

Governance challenges in Public Sector: an Analysis of Governance and Efficiency Issues in Public Sector Institutions in Pakistan

Tariq Hussain Khan

Army Public College of Management and Sciences (APCOMS), Affiliated with UET Taxila, Khadim Hussain Road, Rawalpindi Cantt, Pakistan. +92-311-4362249. tariqkhan54@yahoo.com

Hassan Ali Khan

Army Public College of Management and Sciences (APCOMS), Affiliated with UET Taxila, Khadim Hussain Road, Rawalpindi Cantt, Pakistan. +92-334-5424030. Hakk646@gmail.com

M.Arshad Wariach

Army Public College of Management and Sciences (APCOMS), Affiliated with UET Taxila, Khadim Hussain Road, Rawalpindi Cantt, Pakistan. +92-315-9000433. arshadwariach47@gmail.com

Abstract

Governance and Institutions are not ends in themselves but it is well known by now that good governance and effectively functioning institutions are required, along with sensible policies and well designed public investment. How do Governance and Institutions interact? Governance refers to the manner in which power is exercised in the management of a country's economic and social resources. Good governance requires checks and balances in a country's institutional infrastructure, such that politicians and bureaucrats have the flexibility to pursue the common good. A variety of institutional mechanisms can provide the checks and balances that will lead to good governance and reduced corruption. To be enduring and credible, these mechanisms need to be anchored in core state institutions. Power can be divided horizontally among judiciary, the legislative and the executive, and vertically between central, provincial and local authorities. Public sector in Pakistan is not efficient enough to positively impact the economy due to political and bureaucratic misuse of authority and influences This paper discusses only a few of the underlying legislative and administrative factors which have contributed to mal -governance in public sector in Pakistan. To investigate and determine the efficiency and effectiveness of governance, different variables have been identified and secondary data resources have been used to highlight governance issues in public sector institutions of Pakistan. Findings of the research will be helpful in improving governance in public sector institutions through reforms in Parliamentary, Judicial and Civil Services system of Pakistan as well as for other third world countries having similar challenges of governance in their countries.

Keywords: Governance, Public Sector, Public Sector Institutions

Introduction

1.1 Governance is generally conceived of as the exercise of economic, political and administrative authority in the public and private spheres to manage a country's affair at all levels to improve the quality of life of the people. "It is a continuing process where divergent opinions and desires are satisfied through compromise and tolerance in a spirit of cooperative action for the mutual benefits of all. It has three dimensions: one, the political regime; two, the systems and procedures for exercising authority; and three, the capacity of governments [World Bank 1994, UNDP 1997, OECD 1995, and Commission on Global Governance 1995]. Governance can also be seen as the instrument of the effectiveness of a society's institutions. If the institutions are appropriate and effective, the outcome should be good governance (Duncan 2003). Governance is the instrument of political, economic and administrative authorities to manage a nation's affairs. It is the diverse mechanisms, processes, relationships and institutions through which residents of country and groups communicative their benefits, exercise their rights and obligations and arbitrate their differences. In good governance countries, the working condition is generally more favourable for providing protection and guarantees for investors. Good governance is therefore a compartment of governance, wherein public capital and problems are managed effectively, efficiently and in response to vital needs of society. Effective elected forms of governance rely on public participation,

accountability and transparency. There is an increasing amount of research on the factors that lead to good or bad governance in the world ((Chaudhry, Imran Sharif,2009))”.

1.2. This paper discusses only a few of the underlying legislative and administrative factors which have contributed to mal-governance in public sector in Pakistan. It also contains what is considered to be the minimum action needed for improvement. This is what researchers see as both pragmatic and implementable, subject however, to the political will for reform. Corrupt practices are an impediment to good governance and as a cause of the failure of institutional structures with particular reference to the process of planning. Senior politicians and government officers are aware that the machinery of government has contributed to the present state of affairs. Honest and diligent officials are frustrated with a political and bureaucratic system which is not accountable and is not responsive to need; the entrepreneur is faced with. In Pakistan, the main state institutions – the legislatures, Civil service, and judiciary – have not evolved indigenously. They are transplant from colonial period. Despite the new wave of liberalization and modernization, Pakistan remains a largely informal society based around kinship and patronage. This has impeded the development of institutions. Rules continue to be flouted in favour of discretion and decisions are made on the basis of political connections. Such disregard for institutions has reinforced mis-governance. Despite of economic liberalism, privatization, globalization and deregulation, public sector efficiency is still considered as important, besides private sector, for the economic growth of a country. Successive Pakistani governments have introduced many economic reforms in 1990s and onwards (Dr. Ishrat and Rajiv Kumar, 2010, ‘Reviewing Structural Reforms in India and Pakistan’), but most of public sector organizations are still not efficient due to poor governance.

