

DRAFT FOR DISCUSSION

WORKING PAPER

Subject: **RE-ORGANIZING THE FEDERAL GOVERNMENT: PROPOSALS FOR RESTRUCTURING FEDERAL MINISTRIES AND DIVISIONS.**

1. In 2010, the 18th amendment to the Constitution abolished the concurrent list and devolved the functions of 17 Federal ministries ¹. The main functions of the Federal Government after the 18th amendment are listed in Annex I. These, interalia, include Defence, External Relations, Finance and Currency, Communications, Commerce and International Trade, Electricity, standard setting, Superior Judiciary, Research and Development etc. . Most of these are public goods and services. After the 7th NFC award, the share of the Federal Government in the Divisible Tax pool has shrunk to around 40 percent while it has been heavily burdened with domestic and external debt servicing putting serious strains on fiscal balances.

2. Despite the devolution, low tax revenues and rising debt servicing burden the size of the Federal Government and therefore the expenditure on wages and salaries and pensions has been rising fast. It may be pertinent to point out that the following ministries have reemerged at the Federal level under the following names:

Education—Federal Education and Professional Training

Health—National Health Services, Regulations and Coordination

Environment—Climate Change

Labour—Overseas Pakistanis and Human Resource Development

Culture—National History and Literary Heritage

Agriculture—National Food Security and Research

¹ Education, Health, Agriculture, Culture, women, youth, Population, social welfare, Environment, Local Government, Labour and Manpower, Minorities, Youth, Zakat, Livestock, Tourism, Sports; Textile Industry with Commerce

3. The Federal Government until 2002 had a small but effective Cabinet which consisted of 16-17 ministers. Since then, there has been a proliferation of Ministries and despite the devolution, there were 34 ministries and 43 divisions when this Government took over compared to 41 ministries and 46 Divisions before the devolution. The present Government has abolished two divisions and merged two. One new division on Poverty Alleviation and Social Protection was created.

4. A concept paper for restructuring the Federal Ministries and Divisions was prepared in October 2018 by the Task Force on Restructuring of the Federal Government. The Prime Minister had desired that this paper should be discussed at a consultative session of key ministers before it was presented to the Cabinet. The PM chaired the session and it was decided that it was not an appropriate time for carrying out the restructuring of the Divisions/ Ministries. In the first instance, it is imperative to restructure the 16 types of organizational entities working under the federal ministries such as attached departments etc. Consequently, a major exercise of the reorganization of these entities was undertaken and approved by the Cabinet on July 9, 2019 and these reforms are being continuously monitored and implemented by a Cabinet Committee. As a result of this exercise, the number of organizational entities under the control of the Federal Government has been reduced from 441 to 332.

5. A number of entities mainly of commercial nature have been placed on privatization list as the Government does not enjoy any particular advantage in running these businesses. Some other entities that are to be retained for strategic reasons have to undergo restructuring and follow the best practices of good governance—autonomy, transparency, autonomy so that they can operate efficiently and effectively. To this effect, the Public Financial Management (PFM) Law, enacted for the first time after independence, has delegated financial

powers and autonomy in budget making and execution to the autonomous bodies and attached departments.

6. The reorganization along with the delegation of powers under the PFM Law has reduced the work load on the Federal Ministries/Divisions which would now mainly be involved in policy making, goals and performance indicators for these bodies and holding them accountable for results.

7. Another initiative taken by the present Government is to introduce E-Office and Web portals loaded with manuals and codes for all the Ministries/Divisions by June 30, 2020. Accordingly, the need for support staff engaged in manual file and record keeping, referencing and other routine matters would be drastically reduced.

8. In view of the 18th amendment devolving powers to the Provincial Governments, the reorganization of the Federal Government organizational entities , delegation of financial powers and greater operational autonomy to the attached (Executive) Departments and Autonomic Bodies, introduction of E-Office and Web Portals, Prime Minister has desired that we should revisit the present configuration of the Ministries and Divisions in the Federal Government².

9. The starting point of the reform should be the Division and in the proposed configuration there should be only 33 Divisions down from 42 at present. Each Division can be headed by a Minister, Minister of State, or Advisor as laid down in the Constitution. It is suggested that the Special Assistants to the Prime Minister should assist the Prime Minister in overseeing, supervising evaluating and guiding the work of the Division, but not head the Division as

² The present paper does not include President Secretariat, PM Office, National Assembly Secretariat, Senate Secretariat and other bodies such as Supreme Court, ECP, NAB , Wafaqi Mohtasab etc.in the proposed restructuring. Once the Main Secretariat is reorganized we can approach these bodies too.

they cannot be held accountable for their performance by the Parliament. At present 42 Divisions are headed by 26 Ministers, 4 Advisors (Commerce, Finance and Revenue, Climate Change, Parliamentary Affairs) and 5 Special Assistants to PM (Health, Overseas Pakistanis, Poverty Alleviation, Petroleum and Information) and 3 directly by the P.M. The SAPM can be given the status of the Minister or Minister of State and can attend the Cabinet meetings. Under the new set up, the 26 ministers and 4 advisors would continue to head the Divisions with the PM heading the existing 3 divisions.

