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Governance empirics

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Between the government and its critics' opinions relating to the government's hundred-day performance are at the extreme ends of a spectrum. Unfortunately, as a nation, we are not in the habit of being impartial in performance evaluation. The objective of this opinion is not to ascertain whether objectives were met or whether they were reflective of national priorities in the first place, but to emphasize that it is only through impartial empirics and the use of validated instruments and indicators, as opposed to self-determined benchmarks, that meaningful inferences relevant to the performance of governance can be drawn.

Of the various available tools, this opinion chooses the World Bank's composite indicators, which measure governance in six domains. The World Bank has recently used this tool for its global report entitled Governance Matters – a cross-country comparison assessing 'broad notions of governance'; a detailed in-country exercise to build further on the data would be timely and useful.

There can be many areas for a detailed Pakistan-specific assessment under each indicator; these are being summarized here:

1. Voice and accountability. In terms of mainstreaming voice, the government needs to review its current policies on

freedom of association, censorship, media freedom, community participation in decision-making and public access to information. With reference to the latter, the hundred day performance inventory refers to 'initializing the legislative process on freedom of information statutes' after repealing the Freedom of Information Ordinance, 2002. Here it needs to be ascertained what additional value these statutes will bring to disclosure, which can enable public discourse in larger national interest, in an environment where many secrecy acts can still be invoked to override freedom of information statutes. The government must also objectively analyse how well population and organized interests can make their voices heard in the public sector; the ultimate vehicle for this is the Parliament, and a dispassionate review of how effective the Parliament has been as a lawmaking and oversight institution is an important consideration in governance assessment. Simple perception surveys on trust in the Parliament and satisfaction in democracy can be a useful starting point. Furthermore, the government must also review if it has granted appropriate and due civil and political rights in order to ensure mainstreaming of voice into decision making.

The other dimension measured under

the indicator is accountability; it is important to know what strategies are being envisaged to enhance performance and financial accountability of public officials and what measures are being taken to strengthen channels of democratic and political accountability. A range of analytical tools can be employed in this area.

2. Political stability and absence of violence/terrorism. Evaluation of governance on this indicator should ascertain how Pakistan scores on attributes this indicator is meant to measure; technically stated, these include political assassination, urban rioting, insurgencies and rebellion, armed conflict, violent demonstrations, social unrest, international tensions, conflicts of ethnic, religious and regional nature, violent actions by underground organisations, extremism and internal conflict. Most of these manifestations have important causal determinants in Pakistan, which an objective evaluation should be able to determine and clearly state.

3. Government effectiveness. It does not take sophisticated empirics but public perception and satisfaction level surveys relevant to the quality of supply of public goods such as education, health and public transportation and government citizen's relationships

to give a snapshot in this area. However, on the other hand, bureaucratic quality and governance capability, capacity of political authorities, policy consistency and implementation capacity are hard to measure and the impact of political alternation and policy inconsistency on public services and the impediments created for businesses is difficult to ascertain in tangible terms. What appears feasible, however, is examination of the public management process for weaknesses as a proxy measure. For public management to be effective, recruitments need to be merit based, placements should match capacity and functionalities need to be given an enabling environment with due prerogatives, albeit with appropriate oversight. An objective assessment of governance should ascertain the extent to which this is presently the case in Pakistan.

4. Regulatory quality. Pakistan has traditionally employed the command and control style of regulation to correct market failures, which inherently breeds regulatory maladies. Governance empirics should explore the extent to which this has bred unfair competition, discriminatory tariffs, collusion in price and quality controls and licensing and the opportunity to

grant excessive protection over the years, and ascertain the extent to which these prerogatives are abused. Here it would also be important for the government to review its anti-monopoly strategies and competition regulatory arrangements and assess the level of support it is providing to existing institutional arrangements. Additionally, one of the critical prerequisites for ensuring transparency in regulation is to separate the institutional functions of policy making, regulation and implementation, given that mandating the same agencies/ministries with these roles create opportunities for collusion. There have been previous efforts to entrust regulation to independent autonomous regulatory agencies; the government should review the extent to which work on these has been sustained and progress in bridging gaps, in cases where they were apparent.

5. Rule of law. The level of organised criminal activity (drugs and arms trafficking), importance of the informal economy and tax and custom evasion (under-declaration and smuggling) are a measure of the rule of law. It has been anecdotally reported that 70 percent of our economy is unreported and that more than 50 percent of the revenue is lost in tax evasion. The gov-

ernment should determine and quantify these losses and delve into their determinants. In addition the enforceability of private contracts, civil procedures and property rights should also be within the remit of qualitative assessments. The current movement to restore the judiciary stresses on independence. On the other hand matters related to the running, speediness, fairness and impartiality of the judicial process and the quality of the police and the judiciary need dispassionate evaluation.

6. Control of corruption. Despite being common, corruption is the most difficult governance attribute to measure as it does not leave a paper trail. Nevertheless, there are assessment tools that can point to the magnitude and assess trends. Perception surveys, forensic investigations, market, service, exit and price comparison surveys can assist with evaluation whereas mathematical modelling of existing commission rates can give a dollar figure to the amount of resources pilfered from the state system; in addition, putting in place expenditure tracking systems and electronic wage and supply inventories can give data of relevance to corruption empirics while also acting as a deterrent against abuse.