Research Question

1.3. What are the challenges of governance in the public sector of Pakistan and what are the variables affecting efficiency and effectiveness of public sector institutions of Pakistan?

Problem Statement

1.4. The public sector institutions in Pakistan are less efficient / effective because of poor governance, ineffective judicial and civil service system in the country. The major problems areas are to be identified to enhance efficiency/effectiveness of public sector institutions in Pakistan.

Originality of the Study

1.5. The research area that is the challenges of governance in the public sector of Pakistan with specific reference to effectiveness of state institutions as a whole like parliamentary system, judiciary and civil service of Pakistan has not been explored by any researcher so far. This is a visible gap in the body of knowledge. The present research does fill this gap and is a significant contribution to the body of knowledge.

Applied Aspects

1.6. Findings of the research will be helpful for improving governance in public sector institutions through reforms in Parliamentary, Judicial and Civil Services system of Pakistan as well as of other third world countries having similar challenges of governance in their countries.

Objective of the Study

1.7. To study governance challenges in public sector institutions in Pakistan in existing set up and highlight short comings / deficiencies at National as well as institutional level to improve upon efficiency of public sector institutions in Pakistan.

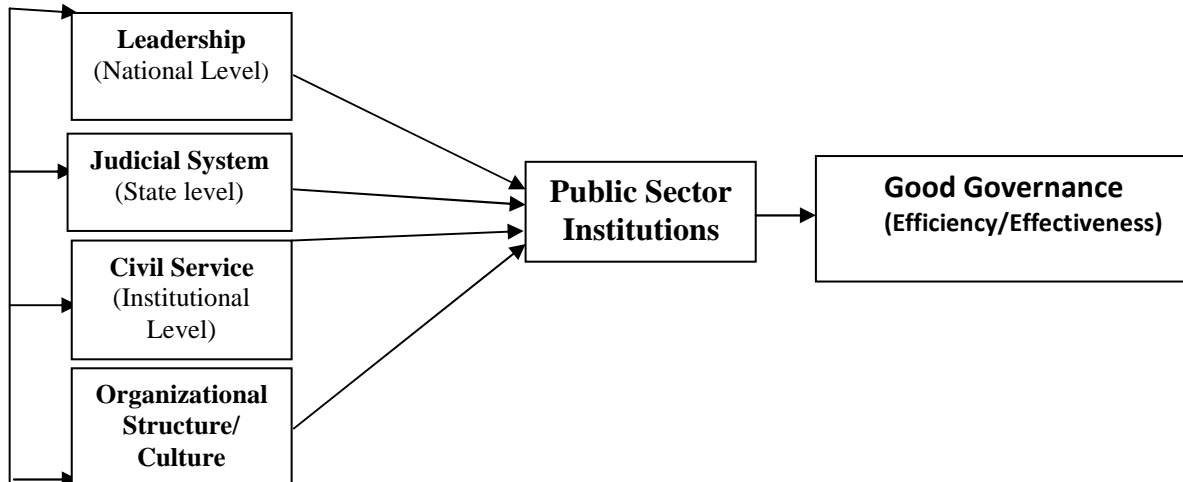
Literature Review

2. Public sector institutions have broad-based responsibilities of serving people, taking care of their interests, enable suitable environment for business, provide sound policies, information, assistance etc. According to World Bank “it is imperative for the state to create, sustain institutional structures to improve social equity and address market failure (The World Bank Report, 1997, p. 27). However, before discussing the public sector, it is important to understand the word “public” in public sector. An explicit statement by Ranson and Stewart (1994: 59-60) is very helpful in this regard as they contend that “The essential task of the public domain can now be interpreted as enabling authoritative public choice about collective activity and purpose. In short, it is about clarifying, constituting and achieving a public purpose. It has the ultimate responsibility for constituting a society as a political community which has the capacity to make public choices. Producing a ‘public which is able to enter into dialogue and decide about the needs of the community, is the uniquely demanding challenge facing the public domain.” Hence, it has been stressed that the basic purpose is “collective