10. The Ministries proposed for restructuring in the second phase are of two types :- (a) those which can carry out stand-alone activities and can remain intact in their present form (b) clusters of Division carrying out activities of similar or related nature. Coordination failures in Pakistan despite the existence of fora such as ECC have inflicted heavy costs on the economy as each Ministry works in silos without due regard to the linkages, interdependencies and synergies with the others. To illustrate, Infrastructure Development has been lop sided as most investment has taken place in Motorways and Highways to the neglect of the cheaper and accessible Rail transportation. Absence of inter-modal transport planning has made evacuation of goods from North to the ports in South quite exorbitant affecting the competitiveness of exports. Same is the case of Energy sector where Integrated Planning and Policy is missing and the country is suffering huge economic and financial losses. An attempt has therefore been made to introduce the concept of a few Ministries as a cluster of several Divisions. In such cases of multiple divisions, forming a Ministry it is suggested that a Lead Minister may be designated to head the Ministry with all the Ministers in Charge of the Divisions working with the Lead Minister chosen from amongst the Ministers or Advisors of the Divisions clustered. The concept of Lead Minister would apply only in eight cases (i) Defence, (ii) Energy, (iii) Finance, (iv) Human Development, (v) Human Rights & Poverty Alleviation, (vi) Infrastructure Development, (vii) Trade and Industry and (viii) Technology Development.

11. The running of Civil Administration costs about Rs 450 billion annually of which Rs 260 billion is the wage bill and 190 billion for operating expenses. A decade ago the wage bill was only Rs 50 billion. The pension bill is growing explosively and is likely to equal the wage bill in a few years. The total strength of the civilian employees at the Federal level was 491860 in 2009 and has risen to 663234 by 2019—an increase of 35 percent. 85 percent of the total wage and salary bill is claimed by the support staff who account for 95 percent of the total employees while 15 percent goes to the officers in Grades 17-22 who form 5 percent of the total strength. The introduction of e-government should reduce the need for support staff which, in turn, would lower the recurring expenditure of running of the Federal Government. The staff rendered surplus would be paid out of a Surplus Pool until they are absorbed in regular positions, retrained, resign or retire.

12. The existing structure of the Federal Ministries and the Divisions (Annex-II) has been reviewed by the Task Force which has come up with some proposals for a new configuration. The Task Force had adopted the following criteria for evaluating each Ministry and Division:-

- (i). Which Divisions/Ministries are the focus areas and areas of emphasis in the Manifesto and the PM's public statements?
- (ii). Which Divisions/Ministries have to perform the Constitutional obligation and serve as the touch points with other organs of state?
- (iii). Which Divisions/Ministries provide Cross-cutting or support services required for the functioning of the Government as a whole?
- (iv). Which Divisions/Ministries are the main instruments needed for external and internal security and national harmony
- (v). Which ministries are the key drivers for promoting economic growth?

13. The proposed configuration of the Ministries and Divisions which meet the above criteria stems from the following principles: -

- (a) A compact and manageable number of Ministers add to the quality of discussion, debate and decision making by the Cabinet and bring about greater coherence in the affairs of the Government.
- (b) The Prime Minister has a better span of control and is able to monitor the performance of his Ministers more effectively. The introduction of Lead Minister in eight ministries would relieve the PM from resolving inter Division conflicts and ensure better coordination.
- (c) Each Division should be organized on the basis of the volume of work, number of agencies to be supervised, a critical mass of active personnel working in the Ministry and identity in the nature of functions.
- (d) The current priorities and the scope of the future responsibilities should be correctly reflected and assigned due weightage.
- (e) Overlapping, duplication and the need for continuous inter-ministerial coordination and consultation should be minimized.
- (f) There should be a clear demarcation between the Line Ministries and the Support Ministries (Cabinet Secretariat, Finance, Planning and Development, Information and Media, Law and Justice, Parliamentary Affairs)
- (g) Functions of similar and complementary nature should be grouped together e.g Railways and Communication dealing with surface Transportation be brought under one Division and lumped with the Division dealing with Air and Sea Transportation to form the Ministry of Infrastructure Development.

- (h) As more administrative and financial powers, functional and operational autonomy are delegated to the Executive departments and autonomous bodies the work load on the Division will be reduced to a considerable extent. This freeing up of time and resources can therefore be better utilized by achieving economies of scale.
- (i) Privatization, deregulation, transfer of activities to the provincial governments, mergers, winding up and liquidation of several entities have created an uneven impact on the residual size of each Ministry. It is therefore, necessary to realign each Ministry to a uniform bench mark.
- (j) Some divisions have large executing agencies but their own policy formulation work is much limited e.g. Revenue Division has a strong agency i.e. FBR with 20631 employees but the main Division at the Secretariat consists of only 34 staff and officers.
- (k) The staff to officers ratio (10364 staff and 2520 officers) for the Federal Government is currently 4.11 but eighteen Divisions have this ratio above 5 all the way up to 12. This ratio should be accepted as the benchmark for staff deployment in the Federal Secretariat and those rendered surplus to the requirements would be placed in a surplus pool for later absorption, retraining, redeployment, retirement, voluntary separation. Exceptional cases for deviation from this benchmark can be considered by the Cabinet Committee on Implementation.
- (l) This ratio should be gradually brought down to 3:1 by substituting the Private Secretaries, Assistant, Clerks, Stenotypists etc in the offices of the Ministers, Secretaries, Joint /Additional Secretaries and Deputy Secretaries by fewer number but highly qualified staff officers drawn from Grades 17-22. An informal survey shows that the Ministers and senior officers

would be better served with such a substitution as these Staff officers would add value by assisting in collecting the data, analyzing the issues under consideration and carrying out spade work. Once this ratio is accepted as a benchmark it would be applied to the attached departments and the autonomous bodies³ effecting major savings in the wage and salary bill and pensions.

