



Public Sector Management Reforms: Challenges of Accountability and Transparency

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ARTICLE DETAILS	ABSTRACT
History Revised format: Nov, 2025 Available Online: Dec, 2025 Keywords Public sector reforms, accountability, transparency, governance, corruption, e-governance	Public sector management reforms have become an essential element in promoting good governance and efficient service delivery in developing countries, including Pakistan. Despite major reform initiatives, challenges related to accountability, transparency, and institutional integrity persist. This study explores the dynamics of reform implementation in Pakistan's public sector, focusing on institutional design, bureaucratic behavior, and digital governance mechanisms. The research emphasizes the role of transparency frameworks, anti-corruption bodies, and e-governance tools in reducing administrative inefficiencies. It concludes that sustainable reform requires not only policy innovation but also behavioral transformation within public institutions.

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Introduction:

Public sector management reforms are integral to improving state capacity, accountability, and service delivery effectiveness. In Pakistan, the reform trajectory has been influenced by both internal administrative inefficiencies and external pressures from international organizations such as the IMF and World Bank. The 21st-century governance agenda emphasizes citizen-centric services, rule of law, and digital transparency mechanisms. The persistence of bureaucratic inertia, political interference, and limited public oversight has constrained reform outcomes. Efforts such as the introduction of the National Accountability Bureau (NAB), the Right to Information (RTI) Act, and digital governance initiatives under the Pakistan Vision 2025 have provided some progress but remain insufficient due to weak institutional coordination and resistance to change. This paper provides a critical overview of public sector management reforms in Pakistan, identifying key challenges of accountability and transparency, and suggesting practical pathways for reform sustainability.

Historical Overview of Public Sector Reforms in Pakistan:

The history of public sector management reforms in Pakistan reflects an ongoing struggle to balance bureaucratic stability with modernization and transparency. The earliest attempt dates back to the **1959 Pay and Services Commission**, established under President Aye Khan, which sought to standardize pay structures and improve administrative efficiency within the civil service. However, the Commission's recommendations largely focused on financial adjustments rather than systemic reform, leaving structural inefficiencies intact. During the **1970s**, the **Administrative Reforms Committee of 1973** introduced significant changes by abolishing the service cadre distinction between the Civil Service of Pakistan (CSP) and other groups, aiming to democratize recruitment and promotion systems. This

reform was politically motivated to reduce bureaucratic elitism, but it inadvertently weakened institutional autonomy, leading to politicization of the bureaucracy. The **1980s and 1990s** saw increased donor involvement particularly from the World Bank and If.

Institutional Framework for Accountability and Transparency:

Pakistan's institutional framework for accountability and transparency is built upon a combination of statutory bodies, oversight agencies, and regulatory frameworks that collectively aim to ensure ethical governance and responsible use of public resources. Among the most prominent institutions are the National Accountability Bureau (NAB), the Federal Investigation Agency (FIA), and the Auditor General of Pakistan (AGP)—each serving distinct yet complementary roles in the accountability ecosystem? The National Accountability Bureau (NAB), established under the National Accountability Ordinance of 1999, serves as the primary anti-corruption body tasked with investigating and prosecuting cases of financial malpractice, abuse of authority, and embezzlement of public funds. NAB's key strength lies in its legal autonomy and its broad jurisdiction across the public sector. However, it faces persistent criticism regarding selective accountability, political influence, and procedural delays that compromise its credibility. The lack of coordination with other oversight institutions often results in fragmented enforcement and overlapping mandates. The Federal Investigation Agency (FIA), functioning under the FIA Act of 1974, plays a crucial role in combating white-collar crimes, cyber fraud, and money laundering. In recent years, the FIA has expanded its cybercrime wing to handle digital corruption and misuse of public information systems. Despite these advancements, limited technological resources, staff capacity constraints, and bureaucratic red tape hinder the FIA's effectiveness in ensuring transparent governance at all levels. The Office of the Auditor General of Pakistan (AGP) acts as the supreme audit institution, mandated by Article 168 of the Constitution to conduct financial audits of federal and provincial governments. The AGP's work is essential for ensuring fiscal discipline and identifying irregularities in public expenditure. However, challenges persist in enforcing audit findings due to weak parliamentary oversight and delayed accountability responses from executive departments. Other supporting institutions, including provincial anti-corruption establishments (ACEs), the Public Accounts Committee (PAC), and Ombudsman offices, contribute to localized accountability and citizen grievance redressed. Collectively, these bodies create multi-layered accountability architecture. Yet, the system often suffers from a lack of inter-agency coordination, political interference, and insufficient public disclosure mechanisms. Pakistan's institutional framework for accountability has evolved significantly, but its operational efficacy depends on strengthening independence, improving inter-agency cooperation, ensuring technological modernization, and promoting public awareness. A truly transparent governance system will emerge only when institutional accountability is depoliticized, professionalized, and aligned with international standards of integrity and rule of law. In recent years, reforms have increasingly aligned with **digital transformation goals** under the **Pakistan Vision 2025** framework. The introduction of **e-governance**, online procurement systems, and **open data initiatives** reflects a shift from manual bureaucracy toward data-driven governance. Provinces such as Punjab and Khyber Pakhtunkhwa have implemented **digital complaint systems, smart governance dashboards, and performance monitoring units** to improve service efficiency and curb corruption. Despite these advances, institutional resistance, fragmented implementation, and political instability continue to obstruct long-term reform success.

