable distribution of wealth is one of our greatest tragedies. Islam is adamant in calling for social and economic justice. But income and wealth present intense contrasts in Pakistani society. At the top are a small number of wealthy families. Below them, a much larger group, are relatively well off. At the bottom of the class structure are the millions of poor who live in desperate conditions. On a brighter side, democracy is well established in the country. The press in Pakistan is free and vibrant a rare success story.

The problem it seems is that we as a nation have not fully developed a collective aspiration and vision. Our Islamic destiny has not been charted out in any concrete manner. Undoubtedly, Islam calls for the establishment of justice, egalitarianism and fairness. We must try harder to operationalize agreed Islamic ideals and values into reality.

The failure at the establishment of a fully steadfast political and government system is in some ways the failure of Pakistan's political parties. Most are personalistic and devoid of any meaningful internal democracy. The Pakistan Muslim League founded Pakistan but was essentially a one-man show - Jinnah. The PML was more of an independence movement than a political party. Although we believe that had not the Quaid-i-Azam died in 1948, he certainly will have built a powerful democratic political party. Unfortunately his beloved and trusted successor, Liaqat Ali Khan, was killed in 1951. After the untimely deaths of the two leaders the PML degenerated into "a coalition interested only in gaining power".<sup>28</sup> The party leadership indulged in intrigues and ignored the essential requirements of nation building. Malik contends that the PML once aligned itself with the unelected ruling elite who had employed its name. Things changed later. Nawaz Sharif established a populist political party in the 1990s under the PML banner.

Pakistan continues to face a multi-dimensional crisis of immense proportions. The Nawaz Government has tried its best to tackle them in a disciplined and systematic manner. Today the political and economic situation in the country could be described as encouraging. The people demand nothing less than bold revolutionary steps are

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<sup>27</sup> Dawn, October 27, 1997.

<sup>28</sup> Malik, State and Civil Society in Pakistan, 31

taken to make Pakistan what it is destined to be - a great and prosperous Muslim country. The new bold reform agenda, if implemented, will usher the country into a new era of greatness and worldwide respect. We can certainly become an Asian tiger in the not too distant a future if we work hard to realize our ambition. Time is of the essence as we have wasted enough of it. Fifty-seven years is a long period. We have been left behind and must catch up fast. Pakistan need not be weak anymore. The GOP envisages an across the board national consensus to see the exercise through. Without the peoples participation the dream of becoming an Asian Tiger cannot be realizes. The GOP owes it to our unfortunate, but brave people, to try to its very best. The Pakistani people ask for nothing more and nothing less.

In the past, especially during the Benazir Bhutto era, Pakistan was witnessing an unprecedented period of internal strife, lawlessness, high crime rates, poor economy, and bad government at all level. Much like its neighbour India, Pakistan has become more cumbersome to govern. Both countries are experiencing a revival of religious sentiments as seen in the growth of the chauvinist Bharitiya Janata Party, the main contender of power with the late United Front coalition government. Both Pakistan and India then have weak leadership suffering from what seemed an as insurmountable problem of governance. Pakistan was faced with a multiple crisis: erosion of civil authority, poor economy, serious sectarian problems, and high levels of crime and corruption in government departments. All these developments has led to a general sense of malaise and disillusionment with the ability of the state system to deliver, even erosion of government authority and even somewhat loss of state legitimacy. Newberg had then commented that Pakistan was a titular democracy which was hamstrung by politicians “who equate personal ambition with national interest” profiting from their position while the poor remain disfranchised. The elite live a life of luxury in a society in which there are gross inequalities”.<sup>29</sup> In April 1995, the international weekly newsmagazine, *The Times*, had asked the telling question whether the country was any longer governable by Benazir or any one else. In Karachi racketeering, drugs, and outright political warfare rule instead of civil authority. Benazir, the so-called champion of democracy, was being widely criticised for lack of direction and political vindictiveness. The article had then asked another dismaying question: Could Pakistan survive? Benazir had argued that the increased violence in Pakistan was a result of the 1980s and the war in neighbouring Afghanistan.<sup>30</sup> Benazir Bhutto sought to centralize power in both her two stints as Prime Minister. She held, till nearly the very end of her tenure, additional portfolios of defense and finance. Her arrogant style of government had wrecked havoc with the normal functioning of the state machinery. Finally, President Farooq Leghari sacked Prime Minister Benazir on November 3, 1996. Subsequently, general elections were held and Nawaz Sharif came in power in February 1997. The PML (N) received an unprecedented mandate by the people of Pakistan. The party and its allies captured more than two-third majority in the National Assembly. Nawaz Sharif, the current Prime Minister, is widely believed to be Pakistan’s most powerful national leader.

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<sup>1</sup> Paula Newberg, "The Two Benazir Bhuttos", *New York Times*, 11/2/95/

<sup>1</sup> *Time*, April 17, 1995, 12.



Nawaz Sharif comes from the majority province of Punjab. The PML (N) shared power with its allies in Sindh, NWFP and Balochistan. In 1998, the Sindh government was disbanded and Governor's Rule proclaimed in the province. Thereby, Islamabad took control of the province. Since then the PML (N) has taken over the administration of Sindh. Meanwhile, the erstwhile powerful Pakistan Peoples Party has been vanquished from the political scene. Stunned by their electoral defeat the PPP sank into oblivion. Today, the PML (N) Government has brought much needed stability to the country.

Pakistan has embarked hesitantly at first, and then steadily later, on the long and tortuous road of democracy. It has seen three periods of martial law; General Zia's being the longest. There have been significant changes since the death of General Zia in August 1988. Since then the country has had four governments resulting from four general elections. Benazir Bhutto and Nawaz Sharif have both taken turns at running the government.

## 2. The Federation Structure

Pakistan has a federal and parliamentary system of government. The last constitution adopted in 1973 created this system. The 1973 constitution has been amended a total of 16 times. Pakistan's democratic system ails from a number of structural defects. It is as yet relatively unstable. However, no one will disagree with the notion that Pakistan is making a transition towards democracy. From an earlier era of military rules Pakistan has come a long way towards that of a fledgling democracy. Pakistan is following the world trend of democratization, as explained above. Twenty years ago democracies were constituted a small minority of countries. In comparison today they are a majority.<sup>31</sup> Pakistan does indeed meet the criteria of democracy.

Let us first briefly examine the federal structure of the country. Pakistan is designed as a federal state, which signifies division of powers between a national government and constituent units. Such a division is given in the constitution. The federation of Pakistan comprises of four provinces: Punjab, Sindh, NWFP and Balochistan. Principal power resides with the federal government and each province has its own provincial government. The head of state is the President, who is elected for a renewable, five-year term jointly by an Electoral College composed of the National Assembly, Senate and the four provincial assemblies. The presidency is originally a titular post, but following the famous Eighth Amendment of March 1985, the office holder is given authority to dissolve the National Assembly, and appoint and dismiss the Prime Minister, the cabinet and provincial governors. The president, therefore, emerged as a dominant political figure. However, the comparative significance of the office has been eroded thanks to the recently passed constitutional amendments. The chief of government is the Prime Minister, drawn from the National Assembly. The office of the Prime Minister has emerged as the single most powerful institution in the country. The power of the office has grown with time.

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<sup>31</sup> William Joseph, Mark Kesselman & Joel Frieger, Eds. *Third World Politics at the Crossroads* (Lexington, MA: D.C. Heath, 1996), 7.

Chief Ministers, drawn from the provincial assemblies heads the provinces. The President appoints the Governors. The office is ceremonial only. The provinces and local governments are constituted by elected Provincial Assemblies and headed by Chief Ministers. There are also tribal areas administered by both the federal and provincial governments. Responsibility for the subjects of health, labor, education, agriculture, social welfare, industry and roads is entrusted to the provinces.

The federal legislature consists of a Lower House, the National Assembly, and an upper chamber, the Senate. The National Assembly has 342 members, directly elected for five-year terms by universal adult suffrage, plus 20 women chosen by the National Assembly and 10 separately elected religious minority members. The Senate has 100 members, elected a third at a time, for six-year terms by provincial assemblies, and tribal areas, in accordance with a quota system. The National Assembly is the more powerful of the two chambers, having exclusive jurisdiction over financial affairs. To become law, bills must be passed by both chambers and must also be approved by the President, who has the power of veto. The presidential veto may, however, be overridden by a simple majority of both houses.

The Constitution of Pakistan determines the policy framework including responsibilities of federal and provincial governments. The public sector services are allocated monetary resources through the NFC award, Five-Year Plans and special programs, e.g. Social Action Program. Primarily the Cabinet conducts policy making at the federal level. Federal Ministries and Divisions execute the policy decisions of the Cabinet. The Cabinet includes the Prime Minister and his Ministers. The current Shaukat Aziz Cabinet has about 60 members including Federal Ministers, Ministers of State, and Advisors. This is the largest Cabinet in the country's history. However, not all are actively involved in running the government ministries.

## MODERNISATION OF THE GOVERNMENT SYSTEM IN PAKISTAN

More than fifty seven years ago, the founding fathers of Pakistan wished to realize a vision of an enlightened nation that will institute Islamic values of justice, fairness, mutual respect, tolerance, and the rule of law. They aspired to create a glorious country free from corruption, poverty, poor health, and illiteracy. The sad fact is that we failed to realize that vision. However, this is no moment for despair. Rather than dwell on what might have been we look forward to what might still be ours. A proper resolve and determination is all that is needed. Easier said than done. It must be realized that such a change cannot occur over a few years. Only a long-term sustained effort can possibly deliver. It was in 1979 that China under Deng Xiao Peng's bold leadership embarked on their vision for the year 2049. Malaysia under Mahatir's dynamic leadership also followed the Chinese example. They came up with their own 2010 vision and now have come up with a successive 2020 vision. Pakistan must learn from the experiences of others. It can only fail at its peril.

Having realized that there is no magic bullet or quick fix to Pakistan's governance problem, the GOP decided to tackle the issue in a serious and systematic manner. Fifty-seven years of government mess is not easily ended. The central plank of good governance efforts is the reform of the civil service system. Essentially, this is seen as prerequisite for public sector reforms. However, civil service reforms are notoriously difficult to undertake. This is not unique to Pakistan. In the developing countries, many international donors' agencies have come to emphasize reform in this area. These multilateral agencies are emphasizing that governance is the essential issue in project aid. For example, USAID has noted that "the finest planning and budgeting system in the world are of little use, if there are not quick and accurate means to track progress and to know the relationship between the planned events and actual events".<sup>32</sup>

The GOP envisaged nothing less than re-inventing government in Pakistan. A tall order indeed. This required research, experimentation at various issues from developing a model to what works and is practical at the local-level. The third tier of government is seen as vital for Pakistan's democratization, sustainable development and empowerment of the people. It has to be rebuilt after a lapse of several years. The GOP is convinced that the people themselves are the most important stakeholders of the whole effort. The GOP aimed at creating public services that not only fulfills the demands of common man but is also capable of meeting the requirements of the coming century. A wide range of reforms and re-engineering of the public service is required. The task is not easy, however. The implementation of the reform program required comprehensive planning and a reasonable gestation time period. The main emphasis is to be on improving standing mechanisms and finding more effective ways of enforcing these mechanisms. It bears repetition that all previous plans suffered most, not at the policy-level, but, at the implementation stage simply because the people are not involved in the decision that is significant to them.

It is reiterated that no valid design of a good governance model can be created that possibly might last very long. Such is the pace of change in our lives. Good governance is a very complex issue. The isolation of citizens from the significant process of government policy-making needed to be ended.

#### Fundamental Philosophy Premises

The fundamental philosophy of GOP is based on a number of premises. Firstly, Pakistan needed to quickly change if it did not want to go down in the dustbin of history. Remember that the ability to adapt to changes in the global environment is seen as the most important determinant of national survival. Certainly, The GOP did not wish to jeopardize the nation's future by taking hasty decisions today. For that reason decision-making at the top of organizations has to be democratically organized.

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<sup>32</sup> "The Effectiveness of Aid to Pakistan" (Islamabad: Economic Affairs Division, GOP and UNDP, 1990) 1 A.9.

Secondly, for relatively simple tasks in a stable environment, authoritarian centralized leadership meant that tasks are done faster and more effectively. But where flexibility and openness towards new ideas and tasks are required, tasks, which require a certain group loyalty, democratic structures, are far superior. The GOP believes strongly that the past top-down approach needs to be modified with a vital bottom-up segment duly incorporated. Citizens have the right to participate in all significant decisions affecting their lives. Democracy demanded it.

Thirdly, modern organizations and modern societies are organized analogously to the system of science. Gaining and distribution of information is the central activity of these organizations. Decision-making is being done within organizations by majorities and not by compulsion. Teamwork is the central characteristic of the democratic form of organization. Self-responsibility and self-initiative is therefore to be promoted. A scientific bent of mind extolling research, analysis, and rationality is urgently needed. The Muslims had once excelled in science and technology in the Middle Ages and could do so gain. Pakistan is to be the laboratory of modern Islam.

Fourthly, public backing for the reforms efforts have to be sought before any grand tinkering with the design is made. Without public backing of government initiatives, the chances of success are slim. Many reform efforts in the past failed because there is no institutional home for reformers. Corresponding support from civil service groups did not back the government efforts. Thus, the public is to be involved as a significant stakeholder in the whole reform process. In the past, there have been several national reform efforts, some of which are overlapping at best, and conflicting at worst. Public perception has increasingly become negative.

Fifthly, the GOP believes that without institutionalization and accountability, haphazard efforts are bound to fail. Many developing countries are trying very hard to improve efficiency, transparency and accountability of their personnel and administrative machinery. What are the causes of government failures? The issue is debated earnestly the world over. There are no “great men” any more. Men who always knew everything or could do everything better. For modern societies, the concentration of power in one person or uncontrolled elite is extremely dangerous. Since wrong decisions are more probable. The GOP’s main objective is to urgently train government officials who could help in creating the conditions that assured Pakistan’s appropriate response and adaptability mechanism to new and unforeseen changes looming across the horizon. Sixthly, the GOP believes that Pakistan couldn’t fail in the modernization venture.

The GOP is committed to establish efficient, responsive, and effective administrative machinery capable of delivering high quality public services. It aims at institutionalizing a culture of excellence in the civil service, and in building a sustainable capacity in the public sector. The GOP strives for the creation of a public sector, which not only meets the demands of citizens, but is also capable of meeting the challenges of the 21<sup>st</sup> century.

The GOP seeks to create a new partnership between itself, the private sector and citizens. Effective implementation of the reform strategy will be a function of a careful analysis, comprehensive planning, sequencing, and a reasonable gestation period.

#### (I). EDUCATION SECTOR REFORM

No nation can ever progress without emphasizing quality education. There is a broad consensus that, with few exceptions, the quality of education in state educational institutions had almost collapsed. The GOP is cognizant of this fact and has decided to turn things around on a high priority basis. The reform initiatives taken so far by the GOP have met with great public enthusiasm. Things are finally moving in the education area.

The GOP has addressed a number of fundamental issues. The main obstacles to improved education facilities have to do with poor governance, inadequate resources, and lack of qualified staff, low staff motivation, lack of proper physical facilities, and the dearth of participation of end user groups. The main goals of the Program are: to improve resource use through improved management, third party inspection, and local control of service provision; universalization of primary education; raising enrollment levels in higher education; improving quality at all levels, especially higher education by strengthening indigenous Ph.D. Programs; linking technical and vocational education to market demand. The long-term purpose is to create a culture of excellence that will demand a high quality of service, both in the private as well as the state-sector.

The GOP is employing the following instruments for the improvement of the education sector: strengthening of a regulatory framework to encourage private sector investment in education; involvement of local citizen groups in supervising the provision of these services; involving community development organizations in delivery of education services; and entrusting primary education in urban areas to local government institutions, where ever feasible. The Program envisages that state subsidies to higher education will be rationalized while ensuring that poor talented students are not marginalized. A parallel scholarship program to guarantee universal access to the education system on merit alone will accompany this development.

The GOP has already initiated the following measures for improving the quality of education.

(1) Sufficient allocation of resources has been made to bring our education system at par with most developed countries in the region. The education budget has been increased by 106% in 1999-2000 from last the previous year. Similarly, the budget of the state universities has been increased by almost 300% from Rs. 166 million to Rs. 458 million in the 2000 fiscal year. Today the budget is over Rs 11 billion, a record allocation. The total number of universities in the country is about eighty with about

half in the private sector. The enrolment in the universities has also increased manifold.

(2) The private sector is being actively encouraged to come forward to help the GOP in providing much needed educational facilities, especially in the primary and secondary areas.

(3) The main thrust is on the improvement of present facilities, to provide universal access to elementary education, and at the same time to fill the gap in adult literacy levels. The GOP put great emphasis on the advancement of elementary education. A new emphasis on non-formal education has been incorporated to raise the adult literacy level in the country. Also, the NGO sector is being involved as partners in the cause. Relatively, substantial resources have been directed towards the achievement of the aim.

(4) Our curriculum is out of date and required major revision to cater to the needs of the 21<sup>st</sup> century. Academic experts are reformulating the curricula from primary to Ph.D. level so that in the future there is a single curriculum compatible with the best in the world. Not only will the curricula be revised and improved but also teaching methodologies and teachers themselves, professionally speaking, will be vastly improved. The GOP is already stressing recruitment of teachers on strict merit and is revamping and strengthening teacher training. Thus, the GOP is emphasizing achievement of excellence at all levels in the education system.

#### HIGHER EDUCATION REFORM: FUTURE AGENDA

No nation can develop in a sustained manner without quality education. The world has moved forward from an era of Industrial Revolution to the Knowledge Revolution where brains not muscle power matters most. Knowledge is also a cardinal Islamic value. The future belongs to the nations that have mastered the Information Revolution, so to speak. The world is changing quickly and unexpectedly. Where do we stand? Is Pakistan able to benefit from the Knowledge Revolution? Political scientists recognize that “information power” is becoming just as important as international affairs as country’s military, economic, social and political strengths. If we fail at reforming our education system we will fail to make Pakistan into the powerful modern Islamic state of our collective dreams. The GOP will have to act now. History will judge us.

The efficiency and effectiveness of government educational institutions are getting worse not better, with very few exceptions. Every one acknowledges this stark fact. Decline in standards did not happen overnight. We have failed in providing decent education to our youth. We must make a resolve to turn things around. We can only fail at Pakistan’s peril. Nevertheless, even now it might not be too late to grapple the monster of bureaucratic inefficiency and ineffectiveness. As a matter of fact it is never too late. The GOP must reengineer the entire education system as it has failed to deliver. Easier said than done! Where do we begin? What should be our priority?

Given scarce resources, what is the most cost-effective method of reform? There are neither quick fixes nor easy answers. Re-engineering government educational institutions must aim at an education system that not only fulfills the demands of today but is also capable of meeting the requirements of the coming century.

A wide range of recommendations regarding reform of the education system have already been put forward. The implementation of these recommendations is problematic. It involves comprehensive planning and a reasonably gestation period. Main emphasis should be on improving standing mechanisms and finding more effective ways of enforcing these mechanisms.

Ultimately, the GOP is responsible for the provision of quality education in the country. The contribution of the private sector, though welcome, is not the solution for our education mess. The outright privatization of educational institutions is a betrayal of public trust and should be seen as an action on the part of the GOP to ignore fulfilling its fundamental duties. Therefore, outright privatization of higher educational institutions IS out of question. The GOP accepts its responsibility and will deliver in accordance with public expectations. It should be held accountable for its own performance in this area.

Reforms proposed in the higher education sector:

\* While, primary and secondary education is a birthright of every Pakistani citizen. College and university education is not. Given the scarcity of resources, the GOP re-defines the role of higher education in the country. College education is a privilege that must be earned by attaining academic excellence at the higher secondary level. Not every one is ready for college. Nor can they be allowed to waste state resources. Therefore, a two-track system is being introduced, or improved if you may, the first is college leading to a bachelor's degree and the other is that of the technical institute leading towards a diploma or certification. Most students will be channeled into the second type of educational institutions.

\* The GOP cannot subsidize education at this rate. For example, the students in most of our universities and colleges pay only a fraction of the cost. The state picks up the tab. It is not fair because a lot of students can afford to pay more yet the system does not demand it. Those who can afford to pay more are expected to pay their fair share of college or university education. Fees need to be increased while it must be guaranteed that poor students are not forced out of educational programs on the basis of need alone. Every student, regardless of family income, will get an education, if he or she meets the merit criteria. The state will give a Student Loan to all eligible candidates to complete their degree programs. The loans will be repayable after the student graduates in easy installment spread over a long period of time.

\* The focal point or nucleus of the entire education system is the college or university teacher. Without good teachers other things hardly matter. We have failed to honor the profession like our forefathers. Teaching is a very noble

profession. The GOP will give it more status and recognition than at present. Only the best and the brightest should enter it. The GOP will make the teaching profession more attractive than at present. Teachers deserve to be paid much more for their services than at present. They will be held accountable for their performance also. Likewise, teachers must attain new skills and stress professionalism as a value. This will be in line with our Islamic heritage. How do we do it?

\* The highest priority will be in personnel management and training in the education cadre. Both will be revamped. Career advancement system needs to be reviewed. Merit will be the only criteria for advancement. It is too much dependent on length of service. The best teachers will be promoted faster. The criteria of promotion, other than service length, are rigid. For example, a qualifying criterion for promotion from the rank of an Assistant Professor to Associate Professor in a university is that the candidate must have published a certain number of research articles in reputed journals of international standing are required. What about a candidate who does not have the required research article, but instead has published several books? Clearly, this candidate deserves promotion if he indeed has published quality research work. The point is not to scrap the requirement of publications altogether but to make it more flexible. Rather than stress journal articles only it will be prudent to let more scholarly evidence be forthcoming. It is for the selection board to decide if those publications merited the candidate's promotion or not. It is not rationale to assume otherwise. Many such arcane rules stifle initiative and resolve of bright young instructors. The GOP will review the whole university promotion system and make it rational.

- The existing system of recruitment in university/college teaching will be reviewed and changes in this respect, reforms introduced in other countries, should be examined. For example, a teacher is required to serve as a Teaching Assistant with a senior faculty member before being allowed to become Lecturer.
- The finest officers will be posted as faculty members and head of training institutes.
- Expertise in the employment of IT will be an integral part of teaching in all educational institutions
- There will be a vigorous enforcement of the policy of linkage of training with promotion. Penalization for failure to attain qualification on training abroad funded through the government should be re-instituted.
- Rewards for innovative ideas will be introduced. Cost reductions, cost effective provision of services and changes made for efficiency gains need to be rewarded.
- Teachers that do not perform satisfactorily will be punished. Performance evaluation systems are not up to the mark. ACRs will not be kept secret from



assesses. However, third part restrictions will remain in place. Student evaluations of teacher performance will be introduced. After all, who is better judge than students who interact with him so often in the classroom? In short, teachers will be held accountable for their performance in the classrooms. Therefore, better mechanism of control of teacher performance will be introduced. Sloppy work will not be tolerated in the future.

- One of the criteria for promotions in the college teaching cadre will be a third party qualifying examinations.

- There will be periodical performance reports on colleges and universities and a system of inspections based on regularly maintained database will be instituted. The Planning Commission will collaborate with the Ministry of Education to supervise the effort.

- The universities and colleges will have more functional autonomy. Heads of administration will be made more accountable for their performance.

- More colleges will be given degree-awarding status like recently given to Government College, Lahore, Forman Christian College, Lahore and Kinnaird College, Lahore.

- The system of examinations will be reviewed. The annual system of examinations IS too rigid and needs to be discarded. The semester system will be introduced in the universities. It is working well in prestige institutions like IBA, Karachi and other good universities in the region, then why not here? The semester system is inherently more flexible and adaptive than the annual system.

- The BA degree course will be extended to four years from the current two. The BA Honors 3-year course will be initiated immediately, as already given in the GOP's education policy.

- The MA "private" system will be discarded. The GOP will not permit the further devaluing of our degrees by this system. Private study of a few "key books" for a few weeks does fulfill neither the basic condition of student-teacher interaction nor the fulfillment of a regular MA degree. Designating an M.A. degree as "private" and therefore, much easily available is a shameful act. The GOP is itself decreasing standards by adopting such a method. Then why blame others for not valuing our degrees? For example, thousands of candidates sit for the MA private examination in Political Science each year, simply because it is perceived as the easiest way to get an M.A. Clearly, something IS wrong here. The point IS that the GOP must make higher education harder and a more meaningful experience, and not the opposite. No wonder our degrees are not being accepted overseas.

- More evening diploma and certificate courses will be introduced to make full use of existing facilities. They could supplement the income of the

educational institutions. More evening degree courses will be started also. There IS a market for people desirous to pursue higher studies in the evenings. These people have full-time jobs and are not available in the daytime. The state universities will tap this student potential.

- The concept of distance learning has immense scope in a country like Pakistan. The potential utility of Allama Iqbal Open University will be further extended. More courses for students inside Pakistan will to be provided. The current emphasis IS on providing education to Pakistani students in the Gulf region. A giant education network covering every nook and corner of the country will be established by the AIOU.

- More community colleges of the American type will be started where admission requirements are less stringent and program lead to an Associate degree only. The time period for completion of degree course requirements will be about half of the regular BA programs (i.e. two years). Plus, the community colleges provided avenues for a different clientage of students as the courses are primarily offered in the evenings and more importantly on the basis of public demands. This is fundamentally the implementation of the continuing education concept. The very nature of the community college is best suited for providing education catering to regional priorities, cultural aspirations, and local needs. Thus, community colleges established in rural areas and in small towns will be better able to cater to the needs of the people in acquiring knowledge in the agriculture sciences. Similarly, community colleges in the big cities will cater to a different class of students with different demands and inclinations. The idea is to market educational packages according to local demand.

- Student Union activity will be banned. However, political activity of defunct student political groups continues unabated. Politics on campuses has ruined the academic environment and ambience of our educational institutions. Peace on campus will be guaranteed. Therefore, politics of any sorts is to be completely prohibited. All political parties, including the ruling Muslim League, will immediately dismantle their student wings. An All-Parties Pact is arranged for the purpose. All political parties and groups will guarantee the ban for at least ten years. After the period of the ban the union activity may be restored, if deemed feasible. Pakistan needs to reinvigorate state institutions and will need some respite, calm and peace for a few years at the minimum.

- The state universities and colleges will come up with a crash program to increase their revenues by providing more services.

- The mushroom growth of private educational institutions will to be checked by the Education Ministry. Teaching is an essential service not to be made into a moneymaking venture. The Islamic tradition had given teaching a coveted place in its hierarchy. Quality education is an Islamic imperative. The GOP is responsible to stop widespread fraudulent activity in the name of higher education. At the same time, genuine educational ventures will be encouraged. An elaborate

technical process of national accreditation will be established. For this the GOP will establish a National Accreditation Council for the purpose. Top education experts and other professionals will man this council. The requirements of accreditation will be transparent and the process open to public scrutiny.

- Merit will be the only criteria for entry in all types of educational institution. The GOP will gradually abolish all reserved seats after the stipulated constitutional quota protection period is over. The federal admission quota system will be reviewed as it contradicted the merit principle. The merit principle is a basic Islamic value that could not be compromised in any circumstance.