14. Applying the above principles to the existing Ministries and Division it is proposed that first of all a distinction is made between the line ministries and the support ministries which provide back end services to facilitate and regulate the line ministries. The support ministries are:

- a) Cabinet Division
- b) Establishment Division
- c) Finance, Revenue and Economic Affairs
- d) Information and Broadcasting
- e) Law and Justice
- f) Parliamentary Affairs
- g) Planning, Development and Special Initiatives

15. Second, the number of divisions be reduced from 42 to 33 and the number of ministries from 32 to 22. It may be relevant to point out that some Divisions have as few as 22 staff members on their strength which is highly sub-optimal from an organizational structure point of view. Our survey shows that at least 8 Divisions have around or less than 100 staff members. A scheme showing the mapping from the existing Ministries and Divisions to the proposed configuration is shown at Annex-III and Annex-IV. The salient features of the proposed changes are: -

³ For the attached departments and autonomous bodies a further distinction has to be made separating staff working with domain knowledge such as teachers, health workers, technicians, accountants , police men etc from those working in purely direct support functions to the officers

- (1) **Cabinet Secretariat** will continue to work directly under the Prime Minister with three Divisions;
 - (i) the existing Cabinet Division (with all regulatory agencies located here)
 - (ii) an expanded Human Resource Management Division replacing the current Establishment Division with the functions to formulate Human Resources policies for the entire Federal Government, directly manage the, All Pakistanis Services, set standards and norms for management of Federal Cadres and services and non-cadre employees of other Divisions, ensure that the policies, standards and norms are being followed. The HRM Division would also be the interface with the Federal Public Service Commission for recruitment into the Federal Government.
 - (iii) **National Security Division.** This Division has only 34 employees and should be folded within the Cabinet Division. The Secretariat function of the National Security committee should then be transferred to the Cabinet Division which also performs similar functions in respect of National Economic Council.

- (2) A new **Technology Development Ministry** consisting of the existing Science Technology (S&T) Division and Information Technology and Telecom Division be created to steer the country on the path of technological upgradation in the light of future interactive of economic and social developments. A major restructuring of our Science & Technology organizations has to be undertaken as there is a degree of overlap between the Ministries of S&T and IT at present.

- (3) **Ministry of Human Development:** Considering that Education, Health, Population, Welfare, Labor are provincial subjects there is

hardly any need to have separate Ministries for each of these subjects at the Federal level in the future. However, the synergies between each one of these subjects are essential to design, develop, implement and monitor a human development strategy for the country in consultation with the provinces, private sector, NGOs and other stakeholders. While it is recommended that there should be separate Divisions for Education and Health for these subjects they should be all brought together under a Ministry of Human Development. This will highlight the importance of the present Government attaches to a more integrated and holistic approach to the development of country's human resources for reaping the demographic dividends in the future by providing training and skills.

- (4) **Ministry of Human Rights, Poverty Alleviation and Social Protection**: It will consist of two divisions - (a) Poverty Alleviation and Social Protection (b) Human Rights. It has become quite obvious that the present segmentation of the instruments of social protection and social safety nets among different ministries, agencies and provinces has proved to be inefficient and devoid of any tangible impact on the intended target population of the poor vulnerable and disadvantaged. Poverty Alleviation and Social Protection Division has already brought under one umbrella the existing government interventions scattered across the Government and to coordinates policies and programs with the Provincial Governments, private sector and philanthropic sector. The Ministry will also be designing new interventions that have proved successful in other countries. Human Rights Division is already seized of the problems of women, children, Minorities and Disabled but has fewer staff to justify its existence as a separate Division. Alternatively, the Ministry of Religious Affairs and Interfaith Harmony should be expanded to from Ministry of Religious Affairs and Human Rights with

- two divisions (1) Religious Affairs and Interfaith Harmony (2) Human Rights.
- (5) **Ministry of Infrastructure Development**: As Railways is being restructured to operate as an autonomous body and Highways are already developed and maintained by another autonomous body - National Highway Authority (NHA), and Ports and Shipping by autonomous trusts and authorities, Aviation by PIA and CAA it becomes feasible to form a single Ministry for Infrastructure Development with two divisions. The Division for Surface or Land Transportation will be formed by the merger of Communications, Postal Services and Railways Divisions. The Division for Air and Sea Transportation will be culled from the Aviation Division and the Maritime Affairs Division. This grouping will help optimize Inter-modal transport network for the country and also facilitate the coordination and interlink problems inherent in the development of the National Transport Corridor.
- (6) **Ministry of Energy Development**: The present fragmentation between Power and Petroleum along with past flawed policies and the huge burden of circular debt has made the industrial sector uncompetitive while forcing government to give budgetary subsidies for households creating stress on fiscal resources. The institutional infrastructure of Generation Companies, Transmission Company, Distribution Companies, the IPPs in private sector, Oil Exploration and Marketing Gas companies etc. require a more integrated energy development strategy policy framework and coordination. With the successful separation of policy making, regulatory and operational activities and ultimate privatization or corporatization of most of the large operational companies, it is now propitious to have a Ministry of Energy Development with the two existing ministries of Power and Petroleum