Institutional Framework for Accountability and Transparency:

The institutional framework for accountability and transparency in Pakistan reflects a complex network of oversight bodies designed to promote integrity, prevent corruption, and ensure the responsible use of public resources. Central to this framework are three pivotal institutions—the **National Accountability Bureau (NAB)**, the **Federal Investigation Agency (FIA)**, and the **Office of the Auditor General of Pakistan (AGP)** each with its distinct mandate but collectively contributing to governance reform. The **National Accountability Bureau (NAB)** was established in 1999 under the National Accountability Ordinance to investigate and prosecute corruption cases involving public office holders, politicians, and bureaucrats. Its creation marked a major step toward institutionalizing anti-corruption mechanisms in

Pakistan. NAB's structural strength lies in its broad investigative powers, autonomy from routine government control, and specialized accountability courts that expedite legal proceedings. However, despite these strengths, NAB has faced persistent challenges. It is often criticized for politicization, selective accountability, and procedural delays that erode public confidence. The lack of internal checks, limited transparency in investigations, and perceived misuse of authority have raised questions about its impartiality and effectiveness in promoting a culture of accountability. The **Federal Investigation Agency (FIA)**, established under the FIA Act of 1974, complements NAB's efforts by addressing white-collar crimes, cyber fraud, money laundering, and misuse of public funds. Over the years, the FIA's mandate has expanded with the advent of digital governance, particularly through its **Cyber Crime Wing**, which tackles data theft, financial fraud, and online corruption. FIA's operational strength lies in its nationwide jurisdiction and collaboration with international law enforcement agencies such as Interpol. Nevertheless, its efficiency remains hampered by inadequate financial and technological resources, outdated investigation techniques, and limited coordination with other accountability bodies. The agency's reactive rather than preventive approach also weakens its ability to deter systemic corruption. The **Office of the Auditor General of Pakistan (AGP)**, functioning under Article 168 of the Constitution, is the supreme audit institution responsible for auditing the accounts of federal and provincial governments. The AGP ensures fiscal transparency by identifying irregularities, misappropriation of funds, and inefficiencies in expenditure management. Its reports, presented to the **Public Accounts Committee (PAC)** of Parliament, are essential tools for financial scrutiny and legislative oversight. Yet, despite its constitutional authority, the AGP's influence is often limited by political interference and weak enforcement of audit recommendations. The absence of a strong follow-up mechanism means that many audit findings remain unaddressed, undermining fiscal accountability. In recent years, Pakistan has attempted to strengthen transparency through legislative and technological reforms. The **Right of Access to Information Act (2017)** and initiatives like the **Pakistan Citizen Portal**, **online procurement systems**, and **open data platforms** have enhanced citizen engagement and public monitoring. These measures have introduced a new layer of digital transparency, enabling citizens to track government actions more effectively. Despite these advancements, Pakistan's accountability framework continues to face systemic weaknesses. The overlapping jurisdictions of NAB, FIA, and AGP, combined with political influence and bureaucratic inertia, limit operational synergy. To achieve lasting reform, these institutions must be depoliticized, technologically modernized, and supported by strong legal safeguards that ensure impartiality, transparency, and consistent enforcement. Only through such institutional strengthening can Pakistan move toward a governance model grounded in accountability, trust, and public integrity.

