



The real status of reform

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The information about the Civil Service Reforms is coming in dribs and drabs from time to time and a complete picture as to what are the main objectives of these reforms interwoven in a holistic picture and how much progress has been made so far, is not available at one place. This article is an attempt to spell out the broad objectives (Section I) and the progress made so far (Section II).

The agenda for reforms is ambitious by design as it would be implemented over a decade or so to make meaningful impact. But a beginning is to be made. It must be conceded that there are no quick fixes, no abrupt disruption, as the present bureaucracy has to keep running the country while reforming gradually.

Why do we need to reform in the first place? The rationale for this plan should be viewed in the context of the prevailing malaise and weaknesses in our governance structure, long term vision of Pakistan, the external environment in which Pakistan will be operating as a country, the lessons learnt from other successful developing countries, the diagnostic studies including public opinion polls about government performance in Pakistan and the growing expectations of the public at large.

I. Broad Objectives Underpinning the Reform

In order to lay down the direction in which the reforms will be undertaken, it is essential that the broad objectives that will underpin these reforms are clearly defined. The following broad objectives are outlined under each area of the reforms.

Civil Services

- i) Open, transparent merit-based recruitment to all levels and grades of public services with regional representation as laid down in the Constitution.
- ii) Performance-based promotions and career progression for all public sector

employees with compulsory training at post-induction, mid-career and senior management levels.

iii) Equality of opportunities for career advancement to all employees without preferences or reservations for any particular class.

iv) Replacement of the concept of Superior Services by equality among all cadres and non-cadres of public servants.

v) Grant of a living wage and compensation package including decent retirement benefits to all civil servants.

vi) Strict observance of security of tenure of office for a specified period of time.

vii) Separate cadres of regular Civil Services at the Federal, Provincial and local government levels co-existing with contractual appointments.

viii) Creation of an All Pakistan National Executive Service (NES) for senior management positions drawn through a competitive process from among the Federal, Provincial and local government cadres, ex-cadre and non-cadre officers, those working in autonomous bodies and other public sector entities

ix) Introduction of four specialized cadres under the NES for Economic Management, Technical, Social Sector Management and General Management.

Structure of Federal, Provincial and District Governments

- Devolution of powers, responsibilities and resources from the Provincial to local governments.
- Establishing inter-governmental structures with adequate authority and powers to formulate and monitor policy formulation.
- Clear separation of policy making, regulatory and operational

- responsibilities of the Ministries /Provincial departments
- Making each Ministry/Provincial department fully empowered, adequately resourced to take decisions and accountable for results through financial and performance audit.
 - Streamline, rationalize and transform the attached departments/ autonomous bodies/ subordinate offices/field offices, etc. into fully functional arms of the Ministries for performing operational and executive functions.
 - Reduce the number of layers in the hierarchy of each Ministry/ Provincial department to three to expedite decision making process.
 - Cabinet Secretary to perform the main coordinating role among the Federal Secretaries on the lines of the Chief Secretary in the Provinces.
 - Revival and strengthening of the Secretaries Committee at the Federal/ Provincial governments to become the main vehicle for inter-ministerial coordination and dispute resolution among various ministries.
 - District level officers interacting with the general public in day-to-day affairs should enjoy adequate powers, authority, status and privileges to be able to resolve the problems and redress the grievances of the citizens.
- should be developed, widely disseminated and posted at websites of each department. Interaction of the public with government offices involving financial transaction for services like permits, taxes, fees should be preferably done through online or digital payment mode.
 - Rules of business of the Federal, Provincial and District government should be revised to make them simple and comprehensible, empowering the Secretaries/Heads of Departments to take decisions without multiple references, clearances and back and forth movement of files. Post-audit of the decisions taken should be used to ensure accountability rather than prior clearances.
 - Delegation of financial, administrative, procurement, human resource management powers should be revisited to ensure adequacy.
 - Powers commensurate with the authority should be delegated at each tier of the hierarchy.
 - Estacode, Financial Rules, Accounting and Audit Rules, Fundamental Rules and all other rules in force should be reviewed systematically and revised to bring them in line with modern management practices.
 - E-Government should be introduced in a phased manner. Technological solutions, hardware and software applications are easy parts of the process, but the most difficult aspect is the training and change in the culture, attitude and practices. E-Government should be driven by business needs rather than crafted as an elegant technical solution. E-Government would replace the outdated and manual files system and bring about transparency, accountability and efficiency