“activity, purpose, and choice on equitable basis. Ranson and Stewart (1994) also give another meaning to the word ‘public’ by which they mean a group of people who inhabit the public domain. Furthermore, they have also clarified the political concept of “a public which is able to enter into dialogue and decide about the needs of community” (Bovaird Tony, Elke Loffler 2009: 5). For researcher’s purpose here, it is important to distinguish between the “public sector” and the “private sector” .There are certain similarities in the public and private sector. As far as the similarities are concerned, Dr. Sultan Khan (2002: 19-20) asserts that managerial techniques are common to both i.e. accounting, filing, statistics, office management, and procedures, purchases, disposal and stocking and personnel processes; attainment of goals; adaptability to changing circumstances. However, the differences between the two are very important, especially for the efficiency and credibility of public sector organizations with special reference to developing countries. According to Dr Sultan Khan (2002: 20-24) public administration is “bureaucratic” while private administration is business-like; public sector organizations use coercive methods of enforcement of rules; dealing of public administration with issues of vital importance; comprehensiveness of public sector with special regard to needs of people; uniformity in public dealings (non-discriminatory attitude with people) as opposed to private sector; government holds monopoly in public sector administration; basic motive of public sector is “service” while private sector is profit-oriented; public sector represents state; accountability of public sector to public at large; public sector is subject to external financial control (as for instance, legislature controls finance of public administration, while chief executive controls the finance of private sector); public administration is more governed by governmental laws and rules than private sector administration in matters of tenders, contracts, and purchases. Moreover, David Garson (2003: 188) contends that in the public sector, “increased customer satisfaction is never the only goal and often it is not the major goal.” Meanwhile, the general public which is their customers is inattentive. Another factor is that customers often do not have enough information and/or expertise to evaluate their performance. Therefore, David Garson (2003: 188) elaborates that “even though customer ratings are always useful in government, they play a less central role than they do for business, and they are accordingly only one piece of information within a range of results.” (G. David Garson (2003: 188) *Public Information Technology: Policy and Management Issues*). Given the importance of public sector responsibilities towards society on behalf of state and its ineffectiveness, governance is given due importance and is regarded as vital for correcting the working of public sector organizations for researcher’s concern here. Despite ambiguity of definitions, Laurence E. Lynn Jr., Carolyn J. Heinrich, and Carolyn J. Hill (2000:235) in their paper ‘Studying Governance and Public Management: Challenges and Prospects’ argue that “governance generally refers to the means for achieving direction, control, and coordination of wholly or partially autonomous individuals or organizations on behalf of interests to which they jointly contribute.” While, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) provide a rather simple definition of governance which is “the process of decision-making and the process by which decisions are implemented (or not implemented).” However, UNESCAP has differentiated “good governance” from “governance. It identifies eight major characteristics of good governance i.e. participatory; consensus oriented; accountable; transparent; responsive; effective and efficient; equitable and inclusive; and follows the rule of law. Stephen P. Osborne (2002: 3) argues that “public sector organizations perform poorly in many developing countries’ because of ‘poverty, economic crisis, corruption and political instability’. Whereas, Max Weber argues that only bureaucracies are capable of taking rational decisions and state political leaders can direct and mobilize state organizations. Weber contends that Bureaucratic organization is the privileged instrumentality that has shaped the modern polity, the modern economy, the modern technology. Two different approaches to public management have been identified within this logic of governance by Lynn et al. (2000: 238). First, public managers may “optimize outcomes” within a given system of formal authority. This essentially short-run view of public management emphasizes repetitive aspects of managerial roles and features the psychology, tactics, and political intercourse aspects of management. A second approach views public managers as “proactive participants” in coalition politics, as ‘representatives of elected executives’, as ‘representatives of agency constituencies’, or as ‘goal-seeking actors in their own right’. This view is implicit in the notion of iron triangles and issue networks. In the literature on social control, it is implicit in the notion of bureaucracy. This longer-run view broadens the subject of public management to the wider domain of governance and administrative control of bureaucracy, and it broadens the content of management to include the design of governance arrangements (Lynn et al. 238).

Research Methodology

3.1. **Theoretical Framework.** To investigate and determine the efficiency and effectiveness of governance in public sector institutions, different variables are identified; Leadership (National level); Judicial System (State level); Civil Service (Institutional level) and Organizational Structure/Culture. The Researchers argue that Public sector of Pakistan is not well-reputed due to corrupt practices, bureaucratic and political influences, structure of organization itself and incompetent appointments by influential individuals. Lack of sound checks and balance system due to weak judicial system is further contributing to these ills of public sector institutions. Hence, theoretical framework highlights these variables as main causes of mal-governance in public sector institutions in Pakistan. Moreover, innovative reforms, reorientation and transformations can change the outcomes of the organizations both at National and organizational level and mitigate corruption.



3.2. **Research Method.** For the purpose of research secondary data resources have used to identify governance issues in public sector of Pakistan as this is right approach to evaluate effectiveness of any organization after one has analyzed its recently concluded data. Besides, researchers' personal experience of working in public sector institutions for over 23 years, it has also been relied upon for necessary analysis of problem areas and to suggest remedial measures for effective governance in public sector institutions in Pakistan. Where necessary, references have also been quoted to give authenticity to stated information/data. Extensive and intensive internet research has also been undertaken to prepare the research data/article.