Challenges of Bureaucratic Culture and Political Interference:

The effectiveness of public sector management reforms in Pakistan is severely undermined by entrenched bureaucratic culture and pervasive political interference, which collectively obstruct accountability and transparency. The country's bureaucratic system, inherited from the British colonial legacy, was originally designed for control and compliance rather than innovation and service delivery. This legacy has produced a rigid, hierarchical structure where decision-making authority is concentrated at the top, discouraging initiative and adaptive thinking among lower administrative tiers. Such rigidity not only delays policy execution but also fosters a culture of dependency, where bureaucrats tend to prioritize procedural adherence over performance outcomes. A major challenge lies in the **patronage networks** that shape recruitment, promotions, and transfers within the civil service. Political leaders frequently use administrative appointments as tools of influence and reward, undermining meritocracy and professionalism. The practice of frequent postings and transfers disrupts continuity and weakens institutional memory, making it difficult for reform initiatives to take root. Civil servants often find themselves compelled to align with political interests to secure job stability or career advancement, which erodes their neutrality and compromises public trust. **Political interference** in bureaucratic functions has become deeply institutionalized. Successive governments have used the civil service as an extension of political power rather than as an impartial instrument of governance. This interference is

particularly evident in policy prioritization, budget allocation, and project approvals, where political considerations often override administrative rationality. As a result, long-term reforms aimed at improving governance and accountability are frequently abandoned or modified with each change in government, preventing sustained institutional progress. The **culture of compliance** within bureaucracy also impedes innovation and reform. Civil servants, fearing retribution or accusations of misconduct, often prefer to follow traditional practices rather than adopt modern management tools or transparency mechanisms. This risk-averse mindset discourages experimentation with digital governance systems or citizen-centric accountability frameworks. Furthermore, internal resistance to change driven by vested interests and lack of incentives for reform creates an environment where reform policies are formally adopted but informally resisted. The absence of performance-based evaluation systems further perpetuates inefficiency. Promotions and benefits are frequently determined by seniority rather than measurable outcomes, which disincentivizes proactive leadership and accountability. Similarly, weak whistleblower protections and inadequate grievance redressed mechanisms discourage officials from reporting corruption or malpractice.

Corruption and Administrative Inefficiency:

Corruption and administrative inefficiency remain the most pervasive barriers to effective governance and sustainable reform in Pakistan's public sector. Corruption is not merely a series of isolated acts but a systemic phenomenon embedded within institutional practices, political patronage, and bureaucratic behavior. It manifests through bribery, nepotism, embezzlement, and misuse of authority undermining transparency, weakening state institutions, and eroding public trust in government. Administrative inefficiency, on the other hand, is both a cause and a consequence of corruption, leading to slow decision-making, poor service delivery, and wastage of public resources. At the structural level, the lack of accountability mechanisms and weak enforcement of anti-corruption laws have perpetuated a culture of impunity. Although Pakistan has established institutions like the National Accountability Bureau (NAB), Federal Investigation Agency (FIA), and provincial anti-corruption departments, these agencies often face resource constraints, overlapping mandates, and political interference that hinder their effectiveness. The absence of coordination among these bodies results in fragmented investigations and delayed prosecutions, allowing corrupt officials to exploit legal loopholes. Transparency indicators from Transparency International consistently rank Pakistan among countries struggling with corruption perception, reflecting systemic challenges in ensuring ethical governance. According to the Corruption Perceptions Index (CPI 2023), Pakistan's score remains low; signaling persistent issues of accountability, particularly in procurement, public works, and revenue departments. These trends are further aggravated by limited citizen access to information, bureaucratic red tape, and weak internal audit systems. Administrative inefficiency compounds the issue by creating opportunities for rent-seeking. Lengthy procedures, excessive documentation, and centralized decision-making often compel citizens and businesses to seek informal channels to expedite processes, inadvertently reinforcing corruption. The inefficiency is further exacerbated by outdated management systems, poor performance evaluation, and lack of incentives for ethical behavior. Many government departments still rely on manual processes, with minimal integration of digital systems that could enhance transparency and reduce human discretion. To address these issues, Pakistan has initiated anti-corruption and transparency reforms, such as the Right of Access to Information Act (2017), Public Procurement Regulatory Authority (PPRA) rules, and digital platforms like the Pakistan Citizen Portal. These initiatives have improved citizen engagement and allowed for public monitoring of government actions. However, the implementation remains inconsistent, often lacking follow-up audits and independent oversight. Promoting transparency indicators such as open data systems, e-governance dashboards, and integrity assessment frameworks can help measure and monitor institutional performance. Digitalization of procurement, budgeting, and public records can also minimize opportunities for corruption by reducing discretionary authority. Additionally, strengthening whistleblower protection laws and empowering internal audit units are essential steps toward creating a culture of integrity. Combating corruption and inefficiency requires more than institutional reform; it demands a cultural transformation within