- becoming two divisions. The ensuing work load distribution will result in a more efficient and integrated development of hydrocarbon and alternate energy sources and allocation among competing energy supply sources.
- (7) **Ministry of Trade and Industry**: The two divisions – Commerce and Textile, Industries and Production – should be lumped together under the Ministry of Trade and Industry. The successful Japanese model of MITI in the 1960s and 1970s and that of Malaysia later on has a lot of parallels with the current stage of Pakistan’s development. The backward and forward linkages between the industrial production, import substitution and export diversification can be exploited in a seamless, boundaryless stream navigated by this Ministry. The issues surrounding Pakistan’s competitiveness in global markets can also be sorted out by this Ministry in a concerted manner.
- (8) **Ministries of Climate Change and Food Security**: should be formed by the two respective divisions since most of the activities pertaining to crops, livestock, fisheries and also environment and climate change such as water supply, sewerage, solid waste disposal, forests resources etc. belong to the Provincial and Local Governments. This Ministry would make policies and plans for mitigation and adaptation, promote agriculture research and applications of new technology and develop national strategies for food security fix a futures risk due to climate change. Alternatively, a Ministry of Water Resources and Food Security could be created as most of the water resources are utilized for irrigation purposes in agriculture production.
- (9) **Narcotics Division** had traditionally been part of the **Interior Ministry** and should revert to that Ministry.

(10) **Ministry of Finance and Revenue** should absorb the Ministry of **Economic Affairs** and consist of two divisions;

(a) Finance and Revenue.

(b) Economic Affairs.

(11) The two divisions – **Defence and Defence Production** have been together part of the **Ministry of Defence** in the past. It is suggested that the status quo ante be restored.

(12) The future role of the **Ministry of Information and Media** that of the Information Service Officers requires a more in-depth study in light of the overwhelming dominance of private electronic media and the marginalization of the government owned channels. Other relatively successful models such as the spokespersons in the office of the Prime Minister or Key Ministries competent in their own respective professional fields could be tested as possible alternatives. There are no clear views on this subject which needs further explanation.

16. It is further proposed that the hierarchical tiers in the Federal Secretariat should be reduced from the existing five ---SO, DS, JS, AS and Secretary—to three—DS, JS and Secretary. Each officer would get staff officers in Grades 17 to 20 to assist them in their routine tasks replacing the existing battery of support staff.

Conclusion

The purpose of this exercise of reorganizing the existing Divisions/ Ministries is manifold.

- a) Identify the focus areas and areas of emphasis of the present government and strengthen those Ministries/Divisions to deliver the outcomes efficiently, economically and effectively

- b) Clarify the distinction between the line ministries which are at the front end and the support ministries which provide back end services to facilitate and regulate the line ministries
- c) Bring about greater synergies, coordination and cohesion among the Divisions carrying out similar or related activities
- d) Rationalize the distribution of work load among different Divisions as a result of devolution, privatization, deregulation, mergers, liquidation etc.
- e) Reduce the head count of Support staff and gradually transfer the savings to increase the compensation package of officers who are under paid at present.
- f) Cut down the tiers of decision-making process from five to three and enhance the quality of staff assistance to the officers in the chain

Issues for Discussion

- I. Whether the proposed reduction in the number of Divisions and Ministries is justifiable or not?
- II. Whether the proposed eight clusters of Divisions under the Ministries are acceptable or not?
- III. Whether the three-tier structure of the Division from the present five tier structure would improve speed and quality of decision making?

- IV. Whether the staff-officer ratio of 3:1 should be accepted as a benchmark for the Federal Government and enforced in a phased manner and be considered for future planning of staff recruitment and deployment. Divisions exceeding this ratio may be advised to provide justification to the Cabinet Implementation Committee. Details are given in Annexure V.

ANNEX- I**FUNCTIONS OF THE FEDERAL GOVERNMENT AS ENSHRINED IN THE LEGISLATIVE LISTS OF THE CONSTITUTION**

S.No	Functions	Corresponding Divisions
1) Part 1 of List	Defence of Federation and Military	Defence and Defence Production
2)	Management of Cantonment Areas	Defence
3)	External Affairs including Treaties	Foreign Affairs, EAD,OPHRD
4)	Nationality, Citizenship, Naturalization, migration and emigration and International Travel	Interior Division
5)	Post and Telegraphs	Communications
6)	Telephones and Wireless	IT
7)	Broadcasting	Information and Broadcasting
8)	Currency, coinage and legal tender, foreign exchange, public debt including foreign debt, State Bank, Banking	Finance (through State Bank), EAD
9)	Federal Public Services and Federal Public Service Commission.	Establishment
10)	Federal Ombudsmen.	Law (Federal Ombudsman)
11)	Superior Courts, Administrative Courts, Tribunals	Law
12)	Libraries, museums, and similar institutions controlled or financed by the Federation	National History and Literary Heritage
13)	Federal Agencies for Research and Training (P&T)	S&T, FE&PT
14)	Education as respects Pakistani students in foreign countries and foreign students in Pakistan.	OPHRD
15)	Nuclear energy	Defence
16)	Maritime shipping and navigation, major ports, lighthouses, safety	Maritime Affairs
17)	Copyright	Commerce (IPO)
18)	Aircraft, air navigation, aerodromes, safety of aircraft	Aviation