Analysis of Existing System

4.1.1. Political System/Leadership.

Parliamentary system in Pakistan suffers from variety of problems. These problems start from electoral process and aggravate further in the policymaking. In Pakistan parliament is often perceived to be nothing more than collection of those people who bought their way to the power. This kind of electoral system has resulted into an absence of national leadership. Legislation is always regarded as secondary job. Prime minister and his cabinet hardly attend parliamentary proceedings. Opposition parties prefer to embarrass the government by concentrating on scandals rather than on substantive issues.

4.1.2. **Parameters of a Leader.** Money is the only criteria for becoming a political leader in Pakistan. It is a biggest drawback of the political system. In the past almost one third of Pakistani cabinet have been mainly occupied by the feudal and about one fifth by rich businessmen. Data in Table-1 presents a clear picture. Percentage of feudal and businessmen in Pakistan cabinet¹ over the years is shown in Table I.

4.1.3. **Political Power Struggle.** Amongst the existing realities of the political environment of Pakistan, the most important to note is sharing of political power by feudal, bureaucratic and other elite groups. It is evident that from last 60 years, bureaucrats, as well as feudalists, have grown, expanded and consolidated their dimensions and power far more than the political institutions where growth has remained weak, underdeveloped and stunted.

4.1.4. **Political Parties.** Political parties are the most vital political institutions, which if collectively focus on the path of national prosperity can pay rich dividends. Coupled with poor leadership criteria, as mentioned

¹ Iftikhar H Malik (1997). State and Civil Society in Pakistan, P.67. London: Oxford press.

earlier; poor organization of the political parties compounds the problems which hinder the free function of the political system. Pakistani political parties are mostly dominated by only a couple of families and party portfolios are given on the basis of nepotism. This results in election of in-competent individuals to very responsible national offices. It is not the merit but the party loyalty that makes some one suitable for a given portfolio.

4.1.5. General Elections. There cannot be a disagreement on the fact that the same politicians with few exceptions come into power number of times who do influence public sector institutions as per their vested interests. Therefore, holding of such elections without required electoral reforms is meaningless. Had it been done objectively it would have helped in eliminating corruption from public sector institutions.

4.1.6. Effective Opposition. In a democratic system of government, the opposition has highly important constitutional role. It acts, as a good system of check and balance and the government, cannot do things at will. Unfortunately dilemma with Pakistani system is that opposition is only for the sake of opposition. During entire stay in assembly, opposition maneuvers to oust the ruling party from power. They don't take part in any healthy discussion. This results into stagnant legislation thereby directly affecting public institutions.

4.1.7. Public Money. Since various development programs like Peoples Works, Banizer Income Support and Tameer-e-Watan Programs are executed through elected representatives, a large portion of the public money allotted for these programs is hardly expended judicially for the specified purpose by these public servants. As such, no independent audit of these programmes have ever been disclosed if conducted at all.

4.1.8. Lack of Education. As the people are not well educated, they have a lack of vigilant opinion thus, lacking in understanding the hidden motives of political leaders, political parties. Leaders have used the masses as an instrument to fulfill their requirements. Besides, our leaders are not well educated due to which they lack vision. Over all in the South Asia, education level of parliamentarians is very low. Pakistan also falls into same category. Educational qualification of South Asia's parliamentarians is shown at Table - II.

4.1.9. Absence of Accountability. Hardly any independent system of accountability exists in Pakistan. Those who can usurp the national assets, do it without any fear of punishment. Mostly the government office bearers and their allies eat up huge loans extended by banks and nobody has been taken to task. Previous few governments although took a modest start but results were not very promising.

4.1.10. No Legislative Functions. Assemblies hardly meet in sessions for legislation or discussion on national matters. This state of affair is detrimental to institutional growth due to non-initiation of required remedial measures for improvements in public sector institutions.

4.2.1. Judicial System. The legal frameworks that is not biased and implementable on all living in a state and independent judicial system helps in the building up a society where everyone in that system would consider him/herself being safe. In the past many examples have been seen when the decisions by the courts were manipulated through pressures by the government. Appointments of judges were made at the whim and will of executive and not based on criteria or eligibility. Another deficiency of judicial system is the lack of effective access to justice for large sections of population. Judiciary in any state cannot be efficient unless it is independent. The basic principles on the independence of judiciary endorsed by the United Nations include; "The constitution and law should provide an independent judiciary that has jurisdiction over all issues of a judicial nature, can decide such matters without any restriction, improper influences, inducements, pressures, threats or interference from any quarter. No discretion can be allowed in selection, appointment, transfer and promotion of judges. No judge shall accept judicial office on the basis of an appointment or election or perform services that are inconsistent with basic principles"¹. When Pakistan's judicial system is examined in relation to these basic principles, many causes for concern become apparent.

