

IMPEDIMENTS TO IMPROVEMENT OF SOCIAL SECTORS IN PAKISTAN

By

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1 INTRODUCTION

When Pakistan obtained political freedom in August 1947, it inherited a weak economy and an economic and social infrastructure unable to meet the demands of the large influx of refugees from India. Five decades later, policies emphasizing public investment, subsidized credit and regulated private sector development have generated strong economic growth, but poor social development.

New problems have arisen since independence. Economic and social development have not been distributed evenly throughout the country, and the gap between the rich and poor has widened. The level of social development remains extremely low, particularly in the rural areas and especially among females. Unrelenting population growth has impeded improvements in the quality of life for a large segment of the population, which in turn has led to rising social tensions.

These facts point to serious weaknesses in the cost-effective development and delivery of social sector services. The origins of these can be traced to the evolution of the government bureaucracy. Designed to serve the need of the colonial power to collect taxes and impose law and order, there is general agreement that Pakistan's bureaucratic system has become increasingly corrupt and incompetent over time. Only two years ago Transparency International had ranked Pakistan as the second most corrupt country in the world. In addition, because the bureaucracy was set up and trained to serve the interests

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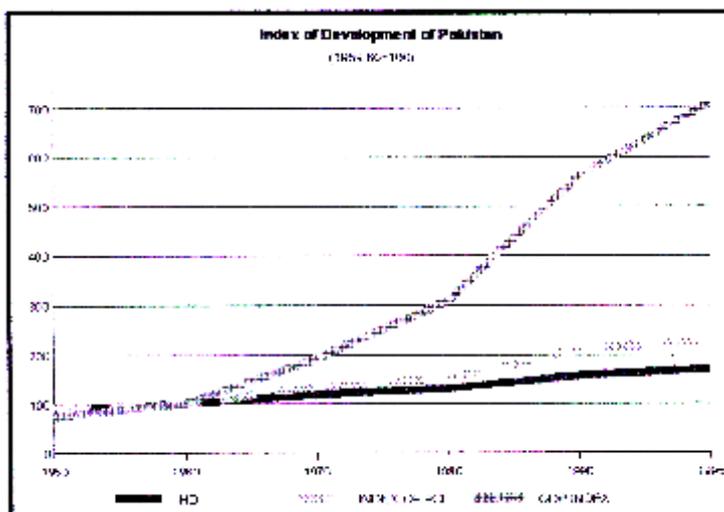
of a ruling elite, rather than to respond to the changing needs of the population, the provision of social services remains seriously out of sync with the demand.

In reviews of social sector projects, donors typically conclude that problems stemming from bad governance plague all four sectors (health, education, water and sanitation, and family planning) and hinder the cost-effective delivery of services. These include: a dichotomy of responsibility; inappropriate procedures; poor planning, budgeting, and financial management; and flawed personnel policies. In fact, by the end of the 1980s there was a realisation that unless Pakistan made a concerted effort to invest in improving its human resources, it would enter the next century with substantial disadvantages and not be able to compete with the rest of the world. This prompted the government to prepare an accelerated programme - the Social Action Programme - for improving the delivery of social sector services with the help of donors.

This paper attempts to study some of the factors which have contributed to the ineffective implementation of the Social Action Programme. Part 2 of the paper the evolution of the primary social sectors. Part 3 compares Pakistan's performance in the social sectors with the rest of the region. Part 4 analyses the causes which have led to poor performance of the social sectors, and finally Part 5 suggest an alternative for improvement in the short-run.

2 EVOLUTION

In the fifty-year period since independence, Pakistan's economic performance has been impressive. However, its performance in the social sectors has not kept pace. In fact the benefits of the growth in national income has been marginalised because of the rapid



increase in population. Chart 1 shows the wide divergence in the overall growth of the economy and the composite human development index *{HDI}*. Since independence in 1947, the economy has grown to nearly ten times its size (averaging over 5% annually). However, its population is estimated to have quadrupled at a galloping rate of 3.1% each year. Thus, the impact of this rampant increase in population has resulted in per capita incomes increasing by only about two-and-a-half times, at an rate marginally greater than 2%. In this same period, the HDI has not even doubled (having risen by less than 1.5% per year).