- There will be a strong thrust towards science & technology in our education system. If neighboring India could excel in the area so could we. Some of India's Institutes of Technology are reputed to be the best in the world. We need to compete with India in the field of education.

\* In order to bring all regions at par with each other in the field of education the GOP will concentrate on improving facilities in educationally deprived regions. Why cannot quality educational institutions be established in these backward areas? The GOP will provide much greater material incentives for students, teachers and administrators in these regions in order to improve educational performance. If quality education were available the people from these underdeveloped areas will be able to find jobs on merit. Undoubtedly this will take time. Meanwhile, the GOP will push towards educational parity for all parts of the country. In a long-term plan the backward regions will be given priority in resources.

## REFORMS IN THE INDUSTRIAL SECTOR

The industrial manufacturing sector has been doing well in recent years. Previously, it was provided a leading role in the Ninth Five-Year Plan. Essentially, this implies that its share in the GDP will rise from the current level of 17 to 22 percent by the end of the period, as industrial output grows at an average rate of 9 percent per year. Similarly, employment in the industrial sector as a whole will rise from 19 to 26 percent of the total labor force. While all sectors are important for a nation's progress, the highest economic growth rates have been observed in the industrial sector. The doubling of per capita incomes by 2010 will require an industrial growth rate of 9-10 percent per year. This can only be produced by an orientation towards international trade and exports, competitive advantage, customer-satisfaction, dynamic productivity, growth, and the creation of a knowledge-based industry. For this development to occur a number of enabling conditions will necessarily have to be met, namely: the establishment of a scientific infrastructure, a partnership between the state, private sector, and citizens; a culture of saving and exporting, and most importantly, a system that ensures justice and equity, protecting the lives and livelihoods of all citizens. The new approach envisaged by the GOP should integrate these objectives.

A major focus of the Program strategy is on the creation of a value-added export-led industrialization, especially based on high technology, in both small and large-scale industries. In 1965, Pakistan's manufactured exports are greater than South Korea, Malaysia, and Thailand combined. Today, we are nowhere even near the vicinity of these countries' export performances. Their combined export ability goes into several hundred billion dollars while the total exports of Pakistan hover at around \$8 billion only. Clearly, we have been left far behind. Plus, we are now more dependent on textiles and cotton than we are twenty years ago. While, the share of textiles increased from 40% to 63% of total exports, the share of value-added exports decreased from 31% (1983-84) to the current 18%. We have not done better in other areas also. Pakistan missed the boat so to speak. The country did not venture into the emerging markets in time. We did not develop the appropriate technology and skills. This happened chiefly because we lacked a strategic vision and an action plan. Today we cannot make the same mistakes again. The GOP is a strategic vision to enable our industry to become competitive in the global markets and to ensure sustainable growth by venturing into electronics, chemicals, engineering sectors. We have to emphasize value-added production in the industrialization process. This shift towards value-added production is in is the key to our prosperity.

The goal of Program is to create an entrepreneurial and investment culture, in which people having required management and technical skills team up with those with access to financial resources to produce high quality goods and services for the global market. The strategic framework, as described earlier, is based on a partnership between the GOP, private sector, and citizens. A shift in policy has been envisaged that from state protection to greater competition

The GOP is inducing industry to innovate and improve their products on a continuous basis. To this end, the GOP is creating a level playing field so that all players have equal access and opportunity, and is supporting quality control systems (monitoring mechanisms, ISO 9000 certification and user involvement). The Program is ensuring that both qualitative and quantitative performance targets are met through the Pakistan Business Council (PBC) which has been created for achieving the purpose, among several others.

The private sector is the designated engine of growth. It is making substantial investments, not only in the form of physical capital, but also in the shape of innovations in processes and management. This partnership is creating the necessary capability where continuous improvements in productivity are taking place. Finally, citizens' groups are playing an active role as advocates of consumer rights and in ensuring that the process is sustainable and the environment is sufficiently protected.

The primary responsibility of the GOP is in creating a favorable investment climate, including communications infrastructure, a sound and credible financial system, adequate ready credit availability, a simple and transparent regulatory system (through autonomous statutory bodies wherever possible), a transparent and effective tax and tariff system, a stable policy regime, a reliable certification system, a planning

system oriented towards indicative planning to assist investors in forecasting future economic trends, collaborative policy making, and revamped SROs. It also includes the provision of information and technical assistance to industry in strategic areas, especially market intelligence services, information on government plans and decisions, and assistance for obtaining ISO certifications. Besides these, the GOP is undertaking a targeted program for small and medium-scale industry (including targeted vendor assistance programs in collaboration with large-scale industrial units), and a campaign to attract foreign direct investment in the country. In keeping with this clearly defined role, the privatization process is helping reduce the GOP's involvement in the production process itself.

The functions of investment and marketing have been allocated primarily to the private sector. Even the minimal public sector involvement, justified by historical, social, or security reasons, is being patterned on market lines, and private sector representatives and professionals are being involved in their governance to the maximum extent feasible. Industry and trade associations are participating in advising and policy-making so that collective interests are protected in the process. Finally, civic groups are being involved in the protection of the consumer interests pertaining to quality, health effects, environmental impact, and human rights. Some recent measures undertaken by the GOP in the area are:

1. The outlay for the Public Sector Development Program for 1999-2000 was fixed at Rs.125 billion, an increase of Rs.98 billion from the previous year. The current PSDP has increased manifold from 2000. This will develop the infrastructure capacity of the country providing a much-needed boost to related industrial activity.
2. The GOP is wooing Foreign Direct Investment (FDI). It is giving greater emphasis and attention to developing the services sector, especially transport, shipping and aviation, and the oil and gas industry. It is actively seeking investments in these sectors. The GOP is giving recognition to the backward and forward linkages that can be created by FDI opportunities in appropriate large industrial projects. The FDI in 1995-96 was above \$1 billion but then came down. Under the GOP plan it will increase in the next few years. The GOP is making readily available information on all rules, regulations, and procedures pertaining to all state departments and policies involved in the area. The GOP is also ensuring that ad-hoc changes are not made in government regulations, which can be detrimental to the interests of foreign investors. It is also guaranteeing a reliable and efficient system of acquiring foreign exchange to import raw materials and spare parts and remit profits. An adequate legal framework for protection of foreign investments in the country is being prepared.
3. Tax burden on industry will be gradually reduced. The number of taxes payable to the federal, provincial and local authorities/departments will also be reduced. Currently, some industries are paying taxes to some twenty such state entities.

4. The GOP has reduced interest rates by 2% on national savings schemes that currently are at 18%. This is an incentive to invest in industrial development, as more money will be available for alternate investment.

5. The manufacturing sector growth was about 5.8% in 1999-2000. Today the sector is growing at a much higher rate, yielding a significant exportable surplus for value-added exports. The GOP will attain this by pursuing it through providing macro economic stability, low inflation, and a stable exchange rate system.

6. A massive housing project has been launched. It will provide cheap, inexpensive housing to 500,000 poor, lower- and middle-income families. The massive construction activity will revive the entire dormant construction industry. The housing scheme is to be controlled by a newly set up Prime Minister's Housing Authority.

7. Industrial growth has increased impressively in the last few years. The growth rate was about 3.5% in 1999. The manufacturing sector has been prioritized into various categories. Value added or exports industries come first, followed by high-tech industries, priority industries and agro-based industries. The tariff on imported plant, machinery and equipment that is not manufactured locally for high-tech industries and agriculture has been reduced to zero. Tariffs for machinery imports for priority, agro-based industries, and social sector will be 10% only. Special encouragement is being offered to small and medium industries.

8. A scheme of National Industrial zones engulfing Industrial Estates, Free Industrial Zones, Free Trade Zones, and Export Oriented Units will be launched at a few prime sites. There will be 8 such zones along the Lahore Islamabad Motorway that will be equipped with all infrastructure facilities and will be provided to investors under one-window operations.

### (iii). AGRICULTURE POLICY MASTER PLAN

Pakistan's basic endowments include ample resources of land, water and labor. We are also blessed with the biggest irrigation system in the world. . Unfortunately, we are not able to make the best use of available resources. We are not able to synergize them in an adequate fashion. Today we are importing foodstuff for our survival. That is a pity. While, Pakistan's total exports are expected to cross \$14 billion this year, tiny Holland exports horticulture items worth \$14 billion. The lesson to be learnt is that we must manage our agriculture on a scientific basis. Agriculture contributes substantially to the economy in terms of food, employment, and foreign exchange earnings. The sector alone accounts for some 26% of Pakistan's GDP. Past projections of food supply and demand forecast that large-scale agricultural commodity imports will be required in the future. There is an ever-widening gap between food supply and demand. By the year 2010, there will be a trade imbalance for all major cereal crops with the exception of rice and for all livestock and poultry commodities. This will occur because of the expected population growth and the

current low-investment and low-growth in the agriculture sector. In sum, by year 2010 Pakistan will not be able to meet its commodity production requirements.

The GOP therefore attaches great importance to the development of the agriculture sector. The GOP is emphasizing entry into areas whose potential has been left untapped so far, like horticulture, floriculture, fruits and vegetables. The GOP aims at achieving self-sufficiency in wheat, edible oil, and tea. It also aims at developing rural enterprises and rural areas. The gap between demand and supply of food items will be closed. To decrease the widening gap, the country requires a high-investment and high-growth strategy for agriculture. Investments need to be made in agricultural research, extension, education, infrastructure, and irrigation. Also, appropriate pricing and trade policies will give rise to substantial increase in productivity. The key component of the required strategy is the agriculture research system. As demonstrated in the past, agricultural research is the major driving force for a continued increase in agricultural productivity on a sustained basis. The rate of return from agricultural research in Pakistan during 1970-1980 Green Revolution period is at par with rates of return elsewhere in the world. Marginal rates of return from research ranged between 50 and 100% depending on the commodity. This rate of return on investment is higher than the average rate of return from private sector investments. The GOP has recently taken a number of concrete steps for the promotion of agriculture and to ensure food security. The GOP has initiated a comprehensive and elaborate consultation process for formulation of a master plan for agriculture. The private sector is also making a significant contribution in this effort. Recent steps are as follows:

- (1). A comprehensive plan has been launched for the development of infrastructure facilities in the rural areas of the country. It has recently allocated an amount of Rs. 43 billion for the construction of 20,000 km. long farm-to-market roads over a period of three years. The objective of the plan is to facilitate access of farmers to the markets. Village electrification has been allocated Rs. 4 billion, and lining of irrigation canals has been allocated Rs. 8 billion.
- (2). Free distribution of thousands of acres of land to poor peasants not owning any land. Over 50,000 landless peasants have benefited from distribution of approximately 3000,000 acres of government land.
- (3). Allocation of Rs. 40 billion loans for the purpose of development of agriculture. Use of innovative technologies to increase productivity is being encouraged. Better marketing mechanisms and storage facilities are being introduced.
- (4). Extensive agricultural credit facilities to small farmers to buy machinery install tube wells, etc.
- (5). Continued extensive price support mechanisms to enhance production of vital agricultural commodities.

(6). new large water reservoirs are going to be built to meet future needs.

(7). Investment and public expenditure on agriculture will be changed. Spending will be focused on the provision of public goods and the corrections needed at times because of expected market failures. Government spending, as a matter of principle, will not be directed towards activities better suited to the private sector. Continued government intervention will occur in the areas of poverty alleviation and environmental protection, however. Policy reform considered market-friendly should not only ensure economic efficiency and growth, but also help reduce poverty and protect the environment.

(8). A definite shift from centrist state policies to a gradual evolvement of market-based policies is taking place. The GOP will only be involved in providing services that the private sector, for various reasons, is reluctant to step in. The GOP is ultimately responsible for development of the agriculture sector, as it is the mainstay of the country's economy.

(9). A massive drainage project to control water logging and salinity.

(10) The establishment of a highly mechanized agriculture sector employing the very best technology available. Attaining self-sufficiency in food by developing better methods of agricultural practice, development of high yielding and disease resistant crop varieties, quality seeds, balanced fertilizer application, better pest management, successful tackling of water logging, salinity, environmental degradation, and soil erosion problems; and optimum use of water resources. Also, research and development activity in the field will produce better crop yields and quality.

(11) In keeping with structural reforms, agricultural output prices will be market-determined, thereby allowing market signals to be transmitted without any distortion. The GOP will gradually removing all price supports and controls, not only because they distort market signals and have huge fiscal costs, but also because such liberalization will generally improve production of those crops in which the country has a comparative advantage.

(12) The trade policy will reflect Pakistan's comparative advantage, and undue protection for industry is being removed. The current distortions in the system of high custom duties, exemptions, and non-tariff barriers will be replaced with a uniform duty scheme. In agriculture, the GOP will remove taxes on cotton exports, duties on sugar imports, and quantitative restrictions on both. Removing the wheat subsidy will offset any loss of revenue. Along with removal of price and trade policy distortions, revenue from direct taxation of agricultural income and wealth will increase. All income will be taxed in the same manner, regardless of source.

(13) Tax reforms will ensure that all sectors are treated equally. Therefore, all special agricultural tax exemptions will be eliminated. Inter-sectoral transfers will be



corrected. The system of agricultural income and wealth taxation will be speedily implemented to meet the goals of equity and efficiency.

(14) The functioning of input markets will be improved. The GOP will liberalize these markets, again with an orderly transition to full private sector orientation. It will privatize, as soon as possible, state enterprises involved in the business of seeds, fertilizers, and other inputs. Directed credit in any form will end and community-based banks will be considered as a solution to rural credit problems. Reforms of irrigation will be based on institutional changes and market pricing of water.

(15) The GOP will facilitate access to credit for small farmers to expand their output. Community-based mechanisms are being developed to access majority of credit. Micro-credit schemes for the poorest of the poor farmers will be expanded through reputable rural-based NGOs and CBOs.

(16) The land process of acquiring land titles will be modernized and streamlined, including establishing a system of storing permanent titled deeds to land in a centralized computer network, readily accessible by local officials.

(17) Rights of both sharecroppers and owners of land will be protected by law. Renting out land will be made easier and more convenient than at present.

(18) Public expenditure will attach greater importance to funding crop and resource management research. Spending on research and extension services will be restructured so that operational funding can increase as required. The extension service will be reduced in size and improved in quality. Additional public funding will be contingent on an improvement in organizational capacity. Decentralization of the extension service will be carried out immediately. Participatory and group-based approaches to extension services will be encouraged.

(19) The quality of human capital and infrastructure needs to be improved through economically justifiable investments in education, health, and roads. Electricity supply will improve with energy sector liberalization.

(20) To tackle poverty, it is important to ensure that agricultural growth is broadly based and has appropriate spillover effects on non-farm growth. Subsidies on capital, which reduce the employment impact of growth, will be eliminated.

(21) Policy toward the environment will call for more efficient use of natural resources, while arresting the degradation of the resource base. Correct incentives in both input and output markets and reforms in land titling will ensure better natural resources management, particularly with respect to water use. The GOP will undertake additional steps to promote natural resource management, such as: encouragement of integrated pest management, improvements in regulatory agencies, institutional strengthening and redirection of public expenditure to emphasize natural resource management.

(22) Exploring new growth areas like the large-scale export of vegetables, fruits, flowers and the development of horticulture on modern lines. Also, producing meat and dairy products, for the export market, especially the regional ones. Better cargo handling facilities, especially refrigeration and cold storage, will be developed in regional hub airports.

(23) To attain self-sufficiency in the production of wheat and palm oil. The production of wheat will be doubled through administrative measures and effective governance.

(24) The key element of the strategy is the efficient management of land and water resources and conservation of the resource base.

(25) The agricultural research system will be revamped. Duplication and redundancies will be eliminated. Professionals will man research institutions and extension services.

(26) Take full advantage of water resources of the country. It is estimated that about 60% of available water goes waste due to percolation, evaporation, and faulty irrigation methods. Proper management and effective utilization of water resources will be ensured in the future.

(27) Agriculture research institutes in the country are not up to the mark and need to be improved. An action plan is being prepared for the purpose.

(28) The GOP aspires to introduce its vision for transforming the rural areas of Pakistan into a sector of the economy. From reinventing the Green Revolution to poverty alleviation. From optimizing water resources to infrastructure development. The GOP aims to revolutionize rural Pakistan through an integrated plan. For the purpose, a National Conference on Rural Development in Pakistan is held in July 1999. The conference brought together representatives of farmers, youth, bankers, agronomists, and other stakeholders to deliberate on vital issues pertaining to the rural areas. The recommendations of the conference will be duly incorporated in the GOP policy to develop an integrated approach for the development of the rural areas of the country. The national conference helped the GOP in fixing the right priorities for future development of the country.

(29) For fiscal 1999-2000, the agriculture growth rate has been fixed as 4.3% with cotton estimated at 9.7 million bales, and increase in production of fruits and vegetables. Rice crop is estimated to be 4.8 million tons, leaving over 2 million tons surplus for exports.

(30) A massive desertification control program is being launched to reclaim land lost to the phenomenon.

Who will do it?

The Deputy Chairman, Planning Commission will be in charge of the program. The Secretary, Agriculture, will assist him in the task.

#### (iv). QUALITY CIVIL SERVICES

Quality management provides the foundation for the inculcation of a culture based on quality in all public organizations. All government agencies shall implement quality management programs in an integrated and systematic approach. Excellent performance will be duly recognized and rewarded by various awards. It is expected that a number of provincial and district offices as well as local authorities will exhibit excellence in various aspects.

The GOP shall introduce various programs and implement them in consonance with its effort to provide quality services to the people. Productivity and quality efforts also need to be monitored and evaluated. Towards this end, public sector corporations and agencies shall be required to measure their performances at the individual and organizational level. Through this approach, each civil servant will strive to complete the job entrusted to him or her in the most efficient manner. A program shall be initiated to monitor the implementation of performance measurements among public sector agencies.

Quality management shall be an important area of emphasis because it shall provide the foundation for the inculcation of a culture based on quality in all public organizations.

#### ECONOMIC REFORM

Pakistan, a nation of 159 million people, is a poor country. In 1993 the GDP per capita was only \$430 which rose to \$460 in 1995. The current figure is about \$800. The World Bank estimates that Pakistan's population is currently growing at a rate of 3%, and is projected to double in the next two decades. The country's fertility rate is 65% higher than the average for all low-income countries. Pakistan has made progress in the area of human development from the early 1970s to early 1990s. Despite the progress, the country still lags far behind the average for low-income countries.<sup>33</sup>

We face an acute crisis of economic and social development in Pakistan. The United Nations Human Development Index of social well-being ranks the country 132 out of a total of 173.<sup>34</sup> Latest data indicates that we are falling behind some of our neighbors and other Muslim countries. The tables below clearly indicate the situation.

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<sup>33</sup> Dawn, Feb. 5, 1996.

<sup>34</sup> Time, April 17, 1995, 12.

Data for the USA is given for information purposes only and not for the sake of comparison.<sup>35</sup> The facts speak for themselves.

<u>Country</u>	<u>Life Expectancy (in years)</u>
USA	76
Malaysia	72
Iran	68
Turkey	67
Egypt	64
Pakistan	62
India	61

The average life expectancy in the developing countries is 63 while it is only 50 years in the least developing countries. The average life expectancy in the developed countries is 75.<sup>36</sup>

<u>Country</u>	<u>Literacy Rate (%)</u>
USA	100.0
Malaysia	89.3
Turkey	81.9
Iran	64.9
India	52.1
Egypt	50.0
Pakistan	35.7

<u>Country</u>	<u>Infant Mortality Rate</u>
USA	8
Malaysia	12
Iran	38
Egypt	41
Turkey	62
India	75
Pakistan	88

<u>Country</u>	<u>Rate of Population Growth</u>	<u>Total Population</u>
USA	1.0	265.9(million)
Turkey	2.1	63.0
India	2.1	933.9
Egypt	2.2	60.0
Malaysia	2.4	20.3
Pakistan	2.9	132.2
Iran	3.4	69.8

<sup>35</sup> "Vital Signs", Asiaweek June 21, 1996, 66.

<sup>36</sup> Bruce Russett and Harvey Starr, World Politics: The Menu for Choice, 5<sup>th</sup> ed. (New York: Freeman & Co., 1996), 350

<u>Country</u>	<u>People per Doctor</u>
Turkey	955
Egypt	1, 316
Pakistan	2,000
Malaysia	2,063
India	2,063
Iran	3,140

<u>Country</u>	<u>Calorie Intake</u>
USA	3,671
Turkey	3,429
Egypt	3,336
Iran	3,181
Malaysia	2,884
Pakistan	2,377
India	2,243

It is apparent from the above tables that Pakistan is doing very badly in the vital areas of development and social well-being, with the exception of number of doctors available to provide medical services. Unfortunately, the quality of medical care is still very low in Pakistan despite the comparatively large number of doctors available. Perhaps sheer numbers of doctors available do not make that much of a difference. The view that our medical services are of low quality is based on personal observation and anecdotal evidence and not on any scientific study.

Successive governments in Pakistan had relied on borrowing from domestic as well as foreign sources. While the total amount of debt kept on steadily increasing successive governments seemed to be unconcerned. No substantial plans were made to reduce the debt burden. Earlier, Pakistan had reached the stage where it needed loans to repay loans. As of June 30, 1996 according to the Government's Economic Survey, foreign debt stood at \$23.106 billion which was 35.7% of the GDP. An estimated loan of \$8.4 billion was committed but as yet not disbursed which would increase foreign debt to \$31.5 billion. The internal debts are additional, totaling Rs. 859.2 million in 1995-96.<sup>37</sup>

A sum almost equal to debt servicing is spent on defense, general administration, and internal security. The defense spending alone is over 26% of the budget and is viewed as untouchable given the embittered relations with India. The two heads of expenditure, when taken together, exhaust the total federal income leaving social services and economic development to be financed by external and internal borrowing.<sup>38</sup> The Economist disclosed that taken together the country's foreign and domestic debts amounted to greater than \$51 billion. This sum was equivalent to 90%

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<sup>37</sup> Dawn, June 22, 1996.

<sup>38</sup> "State of the Economy", Dawn June 22, 1996.

of GDP or over six times total revenues from exports in the last year.<sup>39</sup> Earlier, during the 1990s decade the most politically salient feature of the budgets was the increased burden of debts, the continued heavy expenditure on defense, and the new taxation proposals. The most troublesome is the debt situation. Servicing of debt alone will claim Rs.186 billion in 1996-97 which is the single largest share in the budgetary allocation. It is important to note that the huge burden of debt accumulated over a long period. Pakistan was facing a debt crisis of immense magnitude. The priorities of Benazir and Sharif administrations were grossly misplaced as is clear by the manner in which the administrations allocated the budget.

### The Issue of Unequal Distribution of Wealth

Pakistan has shown impressive economic improvement from 1976-77 to 1986-87. Per capita income grew by an average of 3.46% per annum and the total GNP grew by an average of 6.50% per annum during the same period. However, Pakistan is not included in the World Bank's category of "Highest-Growth Economies" which includes countries like Thailand, South Korea, China, Singapore, Chile and Malaysia. All these countries have a GNP per capita growth rate of at least 5.7% during the period 1985-1993.<sup>40</sup>

The great tragedy with Pakistan is that the quality of life indicators like education, health and nutrition showed no development. Poverty remained prevalent. In reality the poor became poorer. This confirms the observation that rapid growth in GNP and income does not guarantee a sufficient degree of fulfillment of the basic needs for everyone in the country.<sup>41</sup>

The World Bank says that Pakistan's economic performance in the last two decades has been characterized by relatively fast GDP growth driven by an enterprising private sector, agriculture and cotton-based manufacturing. In 1988, the country began to reorganize its social and economic policies to promote private sector investment, energize public finances and improve its extremely poor social indicators. Though structural reforms have been mixed Pakistan made important advances in privatization and in attracting private investment in the energy sector.<sup>42</sup>

While it is true that the country has experienced continuous growth of the economy it is also true that it suffers from gross inequitable distribution of wealth. The rich have become richer while the poor have become poorer. Pakistan has grossly skewed income. The share of lowest 20% decreased from 8.2% of the total in 1970-71 to 6.9% in 1984-85 while the share of then richest 20% increased from 41.4 to 46.7

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<sup>39</sup> The Nation, Dec. 22, 1996.

<sup>40</sup> Russet & Starr, 355.

<sup>41</sup> K. Balasubramaniam, "Privatization of Health and Its Impact on the People of South Asia", Dominance of the West Over the Rest (Penang, Malaysia: Just World Trust, 1995), 170-71.

<sup>42</sup> Dawn, Dec. 5, 1996.

during the same period. This occurred because of the relatively rapid growth in the income of the richest 10% of the population.<sup>43</sup> Recent evidence indicates, as disclosed by Balasubramaniam, that the iniquity in the income distribution is getting worse.<sup>44</sup> More state resources must flow to augment the share of national wealth received by the poor and lower middle-income classes to prevent them from sinking further down the economic ladder. Economic indicators apparently provide enough evidence of Pakistan's poor performance in the most vital areas of socio-economic development. Please refer to the comparative data given in the tables above. This state of affairs is intolerable in an Islamic state which calls for social and economic justice. The assumption of capitalism is that as the growth of the economy brought national prosperity every one would benefit. The rising tide would lift all boats, they would have us believe. It bears repeating that a growing economy benefiting everyone is not necessarily the case. The old theory of "trickle down economics" has been discredited. Poverty is not reduced just because the economy is growing. The state is responsible to transfer wealth or at least afford decent economic and employment opportunities to the weaker segments of society. This is an Islamic requirement. We have failed to translate this ideal into practice, unfortunately. Progress and development must translate into better quality of life not only for small elite but the masses. Anything less is unfair, deplorable and a gross injustice. The political parties must make the establishment of an egalitarian society a central plank of their election manifestos. Egalitarianism is a cardinal Islamic value and the parties must embrace it wholeheartedly and practice it firmly once in power. Any thing less will be an act of betrayal of public trust. All the political parties are expected to stand up for real change and not status quo politics. We must convince ourselves first and then the world that as Pakistanis we believe in the establishment of an egalitarian Islamic order.

### The Issue of Defense Expenditure

Military spending in Pakistan is high. The allocation for the 1996-97 budget for the defense sector was an astronomical 4.2% of the projected GDP, up from 4.0% of GDP in 1995-96.<sup>45</sup> According to the Human Development Report military expenditures as percentage of combined education and health expenditures in 1989-90 were much higher than some other Muslim countries, with the exception of Iraq. See table below:<sup>46</sup>

#### *Table*

<u>Country</u>	<u>Military Expenditure as Percentage of combined Education and Health Expenditure</u>
Pakistan	239
Syria	104
Saudi Arabia	177

<sup>43</sup> K.

<sup>44</sup> Ibid., 171.

<sup>45</sup> "Federal Budget in Brief, Finance Division, Government of Pakistan", *Dawn*, June 22, 1996.

<sup>46</sup> See Human Development Report, 1992 in *American Journal of Islamic Social Sciences*, Vol. 12 No. 3, Fall 1995, 337.