4.2.2. Politicization of Justice. Military and civilian governments in Pakistan have, over the last 62 years, been accused of interfering with the judiciary and of appointing judges who are sympathetic towards their political aims. Under successive Pakistani constitutions the judiciary is supposed to be independent, but in practice that has seldom been the case. Soon after acceptance of constitution Zulfikar Ali Bhutto made 7 amendments in it, between 1974 and 1977, which undermined the independence of judiciary. In 1981, General Zia was able to orchestrate the dismissal of the Chief Justice, Anwar-ul-Haq², by not inviting him to an oath

¹ A Rehman (1996, January). Justice at Stake. Newslines, P.28.

² Zahid Hussain. (1996). Judicial Power. Newslines, P.19.

taking ceremony in which various judges pledged their allegiance to his government. Over the years various governments have attacked the credibility of courts by manipulating constitutional provisions regarding appointment, tenure, transfer and promotion of judges. These interferences have affected overall performance of our judiciary. Mauro survey in 1995 has rated Pakistan judiciary at the lowest. Efficiency in the order of performance¹ is shown in Table III.

4.2.3. **Lack of Judges.** Although country's population along with public institutions have increased at a rapid pace in past years, this has not been matched by commensurate capacity building of judicial system to deal with this rising demand. According to one survey of 1996, there is one judge for 85038 personnel in Pakistan².

4.2.4. **Complex Political System.** 1973 constitution amply covers the fundamental rights of citizens³. However, practically when we observe in the masses we find that judicial system is kept so complex that ordinary lawyers sitting outside city courts dictates his terms to the poor citizen. Citizens are left with two options, either follow a normal procedure and then wait for years till he get a final verdict of court or pay a heavy fee to a lawyer and get his job done in much lesser time. Same is the case with public institutions. If at all any case of mal-practice is challenged in the courts, it takes years for necessary decision against the defaulter.

4.2.5. **Substandard Law Education.** Lawyers form the prestigious group in any country. Unfortunately in Pakistan the one who is rejected from all other institutions ends up in Law College. This results into un-professional and low quality of lawyers and judges. Public Institutions also hire lawyer from same faculty. This substandard education is the major cause of malpractice in judiciary system.

4.3.1. **Civil Service.** All successive regimes of Pakistan covertly or overtly politicized the bureaucracy in varying degrees for advancing their partisan agenda. They have often applied the carrot and stick policy to coax the arms of useful sections of public officials. The institution of civil service implements government policies and oversees administrative functions of the state, lending stability to otherwise unstable political systems. To ordinary citizen, civil service most tangibly embodies the government. It is this institution they must approach on daily basis for access to public services, the payment of services and disbursement of development funds. As such, the institution wields immense power and controls the destinies of millions. The civil service in Pakistan has been neither very efficient nor effective in discharging its prime function of serving people. If we trace back the performance graph of this institution we find many reasons for its gradual decline. Some of them are discussed in subsequent paragraphs. Bureaucratic efficiency in the order of performance⁴ is shown at Table IV.

4.3.2. **Politicization of Civil Service.** As civil service implements government decisions, it had to face intense political interference in the form of both coercion and patronage. As stated earlier India act of 1935 provided security to civil servants which was maintained in first two constitutions of Pakistan as well. However, this provision was neglected in 1973 constitution⁵. Direct political involvement in Pakistan first time appeared when President Ayub in 1959 dismissed 1300 civil servants by a single order. General Yahya and Zulfikar Ali Bhutto repeated same act when they dismissed 303 and 1400 personnel respectively. This involvement of government has curbed the independence of this elite institution. Politicians have used various method to ensure loyalty, including the demotion of officers; political appointments to civilians posts; provincial quotas; lateral entry; adhoc transfers, promotions and demotions; and the constant bureaucratic shuffle that accompany political change. Under such circumstances, the civil service has lost its traditional neutrality and has been gradually eroded and demoralized. This interference is not one sided. If we see other side of picture, bureaucrats also exert powerful influence on politicians at all level of governance. This is due to lack of sufficient maturity of political institutions, parties and legislators.

4.3.3. **Ill Defined Roles.** Roles of civil service in Pakistan are not well defined. It must be clearly understood that role of civil service is to implement government policies and not to make policies themselves. The institution doesn't restricts itself to main functions of maintaining law and order, providing a regulatory framework for economic activities and promoting human development by improving the quality and quantity of basic social services. Due to unnecessary interference of bureaucrats in political decisions they have forgotten their original function of serving the masses. It has resulted into poor governance.

