

Critical Evaluation of Pakistan's Budget Making Process

The budget of a country depicts the picture of its financial, fiscal, economic, social, and welfare objectives. It also gauges the policies of the government; both in the domestic arena and international domain. It projects a vision for the future of its people. The decisions made in the budget and their allocations accordingly have a strong influence on the socio-economic outlook of the society. Unfortunately, the budget process in Pakistan is mostly off-track and take a detour via bureaucracy, excluding the factor of inclusiveness. Many experts and think-tanks have been raising the flaws in the budget process for many years. Though, there is mum for quite some time on the issue; eventually getting the issue of the agenda. Therefore, there is a need to keep the issue alive on the policy radar.

Pakistan's legislative experience indicates that there is a restricted role of the parliament in the whole process of budget. The deliberation held on national budgets is habitually concluded just within a few days. The process seems more to be a ritualistic one. It is by no means technical or policy reflective or has no significant input from the legislature.

The key constraints regarding parliamentary contribution in the budget process in Pakistan are the dearth of time, absence of committee involvement, and

research capacity of the parliament. Thus, the budget formulation process remains an exclusive dominion of the shrewd bureaucracy which off course is not the elective representative of the people.

It is very obvious that the technicalities of the budgets and numbers game have to be done by the bureaucrats and everybody agrees upon this, but the broad policy choices and course of the budget need to reflect the policy of an elected government. This is the point where extensive participation of the elected representatives is vital to make the budget inclusive process and not the entitlement of the few.

Among the elected executives, only the Finance Minister and Minister of State in some cases are somewhat involved in budget making. Even the cabinet which has to take the collective responsibility of all the government decisions is made to bless the budget as a decorum just a few hours before the budget is formally presented in the parliament.

The present parliamentary budget process which hardly runs for around two weeks offers very little time to the elected representatives to either shape or meritoriously review the budget. The parliament and more precisely the National Assembly are apparently used by the bureaucracy as a rubber



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stamp on this significant job of the legislature. The current process does not provide any opportunity for the parliamentarians for their meaningful inputs. There is a solemn need for lawmakers to take part in the budget-making process at its various stages. As representatives of the people, legislators should set their priorities reflecting in the budget as per the wishes of their voters.

Moreover, the standing committee on finance may also undertake a comprehensive exercise of holding pre-budget public discussions in several cities of the country. The Finance Committee ought to invite various experts to present their viewpoints. Grounded on this exercise, the committee may prepare its report and forward it to the Ministry of Finance for possible

incorporations in the budget. This exercise would not only strengthen the position of the parliament as the supreme body that would articulate public views and concerns on subjects of public and national concern but shall also make available very useful insight into public issues.

As of current practice, the annual budget statement is generally presented at the National Assembly during the second week of June every year and is passed at the beginning of the last week of June, which leaves around 12 to 17 working days for the various stages of the budget debate in the National Assembly. Hence, the budget debate is an exercise to make parliament answerable for something it knows nothing of and has had no role in the formulation or reviewing.

Likewise, parliamentarians are provided roughly like 1500 to 2000 pages of finely-typed printed papers bunged with figures which are hard to decode even by experts on the day the budget is presented. They have no institutional or individual backing to get briefed on the budget and they get just 02 days to start debating the issue. This does not let even the parliamentary parties enough time to study the budget, establish their corresponding positions, and brief individual members on the considerations of the deliberation. The entire budget debate continues for an average of 12 days which averages around 34 hours. At no point, any part of the budget is referred to a committee for detailed review. Thus, as a result, budget speeches cover nearly anything and everything under the sun, but hardly any logical or thoughtful appraisal of the budget.

Keeping in view, the importance of the budget process, it is proposed

that as a first step, the duration of the parliamentary budget process in Pakistan should be extended to a minimum of 60 days starting from May 01 and concluding on June 30. The budget should be presented on the first working day of May each year.

At present, the rules of procedures in the National Assembly do not halt committees from holding pre-budget hearings linking to their Ministries/ Divisions, but a more pro-active role by the committees and a backing infrastructure would be required. In order, to link the break between people and the parliament, each standing committee should hold 03 to 05 days of public hearings on ideas, views, and proposals about the next budget from the stakeholders relating to the area of concern/expertise of each committee. Each hearing should be well-documented. These hearings should be publicized in the media and media should also be allowed to cover the hearings. This act alone will be the single most rewarding activity for the parliament and parliamentarians.

In contrast, some developing countries have established an independent agency of the Parliamentary Budget Office - a sovereign office that looks at the budget and national economy from a perspective which is dissimilar from that of the executives and provides this information to the parliamentarians. A number of parliaments across the globe have their autonomous budget offices; the Philippines established its Congressional Budget Office in 1990, Mexico in 1998, Uganda in 2001, Canada in 2006, and lately Afghanistan in 2007. Such an office provides an independent non-partisans inquiry of the budget to the parliamentarians who can

greatly help them in reviewing the budget and developing an opinion on it. In keeping with the increasing trend in the world, the Pakistani parliament may also initiate the establishment of an Independent Budget Unit within the Parliament comprising experts who can provide impartial analysis, relating to the budget for the advantage of the parliamentarians. A feasibility study is commissioned and a comparison of various Independent Parliamentary Budget Units existing in the world may also be considered.

Reform of the budget process must also create space to involve civil society stakeholders. As entities organized around shared interests, purposes, and values, they can be an important countervailing power to the state. Think tanks, policy institutions, NGOs, professional associations, communities, activists, support groups, volunteers, social enterprises, trade unions, cooperatives, and academia can help set intra-sectorial and inter-sectoral priorities and strengthen the analytical ability and thus setting the appropriation of budget on the right track. Efficient and effective allocation of resources is the key to sustainable development, otherwise, there will be a stagnant growth or economic dips.

PERSPECTIVES