Indonesia	143
Jordan	128
Iraq	511

The late Mahbub-ul Haq had estimated that defense spending consumes 6% of Pakistan's GNP. Calculated on a per capita basis it costs \$28 per year. The military expenditure is 125% of social spending on health and education. Comparatively our country carries a heavier defense burden than India which spends only 3% of its GNP on defense. The comparative Indian figures for per capita cost is \$10 and for the ratio of military to social spending ration is 65%. In aggregate term India spends three times more than Pakistan. Objective analysis would indicate that both countries are spending far too much on defense and far to less on health and education. This situation has made them fall behind many African countries in terms of human development. The cost of military spending in terms of human development is very high. Since Pakistan's policy is based on reaction to Indian moves it would be impractical to expect that Pakistan would be able to unilaterally cut down its military expenditures, argues Mahbub-ul Haq.<sup>47</sup> He continues to argue that Pakistan is not deficit in enough resources to meet both development and military expenses. The problem is that we are managing them poorly. The country can raise at least another Rs. 100 billion yearly from proper collection of taxes, exchanging costly domestic debt against the sale of public assets, stern checks against corruption and embezzlement of public resources, and better quality control of public expenditure.<sup>48</sup>

If the money is obtained than there can be a reduction of the budget deficit, finance the dilapidated social sector, and at the same time carry on with the current defense burden. We are not to sure on that one. Mahbub-ul Haq wants all things to be set straight. We want it too. But easier said than done. In the meanwhile we must do what is best for the country now and not in the future. Pakistan must decide for itself on the basis of its own requirements and the quickest way to achieve some of our national objectives. We simply do not need to ape anyone including our large neighbor. Benazir once claimed that one of the three major factors that have strained the economy was the heavy defense expenditure. The other two being the increasing burden of debts and the need for "economic democratization".<sup>49</sup> The proponents of heavy defense expenditures have failed to make a convincing case especially when comparatively speaking the social sectors are so far behind in terms of resource allocation. Unfortunately, the caretaker government has also decided not to cut defense spending while other public expenditures are being cut. The public, we ardently believe, must call for a defense cut. It needs to be pointed out that bigger state spending does not automatically mean better defense. Anecdotal evidence suggests that allocated money is wasted in the defense sector. The privileged and indulgent lifestyle of the military brass must also end with that of its civilian counterpart. After all there is nothing special about the military in Pakistan. Politicians are afraid to criticize the military more out of displaced fear and myth than

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<sup>47</sup> Mahbub-ul Haq, "Security without Starvation", *The News*, May 22, 1996.

<sup>48</sup> Ibid.

<sup>49</sup> "Federal Budget", *Dawn*, June 22, 1996



anything else. Pakistan being one of the poorest countries of the world, as regards social well-being, cannot afford a big military. The fat on the military muscle needs to be cut as well. It is as simple as that. The people need to argue that the country really does not have a choice in the matter. We speculate that the caretakers are afraid to touch the defense sector. Such is the power of the Army in Pakistan. We hope that the winner party in the upcoming elections can do much better once it gains power. More money spent upon defense is not equivalent to better national security. The Pakistani military, like any other in the world, will always try its best to protect its allocations. We need to understand that this is normal politics between different bureaucratic structures. In our case the matter is beyond inside politics and has become one of principle. The defense sector cannot be spared the belt tightening the caretakers have imposed on civilian government departments. The military must also share in the national hardship of resource constraints. Anything less is to be considered as unprincipled and should be condemned as despicable principle. We have to improvise and seek a better defense with less money. Maybe we really do not need such a large standing army just maybe a smaller military plus a better trained reserve force like the one in Israel. Just maybe it can do the job of securing a better defense of the country. Alternate proposals of military structural reform cannot be dismissed without the required debate. Why cannot Pakistan achieve simultaneously the twin goals of better military preparedness with less money spent? The proposal needs to be considered dispassionately. As a sage once said, the business of war is too serious to be left for generals alone. Plus, Clausewitz reminds us that after all war is nothing but the continuation of politics by other means. The supremacy of the civilian order over that of the military is a fundamental principle of democracy and cannot be compromised. No matter what. Thus defense spending must be cut immediately. Benazir, like her civilian predecessors, had followed a policy of appeasement of the politically powerful Army interests. She has promised more money for defense in the next fiscal year. This was a mistake. The caretakers are no better. A change of direction is needed. The defense sector be cut and savings realized should be transferred to education and health development. The sector needs to be emphasized along with that of national security. Hunger, poor health and illiteracy pose an internal threat to the security of the Pakistani nation and cannot be compromised. The needs of the people come first and then come the military needs of the country.

## THE SUSUTAIUNABLE DEVELOPMENT ISSUE

An interesting debate current in social science circles pertains to calculating the real worth of nations taking into consideration new set of standards. A recent thought-provoking report by the World Bank has ranked nations by what is known as “greener” set of standards. Traditional measures such as GDP have been downgraded and new weightage is given to national resources, education, social flexibility, environmental protection, and other assets of a country which have been undervalued but can be significant instruments of long-term growth. The system has challenged conventional comprehension of development by looking not only at income but a country’s wealth also. This approach expands the concept of wealth beyond investment and money. The new method gives the highest rankings to countries with

small, comparatively skilled populations and national resources. The first in the list is Australia followed by Canada, Luxembourg, Switzerland, Japan, and Sweden. The USA ranks 12<sup>th</sup> on the list. Pakistan is not among the top twenty nor is it among the bottom 20 which includes India, Nigeria, Bangladesh, Nepal, Vietnam, Ethiopia, Tanzania, etc. The World Bank conclusions need to be stressed. Rich countries became prosperous because they followed a policy of investing more in human resources. Good environmental policies make sense because they are ultimately good economic policies and vice versa. Apparently, the World Bank is re-evaluating its policies regarding Third World development. Previously the World Bank has been criticized as being uncaring for the environment and the quality of life of the poor. Today the World Bank is trying to be more environmentally conscious and people-friendly. It recommends that the best way for a country to develop and grow is to change attitudes towards the subject. Growth must not only be vigorous but sustainable also. The Government of Pakistan must take a note and act accordingly. Betterment of the nation is not necessarily through a strong defense establishment but should actually mean healthy and well educated people living in peace in neat and clean surroundings. Anything less is a betrayal of the trust the nation has bestowed on its elected leadership. The interim government must take the lead in pushing Pakistan to a newer direction where the social welfare, health and education of the population are emphasized over the defense of the country.

## TAXATION REFORM

The total amount of taxes collected is increasing every year. However, the taxation system needs to be revamped. The tax/GDP ratio in similar countries as regards the stage of development is 18-20%. In the decade of the 1980s the tax/GDP ratio averaged 13.4% and in the 1990s the ratio was 13.8% only. A major problem with our taxation system is that it relies on indirect taxation which is regressive in nature hurting more the poor as opposed to the rich. Direct taxes which are fairer contribute only 26% of total tax collection. The average rate in other countries is 35%. We need to do better in this area. Benazir had correctly lamented once that there was absent in Pakistan a culture of paying taxes. Out of 8 million tax payers in the country some 3 million were government employees and other salaried people whose tax was deducted at source. She accused the businessmen in particular for not paying enough taxes. But what about her own feudal class? Benazir was only half right as the feudal class was also not paying its share of taxes to the state exchequer.

We believe that taxation increases must come from income tax, a direct tax. The Government has committed to World Trade Organization to reduce tariff rates from the current 65% to 35% in fiscal 1996-97. There is pressure from donor agencies to reduce tariff rates. The Government was not able to deliver on the promise in the 1996-97 budget, although Benazir did say that the only solution to Pakistan's problems was in reduction of the debt, tariffs and inflation.<sup>50</sup> Again, action did not match her brave words.

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<sup>50</sup> Dawn June 17, 1996.

Taxation of the corporate sector is being lowered by the Government of Pakistan. Tax on banks is being lowered from the present 60% to 55%, and public limited companies from present 36% to 33%. Revision of tax rates in this sector is welcome news.

A fundamental problem in the tax system is that it has a narrow base. A very small section of the population pays income tax. Tax evasion is rampant because of lax administration and corruption in the revenue departments. In order to reduce the budget deficit to 4% of GDP the Government must raise an additional Rs. 50 billion in taxes. How this money is collected is important. The public demands that the Government must talk the language of principles and not compromise on them. All types of income regardless of source are taxed. Pakistan needs more revenue generation through more taxation not less. The issue is not taxation per se but who pays it and whether it is fair or not. When the rich and the ruling elite do not pay their honest share then why should the others do it? Also, how can the Government exempt farm income for taxation? For the first time Sindh, NWFP and Balochistan have moved in the desired direction of taxing farm income. But, the powerful feudal lobby in Punjab is thwarting Government efforts to bring the farmers under the income taxation net. Thus, agriculture income will also come under the tax net. Not to include income from agriculture is ridiculous and is an indication of feudal power in the country. This is a requirement of basic fair play, equity and even common sense. The major parties must assist in the passage of appropriate legislation in the provincial assemblies.

For the first time, the Federal Government has decided to tax income from the farm sector. It has been proposed that for non-irrigated areas Rs. 10 per acre be collected and for others Rs 25 per acre. The growers of cotton, wheat and rice are likely to pay Rs 200 and Rs 100 respectively. The farm tax being meager is not expected to raise revenue substantially.

Government efficiency depends upon satisfied state servants. The public should demand that immediate relief be given to the state employees as they are already suffering from the ravages of inflation. In future a Cost of Living Adjustment (COLA), like given in Israel, is dispensed yearly to government servants. They are already paid meager wages and this is the least the nation can do for them. Government take measure to contain inflation as it is ravaging the economy and the security of the nation.

The Government should undertake structural changes to control government waste. The office of the Accountant General of Pakistan is given greater autonomy and powers to audit government expenditures and the Public Accounts Committee in the National Assembly be activated to act as a watchdog on waste in state administration. Corruption in government departments must be reduced at all costs.

The hope that land reform will become a plank of the electoral platform of contesting political parties. Radical measures are needed to end feudalism in Pakistan.

The public must stand up for what is right and just because that is an Islamic requirement.

Next Steps:

1. Restructuring of the Central Board of Revenue (CBR) is critical for the health of the economy. Urgent revamping of the tax-collection machinery is required. The following reform measures are taken:

(i) the powers of CBR officials are curtailed. Powers be well defined.

(ii) Simplification of the tax collection process for public benefit. New set of procedures, which are clear-cut, clarified and simple to understand, is adopted. A well thought, pragmatic approach, simplification, and streamlining of procedures will be worked. Consequently, unscrupulous individuals will naturally reduce payoffs, as less discretionary power will translate into less chances of abuse.

(iii) Reliance on direct taxes to be increased. Income tax is the biggest source of revenue. Progressive instead of regressive taxation is encouraged. The rich pay more in taxes than the middle income.

(iv) All sectors of the economy are taxed without exception. This is a requirement of common sense, equity, and justice. The GOP needs to collect more revenue not less, and therefore the tax net is widened.

(v) The abuse of the SRO system in granting undue concessions will be further curtailed.

(vi) The Pakistan Revenue Authority will be established within two months, after the necessary law is passed by the National Assembly.

## THE GOVERNANCE ISSUE

### 1. Background

The GOP has formulated a vision of good governance which seeks to create a new partnership between the government, the private sector and the citizens. A government, small but effective, decentralized, responsible, customer oriented and professional will be reinvented. A paradigm shift from infrastructure creation to knowledge creation and its utilization is envisaged.

The GOP wishes to create a new politics, clean, stable, decent, and based on respect for the Opposition, for business, for the mass media, for academia and civil society institutions. A new economy to transform the inward-oriented, state driven, low-tech production structure into a dynamic outward-oriented, technologically competitive,

partnership-based system driven by market and quality concerns. A new society characterized by the Islamic values of honesty, caring, innovation, team-play, duty, tolerance, respect, courtesy, excellence, quality, discipline and trust.

Improvement in governance is not something new to Pakistan. Since independence, as many as 26 commissions and committees have looked into the issue. While recommendations of these committees and commissions did make a difference in some areas, there are still structural flaws that need to be addressed. Common themes recurring in the reports of the committees and commissions are:

- (i) Corruption: Because of the discretionary power at various levels of government, unfair considerations, motivated by illegitimate financial transactions or political and personal favors creep in.
- (ii) Inefficiency: Public institutions fail to adequately provide law & order, justice, education, health, civic services and public utilities. Those responsible for running these institutions perceive themselves as rulers and regulators rather than service providers and accountable to their clients.
- (iii) Ineffectiveness: State institutions become ineffective when it comes to meeting new challenges thrust upon society by changing local and international environment, new technology, social climate and expectations.
- (iv) Inaccessibility: The system is not participatory and the plans and policies are formulated without consulting those who are affected by those policies.
- (v) Intractability: The public sector has grown out of proportion. It operates in areas which should be left to the private sector and even within its own legitimate areas of operations it can operate with a leaner strength.
- (vi) Lack of motivation and incentives: The incentives and motivations offered by the public service system do not attract the best people. It does not motivate them to improve personal skills or to work towards excellence.

In 1997, the GOP set up a Commission for Administrative Restructuring (CAR) to recommend measures for the restructuring and rightsizing of the civil service. The CAR has reviewed the staff strength of all federal ministries and divisions for the purpose of rightsizing, professionalization, and corporatization. The chairman, CAR shall soon present the report to the Cabinet.

The provincial governments are also engaged in number of initiatives for the promotion of good governance and institutional reforms. These initiatives have strong support and commitment of the federal government. Close inter-linkages between the G3 and the provincial governments are expected in the future in the form of counterpart good governance unit at the provincial level.

Bad governance by previous regimes has resulted in the breakdown of the service delivery system. The public service did not have an adequate responsive mechanism to cater to the needs of the society. The GOP wishes to make a public sector performance oriented, efficient, effective and responsive to public needs. It also wanted to build a collaborative mechanism of governance between stakeholders and citizens. The GOP aimed at creating a public service that not only fulfills the demands of citizens but is also capable of meeting the requirements of the coming century. A wide range of reform and re-engineering of the public administration system is required. The GOP will carry out the task with great earnest. The implementation of the reform program will involve comprehensive planning and a reasonable time period. The main emphasis will be on improving standing mechanisms and finding more effective ways of enforcing these mechanisms.

The G3 serves as a focal point for the development and implementation of good governance reforms agenda. The first step in this direction is the creation of basic awareness of key issues among the stakeholders, development of common language of discourse among them, and creating ownership of the reform agenda. The G3 set the stage for meaningful discourse and debate reforms through conducting seminars, workshops and conferences of stakeholders. During 1998-99, about 40 workshops, conferences and seminars are held in which several thousand stakeholders belonging to various sectors of economy both in the public and private sectors participated. The GOP treats good governance as a strategic capital for the future development of Pakistan. Therefore, the Ninth Five-Year Plan includes provisions of good governance in each and every sector of development. The process of broad-based stakeholders' consultation has helped in the contextualization of the governance issues to Pakistan. On the basis of recommendations of the G3 consultative meetings in 1998, the Prime Minister has set up seven reform implementation groups with a six month mandate, one each on criminal justice, local government, police, science and technology, state-owned enterprises, management and renewal of urban areas, and the civil service. These reforms groups are examining the recommendations of the G3 conferences, identifying issues for in-depth studies, preparing action plans for the future, and monitoring progress in the implementation phase. The provincial governments are also engaged in number of initiatives for the promotion of good governance and institutional reforms. These initiatives have strong support and commitment of the federal government. Close inter-linkages and cooperation between the federal and the provincial governments are expected in the future. The GOP has formulated a strategic reform agenda in various areas.

## 1. CIVIL SERVICE REFORMS

We are caught in a new era that is characterized by high rate of change. Governments have to keep pace with the great sea of changes enveloping them. These changes are taking place everywhere. These changes, highly complex in nature, have created enormous problems for all systems of governance, especially in countries like Pakistan. Government systems can age and become irrelevant for the purpose of solving current problems, or in benefiting from opportunities available of late.

Pakistan, for example, is one such political system. Re-structuring of entire administrative systems is the need of the hour. We can learn from mistakes committed by others. Many countries have progressed remarkably in the march of re-engineering government systems. Experiments in altering public sector institutions have employed different institutional models. Re-engineering government involves restructuring public organizations and civil service systems. Organizational sizes, purposes, incentive assemblages, accountability procedures, authority distribution patterns, even organizational culture is changed. In order to achieve efficiency, effectiveness and fairness in public organizations fundamental change is required. Plus, these changes must be undertaken in such a manner that ensures the development process remains unhampered by lapses and shortcomings in present administration structures.

There is a general apprehension that good governance requirements are not being met. Governments in many countries, including Pakistan, are trying very hard to improve efficiency, transparency and accountability of their personnel and agencies. What are the causes of government failures? How best to improve governance? How can the public sector be made more efficient and effective? These issues are being debated earnestly the world over.

The contemporary challenge is to formulate a reform strategy in which sequencing and prioritization are carefully laid out in advance. For example, goals, objectives and performance criteria of government agencies must be elaborated before any structural change is incorporated in the design of the system. Then, only a few critical agencies have to be taken up for detailed reforms. Early success, though modest, is critical for building credibility of government reforms measures. The central plank of good governance efforts is the reform of the civil service system. Essentially, this is seen as prerequisite for public sector reforms. However, civil service reforms are notoriously difficult to undertake. This is not unique to Pakistan.

The GOP recognizes the need to increase effectiveness and efficiency of its administrative system. Lack of timely, reliable and accurate information is considered as constraint in efficiency of government operations. The GOP is prepared to launch a major institutional reform initiative to introduce accountability in the administration. It is keen to provide information that is previously denied to the public. This is to ensure accountability and transparency in its administrative system. The GOP realizes that the on-going and planned interventions have to be designed and implemented within a strategy framework of reform initiatives.

Even after more than fifty-seven years of independence, the civil service has not been able to come out of the shadows of the colonial era. Colonial administration focused on law and order, the extraction of taxes, and export of primary commodities. The social and economic needs and desires of the 'native' population attracted minimum concern. Power is vested in the hands of small elite. Although, the colonial legacy varied from country to country a common set of features can be identified: ambiguity about the roles and relationship of politicians and public administrators; a tradition

that senior civil service appointments should be allocated to generalist administrators, rather than to those having technical background; relatively high level of non-salary compensation for middle and senior level officers (for example free or highly subsidized housing); limited consultations with the public and little recognition for a role for the media; a reluctance to provide information to those outside of the administration; an emphasis on written communication and processing paper; an undue emphasis on the role of the office, rules and procedures rather than accomplishment of assigned tasks. To some extent, the colonial style of administration is still in vogue in Pakistan. Thus, we are behind the times. That is dreadful. Several previous attempts at reform failed to make a difference. Red tape and mal-administration is now legendary in public administration. The requirements of the contemporary era dictate the need for establishing an effective and efficient public administration.

Pakistan has a weak administrative apparatus. Problems with the administrative setup include poor planning, waste, mismanagement, inefficiency and the absence of a work ethic. Malfunction is the norm and not the exception in the bureaucratic structure of the country. Overlapping of jurisdictions and the absence of clear-cut demarcations of authority and administrative control has wrecked havoc with government performance. Independent observers agree that the overall performance of the GOP is poor or lackluster at best. The gap between policy-making and policy-execution is wide partly due to the politicization of the bureaucracy and the generally low quality of state personnel. Government restructuring is haphazard and ill planned. During the second Benazir rule the Prime Minister's Secretariat seemed to be the only functioning institution in the government. Over-centralization of powers in the hands of the Prime Minister has also made matters worse.

The government apparatuses are still in a mess with no easy solution in sight. A careful study of the problems of governance may yield insights of what is wrong in government and why? A detailed analysis is beyond the scope of the present study. All agree that bureaucratic red tape in the civil service is now legendary. People are sick and tired of administrative inefficiency, unresponsiveness and arrogance. The efficiency and effectiveness of government departments are getting worse not better, with very few exceptions. The need for re-engineering the system of governance is being felt by many in Pakistan. It is unanimously agreed that the existing system is failing to deliver the services demanded by the general public. Every one acknowledges this stark fact. Perhaps, never in the history of Pakistan has public perceptions been so negative about the bureaucracy. Problems have piled upon each other with no quick solution in sight. Obviously, there is some hyperbole in the print media that adds to public frustration and anger at government departments. Nevertheless, public frustration is real and increasing.

The background of many evils present in the system is improper incentives and controls. A plan is needed to improve the functioning of the entire public sector. First, specific problems have to be identified. For example, in the area of finance they are highlighted as:



- \* Financial management is poor and needs to be revamped.
- \* Regulations for maintenance of discipline are not systematically enforced.
- \* Dictates of accountability require civil servants to abide by laws and regulations pertaining to finance and other public spending.
- \* The GOP has to ensure that funds are managed efficiently and in a productive manner.
- \* Performance audit is weak and needs to be reinforced.
- \* Knowledge and skill in financial management is poor.
- \* Effectiveness of Financial Management in Public Sector Agencies

How do implement reform measures? Known measures will be introduced to enhance effectiveness of financial management in public sector agencies. For example, these efforts can focus on the implementation of improved budgeting, accounting, and management systems.

The performance of the state bureaucracy is not as expected because of some existing structural flaws and bad working practices acquired over time. Honesty, integrity, and hard work are not sufficiently rewarded. Political interference in normal routine affairs of the government services has hurt performance. Moreover, sloppiness, and poor work habits are tolerated and no action taken against bad officers. As a result, performance has suffered.

Next Steps:

The GOP is establishing a new and better civil service by introducing new management techniques and organizational structures. In the future the staff will be better skilled and better trained. A more outward-looking approach, with greater concern for service users, is being adopted. In seeking value for money, the civil service is adopting a more business-driven approach. The GOP is creating a civil service where decision-making at the very top is being democratically organized. It realizes that teamwork is the central characteristic of the democratic form of organization. Therefore, the GOP is promoting it. Also, self-responsibility and self-initiative will be promoted in great earnest. The GOP is making a sustained effort to uphold the operationalization of key principles on which the civil service is based: political impartiality, integrity, selection and promotion on merit, and accountability through parliament to the people. The GOP believes that the quest for greater effectiveness and efficiency in the civil service is an unending one. The requirement to maximize the return from finite resources will not go away. The GOP aimed at creating a public service that not only fulfilled the demands of citizens but is also

capable of meeting the requirements of the coming century. A wide range of reforms and re-engineering of the public administration system is required. The GOP is carrying out the task with great earnest. The implementation of the reform program involves comprehensive planning and a reasonable gestation period. Emphasis is being placed not on creating new institutions but on improving standing structures and mechanisms, and finding more effective ways of enforcing these mechanisms.

The GOP is committed to establish efficient, responsive and effective administrative structures in the country.

## (II). ACCOUNTABILITY AND INTEGRITY IN THE PUBLIC SECTOR

Public accountability is essential for maintaining public confidence in government, justifying state activities and ensuring the overall legitimacy of the state. However, the means and modes of such accountability may vary among different societies depending on their historical background, culture and ideology. Accountability can be explained in terms of its administrative, political and economic dimensions. The GOP is convinced that it is possible to make systematic improvements by pursuing a practical strategy to fight corruption in the country.

The GOP has evolved a viable anti-corruption strategy to combat the menace of corruption that comprises of the following actions:

(i) Prevention by repairing corrupt systems and punishing the offenders: The GOP aims at a two-pronged strategy that will not only weed out corruption by punishing the corrupt but also rely on taking preventative measures. Thus, the GOP will emphasize the collection of information in order to raise the probabilities that corruption is detected and punished. The GOP will also increase the social consequences of corruption. It will carry out an elaborate propaganda exercise for the purpose.

(ii) Involving the people in diagnosing corrupt systems: Successful campaigns against corruption must involve the general public. The GOP realizes that citizens can be of invaluable sources of information about where corruption is occurring and that it will consult them.

(iii) Linking incentives to the output: Public sector wages are so low in Pakistan that survival has become impossible at times. Moreover, measures of success are lacking in the public sector, so that what officials earn is not linked with what they produce. The GOP has already announced a Pay Committee for the wage structure of the public sector employees.

(iv) Democratization and constitutionalism: Strong legal and open government institutions help in controlling corruption considerably. Proper functioning of all state institutions can forcefully check arbitrary behavior and corrupt practices. With a strong public check on behavior of officials through institutions like the parliament and judiciary corruption will decrease. The rules have to be effectively enforced.

(v) Revamping training in the public sector: Trained and efficient public service will help reduce corruption and as such the reform of overall government structures will indirectly have an impact on incidence of corruption. The FIA will be strengthened and involved more aggressively in fighting corruption.

(vi) Promoting the media's "watch-dog" function: A vibrant media can help control bribery by exposing graft in government offices. Such investigative reporting will be encouraged and rewarded by the GOP. The media can become an ally in the fight against corruption.

(vii) Revamping GOP auditing services: GOP auditing services are being revamped and after the strengthening of the Auditor General Office reports will be available for timely action and as such the normal accounting and legal arm of the GOP will become a potent instrument to fight corruption. Revamping the police services, courts, and civil society will also help eradicate corruption.

(viii) Revamping of the Central Board of Revenue: Tax administration is a key area and is a fundamental prerequisite for success of the tax initiatives taken recently especially, when the tax rates have been lowered in the hope that more tax revenues will be collected. The GOP intends to identify a few big tax evaders and corrupt officers and give them exemplary punishment.

(ix) Economic measures enhancing deregulation and privatization: Any reform measure that increases competitiveness in the economy is expected to reduce incentives for corrupt behavior. A monopoly enterprise gives no choice or an alternative for the consumers to exercise and as such GOP intends to break monopolies in both the public and private sectors. The GOP has already established National Electric Power Regulatory Authority (NEPRA), Pakistan Telecom Agency (PTA) to ensure that inefficiency of the public agencies is not transferred to the consumers. Securities and Exchange Commission has also been established to oversee the proper functioning of stock exchange market. The GOP is committed to privatize all the commercial activities now under the public sector. Hopefully, it will be able to sell some of its financial institutions fairly soon.

The National Accountability Bureau, under the control of the military, has initiated an accountability process designed to expose previous wrongdoing, recoup ill-gotten gains, and restore public confidence in government institutions.

After the takeover of WAPDA by the Army in January, line losses have reduced and electricity arrears recovered. As much as 1,200 mw electricity amounting to about Rs. 9 billion have been saved. WAPDA has announced that 2,500 to 3,000 mw of energy will be surplus by the end of the year.

The induction of 5000 Khidmat Committees throughout the country helped bring thousands of corrupt officials to book. The scope of the anti-corruption law is extended across the board.

The GOP with the help of the Army launched a campaign against ghost schools and fake appointments. It has revealed that about 15,000 teachers might face punitive measures in public schools.

A consistent campaign against cheating in examinations has comprehensively eliminated the problem in examinations. The GOP's successful crackdown on cheating in the secondary and high secondary certificates examinations. Several reform measures have been taken to revamp the examination system. New Examination Authorities have been established to monitor the system. Punishment for cheating has been increased. Concerned officials have been empowered to curb malpractice in summary fashion and tackle law and order situations. The GOP has decided to take stern action against the officials involved.