¹ Khadija Haq, P.65

² Khadija Haq, P.66.

³ Sahibzada Masud-ul-Hassan Khan 'The Constitution of Pakistan', (Lahore:Emporium, 1995) P.33-49

⁴ Khadija Haq, P.62

4.3.4. The Quota System and Bureaucracy. The distribution of positions in the civil service on the basis of regional quotas was due to growing consciousness of regional and ethnic pluralism in the society, together with variations in term of economic and political development. The quota system was introduced initially for 5 years and despite various recommendations it still continues and is still controversial; especially in urban areas like Karachi and Lahore. Quota system is vulnerable to corruption, manipulation and reverse discrimination. Although it ensures trans-regional representation but, compromises on the quality. Quota distribution (percent) of Pakistan's Bureaucracy¹ for various regions in Pakistan is shown in Table V.

4.3.5. Concentration of Powers. Presently power is centralized. All decisions whether related to law and order or flow of revenue or development programs are taken at the whim and will of bureaucrats. The strategic position of civil servants and comparatively weakness of ministers have been the main reason for concentration of power. Due to professional weakness of ministers and extra pressure of work, they have to heavily rely on the advice of senior civil servants, and particularly on their own secretary. The minister's role is largely confined to choosing between alternative presented to him, unless he is exceptionally astute or has outside advisers. Unless this is the case he is not likely to be aware of alternatives, which have been rejected during the policy analysis stage. Pakistani minister have to rely on civil servants mainly for two reasons: Firstly he is the only source of advise for him and secondly civil servant is always in a best position to carry out inter departmental negotiations and liaison with treasury which may be necessary for the implementation of policy. Under such circumstances it has been seen that whosoever comes in a power as minister, real power lies with the office of the minister.

4.4.1. The Structure of Organization. The structure of an organization is considered as an important variable which affects the efficiency and performance of the institutions. John M. Ivancevich et., al (1996:254) in their book 'Management: Quality and Competitiveness' contend that to organize or structure is the course of structuring "human and physical resources" for the purpose of achieving organizational objectives. It includes dividing tasks into jobs, specifying the appropriate department for each job, determining the best possible number of jobs in each department, and delegating authority within and among departments. One of the most critical challenges facing lodging managers today is the "development of a responsive organizational structure that is committed to quality."

('Organizational Structure' pp.28 URL=http://media.wiley.com/product_data/excerpt/79/04714744/0471474479.pdf).

4.4.2. Organizational Culture/Participative Corruption in Public Sector. Corruption is one of the malaises of public sector affecting their efficiency and performance. The institutionalized corruption is characterized by providing protection and immunity by a government organization to its own corrupt officials; while, participative corruption involves collusion between the bureaucracy and the private sector. Participative corruption is particularly prevalent in Pakistan's tax administration, where the complexity of taxation laws, excessive taxation rates, lack of proper documentation in the private sector and widespread tax evasion make the income tax and customs and excise departments among the most corrupt in the country (Reforming Pakistan's Civil Service, Asia Report No. 185, 16 February 2010:). Surprisingly, people/employees involved in corruption and money laundering/wrong doing with public money are identified but evade punishment as a result of inefficient political and judicial system. According to the World Economic Forum's Global Competitiveness Report (2007-08) corruption has been identified as the "third greatest problem for companies doing business in Pakistan, after government bureaucracy and poor infrastructure" (<http://www.gcr.weforum.org/>). Approximately 40 percent of companies in Pakistan feel that corruption is one of their major concerns. Transparency International (TI)'s Global Corruption Barometer 2007 shows Pakistan to be one of the countries most affected by petty bribery. More than 44 percent of respondents reported that they have paid a bribe to obtain a service. Half of all those surveyed (52 percent) perceive government efforts to reform corruption as ineffective and nearly two-thirds (59 percent) think that corruption is likely to increase within the next three years (http://transparency.org/policy_research/surveys_indices/gcb/2007). Despite of all these problems government is not willing to reform the public sector and practice good governance principles in their organizations

¹ Iftikhar H Malik, 'State and Civil Society in Pakistan_London': Oxford, 1997 P.67.

Conclusion

5.1.1. Strength of a country lies in stability and efficiency of its main institutions. Poor leadership, inefficient/complex judicial system and ineffective civil service have resulted into a disorder almost in entire public sector institutions in Pakistan. It is visualized that in the triangle of these institutions, parliamentary system is the weakest side. It needs to be fortified to revive other two institutions and bring efficiency in public sector institutions as a whole. This can only be achieved if eligible, capable and sincere leadership is brought into power through well thought out electoral system. Elected representative must not interfere with judiciary or civil service. In this way all the institutions will be able to work independently and they will contribute towards development of a country.