The period since independence may be divided into five parts, roughly corresponding to the decades of the century. During this period it has been governed in roughly equal periods by civilian governments and authoritarian military-led regimes. Table 1 shows that growth in the GDP, and thereby implicitly in per capita incomes, has been more rapid under authoritarian government. This appears to be true also for improvements in the Human Development Index (HDI)² There may be several reasons for this most of which may be coincidental. Civilian governments are prone to political rent-seeking while authoritarian governments provide a stable investment environment which contributes to economic growth and the environment for the trickle-down effect for social development is more pronounced. There is less wasteful expenditure during authoritarian rule as the size of the bureaucracy does not expand needlessly. However, it is argued that rent seeking under authoritarian government continues through the bureaucracy, but the overall rents extracted is smaller as the share of the politician is no longer accounted for. The 1950s witnessed stagnation with rapid changes in government. The 1960s were the boom period for industrialisation helped by a stable, but authoritarian, government. The causes for the boom may be attributed to the spill-over effects of the post-Korean war boom coupled with substantial foreign aid, the PL-480 programme of the USAID. However, this decade also witnessed a widening of disparities in incomes and inequalities in access to social services. The mid- 1970s once again witnessed stagnation principally caused by nationalisation under a socialist government led by the feudal land-lords. The period between 1978 to 1988, under a military led regime, once again witnessed a spurt in both per capita income and human resource development largely. This was despite the second

²As defined and measured by the United Nations Development Programme.

oil shock and a substantial cut-back in aid flows. However, these were more than offset by a spurt in migrant workers' remittances. Nevertheless, the government of the time had to resort to requesting assistance from the IMF and the World Bank under their Extended Fund Facility (EFF) and Structural Adjustment Loan (SAL). Following this period, the growth in GDP has been at a slightly slower pace because of the four changes in civilian government, a deteriorating balance of payment, a burgeoning public debt and a widening of the budget deficit. However, this was also the period when government realised that without improvements in the social sectors, economic growth could well be stunted and that Pakistan would enter the 21st century with a substantial handicap.

TABLE 1
PERIODIC GROWTH RATES GDP AND HDI

Decades	GDP	HDI	Governments	GDP	HDI
12 years to 1959-60	3.4	1.2	1947 to 1958	3.5	1.2
Decade ending 1969-70	6.8	1.8	1959 to 1971	5.5	1.5
Decade ending 1979-80	4.8	0.9	1972 to 1977	3.5	1.1
Decade ending 1989-90	6.2	2.0	1978-10 1988	6.7	1.6
Period ending 1995-96	5.1	1.6	1989 to 1996	5.0	1.5

The shaded area represents periods of authoritarian government

Source : Pakistan Economic Survey, several issues; Social Policy and Development Centre,

| data base

3 REGIONAL COMPARISON

In recent years, development planners have become increasingly aware that a nation's progress cannot be measured by economic growth alone. The well-being of people and their quality of life is an equally important yardstick. Enlightened policy makers throughout the world have begun to realise that development must be people-oriented, equitably distributed and sustainable. Clearly, the relationship between wealth and well-being is a complex one, and many factors must be taken into consideration when developing strategies for growth — for example, the culture of a people, government accountability and political stability. However, there is one key factor linking resources to results that

deserves more emphasis — the courage of a nation to honestly face its situation and learn from the experiences of others. Thus, some poor nations are out-performing their wealthier neighbours in social development, charting significantly better indicators in such areas as health, education, population growth and nutrition.

It is often said that other countries in the region have surpassed Pakistan in their level of social development, even though their economic performance has not been as impressive. This section shows that Pakistan compares less than favourably with the rest of the countries of South Asia - countries with which Pakistan shares more or less the same historical, social and cultural milieu - namely. Bangladesh, Bhutan, India, Nepal and Sri Lanka.