governance structures. Ethical leadership, merit-based recruitment, transparent promotion policies, and strict accountability enforcement must become integral components of the public administration ethos. Only by embedding integrity and efficiency into everyday administrative practices can Pakistan move toward achieving genuine transparency, accountability, and public confidence in its governance systems.

Digital Transformation and E-Governance in Accountability:

Digital transformation and the adoption of e-governance tools have emerged as powerful catalysts for enhancing accountability, transparency, and citizen engagement in Pakistan's public sector. E-governance represents the integration of information and communication technologies (ICTs) into administrative functions to make government processes more efficient, accessible, and transparent. In a country where bureaucratic inefficiency and corruption have long hindered governance effectiveness, digitalization offers a pathway to re-establish public trust and strengthen institutional integrity. Over the past decade, Pakistan has made significant strides toward digital governance through the establishment of **online complaint management systems**, **procurement portals**, and **data transparency dashboards** at both federal and provincial levels. The **Pakistan Citizen Portal**, launched in 2018 under the Prime Minister's Performance Delivery Unit (PMDU), stands as a landmark initiative in participatory accountability. It enables citizens to directly report grievances, track complaint resolution progress, and rate public service performance through a centralized mobile application. As of recent statistics, millions of complaints have been processed across various government departments, demonstrating a tangible increase in public engagement and institutional responsiveness. The **Public Procurement Regulatory Authority (PPRA)** has introduced **e-procurement platforms** to digitize tender processes, reducing human discretion and opportunities for manipulation in public contracts. These systems ensure that procurement information such as tender notices, bidding results, and awarded contracts is publicly available, thereby deterring collusion and promoting competitive bidding. The use of **block chain-inspired audit trails** and digital verification mechanisms in pilot projects has further enhanced transparency in financial transactions'-governance also supports **predictive analytics and AI-driven auditing**, enabling institutions to detect irregularities and forecast potential risks of corruption before they occur. For example, data integration across revenue, procurement, and human resource systems allows for cross-verification of expenditures and performance outcomes, creating a culture of data-driven accountability. Despite these achievements, several challenges persist. Many departments lack the technical infrastructure and trained personnel required for effective digital transformation. Cyber security vulnerabilities, resistance to change within bureaucracies, and uneven internet accessibility across rural regions also limit the impact of e-governance tools. Digital systems alone cannot guarantee accountability unless they are backed by institutional reforms, clear legal frameworks, and consistent enforcement mechanisms. To strengthen digital accountability, Pakistan must invest in **capacity building**, **interoperable data systems**, and **legislative oversight for digital transparency**. Expanding broadband infrastructure, integrating block chain-based recordkeeping, and institutionalizing open data initiatives could ensure that transparency becomes an irreversible component of governance. When properly implemented, digital transformation not only enhances efficiency but also democratizes accountability transforming the relationship between citizens and the state into one rooted in trust, participation, and real-time oversight.