Public accountability is essential for maintaining public confidence in governance, justifying state activities and ensuring the overall legitimacy of the state. An individual performs best in an organizational culture that is rewarding, and fair.

It is possible to make systematic improvements by pursuing a practical strategy to improve integrity and accountability in the public service.

#### I. HUMAN RESOURCE DEVELOPMENT (HRD):

Personnel management weaknesses are accentuated by problems of finding the right man for the right job. Some major areas of weaknesses have emerged as problems have surfaced in the fields of economic management, debt management, financial management, project management, tax administration etc. There is a critical need to reengineer the services and training of Government officials in order to meet the challenges of the 21<sup>st</sup> century. In order to achieve excellence in the public sector the Government shall carry out the following reforms:

The following reform measures should be considered.

(a) The CSS examination system selects qualified graduates through an open competition. However, much more needs to be done in the area. The exam is being improved by making it more difficult, exact and relevant to the needs of the contemporary Civil Service. For the time being, the GOP is encouraging the best applicants from all backgrounds. In time, it is going to gradually increase the proportion of recruits with a scientific background, especially social sciences.

(b) The training of newly recruited officials at the Civil Services Academy is being revamped. This emphasis is an integral part of the GOP's effort to increase the quality of the Civil Service at every level, including the entry-level.

(c) Secondments or deputation appointments are being encouraged. This also included using private sector secondments in departments and state enterprises on an ad hoc basis to work on project teams. Such exchanges contributed towards better communications and a better mutual understanding of both the needs of the GOP and the business sector. But, just as importantly, they brought fresh insights, specialist skills and different attitudes into the process of government itself. The GOP is the richer for this experience.

(d) All departments and state enterprises shall keep their skill-base under continuous review and shall take actions to recruit and develop staff to meet changing needs. There are four areas in particular where action is needed in pursuit of departmental objectives: -

(1) A sustained commitment to awareness training and development opportunities for senior staff to help them understand the environment in which they are working and keep pace with external developments, for example in relation to scientific and technological change;

(2) A flexible approach to recruitment particularly at senior levels.

(3) The continuing development of a stronger managerial culture. More emphasis on professional management training and qualification. The new emphasis shall be on developing awareness training opportunities. An increased awareness of the context in which the civil servants work is important for staff at all level. The staffs in departments and state enterprises needed to understand better the impact of the services their organizations provide.

The pace of technological change means that there is an ever-increasing need for the public services to be fully aware of development that may impact on their future work. This is particularly true for development in engineering, technology and science and technological understandings enabled individuals to be intelligent workers. They could better see potential for improving working practices and service delivery. Awareness training also improved understanding of the international environment in which staffs work. In addition, a proper appreciation of the significance of core values of the public service is to be kept in the forefront of the minds of civil servants.

All departments shall identify areas where senior staff and the organization will benefit from better awareness training and will target training as appropriate, from seminars of all staff or for particular groups of staff to customized induction program for individual taking up new postings.

(e) The CV's of all officers are being maintained in a centralized computer database and are used in making plans for postings and transfers, in accordance with various job descriptions and clearly defined Terms of References (TOR).

(f) Streamlining corruption laws, departmental rules, E&D rule for discipline in departments is being emphasized.

(g) The ACR system is being modernized. An appraisal system, which places emphasis on a more comprehensive, fair and objective evaluation of annual work outputs and performance of civil service personnel, is being designed. Work of an individual is measured in terms of time spent, quantity and quality of outputs. Detailed weightage be given for key activities in different categories of employment. The ACR form is being revised to suit the change requirements of various public services. The ACR will be made available to the assessed. However, third party restrictions are still applicable (i.e., no other person will have access to the ACRs, other than the assessed).

(h) The policy of the “Big Shuffle”, a remnant of the Martial Law era and a standard practice in Third World authoritarian regimes, is discarded. The shuffle alluded to constant transfers of state officials, which created great uncertainty, anxiety and apprehension in their minds. In the past officials has to endlessly maneuver to get next postings “fixed” or to stay in their place for long. Deliberate transfer of some officials from place to place has wrecked the efficiency and morale of the public service. Efficiency of all government operations suffered as a result. Therefore, all too frequent transfers are being prevented. All appointments, postings are for a minimum fixed period and free from external pressures. Tenure of posts is being provided.

(i) The inequity in the present system of fringe benefits is being discontinued. Monetization of fringe benefits is being started in phases.

(j) Special pay increments are being provided to efficient and hard working officials whose performance is found to be consistently excellent for a minimum stated period. Performance contracts are being instituted at the most senior levels of the government on the basis of which a system of bonuses is being put in place. For example, most heads of state enterprises and autonomous organizations will fall under this category.

(k) Formulation of work targets and responsibilities for each individual officer (a job description) is being formulated. The work target of every officer is being established through the mechanism of an open discussion between the supervisor and the officer to be appraised, like done in the Army. The annual work target of an individual is set only after the targets and performance indicators of the organization have been established.

(l) Clear career paths are being determined and overall across the board career planning is being strengthened.

(m) The new approach assumes that civil servants are worthy of trust, are generally honest, capable and desirous of excellent performance and that the reason they are not

able to do so is because of the dearth of appropriate rewards. Instead of emphasis on negative sanctions the GOP is emphasizing an elaborate incentive and reward system for promoting excellence in the public service. Thus, the priority is on the "carrot" side as opposed to using the "stick" side only. Also, building trust is a fundamental value of any good governance system. This does not mean to suggest that punishment is being ignored altogether. Far from it. The GOP is streamlining and strengthening, wherever possible, corruption laws, departmental rules and procedures, and E&D rules. Strict discipline is being imposed in all state institutions. Discretionary powers of officials are being curtailed and will be eventually eliminated. The power of federal ministers to take disciplinary action against recalcitrant officials is being augmented. The current practice of designating officials as an Officer on Special Duty (OSD), purely as a form of mild punishment is ended. Thus, corruption and sloppy work is being punished more effectively.

(n) Training needs to be revamped throughout the civil services and brought under better control. For a meaningful improvement in this area, the GOP has established the National University of Public Administration (NUPA). The NUPA is the primary agency in the area of civil service training. Other functions of NUPA are:

- (1) Coordinate all training and research activities in the public sector
  - (2) Conduct examinations for officials in the public sector
  - (3) Award diplomas, certificates and other academic distinctions
  - (4) Confer degrees on persons who have carried out independent supervised research, under prescribed conditions. Degree candidates will have to complete relevant course work elsewhere and have to pass a written qualifying examination.
  - (5) Institute and award research fellowships, assistantships and scholarships.
  - (6) Undertake quality research on issues of governance and public administration.
  - (7) Establish links with international institutions of similar nature for conducting joint research projects.
  - (8) Collaborate in establishing joint training Programs with foreign institutions.
- (o) A new system of pay progression to reinforce the arrangements for merit-based incentives and rewards and as such introduction of an accelerated promotion Program is under consideration. Reforms in this area included revision of the existing service rules/promotion procedures which catered for accelerated promotion of public servants whose high performance in examination, training courses, attainment of the objectives of the organization and high rating for individual qualities, qualify them for it. An ACR system placing emphasis on a more comprehensive, fair and objective evaluation of annual work outputs and individual performance is being designed.

(p) The GOP has decided to vest FPSC with the authority to make all appointments in BS-11 to 15 under the Federal Government. The FPSC is presently empowered to make all appointments in grade 16 and above. The provincial governments has also been advised to follow in the center's footsteps by delegating similar powers to their respective public service commissions so that recruitment could be made on merit.

(q) Lateral entry into the government services is allowed once again. Jobs requiring skills and experience more readily found in the private sector are recruited directly. Exchange of personnel between the private sector and the public sector is being encouraged. The GOP believes that rigid boundaries between the two sectors are not conducive to better mutual understanding and appreciation.

(r) The GOP has met the long-standing demand of the government employees for a salary increase. It recently announced a 25% rise in basic salaries of all government employees up to grade 16 and 20% increase for grade 17 and above. The total wage bill is estimated to be at Rs. 100 billion.

(s) In order to achieve excellence in the public service the GOP is implementing a strategic program to develop human resources in the public service. For the purpose international standards for the effective training and development of an organization's employees will be employed. A competency and skills audit scheme is being initiated to determine the training needs of all the departments. A dialogue has been initiated with the corporate sector for incorporating their best management and human resource practices into the public service. The GOP shall identify good practices and develop it further in other departments, wherever possible.

(t) All departments and state enterprises shall keep their skill-base under continuous review and take actions to recruit and develop staff to meet changing needs. It will be necessary to raise the level of skills, awareness and flexibility of the staff at all levels across the public service.

(u) The training programs should give all individual civil servants more responsibility for their own career development. The GOP wanted all state enterprises to develop training programs that fulfill the following conditions:

∇ Training programs have been designed by employers and are based on existing best practice, against which organizations can be assessed.

∇ They offered focused training and development of the staff to achieve organizational goals.

∇ Action to develop and use necessary skills in a well defined and continuing program.

∇ Evaluation of progress towards goals, value achieved and future needs.



(x) The GOP shall give a high priority to cost-effective, better-targeted training, which offers value for money. It shall provide open and distance learning options offering flexibility.

(y) All departments must fulfill the requirement that the training and development of all employees at all levels are to be addressed. For many organizations, the major benefit of the approach should arise not from examining the roles and needs of senior management, but from focusing on the roles of the majority of their staff, and providing them opportunities to develop and grow in line with the organization's needs.

The following benefits are to be demonstrated by a sharper focus on training and development:

- Higher productivity.
- More skilled workforce.
- Better corporate image.
- Better customer service.
- Motivated workforce.

(z) All departments and state enterprises will set targets, quantifiable wherever possible, for improvement performance in these areas and monitor progress. These targets will reflect differing departmental functions and priorities. For the GOP will be looking to departments to ensure, through their action plans, that they are addressing each important area, as necessary. Overall, in key areas of the public service, the GOP expects to see measurable improvements in:

#### POLICE REFORMS

The police service is notorious for its corruption, high-handedness, inefficiency and sheer ineffectiveness. The entire service system needed radical restructuring. Following measures are being undertaken for the purpose.

(1) The police service is being transformed from a reactive to a proactive organization. It is also being gradually de-politicized. Today the country has a neutral and highly professional police service.

(2) Recruitment, postings, transfers and promotion are on merit only. There will be a proper job description for each rank/post. A strategy for implementation of a new training policy is being formulated. Career development in the service is being linked with in-service training all levels.

(3) Police organizations are being given necessary financial and budgetary autonomy. The police services are to be appropriated financial resources according to its enhanced role as an agency dealing with national security.

(4) Police performance at the grass- roots level is being improved by the following actions: reorganization of duties on a functional basis, by clearly defining role and responsibilities of all individuals; discouragement of rampant transfer of investigations; improvement of technical capability of officers, fixing tenure of postings, rationalizing emoluments of officials, rationalizing the time scheduling of police officers, performance evaluation and strict discipline.

(5) Community policing systems are being established. A pilot project has already been initiated in Abbotabad. The Punjab Government is also going to introduce the system in the province.

(6) Police services will be gradually decentralized to the divisional level. Eventually, Pakistan will have more than twenty police services. Independent local police services will perform better and be more effective at controlling crime. This viewpoint is based on the following assumptions:

a) The police service recruitment, training, promotion – the entire service will be decentralized and under local control. These different police services will be independent of each other and will not interfere in each other's work. Since the police officials are recruited from the local area, stay in it, know it well, therefore, performance will improve.

(b) For the time being, the new police forces will be under the control of the DMG commissioners. Eventually, they will come under the control of elected officials.

© People will have better access to the top police officials. Better service will increase citizens' support. Civic groups can concentrate more on helping combat crime. The problem of endless postings and transfers will be controllable. Civic groups want to work with the same set of people and do not want to deal with different officers all the time.

(d) The primary coordinating agency will be a provincial government agency. The best way to control the crime spiral is to localize the police function and involve the public in a meaningful way. A case in point is the Punjab Provincial Police. It is simply too large an entity for effective management. The Punjab Police are in-charge of providing protection, police and security services to the whole of the province. The Punjab is nearly the size of France, Britain and Germany in population. It is like having a single IG responsible for the whole of Britain, France or Germany. Simply put this will be tantamount to creating a unitary police service in a federal setup. This is a recipe for disaster and hence the very poor performances of the Punjab police. Punjab is too big and diverse a province for a unitary type institutional arrangement. It has been recommended that Punjab be divided into number of Commissionarates, maybe five, each with its own distinct and totally independent police service. Instead of one we will have five police setups. This will bring efficiency of operations. Shuffling of officers all over the province will be stopped forever. This "transfer business" has really hurt the moral of good officers. In sum Punjab is too big for any

one service to handle easily and in an efficient manner. This logic is applicable for other services also. We have already strongly advocated that there be at least fifteen provinces in Pakistan instead of the current four. Of all the provinces it is the Punjab that, because of its great size, must be first demarcated into smaller units. This requires bold leadership. The GOP must make a move at once. The whole exercise will take several years and the sooner we start the better. Bahawalpur could be made a separate province. At least Bahawalpur must immediacy has a separate police service - a first step on the road of restructuring Pakistan's federation.

(7) The training of the police services is being revamped. Better-trained police officers can only come about if we have better qualified recruits. The educational level of recruits in the police forces is being increased. The thanna culture is messed up because of illiterate policemen; among other reasons National Training Policy is being formulated to overhaul the entire training of the police service.

(8) The investigation aspect of police work is being adequately stressed. Since police investigation is a technical specialty requiring specialized training it will be separated from the normal police work.

(9) The state prosecution arm is being revamped on a priority basis, as it is currently wholly inadequate. A powerful federal Advocate General office is being created with its counterparts in the provinces.

(10) The Police Academy, Sihala will be given the same status as Pakistan Military Academy, Kakul. The same high professional standards will apply. Adequate finances are provided for the purpose.

(11) A separate VIP duty section is to be established so that the regular work of the police staff is not disturbed unnecessarily.

(12) Increase in the numerical strength of the police cadre.

(13) The shift system is introduced with a maximum duration of 12 hours only.

(14) Sufficient funds are allocated for modern weapons, transport system and crime detection laboratories.

(15) Given the importance of the task of crime prevention, salaries are further increased for the entire police service.

(16) Review of the rules, regulations and procedures of the police service. Improvements in the service include: application of merit principle in promotion and transfers; rationalization of time scheduling; community participation to strengthen the service; revamping of training; provision of better equipment; crime fighting capabilities and inculcation of professional values in the police cadres.

(17) The investigation aspect of police work is improved. Investigation is a technical specialty requiring specialized training.

(18) Vehicle thefts be made a federal offence, non-bailable and with severe punishment since it also linked with terrorism, smuggling, drug trafficking and gunrunning.

(19) Police laboratories are obsolete and need to be modernized. Proper training of police officers to conduct criminal investigation is emphasized.

(20) A National Vehicle Registration Authority is established. The pilot project establishing the registration agency in NWFP is replicated in other provinces.

(21) Witness protection programs are introduced, both for security and as an incentive, to those volunteering evidence against hard-core criminals.

(22) Honorary Justices of Peace sitting in collective benches may try all summary cases punishable up to six months imprisonment, not by professional judicial officers who be exclusively tasked to try serious offences. The system be on the pattern of Lay Magistrates in Britain

(23) The total strength of judges and judicial officers is gradually increased to resolve backlog and ensure quick disposal of cases.

(24) A system of reward and incentives to grant special increments, quicker promotion, or choice of posting for all competent, hardworking and honest judges/magistrates.

(25) The courts encourage out-of-court resolution of cases through mediators with the consent of the parties involved, except in some cases.

(26) Uniform laws are applied all over the country, including FATA, PANA, and PATA. and Islamabad Capital Territory.

(27) The “supardari” system that allows recovered stolen vehicles to be used temporarily by various persons will be ceased. In future such vehicles will remain parked on police station premises till the time their original owners take possession of them. Thus, damage and abuse of such vehicles shall be prevented.

## REFORM OF MANAGEMENT OF LARGE CITIES

Rampant urbanization has put tremendous pressure on the GOP to deliver services to an increasing population. Social decay, crime, and loss of community feelings have resulted because of the inability of the GOP to properly handle the situation. Shantytowns, around and in some of the big cities, is proof of a lack or proper planning to manage urban development? Problems has over time piled up and, if let

unchecked, will prove explosive, politically speaking. The GOP believes that the problems in all the cities differ only in quantum, but nature of the problem is the same. The main problems identified are the following: -

1. Conditions of public services are very poor.
2. The capacity of local agencies is limited.
3. Technical quality of public service programs is very poor.
4. Lack of accountable administrative set up at the local levels.
5. Lack of a consistent state policy.
6. Functions of cities are dependent upon appropriate government structures. The mess created in all big cities is the result of non-functioning of elected local bodies.
7. No large city has been able to develop a decent mass transit system, wastage management, parks system.

#### Future Urban Renewal strategies

The GOP is now addressing the issues on a priority basis. Key objectives of a reform strategy are: -

- (1) Urban renewal Programs are being developed for all major cities. Due emphasis is being placed on long-range planning to resolve the myriad nature of urban problems.
- (2) To help control the rapid urbanization phenomenon and to cater for future needs the GOP is undertaking long-term planning of small towns in every region of the country.
- (3) The quality of city life is being improved. Better water and sanitation services are being provided. Current subsidies for essential services are being removed gradually. Subsidies are invariably abused. The poor and needy are being supported through independent poverty alleviation Programs and social security networks, rather than the provision of cheap and subsidized utilities and services.
- (4) Utility services are being overhauled on a priority basis. Currently, utilities like electricity, gas and telephone sector companies are badly managed. Ordinarily, there should be no great problems in management of these utilities. But lack of coordination of these agencies with the local bodies has added to public miseries. Although, WAPDA, which is once suffering from inefficiency, corruption, overstaffing and organized crime, has turned around. Strong action by the Army has helped to clean up the public utility. The control of the “Mafia” has been largely

broken. Similar action in KESC is being contemplated. The privatization of the entire power distribution system will eventually end problems in the area.

(5) Efficient function of cities is primarily dependent upon appropriate local government structures. The mess created in all big cities is the result of an absence of elected local bodies over a long period of time.

(6) Local Governments are being made more independent and effective. They are being encouraged to become financially autonomous by generating their own revenues.

(7) A transport authority is being established in every large city to properly administer an efficient public transport system. Wherever possible, a modern mass transit system is being introduced. The use of cars in congested downtown areas will be actively discouraged. The role of private transport sector is being clearly defined and regulated. Also, the private corporations are being involved in construction of the road systems on a toll paid basis.

(8) Taking immediate steps for the regularization and improvement of Katchi Abadis and slums through self-help and community participation as undertaken in the Orangi Pilot Project model.

(9) Launching credit schemes at the micro-level for home improvement and incremental housing construction for the localities of the poorest of the poor.

(10) Strict zoning of city lands is being undertaken. Residential and commercial are being clearly demarcated. Stiff punishments for illegal use of residential areas for commercial purpose is being meted out under new laws for the purpose. The “Qabza” groups are being eliminated once and for all.

(11) The House Building Finance Corporation is giving out loans to the public that is payable in easy installments stretching for long periods. The working of the HBFC is being streamlined to make it more efficient.

## AREAS OF URGENCY

### A. Revamping of Waste Disposal and Sanitation Facilities:

Current facilities are inadequate, particularly for the poor areas. Past measures have been mostly ill planned and short-term. In collaboration with multilateral agencies and NGOs, the GOP will chalk-out a long-term plan for the purpose. Care will be taken to provide affordable and sustainable services. Use and adoption of appropriate technologies will be guaranteed.

The GOP took immediate action to provide adequate water and sanitation services in all urban areas. Efforts have been made to identify key issues at strategic level rather at tactical or operational level.

#### B. Augmentation of Water Resources:

Pakistan is going to face acute water shortages in the next fifty years. We need to plan ahead. Scarce water resources needed to be better protected. The contamination of surface water and ground water has resulted in threats to public health. Plus the impact on the environment is catastrophic. Therefore, the GOP will undertake a long-term master plan for the purpose of development and protecting our scarce water resources.

#### C. Remedial of Institutional Inadequacies:

The management of our urban areas lacked from many defects, such as:

- Lack of integrated management.
- Lack of standards and appropriate by laws.
- Ineffective monitoring, surveillance and enforcement of standards and By- laws.
- Legal, administrative and social constraints.
- Lack of appropriately qualified management/technical/human resources.
- Insufficient involvement of users and the private sector.
- Centralized planning and management.
- Duplication of institutional work. No clear-cut or well-defined distribution of responsibilities.

The problem of our urban areas cannot be resolved without bringing in drastic changes in the present set up. The people will be allowed, supported and helped to participate in decision-making at the local-level. The issues pertaining to local government has been treated separately.

#### D. Environment Protection Strategy

Environmental pollution is usually categorized into the following four types: air, water, solid waste, and noise pollution. The following are the main causes of the aforementioned types of pollution: -

##### (i) High Population Density:

Concentration of a large number of people in a small area. For example, in the Walled City of Lahore, more than 10000 persons lived in an acre of land. In planned settlements, the Town Planners will control the density of population through density zoning techniques, etc.

(ii) Traffic Congestion:

The presence of a large traffic volume on narrow roads and streets. With population, the traffic volume has also increased in urban areas. For example, in Lahore, the number of registered motor vehicles has increased more than 8 times during the last 15 years, while the population doubled and length of roads increased by 30 percent only.

(iii) Dangerous Living Quarters:

Development of industrial and commercial uses near living areas that may be hazardous to human health. For example, industries and workshops are commonly found in the slum areas of Lahore. Similarly, tanneries are located in the middle of residential areas of Kasur City, which are causing an increased incidence of cancer in the city.

(iv) Inadequate Waste Collection, Treatment and Disposal Sites:

Current facilities of collection, treatment and disposal of solid, liquid and gaseous wastes are inadequate. For example, in Lahore, untreated industrial wastes and raw sewage are disposed off into river Ravi. The smoke and gases are also emitted out of industries without any treatment. Similarly, there is no proper system of domestic solid waste collection and disposal. More than 50 percent of solid waste does not reach the dumping grounds. Some of the solid waste is burnt openly and adds poisonous gases to the air. Tire burning during agitation is also an example of this practice.

The GOP is taking immediate steps to conserve the natural environment and reduce pollution levels in our human settlements. The town planners have a very important role in this connection, since they are responsible for not only planning of a new areas and improvement of existing slums but also for the development control in cities and their rural hinterlands.

The following reform measures are to be executed to ensure sustainable development of urban areas:

1. Decentralization of Central Business District Functions

In order to remove congestion and concentration of traffic in the Central Business Districts (CBDs) of large urban areas, the future growth of cities should be planned according to Multiple Nuclei theory of land use zoning. It means that new local district centers should be established to reduce burden on the main city center. This will reduce movements (i.e. number of vehicular trips) to the existing CBDs and curtail the trip lengths considerably resulting in reduction in the fuel consumption, travel costs and travel fatigue. Local development authorities or municipalities can develop the new local district centers by purchasing land on market price. The additional money generated from this profitable venture can be used to finance the development of trunk infrastructure and open spaced.



## 2. Separation of Civic and Administrative Uses from Commercial Area

The new CBDs can be planned in such a manner that adequate buffer zones in the form of parks and open spaces are created between commercial/shopping areas and the civic and administrative uses. This will reduce concentration of traffic in the CBD areas resulting in reduced level of noise and air pollution.

## 3. Proper Zoning of City Lands

➤ Haphazard and unplanned commercialization of urban areas is ceased. Proper zoning and demarcation of land use for various purposes.

➤ Residential and commercial use of land is clearly demarcated by city governments. Proper zoning of land to clearly demarcate different uses, i.e. residential, industrial and commercial areas. All residential areas are separated from the other two. The industrial areas may be located with a suitable buffer of green areas between them and the other two. Also, the change over of once designated residential areas to commercial use is stopped.

➤ Violation of building regulations is strictly checked. Plus, unambiguous building control regulations are prepared and there are no discretionary powers.

## 4. Pedestrianisation of Commercial and Residential Streets

Some commercial areas can be designated as pedestrian areas by providing parking lots at a suitable distance. Similarly, in high density, low-income areas, lanes can be designated as pedestrian streets with low cost brick pavements. This will help to control the noise and air pollution caused by vehicular traffic.

## 5. Development of Industries and Public Facilities near Rural Areas

In order to reduce the migration trend of villagers towards urban centers for jobs and facilities, there is a need to develop rural areas by locating industries and public facilities such as education and health in rural areas. Moreover, farm to market roads is developed so that rural people may easily commute to urban centers and do not need to migrate to cities permanently. Town planners, at the regional planning level, adopt these policies and activities.

## 6. Provision of Open Spaces and Parks

In all new residential colonies and industrial areas at least 20 percent of the total area is reserved for open spaces and parks so that the air remains clean and healthy. For existing congested areas, small open spaces are procured by purchasing old, dangerous buildings and converting them into small open spaces through NGOs and CBOs (community based organizations).

## 7. Revamping of Refuse Collection and Disposal Services

Provision of refuse depots and bins and location of dumping grounds and incinerators be properly planned in all cities. The local NGOs/CBOs will be involved in proper refuse collection and creation of awareness among people. The recycling and disposal of refuse be done in collaboration with the private sector companies, CBOs and NGOs. A pilot partnership Program is initiated between the CDA and the private sector outfit “Garbage Busters” in Islamabad.

## 8. Development of Workers Colonies

While preparing zoning plans, provision must be made of providing labor colonies near industries, staff colonies near large government establishments, and flats for shopkeepers near the commercial areas, so that distances to work places may be reduced and walking down to the work place may be encouraged. If all new areas were developed this way, the problem of traffic congestion on roads and the resultant noise and air pollution in cities will be reduced.

## 9. Provision of Mass Transit System

In large metropolitan areas such as Lahore, Islamabad, Karachi, Peshawar, Hyderabad etc., mass transit system such as light rail, local bus etc. should be provided in a planned manner. The existing schemes for Lahore and Karachi are to be upgraded for the purpose and also to serve as pilots.

## 10. Development Planning Control

Town planners in all cities are to be appointed for proper strategic planning and development.

## 11. Development of Housing for the Poorest of the Poor

The housing of the poorest of the poor has been neglected. Regularization and improvement of Katchi Abadis and slums through self-help and public participation, as in Orangi Pilot Project model.

Micro credit schemes are initiated for home improvement and incremental housing construction. Provincial and local governments to streamline the scheme.

## 12. Provision of Housing for the Middle-Income Section of the Population

Shortage of housing in the middle income sectors is caused by lack of incentives for private sector participation in the task. A sufficient subsidy in markup for housing loans is provided.

Commercial banks will be encouraged to initiate 20-30 year mortgage loans for individuals to buy homes from private builders. Private builders, banks, Ministry of Housing, Planning and Finance to coordinate in order to start these mortgage schemes on the pattern of those in USA.

(13). Transfer of land costs (Stamp Duty) is reduced to 5% from the current of 20% of value of land

(14) More public-private partnership is formed for urban development. The model in Lahore is duplicated in all other provincial capitals, and Islamabad. The entities should have their own Board of Directors.