Business Process Re-Engineering

- All laws, rules, regulations, circulars, and guidelines issued by any government ministry/department/ agency should be available in its most updated version to the general public free of cost in a user-friendly manner on the webpage and in electronic and print forms at public places. The websites should be designed in such a manner that government-public physical interaction is brought to the minimum and maximum services are provided online with transparency in the application of rules and procedures.
- Service standards with timelines for each type of service rendered by the Federal Government departments and bodies dealing with public matters

II. Proposed Approach and Progress update

The lesson learnt from the experience of the National Commission for Government Reforms (NCGR) where we aimed to prepare a comprehensive reform package after extensive consultations with the stakeholders has led us to think differently about our approach. Although we had formed a Steering Committee headed by the President of Pakistan and consisting of Chief Ministers, this extra territorial forum did not work out as expected. Bypassing the Federal Cabinet and not building a broader political constituency by leaving the final decision making to the four

Chief Ministers who considered the reforms an erosion of their vast discretionary powers, was a mistake. The second mistake was overburdening the agenda by proposing reforms in All Pakistan, Federal, Provincial and District civil services at the same time without any proper and clear sequencing. Since the NCGR Report, the 18th amendment and the 7th NFC award have drastically changed the contours of Federal- Provincial and Provincial-Local relationship. Therefore, the task forces appointed by the PM on civil service reforms and restructuring of the Government have limited their recommendations to the Federal Government only. While the provinces were represented, it was left to their political masters to decide whether they would use these recommendations in their own provinces. It must be conceded that most reforms aimed at improving the delivery of basic public goods and services to the common citizen lie at the doorsteps of local government and in absence of that, the reforms at the Federal level would have much muted impact. The whole spectrum of Local Government reforms was left to the provinces and the Punjab and KP Assemblies have come up with legislation which would indeed strengthen the local government system. It is not clear what would be the stance of the Sindh and Balochistan Governments in their approach towards devolution as they have their own peculiar considerations

Civil Service Reforms

At the Federal level, we identified that in the civil service reform would adopt the “whole value chain of policies” approach in an integral manner. This value chain starts with (a) Induction and Recruitment and extends to (b) Post-induction and Mid-career Training (c) Performance Management (d) Career Progression (e) Compensation and Benefits and, finally, (f) Retirement and Severance and (g) Efficiency and Conduct. Each one of these topics was analyzed at length by the sub-groups of the Task Force, discussed at the whole Task Force meeting, discussed at consultative sessions with stakeholders and then crystallized in the form of recommendations. As the task force had a diverse group of membership, there were at times heated discussions, some members withdrew or resigned and others expressed strong dissenting views. Criticism was levied that the Task Force was dominated by the PAS officers and had little representation from other services and the Chairman himself was an ex-CSP officer. The PAS officers dominated because the ex-officio members i.e.

the Chief Secretaries and Federal Secretaries all belonged to that service. Non-official members were drawn from among the academia, private sector, also retired civil servants belonging to PFS , PSP, IRS . More than 60 consultative sessions held at Quetta, Karachi, Lahore, Peshawar and Islamabad including training institutes were attended by more than 1900 officers from all services cadres, ex-cadre and non-cadre. Their views were incorporated while finalizing the recommendations. The Task Forces formed sub-groups on each of the components of the HR value chain and came up with their recommendations which were discussed at the joint meeting of the two Task Forces and the final proposals were passed on to the Divisions concerned.

The Task Force was of the view that unless the elements of this value chain were not revamped, any structural changes such as creation of National Executive Service would not make much sense. So it was proposed that each of these items and allied policies should be taken for the consideration of the Cabinet for their approval. So far the Policies which have been approved by the Cabinet pertain to Selection of heads of public sector corporations and bodies, Training of officers, Performance Management, Promotion Policy, Rotation and Directory Retirement rules.

The status of progress made up to date is as follows:

- A transparent procedure for selection of Chief Executives, Managing Directors and heads of public sector organizations and enterprises through an open merit based competitive process has been put in place since 2019. About fifty such positions have been filled so far following this procedure which is aimed at finding the right person for the right job.
- Systematic training of ex-cadre and non-cadre officers on the lines of the Cadre services has been made mandatory for promotion. Mid-career and senior management training courses at National Institutes of Management (NIMs) have been divided in two parts—the first half would be common training course at NIMs while the second part would take place at the Specialized Training Institutions (STIs) in their respective professional fields.
- For Performance Management, the starting point would be the Performance agreements signed by the Prime Minister with his 25 Cabinet Ministers.

The goals specified in these agreements would then translate themselves into key performance indicators (KPIs) for goals down to the hierarchical chain. These KPIs would be agreed upon by the officer and the supervisor replacing the present highly subjective evaluation process. Only top 20 percent would be placed in outstanding category and their annual increments would be twice as much as those of the fully satisfactory categories. Those who get below average performance reports would get no increment.

