



# PIDE POLICY VIEWPOINT

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## Strengthening Public Sector Capacity for Improved Governance in Pakistan

Public sector capacity refers to the policy capacity, implementation authority and operational efficiency of a government. These are the crucial elements of a government's institutional structure to effectively achieve chosen policy outcomes through the exercise of power and deployment of resources. Good governance is reliant on the capacity of public institutions and administration to manage collective public affairs and public resources. Despite several capacity-building initiatives to improve the public policy processes in Pakistan, evidence indicates deficiencies in the quality of governance and public sector management. Based on a larger study, titled 'Foreign technical assistance and public sector capacity in Pakistan', this Policy Viewpoint presents the key findings and suggests recommendations underlining the institutional and technical capacity issues and shortages in Pakistan.



### Technical Capacity Shortages

There are severe shortages of research, planning and project management skills, and considerable deficiencies in monitoring and evaluation (M&E), and operations and maintenance (O&M) practices in the Pakistan government. Although the experience and calibre of senior government officials is satisfactorily good, it is dramatically poor at the lower levels of public management. These shortages undermine the government's performance in policy formulation, programme implementation and monitoring of the public sector development initiatives.



### Shortage of Specialists and Professionals

There is a notable shortage of specialists and professionals in the public sector. Evidence suggests that the Pakistan government lacks qualified technocrats and in their absence, most of the time civil servants (generalists) manage the public policy process. These administrators are seen as capable of taking good decisions, but not competent enough to replace technical experts. Nevertheless, the public sector has not always been able to attract and retain talented individuals primarily due to the sub-optimal service structure.



### Underutilisation of Available Expertise

An underutilisation of the existing trained and experienced staff is also observed in the public sector. It is sometimes because of the politicised transfers and postings of officers and/or some officers' ambition to occupy certain powerful and privileged positions in government organisations. Further, deployment of available talent in key government ministries/departments in the major urban centres undermines the performance of other government organisations in less-developed areas which lack the same level of competence.



### Response to Technical Capacity Shortages

Responding to the technical capacity shortages in the public sector, evidence suggests a passive approach of the Pakistan government towards overcoming capacity constraints. Apart from the mandatory administrative and management training of civil servants for promotion to higher service grades, the government usually hires consultants and/or relies on foreign technical assistance to fill the capacity gaps. These consultants, be they Pakistani nationals or expatriates, or of foreign origin, hired usually on special pay packages, may have international experience and expertise, but are mostly alien to the domestic public administrative practices and political realities.



### Institutional Capacity and Governance

The dominant role of influential personalities in the decision-making process and issues in public administration such as reluctance to reform, declining bureaucratic quality, and a 'red tape' culture reflect weak institutional capacity of the Pakistan government. Further, weaknesses in governance such as inefficient human resource management, financial mismanagement, inadequate accountability, rent-seeking behaviour, and prevalence of ad-hocism and favouritism are perceived to be the leading factors undermining the institutional performance or quality of the government.



### Lack of Performance-based Incentives

There is an inadequate performance appraisal system in the government. Although annual evaluations are regularly carried out, service performance rarely influences salary increments and promotions. This sometimes leads to low morale, demotivation, brain drain and inefficiency among public servants. In such a scenario, opportunities such as project benefits and remunerations can be strong motivating factors for officers; undermining institutional efficiency and efficacy.



## Lack of Succession Planning

There is a lack of 'succession planning' for managerial posts in the public sector organisations. In such cases, sometimes, either

the existing manager seeks a post-retirement contract, or a less-competent individual takes over the position through nepotism, or the organisation trawls for an expert outside the public sector who usually has limited understanding of the public policy process. These sometimes undermine the capability and quality of public institutions.

## POLICY RECOMMENDATIONS



### Cadre of Specialists and Professionals

For improved governance, the government needs to strengthen its in-house capacity instead of relying on consultants and foreign technical assistance. In view of this, the government should adopt a specialist form of public management by building and maintaining a cadre of highly-qualified specialists and professionals (both at senior management and mid-career levels) through an improved selection and training process.



### Succession Planning

Adequate attention is required for identifying and training new managers who can replace the existing ones when they leave or retire. A well-implemented succession planning at the organisational level would limit the creation of a vacuum, prevent chaotic power struggle and strengthen the institution by placing a knowledgeable and competent successor. Further, instead of hiring and placing foreign experts on managerial positions in the government, their services can be utilised for learning best international practices and training young officers in the public sector. This will help to build the state capacity and strengthen succession planning.



### Recruitment and Training

To attract talent in the recruitment process, the government should revisit the existing service structure and offer competitive monetary and non-monetary incentives. Merit and relevance of training should be given high priority. Performance-based incentives should be offered to officers to retain them in the public sector and to make best use of their potential.



### Public Service Reforms

Public service reform is necessary to enhance the capability and quality of public institutions and to make governance more effective in Pakistan. Nothing much, however, has changed despite several efforts in the past due to reluctance from political leadership and civil bureaucracy. To tackle this, perhaps, there is a need to incentivise the reform agenda by removing discrepancies in wage structures within government organisations and offering performance-based incentives. The wage structure should be linked with officers' performance, workload, level of expertise and qualifications. This would help motivate officers to perform better by learning the latest techniques and adopting new practices.



### Placement Policy

The public sector human resource can be managed in a better way if an incentive-based tenure path is offered and placements are made considering officers' academic and professional expertise, suitability and career trend. In this context, an actionable 'placement policy' for public servants is required to utilise the potential of trained and experienced officers in the public sector.

Rotational placement of experts and professionals to the less-developed areas is suggested so that governance and service delivery can be improved and outreach. This would not be workable without a proper service structure and incentives which could motivate individuals to work in less attractive positions or geographical locations. This would not only enhance institutional capacity, but also improve governance at the federal and local levels.

Concluding, the public sector lacks strength in depth and hence there is a need to strengthen its capacity for improved governance. The state-employee relationship needs a renewed attention, including improved selection, motivation through incentive structure, and monitoring performance. There is also a need to invigorate the M&E and O&M mechanisms, and replicate success stories to minimise failures. Since overcoming passive acceptance of the problems highlighted above is likely to be hugely challenging, a strong political will and support is required from the executive branch of the government to institutionalise improved governance in Pakistan.

## Pakistan Institute of Development Economics

PIDE Policy Viewpoint is an initiative for an informed policy-making through evidence-based research conducted at PIDE. It aims to bridge the research-policy gap and improve the public policy process in Pakistan.

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