(15) The system of Urban Development Authorities like LDA, CDA needs to be reviewed. Unnecessary duplication of efforts at this level is curtailed. Jurisdiction issues remain unsettled and control is not demarcated. Functions of different agencies are not spelled out clearly.

#### PUBLIC-PRIVATE CITIZENS' PARTNERSHIPS

The GOP is creating a vibrant civil society, which it sees as an essential pre-condition for the country's progress. It is aware of the fact that NGOs have played a vital role in the provision of social services and eradication of poverty in various parts of the world and in various communities within Pakistan. Therefore, the GOP is encouraging NGOs and provides financial support to them, especially those working to provide social services and in alleviation of poverty. It is fully committed to strengthen rural and urban grassroots level organizations that are pursuing community development initiatives. In order to improve and strengthen government's delivery of essential services a grand partnership with a number of NGOs and community-based organizations (CBOs) is taking place. Similarly, under the Prime Ministers Literacy Commission, a number of NGOs are being supported to reach the large segment of the population. Also, these public organizations are being involved in meeting immediate concerns of the population including hygiene, family size, health, sanitation and water supply.

The GOP acknowledges the vital role of NGOs in the development process, especially in provision of essential social services in remote rural areas. The GOP is in the process of establishing a sound and transparent enabling regulatory framework for them. It is encouraging a process of debate, consultation and dialogue between itself and the NGOs for developing the required policy framework. The NGOs are being allowed to work independently provided their work does not fall beyond the requirements of the law and public interest. The GOP will not try to control or supervise NGO/CBO activity. It will however monitor the use of funds to ensure proper use in the public interest.

In the past, the GOP is directly intervening to expedite social and economic development agenda of the country. This set up required little, if any, ongoing private sector involvement other than the discrete periodic dialogues. The new paradigm calls for a fundamental change - institutionalizing private sector and civil society involvement in the planning and implementation process. The Prime Minister approved the setting up of Pakistan Business Council, which comprises public and private representatives. The Council is assisting the GOP in planning, implementing and monitoring reforms agenda. Recently, a Pakistan Business Summit, chaired by the Prime Minister is held to encourage participation of private sector in finalization of Ninth Five-Year Plan to make the planning process participatory. Earlier, under the GOP a national level consultation meeting is held attended by over 500 experts and other stakeholders. Thus, the measures helped institutionalize a mechanism of consultation between the GOP and the private sector.

## ROLE OF NGOs IN REFORM EFFORTS OF THE GOVERNMENT

A vibrant civil society is an essential pre-condition for the country's progress. The GOP recognizes that the NGOs have played a vital role in the provision of social services and eradication of poverty in various regions of Pakistan. There are over 10,000 NGOs in the country. The GOP desires to tap into their considerable expertise and resource base for the country's sustainable development. It therefore encourages them by providing financial support. A number of NGOs will be greatly facilitated through initiatives like the Participatory Development Program and Poverty Alleviation Fund.

The GOP is committed to strengthen rural and urban grassroots level organizations that are pursuing community development initiatives. In order to improve and strengthen delivery of essential services it is seeking partnerships with a number of NGOs and CBOs (community based organizations).

Under the Social Action Program II, the GOP is developing public-private partnerships and has selected several NGOs as partners in its participatory development Program. The Program will fund several NGOs and CBOs for development of education and health services in the rural areas. Similarly, under the Prime Ministers Literacy Commission, a number of NGOs are being supported to reach the larger segment of the population. In collaboration with some NGOs, several School Management Committees have been constituted for the administration of public schools.

Several NGOs are being involved in meeting immediate concerns of the population including hygiene, family size, health, sanitation and water supply. Some NGOs has done excellent work in the area and needed to be supported more. The vital role of NGOs in the development process is acknowledged.

The GOP aims at establishing a sound and transparent enabling regulatory framework for NGOs and CBOs. It is embarked upon a process of debate, consultation and

dialogue between itself and NGOs for the development of a policy framework for their proper functioning.

In the area of conservation, the GOP will enter into a broad-based alliance with reputable international NGOs like IUCN- the World Conservation Union and WWF. The purpose of exercise is to chalk out a viable plan of action to protect the environment and promote conservation efforts. Similarly, in the area of sustainable development the GOP will work with AKRSP, Sungi, NRSP, Orangi Pilot project, etc. The GOP will create Divisional Roundtables for Conservation and Development, as explained above. It will also seek collaboration in specific programs. For example, the Sindh Katchi Abadi Authority (an entity set up by the GOP in 1987) can collaborate with UNDP, a district administration in Sindh, and the Planning Commission, to work out collaboration for the purpose of development of a particular division. The purpose is to link the concerned officials of the entire government system - federal, provincial, and district and local governments – with both international agencies like UNDP, WWF, IUCN, etc. and local NGO network. A similar initiative can be started in Peshawar division, NWFP where IUCN, Govt. of NWFP, UNDP, who are already working together for conservation and development.

### GENDER ISSUES

The GOP is cognizant of the fact that Pakistan cannot progress without the development of the females. The 1998 census shows already significant improvement in the status of women over time. Sex ratio has improved from 110.4 males per 100 females in 1981 to 108.1 males per 100 females. Female literacy though still low has more than doubled from 16.0 to 32.6% over 1981-98 period compared to 61.4% for the males. Accordingly, it is committed to eliminate discrimination against women and will effectively try to provide them equal opportunity for development.

The GOP has launched a scheme where women are provided specific credit lines that can only be used by them. The purpose is to help them attain financial independence by having businesses of their own.

The Social Action Program has a strong emphasis on the welfare of the females. The targets for increase in enrolment and schools for the girls far outweigh the schools for boys. The same is true for health facilities. It needs to be noted that water schemes and sewage schemes especially in the rural areas essentially benefit the females.

The following steps have been taken to enhance status of the women and to protect their rights:

- (i) Creation of First Women Bank
- (ii) Establishment of Women Police Force and Women Police Station
- (iii) Appointments of women as judges of the High Courts.

- (iv) Establishment of Family Courts presided by women judges
- (v) Introduction of a special scheme for the welfare of 'mother and child'
- (vi) Introduction of Health Workers Scheme to assist women in rural areas
- (vii) Pakistan 2010 Vision places emphasis on empowerment of role of women. It is a cross cutting theme in the Ninth Five-Year Plan.
- (viii) A national plan of action for women rights has been launched
- (ix) Financial and legal assistance is being provided to all women in distress.

## REFORM OF THE CORPORATE SECTOR

The influence of the corporate sector has increased over the lives of people everywhere. A lot of material affluence has resulted by the dynamic activity of large business corporations. Citizen groups are demanding that earning profits is not enough that corporations need to be socially responsive as well. In other words, businesses are supposed to be more than moneymaking entities and turn into responsible corporate citizens. They must contribute their share towards the protection of the environment and promote sustainable development. Thus, more is expected from them than ever before. Some have responded positively.

Corporations are to be guided by corporate codes of conduct to regulate their behavior. For example, the Conventions of the International Labor Organization protect rights of workers such as freedom of association, the outlaw of slave labor, child labor, and discrimination, and uphold the right of collective bargaining. Generally, the corporations are also expected to promote democratic values and governance wherever possible. The overall global trend points towards ethics becoming a key factor in not only the public services but also the corporate sector. Societal norms are changing everywhere pushing towards reform of corporate behavior.

### The GOP Quest for an Islamic Ethical Paradigm

The GOP desired to introduce an Islamic ethical paradigm in the country's corporate governance structures. What is exactly an Islamic ethical paradigm? Simply, a framework of knowledge and practices springing from the belief that God is perfect, wise, and caring towards all creation. Islam is eternal, universal and has been practiced completely at least once in the early period, and more importantly will be practiced again in the future. This much is the basic part pertaining to faith. From the faith it springs forth all human activity, knowledge sources, and national visions. In other words Islam must guide everything under the sun, so to speak. A common belief among

Muslims being that Islam is a complete code of life where the spiritual and the mundane cannot be separated. The message of Islam covers every activity both at the individual and the societal level. In Islam material existence is not an end in itself it is the path towards God and His mercy. The religion emphasized individual and collective responsibility towards creating a righteous and just society. Hence, the cliché “Islam is the Solution” a common slogan for Muslims worldwide,

## Value Structure:

### 1. Hard work and honesty

The basic rule in Islam is to work hard and earn for yourself and your family. In fact, it is even preferred over retirement in the worship of Allah. The cardinal Islamic value is that of justice and fairness. The Quran commands:

“And the sky He has uplifted; and He has set the measure, that you exceed not the measure, but observe the measure strictly, nor fall short thereof” (55-7-9)

The Holy Prophet commanded that Muslim give a wage earner his due before his sweat on his brow dries up (meaning within no time)

Hard work is preferred in Islam. The Prophet emphasized pride in wages collected through work. He himself worked hard throughout his life.

Honesty and truth in dealings is a strict Quranic command. The Quran commands Muslims to be honest in their business dealings with others and not to cheat, or lie. Muslims are asked to keep promises made and uphold contracts entered with other parties.

### 2. Social Justice

The Holy Prophet always emphasized justice as a cardinal Islamic value. In his tradition, the Khalifah -i Rashidun also emphasized justice in the early days of Islam.

### 3. Peace

The very word Islam comes from the root salaam meaning peace. The mission of the Prophet Muhammad is to establish peace in the world.

### 4. Human dignity

Islam enjoins human dignity to all irrespective to their religion, caste, creed, gender, or economic status. The welfare of humanity is a cardinal value of Islam.

In short, Islam calls for a society based on justice, truth, benevolence, security, peace, good neighborly behavior, and human dignity. The question is why these Islamic values are not seen in our societies today? Why we did not live up to the golden rules of Islam? We will readily concede that Muslims have failed to live up to their own faith. This does not mean to suggest that Islam has failed only that it is never fully tried in contemporary times. What is the Islamic teaching about modern business practices? Earning money honestly, in accordance with the Shariah, is an act of worship in Islam. However, Islam will expect a strict code of conduct to be followed



in this regard. What will be an Islamic Corporate Code of Conduct appropriate for our age? Any code so devised must be enforceable by the state.

### The New Code of Ethics

In our rapidly changing world, universal standards have become ever more essential. Without them, it will be difficult to establish more practical and justifiable forms of governance. Keeping this in mind, the following value code is suggested for consideration:

- \* Justice and fairness to all
- \* Practice honesty in all business conduct. The creation of a corruption-free business environment.
- \* Be truthful in dealing with the tax authorities. Report actual income and expenditures
- \* Practice truth in selling. All deceptive claims by businesses must be curtailed. Meaning that advertisement claims should not mislead and deceive the general public.
- \* Adopt clean business practices emphasizing the adherence of contractual obligations
- \* Business activity that is environment-friendly
- \* No exploitation of labor, especially child labor
- \* Accountability, as a precondition of good governance in the corporate sector also.
- \* Obligation of corporations to give back to the local community, i.e. contribute towards its development
- \* Fairness, meaning that collusion and price-fixing is banned
- \* Exorbitant profit seeking be curtailed in the name of fairness
- \* Contribute to the common good
- \* Consider the impact of their actions on the security and welfare of others
- \* Promote equity, including gender equity
- \* Protect the interests of future generations by pursuing sustainable development and safeguarding the global commons

- \* Preserve our Islamic cultural and intellectual heritage
- \* Become active participants in the GOP's governance initiatives
- \* Work to eliminate corruption.

## DECENTRALIZATION AND DEVOLUTION REFORMS

The issue of decentralization and devolution has attracted considerable attention lately. Out of seventy-five developing countries that have a population of more than five million, sixty-three developing countries are engaged in decentralization. Many countries consider decentralization as “a highly promising method of solving their many problems and using available potential”<sup>51</sup>. Advancement of local development can be full of promise when it is coordinated with the expressed needs of the citizens. Decentralized structures of government offer advantageous circumstances.

It is the comparative nearness to the citizens that permits the naming of relevant local problems that are considered of being of high priority. These problems are included in a development program and solutions are found in partnership with local organizations. Such a methodology has a dispensation for adequate groundwork and dynamic participation of affected local people in the implementation phase.<sup>52</sup>

People everywhere are demanding a greater share in power than ever before. Decentralization is a global trend and local governments have been empowered in many countries in Latin America, Asia, and the Middle East and Africa. Europe and North America already have a tradition of decentralized structures in many countries. The question to be asked is why is this happening? It is at the local level that people contact government departments for meeting their every day life needs. For ordinary people the federal government is far away from their own every day life personal experiences and their needs. It is the local level that matters for them individual and their families.

In several countries, with centralized systems, the local level has been neglected. Despite allocation of money and many attempts of reforms several governments have not been able to provide quality and consistent services at the local level required to improve the standard of living of the people. Kalin explains:<sup>53</sup>

“The failure is often not so much due to a lack of money as it is to the inefficient use of available resources and the inherent difficulties posed by governing from a geographic and psychological distance from most of the citizens...Too often, the central governments activities at the local level are not driven by demand from the

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<sup>51</sup> Marco Rossi, “Decentralization – Initial Experiences and Expectations of the SDC”, *Decentralization and Development* (Berne: Swiss Agency for Development and Cooperation”, 1999), 14.

<sup>52</sup> *Ibid.*, 21

<sup>53</sup> Walter Kalin, “Decentralization – Why and How?” *Decentralization and Development*, op. Cit., 46-47.

local citizens, but rather are imposed on them by agencies that have developed ideologies within the context of the interests of the central government. The people at the local level do not feel any ownership of the activities and may even reject the “gifts” imposed on them. Such lack of responsiveness by the population may come less from the activity itself and from the way it is imposed.”

Centralized systems fail because of a number of factors. First, the problem faced is that of low response by the people. The government activity has been directed from above rather than from demand below. It is common that the local people reject these gifts from the central government simply because they have not been involved in the decision-making process and therefore do not feel that they own these projects. Second, officials employed by the federal government lack knowledge about local problems and needs. They do not understand differences in local needs and conditions because the knowledge happens to be thinly distributed across the entire community are not available to the central planning agency. Even the greatest central planning agency cannot decide whether, in a particular local village case, improving the irrigation system or expanding schooling is more significant at a specific time. Only the local government can decide these things.<sup>54</sup>

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Kalin gives four reasons for strengthening local government. They are:<sup>55</sup>

1. A local body is more accessible and quicker in response. Local services and programs can be more easily adapted to a specific local need
2. The allocation of GOP resources can be done most efficiently the responsibility for each outlay is given to the level of government, which is the most close to beneficiaries.
3. Local development assists in reducing costs. If the locals feel that the money is theirs then the local people are more likely to be watchful over expenditures and to utilize money more efficiently. Also, it provides more opportunity for public contributions to augment a local project.
4. Development programs undertaken with public participation permits for adaptation to the specific needs of the locals. People are ready to give money if they are able to

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<sup>54</sup> See unpublished report by Walter Kaelin, “Legal Aspects of Decentralization in Pakistan”, Pakistan UNDP/SDC, 1998.

<sup>55</sup> Walter Kalin, “Decentralization – Why and How?” *Decentralization and Development*, op. Cit., 49-52.

participate in the decision-making process and feel that the specific project benefits them directly. Involvement of locals increases sense of ownership and responsibility for the program. The public becomes stakeholders in the success of the program. Therefore, they are more likely to invest their resources and time into advancing the goals of the program. In turn these assist in producing superior outcomes rather than if the development programs are decided from distant government agencies. Thus, beneficiaries who possess ownership of a program are also more likely to ensure sustainability. The fact that the locals are involved in the early planning encourages careful monitoring and protection of the results of the planning exercise.

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From the perspective of the ordinary people what do we do that will make a real difference in their lives? How do you bring them the fruits of good governance in a most effective manner? We are strongly convinced that we could do this by creating an effective third tier of government. This tier has to be provided sufficient resources and capacity to meet public needs.

#### Forms of decentralization

Decentralization has various forms. The literature makes the following distinctions:<sup>57</sup>

- \* Delegation: Defined responsibilities transferred to national regional, and ordinarily semiautonomous units of government frequently practiced in the transportation, telecommunication, and energy sectors.
- \* Deconcentration: Given functions carried out by the field offices of a central government organization. For example, field offices of state departments who on the permission of the central government assume the control of certain responsibilities distant to the central office.
- \* Devolution: Meaning the transfer of resources and certain powers to legitimate local governments. For example, provinces, districts or municipalities who are responsible to act on national policy.

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<sup>56</sup> See unpublished report by Walter Kaelin, "Legal Aspects of Decentralization in Pakistan", Pakistan UNDP/SDC, 1998.

<sup>57</sup> Marco Rossi, "Decentralization – Initial Experiences and Expectations of the SDC", *Decentralization and Development* (Berne: Swiss Agency for Development and Cooperation", 1999), op. Cit., 17-18.

\* Economic decentralization: Meaning the deregulation of central government control, and the carrying out of strategies to build the private sector and the strengthening of partnerships between government and the private sector.

## 2. The New Initiative of Institution Building at the Local Government Level

The term local government, as applied in Pakistan, is rather misleading because it is really only another form of decentralized government. Although local councils have been elected in the past, they are subject to the control of the provincial governments who could abolish them. This is in line with the concept of local government in Great Britain but unlike that in the USA. The model of local government in the USA is far better than the one in Britain. Firstly, American local governments have far more constitutional protection given to them. Neither the federal government nor the state governments can abolish them like in Britain. We need to give our own local governments that constitutional protection in order to make them effective.

Local governments are concerned essentially with providing services for the local communities like municipal services, primary education and health care. These services are obviously very essential and local governments are given elected councils so that the citizens can have open access to them and get the services they desire. Local problems are best handled locally. Islamabad should not unduly interfere in this area. It can only create unlikely problems like what is happening now. Undue delay is caused because Islamabad or the provincial capital is involved in affairs that are too mundane for their level. We need to apply the subsidiary principle in government. The principle simply says that decision-making should happen at the lowest level possible. In other words, decisions should not go to an upper level (provincial government, or even worse the federal government) than absolutely necessary. Decentralization is the only way out to solve governance problems in Pakistan. Acute centralization and lack of delegated authority at lower levels have created a mess of government in the country. Some indications point to a positive change.

The GOP believes strongly that the past top-down approach needs to be modified with a vital bottom-up segment duly incorporated in the development strategy. Decentralization is the only viable strategy to solve governance problems in Pakistan because it is at the local level that people contact government departments in meeting their daily needs. Accordingly, there is a need for an effective third tier of government backed by sufficient resources to meet public needs.

The GOP has initiated a program to build capacity of the local governments by imparting training to the newly elected representatives and officials to assume greater responsibilities. The work of these institutions will be streamlined with emphasis on research, training and planning. The basic structures are to be strengthened by proper utilization of foreign aid. The Govt. of Punjab is making every effort to enforce financial discipline and utilize available resources in a planned and effective manner.

It is placing emphasis on proper administrative training of the local government staff for the effective enforcement of government policies.

The GOP held a conference with UNDP on “Decentralization of Development Management to Provincial and District levels” in March 1998. The main outcome of the well-attended conference (which included federal and provincial government representatives, foreign donors and NGOs' representatives) unanimously agreed to proceed towards decentralization and underlined its importance for Pakistan’s future. The consensus, inside and outside, government circles is strong. For example, some recommendations in the area are:<sup>58</sup>

Δ Urgency to decentralize both government administrative and development services.

Δ This is needed to improve the equitable access and quality of public services. Political power needs to be decentralized so that it is accountable and responsive to the citizens.

Δ There exists in Pakistan an urgent need to establish a constitutional basis for the third tier of government.

Δ There is a need to establish the management capacity at the local government level. For this training facilities have to be augmented.

Δ A pluralist approach to government is preferable because each province is encouraged to try out various policy innovations at the level of the district. The G3 should establish a national forum where experiences of different local governments are discussed.

#### Anticipated Problems: Lessons learnt from Experiences of Other Countries

Most countries have local government of some kind. But very often they do not perform even the few functions delegated to them. The common problems are:

1. Local governments are more often than not incompetent of in coping with assigned tasks because of lack of capacity. Therefore, local institutional capacities must be built, without which any efficiency and fairness in service delivery can be achieved. Enough attention must be paid to institution building when pursuing a decentralization strategy. It is obvious that an improvement of the legal framework in itself will be insufficient and must be accompanied with specific plan of actions to build appropriate institutional structures. Also, if the democratic process of decentralization is to be successful, then it must be accompanied by sufficient in local monetary resources. Every one agrees on this basic fact.<sup>59</sup>

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<sup>58</sup> See Local Dialogue Group, Economic Affairs Division & UNDP, Pakistan report on the conference. UNDP Pakistan published report in April 1988.

<sup>59</sup> Marco Rossi, “Decentralization – Initial Experiences and Expectations of the SDC”, Decentralization and Development, pp. 21-22.

2. In a situation where local governments are given large powers without accompanying resources then failure can be dramatic. The central government is in the position to blame the local government for the failure.<sup>60</sup>

3. In the case of unclear delimitation of powers and overlapping of activities between the local government and other governmental levels causes problems or even paralysis. This results in the public's loss of faith in the all the governments.<sup>61</sup>

4. Lack of accountability and transparency breeds corruption. This is particularly true when information about state accounts is not accessible to the public, and there is no legislation to that clarifies the authority and responsibility of the different institutions involved in the local governance process.

5. Excessive control by the higher levels of government causes delay. Planning procedures are very complicated and slow that leave no opportunity to local governments to prioritize. Very often, local governments must get approval for all expenditures undertaken above a minimal level. In such a situation local initiative is warped.<sup>62</sup>

Some important proposals under consideration are:

(1) Security

The Constitution should be amended to give proper constitutional security to local government. The current constitutional provision for local government is extremely weak. As a matter of fact it is hardly more than a mention in passing and no more. Local governments have to be protected from future dissolution and suspension in order to ensure continuity. Local governments cannot function properly if their very existence is in jeopardy.

(3) Sufficiency of Resources

For the democratic process of decentralization to be successful a sufficient amount of monetary resources has to be provided. Every one agrees on this basic fact. Therefore, adequate resources are made available. This requires a guarantee of financial autonomy. Guaranteed income by transfer of a portion of provincial as well as federal revenue collections.

(4) Autonomy

No excessive control by the higher levels of government. Planning procedures to be simplified and made quicker. Provide ample opportunity to local governments to prioritize. Local governments will not be required to get approval for expenditures undertaken above a reasonable level. Local initiative is to be encouraged. Therefore,

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<sup>60</sup> Walter Kalin, "Decentralization – Why and How?", *Decentralization and Development*, op. Cit., 55

<sup>61</sup> Ibid.

<sup>62</sup> Ibid, 56.

the possibility of independent deployment of resources is increased. The GOP will provide necessary support for tackling the issue.

(5) Transparency Accountability

As lack of accountability and transparency breeds corruption. The most significant role by local government institutions is to regulate the services of the line agencies and create a system of dual accountability by becoming truly representative bodies. This could provide support to local governance through active participation of communities. The main strength of these institutions will come through their active role, maintaining their credibility which will provide them a status, respect and thereby they will be able to effect change and influence local level institutions including government. These institutions can go a long way in improving the local conditions by creating awareness among the masses at the grass roots and extending their help to control and better manage resources, and participate in development programs. Therefore, information about state accounts is accessible to the public.

(6) Clear delimitation of powers and jurisdictions at the local level. No overlapping of primary jurisdiction between the local and other higher governmental levels. Demarcation of municipal, development and other functions, especially in urban areas to be undertaken on a priority basis. For example, in Lahore all agencies like ISA, TEPA, and LDA will come under the Lahore Municipal Corporation under the control of the Lord Mayor. To the credit of the Govt. of Punjab, Lahore is already moving in the desired direction. Other cities need to follow the Lahore model.

### REFORMS IN THE GOVERNMENT SYSTEM

The country is divided into four provinces plus Azad Kashmir and some federally administered areas like FATA and FANA. The highest tier of government is the federation. At the federal level the administrative machinery mainly comprises of the ministries, divisions and directorates. A Minister heads a ministry while a Secretary heads a division. There are currently a total of 34 divisions in the federal government. Apart from the regular federal departments, there are a number of and statutory bodies like the Election Commission, AGPR, Wafaqi Muhtasib (Ombudsman), State Bank of Pakistan, Federal Public Service Commission, etc.; autonomous agencies like AGPR, PAEC, WAPDA; state corporations like PTCL, SNGPL, PIA, NFC, OGDC, PIDC, PMDC, Utility Stores Corporation, etc.

The total number of federal employees, according to the 1996 census, is 662,000, which is 23% of total government employment. The total number of employees in the federal corporations is 424,073, which is 15% of total government employment. The grand total of public sector employees is 2.7 million.<sup>63</sup> It is commonly argued that the crisis of governance mainly stems from centralization of power in the federal government.

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<sup>63</sup> Dawn, May 24, 1999.



The second tier of government is the province. The Governor is the constitutional head of the province and is appointed by the central government. A provincial government is constituted by the elected Provincial Assemblies and headed by Chief Minister. The Chief Minister acts as the chief executive of the administrative machinery. Primarily the Chief Minister and the provincial cabinet conduct the government policy-making in a province. The setup is the counterpart of the federal government at the provincial level.

To facilitate the administrative work, the provinces have been divided into 20 divisions and then sub-divided into 112 districts. A Commissioner heads each division while a Deputy Commissioner heads each district. Perhaps the single most important administrative unit in the country is the district. The Deputy Commissioner, as head of the district, holds powers of the district magistrate and is responsible for revenue collection, coordination, protocol and law and order.

The provincial departments, e.g. communication, education, health, agriculture, irrigation, etc. are controlled by their respective heads called Secretaries, reporting to their respective Ministers. The setup is the counterpart of the federal government at second level.

The total number of provincial employees, according to the 1996 census, is 1.7 million, which is 61% of total government employment.<sup>64</sup>

The third tier of government is the Local Government. In Pakistan, the local government tier is either missing or extremely weak even where it exists for the moment. After a lapse of several years, elections for local governments were held in Punjab in 1998 in which the PML (N) swept all but a few seats in the province. The local governments are starting to function in Punjab. Elections are also held in Balochistan in 1999. Previously, the local government institutions were weak largely because of their particular history, and the disinterest and the apathy of the federal and provincial governments. Effective links with government and the communities, which though have been a part of the cherished goal of the local government institutions, have been missing. Devolution of authority by government to this lowest tier in the system has yet to come. The Local Bodies institutions are based on various Local Government Ordinances. They are essentially a reorganization of Ayub Khan period's Basic Democracies scheme. The idea is to provide the locally elected representatives an opportunity to serve for their constituencies. The local government system in Pakistan consists of representative institutions, which exist at the level of district and union councils for the rural area, and at the level of municipal corporations, municipal committees and town committees for the urban areas. The population size of these areas determines the exact nomenclature of these councils. In every district, depending upon the size of the district in terms of population, there are town committees, district councils and union councils running local bodies institutions.

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<sup>64</sup> *Dawn*, May 24, 1999.