TABLE 2

PAKISTAN'S SOCIAL DEVELOPMENT: A REGIONAL PERSPECTIVE

	Year	Bangladesh	Bhutan	India	Nepal	Sri Lanka	Pakistan
Real PCI \$	1993	220	n.a.	300	190	600	430
IMR	1995	85	122	76	81	15	95
Under-5 mortality	1995	115	M	115	114	19	137
Full Immunisation	1990-94	95	81	86	57	84	65
PGR	1960-93	2.5	1.9	2.2	2.4	1.8	3.0
Adult Literacy	1995	38	42	52	28	90	38
Female Literacy	1995	26	28	38	14	87	24
Primary Enrollment	1994	79	25	102	109	106	44
Girls' PER	1994	73	19	91	87	105	30
HDI	1994	.368	.338	.446	.347	.711	.445

This is the lowest in ranking

This is the 2nd lowest in ranking

Source: UNICEF; State of the World's Children 1997; New York

Any comparison of social development between nations is best set against the backdrop of the relative wealth and economic status of their peoples. In 1993, the region had real per capita incomes ranging from a low of US\$ 190 in Nepal to a high of US\$ 600 in Sri Lanka. Table 2 shows that Pakistan's per capita real GNP of US\$ 430 places it second in the region.

UNICEF estimates that of the 38 million children born each year in South Asia, nearly two out often die before reaching the age of five. These deaths are caused mostly by malnutrition and disease. We can see from Table 2 that Pakistan's infant and under-five mortality rates are higher than all other South Asian countries except Bhutan. These high mortality rates point to the need for major improvements in neonatal and post-natal care for infants and children.

One of the chief indicators of an effective primary health care system and a healthy population is the proportion of children with full immunity from the five main diseases causing illness in later years — diphtheria, poliomyelitis, tetanus, tuberculosis and measles. This requires immunization programmes. Full immunisation is considered to have been achieved when children have received the anti-measles vaccine after having completed the DPT and BCG courses. As Table 2 shows, Pakistan did not compare well with the rest of the region from 1990 to 1994 — only 65% of children were fully immunized during this period. Nepal was the only other country which fared worse.

Education is the pivot that determines how well nations are able to adapt to the new technologies now being introduced into the production of goods and services. Educated workers are better able to meet the challenges of the emerging technologies and take advantage of the opportunities offered to succeed in the highly competitive international marketplace. The most discouraging of Pakistan's social indicators is its literacy rate, particularly that of females. Pakistan's female literacy rate of 24% is the lowest of all South Asian countries, with the exception of Nepal. Pakistan's primary enrollment ratio for both boys and girls is the worst in the region, ahead of only Bhutan.

The failure of the population planning programme is clearly evident from the highest population growth rate in the region. In summary, we can conclude that Pakistan is seen to be performing better than only Bhutan. In other words, Pakistan's ranking amongst the comity of the South Asian countries is the second lowest. The answers to why the performance of Pakistan is so poor can be seen from the next section which indicates the major impediments to implementation of programmes such as the SAP in the social sectors.

4 ANALYSIS OF CONSTRAINTS TO IMPLEMENTATION

Social sector agencies at both the federal and provincial level have only recently begun to acknowledge that while there are major deficiencies in coverage and performance of the basic infrastructure and services in both urban and rural areas which can be overcome only by an enormous and complex development effort which is clearly beyond the capacity of governments alone to remedy. Further, given the milieu in which government, both the political and bureaucratic arms, operates, there is a limit to the institutional changes feasible at the federal, provincial and local levels in the short- to medium-term. Most key players and stakeholders involved in the public delivery of social sector services acknowledge that the centralisation of authority and the need to wield patronage has left communities out of the decision-making process and the accompanying operations and maintenance effort.

It is evident, then, that social sector service delivery is poor, largely because of centralisation, policy and system weaknesses. Although each sector faces its own unique problems, many common issues lie within the domain of good governance. Issues of immediate concern include the lack of decentralisation and devolution of authority, poor planning and management, the lack of accountability, political interference in day-to-day management, the unfettered use of legislated discretion, inadequate and inappropriate staffing and inappropriate financing mechanisms.

Although most basic social services are traditionally the responsibility of local government authorities, many functions can be performed by outside agencies - including both the private sector and user groups. However, the need for exercising patronage and seeking rents has resulted in higher tiers of government also taking over a substantial part of these functions for implementation at their own levels and to actively discourage the private sector, NGOs and communities in participating either in expanding these services or providing these services. This has duplicated efforts, created facilities where they are not required, employed inexperienced staff and staff far in excess of needs, diluted the moral fibre of the more conscientious staff through permitting absenteeism and rewarding ineptitude and lethargy. In addition the systems in vogue encourage investment into high cost infrastructure development against the need to develop low cost solutions capable of being managed and operated by the lowest tiers of government or through community based committees or organisations.