Public Financial Management (PFM) and Audit Reforms:

Public Financial Management (PFM) and audit reforms form the backbone of fiscal accountability and transparent governance in Pakistan. These reforms aim to strengthen the integrity, efficiency, and credibility of how public funds are planned, allocated, spent, and reported. A robust PFM system ensures that government resources are utilized in line with national priorities and development goals while minimizing waste, mismanagement, and corruption. In Pakistan, decades of fiscal imbalance, weak budgetary discipline, and limited transparency have made reforming PFM a critical part of broader governance modernization efforts. Over the years, Pakistan has implemented several reform programs, often in collaboration with international partners such as the World Bank, Asian Development Bank (ADB), and UK's Department for International Development (DFID). These programs have focused on

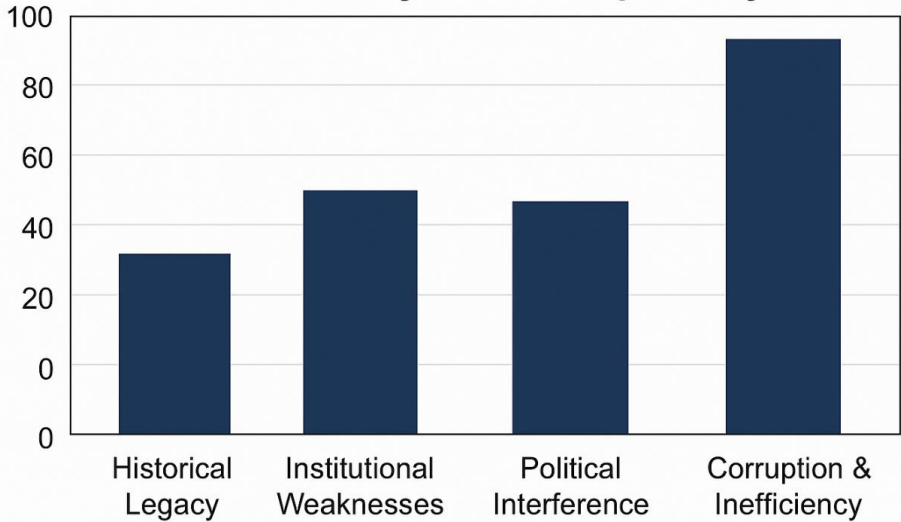
three main pillars: budget reforms, procurement reforms, and audit modernization. Budget reforms have aimed to shift from traditional, input-based budgeting to performance-based and medium-term budgetary frameworks (MTBF). The introduction of the MTBF allows ministries to link resource allocations with measurable performance outcomes, improving both efficiency and accountability. Through the Public Finance Management Act of 2019, the federal government introduced new financial reporting standards and controls to ensure greater alignment between planning and expenditure. However, implementation challenges remain due to capacity gaps in ministries, limited use of data-driven forecasting, and political interference in budget prioritization. Procurement reforms, led by the Public Procurement Regulatory Authority (PPRA), have been a major milestone in improving transparency and competition in public spending. The PPRA Rules (2004) and subsequent updates established standardized procedures for tendering, bidding, and contract management, significantly reducing discretionary authority in procurement decisions. The move toward e-procurement portals where tenders, bids, and award details are publicly accessible has curtailed opportunities for collusion and favoritism. Several provinces, including Punjab and Sindh, have adopted similar systems, although their full potential is hindered by inconsistent enforcement and limited digital literacy among procurement officials. Audit reforms have been spearheaded by the Office of the Auditor General of Pakistan (AGP), which is constitutionally mandated under Article 168 to audit public accounts and ensure financial propriety. In recent years, the AGP has shifted toward risk-based and performance audits, focusing not only on financial irregularities but also on assessing the value-for-money outcomes of public projects. The introduction of computer-assisted audit tools (CAATs) and integrated financial management information systems (IFMIS) has enhanced data accuracy and enabled real-time monitoring of government transactions. The Public Accounts Committee (PAC) plays a complementary role by reviewing audit reports and recommending corrective measures, although its effectiveness is often constrained by political polarization and delayed follow-up actions. Despite notable progress, Pakistan's PFM system continues to face systemic weaknesses. Fragmented financial data, lack of inter-departmental coordination, and manual recordkeeping in several agencies reduce fiscal transparency. Inadequate training of audit personnel and the absence of a unified financial management platform across federal and provincial levels also limit the impact of reforms. Moving forward, digital integration, fiscal decentralization, and citizen oversight must form the next phase of PFM modernization. Implementing open budget initiatives, strengthening internal audit units, and ensuring parliamentary scrutiny can deepen fiscal accountability. By embedding transparency and audit compliance within institutional culture, Pakistan can transition from reactive financial management to a proactive, evidence-based governance model one that ensures every rupee of public expenditure is traceable, justified, and aligned with national development objectives.