In the provinces the Local Government and Rural Development Department together with the elected institutions form the local government system. These institutions had been involved in technical functions of planning, contracting, supervision, and monitoring of development schemes. Serving as an executive branch of the local government the department oversaw the operation of the local councils. Under the ordinance the local government members are prohibited to contest national elections. The ordinance provides directed elections of the Chairman of all councils for a term of four years, and limits the role of the councils to non-political local governance and rural development. The union council was the lowest tier, with membership elected on the basis of universal adult franchise. The Chairman was elected by majority vote of the members and receives a monthly honorarium from the government.

The Musharraf regime has embarked on a major reform of the local government system. Elected local governments are to be elected before August 14, 2005 for the second time. While the performance of some local governments has been spectacular, many have faltered due to various problems. In some outright corruption has meant that much needed services have not reached the poor of the country. Some are hampered by inefficiency, apathy and inertia which are hampering meaningful development of these vital institutions. Overall, the development of the local government system is a welcome development in Pakistan which holds promise in the future.

#### The Reform Agenda

Pakistan faces an acute crisis of governance. Problems with the administrative setup include: poor planning, waste, mismanagement, inefficiency and the absence of a work ethic. Malfunction is the norm not the exception in the bureaucratic structure of the country. Overlapping of jurisdictions and the absence of clear cut demarcations of authority and administrative control has wrecking havoc with government performance. Independent observers agree that the overall performance of the Government of Pakistan is poor or lackluster at best. The gap between policy-making and policy execution is wide partly due to the politicization of the bureaucracy and the generally low quality of state personnel. Government restructuring is haphazard and ill-planned. During the second Benazir rule the Prime Minister's Secretariat seemed to be the only functioning institution in the Government. Over-centralization of powers in the hands of the prime minister had also made matters worse. We believe that this has happened because of the arrogance and egocentric personality of Benazir. She wrecked the efficient and orderly working of the government at all levels. The Government apparatuses are still in a mess with no easy solution in sight. We believe that a careful study of the problems of governance may yield insights of what is wrong in government and why? We highlight the most salient issues.

#### The Problem of Size of Government

The first problem to be identified is that of mushrooming of government ministries which is happening without any meaningful supportive logic behind the moves. The

Benazir Administration had added nine independent ministries. The divisions constituted or approved by the Administration included: Statistics Division, Culture Division, Minorities Division, Federal Investigative Division, Aviation Division, Zakat & Usher Division, Maritime Division, Human Rights Division, and Intelligence Bureau. The Revenue Division was abolished. This was the controlling ministry of the Central Board of Revenue. It was placed directly under the finance ministry.<sup>65</sup> At the same time the Benazir Government had indicated its resolve of trimming and revamping the bureaucracy in order to make it more efficient and economical. The Chatta Commission, named after MNA Hamid Nasir Chatta who headed it, was looking into the matter. Recommendations had yet to be made public when the Benazir government was dissolved. We believe that the said commission was a mere eye wash.

Benazir had increased government expenditures instead of containing them. Waste, mismanagement and poor planning were the hallmarks of her not to glorious second term. For example, a full-fledged Ministry of Investment was especially established for the first spouse. The Privatization Commission was turned into another full-fledged ministry. The question was why creating more bureaucracies without any good reason? Bureaucracies once created are difficult to dismantle. A separate ministry for human rights was not at all needed. The work could have been handled by the Law Ministry. After all, the whole issue of human rights is part of the larger picture of citizen rights which is a concern of the said ministry. Unnecessary state expenditures were hurting the nation. Benazir was not bothered.

In the current fiscal year Pakistan is already allocating 37% of the budget for debt servicing, 26% for defense and nearly 19% for state administration leaving only a meager amount for development. We cannot afford such a big government in our country. The state should perform only vital functions and leave the rest for the private sector. But rather than cutting government size the Benazir Administration was adamant on increasing it notwithstanding its public pronouncements. The result of the frequent and ill-planned changes in the state setup was surely to add to the difficulty of future governments. We wish to point out that there is inherently nothing decisively wrong or bad in adding administrative structures to the government provided there is enough justification. In 1984 Italy had 28 ministries, Britain 22, Germany 17, while France had a grand total of 42.<sup>66</sup>

In Britain, Germany, France, and Italy new horizontal and control structures have been established alongside then traditional departmental hierarchical structures. All departments have a number of special advisory committees to help them in carrying out their administrative and legislative functions. Exceptionally significant are key ministries like education, finance, defense, public works, and agriculture. For the most part they are committees with a legal status. They vary widely in sphere of action, composition and structure. A common element is the participation of consultants and civil servants from outside, usually acknowledged experts in their

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<sup>65</sup> *The News*, October 7, 1995.

<sup>66</sup> Allum, *State and Society in Western Europe*, op. Cit., 358.

field or representatives nominated by major interest groups active in the particular area. These committees fulfill a very important function in supplying the government with advice and information on technical problems, above all as regards the preparation of regulations and legislation. It is natural that these committees become the focus of various interest groups.

Pakistan must learn from the European experience and develop entry points for outsiders in the decision-making process of the government. We must also institutionalize such public-private collaboration or at least exchange of views at a professional level. Thus the advisory committees connected with the finance ministry must have representatives of the federation of chambers of commerce and industry, representatives of the agriculture lobby, independent scholars from academia, representatives of the stock exchanges, etc. The Health committee must necessarily have experienced medical professionals and, more importantly representatives of the Pakistan Medical Association, and the representatives of the pharmaceutical industry. The federation of journalists and federation of newspaper editors are strengthened in order to assist the ministry of information through their committee. In the education committee the representatives of the federation of university staff associations, federation of teachers associations, etc. will render advice to the ministry. A new Federation of private schools management and another for the colleges and universities is established if not already done so. Committees including independent financial experts from the private sector can work with the Finance Ministry on a permanent and regular basis to render appropriate advice and analysis. A little of this exercise does happen but more is surely needed in the interest of sound financial planning. In short what we are advocating is an institutionalized form of shura, a permanent consultation, which is an Islamic injunction. We must further develop bodies to operationalize this Islamic concept in areas where none existed before. This would be strengthening civil society in the country something which is very crucial for the rapid development of Pakistan.

If Benazir had instituted this practice then she would not have been embarrassed by negotiating with the FCC&I after the budget was passed and not before. By the time negotiations took place the political and economic damage was already done. The exercise should have taken place periodically throughout the year. Future governments must note that consultation is a cardinal principle of good governance. Representatives of the targeted populations of particular sectional interests must always be taken into confidence. Failure to properly consult on time can result in botched and unworkable policy.

### Restructuring of Government Services

Efficiency of government operations depends upon the civil service which is the core of any state administration. Highly trained and competent government servants are needed to carry out good administration. We recommend that the civil service and other government servants be better paid and trained by gradually cutting the size of the state bureaucracies. The savings from these reductions can be utilized to create a

better paid and better trained state bureaucracy. The trend in the Western countries seems to point towards a smaller state bureaucracy. For example, in Britain the civil service strength was cut from 732,000 to 541,800 from 1979 to 1994. Further cuts are planned. Why downsize? The only way to boost sagging morale is to have a better paid and trained civil service. Also, the government services are protected from undue political pressures and interference. Government performance is not as expected because some existing bad practices. Honesty, integrity, and hard work are not sufficiently rewarded. Political interference in normal routine affairs of the government services is unprecedented and hurts performance. The state services need absolute security of tenure in order to resist such unwanted political obstructions. Nothing less than a constitutional amendment is needed to ensure this practice. The restructuring of the system of government is the need of the hour. Pakistan needed a much better administrative setup to fulfill the demands of sustainable development for the benefit of the people. The following suggestions are to be considered:

#### 1. Cut Government Size:

One of the peculiar characteristics of our age is the near universal growth of the public sector reflective of an increase in expectations of government performance. The administration of the state has extended over diverse functions and activities both economic and social. Generally, state budgets have also increased as a percentage of GDP. Is that necessarily bad or good? It is hard to say. In West Europe state budgets increased from around 10% of GDP at the beginning of the century to about 35% in the 1950s. Budgets further increased to about 45% in the 1980s.<sup>67</sup> In the countries of the former Soviet Union the average government spending in 1992 is 45% of GDP but fell to an average of 29% in 1995.<sup>68</sup>

In the case of Pakistan the federal budget has also increased considerably over the decades. The figure for fiscal 1992-93 is Rs. 292 billion. In 1993 the GNP of Pakistan is \$43.3 billion and the budget expenditure totaled \$8.3 billion.<sup>69</sup> The state budget being 19.16% of GNP in that year. In 1995 the federal budget increased to Rs. 434.7 billion. In the current fiscal year of 1996-97 the federal budget totals Rs. 500.2 billion. It has since been reduced. It is a worldwide phenomenon that states are expected to deliver more and more in terms of job security and economic well being of citizens. Nearly all over the world the number of governmental departments or agencies has grown as a result of an enlarged state role. This happened in Britain, France, Germany and Italy, among other countries. In the USA the federal government employees some 3.12 million employees, only 3% of all gainfully employed civilians, but if local and state employees are added then the figure reaches 16%. The comparative figures for Great Britain and France for the early 1980s are lower at 6% and 15% respectively.<sup>70</sup> The GOP like its counterparts elsewhere has also grown over the decades. The question is whether the increase in size of the state

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<sup>67</sup> Percy Allum, *State and Society in Western Europe* (Cambridge, MA: Polity Press, 1995), 359.

<sup>68</sup> "Temporarily tight in Tbilisi", *The Economist*, Aug. 3, 1996, 70.

<sup>69</sup> "Basic Facts", *Contemporary Issues in Pakistan*, Saeed Shafiq, ed., (Lahore: Gautam Publishers, 1995), 11.

<sup>70</sup> Austin Ranney, *Governing: An Introduction to Political Science*, 6<sup>th</sup> ed., (Englewood Cliffs, New Jersey: Prentice Hall, 1993), 303.

has benefited the people in terms of better services and more development of the country? Some are of the opinion that the GOP has become bloated and needs to be cut down to size. Earlier, the caretaker government of Moeen Qureshi (1996-97) reduced the number of governmental ministries/divisions from 46 to 34 made a notable attempt in this direction. The attempt to cut government size failed as the successor Benazir Administration decided to reverse the trimming of the federal government.

The GOP desired to reverse the trend of ever-expanding government machinery. In 1997, Hafeez Pasha, then Deputy Chairman Planning Commission, claimed that it is the first time in Pakistan that the GOP is putting all emphasis on reduction of non-development expenditures by reducing the number of divisions and ministries in the Pakistan federal government. Pasha is then heading a committee on downsizing, which has proposed reduction of ministries from 26 to 18. The committee has also recommended the merger of many departments and divisions. The IMF desired that the GOP remove at least 100,000 out of 275,000 state employees in order to achieve a substantial cut in the expenditure. By carrying out the unpopular exercise will save about Rs. 10 billion annually. Another estimate puts the saving at Rs. 15 billion. The GOP is wary of carrying out the exercise for obvious political reasons. Throwing out people from jobs is never easy for any political government. The same is true for the GOP. However, critics argue that some bold measures are expected by the GOP to prove its seriousness about reform. The GOP will carry out these tough reform measures. We believe that these measures, if carried out gradually and methodically, will have a positive impact on government performance. A guarded optimism is in order because it seems that the GOP means business this time around.

The problem of mushrooming of government ministries needs to be tackled. Today we have 35 divisions. Do we need all of them? Can we do with less? What is the meaningful logic behind the past enlargement moves? These questions need to be addressed. For example, the Benazir Administration has added nine independent ministries. The divisions constituted or approved by the Administration included: Statistics Division, Culture Division, Minorities Division, Federal Investigative Division, Aviation Division, Zakat and Usher Division, Maritime Division, Human Rights Division, and Intelligence Bureau. The Revenue Division is abolished. This is the controlling ministry of the Central Board of Revenue. It is placed directly under the finance ministry.<sup>71</sup> At the same time the Benazir administration has indicated its resolve of trimming and revamping the bureaucracy in order to make it more efficient and economical. The Chatta Commission, named after MNA Hamid Nasir Chatta who headed it, is looking into the matter. Recommendations had yet to be made public when the Benazir administration was dissolved. We believe that the said commission is mere eyewash.

The second Benazir Administration has increased government expenditure. Waste, mismanagement and poor planning are the hallmarks of her second term. For example, a full-fledged Ministry of Investment is especially established for the first

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<sup>71</sup> *The News*, October 7, 1995.

spouse. The Privatization Commission is turned into another full-fledged ministry. The question is why creating more bureaucracies without any good reason? Bureaucracies once created are difficult to dismantle. A separate ministry for human rights is not at all needed. The Law Ministry could have handled the work. After all, the whole issue of human rights is part of the larger picture of citizen rights, which is a concern of the said ministry. Unnecessary state expenditures are hurting the nation.

The caretaker government of Moeen Qureshi who reduced the number of governmental ministries/divisions from 46 to 34 made a notable attempt in this direction. The attempt to cut government size failed as the successor government (Benazir Administration) decided to reverse the trimming of the federal government. Efficiency of government operations depends upon the civil service, which is the core of any state administration. Highly trained and competent government servants are needed to carry out good and clean administration. It is indispensable that the employees of the civil service and other government departments be better paid than what is now the case. The GOP must gradually cut the size of the state bureaucracies and the savings realized can be utilized to create a better-paid and trained state service. The trend in the Western countries seems to point towards a smaller state bureaucracy. For example, in Britain the civil service strength is cut from 732,000 to 541,800 from 1979 to 1994. Further cuts are planned. In Pakistan the total number of state employees' number some 3.5 million. We can and should reduce it by a million or so in year or two. The question is why downsizing? A better-paid public service is the only way to boost sagging morale. Also, the government services should be protected from undue political pressures and interference. Government servants are given tenure so that they can remain neutral. GOP performance is not as expected because of some existing structural flaws and bad working practices acquired over time. Honesty, integrity, and hard work are not sufficiently rewarded. Political interference in normal routine affairs of the government services is unprecedented and hurts performance. We strongly believe that state employees do need the security of tenure in order to resist such unwanted political obstructions. This does not mean to suggest that sloppiness, disregard, and poor work habits should be tolerated. They should not. Strict disciplinary action is taken against all such employees who indulge in these practices. All we are suggesting is that outright dismissal of state employees by political heads without due process of law is made impossible. Nothing less than a constitutional amendment is needed to ensure this development.

One of the peculiar characteristics of our age is the near universal growth of the public sector reflective of an increase in expectations of government performance. The administration of the state has extended over diverse functions and activities both economic and social. Generally, state budgets have also increased as a percentage of GDP. Is that necessarily bad or good? It is hard to say.

In West Europe state budgets increased from around 10% of GDP at the beginning of the century to about 35% in the 1950s. Budgets further increased to about 45% in the

1980s.<sup>1</sup> In the countries of the former Soviet Union the average government spending in 1992 is 45% of GDP but fell to an average of 29% in 1995.<sup>1</sup>

In the case of Pakistan, the federal budget has also increased considerably over the decades. The figure for fiscal 1992-93 is Rs. 292 billion. In 1993 the GNP of Pakistan is \$43.3 billion and the budget expenditure totaled \$8.3 billion.<sup>1</sup> The state budget being 19.16% of GNP in that year. In 1995 the federal budget increased to Rs. 434.7 billion. In the current fiscal year of 1996-97 the federal budget totals Rs. 500.2 billion. It has since been reduced. It is a worldwide phenomenon that states are expected to deliver more and more in terms of job security and economic well being of citizens. Nearly all over the world the numbers of governmental departments or agencies have grown as a result of an enlarged state role. This happened in Britain, France, Germany and Italy, among other countries. In the USA the federal government employees some 3.12 million employees, only 3% of all gainfully employed civilians, but if local and state employees are added than the figure reaches 16%. The comparative figures for Great Britain and France for the early 1980s are lower at 6% and 15% respectively.<sup>1</sup> The GOP like its counterparts elsewhere has also grown over the decades. The question is whether the increase in size of the state has benefited the people in terms of better services and more development of the country? Some are of the opinion that the GOP has become bloated and needs to be cut down to size.

The state should perform only vital functions and leave the rest for the private sector. But rather than cut government size the Benazir Administration is adamant on increasing it notwithstanding its public pronouncements. The result of the frequent and ill-planned changes in the state setup is surely to add to the difficulty of future governments. We wish to point out that there is inherently nothing decisively wrong or bad in adding administrative structures to the government provided there is enough justification. In 1984 Italy has 28 ministries, Britain 22, Germany 17, while France has a grand total of 42.<sup>76</sup> Today, Pakistan has a Cabinet size of 48, which is somewhat large. The total number of effective ministers is only 19, however.

## 2. Increase Avenues for Greater Public Input:

In Britain, Germany, France, and Italy new horizontal and control structures have been established alongside then traditional departmental hierarchical structures. All departments have a number of special advisory committees to help them in carrying out their administrative and legislative functions. Exceptionally significant are key ministries like education, finance, defense, public works, and agriculture. For the most part they are committees with a legal status. They vary widely in sphere of action, composition and structure. A common element is the participation of

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<sup>1</sup> Percy Allum, *State and Society in Western Europe* (Cambridge, MA: Polity Press, 1995), 359.

<sup>1</sup> "Temporarily tight in Tbilisi", *The Economist*, Aug. 3, 1996, 70.

<sup>1</sup> "Basic Facts", *Contemporary Issues in Pakistan*, Saeed Shafiq, ed., (Lahore: Gautam Publishers, 1995), 11.

<sup>1</sup> Austin Ranney, *Governing: AN Introduction to Political Science*, 6<sup>th</sup> ed., (Englewood Cliffs, New Jersey: Prentice Hall, 1993), 303.

<sup>76</sup> Allum, *State and Society in Western Europe*, op. cit., 358.



consultants and civil servants from outside, usually acknowledged experts in their field or representatives nominated by major interest groups active in the particular area. These committees fulfill a very important function in supplying the government with advice and information on technical problems, above all as regards the preparation of regulations and legislation. It is natural that these committees become the focus of various interest groups.

### 3. A New Federal Setup is needed:

Pakistan needed a new federal set up. It has been commonly argued that the current one has failed in many respects, especially in uniting the young nation. Comparative analysis indicates that the number of constituents units in a federation does have an important impact upon its effectiveness and operation. The fact that Switzerland has 26 cantons, Germany has 16 landers; Canada has 10 provinces, and the 50 states comprising the USA did explain different overall performance.<sup>77</sup> Recently the Russian federation has adopted a new constitution that has 89 constituent units. Federal systems are suited for either very large countries or ones, like Pakistan, that have numerous ethnic, cultural and linguistic cleavages. Gunlicks points out that a study of Belgium, Spain, Russia, India, Canada, Yugoslavia, Czechoslovakia, and South Africa indicates that the most significant factor behind the establishment of several federations is linguistic, ethnic, religious or racial strains, real or potential.<sup>78</sup>

The Malakand tribal belt is unlike cosmopolitan Karachi, and the Potahar region in northern Punjab is dissimilar to the Seraiki belt in the south of the province. Hence, a new formula for federalism needs to be adopted. Pakistan will not be the first or the last federation to change its setup. India did it so can we? From only 12 provinces at the time of Independence India have gone up to 29. We must realize that all countries evolve new political structures to solve their conflicts and that there is nothing sacred in the current federal setup of Pakistan. If by discarding the current setup we are able to lessen our problems of governance then we should not hesitate to incorporate the necessary changes. Also, there seems to be an increasing consensus in the country for changing the current federal structure. In fact Pakistan has too few provinces for its size and is a glaring exception in this regard. For example, Austria and Belgium each have 9 provinces; Brazil 22 provinces, Egypt 26; France 21, Indonesia 27; Iran 23; Iraq 18; Japan 47; Nigeria 19; Malaysia 14 and Turkey 67.

Several nationalist movements have sprung up during the past years. Nationalist parties are protesting of being deliberated ignored in the present setup. A new PONM - an alliance of nationalists is in the making. For example, on the eve of the census in September 1997 different Seraiki nationalist parties protested on the absence of the Seraiki language as an option in the census form. The Seraiki Qaumi Movement led the protest. A central leader of the party claimed that there are over 37 million Seraiki in Pakistan and some 25 million reside in Bahawalpur, Multan, Dera Ghazi Khan and

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<sup>77</sup> Franz Gress, Detlef Fechtner & Matthias Hannes, *The American Federal System: Federal Balance in Comparative Perspective* (New York & Paris: Peter Lang, 1994), 207.

<sup>78</sup> *Ibid*, 218.

Sargodha divisions alone. Previously in 1973, the Seraiki Suba Mahaz in Bahawalpur has been established. In sum, the demand for a separate province is being echoed by a number of other Seraiki parties.<sup>79</sup>

It has already been proposed, from both official and unofficial sources, that at least twelve to fifteen provinces are created in Pakistan instead of the current four. This proposal appears very reasonable and we wish to strongly recommend it. Under the new federal scheme the Punjab province can be split into five; Sindh into three; NWFP into 3; Balochistan into 3; and FATA Northern Areas and Kashmir can be consolidated into the fifteenth province. The breakup of the federation into smaller units must necessarily be initiated from the Punjab for obvious political reasons. This measure is politically very difficult for any government because of deep-seated fears of national disintegration. These fears are unfounded. We strongly urge the GOP to take the bold step of breaking up Punjab in the initial phase. The political costs of this move are indeed high. But, this year presents a historic opportunity that must not be missed. Only the GOP can take such a courageous step given its virtual political monopoly in the province.

The increase in number of provinces must necessarily be accompanied by decentralization and devolution of power to regional and local levels of government. Pakistan suffers from an over-centralization of power in Islamabad. Provinces should be granted greater autonomy and devolution of power must necessarily take place immediately. A highly centralized government is increasingly becoming unpopular in the minority provinces. The constitution of Pakistan should be modeled on that of Canada where the federal government is weak in comparison to the provinces. The GOP must retain only a few clearly spelled out powers in the Constitution. The country needed a looser federal setup because of its great cultural diversity. Provinces must have greater control over their purse strings and should have the freedom to allocate a greater bulk of their resources, as they deem fit. Jurisdiction over a number of subjects from the given Concurrent List of the Constitution of 1973 may be permanently transferred to the provinces.

It is about time that we stressed the principle of federal restructuring. The details of provincial autonomy could be worked out later with the agreement of other political parties. Decentralization and devolution of power to even lower levels can be later debated and achieved. In the first round about two or three new provinces be created preferably by breaking up Punjab. The number may gradually increase later on. We do not advocate too much change in the present structure, as it may prove destructive. Also, some time is needed to consolidate the forthcoming political and economic gains. Hopefully, experimentation will lead to greater insights to what structure is best suited to the needs of our people. Provincialization of federal responsibilities is inherently a politically difficult and administratively a tedious task. That much is recognized. Therefore, the GOP will carry out the exercise with maximum participation of the public.

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<sup>79</sup> *The News*, Sep. 26, 97.

#### 4. Consolidation in the Functions of Federal Government

The federal government has grown with time. There are now 35 ministries/divisions with 48 federal ministers, ministers of state, and advisors running this huge setup. For the sake of greater efficiency and effectiveness, the administrative machinery needed to be restructured? Common sense dictated that immediate consolidation and the GOP undertake integration measures. The following is a list of divisions in the federal government.

1. Capital Administration & Development
2. Aviation
3. Cabinet
4. Commerce
5. Communications
6. Culture, Sports, Tourism, and Youth Affairs
7. Defense
8. Defense Production.
9. Economic Affairs
10. Education
11. Environment, Local Government and Rural Development
12. Establishmnet
13. Finance
14. Food, Agriculture and Livestock
15. Foreign Affairs
16. Health
17. Housing and Works
18. Industries & Production
19. Information & Media Development
20. Interior
21. Kashmir Affairs, Northern Areas and State & Frontier Regions
22. Labor, Manpower, & Overseas Pakistanis
23. Law, Justice & Human Rights
24. Narcotics Control
25. Petroleum & Natural Resources
26. Planning & Development
27. Population Welfare
28. Railways
29. Religious Affairs, Minority Affairs, and Zakat & Ushr
  
30. Scientific & Technological Research
  
31. Statistics
  
32. Water & Power
  
33. Women Development, Social Welfare, and Special Education.

## 34. Parliamentary Affairs

## 35. Revenue

### *Next Steps:*

A). The Divisions of Education and Scientific & Technological Research are to be merged into a new super ministry – the Ministry of Education, Science and Technology. The model to be adapted is that of Germany.

b). A new Ministry of Transport is to be established merging divisions of Aviation, Communications (only the part that deals with shipping and transport), and Railways. The National Logistics Cell now under the control of the Planning & Development division shall also be shifted to the ministry. The model to be adapted is that of the USA.

c). The Divisions of Commerce, and Industry & Production are to be merged into the new Ministry of Industries and International Trade. We need to focus more on exports, and therefore the merger made sense. The model to be adapted is that of Japan.

d). An independent agency to be called the General Services Administration is to be created to take care of the entire housekeeping functions of the federal government. Economies of scale will be realized in the procurement of essential goods and services. This is a new division that essentially merges all current efforts in the area. No new recruitment is planned for the purpose.

e). The statistics division will be merged into the Planning & Development Division. The Planning Commission will be upgraded into a full-fledged Ministry of planning to serve as another super agency responsible for strategic planning and development activity in the entire country. In addition to the established Five-Year Plan concept, a Ten-Year Plan will be introduced. The Pakistan GOP is the first attempt towards building the additional format.

f) The current Establishment and Cabinet Divisions are contained in a Cabinet Secretariat under the charge of the Prime Minister himself. A new Ministry be created and be called Ministry of the Cabinet Office. The division of Parliamentary Affairs will be merged into this ministry.

The newly set up ministry shall be the heart of the GOP. The Minister for the Cabinet Office shall be considered as one of the most influential persons in the GOP. The model to be adapted is that of Britain.

(g) Population Welfare division will be merged into the Women Development, Social Welfare, and Special Education. The new entity will be called simply as Ministry of Human Services

(h) Narcotics Control is merged into Interior division.

(i) The divisions of defense and defense production are merged to be called the Ministry of Defense

(j) A Ministry of Housing & Urban Development will be established by adding to the old Division of Housing and Works and additional emphasis on urban development. For this urban development specialists will have to be recruited.

(k) A new ministry to be called the Ministry of Energy by merging is created by merging the Divisions of Petroleum & Natural Resources and Water & Power.

(l) Another new ministry by the name of Ministry of Telecommunications is created from the remaining portion of old Communications division dealing with the telecommunications and IT area.