The Provincial ADPs are further overburdened because allocations to projects have also to be made for those nominated by the elected representatives along with the directives issued from time to time by the Prime Minister, the Governor and the Provincial Ministers. Each year new projects are added to a long list of on-going uncompleted projects. Thus, the normal "*non-interfered*" gestation period of 6 months to 2 years for projects in the basic social sectors (the subject of SAP) may stretch to over 5 years or more, ensure cost over-runs of over 100% and duplicate facilities as a result of the absence of coordination and the needs of political expediency in the implementation of projects. Several instances can be cited where more than one primary school exists in a village which can itself boast no more than a few houses, where two water supply schemes have been installed neither of which are operating, where a BHU has been established when a RHC exists in the same town, etc. etc., *ad nauseum*. These have been the subject of a number of reports in newspapers and government documents which have cited the existence of ghost schools and ghost employment - not limited to these ghost facilities.

Donor-funded projects designed to strengthen institutions with the goal of building the capacity of public sector agencies to take responsibility for implementing new projects and for maintaining existing ones have served as one impetus for change. These projects also provide for the improvement of their financial management capabilities, including the enhancement of revenue collection, to pay for operation and maintenance and varying degrees of debt repayment. However, these efforts have been, are and will continue to be doomed to failure as the changes are *latch-ons* to existing structures and mechanisms and not as *core replacements*. This is largely as a result of bureaucratic apathy at the government level, lack of political will and a strong resistance to "*rock the boat*" both by government and donors. Financial constraints have forced governments to appear to be more open to studying policies supportive of cost-effective approaches to social service investment, operation and maintenance.

Further, the overemphasis on the state as the provider of social services and the reluctance to permit the use of cost-recovery mechanisms are two of the main causes of the poor state of social

development in Pakistan. This derives from an older notion of the role of government as the provider of first resort of services related to social well-being.

However, given the hold of the power/patronage relationship over civil society, efforts to involve local communities in the decision-making and implementation process have been resisted. Following the restoration of democracy, local government institutions were further weakened and each successive democratic government has further centralised power and authority. Along with this, development programs that focus mainly on increasing GDP growth have emerged, based on the assumption that economic growth would "trickle down" to foster the development of the social sectors.

The recent establishment of the Health and Education Foundations by the provinces is a step in building a private-public partnership approach to the delivery of social sector services. Through a system of matching grants these Foundations are expected to provide up to two-thirds of the capital needed to establish a facility and up to a third of the recurring expenditure for the first five years after completion. Some have now been in operation for over two years and have been able to show encouraging signs that such participation can be successful. All of these Foundations are continuously developing and strengthening procedures to ensure that only genuinely dedicated people or organisations are given the benefit of the matching grant.

Balochistan and NWFP have been strenuously and actively experimenting with direct government-community partnerships using the NGOs as a catalyst to bring this about. Both have been successful in bringing about community-government participation successfully in a number of instances, largely as a result of donor intervention initially and the endogenisation of these procedures by departments. One of the most successful result has been by the Primary Education Project, Balochistan which has employed the Society for Community Support in Primary Education, an NGO, to improve female literacy in the province. Taraqee, another NGO, has been successful in implementing sanitation schemes in urban and rural Balochistan through community self-help and government inputs. The Public Health Engineering Department of Balochistan has been able to hand over 70 completed water supply schemes for community-based operation.

Such experiences in Pakistan clearly show that where the users are closely and actively involved in the priority setting and decision making for basic services the quality and efficiency of the services improves and this is also coupled to enhanced cost-recovery. The users are more willing to pay for and even share the capital costs of services which meet their real and immediate needs primarily because they can see the immediate benefits of their contributions accruing to them. Further, lack of public awareness of the benefits from improved health, education, water supply and sanitation services is one of the other major causes of the low level of development in the social sectors.

4.1 Centralisation and Private Sector

A major cause of the low level of social indicators in Pakistan is due to the over-emphasis, by the politician and the bureaucracy, on the responsibility of the state to provide social sector services and their reluctance to permit the use of cost effective mechanisms for delivery. This is perhaps the direct result of the earlier understanding on the role of government which was seen as the provider of first resort of services related to the social well-being of peoples. In the formative years of Pakistan a number of philanthropists who had founded the major hospitals, schools and colleges migrated to India leaving behind a vacuum which had to be filled in by the state as the private sector was largely unable to fill not only this void but also meet the demands made by the rapidly rising population as a result of in-migration.

