

Independence Day – an ode to governance

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August 14 is as august as a day can get, both for Pakistanis who have witnessed the perils of partition and experienced the anguish of being in a subservient role as well as those of us born after independence; the latter can be attributed largely to 'temporal depth' – the characteristic understanding in nations of the past forming part of the present – and our collective consciousness, both of which we hope, will cascade to the next generation. Most of us would like to believe that the 'nation', as a territorial community and 'patriotism', as a commitment to the well being of our country, constitutes an important aspect of our lives. However, other than periods of intense enthusiasm witnessed during the wars and the more recent sentiments of solidarity exhibited in the aftermath of the devastating October 2005 earthquake, we are often not clearly mindful of what truly constitutes the nation's wellbeing.

Allow me to illustrate that point further. As government entities at various levels, businesses, NGOs, civil society, politicians and citizens in general, we tend to focus on economic, social or political outcomes depending on who we are; however, in the process we tend to forget that the process attribute central to achieving end-points in each of these realms is governance. The public sector in general and various levels of government in particular, often feel that they have fulfilled that obligation with enunciation of policies and planning instru-

ments, promulgation of statutes and by creating institutions. A range of Planning Commission instruments and sectoral policies, laws listed in chronological tables and indices of the Pakistan code and the plethora of state and quasi-state institutions as evidenced by the Federal Bureau of Statistics' inventories are evidence of that. It must be appreciated however, that policies, laws and other instruments can only be implemented through effective governance; more importantly, the latter is also the means through which institutions can create an impact.

Here it is important to review the context in which the word governance is being used herewith. Governance operates in organizations of any size – from governments at several levels, businesses, corporations, NGOs, partnerships or for that matter any other purposeful activity. It can also have several connotations: corporate governance, global governance, national governance, local governance and so on. The context in which governance is being used in relation to Pakistan's Independence Day is governance within government agencies at various levels of the government – federal, provincial and local, other state agencies and agencies mandated with a public role. The word limit on this opinion precludes a reference to specific issues of governance within the local government system, the basic premise of

which is currently under debate; the subject will be addressed in a later opinion in these columns.

It is well established that good governance is critical for achieving socio-economic development and poverty reduction; in addition, effective and transparent governance within public sector institutions can also shape business ethics and corporate governance, which can enable businesses and the private sector to play a more effective role in national development by providing a level playing field and building safeguards against capture by vested interest groups. Good public-sector governance can additionally shape democratic ethos and ensure representative governments on the one hand and bring objectivity and impartiality to global governance and decision making on the other; the latter in particular is needed for peaceful and meaningful co-existence in a uni-polar world – a consideration particularly relevant for Pakistan.

The primary responsibility of every government and state agency therefore is to conform its operations with desirable governance characteristics to ensure that governance is *participatory, consensus-oriented, responsive, effective and efficient, equitable and inclusive and follows the rule of law*. Every crisis observed in the country today can be attributed to a violation of one or the other of these eight attributes.

Every government starts off underscoring the need to reform governance and strengthen institutions; that lack of institutional robustness is a national predicament, has become a sine-qua-non of political rhetoric in Pakistan. However, we need to understand what it actually means to actualize this commit-

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ment in terms of setting directions, day-to-day decision making, and implementing decisions. Two attributes are critical in this respect. The first attribute includes transparency, consensus building and participation in decision making in order to avoid capture by vested interest groups whereas the second attribute relates to accountability of all the actors in public institutions at the political, performance and financial levels to ensure that oversight and regulatory functions are not exploited by the powerful and the elite.

In order to ensure institutionalization

of these attributes, reform of governance is needed not just in the executive arm of the state as is conventionally envisaged, but the two other pillars of the state in addition to the political system. The government needs to build on efforts in the pipeline, initiatives of the establishment division, work of reform

and businesses in governance is well-recognized. In Pakistan's situation, particularly in the local government realms, landlords, land mafias, religious groups and other factors also shape the societal political culture and hence influence governance. Part of this population occasionally engages in an 'advocacy mode' in relation to the affairs of the state as was witnessed during the recent judicial crisis. However in general, outside of the corridors of power, citizens generally do not take into account the impact of their actions or inaction on the state's institutional fabric and quality of governance.

The reality is quite otherwise. The role of citizens, communities and the private sector in impacting public sector governance becomes evident when taxpayers collide with tax administration, when the private sector collides with regulators in allocation of subsidies, licenses, quotas and price ceilings, when commercial interests bypass procedures in order to increase market shares and when the business community seeks to modify policy stipulations through statutory regulatory or executive orders to suit their interests. When contractors and suppliers are in cahoots with public sector procuring agencies, in the event of private suppliers not meeting expected standards, or in cases of state commodities getting diverted and pilfered with private sector accomplices,

the role of the actors outside of the government in shaping governance is additionally evident.

We often do not recognize that a seemingly innocuous 'sifarish' can strengthen the culture of patronage, that the occasional trivial bribe we pay would help strengthen administrative rent-seeking, that the payment we make to get a free service would conflict with the principles of delivery of public good and mis-target state services or that a seemingly insignificant unethical financial practice would have negative consequence for the economy.