5.1.2. The public sector institutions in Pakistan are inefficient areas where poor governance, delayed processes, corruption, political and individual influences, lack of resources, low protection and salaries of public employees are prevailing causes. The audit and transparency issue of public funds in public sector institutions requires that these be publically accessible and audited by independent, unbiased and competent accounting and auditing firms. Those found accountable for any misdoing or wrongdoing in utilization of public funds must be punished without any delay and without any influences. Due to these negative attributes, the public sector is unable to provide efficient service delivery to its clients, i.e. the common people who are always dissatisfied and frustrated about their performance. Public sector institutions can be made more efficient and policies can be made more effective only if the good governance principles of transparency, fairness, equal treatment/fairness, stoppage of corruption, employee protection and high salaries, merit-based appointment, fair promotions based on objective evaluation, vertical and horizontal accountability mechanisms are introduced and practiced by all employees from top to bottom of the organization. The policy making process also needs to be connected and integrated into policy implementation.

Recommendations Following is recommended:-

6.1.1. Since top level institutions influence every tier of lower level public institutions therefore, necessary reforms in National/state level intuitions, country's judicial system and bureaucracy must be carried out to improve governance/efficiency in public sector intuitions

6.1.2. The audit and transparency issue of public funds in public sector institutions needs to be publically accessible and audited by independent, unbiased and competent accounting and auditing firms. Those found accountable for any misdoing or wrongdoing in utilization of public funds must be punished without any delay and without any influences.

6.1.3. Findings of the study may also be useful for application in other third world countries having similar governance problems in their public sector institutions. Someone having access to financial data's mismanagement at government level may carry out research and recommend the wrong practices for remedial measures.

Limitations of the Study

7.1. The data used in this research is taken primarily from the secondary sources such as Scholarly articles and news papers, research articles, research papers, books and from the government documents or websites. It is difficult to get primary data from public sector organizations in Pakistan as these institutions consider access of any researchers as a threat to their control and malpractices in these institutions.

Bibliography/References

- Bovaird, Tony., and Loffler, Elke. (2009). Public management and governance. New York : Routledge Taylor and Francis Group Publisher.
- Chaudhry, Imran Sharif, Shahnawaz Malik and Khurram Nawaz. 2009. Factors Affecting Good Governance in Pakistan: An Empirical Analysis, European Journal of Scientific Research, Vol.35 No.3 (2009), pp.337-346.2.
- Dr. Ishrat., and Kumar, Rajiv. (2010). 'Reviewing Structural Reforms in India and Pakistan' URL=www.iba.edu.pk/News/.../Reviewing_Structural_Reforms_Canberra.doc, viewed May 20, 2010
- Dr. Khan., Sultan. (2002). Personal administration with special reference to Pakistan. Lahore: Alameen Publication Press.
- Dr. Sadar Mahmood, Pakistan Political Roots and Developments Lahore: Al fazal, 1994, P.34.
- Iftikhar H Malik, State and Civil Society in Pakistan London: Oxford, 2012, P.67.

Ivancevich, M. John., Lorenzi, Peter., and Skinner, J. Steven., with Crosby, B. Philip.(1996). Management: quality and competitiveness (Boston: Richard D. Irwin) ‘Organizational Structure’ of Foreign Direct Investment and Investment Policy of Pakistan’http://www.tahseenbutt.com/investment_in_pakistan.html, viewed May 23, 2010.

Garson, David G. (2003). Public information technology: Journal of policy and management issues:IGI Global.

Graham, John., Amos, Bruce., and Plumptre, Tim. (2003). ‘Principles of Good Governance in the 21st Century’ Policy Brief No. 15 Institute on Governance

Hill, Michael., and Hupe, Peter. (2006). Implementing public policy. London: SAGE Publications

Khadija Haq, Human Development in South Asia Karachi: Oxford, 2012, P.57.

Pakistan Eyes Five Billion Dollars in Foreign Investment.(2010,February 28). Dawn,p.8.

Lynn Jr Laurence E., Heinrich J. Carolyn., and Hill J. Carolyn. (2000). Studying Governance and Public Management.journal of public administration and research and theory, pp, 233-262.

Najeeb Ahmed Khan (2000,June) Imperative of Modernization of Pakistan Bureaucracy. Journal of Public Administration, P.172.