19)	Carriage of Passengers and goods	Aviation, Maritime, Communications, Railways
20)	Opium Control	Narcotics
21)	Import and Export and inter provincial trade, quality of exports	Commerce
22)	Law of insurance and insurance business	Finance
23)	Stock exchanges and future markets	Finance (SECP)
24)	Corporations, that is to say, the incorporation, regulation and winding-up	Finance (SECP)
25)	National highways and strategic roads	Communications
26)	Federal surveys including geological surveys and Federal meteorological organizations	Planning
27)	Fishing and fisheries beyond territorial waters.	Maritime Affairs
28)	Works, land and Buildings	Housing and Works
29)	Establishment of standards of weights and measures	Industries
30)	Elections	Law
31)	Salaries, allowances and privileges of President etc.	Parliamentary Affairs
32)	Duties, Taxes on income, corporations, sales, trade, minerals, capital, transport etc.	Revenue
33) Part II of the List	Railways	Railways
34)	Minerals, Oil, gas etc	Petroleum
35)	Development of Industries, WAPDA	Industries and Production, Water Resources
36)	Electricity	Power
37)	Regulatory Authorities	Cabinet
38)	National Planning and Economic coordination	Planning
39)	Coordination of Scientific and Technological Research	S&T
40)	Census	Planning

41)	Police Force	Interior and Establishment
42)	Legal, Medical and other Professions	Law, NHS, S&T
43)	Standards for Institutions in Higher Education, Research, Scientific	FE&PT (HEC), S&T
44)	Interprovincial coordination	IPCC

Divisions not covered above but with relevant constitutional provisions

- 1) Poverty Alleviation (Article 37, 38)
- 2) Human Rights (3, 33, 34, 36)
- 3) Kashmir Affairs (257)
- 4) Religious Affairs (Article 2, 31 etc.)

Divisions not covered above and with no relevant provisions

- 5) National Food Security (38(b) partly)
- 6) Climate Change
- 7) National Security
- 8) National Health (38 partly)
- 9) Privatization
- 10) SAFRON (FATA has been merged)

ANNEX- II**EXISTING MINISTRIES AND DIVISIONS**

	MINISTRIES		DIVISIONS
1.	CABINET SECRETARIAT	1.	AVIATION
		2.	CABINET
		3.	ESTABLISHMENT
		4.	NATIONAL SECURITY DIVISION
		5.	POVERTY ALLEVIATION AND SOCIAL PROTECTION
2.	CLIMATE CHANGE	6.	CLIMATE CHANGE
3.	COMMERCE AND TEXTILE	7.	COMMERCE
		8.	TEXTILE
4.	COMMUNICATIONS	9.	COMMUNICATIONS
		10.	POSTAL SERVICES
5.	DEFENCE	11.	DEFENCE
6.	DEFENCE PRODUCTION	12.	DEFENCE PRODUCTION
7.	ENERGY	13.	POWER
		14.	PETROLEUM
8.	FEDERAL EDUCATION AND PROFESSIONAL TRAINING	15.	FEDERAL EDUCATION AND PROFESSIONAL TRAINING
		16.	NATIONAL HISTORY & LITERACY HERITAGE.
9.	FINANCE, REVENUE AND ECONOMIC AFFAIRS, NATIONAL HISTORY.	17.	FINANCE
		18.	REVENUE
		19.	ECONOMIC AFFAIRS
10.	FOREIGN AFFAIRS	20.	FOREIGN AFFAIRS
11.	HOUSING & WORKS	21.	HOUSING & WORKS
12.	HUMAN RIGHTS	22.	HUMAN RIGHTS
13.	INDUSTRIES & PRODUCTION	23.	INDUSTRIES & PRODUCTION
14.	INFORMATION, BROADCASTING	24.	INFORMATION & BROADCASTING,
15.	INFORMATION TECHNOLOGY & TELECOMMUNICATIONS	25.	INFORMATION TECHNOLOGY & TELECOMMUNICATIONS
16.	INTERIOR	26.	INTERIOR
17.	INTER – PROVINCIAL COORDINATION	27.	INTER – PROVINCIAL COORDINATION

18.	KASHMIR AFFAIRS & GILGIT BALTISTAN	28.	KASHMIR AFFAIRS & GILGIT BALTISTAN
19.	LAW AND JUSTICE	29.	LAW AND JUSTICE
20.	MARITIME AFFAIRS	30.	MARITIME AFFAIRS
21.	NARCOTICS CONTROL	31.	NARCOTICS CONTROL
22.	NATIONAL FOOD SECURITY & RESEARCH	32.	NATIONAL FOOD SECURITY & RESEARCH
23.	NATIONAL HEALTH SERVICES & REGULATION AND COORDINATION	33.	NATIONAL HEALTH SERVICES & REGULATION AND COORDINATION
24.	OVERSEAS PAKISTANIS AND HUMAN RESOURCE DEVELOPMENT	34.	OVERSEAS PAKISTANIS AND HUMAN RESOURCE DEVELOPMENT
25.	PARLIAMENTARY AFFAIRS	35.	PARLIAMENTARY AFFAIRS
26.	PLANNING, DEVELOPMENT AND REFORMS	36.	PLANNING, DEVELOPMENT AND REFORMS
27.	PRIVATIZATION	37.	PRIVATIZATION
28.	RAILWAYS	38.	RAILWAYS
29.	RELIGIOUS AFFAIRS AND INTERFAITH HARMONY	39.	RELIGIOUS AFFAIRS AND INTERFAITH HARMONY
30.	SCIENCE AND TECHNOLOGY	40.	SCIENCE AND TECHNOLOGY
31.	STATES AND FRONTIER REGIONS	41.	STATES AND FRONTIER REGIONS
32.	WATER RESOURCES	42.	WATER RESOURCES