Let us recognize therefore, that most of the crises that we face today are the outcomes of weaknesses in governance. Let us also acknowledge that it is not just those in the corridors of powers but also those outside of it that can help shape and improve governance. Let the Independence Day, observed four days ago lend impetus to a resolve to address what really needs to be improved in order to address the crises that we continue to face on many fronts. Each of us has to go beyond our comfort zones and over-the-tea-cup-living-room discussions of poor governance to play a small part, with the realization that collectively this would have a major impact.

The author is the founder president of the NGO health sector think tank Heartfile. E-mail: sania@heartfile.org

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Allow me to illustrate that point further. As government entities at various levels, businesses, NGOs, civil society, politicians and citizens in general, we tend to focus on economic, social or political outcomes depending on who we are; however, in the process we tend to forget that the process attribute central to achieving end-points in each of these realms is governance. The public sector in general and various levels of government in particular, often feel that they have fulfilled that obligation with enunciation of policies and planning instruments, promulgation of statutes and by creating institutions. A range of Planning Commission instruments and sectoral policies, laws listed in chronological tables and indices of the Pakistan code and the plethora of state and quasi-state institutions as evidenced by the Federal Bureau of Statistics' inventories are evidence of that. It must be appreciated however, that policies, laws and other instruments can only be implemented through effective governance; more importantly, the latter is also the means through which institutions can create an impact.

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It is well established that good governance is critical for achieving socioeconomic development and poverty reduction; in addition, effective and transparent governance within public sector institutions can also shape business ethics and corporate governance, which can enable businesses and the private sector to play a more effective role in national development by providing a level playing field and building safeguards against capture by vested interest groups. Good public sector governance can additionally shape democratic ethos and ensure representative governments on the one hand and bring objectivity and impartiality to global governance and decision making on the other; the latter in particular is needed for peaceful and meaningful co-existence in a unipolar world – a consideration particularly relevant for Pakistan.

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Every government starts off underscoring the need to reform governance and strengthen institutions; that lack of institutional robustness is a national predicament, has become a sine-qua-non of political rhetoric in Pakistan. However, we need to understand what it actually means to actualize this commitment in terms of setting directions, day-to-day decision making, and implementing decisions. Two attributes are critical in this respect. The first attribute includes transparency, consensus building and participation in decision making in order to avoid capture by vested interest groups whereas the second attribute relates to accountability of all the actors in public institutions at the political, performance and financial levels to ensure that oversight and regulatory functions are not exploited by the powerful and the elite.

In order to ensure institutionalization of these attributes, reform of governance is needed not just in the executive arm of the state as is conventionally envisaged, but the two other pillars of the state in addition to the political system. The government needs to build on efforts in the pipeline, initiatives of the establishment division, work of reform commissions and consolidate development partner efforts to reengineer business processes of the state, reform civil structures and move towards the desired functional separation of policy making, regulation and implementation functions of the government, which is critical to bringing transparency in public sector processes.

To wrap up recommendations on governance assuming that the onus of responsibility lies solely on governments would be simplistic. There are many actors in governance. The role of the media, lobbyists, political parties, NGOs and businesses in governance is well recognized; in Pakistan's situation particularly in the local government realms, landlords, land mafias, religious groups and other factions also shape the societal political culture and hence influence governance. Part of this population occasionally engages in an 'advocacy mode' in relation to the affairs of the state as was witnessed during the recent judicial crisis. However in general, outside of the corridors of power, citizens generally do not take into account the impact of their actions or inaction on the state's institutional fabric and quality of governance. The reality is quite otherwise. The role of citizens, communities and the private sector in impacting public sector governance becomes evident when tax payers collude with tax administration, when the private sector colludes with regulators in allocation of subsidies, licenses, quotas and price ceilings, when commercial interests bypass procedures in order to increase market shares and when the business community seeks to modify policy stipulations through statutory regulatory or executive orders to suit their interests. When contractors and suppliers are in cahoots with public sector procuring agencies, in the event of private suppliers not meeting expected standards, or in cases of state commodities getting diverted and pilfered with private sector accomplices, the role of the actors outside of the government in shaping governance is additionally evident. We often do not recognize that a seemingly innocuous 'sifarish' can strengthen the culture of patronage, that the occasional trivial bribe we pay would help strengthen administrative rent seeking, that the payment we make to get a free service would conflict with the principles of delivery of public good and mis-target state services or that a seemingly insignificant unethical financial practice would have negative consequence for the economy.

Let us recognize therefore, that most of the crises that we face today are the outcomes of weaknesses in governance. Let us also acknowledge that it is not just those in the corridors of powers but also those outside of it that can help shape and improve governance. Let the Independence Day, observed two days ago lend impetus to a

resolve to address what *really* needs to be improved in order to address the crises that we continue to face on many fronts. Each of us has to go beyond our comfort zones and over-the-tea-cup-living-room discussions of poor governance to play a small part, with the realization that collectively this would have a major impact.

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