

CIVIL SERVICE REFORM IN PAKISTAN: SOME PRINCIPLES

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Civil service reform has become a focal point in recent times, sparking numerous articles in the media. However, there is apprehension that these reforms may follow the same pattern as in the past—superficial changes, alterations in nomenclature, further centralisation, and increased power for services akin to the District Management Group (DMG). This concern emphasises the need for substantial engagement from the entire society, including the best minds, to ensure meaningful reform. The active involvement of the Prime Minister and the cabinet is deemed essential for the success of this crucial reform.

Initiating the reform process requires clarifying principles and developing a vision collectively. Recognising that the civil service constitutes a significant portion of the executive and influences all aspects of society, the reform should not be conducted behind closed doors. Moreover, the bureaucracy, being the subject in need of improvement, should not be the primary architect of this reform. Excluding donors, who themselves operate within a large and often ineffective bureaucracy, is crucial. International consultants relying on copy-paste methodologies should also be excluded. Instead, the design of the reform should be entrusted to an independent commission backed by technical skills, intellectual prowess, and fresh perspectives.

The commission should conduct open consultations with civil society and various segments of society to gather diverse inputs. Donor contributions, if any, should undergo local public scrutiny before implementation. The process should begin with the commission articulating key reform principles, subjecting them to extensive debate, and passing them into law through parliamentary consensus. Civil service reform is too vital to rely solely on administrative rule changes.

The envisioned reform should adhere to certain principles:

1. Abolish Unified Pay Scales (UPS), recognising that the civil service is not a monolithic entity. UPS, a legacy of socialist planning, artificially ranks all services on a relative scale, hindering professional development. Government agencies should be empowered to establish their own pay scales based on market dynamics within their budgets.

2. Discontinue predetermined lifetime careers with guaranteed promotions at fixed intervals. The prevailing entitlement mentality among civil servants needs to shift toward a merit-based approach where performance is duly rewarded.

3. Civil service independence must be legally guaranteed ensuring that key decisions regarding the functioning of the service (such as recruitment, promotions, transfers, pay, and pensions) are shielded from interference. Legal guidelines currently exist, but additional measures should prevent MNAs and ministers from exerting control over civil service appointments at any level. The prevailing notion that “public service should not be paid well” requires a thorough review. Positions in public service carry significant responsibilities and should be remunerated appropriately. Serious reforming countries recognise this and provide market-based salaries, with appointments and promotions based on merit and external competition.

4. Civil servants should receive competitive cash salaries without relying on perks servants, utility bills, board memberships, subsidised clubs, arbitrary land gifts). Shifting to higher salaries requires the abolition of perks to align civil service incentives with the needs of public service

delivery and professionalism. Several drawbacks associated with perks need consideration:

- Perks, being invisible forms of payment, depend on the discretion of those in power, opening up avenues for buying allegiance and potentially politicising the civil service.
- Perks incur significant costs for the government, with houses provided to officials being expensive, located in city centres, and hindering city development. Maintenance of cars and houses presents substantial expenses and corruption opportunities. Economic research indicates that the cost of perks far exceeds the benefit provided to the employee, and transitioning to cash payments could be more cost-effective for the government.
- Perks contribute to a symbol of power, fostering a VIP mentality. Officials residing in government-provided luxury may live in segregated environments and be treated differently due to these perks.
- Officials with perks may lack an understanding of public service issues, as they experience fewer shortages and challenges in their government colonies. Their privileged lifestyle is detached from local realities.
- Perks are not uniformly available and need to be rationed, leading to the formation of coalitions and exchanges of favors. These coalitions accumulate power, acting as influential groups within official circles and potentially weakening governance systems. The current payment method is dysfunctional, induces corruption and adversely affects productivity. All perks should be abolished. Salaries should be all in cash based on market comparators and indexed. Benefits should include no more than indexed, fair valued pensions and health care.

5. Pension and healthcare benefits should be extended but on modern lines Both systems should be properly funded by contributions by officials and the government. The funds raised should be properly managed by professional money managers and invested for later payouts. Benefits should be defined, and their proper use should be monitored.

