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Policy-performance gap

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THE diagnostics of Pakistan’s worsening economic conditions are quite well known. The vital signs of the health of the economy i.e. growth, inflation, employment, fiscal balance, current account balance, indebtedness, etc appear worrisome.

The persistence of an ailing economy sapping the energies of the people raises a fundamental question: are the policy prescriptions to rectify the situation themselves deficient or is the dosage administered, i.e. the phasing, sequencing, mixture and timing of the policies, inadequate, or is ‘patient management’— the implementation of these policies — poor?

A dispassionate analysis would reveal that it is a combination of all three elements but the predominant variable is the poor implementation of policies. What are the main reasons for such an unsatisfactory state of implementation?

To begin with, policy formulation is carried out in silos by the ministry in charge of the relevant subject, and without adequate consultation, deliberation or examination of the pros and cons of the actions proposed. Technical solutions, however good they may be, in the absence of political feasibility, do not stand any chance of success. Political leadership, even when consulted, does not pay sufficient attention to the policy in question or only pays lip service to it without comprehending its implications.

Subject matter specialisation within political parties is missing and therefore in-depth reviews are not possible. The federal-provincial tie is critical in Pakistan and highly centralised decision-making that has not given due consideration to the sentiments of the provinces has often led to failures. A broad-based interactive policy formulation process can strengthen the ownership of the policy and improve its sustained implementation.

Even if the process of policy formulation itself is right, proper care is not taken in the phasing, sequencing and timing of the policy, and in communication with those affected by the policies. For example, in the case of tax policy, should the automation, surveys and regular collection and verification of data and building of audit capacity precede the reformed general sales tax or follow its imposition? We hurriedly take decisions without thinking through the ramifications and putting in place a contingency plan to tackle unforeseen events or outcomes.

Assuming that the policy process and phasing, sequencing and timing are done in the right way, the problem of implementation still remains overwhelming. The adage that the devil is in the detail is ignored consistently. A time-bound implementation plan consisting of programmes, projects, investments and legal changes or new procedures required to achieve policy goals is seldom prepared. If an effort is made in this direction, it is more to complete the formalities than achieve a working document that acts as a compass.

Second, overall responsibility for policy execution remains diffused so that there are too many cooks spoiling the broth.

Passing the buck, blaming others for inaction, the untimely release of funds, too much attention to hierarchy and turf protection, sequential rather than simultaneous clearances and NOCs from different agencies form the core of the implementation culture. Teamwork, collaboration, joint work and making exceptional efforts to resolve problems are missing.

Coordination failures therefore become impediments in moving forward.

Third, the competencies and skills of most of those entrusted with policy implementation are not up to the mark. The frequent movement of persons in leadership positions, posting of wrong persons, absence of security of tenure and lack of proper accountability are fatal to the competency and skill of civil servants. Training is either carried out in a perfunctory way or is unrelated to the requirements. Promotion or career progression or annual salary increments are not based on results. When seniority or length of services or the right political contacts are the main determinants of upward movement what is the incentive for showing great results in the implementation of policies, programmes or projects?

Fourth, business processes within the government are so outdated and cumbersome, and the rules, procedures and manuals so antiquated that these have become a major hurdle in getting the job done. The enormous discretionary powers of the lower-ranking officials arise because of the vagueness, ambiguities and inconsistencies built into government rules, regulations, circulars and procedures. In the first instance there is no place where one can access updated and current information. This opacity leads to hoarding of information that becomes the source of power, manipulation and patronage.

The superiors have neither the inclination nor the time to verify information and simply endorse it for approval from the head.

Fifth, there is too much emphasis on policy pronouncements but very little regard for systematic monitoring, obtaining feedback, verification and validation of performance indicators and making course adjustments. Neither is any reward given for timely execution nor is any penal action taken for non-performance. There have been instances where the decisions of the Economic Coordination Committee have been ignored, sidelined or bypassed. These tactics along with the tendency to form sub-committees in lieu of clear directives to get moving are some of the reasons for the inordinate delays and huge cost overruns in policy decisions.

Indifference, apathy and preoccupation with the disposal of files rather than the disposal of the work assigned, combined with perverse incentives, creaking systems and procedures, poor competency and skills, a culture inimical to thinking through and assuming responsibility and the absence of systematic monitoring and evaluation give rise to implementation gaps. Frequent changes in government aggravate matters and the lack of policy continuity has devastating effects. Even sensible policies that were being implemented fairly smoothly are overthrown simply because they originated during the term of the previous government, and new policies are put in place.

It is not realised that the costs of old policies have been incurred by the economy upfront but the benefits keep getting postponed. This constant pattern of incurring costs greater than tangible benefits to the economy is behind the symptoms exhibited by the economy — high fiscal deficits, high inflation, low employment levels, low growth, growing indebtedness, etc.

What needs to be done? A politically sagacious and astute leadership can gain the support of the masses by focusing on the process of policy formulation as well as implementation. It needs to ensure broad-based consultation by all stakeholders, select the right person to lead the process and empower him with the authority and resources but with full accountability for results, have a full-blown implementation plan with timelines, milestones and deliverable outcomes as well as monitor progress, rewarding the doers and penalising the non-performers. Communication with the masses should be a constant feature of such a plan.

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