In summary, there is the need to take

into account several considerations. First, it must be recognised that poor governance can seriously undermine the functional ability of governments; any sustainable effort aimed at systemic reform of government, must therefore begin with addressing issues of governance; evaluation and assessment has to be the backbone of such an effort. Secondly that there are various attributes of governance which need measurement and tracking overtime: an objective impartial mechanism and assessment tools that can enable that, must be developed as a priority. Thirdly, that evaluation is just a means to an end and not an end in itself; it is more important to garner the commitment to utilise evidence from impartial evaluations for systemic reform of governance, the envisaged endpoint of this exercise.

Finally, the government should mandate and convene an apolitical independent task force to ascertain current challenges in governance and subsequently set benchmarks for its own performance based on the recommendations articulated in it. As a nation if we do not learn to engage in a broader process of reforming governance, things will not change and the overarching issues of dwindling state writ, macroeconomic maladies and social sector malaise will continue to prevail.

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The first indicator is *Voice and Accountability*. In terms of mainstreaming voice, the government needs to review its current policies on freedom of association, censorship, media freedom, community participation in decision making and public access to information. With reference to the latter, the hundred day performance inventory refers to 'initializing the legislative process on freedom of information statutes' after repealing the Freedom of Information Ordinance, 2002; here it needs to be ascertained what additional value these statutes will bring to disclosure, which can enable public discourse in larger national interest, in an environment where many secrecy acts can still be invoked to override freedom of information statutes. The government must also objectively analyze how well population and organized interests can make their voices heard in the public sector; the ultimate vehicle for this is the Parliament and a dispassionate review of how effective the Parliament has been as a law making and oversight institution, is an important consideration in governance assessment. Simple perception surveys on trust in the Parliament and satisfaction in democracy can be a useful starting point. Furthermore, the government must also review if it has granted appropriate and due civil and political rights in order to ensure mainstreaming of voice into decision making.

The other dimension measured under the indicator is accountability; it is important to know what strategies are being envisaged to enhance performance and financial accountability of public officials and what measures are being taken to strengthen channels of democratic and political accountability. A range of analytical tools can be employed in this area.

The second indicator is *Political Stability and Absence of Violence/Terrorism*. Evaluation of governance on this indicator should ascertain how Pakistan scores on attributes this indicator is meant to measure; technically stated, these include political assassination, urban rioting, insurgencies and rebellion, armed conflict, violent demonstrations,

social unrest, international tensions, conflicts of ethnic, religious and regional nature, violent actions by underground organizations, extremism and internal conflict. Most of these manifestations have important causal determinants in Pakistan, which an objective evaluation should be able to determine and clearly state.

The third indicator is *Government Effectiveness*. It does not take sophisticated empirics but public perception and satisfaction level surveys relevant to the quality of supply of public goods such as education, health and public transportation and government citizen's relationships to give a snapshot in this area. However, on the other hand, bureaucratic quality and governance capability, capacity of political authorities, policy consistency and implementation capacity are hard to measure and the impact of political alternation and policy inconsistency on public services and the impediments created for businesses is difficult to ascertain in tangible terms. What appears feasible however, is examination of the public management process for weaknesses as a proxy measure. For public management to be effective, recruitments need to be merit based, placements should match capacity and functionaries need to be given an enabling environment with due prerogatives, albeit with appropriate oversight. An objective assessment of governance should ascertain the extent to which this is presently the case in Pakistan.

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The sixth indicator is *Control of Corruption*. Despite being common, corruption is the most difficult governance attribute to measure as it does not leave a paper trail. Notwithstanding, there are assessment tools that can point to the magnitude and assess trends. Perception surveys, forensic investigations, market, service, exit and price comparison surveys can assist with evaluation whereas mathematical modeling of existing commission rates can give a dollar figure to the amount of resources pilfered from the state system; in addition, putting in place expenditure tracking systems and electronic wage and supply inventories can give data of relevance to corruption empirics while also acting as a deterrent against abuse.

In summary therefore, there is a need to take into account several considerations. First, it must be recognized that poor governance can seriously undermine the functional ability of governments; any sustainable effort aimed at systemic reform of government, therefore must begin with addressing issues of governance; evaluation and assessment has to be the backbone of such an effort. Secondly, that there are various attributes of governance which need measurement and tracking overtime; an objective impartial mechanism and assessment tools that can enable that, must be developed as a priority. Thirdly, that evaluation is just a means to an end and not an end in itself; it is more important to garner the commitment to utilize evidence from impartial evaluations for systemic

reform of governance, the envisaged endpoint of this exercise. Finally, it is recommended that the government convene an apolitical independent task force to ascertain current challenges in governance and subsequently set benchmarks for their own performance based on the recommendations articulated therein. As a nation if do not learn to engage in a broader process of reforming governance, things will not change and the overarching issues of dwindling state's writ, macroeconomic maladies and social sector malaise will continue to prevail.

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