- Pensions should be portable and/or cashable at various stages of a career and not merely at the end. This will allow careers to be better planned and not force people to hang on even when they have lost interest.
- Healthcare should be better detailed to define the liability of the fund and to let the user know the limits to which they will be helped. Audited procedures must be in place to prevent abuse that is frequently reported. Government funding of care in foreign hospitals should be discontinued altogether.

6. Not all civil service jobs should be protected from external competition. The preferred scenario would be to open out recruitment to external competition! If that is not acceptable, all senior appointments (Secretary and Additional Secretary) should be based on worldwide competition. Public sector senior appointments affect so much; the best people should be sought for them.

7. The colonial system of the civil service that we have inherited is extremely centralising. Currently, the federal government controls all levels of government. A federal civil servant after recruitment heads up local government from which he moves up to senior levels of the provincial service to eventually running federal departments of government. Following best practices in administration, each level of government — federal, provincial and local — must be independent. The provinces and cities should have their own employees and there is no reason that they should be paid less or regarded as inferior to the federal government. Any movement from one level to another should not be a transfer but a resignation and a new application.

8. Current Rules of Business designate the Secretary as a Principal Accounting Officer (PAO) of entire monoliths of government, divisions, ministries as well as attached departments. The result is excessive centralisation that impedes productivity. In the current system governance is literally in the hands of five secretaries: Principal Secretary, Finance Secretary, Cabinet Secretary, Finance Secretary, and Planning Secretary. Good governance is built on decentralised mission-oriented agencies and departments with clear resources and accountability. There is no reason to give these secretaries so much power with hardly any accountability. Let each agency head and the functional head be recognized as a PAO and given adequate power and resources with very clear lines of accountability and audit rules to deliver public service.

9. Transfers should be recognised as a control device and be discontinued. Frequent transfers are not helping productivity and should be questioned in Parliament. Like the rest of the world, appointments should be given tenure with new appointments being obtained through a competitive — not command — process. Like in many parts of the world, each position is announced and competed for and each officer knows he can't remain in a position for more than 3 years. If she can't find a job within the system, she can look elsewhere.

10. Mobility should be viewed as desirable and course, mobility rules ought to be put in place not just within the civil service but also to facilitate flow between the public and private sector for required cross fertilisation.

II. Processes and rules of business should be to ensure that **government becomes a learning, investigating and thinking body** using technology, developing data, harnessing information, conducting analysis and adopting innovative approaches to policy determination and public service delivery. Such a bureaucracy would continuously reform, itself adapting to a rapidly changing world. In the past, the bureaucracy was a learning and researching bureaucracy. This is evidenced even now in the India Office in England where their famous district Gazetteers as well as other reports are kept. We must make the bureaucracy a learning and thinking place again. There must be clear research departments in every ministry and agency working on issues of policy preparation and reform and budget proposals. All departments must be held responsible for regular reports on various issues from data to sector reviews to performance reports. No meeting at any level must be held only on PowerPoints. Policy notes or situation reports must be mandatory for these. Reports or minutes of such meetings must be made available unless there are top secret items.

12. Training programs of government should be reviewed to facilitate a modern, professional bureaucracy and move beyond the current approach to develop a generalist league of gentlemen. The current approach is about a century old and must be updated. Training academies currently are designed to park serving and retired officials and participants consider it either a burden or a party. No serious training takes place. mobility rules ought to be put in place not just within the civil service but also to facilitate flow between the public and private sector for required cross fertilisation.

Would it not be better to let the universities in Pakistan get some of this business? Let the civil service interact with them and give them business. This will also release valuable real estate that is being wasted in the name of training.

Without a process for reform — a serious commission led by thought and intellect and a public consultation — and the adoption of clear principles, there will be no serious civil service reform!

But the job of the commission should not be to meet over tea and samosas but to write serious policy notes and white papers after several well thought-out consultations across the country. And these papers and policy notes should be discussed in Cabinet and other forums. A serious process of reform must begin with something like this to hammer out details. Some such list must be discussed point by point in retreats for days and not perfunctorily in an hour of VIP interface.

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