- Promotion for senior posts would no longer be based on seniority but on the past performance reports, training institutions' assessment and evaluation by Selection Boards about the potential of the candidates to occupy higher positions. Rotation among Provincial and Federal Governments for All Pakistan Service officers would form part of the eligibility for promotion to the next grade.
- Under the Directory Retirement Rules which have been notified, Officers who have been superseded or shown unsatisfactory performance consistently would be retired after completing twenty years of service by independent Boards.
- In order to attract specialized and technical skills of high order from among the private sector and overseas Pakistanis, two new streams of recruitment have been opened up. Management Positions (MP) scales and Special Professional Pay Scales (SPPS) scales with attractive packages much beyond the existing BPS scales have been introduced. These positions would be filled purely on merit through an open, competitive process. Policy guidelines have been developed to recruit, remunerate, evaluate their performance, and issued. A Cabinet Committee considers the proposals for conversion of the posts to MP and SPP scales and decides on the basis of justification and rationale for such conversion.
- To assist the Ministers incharge of technical ministries, 14 posts of Technical Advisers with expertise in that Ministry's business have been created in the Ministers' offices.
- a) It has been decided to induct the officers of the Provincial Civil Services into the Pakistan Administrative service at grade 19 through the Federal Public Service Commission

- b) Amendments in Efficiency and Discipline Rules for making internal accountability more effective, have been notified
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The proposals that are yet to be approved by the Cabinet are as follows:

- a) Induction and Recruitment: After thorough discussion with the Federal Public Service Commission, the proposals for Induction and Recruitment have been finalized and would be submitted soon for Cabinet's approval. The initial screening tests and selection of mandatory electives to match the requirements of the occupational group at CSS examination are the innovative feature of the proposed recruitment system
- b) For Pay and Compensation, the PIDE was commissioned to prepare a study. A Pay and Pension Commission has been formed to review all proposals for rationalizing salary structure and the current system of pensions.
- c) The Cabinet, just like the Musharraf Government and his chief Ministers and the Prime Minister at that time, did not agree with the proposal on the Security of tenure and adopted a policy for Federal Secretaries to be selected by a committee consisting of Ministers and Secretaries that would recommend a panel of three candidates to the Prime Minister against each vacant post. The selected officers would have a fixed tenure for two years but could be removed in the initial six months on the recommendation of the Minister Incharge. This action has been criticized by many civil servants as it entails undue political influence in the appointment of the Secretary of the Division. The counter argument given by the Cabinet members was that if they were to be held accountable for results according to the performance contract signed with the Prime Minister, they should have a say in selecting the team leader of their management team.

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The Cabinet has formed a Cabinet Committee on Institutional Reforms (CCIR) that meets regularly to monitor implementation of these reforms. It is also tasked to consider new ideas and proposals in four areas (a) Restructuring of the federal government (b) Strengthening selected key institutions of governance (c) Civil Service Reforms and (d) Business Process Reengineering. The Committee consists of three Ministers, one Adviser, two Special Assistants and Secretaries of Cabinet, Establishment, Finance and Law Divisions. The decisions of CCIR are considered by the Cabinet for ratification.

Restructuring of the Federal Government

The second Task Force on Restructuring of the Federal Government and Austerity focused on (a) 441 organizational entities (OEs) by reviewing their functions, efficacy and legal status, (b) revitalizing the e-office suite in the Ministries, (c) Business process reengineering, (d) Public financial management and (e) Strengthening the Secretaries committee for inter-ministerial coordination and resolving unsettled issues to lessen the burden on the Cabinet and its committees.. The Cabinet formed a Committee of Ministers and Secretaries to oversee the implementation of this report. The Committee held 37 meetings, listened to the viewpoints of the Ministries/Divisions, took decisions and made recommendations for their official notification. This Implementation Committee was subsequently folded into the newly formed Cabinet Committee on Institutional Reforms with the same membership but an expanded mandate.

The status of progress up to date is as follows:

- A comprehensive report on the 441 OEs was submitted to the Cabinet and approved. The report divided all the OEs into six categories (a) those to be retained as autonomous bodies (b) those to be retained as executive departments (c) those to be privatized (d) those to be transferred to the provinces (f) those to be merged (g) those to be liquidated or wound up. This effort has reduced federal government entities from 441 in total to 324 and reduced the configuration of entities from 14 different kinds to three i.e. Executive Departments, Autonomous Bodies and Constitutional Bodies. Furthermore, liquidation, merger and transfer of entities to provinces or relevant ministries would help reduce the fixed and variable costs of the federal government without any loss of efficiency and results.
- The Parliament approved a Public Financial Management Law for the first time in the history of Pakistan in June 2019, devolving financial powers from the Ministry of Finance to the line ministries and abolishing the Financial Advisers organization. Chief Financial and Accounting officers would assist the Secretaries in discharging their functions of financial management and sub-offices of AGPR would be located within the ministries
- E-office suite has made progress, the latest version of the software has been tested, hardware has been procured and installed, training to the Ministry staff has been imparted and most ministries have reached level 4. By end January this year, it is expected that all ministries would have all filing and exchange of correspondence electronically with a strong tracking system. This would not only eliminate delays in disposal of business but also strengthen accountability. The culture of missing files at crucial junctures would hopefully be replaced by transparency in transactions.
- In the area of Business Process reengineering, Esta code, Rules of Business and Financial Rules are being updated, revised and posted on the websites for ready access to all the stakeholders. The websites and web portals of all Divisions are being reconfigured to provide as much information and data as possible on rules, regulations, office memoranda, procedures, forms, policies, relevant staff officers to the public at large so that unnecessary references that remain unanswered by Government functionaries at present are minimized.

- Implementation Committee has also recommended abolition of almost 71,000 posts which have been lying vacant for at least one year with the objective of rightsizing and observing austerity.
- Amendments have been made in the Rules of Business recommended by the Task Force and the Secretaries Committee.
- A proposal to reduce the tiers of the hierarchy in each Division from six to three with broad banding - Joint Secretary (BPS 19/ 20), Additional Secretary (BPS 20/21) and Secretary (21/22) – has been approved by the CCIR. The positions of Director General, Director, Principal Staff Officer, Senior Staff Officer and Staff Officer would be created to assist the officers occupying the three tier posts in the vertical hierarchy
- 23 training institutions engaged in training of the civil servants are being made autonomous, empowered to take decisions, fully resourced both financially and with quality instructional staff. Incentive structure for these institutions' instructional staff would be brought at par with those serving the National School of Public policy.
- Maximum limit for approval of PSDP schemes has been raised and the Division can now approve schemes up to Rs. 2 billion
- Planning and Development Division has introduced a number of changes to simplify the processing, approval and implementation of development schemes. No unapproved scheme is included in the PSDP Budget allocation
- Finance Division has set up a mechanism of quarterly releases of funds on PSDP schemes in a timely manner

Strengthening key institutions of Governance

In addition to these two task forces, the relevant Ministries dealing with key institutions which were vital for the economy or were draining financial resources were tasked by the Prime Minister to carry out reforms in these organizations. Most prominent among them are the Federal Board of Revenue (FBR), Pakistan Railways (PR), Pakistan Steel Mills (PSM), Pakistan International Airlines (PIA), Civil Aviation Authority (CAA), Competition Commission of Pakistan (CCP), Auditor General of Pakistan (AGP), Evacuee Property Trust Board (EPTB) and Capital Development Authority (CDA). The Cabinet has approved the restructuring plans of PR, PSM, CAA, CCP, EPTB and CDA and their implementation with time lines would be monitored by the CCIR on a regular basis. FBR Reforms are being undertaken under a comprehensive framework document that delineates the responsibility for the tasks, milestones and time lines. Tax Policy Board under the Chairmanship of the Minister of Finance meets periodically to review the progress made and resolve the outstanding issues hindering actions. The reform package along with the new law governing the office of Auditor General has been drafted, agreed upon and in principle approved by the Cabinet. As a first step, sub-offices of AGPR have been

established in seven Ministries. These sub-offices have received appreciation from host Ministries.

PIA is also being restructured to make it a competitive, lean and modern airline. This is being achieved through a number of interventions including financial restructuring, HR rationalization, organizational restructuring, fleet modernization and routes rationalization. In order to improve the ecosystem for aviation industry, CAA is being bifurcated. The regulatory role will be retained in the Authority whereas the airports development functions will be entrusted into a new corporate entity to obviate the conflict of interest and also to facilitate the joint ventures and outside investments for modernizing airport facilities.

A comprehensive restructuring plan for Pakistan Railways has been prepared and approved by the Cabinet. It has also been submitted to the Supreme Court. PR will be separated into 5 main constituent companies for better management. The implementation of the plan will be supervised by CCIR. Similarly, an elaborate plan for restructuring of CDA and ETPB has been prepared and is being implemented by concerned quarters.

Summing up

It need not be overemphasized that the reform agenda is comprehensive. This is as it must be, given the decades of poor governance and institutional degradation. It requires a slow but steady pace of devising and executing reform to ensure inclusion, efficiency and sustainability. The people of Pakistan deserve better. There is the political will to do just that. Failure is no more an option