

## The new government's option

Dr. Sania Nishtar

With the elections of 2008 forthcoming, and a change of hands on the governments reigns envisaged shortly, it is evident that any new government in Pakistan will have many issues to grapple with – from terrorism and conflict to the energy crisis and stalling fiscal indicators; inevitably and understandably, these will be the substrate of the new government's focus as a result of which certain critical systemic issues are likely to get relegated to the background – issues that ultimately tangle most governments in a vicious spiral over the long term. Balance dictates that the new government must accord high priority to these issues right at the very outset. Foremost amongst these issues is the complex maze of malpractices and corruption, which in its truest sense cannot be extricated from governance challenges, mismanagement and inefficiencies. Within the framework of governance, these terms are often used interchangeably; the connotation of corruption makes it distinctive though as the other three may be inadvertent and without the intent to benefit whereas the nuance corruption has is one of deliberate and illegal gains. Notwithstanding the vague separating lines between these expressions, it is best to address them together as they have complex interdependencies.

As of now, the commitment of political contenders for public offices to address these issues is reflected in respective party manifestos, most of which have been published and launched; those in the public domain have been reviewed for their strength and potential as evidence of party positions to address the issue of corruption and related governance challenges. The assessment yields that most manifestos have alluded to corruption as a systemic issue – some directly whereas others as part of related issues. *PML (N)* and *Tehrik-e-Insaf* have sections on corruption whereas *MQM* and *PPP* refer to the phenomena as part of their respective sections on governance. *PML (Q)* has allocated two bulleted items each under Devolution and Diversity – two of their five-point agenda items whereas *ANP* refers to the subject under bullet 18 of its section, which focuses on 'Structure of the state and the government'. Before going on to an analysis of these, it is acknowledged that many areas of broader structural reform within the ambit of local government, administration, police, labor, legislative and tax reforms in various manifestos also have a bearing on improving transparency and hence mitigating corruption. Notwithstanding, most of them now need to build significantly further on their manifestos to comprehensively address the range of malpractices that range from corruption in the *administrative and operational* domains to sinister patterns of *state capture*.

The former includes many forms of financial, moral, procedural and ethical malpractices in the delivery of publicly funded services, central regulatory functions, field inspection to ensure compliance with standards to corruption in contracting and procurements and malpractices in human resource hiring, placements and monitoring, as an outcome of which, state funds can be embezzled or pilfered and publicly funded services can get mis-targeted. On the other hand state capture is a broader phenomenon in policy and decision making where the laws and regulations of the land are made to favor a select few – usually cronies of the powerful with access to corridors of power.

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Whereas the former is more easily amenable to structural reform, the latter is more deeply rooted in imbalances in institutional processes and is harder to fight. It is expected that political parties convey their positions on how they envisage addressing the former through interventions in the operational, administrative, technological and the civil service domains and the safeguards they envision building against state capture.

In state capture, an anticorruption agenda needs to go beyond the traditional technocratic approach focused on administrative reforms to a more overarching set of measures, which creates a number of policy and institutional imperatives.

Foremost is the need for balance between the countervailing forces of the state – the judiciary, media, parliament and the civil society. This is a feat in itself since political parties sometimes have a vested interest in fostering an unbalanced act and in order to achieve this herculean objective, reform of political institutions is needed as a starting point – a subject on which most manifestos are silent. Secondly, the core prerequisite for building safeguards against state capture also necessitates ensuring that certain key institutions are truly independent. Institutions such as the Public Accounts Committee, the Election Commission, the Provincial and Federal Public Service Commission, the National Accountability Bureau and the office of the Auditor General of Pakistan need to be adequately resourced and made to follow transparent proce-

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The other kind of malpractices referred to in the administrative and operational domains are relatively easier to counter through structured interventions in the administrative and services domain. Ironically it seems that many of these are individual coping strategies and represent economic responses to low incentives in the public system, which the private sector exploits for gains owing to limited oversight and accountability. Addressing these however, requires a firm commitment and a clear understanding and it is within the intent of bringing clarity to what is needed that the following points are articulated.

**First** is the issue of institutionalizing integrity in public service. Manifestos have referred to elements of the fall-out as a result of lack thereof and have additionally referred to some measures. However, a comprehensive range of measures are needed to structurally inculcate integrity in public service. Manifestos now need to be built upon further to enable political parties to develop their own positions on developing systems of compensation adequate to sustain appropriate livelihood, systems for transparent hiring and promotion, mechanisms to provide appropriate oversight of discretionary decision making and their own systems for strengthening the incentives-performance-accountability nexus. It is important to develop options in view of the work that has already been initialized in this area particularly with reference to the work of National Commission for Government Reform and other initiatives in the area.

**Secondly**, one of the most effective means of ensuring compliance with ethical and administrative codes of conduct and building safeguards against vested interest is by capitalizing technology for promoting transparency in management and tracking. Technology is the best tool for promoting transparency in governance. Electronic equipment and supply inventories can track leakages from the system, nationwide databases for matching staff and wage payments can maintain up-to-date records and can therefore assist in eliminating abuses such as paying ghost workers whereas electronic bidding can promote greater transparency and hence prevent collusion in contracting. In addition, maintaining information systems on price, quality, volume and performance of suppliers can enable tracking of leakages and discrepancies. Here again political parties need clear strategies and follow-up plans to build further and strengthen and/or bridge gaps with reference to efforts in the area currently under way. For example the e-government initiative, the Electronic Government Directorate and initiatives such as PIFRA, which is focused on improving financial reporting and auditing and of which procurement reforms centered on electronic bidding is one component.