The vacuum to some extent was filled, in the initial years, by strong local government institutions in the larger towns. However, the provincial governments had to take over these responsibilities in the rural areas and in the secondary and tertiary urban settlements. The private sector was active in the larger urban areas and continued to dominate growth until the early 1970s, when nationalisation of institutions brought about a sudden cessation to private sector and NGO involvement. Since the mid-eighties, there has been a resurgence by the private sector, by both for-profit and not-for profit, organisations.

In the latter years, once the in-migration had stabilised and Pakistan's economy was starting to take off, this centralisation and dependance was a manifestation of the fear that with empowered communities,

the avenues for patronage and rent seeking would be reduced substantially and strong local governments would then emerge. An attempt was made to break this bond immediately in the period of the first Martial Law through the decentralisation of responsibility for social sector development and delivery of services to the Union Council level. However, this effort at involving the local communities in the decision making and implementation process was seen to be an erosion of the power-patronage relationship and its hold over civil society. Unfortunately, the response was the weakening of the local government institution following the restoration of democracy. Since then, with the advent of each democratic government, there has been increasing centralisation of power and authority, and the pursuit of a development programme focussing on growth in GDP, assuming that the '*trickle down*' effect would help foster social sector development.

4.2 Political Interference

One major impediment in the smooth working of the social sector departments is the interference in operations by vested interest groups. A review of the politician-bureaucrat relationship suggests that, one, the politician's interference negates the effort which has gone into planning, and causing valuable resources to be used inefficiently, if not, on occasions, wasted and that the bureaucrat ignores the policy framework within which he should be working, and makes decisions at the operating level using discretionary powers or yields to pressure groups. The constant interference in day-to-day management by vested interest groups is also an impediment to smooth and efficient operations and maintenance of infrastructure and delivery of services in the social sectors. The job quotas allocated to the elected officials ensures that merit has no role to play in the appointment of low-level functionaries. Instances are rife where teachers have been appointed in an ad-hoc manner without either the requisite qualifications and at the secondary and tertiary levels without the experience needed. Postings and transfers are made to suit the convenience of politicians.

4.3 Cost Effectiveness

Over-design, low quality construction, inappropriate technology, improper site selection, opaque tendering procedures, asynchronous release of funds have, each, contributed their mite to the cost-ineffectiveness of the development of the infrastructure for the social sectors. The very fabric of

procedures used appears to have been developed within an environment which serves the vested interests for seeking rents from the system. This then results in an excessive need for repairs and maintenance, which remains underfunded largely because of a scarcity of resources. This scarcity of resources, measured as the share of non-salary expenditure in total expenditure incurred on any sub-sector, has been worsening over the years as a result of a substantial increase in wages due to both an increase in the numbers employed and the wage rate. The general practice, by the finance department, is to reduce O&M expenditure and not question the wage bill. The over-employment adds to cost-ineffectiveness of the delivery of services in a number of ways: lack of motivation to perform as new entrants are invariably inducted on bases other than on merit, transfers are frequent and at the whim of the political bosses, sycophancy is rewarded in preference to hard work, etc. The age-old saying "*too many cooks spoil the broth*" is as valid for the situation prevailing in the social sector services today as it was when the phrase was coined.

Given the public sector macro resource constraints at all levels in the country an increase in cost effectiveness of expenditures would not only help in achieving the targets for social indicators but would also strengthen the case for higher allocations to these sectors. Cost effectiveness can be viewed as either achieving greater output from given resources or a reduction in the cost of achieving a given output. This examines the relationship between costs and output, areas of wastage, investment planning, alternative delivery mechanisms, etc.

4.4 Areas of Wastage

One of the basic issues in the delivery and management of social sector services is the high level of wastage, particularly in the context of the critical shortage of resources. Perhaps the best examples of this are in the sectors of education and water supply. In the former case, the basic measure of wastage is the net continuation ratio (the attrition in the numbers is the drop out rate). Official statistics by government clearly establish the fact that while some improvement was seen in the earlier years, there has been some back-sliding recently. A number of studies have established that the generally high drop out rate can be attributed to several factors including poverty, high opportunity cost of education,

absenteeism of teachers, inappropriate teaching methods and skills and low motivation among parents to educate their children, particularly in rural areas. This again suggests that there is need to improve the environment in schools by provision of better facilities, enhancement in the number and quality of teachers and in the relevance of the curriculum from the view point of job-creation skills.