ANNEX-III**PROPOSED MINISTRIES AND DIVISIONS**

	MINISTRY		DIVISIONS	HEAD
1	CABINET SECRETARIAT	1.	CABINET DIVISION	PRIME MINISTER
		2.	HUMAN RESOURCES MANAGEMENT	
2	CLIMATE CHANGE AND FOOD SECURITY	3.	CLIMATE CHANGE	ADVISER
		4.	NATIONAL FOOD SECURITY AND RESEARCH	MINISTER
3	DEFENCE AND DEFENCE PRODUCTION	5.	DEFENCE	MINISTER
		6.	DEFENCE PRODUCTION	
4	ENERGY DEVELOPMENT	7.	POWER	MINISTER
		8.	PETROLEUM	SAPM
5	FOREIGN AFFAIRS	9.	FOREIGN AFFAIRS	MINISTER
6	FINANCE, REVENUE AND ECONOMIC AFFAIRS	10.	FINANCE, REVENUE	ADVISER
		11.	ECONOMIC AFFAIRS	MINISTER
7	HUMAN DEVELOPMENT	12.	FEDERAL EDUCATION & PROFESSIONAL TRAINING	MINISTER
		13.	NATIONAL HEALTH SERVICES	SAPM
8	HUMAN RIGHTS AND SOCIAL PROTECTION	14.	HUMAN RIGHTS	MINISTER
		15.	POVERTY ALLEVIATION AND SOCIAL PROTECTION	SAPM
9	INFRASTRUCTURE DEVELOPMENT	16.	SURFACE TRANSPORTATION	MINISTER RAILWAYS MINISTER COMMUNICATION
		17.	AIR AND SEA TRANSPORT	MINISTER AVIATION MINISTER MARITIME
		18.	HOUSING AND WORKS	MINISTER
10	INFORMATION MEDIA	19.	INFORMATION, MEDIA AFFAIRS	MINISTER/SAPM

11	INTERIOR AND NATIONAL SECURITY	20.	INTERIOR AND NARCOTICS CONTROL	MINISTER
12	INTER PROVINCIAL COORDINATION	21.	INTER PROVINCIAL COORDINATION	MINISTER
13	KASHMIR AFFAIRS AND GILGITBALTISTAN	22.	KASHMIR AFFAIRS AND GILGITBALTISTAN	MINISTER
14	LAW AND JUSTICE	23.	LAW AND JUSTICE	MINISTER
15	OVERSEAS PAKISTANIS	24.	OVERSEAS PAKISTANIS	SAPM
16	PARLIAMENTARY AFFAIRS	25.	PARLIAMENTARY AFFAIRS	ADVISER
17	PLANNING, DEVELOPMENT, SPECIAL INITIATIVE	26.	PLANNING AND DEVELOPMENT	MINISTER
18	PRIVATIZATION	27.	PRIVATIZATION	MINISTER
19	RELIGIOUS AFFAIRS AND INTERFAITH HARMONY	28.	RELIGIOUS AFFAIRS AND INTERFAITH HARMONY	MINISTER
20	TECHNOLOGY DEVELOPMENT	29.	SCIENCE AND TECHNOLOGY	MINISTER
		30.	INFORMATION TECHNOLOGY & TELECOMMUNICATION	MINISTER
21	TRADE AND INDUSTRY	31.	COMMERCE & TEXTILE	MINISTER
		32.	INDUSTRY AND PRODUCTION	ADVISOR
22	WATER RESOURCES	33.	WATER RESOURCES	MINISTER

ANNEX-IV

(I) <u>Ministries and Divisions to remain intact with some modifications</u>		
1	Cabinet Secretariat	1. Cabinet 2. Establishment (to be upgraded as HR Management Division) 3. National Security??
2	Foreign Affairs.	4. Foreign Affairs.
3	Information and Media??	5. Information and Media
4	Interior	6. Interior and Narcotics
5	Inter-Provincial Coordination	7. Inter-Provincial Coordination
6	Kashmir Affairs & Gilgit Baltistan	8. Kashmir Affairs and Gilgit Baltistan
7	Law and Justice	9. Law and Justice
8	Overseas Pakistanis	10. Overseas Pakistanis (Drop Human Resource Development)
9	Parliamentary Affairs	11. Parliamentary Affairs
10	Planning, Development and Special Initiatives	12. Planning, Development and Special Initiatives
11	Privatization	13. Privatization
12	Religious Affairs and Interfaith Harmony	14. Religious Affairs and Interfaith Harmony
13	Water Resources	15. Water Resources
(II) <u>Ministries with Clusters of Division.</u>		
14	Climate Change and Food Security	16. Climate Change 17. Food Security
15	Commerce and Industry	18. Commerce and Textile 19. Industries and Productions