**Thirdly**, it must be appreciated that one of the determinants of malpractices and corruption in the domain of oversight and regulation is the *form* of regulation itself. For decades the post-colonial imprint on Pakistan's

administrative systems has fostered a command and control style of regulation to ensure compliance with government-stipulated norms and standards. This inherently breeds corruption owing to discrepancies in systems of compensation vis-à-vis vulnerability of the controls to exploitation by vested interests groups. There is therefore a need for a fundamental shift in the style of regulation from the one currently prescribed to market harnessing methods that are third party-based using contracts and self regulation, which mitigate reliance and command and control to a large extent. Again as in the former cases, a number of initiatives presently on ground need to be reviewed carefully and party positions should clearly set forth their respective options for a way forward. The recently-reported success in taxation and police reforms need to be examined closely for lessons that could be extrapolated. Restructuring of social services in the area of health where the government is presently attempting to leverage non-state actors through contracting arrangements and other alternative service delivery models merit objective evaluation of their true potential. Likewise, evaluation of current initiatives to develop physical infrastructure leveraging the public-private interface should be the basis of respective political parties coming forward with their positions in this area, which has a bearing on many regulatory functions. We have also seen a number of new institutional entities or regulatory authorities emerge over the last decade on the premise that separating the policy-formulation and standard-setting functions of the state (entrusted to ministries) from the function of policy implementation (for which the regulatory agencies are mandated) can reduce conflict of interest and enhance efficiency. It is expected that contenders for public offices and their party bases would develop clear positions on this and articulate a way forward. The idea should be to create autonomous agencies at an arm's distance from the government's control in the absence of which regulatory agencies become just another tier in the government's hierarchy.

In the **fourth** place, it is well known that economic reforms can be one of the most powerful anti-corruption strategies; by promoting competition and market entry, they can enable a vibrant sector of small and medium enterprise to weaken the concentration of economic interests promoting state capture. Here one expected to see the articulation of specific strategies in party manifestos as evidence of appropriate capacity in party ranks to offer solutions to steer Pakistan's present growth into equitable and pro-poor growth.

From an institutional stand point several political parties have alluded to new commissions and institutional arrangements for addressing corruption. However, before that what is more important is a review of existing laws and institutions. In term of existing laws, it must be appreciated that the legal framework for dealing with corruption already existed even before the *Ehtesab* Ordinance, both in substantive and institutional terms. However it must be ensured that new laws do not dampen the spirit of existing anti-corruption efforts; in particular the National Reconciliation Ordinance has been a set back to anticorruption work in Pakistan, at least in spirit. Several institutions such as the National Accountability Bureau, established through the *Ehtesab* Ordinance 1996 and the Federal Investigation Agency (FIA) established under the Federal Investigation Agency Act, 1974, and the Wafaqi Mohtasib (Ombudsman) also exist. What is greatly required is the strengthening of the institutional framework as well as the implementation and application of the existing laws and procedures. Most importantly there is a need to build safeguards against using these institutions as tools of political exploitation.

Many parties have alluded to a commitment to strengthen these institutions. However in order to put this into practice, action beyond hand picking leadership will be required. The specific weaknesses of every agency mandated with accountability tasks will have to be assessed. For example, The Ombudsman's office is a potentially robust institutional framework; similar institutional entities have been used most effectively for addressing injustices to individuals in many countries. One manifesto has outlined a commitment to develop Ombudsman's offices in every district. As an ultimate objective this maybe a good idea; however before that it is important to address the Ombudsman's mandate in Pakistan. Presently the institution is not mandated to deal with any action which falls within the purview of corruption – a weakness that significantly narrows its focus. Therefore in addition to broadening physical infrastructure, strategic empirical insights into prevailing impediments can lead to common sense restructuring solutions which can be both operationally sound as well as technically feasible.

As a nation we cannot afford to take the issue of malpractices and corruption lightly; Transparency International's Global Corruption Barometer and its World Corruption Report of 2007 – both of them released this year as well as many other comparative country rankings originating from the World Bank, the World Economic Forum or

other institutions point to the need to address this issue as do locally conducted evaluations by institutes such as PIDE and GALLUP. *We in the social sector deem factors such as the setting of overall directions and management of public resources critical for being addressed, as without attention to these state funds will continue to be pilfered and publicly funded services will continue to get mis-targeted.*

The manifestos therefore need significant follow up work to come up with solutions that enhance efficiency, effectiveness and equity and most importantly decrease malpractices in the current system. In doing so one would expect follow up strategies to be embedded in a contemporaneous context, positively critiquing, objectively analyzing and pragmatically looking at programs, strategies and instruments on the table to assess weaknesses and bridge gaps in area that have the promise of sustained impact. Clearly we are not starting a country de novo. The ultimate test, however will come in assessing the extent to which commitments reflected in manifestos are honored a few years down the line; it is hoped that this time round, they would fare better than what is evident from past records.

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