In the context of water supply, substantial wastage is indicated by the high level of system losses in the process of distribution. For example, water system losses for the larger cities like Karachi, Lahore and Peshawar are estimated at one-fourth to one-third. This is a reflection not only of poor design and construction but also of inadequate operations and maintenance. Cost effectiveness of investments could be greatly improved if such losses could be reduced. In the rural areas, almost 40% of schemes of fairly recent vintage in Punjab and NWFP and 60% in Sindh are either not operating or functioning only at partial capacity due to lack of proper O&M. A recent survey in the Punjab revealed a whole range of possible reasons which could account for schemes becoming inoperative. These included the drying up of the source, the spring, the contamination of the source, inappropriate installation, political tensions, alternative availability of clean water, political expediency to construct in the absence of community needs, inappropriate designs to serve vested interests and most importantly the lack of sustainability owing to the mismatch between operating costs and revenues generated.

4.5 Systems And Procedures

The existing rules of business and the several manuals and codes in use appear to be weak, due to a variety of causes, which include inappropriate regulations, irrelevant sanctions, poor internal administration of individual departments, coordination within and between departments and across agencies and also where public behaviour is affected, and layer upon layer of hierarchy which dilutes responsibility and authority to the extent of everyone looking to the others for work to be performed. Moreover, most of these manuals and codes have not been changed from their initial issue date, the late nineteenth century, even though new departments and organisations have been created. Attempts to change (committee, commissions, task force and internal government reports) have been resisted as these would reduce the powers of the all powerful "*managers*" within the bureaucracy.

Even though there is an awareness within government that there is duplication and fragmentation of responsibility, the creation of new departments has not been stopped. The insistence of donors that each project funded by them should have its own management unit, also adds to this problem, firstly by creating a parallel structure followed by a permanent liability on scarce resources following the completion of projects.

The use of discretion to mitigate hardship is now the norm to benefit vested interests and set aside considerations of merit. Many of the Regulations contain wide powers for the "*competent authority*" to set aside, make or amend Regulations "*in the public* [read : **self, vested!** *interest*". The genesis of many alleged malpractices lies here, as so also some inter-departmental mis-understandings and tensions.

4.6 Personnel Policies

Overall personnel policies are weak and staff quality and skills over the years has declined as the quality of graduates from the educational system has been dropping over the years. Recruitment of officers, in theory, is based on merit, within a quota system. Merit is defined in relative terms. While there is, apparently, no compromise on the top 10 percent of the intake, the others are selected to fill in the numbers. For lower level positions, the departments themselves are allowed to recruit, supposedly also on merit. Recently, each "*elected*" representative had been "*given*" a quota against which he was allowed to nominate persons for employment. This patronage has resulted in eroding the quality of the intake. Even where open patronage was not being practised, the principle of selection on merit was not always followed and, as a result, candidates were appointed in many cases without a serious attempt to establish that they are suitably qualified by education, aptitude and experience. In this way, the pool of talent is diluted, people hold posts they are inadequately prepared for, morale of other employees is adversely affected, and so on.

It is not unusual for senior personnel (Grades 17 and above) to be transferred after only a few months in post. During this short tenure an official will neither have become familiar with the full range of

activities for which he is responsible, nor with the problems he has to manage, and he will certainly not have been able to make his mark in his post. This contravenes the tenure conditions contained in the rules of business. Moreover, posting of the select few are made at locations of their choice, but against vacancies which exist elsewhere. Such appointees are referred to as officers on "*detailment*" [a word which is not to be found in official literature] and have a doubly negative impact (this is particularly true of doctors appointed on contract). One, they deprive the residents of their services, and two, because they belong to the class of the "*chosen few*" more often than not do not work even at their chosen location of posting, but continue to draw their pay against the post for which they have been appointed

4.7 Financial Management

The present system of financial planning and control is very weak. Computerisation of records have met with stiff staff resistance. The Federal Finance Division releases funds from the divisible pool of taxes to the Provincial Finance Departments on a monthly basis (which depends on revenue receipts) after subtracting debt servicing receivable and outstanding liabilities. To add to this complication, whenever collections are lower than target, the Federal Government delays transfers. This delay and "*at source*" deductions is one of the principal reasons for the failure of funds management by the Provinces. A similar situation exists between the provinces and local governments.