Civil Service Reforms and Human Resource Accountability :

Civil service reforms and human resource accountability are central to improving governance efficiency, ensuring transparency, and rebuilding public trust in Pakistan's administrative system. The civil service, often described as the "steel frame" of governance, plays a decisive role in implementing policies, managing public institutions, and delivering essential services. However, decades of politicization, outdated management practices, and weak performance evaluation systems have diminished its effectiveness. Therefore, reforming civil service structures and introducing merit-based, performance-oriented systems are critical to achieving sustainable administrative transformation. Pakistan's civil service was modeled on the British colonial system, which emphasized hierarchy, control, and conformity rather than innovation and responsiveness. Over time, this structure became rigid, discouraging initiative and creativity among civil servants. The **Administrative Reforms of 1973** sought to democratize the system by removing the elite Civil Service of Pakistan (CSP) cadre and introducing a unified structure. While this aimed to promote equality and meritocracy, it inadvertently diluted professional specialization and allowed political interference in appointments and promotions. The **Civil Service Reforms Commission (2010)** and the **National Commission for Government Reforms (NCGR)** later attempted to reintroduce merit-based structures and competency-based

evaluations, but most recommendations remained unimplemented due to institutional resistance. In recent years, reform initiatives have focused on **human resource accountability and performance management**. The **Civil Service Reform Agenda under the Pakistan Vision 2025** outlines strategies for rationalizing administrative tiers, introducing job-specific key performance indicators (KPIs), and linking promotions and incentives to measurable outcomes. The **Performance Management System (PMS)** introduced in several provinces, particularly Punjab and Khyber Pakhtunkhwa, uses digital dashboards to track employee performance in real time. The lack of standardized evaluation metrics and the persistence of seniority-based promotions continue to undermine reform objectives. Merit-based recruitment remains one of the most crucial yet challenging aspects of reform. The **Federal Public Service Commission (FPSC)** and **provincial public service commissions** are mandated to ensure fair and competitive selection processes, but concerns about transparency, nepotism, and delays persist. Political influence in appointments and frequent transfers have disrupted continuity, demoralized competent officers, and fostered a culture of complacency. Without insulating recruitment and promotion mechanisms from external pressures, the vision of a professional and accountable bureaucracy remains elusive. Despite these advancements, significant challenges remain. The absence of uniform service rules across provinces, resistance from entrenched bureaucratic elites, and inadequate institutional incentives for innovation limit the overall impact of reforms. Additionally, the lack of accountability for poor performance combined with weak disciplinary systems continues to erode efficiency and morale. For Pakistan to achieve genuine civil service reform, it must adopt a **holistic approach** that combines administrative restructuring, professional development, and cultural change. This includes revising promotion criteria to prioritize competence over seniority, strengthening internal audit mechanisms within ministries, and rewarding ethical performance through transparent incentive schemes. Civil service reforms will only succeed if they are embedded within a broader framework of governance integrity one that values merit, encourages innovation, and holds every public official accountable for performance and conduct.

Public Sector Management Reforms: Challenges of Accountability and Transparency



Summary:

Public sector management reforms in Pakistan have undergone continuous evolution but face persistent challenges in accountability and transparency. The analysis reveals that although reforms such as the RTI Act, e-governance tools, and performance-based management frameworks have improved administrative efficiency, the core challenges lie in institutional culture and enforcement capacity. To achieve sustainable progress, Pakistan must strengthen its accountability institutions, promote digital

transparency, and reduce political interference. Encouraging civic participation and public oversight remains vital for ensuring integrity and trust in governance systems.

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