16	Defence and Defence Production	20. Defence 21. Defence Production
17	Energy	22. Power 23. Petroleum
18	Finance, Revenue, Economic Affairs	24. Finance and Revenue 25. Economic Affairs
19	Human Development	26. Education and National Heritage 27. Health Services
20	Human Rights and Poverty Alleviation	28. Human Rights 29. Poverty Alleviation
21	Infrastructure Development	30. Surface Transportation 31. Air and Sea Transportation 32. Housing and Works
22	Technology Development	33. Science and Technology 34. Information Technology & Telecom
<p>i). Ministry of State and Frontier Regions to be abolished (ii). National Security Division merged into Cabinet Division (iii). Narcotics Division merged into Interior Division (iv). National History and Heritage merged into Education Division (v). Revenue Division merged into Finance Division</p>		

ANNEX V- Ratio of Staff and Officers in Divisions				
S.NO.	DIVISION	BS 1-16	BS 17-22	RATIO
1	Aviation	61	15	4.07
2	Cabinet	641	94	6.82
3	Climate Change	108	34	3.18
4	Commerce	347	73	4.75
5	Communications	87	20	4.35
6	Defence	340	52	6.54
7	Defence Production	164	27	6.07
8	Economic Affairs	367	82	4.48
9	Establishment	630	139	4.53
10	Federal Education	105	21	5.00
11	Foreign Affairs	1725	455	3.79
12	Finance	967	387	2.50
13	Housing and Works	138	21	6.57
14	Human Rights	175	35	5.00
15	Industries and Production	247	48	5.15
16	Information and Broadcasting	359	28	12.82
17	Information Technology	95	21	4.52
18	IPC	179	36	4.97
19	Interior	444	75	5.92
20	Kashmir Affairs and GB	77	21	3.67
21	Law and Justice	371	50	7.42
22	Maritime	115	32	3.59
23	Narcotics	95	18	5.28
24	National Food	142	35	4.06
25	National Health	182	64	2.84
26	National History and Literary Heritage	88	17	5.18
27	National Security	16	7	2.29
28	Overseas Pakistanis and HRD	210	33	6.36
29	Parliamentary Affairs	132	34	3.88
30	Postal Services	26	8	3.25
31	Petroleum and Natural Resources	226	56	4.04
32	Planning Development and Reform	497	260	1.91
33	Poverty Alleviation	54	8	6.75
34	Power	85	33	2.58
35	privatization	63	8	7.88
36	Railways	151	50	3.02
37	Religious Affairs	240	41	5.85
38	Revenue	26	7	3.71

39	Science and Technology	150	25	6.00
40	Textile	114	25	4.56
41	Safron	108	16	6.75
42	Water resources	17	9	1.89
	Total	10364	2520	4.11

WORKING PAPER

Subject: - **Abolition of posts in the Federal Government and freezing of recruitment of Support Staff.**

The Federal government has recorded an increase of 35 percent in its number of employees during the last decade rising from 492,000 to 663,000 ¹ (**Annex-I**). The annual salary bill has risen three times during this period from Rs.89 billion to Rs.260 billion, while the pension bill is becoming unmanageable as its growth is much faster than the increase in salary bill². The Government structure is too lopsided with 95 percent of the employees falling in Grades 1-16 and accounting for 85 percent of the total salary bill while the officers form only 5 percent of the total employees. The Government has recently formed a Pay and Pension Commission to examine the pay structure and reform the pension system.

2. In the meanwhile, a review of the sanctioned and actual posts occupied in the Federal Government reveals that the vacancy ratio for the last five years has averaged about 10 percent. The latest survey shows that there are 81,479 vacancies in the Secretariat and attached departments (**Annex-II, III and IV**). In addition, there are 115,909 unfilled posts in the autonomous bodies. Of the total vacant posts in the Secretariat and attached departments as many as 71,737 are in BPS 1-16 grades.

3. It is proposed that in the first phase the Finance Division may be advised to abolish these 71,737 posts in BPS 1-16 grades and freeze fresh recruitment in BPS 1-16 grades. Any justification for exceptions to

¹ The number of employees of the Federal Government that were directly affected by devolution was 50411. Thus the base number for comparative purposes should be adjusted to 441000. On this basis the expansion in the Federal Government employees during the last decade would be 50 percent .

² The total pension bill in 2019-20 was Rs 342 billion (civilian 82; Military 260). In 2009-10 it was Rs 75 billion— almost five times compared to salary bill which was Rs 89 billion in 2009-10 and has risen only three times.

this policy would be examined first by the Establishment and Finance Divisions and then placed before the Cabinet Implementation Committee (CIC) of Reorganizing the Federal Government for final decision. One of the general guideline to be followed is that the ratio of supporting Staff i.e. Private Secretaries, Superintendents, Assistants, Steno typists, Clerks, Drivers, Qasids and similar other staff) to officers in each attached department should be brought down to an average of 4:1 in the first phase and then to 3:1 that was prescribed and approved by the Government in 2001.³

4. In the next round, the CIC may carry out this exercise in respect of the autonomous bodies and Corporations. Priority would be given to a review of the manpower deployment in the Distribution companies under Power Division.