The new structure of Ministries will be:

1. Ministry of Agriculture (Food, Agriculture & Livestock division. Only a name change here)
2. Ministry of Transport (divisions of Aviation, Railways and part of Communications)
3. Ministry of Cabinet Office (Divisions of Establishment, Cabinet, plus parliamentary Affairs, plus the newly set up General Services Agency)
4. Ministry of as Industries & International Trade (Commerce, Industries & Production divisions)
6. Ministry of Culture (Culture, Sports, Tourism, and Youth Affairs divisions. There is only a name change here)
7. Ministry of Defense (divisions of defense and defense Production)
8. Ministry of Education, Science & Technology (Divisions of Education and Science & Technology)
11. Environment, Local Government and Rural Development division
12. Ministry of Finance (Divisions of Finance, Revenue & Economic Affairs. There is only a name change here)
14. Ministry of Foreign Affairs (no change)
16. Ministry of Health (no change)
17. Ministry of Housing & Urban Development (the old Divisions of Housing and Works plus additional emphasis on urban development)
18. Ministry of Information & Media Development (no change)
19. Ministry of Interior (Divisions of Interior and Narcotics Control)
20. Ministry Kashmir Affairs, Northern Areas and State & Frontier Regions (no change)
21. Ministry of Labor (Labor, Manpower, and Overseas Pakistanis division. Only a name change here)
22. Ministry of Energy (Divisions of Petroleum & Natural Resources and Water & Power)
23. Ministry of planning (divisions of Planning & Development, and Statistics)
25. Ministry of Justice (The current Ministry of Law, Justice & Human Rights. There is only a name change here)
26. Ministry of Human Services. (Divisions of Population Welfare, Women Development, Social Welfare, and Special Education)
27. Ministry of Religious Affairs, Minority Affairs, and Zakat & Ushr (no change)

28. Ministry of Telecommunications (remaining portion of old Communications division plus new emphasis on IT)

Other than the regular federal government Ministries and Divisions, recently established new independent agencies include:

1. Monopoly Commission,
2. Securities & Exchange Commission.
3. Power Regulatory Authority

More such regulators authorities need be established such as the Food and Drug Agency to regulate the entire areas of food and drugs. There is a need for new and better structures to deliver essential public services. Clearly there is some risk involved. Proper planning will mitigate the risk, however. The GOP will experiment in creating hybrids between traditional public sector departments/agencies and the private sector model of efficient private sector organizations. Pakistan can follow the model of Great Britain in this area, where hybrid organizations have proved largely successful. These hybrids called Quangos are something in-between private and public organizations. New government entities will be created to bring the required efficiency in operation and performance.

Good management will ensure the proper use of scarce resources, which has time and again proved a constant source of headache in many government departments. In these dynamic setups government agencies/departments are administered on the style of private corporations. The essential prerequisite is that management is recruited from the private corporate sector and it is given greater autonomy and control over its operation. Flexibility and better rewards be a principle of management, i.e. the chief executives of the corporations has much greater freedom to reward good performance and punish that which is bad. This ease of reward and punishment ensures greater productivity and performance improves. The greatest shortcoming of government sector is that good performance could not be easily rewarded nor is bad work that easily punished. Consequently, public sector performance suffered. Existing on meager salaries with cumbersome and lengthy promotion procedures these “public servants” has little desire to work exceptionally hard. Why should they? Hard and honest work is seldom rewarded. It is a basic truism that good performance must necessarily be quickly rewarded. Merely asking for sacrifice will not do!

The basic reason why the establishment of Quangos is to be undertaken is take care of this significant issue. A crucially important characteristic of Quangos is that they will not be manned by generalist civil servants but by professionals, from both the state as well as the private sector. For the purpose, immediate lateral entry into civil service will be permitted albeit on a limited scale as a pilot the state-owned State Life Insurance Corporation will enter into partnership arrangements with private-sector insurance companies, and state hospitals to establish a consortium for providing health insurance coverage to federal government employees. The model to be copied is the huge Blue Cross and Blue Shield insurance consortium system in the USA. The

entity is a sort of grand partnership arrangement between the state and private sectors. The GOP will provide all federal employees health insurance coverage of a similar nature. The current expenditure on providing medical services to government employees in Pakistan is astronomical. Anecdotal evidence suggests large amount of waste and fraud in the system. We need to do better in this area.

#### 6. Need for the Establishment of Services on the Basis of Functions only:

Public services will be established on a purely functional basis as a requirement of efficiency and effectiveness. The Central Superior Services (CSS) and the Pakistan Civil Service (PCS) structures will be amalgamated into functional ones. According to the Federal Public Service Commission (FPSC), the government services are divided into the following groups:

1. District Management Group (DMG)
2. Police Service of Pakistan
3. Accounts Group
4. Office Management Group (OMG)
5. Commerce & Trade Group (C&TG)
6. Foreign Service of Pakistan (FSP)
7. Income Tax Group (ITG)
8. Customs & Excise Group (C&EG)
9. Information Group
10. Railways Group
11. Secretariat Group
12. Economist & Planners Group

All these groups will be transformed onto full-fledged services and new ones will be added. Thus, we will have an Accounts Service, a Police Service, a Pakistan Revenue Service, a National Health Service, an Education Service, a District Management Service, an Agriculture Service, a National Parks Service, an Intelligence/Investigation Service, a Secretariat Service, etc.

Creating independent services is attempted before without much success. Also, the department of Pakistan Post Office is transformed into the Postal Corporation, which is later reverted back to the status of a department. The experiment has ended in a failure. We need to be more careful next time. To its credit, the GOP has decided to transform the CBR into the Pakistan Revenue Authority (PRA) or the Pakistan Revenue Service (PRS).

#### 7. Need for Decentralized Recruitment Mechanisms

The GOP will create decentralized recruitment mechanisms. What this essentially meant is that instead of a single recruitment agency - the Federal Public Service Commission (FPSC) there will be several of them. One for each service because the requirements of one service could be altogether different from another one. A single system of entry examinations (the CSS annual exams) did not make sense any longer.

Every service will be free to recruit in accordance with its own particular needs. Promotion and transfers will remain within the preserve of a single service. Once a young entrant joined a particular service he will not be able to move out of it except for a short period of deputation or secondments. The maximum period of assignment outside ones own parent service will be specified by law, say 5 years. The purpose is to create a sense of belonging, an esprit de corps, and loyalty to a particular service.

A career-ladder based on specialization; departmental training and experience will be offered. The attainment of expertise and quality performance required that proper training opportunity is available within each service. Performance and morale will improve with time. Each service will grow a distinct personality and culture. The most appropriate model is that of the USA government where public services are functional in nature in vertically designed bureaucratic structures. The great power and prestige of the DMG will be curtailed as a result. Surely something that needed to be done. Past traditions and administrative structures will fail us in the coming 21<sup>st</sup> century.

#### 8. Need for Ending Over-lapping Jurisdictions

The creation of a mechanism to gradually solve the problem of over-lapping jurisdictions across the federal and provincial governments. The GOP will carry out an elaborate exercise to identify all areas where there is overlapping of any sort and try to correct the problem. For example, there are a number of intelligence and investigative agencies in the country, namely: CID, BI, and FIA, Special Branch in the civilian sector and the ISSI and MI in the Army. Why do we need so many intelligence agencies? Surely, we can eliminate some of them with no bad affect on the security of the country. We need only one Federal Agency and only one counterpart provincial agency in each province, plus the Army's two agencies can be consolidated into one.

#### 9. Merger of the Federal Shariah Court into the Supreme Court is needed

The Federal Shariah Court has a separate entity from the Supreme Court. The question is why? The present Supreme Court has a Shariat Bench. Again, why create a separate bench? The Federal Shariat Court can be merged into the Supreme Court, as its separate existence is totally unnecessary. The country's Constitution demands upholding of the Quran and Sunnah as a matter of normal government routine and practice. This move is not meant to undermine Islamization in the country but to strengthen it by removing its straightjacket and limitations. Islamization of all aspects of the country's administration is the aim. There shall be absolutely no limits to the jurisdiction of Islamic laws in the country. It is for the new Supreme Court to decide what is and what is not Islamically right. After all, courts have always been instrumental in establishing law in society. Let the Supreme Court rise up to the challenge as collective body. The very meaning of Pakistan's existence demands it.



## 10. Consolidation of Development Finance Institutions (DFIs) will establish better Delivery Mechanisms

Earlier, the Moeen Qureshi caretaker government has planned to consolidate some DFIs like the NDFC and RDFC, PICIC, and IDBP etc. Nothing came of it though. The GOP has also announced that it plans to merge a number of organizations. The RECP and CEC will be merged with the Trading Corporation of Pakistan.<sup>80</sup> This move is welcome news.

## 11. Emphasize Human Development

More emphasis on human development is the need of the hour. The GOP will increase resources for social sector development. It felt that a fundamental change of direction is needed. The social sector is to be emphasized along with that of national security. Hunger, poor health and illiteracy posed an internal threat to the security of the nation.

Shift towards a philosophy of humane development. Political participation by segments of society previously excluded is a central element of democratization. Development is increasingly seen as having a wider definition – more than simply the transition from poor to rich. Development also meant human dignity, safety, and justice of equality. The elimination of existing strong inequalities within society is central to successful development processes starting. Equality is the value, which is of considered as very important to successful modernization. Equality then is not meant equality in poverty, but above all equality of opportunity.

## 12. An Enhanced Planning Commission is badly needed

Augmentation of research capability in the Planning Commission. Many issues are to be analyzed further. How best to develop our society, given our particular historical legacy, cultures, and values system? How best to accelerate the democratization process? Development and modernization also encompassed democratization in the sense that old structure, the ones we inherited, are broken up. The governance philosophy best suitable for Pakistan is not yet enacted. It required careful analysis, systematic efforts, practical solutions and sustained efforts, not the court a high level of political commitment by all concerned in building the plan that will usher into the change desired. Development also intended a process of social mobilization in whose course old economic, social and psychic links are destroyed. It is necessary that we build our own future according to our genius. We have to chart our own destiny. In short, a new model has to be invented. For the purpose, the Planning Commission will facilitate a national dialogue by holding discussion forums.

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<sup>80</sup> *Dawn*, Dec. 5, 1996.

Next Steps:

#### REFORMS OF THE

The Supreme Court is the highest forum in judiciary. In the provinces High Courts work and supervise the work of subordinate judiciary including session judges, Additional Session Judges Civil Judges and the newly appointed Judicial Magistrates. With the recent separation of Judiciary from the Executive the judicial magistrates has been posted at district and sub division level which, hitherto, is being taken care of by the magistrates performing their executive duties. A common criticism of the judicial process in Pakistan is that it is cumbersome, costly and time-consuming. The idea that everyone is equal before the law does not make practical sense if people are prevented, or dissuaded from going to the law courts by the sheer cost involved.

Critics of the system argue that not only is the system costly it is also riddled with corruption, especially at the lowest levels. We need to make our judiciary much more efficient in terms of cases adjudicated in a given year. Court cases have piled up, and the backlog of cases is formidable. Even the higher judiciary suffers from a high amount of caseloads and delay. More research is needed to find out what is the actual state of affairs. We also need to increase the equality and effectiveness of our judicial system. The quality of judgments can only be has by recruitment of quality judges. You cannot have quality judgments by mediocre judges. This is most important at the highest level.

It is proposed that selection of higher judiciary be made more difficult than at present. The Parliament is also involved in the ratification of nominations for higher judiciary positions cleared by the executive. The intention is to get the best people to be appointed as judges. The ratification process in the Parliament will involve open interviews, as done in the USA. A consensus existed on the importance of Pakistan's legal/judicial system to economic development. The GOP is committed towards quick and fair justice to the common citizen. The system of administration of justice has to be such that it should inspire confidence in the ability of the courts to administer justice fairly and impartially. The existing system is being improved to remove inadequacies and delays in the dispensation of justice. The Ministry of Law is conducting a study to analyze ways to improve the efficiency and capacity of Pakistan's legal and judicial system.

The GOP is committed towards provision of quick and affordable justice to citizens. The system of administration of justice should inspire confidence in the ability of the courts to administer justice fairly and impartially. A broad- based restructuring of the legal and judicial system is undertaken for the purpose. The following are the key priority areas for reforms:

#### (A) Judicial Administration:

The GOP is alleviating problems in the organization, administration, procedures, policies, human resources, and financing of the judiciary. It is revamping and

strengthening the governance and administration of the court system. Specific measures to be undertaken include:

(a) A new Court Information System to ensure that all notifications regarding promulgation of a new law and amendments of existing laws are quickly available to all the judicial officers.

(b) Establishment of new institutions to promote professionalization in the judiciary.

(c) A complete separation of judiciary from the executive will gradually take place, as per the requirement of the Constitution. Special courts (ATA and STA) have not yielded results, as expected. Their working is therefore being reviewed.

(d) The backlog in the court system is removed by appointing more judges and officials. The retirement age of judges of the higher judiciary will be increased to sixty-five in order help clear the heavy backlog of cases.

(e) Wasting police time by lodging false complaints/FIRs is made a distinct offence, as is the case in most western countries, including Britain. Simultaneously, exemplary punishments are being meted out to policemen resorting to harassment. Inconsiderate, wanton and willful prosecutions will end. This helps enhance the efficiency as well as fairness of the system.

(f) The system of summons process serving is being improved.

(g) Imposition of time limits for investigations/trials in the lower court systems. Excessive deviations from fixed standards are being held accountable. A reasonable mandatory period for disposal of cases at the trial and appeal stages is fixed in consultation with the higher judiciary. Frequent adjournments on flimsy grounds are disallowed. Lawyers to make alternate arrangements.

(h) Witness protection Programs are being introduced, both for security and as an incentive for those volunteering evidence against hard-core criminals.

(i) With a view to ensure greater specialization, civil and criminal work is being separated at the level of Additional District Judges/Additional Session Judges

(j) Qualified and capable lawyers are being hired as public prosecutors at the district level. These officials direct the investigations in a professional style and thereby strengthen the chances of conviction in court.

(k) A better arrangement of supervision and control by the High Courts over the functioning of subordinate courts.

(l) The cases of corruption, inefficiency and lack of required proficiency are being taken notice of and appropriate punishments awarded.

(m) A system of reward and incentives in the shape of giving special increments, preference in promotion or choice of posting for judges/magistrates whose performance is exemplary is being implemented.

(n) Recruitment, promotion is based only on merit alone. No other consideration be made, especially in the selection of the higher judiciary/

(o). The bifurcation of the judiciary and the executive should be enhanced. For a proper functioning of the judiciary it must be separated from the executive and not be dominated by it. Otherwise, the cause of justice cannot be served.

(p). The final methodology for constitutional change is the interpretation by the higher judiciary, commonly referred as judicial interpretation. It might not be an exaggeration to claim that what matters most in constitutional law are what the higher courts say, especially then Supreme Court.

(q). The number of high court benches is inadequate to serve such a large and growing population in Pakistan. Therefore, a high court will be established for each large division in the country.

®. Laws will be simplified and Islamize gradually. A hotchpotch of laws, Islamic, British, traditional cannot be effective, especially if they cover the same subject matter.

(s). The laws will be consolidated under the rubric of Islamic law.

(t). The powers to hear habeas corpus cases will also be conferred on Sessions Judges.<sup>81</sup>

(u). Suitable amendments in the constitution will be brought about to simplify the procedure for impeachment of corrupt judges.<sup>82</sup>

(v). The number of judges appointed at various levels will be rationalized on the basis of pending cases.<sup>83</sup>

## B) Legal Education and the Legal Profession

The GOP is addressing the human resource needs of the legal profession and the judiciary. It is implementing the strategy by establishing new institutions to promote professionalization in the judiciary.

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<sup>81</sup> See unpublished paper entitled "Future Challenges & Responses", p. 4 (Executive-Judiciary-Legislature: {Partners in Good Governance"" conference Aug. 1998, G3 secretariat, Ministry of Planning & Development, GOP).

<sup>82</sup> Ibid.

<sup>83</sup> Ibid.

(C) Economic Law Reform

The GOP is carrying out improvements in economic laws and in the administration of these laws.

(D) Access to Justice

The GOP is reducing financial, institutional, procedural, physical, and informational barriers to justice.

Secretary, Law Division to submit compliance report within a period of four months.

The GOP envisages some reform measures for Pakistan's judiciary. If enacted, the performance of the judiciary will definitely improve. We highlight the most significant issues as pertaining to the proper functioning of the judiciary in the country.

I. THE ISSUE OF INSTITUTIONALIZATION OF ACCOUNTABILITY THROUGH THE JUDICIARY

The general public is strongly demanding that the GOP carry out an impartial process of accountability and that corruption be eliminated from the body politic of the country. All political parties and groups are united in responding to this stringent public outcry against the rot in our political system. Corruption can only be tackled by building a strong and fair political, social and economic system and quicken reform of governmental management structures. Easier said than done! Where do we begin? The most important check to corruption is the fear of punishment, the so-called long arm of the law eventually catching upon you. Punishment must be made as sure as death and taxes and that too for every one including the highest government officials and political bosses. This can only be done by powerful and independent investigation and prosecuting agencies in the executive and most of all by an independent, powerful and competent higher judiciary.

The correct path to follow is to reform and overhaul both the executive and judiciary. The public outcry for an end to high corruption and demand for justice is real. In numerous other countries a powerful and independent judiciary has been seen as the fundamental key to the popular battle against official corruption. Recently the Indian Supreme Court took under its wing the premier investigation agency in the country - the Central Bureau of Investigation (CBI) from the control of the office of the Prime Minister because of a possible conflict of interest. The CBI is directed to investigate the Hawala case, which has led to the indictment of several central ministers in the last Congress government, and the ex-Premier is himself a suspect. Later Narishma Rao is arrested on a fraud charge. He is the first Prime Minister in Indian history that is undergoing trial for corruption. A first in the subcontinent's legendary corrupt politics. Many consider it a landmark in the country's history. The Indian public is welcoming this development, which like its counterpart in Pakistan is also wary of

political corruption in high places. The Supreme Court's move to wrest control of CBI in India is indeed smart.

The country must endeavor to strengthen the judiciary and only then accountability of officials and politicians will be realized. There is a valid point in the argument that it is for the courts to punish officials for corruption in the normal way of doing things, meaning that due process of law cannot and should not be sacrificed at the altar of expediency or politics. It is an old maxim that justice should not only be done but seen to be done. This makes sense in our case also. Moreover this is also an Islamic requirement. Selection of competent and high caliber judges on merit alone is a universal principle of good governance and an also a basic requirement of Islam.

## II. APPOINTMENT OF HIGHER JUDICIARY

The issue of appointment of higher court judges, which has led to a confrontation of sorts between the deposed PPP government and the Supreme Court, stemmed from the inadequacies in the Constitution itself. No matter who has the final say the president or the premier the fact of the matter is that the Executive seems to have an upper hand on the appointment of judges. Article 177 of the Constitution reads: "The Chief Justice of Pakistan shall be appointed by the President, and each of the other judges shall be appointed by the President after consultation with the Chief Justice". Emanuel Zaffar argued that on the basis of "Sharif Faridi v. Federation of Islamic Republic of Pakistan" judgment the consultation between the Presidents and the Chief Justice and judges of the Supreme Court, and Chief Justice and judges of the High Court are "meaningful".<sup>84</sup> For the lay persons the language of the Constitution seems to be straightforward on the issue. The term "consultation" means just that and cannot be contrived to mean a sharing of power. The Supreme Court does not agree, however.

We strongly believe that the Constitution needs to be amended because the executive should not be allowed to control judicial appointments of the higher courts. It is recommended that we follow a variant of the example of the USA Constitution where the President initiates the process by nominating a person to sit on the higher courts and the Senate confirms the appointment. This can only take place if a vacancy happens to occur. Thus, the executive and the legislature share powers of appointment. In our case we can modify the requirements of the USA practice. The business of appointing judges to the higher courts is simply too important for the Supreme Court and the executive to handle it among themselves. We have to build into our political system a complex interaction of checks and balances so that the judiciary and executive combined are not able to dominate a crucially important process such as selection of higher judiciary. We should allow the chief justice of the Supreme Court and the Prime Minister, not the president, to jointly nominate a person to the higher courts and then has the National Assembly, not the Senate as in the USA, to ratify the appointment. The process should follow the USA practice of careful scrutiny of the candidate and interview by a powerful National Assembly

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<sup>1</sup> The Constitution of the Islamic Republic of Pakistan, first ed., Vol. I, (Lahore: Irfan Book House, n.d.), 540-41.

committee. This committee's recommendation should then be voted on the floor of the house. The point is to make the process of appointment of higher judiciary difficult for any one, or for that matter two wings of government, to dominate on their own or even jointly. We in Pakistan have a long way to go in strengthening our judiciary to the place it rightly deserves in an Islamic society. The cardinal characteristic of the Islamic political system is that it emphasizes the rule of law and justice above everything else. A beginning must be made immediately to complete the process of making the judiciary independent of executive dominance. The public must demand an amendment of the constitution to see it through. A powerful and independent judiciary is also indispensable for the protection of citizen's rights; especially rights denied by the government itself. Denial of civil rights by police and other executive apparatuses is a stark and unfortunate fact of life in Pakistan. We know that gross human rights violations happen all the time and that there is a long history of abuse, especially by the state itself.

## REFORM OF THE PARLIAMENT

The country has a bicameral legislature consists of a Lower House, the National Assembly, and an upper chamber, the Senate. The National Assembly has 207 members, directly elected for five-year terms by universal adult suffrage, plus 20 women chosen by the National Assembly and 10 separately elected religious minority members. The Senate has 87 members, elected a third at a time, for six-year terms by provincial assemblies, and tribal areas, in accordance with a quota system. The National Assembly is the more powerful of the two chambers, having exclusive jurisdiction over financial affairs. To become law, bills must be passed by both chambers and must also be approved by the President, who has the power of veto. The presidential veto may, however, be overridden by a simple majority of both houses. The theory behind parliamentary government is that the nation freely elected its representatives to sit in Parliament, out of which an executive government is formed which is accountable to it. The theory goes on to argue that the government can only remain in office as long as it commands the support of the Parliament. The reality is a very different.

Once a government is in power it could almost automatically assume that it will be able to carry through its major policies. It might have to concede here or there but not on important issues.<sup>85</sup> To some extent, therefore, Cabinet government can replace parliamentary government or, some will say, Prime Ministerial government. Today, we have a Prime Ministerial government in the country. This is not unique. Other powerful political figures have also been able to create this type of parliamentary government. Both Margaret Thatcher and Indira Gandhi are successful in creating a Prime Ministerial form of government. The two leaders are accused of "elective dictatorship" by their detractors, but at the same time, are thought of as "strong leaders" by their supporters. The point is that perceptions about the office and the incumbent can go both ways – from a thinking that it is exactly needed in the circumstances to the opposite to that of thinking that the office has become too

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<sup>85</sup> Derbyshire and Derbyshire, *op. cit.*, 102.

centralized and that it is bad for the country. It depended on whose side you are supporting. It is remembered that the parliamentary system is flexible enough to allow great positive changes in short time. Tony Blair came to mind in this regard. However, the system has some disadvantages; the chief is that the legislature is subservient to the executive. In fact the executive and legislature are fused. The party that attained the most seats in the last general elections got to form the government. The Cabinet wears two hats – they are members of the parliament as well as the head of the executive. In a presidential style of government, the legislature checked the power of the executive like in the USA. Members of the legislature could not serve on the president's cabinet. The legislature has independent basis of support then the president. The president is the only elected official representing the entire nation; all others represented either their states or even smaller geographical constituencies in the states. The presidential system, as practiced in the USA, has many admirers. It might be slower but that is what is needed. Serious, open and somewhat slower deliberation is a prerequisite for good policymaking. We did acknowledge that excellent political systems are present in the parliamentary type also. Britain, Germany, Japan each has excellent working parliamentary systems that are the envy of the world. The debate raged on in political scientists' circles on whether one is better than the other is. We must try to find out what suits us best.

The parliamentary system is unsuitable for Pakistan. An American political system – with clear checks-and-balances and separation of powers- is the preferable government system for Pakistan. We do not want to belabor this point at this time. This point is argued in detail elsewhere.<sup>86</sup>

The National Assembly and the Senate do the policy-making. In the provinces the Chief Ministers and the ministers are free to make the policies related to their respective provinces. The secretaries in the provincial ministries help in the work.

The chief of government is the Prime Minister, drawn from the National Assembly. Shaukat Aziz, the current Prime Minister, is widely believed to be a puppet as General Musharraf remains Pakistan's most powerful national leader because of the fact that the military still rules Pakistan. The democracy structure visible in Pakistan is only a façade as the military is firmly in power. The military brass is the real power in the country. A quick transformation of the country into a democracy is clearly not possible. At best the democratization process will be slow, tedious, and slipshod spread over a decade or so. Anything else is not being realistic.

Critics argue that in Pakistan the Parliament has become the obedient servant of the military. All observers of Pakistan do concede that we need to strengthen parliament. Among other reasons, this is needed for the sake of good governance in Pakistan. Some suggestions given to improve the working of Parliament are as follows:

1. Members should be better paid. They are paid far less than many countries in Europe, USA, Japan and even some other Asian countries.

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<sup>86</sup> See Sohail Mahmood, *Agenda for Reforms* (Islamabad: TPRF, 1998).



2. Working facilities are poor in comparison with legislators of some advanced countries.

3. Research backup facilities are almost non-existent. For good legislation the Parliament must have its own research capabilities like the USA's Congressional Service.

4. The Question Time and privilege is abused often, which must be stopped. Question time could become more significant if it is used less as an occasion for political point scoring and more as an opportunity for making the government account seriously for its policies.

5. The government ministers' performance, with some exceptions, is unsatisfactory. They for the most part are not prepared to handle the issues or give sufficient explanation of government policy. They are asked to brush up their performance in the parliament.

6. The parliament should sit more frequently. The working of the parliament is deficient, among several other reasons, because of this fact.

7. The committee system in the parliament needs to be strengthened and become more effective, particularly the Public Accounts Committee, and Human Rights committee. This will hopefully put a dent on embezzlement, mismanagement and corruption in the bureaucracy and also will decrease human rights violation by the police itself. It is well documented that the police, like in many developing countries, is itself the worst violator of human rights. Police abuse is a fact of life in Pakistan. Exposure will help eradicate it. Some recommendations given to the G3 are as follows:

∇A minimum academic qualification for legislatures may be prescribed.<sup>87</sup>

∇The accountability of legislators needs to be independent, credible and not guided by political expediency.

∇Hasty legislation is avoided.<sup>88</sup>

∇The interest of common man rather than the elite may be kept in mind while legislating.

∇Actions need to be taken against political parties not following 1962 Political Parties Act.<sup>89</sup>

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<sup>87</sup> See unpublished paper entitled "Future Challenges & Responses", p. 5 (Executive-Judiciary-Legislature" conference Aug. 1998, G3 secretariat, Ministry of Planning & Development, GOP).

<sup>88</sup> Ibid.

## 2. REFORM AGENDA

The following reform agenda, if undertaken, shall considerably improve the working of the parliament.

### a. REFORM OF THE CONSTITUTIONAL AMENDMENT PROCESS

The constitution amendment process is too simple in Pakistan. A two-thirds majority in the National assembly can pass such an amendment. We propose to make the process more difficult and slower. Plus the federating units must be involved in the process, as this is a principle of good federalism. Along with the National assembly the Senate is required to pass the amendment with the same requirement of two-third majority. This will complete the first phase. In the second phase the provinces pass the same amendment by two third majorities as well. A successful passage of the amendment at both the federal and provincial level is required. The point is to make the process more cumbersome so that more time and deliberation occurs. After all there is nothing more important than the constitution or its amendment.

### b. REFORM OF THE PARLIAMENTARY SYSTEM OF PAKISTAN

It is universally agreed that the performance of the parliament has been extremely poor in the last few years. Pakistan urgently needs some fresh and bold initiatives for reforming the failed system. We propose the following reform measure for adoption.