The problems in funds disbursement lie not only in the shortfall and uncertain flow of revenues, but also in the systems and procedures used. The budgets are prepared on the basis of historical trends and not on the basis of actual or estimated needs. A standard growth rate is applied to demands for recurring expenditure. The Finance Department, then applies an across the board cut in these demands to reflect the anticipated resource gap. Come disbursement, priority is given to all expenses other than operations and maintenance, with the end result that, in the final analysis, these are charged to the development budget. Because of inadequate budgeting, the need to reallocate or ask for supplements to top up expenditures is condoned by the Finance Department. It takes governments less than 15 minutes to have these approved by Assemblies ex-post. Where lies financial discipline?

4.8 Investment Programming

There are certain aspects of social sector investment programming which mitigate against effective utilisation of resources. An in-depth analysis of the ADP, see Ghaus [1996], of provincial governments for fiscal year, 1991-92 shows that there were over 2600 schemes being executed in Punjab, 1600 in elections are due. Recently, this unfortunate tendency has been intensified, through an awesome centralisation of economic and political power at the federal level, and to a lesser extent at the provincial level. This is also manifest by the dissolution of elected local governments and the imposition of the District Social Action Boards (DSABs) as a tier in the decision making process.

These weaknesses in the social sector have already been addressed in other institutional strengthening programmes. A variety of sector and province-specific programmes and projects have tried to deal with these problems piecemeal, but often with disappointing results.

5 A SHORT-TERM ALTERNATIVE FOR IMPROVEMENT

The three main line departments responsible for the execution of schemes in the social sectors are the Education Works Department, the Works Department for the health sector and the Public Health Engineering Departments of the provincial governments. There are major limits to the implementation capacity of these departments. Rapidly expanding investment in the social sectors will do doubt run into these limits, causing delays in implementation and/or higher unit costs. There is evidence that this occurred during the Five Point Program when there was a quantum leap in allocations for the development of the social sectors in the rural areas.

One option to examine is encouraging private sector consultants and contractors to take on greater responsibilities for project preparation and execution, with line departments assuming a supervisory and monitoring role. The scale of the work to be done should be large enough and lucrative enough to attract private sector participation, especially by reputable firms. For example, the development program in a particular sub-sector could be divided into district level packages including schemes for a three-year period and tendered in a competitive bidding process. This way, the scale of the work is likely to be sufficient to create economies of scale and generate adequate profits. In the short run,

involvement of the private sector in the planning, design and implementation of social sector schemes can bring in the professional expertise badly needed for sectoral development.

Another option is to directly involve beneficiary communities in the financing, management and operations of the schemes. The most promising areas for such involvement are in primary education and water supply and sanitation. The benefits of community participation are numerous. These include the possibility of contributions, both in cash and in kind, to capital and recurring costs, thereby reducing the load on the public sector. Also, community involvement in the identification of schemes is likely to make public investments more responsive to demand. Finally, involving local beneficiaries in the management of services could improve the sustainability of investments and ensure proper operations and maintenance.

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IMPEDIMENTS TO IMPROVEMENT OF SOCIAL SECTORS IN PAKISTAN

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ABSTRACT

The paper starts with an analyses of the evolution of the social sectors in Pakistan and goes on to compare Pakistan's ranking in the social indicators vis-a-vis the other countries of South Asia. The paper states that while economic growth has been commendable over Pakistan's fifty years as an independent state, its performance has been lacking. The economy has increased nearly ten-fold, while the human development index has not even doubled. In the regional context, Pakistan appears to be only marginally better than Bhutan even though its per capita real income is the second highest in the region. The paper then analyses the over-arching cross-sectoral causes underlying the poor performance of the social indicators. These stem from centralisation, politicisation, policy and system weaknesses. Of particular relevance to poor performance are, but not limited to: the perception that the state is the sole provider of services, the cost-ineffectiveness of designs and implementation procedures, the opaqueness (lack of accountability) in the system, the day-to-day political interference, the misuse of discretion, the lack of merit in selection of sites, personnel and technology, the poor management of finances.

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