5. The above proposal was discussed with Adviser to PM on Finance who concurs with it.

³ Table V (page 21) of the Report of the Committee on Restructuring and Rightsizing of the Federal Ministries/Divisions, Government of Pakistan Planning Commission April 2001. The Report proposed the staff officer ratio to 2.5 after enhancement of computer skills.

**Expansion in the Federal Government Employees
(Secretariat and Attached Departments)**

Year	Sanctioned Posts
2008-09	491,860
2013-14	500,382
2017-18	660,657
2018-19	663,234

ANNEX II**Federal Government Employment 2018-19
(Secretariat, Attached Department and Autonomous Bodies)**

	Sanctioned			Filled-in			Vacant		
	Officers	Staff	Total	Officers	Staff	Total	Officers	Staff	Total
Secretariat Total	5,769	21,494	27,263	4,302	18,510	22,812	1,467	2,984	4,451
Attached Departments	30,890	605,081	635,971	22,615	536,328	558,943	8,275	68,753	77,028
Autonomous Bodies	80,346	434,828	515,174	68,459	330,806	399,265	11,887	104,022	115,909
Total	117,005	1,061,403	1,178,408	95,376	885,644	981,020	21,629	175,759	197,388

ANNEX III

Secretariat and Attached Department Employees

	Secretariat			Attached Department			Grand Total		
	Officers	Staff	Total	Officers	Staff	Total	Officers	Staff	Total
Sanctioned	21.16%	78.84%	27,263	4.86%	95.14%	635,971	5.53%	94.47%	663,234
Filled - In	18.86% of total filled	81.14% of total filled	83.7% of total	4.05%	95.95%	87.9%	4.63%	95.37%	581,755
Vacant	32.96% of total vacant	67.04% of total vacant	16.3% of total	10.74%	89.26%	12.1%	11.96%	88.04%	81,479

ANNEX IV

Sanctioned and Filled Posts in Each Division

S.No.	Division	Sanctioned Strength			Actual Working			Vacant		
		BS1-16	BS17-22	Total	BS1-16	BS17-22	Total	BS1-16	BS17-22	Total
1	Aviation	76	19	95	61	15	76	15	4	19
2	Cabinet	738	136	874	641	94	735	97	42	139
3	Climate Change	140	52	192	108	34	142	32	18	50
4	Commerce	364	93	457	347	73	420	17	20	37
5	Communications	90	22	112	87	20	107	3	2	5
6	Defence	367	78	445	340	52	392	27	26	53
7	Defence Production	170	36	206	164	27	191	6	9	15
8	Economic Affairs	428	115	543	367	82	449	61	33	94
9	Establishment	843	179	1022	630	139	769	213	40	253
10	Federal Education & Professional Training	119	33	152	105	21	126	14	12	26
11	Foreign Affairs (total)*	1983	545	2528	1725	455	2180	258	90	348
12	Finance	1060	492	1552	967	387	1354	93	105	198
13	Housing & Works	154	31	185	138	21	159	16	10	26
14	Human Rights	226	45	271	175	35	210	51	10	61
15	Industries & Production	287	73	360	247	48	295	40	25	65
16	Information and Broadcasting	409	36	445	359	28	387	50	8	58
17	Information Technology and Telecommunications	118	24	142	95	21	116	23	3	26
18	Inter Provincial Coordination	251	59	310	179	36	215	72	23	95
19	Interior	479	136	615	444	75	519	35	61	96
20	Kashmir Affairs & Gilgit Baltistan	90	28	118	77	21	98	13	7	20
21	Law & Justice	451	82	533	371	50	421	80	32	112

22	Maritime Affairs	149	42	191	115	32	147	34	10	44
23	Narcotics Control	99	20	119	95	18	113	4	2	6
24	National Food Security & Research	180	57	237	142	35	177	38	22	60
25	National Health Services Regulations & Coordination	205	83	288	182	64	246	23	19	42
26	National History & Literary Heritage	95	23	118	88	17	105	7	6	13
27	National Security	17	11	28	16	7	23	1	4	5
28	Overseas Pakistanis and Human Resource Development	260	53	313	210	33	243	50	20	70
29	Parliamentary Affairs	160	35	195	132	34	166	28	1	29
30	Postal Service (now Communication)	41	11	52	26	8	34	15	3	18
31	Petroleum and Natural Resources	268	101	369	226	56	282	42	45	87
32	Planning, Development & Reform	641	331	972	497	260	757	144	71	215
33	Poverty Alleviation and Social Safety (ex-Statistics)	71	12	83	54	8	62	17	4	21
34	Power	123	40	163	85	33	118	38	7	45
35	Privatisation	66	11	77	63	8	71	3	3	6
36	Railways	190	50	240	151	50	201	39	0	39
37	Religious Affairs and Inter-faith Harmony	263	48	311	240	41	281	23	7	30
38	Revenue	35	11	46	26	7	33	9	4	13
39	Science and Technology	164	45	209	150	25	175	14	20	34
40	Textile (Now commerce)	144	33	177	114	25	139	30	8	38
41	States & Frontier Regions	122	29	151	108	16	124	14	13	27
42	Water Resources	29	16	45	17	9	26	12	7	19
	Totals	12165	3376	15541	10364	2520	12884	1801	856	2657