### c. TERM RESTRICTIONS

A good way is to make sure the parliament gets fresh blood to serve it is to impose restrictions on the number of consecutive terms a person may serve in it. This proposal is under study in the USA and makes sense in our case also. Maybe the maximum number of terms that a person can serve is limited to two or at the most three. This restriction will encourage more participation by a greater number of younger hopefuls. The Constitution needs to be amended to make this happen.

### d. PREFERENCE FOR PRESIDENTIAL SYSTEM

A presidential system of government is preferred over the current parliamentary type. The disadvantage of a parliamentary system is that the Prime Minister becomes too powerful with no real check and balance operating in the system. Since the executive and the legislature are fused and the majority party leader, who is also the Prime Minister, dominates both wings of government. Since the executive is already dominant in our case the powerful Prime Minister like Nawaz Sharif has been sometimes accused of being an “elective dictatorship”. The problem is in the system rather than the individual. The parliamentary system of government lets a prime ministerial government happen, while a presidential system does not. Another

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<sup>89</sup> Ibid.

drawback of the parliamentary system is that the premier is restricted in the choice of his cabinet team. It is not necessary that the best talent in the country is available only in the National Assembly or Senate. One of the reasons that Nawaz has a mediocre cabinet is because of this restriction imposed upon him. No such restriction is imposed on the president who can scout for talent all over the country. Of course MNAs and Senators will not be able to become ministers in the cabinet. The purpose of the parliament is to legislate. For once let us demand that our MNAs and Senators do what they are elected to do in the first place - legislate. The race for becoming a federal minister has become absurd at times. A case in point being the last round witnessed in the ranks of the Muslim League recently. The legislature must be able to provide a proper check to the executive, which can only be expected in the presidential system. In the parliamentary system we have a chief executive - the premier and the head of state - the president. This duality of leadership is totally necessary. We can get rid of the president and save money, which can be used for more worthwhile causes. The total cost of maintaining the presidency is more than Rs1.6 billion per annum something a poor nation like ours can ill afford. The tenure of the president and also the elected legislature is fixed which means greater predictability and political stability. The counter argument given is that democracy is functioning well in countries like Britain, Japan, Germany, India, Canada and Australia. A number of them, including Japan and Germany, are even considered as showcases of rapid economic development and are also politically stable. What then does it mean to suggest that Pakistan go presidential? If these countries can achieve what they have and which is not the least inconsiderable then Pakistan can do the same. Why not? Plus, the presidential system is slow and cumbersome because the legislature and executive share power cross check and balance each other. Time is wasted in the process when things are simpler and speedier in the parliamentary system. For example, the time taken for legislation is far less in a parliamentary system than in a presidential one. We believe that there is much merit in the arguments. It is true that some parliamentary systems are functioning very well and are indeed the pride of the world. In the defense of the presidential system we wish to state that it is indeed tedious and slow but that is precisely the point. It should be slow what is more important than legislation. Plus, the very ease with which major constitutional amendments are being passed in Pakistan today does not give a good feeling. It is being done too easily which is not right. Hence, the charge of dictatorship is being leveled on Nawaz Sharif. We can avoid this type of situation if we switch to the presidential type system. Lastly, we have a preference for the presidential system simply because it is closer to our Amir-al-Momineen Islamic model. Remember the traditional Islamic model of government envisages a clear-cut authority figure as paramount leader of the country. A duality is not acceptable. The presidential type of government system is definitely much closer to our Islamic legacy. We should adopt it for no other reason than the Islamic legacy one. We should try to be as close to our traditional culture and roots as logically possible.

#### e. ELECTION OF PRIME MINISTER AS AN INTERIM MEASURE DIRECT

The current parliamentary political system has many disadvantages as compared to its presidential rival. However, one of the greatest advantages of the parliamentary system over the presidential one is its in-built basic flexibility. Weighing the pros and cons of the debate we have cast our vote in favor of the presidential type system. However, we do appreciate the fact that most people in our country may not be convinced. Our critics will have us believe that parliamentary system has taken deep roots in the country and is the preference of Quaid-i-Azam. The point is well taken. But that does not mean that we are somehow cursed to remain in a system which has failed in our country. We can and should strive for something better to replace it with. An abrupt switch over is neither desirable nor called for. It is suggested that we gradually shift towards our desired presidential system. The way to begin is to directly elect the premier. This is being done in Israel and we feel that the Israeli innovation makes sense for Pakistan. The Israelis directly elected their premier for the first time mainly because they wish to have the government lead by a person having national support. In the current system in Pakistan the leader of the majority party gets to form the government but he or she does not represent the national will because he or she has been elected in a National Assembly constituency just like other members of the parliament. The head of government - the premier - must represent the supreme will of the people and not the political party. The election of the premier will take place simultaneously with the National Assembly elections. If the premier and the majority parliamentary party are from different political parties then a deadlock might result. In such a case the Prime Minister will not get the political support she or he requires to build a strong cabinet government. In the French variant of PR the president not the premier is directly elected and not at the same time as the National Assembly. He can dissolve the government and call for new elections if he or she deems fit. It has happened in France once. Their system is best characterized by "presidential-premier" parliamentary system where the president is more powerful than the Prime Minister is. In our case we wish to create the opposite of the French case. It is the premier who is the head of government and the president the head of state and the prime minister's office is the most powerful in the country not that of the president as in the case of France. We can characterize our new system as "premier-presidential". Whether we want to hold elections simultaneously for the premier position as in the case of Israel or hold it at a different time as done by the French (for their president, who in our case will be the premier,) remains to be looked into further. To have a National Assembly elected at a different time than the head of government (our premier) will give more continuity to the system and may be the preferred.

#### f. REFORM OF THE ELECTORAL SYSTEM

President Farooq Leghari promulgated the Representation of People (4<sup>th</sup> Amendment) ordinance on December 5, 1996. Among other things defaulters are barred from contesting the upcoming general elections and defections are banned. The ordinance requires from the candidates to assure that he or she will not change or defect his or

her party and shall also follow a Code of Conduct issued by the Election Commission. Political parties will have to submit before the Election Commission the receipts of election expenditures. Parties are allowed to spend a total sum of Rs. 30 million on the elections. Candidate for the National Assembly can spend a maximum of Rs. 1 million while a candidate for the Provincial Assembly is allowed to spend a maximum of Rs. 600,000 only.<sup>90</sup> The issue of campaign finances is a thorny one to say the least. There is a lot of public concern about the factor of money in politics, especially spending in elections. Spending vast amounts of money, if available, in financing election campaigns cannot be easily checked. The limitations imposed by the ordinance to check campaign expenditure is a good beginning. Official spending limits can hardly control the phenomenon of “vote-buying”. Vote buying has been reported in India and Thailand and definitely is a problem in our country also. But, what else can be done about containing the problem? Realistically speaking, not much! It is difficult enough to enforce the new spending limits. The stipulated limits on campaign expenditures are not easily enforceable. Practically speaking, we cannot impose any meaningful check preventing candidates from spending money or supporters of these candidates of assisting them in countless material ways. Despite the foreseeable difficulties an audit of election expenditures is a welcome requirement of law.

#### g. THE PHENOMENON OF INDEPENDENTS

The Fourteenth Amendment has failed to tackle the thorny issue of Independents. The phenomenon is encouraged in Pakistan’s Simple Plurality (SP) or “first-past-the post” (FPTP) single-member constituency system. These candidates win elections on the basis of “personalism” and are immune from any kind of discipline. Their political alignments are always shifting. Technically they never defect simply because they never belonged to any party. These politicians bank upon and support localized loyalties because the system allows it to happen. Subsequently, Independents tend to view national politics from a local angle even more than other representatives do.

#### h. THE DEBATE ON THE MERITS AND DEMERITS OF THE FPTP AND THE PROPORTIONAL REPRESENTATION ELECTORAL SYSTEM?

Pakistan’s current FPTP system is in vogue in India, Great Britain, New Zealand and the USA, among other countries. This system is the most commonly practiced voting system and is the easiest and the simplest to understand. Currently, 87 countries use the SP electoral system.<sup>91</sup> The frequent use of SP does not necessarily mean to suggest that it is the best electoral system. In our case it has not worked very well. This is not surprising given the numerous defects in the FPTP electoral system and that is precisely why most democracies have discarded in favor of Proportional Representation (PR). For example, Japan and New Zealand have already moved towards the PR electoral system. The FPTP system is increasingly coming under attack in Great Britain and India and there also preference is being shown for PR. We first highlight some important shortcomings of FPTP system and then proceed to

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<sup>90</sup> Dawn, Dec. 6, 1996.

<sup>91</sup> J. Denis Derbyshire & Ian Derbyshire, *Political Systems of the World* (Edinburgh, UK: Chambers, 1989), 90

advocate a PR type as replacement. The FPTP system has resulted in the following developments, which when taken together, are responsible for serious failures in Pakistan's political system.

The most serious defect of the SP or FPTP system is that it is inherently unfair. There exists no true relationship between electoral performance of a political party and its strength in the parliament. As a result, in countries with two major parties, such as New Zealand and Great Britain, third or fourth parties tend to win disproportionately lesser seats than votes.<sup>92</sup> A serious point of public debate after the 1993 general elections in the country is over PPP's formation of government. It is thought "unfair" that with 41% of the vote cast in favor of PML (N) the party is in Opposition as opposed to the PPP, which got only 37% votes. This is not the first time that a party which did better in terms of votes cast in the general election is denied power simply because it got fewer seats. This happened twice in Great Britain, and several times in India. Recently it happened once again in India's last general elections. The BJP is able to form a government, though for only 12 days, even when its share of the popular vote at 20% is less than that of Congress at 28%. The unfairness of the SP or FPTP electoral system is obviously apparent. In Great Britain people are expressing their frustration at the SP system. In a recent poll 71% agreed with the statement: "The voting system produces governments, which do not represent the views of most ordinary people."<sup>93</sup>

The FPTP system of elections gives greater significance to the individual candidate as opposed to the political party. The result is that these individuals once elected dictate terms for remaining in the party. Elections are less of an exercise of choice among competing party platforms but instead become more of a measure of the candidate's popularity in the constituency. All types of ethnic, linguistic and biradari connections sway the voters. Most significantly, elections become personality oriented instead of being issue oriented. Political parties, instead of selling their programs and policies try to measure constituencies in terms of primordial ties and search for candidates that best fit in that calculation. Consequently, parties tend to become collections of individuals, who can leave at their convenience. Hence, the SP or FPTP system assists in the maintenance of the superiority of the social structure over the functioning of the political parties. Not only does the existing electoral system weaken party ideology; it also leads to nepotism in the body politic. The candidate who wins on the basis of local popularity keeps himself enmeshed in "pork-barrel" politics - attempt to bring resources to the constituency. The voters begin to visualize their parliamentary representatives as guardians of local interests as opposed to national interests. In this type of sectional competition the party becomes secondary. Consequently, party loyalties are weakened further. The FPTP electoral system promotes a two-party system such as that of the USA and Great Britain. It is said that the two-party system offers clear choice to the electors and that minor parties tend to amalgamate with the two established major parties. Thus a third political party in Great Britain and the USA has little chances of coming into power. Consequently, the political system stabilizes, it is argued. The assumption is that coalition politics,

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<sup>1</sup> Ibid., 89.

<sup>1</sup> Marr, Ruling Britannia: The Failure and Future of British democracy, op. Cit., 23.

which is a resultant of PR electoral system, is inherently unstable and therefore undesirable. Is that true? Evidence from a comparative analysis of stability of political systems indicates that this is not necessarily true. Coalition politics is a norm in many European countries and in Turkey, Lebanon and Israel, among other countries. Many of these systems are considered politically stable. Only Italy, which had governments last, a year or two, at the best, since the end World War II is considered by any as unstable. What about the political stability of Norway, Netherlands, Germany, Switzerland, Belgium, Finland, Luxembourg, Denmark and Iceland? In the 1987-88 lower chamber elections 13 parties won seats in Switzerland, 11 in Belgium, 9 in Finland, 8 in Denmark, and 7 in Iceland. Recently, the United Front, which is a coalition of 13 parties, has formed a government in India and the Likud in Israel has also formed a coalition with several small parties. Coalition governments' work successfully elsewhere and apparently they can do so also in Pakistan. Strong political party systems are required.

In short, the strength of the political system depends upon the strength of the party system. It is essential to opt for an electoral system, which assists in the strengthening of the party system not weakening it. The main strength of the FPTP system is its simplicity not its fairness or sophistication. We must discard it in favor of something that works. There are alternates available to choose from.

#### ALTERNATE PROPOSAL

The Proportional Representation (PR)-Party List system is fairer as it secures a close relationship between votes cast and seats won. Thus, a party winning 20% of the vote cast is entitled to 20% of the seats in the Assembly/Parliament. Currently, 32 states employ list systems. They are: Austria, Belgium, Cyprus, Denmark, Finland, Greece, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, Brazil, Colombia, Indonesia, Israel, Lebanon, Paraguay, Peru, Sri Lanka, Uruguay, Venezuela, and others. On the whole, list systems have a tendency to favor multi-party coalition politics. The problem of a pure PR system, where no "cut off" limits is imposed is that "hung" parliaments may result, as in Israel, giving minor parties a disproportionately greater influence over the arrangement of the government than their voting strength will normally allow. List systems can be doctored by specifying a "cut-of" point of percentage votes to be won below which very small political parties get no representation at all. If this is not done then essentially any political party, whatever its size, will have a chance of winning at least one seat and the assembly will be destabilized as a result. The size and nature of the "cut-off" threshold can vary greatly. In Germany it is 5%, Sweden 4% and as low as 2% in Denmark. A much tighter "cut-Off" is used deliberately in some countries as to favor the larger parties. The most prominent example is Turkey where the "cut-off" is 10% i.e.; political parties need at least 10% of the popular vote to secure entry into parliament.

Critics of PR in Pakistan argue that this is exactly what they fear. Sectarian, ethnic and regional parties will not allow the composition or smooth working of any

government. It is true that we do not wish to have too large party splinters in the national and provincial assemblies. The question is how many is too many? What is a good number of parties to be fashioned in our parliament? Maybe up to ten. The Turkish “cut-off” at ten percent of national vote as requirement to enter the national or provincial assemblies can be incorporated so as to eliminate smaller extremist or ethnic, sectarian parties.

The Additional-Member System (AMS) and its variants are currently practiced in Germany, Guatemala, South Korea, Mexico, Senegal and Japan. In the AMS system two votes are cast on Election Day, one for the candidate and the other for the party. Half of the candidates will be elected on the SP or FPTP system and the remaining half on the Party List basis, so as to make the membership of the assembly accurately reflect the national vote. Hence, the Party List is introduced to correct any unfairness in the SP or FPTP system. Mexico, South Korea, and Japan have partial AM systems. Only a quarter of the Congress in Guatemala and also a quarter of the National Assembly in South Korea are elected on AMS basis. Mexico has a partial AMS setup where two-fifth of the 500 seats in the Chamber of Deputies, are filled proportionately from minority parties’ list. The upper chamber of the Diet in Japan has also been elected by a variant of AM since 1982. A national-level PR fills 40% of the seats in the chambers.<sup>94</sup>

We propose that Pakistan’s national assembly seats be either increased by a half or alternatively reduced by a half to incorporate the Party List system. Taken together the result will be the desired AMS electoral system. This proposal is already under consideration by the PML. Representatives of various political parties, including the Jamaat-i-Islami and others in the Milli Yakhjehti Council (MYC) have proposed change in favor of AMS electoral system.<sup>95</sup>

#### (i) THE ISSUE OF TIMING OF NATIONAL AND PROVINCIAL ELECTIONS

It has been widely suggested that the National and Provincial Assembly elections be held on the same day.<sup>96</sup> It is argued that same day elections will be easy to handle and will also be less expense. There is no evidence to suggest that there is indeed a definite advantage in holding elections on the same day. It is certainly not required nor a necessity that national and provincial governments be formed at the same time. Staggering of elections is done to ensure greater continuity of government. There is a lot of merit in the logic. We propose that the five-year life span of the National Assembly be continued as it is but that of the Provincial Assemblies be decreased to four instead of the present five. Thus future elections will take place with a year’s gap. While the National Assembly will be elected in 2002 the provincial assemblies will be elected in 2001. Deliberate overlapping will assure stability and lack of interruption in government. A less turbulent political system will thereby result. This will be conducive to greater political stability. The change of the election timetable

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<sup>1</sup> Derbyshire & Derbyshire, *Political systems of the World*, op. Cit., 94.

<sup>1</sup> *The Nation*, April 3, 1996.

<sup>1</sup> *Ibid*.



will require an amendment of the constitution. The Nawaz Government must immediately take the initiative to get this change through.

#### (j) EQUAL OPPORTUNITY IN STATE MEDIA

The GOP dominates the electronic media in the country. Political parties have demanded equal time on it.<sup>97</sup> This is a perfectly legitimate demand and should become law. Reasonable equity in media access and coverage is a universally accepted requirement of democratic societies.<sup>98</sup> Complete control of television and radio broadcasting by the government is not only bad politics but also unfair. The people know better. GOP propaganda becomes incomprehensible and stale and, more importantly, the public resent it. This basically destroys the credibility of the state-controlled media. Some flexibility of approach, sense of toleration and fairness is shown to all political parties and groups, including the defeated ones. In this way the GOP can win over the wary public opinion. Let political leaders be invited to express themselves openly. This means political opponents also. The public demands fairness even for the fallen enemy. It will be the proper thing to do. A better-informed public is crucial for the success of any democratic political system. Plus, this is also an Islamic imperative.

#### (k) THE ISSUE OF ELECTION FRAUD

Election fraud is not new in Pakistani politics. We need to be more vigilant against such abuse. Some political parties have recommended that the National ID number of each voter should be registered in the electoral list, the national identity card be produced at the polling booth, and that election results should be on the spot. Both proposals seem reasonable and therefore are to be adopted. Some sort of identification check is sensible in order to minimize election rigging. The Election Commission can arrange announcement of results in the district office of the Deputy Commissioner by the District Election Commissioner without much difficulty. The Election Commission should be further strengthened by giving it statutory autonomy and by bringing it under the administrative setup of the Judiciary. It is also a requirement of democratic practice, universally recognized, that the campaign and vote counting should be supervised by an impartial administration, with an independent body being available to adjudicate in electoral disputes.<sup>99</sup> The Election Commission in India has done a reasonably good job given the complexity and size of India's election exercises. Our Election Commission unfortunately does not have that well a reputation. A powerful Election Commission, acting fairly, is absolutely indispensable for the success of the election exercise. In future also foreign observers are invited on government expense to authenticate fair elections. Elections should not be only fair but seen and believed to be fair. We should not lose the lesson of the 1977 general elections in Pakistan.

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<sup>97</sup> Ibid.

<sup>98</sup> Derbyshire, *Political Systems of the World*, 105.

<sup>99</sup> Derbyshire, *Political systems of the World*, 105.

### (1) Single Constituency Rule

Under the present election system a candidate can simultaneously contest from several places in the general elections. Premier Nawaz Sharif contested from more than one constituency himself. This practice will be stopped. Given the nature of the task, one person can faithfully represent only a single constituency. Therefore, in future a candidate will not be allowed to contest from more than one constituency.

### An Agenda for Reform of Pakistan's Political System

Pakistan, after fifty seven years of independence, has failed on many fronts. It simply has not come up to the expectations of its own public and friends worldwide. The question is why? The answer is complex to say the least. We believe that the main reason for Pakistan's weakness is the deficiency of its political system. The article envisages an agenda for reform of the country's political system. If adopted, the agenda would chart a path out of the prevalent morass and resulting disillusionment. We urge political thinkers and concerned laymen to seriously consider the proposals and, if convinced, join hands for its adoption by the political parties contesting the forthcoming February 3 1997 general elections. The destiny of the country is in our hands and it is our responsibility to contribute whatever we can for its place in history.

### The Essential Political Stage for Reform Initiatives

New political developments inside the country and outside it warrant an immediate change in emphasis and direction. The recent ouster of the Benazir Government on November 5, the tremendous public outcry for accountability, and the on-going preparations by several political parties to contest the general elections on February 3, 1997 are the most notable developments inside Pakistan. The unprecedented salience and politics of accountability in India is the primary regional event to be noted.

Quick reforms are urgently needed as Pakistan is facing an acute crisis of governance. Unfortunately, Pakistan is now being considered as an example of a failed state. It has hit rock bottom in many aspects. Only a radically changed political system can possibly salvage the country out of its multidimensional crisis.

It needs to be emphasized that no political party can by itself bring about these changes. This is an objective reading of the given political reality and circumstances in the country. It is also a given that the major parties must receive the support and assistance of other political parties, especially the smaller parties commonly referred as the "third option". We believe that the caretaker government must lead and stress reconciliation on national issues as a necessary and urgent condition to solve our country's myriad problems. Since an amendment of the Constitution needs two-thirds majority in the National Assembly, therefore, national reconciliation between all big parties is necessary. This is assuming that no single party will be able to sweep the upcoming elections and a coalition government will be the most likely outcome of the

exercise. Politicians across the board are urged to enter into a new phase of politicking. Critics are urged of to be more constructive and charitable in their approach and instead of being overly critical of the status quo should adopt a positive attitude towards recent developments in the country. For the first time in our tragic history there is a bleak possibility of accountability of our political masters. Some urgently needed economic and administrative reforms have already been initiated by the caretakers and need be supported by the all Pakistanis. The people of Pakistan certainly deserve a better deal than what has been meted out to them as yet. Let us have the resolve to learn from our mistakes and not necessarily repeat them. A strengthened and just democratic order can quite possibly salvage the situation provided we move quickly on many fronts. We have already wasted enough time. We begin our reform agenda by discussing the shortcomings of the current federal setup and then proposing an alternate.

Pakistan is a federal state which signifies division of powers between a national government and constituent units. Such a division in the constitution. The federation of Pakistan comprises of four provinces: Punjab, Sindh, NWFP and Balochistan. The provinces are administered by governors appointed by the central government and local governments constituted by elected Provincial Assemblies and headed by Chief Ministers. There are also tribal areas administered by the federal government. Responsibility for the subjects of health, labor, education, agriculture, social welfare, industry and roads is entrusted to the provinces. However, principal power resides with the central government, which is headed by a premier. The head of state is the President, who is elected for a renewable, five-year term jointly by an electoral college composed of the National Assembly, Senate and the four provincial assemblies. The presidency was originally a titular post, but following the famous Eighth Amendment of March 1985, the office holder was given authority to dissolve the National Assembly, and appoint and dismiss the Prime Minister, the cabinet and provincial governors. The president, therefore, emerged as a dominant political figure. However, the comparative significance of the office has been eroded thanks to the intervention of the Supreme Court. Nawaz Shari's government was restored by a Supreme Court verdict in 1993. However, he resigned from the prime minister's office subsequently and new general elections were held.

The federal legislature consists of a lower house, the National Assembly, and an upper chamber, the Senate. The National Assembly has 342 members, directly elected for five-year terms by universal adult suffrage. The Senate has 100 members, elected, a third at a time, for six-year terms by provincial assemblies, and tribal areas, in accordance with a quota system. The National Assembly is the more powerful of the two chambers, having exclusive jurisdiction over financial affairs. To become law, bills must be passed by both chambers and must also be approved by the President, who has the power of veto. The presidential veto may, however, be overridden by a simple majority of both houses. The chief of government is the Prime Minister, drawn from the National Assembly. Benazir Bhutto was a very powerful prime minister because she herself held till nearly the very end additional portfolios of defense and finance.

Comparative analysis indicates that the number of constituents units in a federation does have an important impact upon its effectiveness and operation. The fact that Switzerland has 26 cantons, Germany has 16 landers, Canada has 10 provinces, and the USA 50 states do make explains different overall performance.<sup>100</sup> Recently the Russian federation adopted a new constitution that has 89 constituent units. Federal systems are suited for either very large countries or ones, like Pakistan, that have numerous ethnic, cultural and linguistic cleavages. Gunlicks points out that a study of Belgium, Spain, Russia, India, Canada, Yugoslavia, Czechoslovakia, and South Africa indicates that the most significant factor behind the establishment of several federations is linguistic, ethnic, religious or racial strains, real or potential.<sup>101</sup>

The crisis of governance in Pakistan mainly stems from an inadequate and failing federal setup and over centralization of power in the central government. In a country like ours which has the current setup cannot perform successfully. The Malakand tribal belt is unlike cosmopolitan Karachi, and the Potahar region in northern Punjab is dissimilar to the Seraiki belt in the south of the province. Hence, a new formula for federalism needs to be adopted. Pakistan will not be the first or the last federation to change its setup. India did it so can we? From only 12 provinces at the time of Independence India have gone up to 25. We must realize that all countries evolve new political structures to solve their conflicts and that there is nothing sacred in the current federal setup of Pakistan. If by discarding the current setup we are able to lessen our problems of governance then we should not hesitate to incorporate the necessary changes. Also, there seems to be an increasing consensus in the country for changing the current federal structure. In fact Pakistan has too few provinces for its size and is a glaring exception in this regard. For example, Austria and Belgium each have 9 provinces; Brazil 22 provinces, Egypt 26; France 21, Indonesia 27; Iran 23; Iraq 18; Japan 47; Nigeria 19; and Turkey 67.

It has already been proposed that at least twelve provinces be created in Pakistan instead of the current four. This proposal appears very reasonable and we wish to strongly recommend it. Under the new federal scheme the Punjab province can be split into five; Sindh into three; NWFP into 3; Balochistan into 3; and FATA Northern Areas and Kashmir can be consolidated into the fifteenth province. The breakup of the federation into smaller units must necessarily be initiated from the Punjab for obvious political reasons.

### Decentralization

The increase in number of provinces must necessarily accompanied by decentralization and devolution of power to regional and local levels of governmental structures. Pakistan suffers from an over centralization of power in Islamabad. Provinces should be granted greater autonomy. A highly centralized government is increasingly becoming unpopular in the minority provinces. The constitution of

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<sup>100</sup> Franz Gress, Detlef Fechtner & Matthias Hannes, The American Federal System: Federal Balance in Comparative Perspective (New York & Paris: Peter Lang, 1994), 207.

<sup>101</sup> Ibid., 218.

Pakistan should be modeled on that of Canada where the federal government is weak in comparison to the provinces. The federal government of Pakistan must retain only a few clearly spelled out powers in the Constitution. The country needs a looser federal setup because of its great diversity both social and economic. Provinces must have greater control over their purse strings and should have the freedom to allocate a greater bulk of their resources as they deem fit. Jurisdiction over a number of subjects from the Concurrent List of the Constitution of 1973 can be permanently transferred to the provinces. The political parties must at this point agree to the principle of federal restructuring. The details of provincial autonomy can be worked out later with the agreement of other political parties, including the PPP. Decentralization and devolution of power to even lower levels can be later debated and achieved. In the first round fifteen provinces are created. The number may increase later on. We do not want to advocate too much change in the present structure as it may prove destructive. Also, some time is needed to consolidate the forthcoming political and economic gains. Experimentation will hopefully lead to greater insights to what structure is best suited to the needs of our people.