

# THE NEWS Recalibrating governance - Part II

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The frequent takeovers by military regimes and the consequential screening of hundreds of civil servants led to the subservience of the civil service to military rulers, erosion of the authority of the traditional institutions of governance and loss of initiative by the higher bureaucracy. Given the insecurity of service, the priority shifted from public service to maximizing personal interests by those in power.

A glaring example of elites using public policy to promote their self-interest and undue accumulation of wealth at the expense of the poor of the population is the major preoccupation of all civil servants, military officials, media persons, members of the judiciary etc in the recent past to establish housing societies in the name of the institutions to which they belong and get hold of plots of state or private land acquired by the government at their behest in prime urban areas at a fraction of the market price. It is a travesty of justice that land belonging to the poorer segments of the population is forcibly acquired by the government and their development authorities for paltry sums and then transferred to civil servants of all grades and shades, military officials, judges, politicians, developers close to those in power, media persons and other influencers.

Justice Athar Minallah has written an exhaustive judgment pointing out this role reversal where state acquired assets are transferred from the poor to the elite at subsidized rates. He says that: "The allotment (to the members of the housing society) provides an allottee with an instant opportunity of substantial financial enrichment. The land vests in the state since it has been acquired through the intrusive inherent power of forcible land acquisition. A plot measuring 500 sq yds costs a member less than Rs5 million while its estimated market value is more than Rs50 million. The difference should be earned by the exchequer but in this case it goes into the pockets of those with no vested right."

He further adds "It is estimated that it is likely to cause a loss of more than rupees one trillion to the exchequer. This loss to the exchequer is the personal enrichment and windfall gain of the few beneficiaries of the Federal Government Employees Housing Authority (FGEHA). The general public will be forced to purchase plots from the beneficiaries of the FGEHA at market prices. The policy and scheme of the FGEHA, therefore, causes enormous loss to the exchequer and the people of Pakistan and is obviously in derogation of public interest." On the public policy authorizing such allotments Mr. Minallah commented that: "The policy governing the scheme and the decisions of the federal cabinet appear to be in the nature of advancing elite capture and in disregard to the wellbeing and welfare of the people at large and their constitutionally guaranteed rights."

This policy and practice entrenched in the governance structure has a deleterious effect on economic growth. Unlike other countries where one becomes rich by dint of hard work, risk-taking and enterprise, all you need in Pakistan to become a millionaire overnight is a privileged status that enables you to acquire plots of land for yourself and your family as a largesse from the government of the day.

Land speculation and hoarding have become the principal means of wealth accumulation as there is huge undervaluation and no regulation and taxation. Unplanned urban sprawl, diversion of funds from productive sectors to real estate, deindustrialization, depletion of fertile agricultural land and spread of underground or black economy are the byproducts at the macro level which are stifling economic growth and wider distribution of benefits of growth in Pakistan. There is very little realization of this preoccupation with urban land distribution damaging the economic potential of the country.

The recalibration of the governance structure should aim at delivering the core functions of the state, which is provision of basic services such as education, health, water sanitation and security to citizens in an effective and efficient manner and to promote inclusive markets through which all citizens have equal opportunities to participate in the economy. The restructuring should lower transaction costs and provide access without frictions by curtailing arbitrary exercise of discretionary powers, reducing over-taxation, minimizing

corruption, cronyism and collusion, and ensuring public order and security of life and property.

The point to begin this process is the strengthening of the political and electoral system that moves away from dynastic and elite capture to a broad-based system where educated middle-class individuals of calibre and competence can be attracted to take part in politics. Intra-party elections from the grassroots level to the national level would open doors. The power of nominations for party positions, for membership of the legislatures, and appointment to cabinet positions has concentrated too much authority in the hands of one individual -- the party leader. Those who would come up as office bearers through the intra party election process would be able to neutralize the arbitrary powers of the top leader.

When tackling governance problems, it must be realized that meaningful empowerment of communities through decentralization and delegation of authority, in which the local government system plays a crucial role would in the long run promote greater trust, cohesion and harmony in our society and ensure access to basic public services in an efficient and equitable manner. These outcomes will not only help mobilize additional resources at the local level but also improve the efficiency of resource utilization.

The present state of disaffection and discontentment with the government would also be mitigated if public goods and services of everyday use to the citizens become available to them at the grass root level. Unfortunately, the position of political leaders with regard to empowering and strengthening local governments is highly unfavourable as in actual fact it entails the transfer of power from the provincial and national legislators and the ministers to the locally elected nazims or mayors of the districts.

Naturally, the resistance to empowerment and resource transfer to the local governments comes from these legislators who would lose their power of patronage under such a system. Thus, deliberate efforts are made to dilute the law establishing these local bodies. Despite the Supreme Court's clear instructions there has been very little movement in setting up these entities.

From a national perspective, this devolution would result in efficiency, accountability, resource mobilization and better resource utilization. Local communities know their problems and their solutions much better than anybody else. The present culture of concentrating authority in power centres has not only alienated the rural periphery, but reduced its productive potential also, and to no small extent. It is little surprise then that our research found 80 districts that are in a miserable condition, according to the Deprivation Index, and remain almost criminally starved of their most basic needs.

The 18th Amendment and the NFC Award are positive steps, delegating authority and resources to the provinces. But it is of vital importance to note that development is incomplete unless extended to districts. If visible efforts are not made to delegate relevant authority as well as resources directly to the districts, much of the benefits of the amendment and the award will fizzle out.

To be continued

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