

Reforming National Savings Organisation

Pakistan is not a place where one routinely sees a serving grade 20 or 21 officer, an MNA or MPA, a general or a judge standing in a queue along with other ordinary mortals. They have minions who love to perform these mundane tasks. The insulated and disconnected bureaucracy thus makes policies sitting in their cushy offices, with little or no understanding of the misery suffered by the ordinary people – in dealing with anything that looks like government.

The recently advertised change in 'profit collection process' by the National Savings Organisation (NSO) is a case in point. The change came in the wake of three decades of protests by the elderly, frail, invalid, ailing, infirm, underprivileged, and the ordinary citizens who do not wish to suffer the monthly torture of collecting their own money.

The NSO is clearly unaware of the basic considerations for change in any service delivery process. It must enhance customer convenience, reduce steps, decrease time and become error free. It was expected that the proposed changes would completely eliminate the misery of monthly profit collection ordeals. Instead, the new process doubles and at times triples the number of visits, time, money and misery besides creating new opportunities for errors. It is quite likely that many customers would now be shuttling between their banks and Saving Centres to resolve petty avoidable conflicts.

While retaining the option (and the agony) of the earlier system, the NSO's newly advertised process requires an individual to perform at least five extra steps.

(a) Calculate profit due for each certificate. This could be an impossible task for people

with different certificates purchased at different times, with different rates of interest and profits collected at varying frequencies. (b) Fill NSO's profit coupon that must bear the stamp of the concerned Savings Branch and write the correct amount. Revisit the concerned Branch to receive a new booklet each time the old one finishes. (c) Visit the concerned bank, fill a deposit slip, attach the NSO profit coupon and deposit the same in your bank account. (d) Wait for 3-4 days. (e) Make a second visit to the bank, use ATM card or write a new cheque and collect the money. A third visit could be necessitated if the amount has not been received by the bank.

The NSO's proposed system is a quantum leap in the wrong direction. A state does not need to perform gimmicks to pretend improvement. This matter could be easily resolved if the NSO could make a fundamental decision. No customer ever needs to visit an NSO branch (for collection of profit) and each customer's profits would be automatically transferred to his/her bank account on the first of every month. This is one of the most elementary, straightforward and routine tasks performed by banks and organisations all over the world today.

For at least 30 long years, NSO has fed the public with a nebulous and unending excuse of being busy with the computerization of customers' accounts. This is indeed an utterly misleading and evasive argument considering that 6-7 million accounts could be digitized in a matter of months and not decades. At this rate, one can safely assume that the NSO is not likely to accomplish this task in the next 300 years. The only alternative is to seek complete re-processing, re-structuring and re-orientation of the National Savings Organization.

NSO could consider possibilities such as the Central Depository Company (CDC) of Pakistan, both as a role-model and also as a platform for automatic monthly profit disbursement to its customers. The CDC already has a system in place for maintaining accounts and dispatching dividends to the home address or the bank accounts of its share holders. This is done with great reliability, integrity and security. The NSO could simply be one more company utilizing this facility without the need for any additional earth-shattering changes within its own organization.

There are numerous ways to electronically transfer customers' profits to their respective bank accounts directly and automatically on the first of every month. In fact these transactions could be further supported by a self-generated SMS to each depositor confirming the date and amount transferred. The state institutions must give up on processes that have a built-in component of torment and indignity for citizens desiring to receive what is their own money and their own profit. Can Pakistan move forward into 2017 with a resolve that no citizen shall ever have to visit a government office to deposit or receive any payment – for there are alternate, easier, electronic and telephonic systems that can now perform the same task.