‘Reforming Pakistan’s Civil Service’ Asia Report No. 185, February 16, 2010 URL=<http://www.crisisgroup.org/~media/Files/asia/southasia/pakistan/185%20Reforming%20Pakistans%20Civil%20Service.ashx>, viewed May 18, 2010

Ripley, R.B and Franklin, G.A. (1982). Bureaucracy and Policy Implementation.Homewood III: Dorsey Press.

Stephen, P. Osborne. (2002). Public management. London: Routledge Taylor and Francis Group publisher.

Sahibzada Masud-ul-Hassan Khan.(1995). The Constitution of Pakistan. P.33-49.

Saleemi, Iram. (2010,Jan 20) Economy of Pakistan in 2010, Economic Growth, Issues and Solutions URL=<http://www.einfopedia.com/economy-of-pakistan-in-2010-economic-growth-issues-and-solutions.php>, viewed May 23, 2010

Shafqat, Saeed. 1999. Pakistani Bureaucracy: Crisis of Governance and Prospects of Reform, *The Pakistan Development Review*, 38, 995-1017.

Sharif, Farhan .(2010, May 21) ‘Pakistan Inflation May Spur to Keep Highest Rate’

Tariq, Farooq ‘Action in Solidarity with Asia and the Pacific, Pakistan: \$23.8 billion corruption from privatization under Musharraf’ URL=<http://www.asia-pacificaction.org/node/69>, viewed May 23, 2010

United Nations Conference in Trade and Development (June 18, 1997) ‘Foreign Investment in LDCs: Prospects and Constraints’ URL=<http://www.unctad.org/en/docs/pogdsgfsbd2.en.pdf>, viewed May 22, 2010

World Bank Public Sector Board (2000) Reforming public institutions and strengthening governance (The International Bank for Reconstruction and Development/ The World Bank: Washington, D.C.)

Tahir, Pervez. 1999. Multi-sectoral Initiatives, Sectoral Inertia: A Dilemma of Governance for Development Policy-makers. *The Pakistan development Review*, 38, 897-904

URL=http://www.dailytimes.com.pk/default.asp?page=2010\04\17\main_17-4-2010_pg5,viewed May 21, 2010

URL=http://media.wiley.com/product_data/excerpt/79/04714744/0471474479.pdf, viewed May 25, 2010.

URL= <http://www.businessweek.com/news/2010-05-21/pakistan-inflation-may-spurraza-to-keep-highest-rate-update1-.html>, viewed May 24, 2010

www.Dawn.com, 5 January 2002.

WWW.google.com.pk

List of Tables

1. Table I: Percentage of Feudal and Businessmen in Pakistan Cabinet¹.

Cabinet Duration	Feudal	Businessmen
1985-88	42%	15 %
1988-90	35 %	5 %
1990-93	35%	20 %
1993-96	45 %	8 %
1997-99	33 %	20 %

Source: Iftikhar H Malik, ‘State and Civil Society in Pakistan’(London: Oxford, 1997) P.67

2. Table II: Educational Qualification of South Asia’s Parliamentarians¹

Under Metric	1st Degree	2nd Degree	3rd Degree	Doctoral Degree
16 %	40 %	27 %	13 %	4 %

¹ Khadeja Haq, *Human Resource Development in South Asia*, (Karachi;Oxford), P.57

3. Table III: Judiciary Efficiency in the Order of Performance¹
 (0 – Worst, 10 – Best)

Country	Performance
India	8.0
Sri Lanka	6.9
Bangladesh	5.9
Pakistan	5.1

4. Table IV: Bureaucratic Efficiency in the Order of Performance²
 (0 – Worst, 10 – Best)

Country	Performance
Sri Lanka	6.7
India	5.5
Bangladesh	4.7
Pakistan	4.3

Source: Khadija Haq, P.62.

5. Table V: Regional Distribution (per cent) of Pakistan's Bureaucracy³
 (Grade 16 – 22) 1998- 2010

Region	Quota	Actual strength
Punjab	50.0	55.8
KPK	11.5	11.6
Urban Sindh	7.6	20.2
Rural Sindh	11.4	5.1
Balochistan	3.5	3.1
FATA and Tribal Areas	4.0	3.4
Azad Kashmir	2.0	0.9

Source: ¹ Khadeja Haq, Human Resource Development in South Asia, (Karachi;Oxford), P.57

¹ Khadija Haq, P.65

² Khadija Haq, P.62

³ Iftikhar H Malik, State and Civil Society in Pakistan London: Oxford, 1997 P.67.

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:
<http://www.iiste.org>

CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

Prospective authors of journals can find the submission instruction on the following page: <http://www.iiste.org/journals/> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

Recent conferences: <http://www.iiste.org/conference/>

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

