

## **The Dynamics of International Political Economy Relationships and its Influence on the Process of Democratisation, Institution Building and National Governance Structure in Pakistan**

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### **Abstract**

The political history of Pakistan is strongly associated with the international political economy circumstances. Constrained due to the geographical location and her position in the regional political circumstances immediately after the independence, Pakistan opted for an alliance with the United States. The nature of Pakistan's linkages with United States proved to be extremely counterproductive for the process of democratisation and prospects of institution-building. Various US administrations exploited the US-Pakistan's asymmetrical relationships by taking advantage of Pakistan army's alliance in pursuit of their imperialist policies in the Middle East, Cold War with USSR in Afghanistan and recently the War on Terror. Since, the authoritarian regimes continued to rule Pakistan under the auspices of US administrations, Pakistan remained stranded between the status of a complete autocracy and competitive authoritarianism since its independence till date. Pakistan has been one of the major recipients of foreign aid from US and other multilateral aid and development agencies but this aid has primarily been used to consolidate Pakistani army. The continuous inflow of development aid has had a negative impact rather than positive impact on Pakistan's economy and political institutions.

**Key Words:** Competitive Authoritarianism, Strategic Linkages, Foreign Aid, Democratization, Governance, Institution Building, Pakistan and USA.

### **Introduction**

Due to higher degrees of predominant social and ethnic heterogeneities, the independence of most of the South Asian countries brought with it the problems of national and territorial integration in the post-independence era. One response to

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this problem was seen as states' increasing tendencies towards further centralisation of the affairs of government and reluctance to allow political and administrative autonomy to the peripheral regions (Mathur, 1983). The highly centralised and distant state structures were left as legacies by the colonial administrations and such state hierarchies are still entrenched ubiquitously in almost all post-colonial states. Pakistan is no exception. However, after the culmination of cold war - in response to the pressures from changing circumstances, global monetary regulatory organisations, and domestic turbulences - many regimes in the developing world are now being compelled directly or indirectly for allowing political autonomy to regions in one or the other form.

In the contemporary globalised world, the political and economic orientations of the dominant states have had a tremendous impact on endogenous governing capacities (pertaining to the formal and informal rules in use) of the states in developing world. With the disintegration of Soviet Union 1991, the dynamics of international relations took an entirely new shape; the globalised world tilted towards uni-polarity in terms of political and economic power concentration and influence. 'The new international circumstances after 1990s meant that the West could attach explicit political and institutional conditions to aid without fear of losing its third world allies or clients to communism' (Leftwich, 1994: 369). The twilight of cold war between USSR and US marked the beginning of an international paradigm shift and the impact of this transition in international political power relationships has drastically resulted in shaping up the new modalities and trajectories of the global and regional governance structures and practices around the globe.

The collapse of the socialist regimes ostensibly connotes the triumph of the neo-liberal paradigm as the World Bank, (1991) notes that the failures of the former communist states signifies that for the political systems in the third world, elements of the Western political systems such as political liberalisation and administrative decentralisation are effective and efficient governance models. Consequently, large- scale changes and transitions began to unfold not only in the geopolitical and strategic relationships and alliances among the states of increasingly globalised world but also within the domestic institutions of governance of the states.

This paper highlights the practical issues that have emerged from the Western concepts of democratisation and good governance reforms; it attempts to explain the incompatibility and structural incoherence of such dominant concepts, models and their practice in the countries that are plausibly considered to be going through a transitional phase in the process of democratisation. With particular reference to Pakistan, the paper attempts to investigate the impact of developing countries' linkages to the Western countries on the democratisation process. This impact is diverse and multifaceted depending on many factors including colonial histories, geopolitical and strategic placement, ethnic composition, economic status, and

natural resourcefulness. Given that such features, either in isolation or in a combination, determine the countries' footing and status in international political economy arenas, extreme levels of complexities are involved in most of the present day developing countries' governance structures.

By the end of cold war, most of the third world countries were already decolonised. However, the Western dominated international bilateral and unilateral aid agencies were engaged in pressurising the third world states to expedite their democratisation process. Most of these states had been former colonies and, for centuries, they were administered by their respective colonial empire's civil and military bureaucracies. Decolonisation of these states left the reins of governments with the indigenous civil-military bureaucracy and/or other native political elites that were nurtured, organised and empowered by their former colonial masters. In case of Pakistan, the hotchpotch and mayhem created by the coexistence of military and bureaucratic power proved to be extremely counterproductive for the prospects of democracy and good governance. The history of authoritarianism in Pakistan tells a great deal about the uncertain prospects of genuine democratic institutions. This paper measures the extent to which Pakistan's history of authoritarianism is influenced by the political, strategic and economic objectives of United States of America and other international actors like IMF and the World Bank.

### **Geopolitical and Strategic Linkages**

In order to explain the causes of ineffectiveness of democratisation process in general and governance reforms in particular, it is critically essential to understand and assess the implications of wider international political economy perspectives. The argument therefore begins with the exploration of political economy implications of democratisation and a relatively novel concept - good governance - as a product of post cold war international political circumstances. Levitsky and Way (2002) illuminate the dynamics of post cold war hybrid regimes, state that in the countries that have closer ties with the West (particularly the countries in Central Europe and Latin America), the removal of autocratic governments generally resulted in democratisation in the post-cold war period. By contrast, the outcomes in much of Africa are different. Levitsky and Way (2005) believe that the degree and nature of linkages (economic, geopolitical, social and communication) to the West are important factors in shaping up the trajectories of democratisation processes of developing countries in Africa and South Asia, which they refer to as 'competitive authoritarian regimes'.

Levitsky and Way (2005:52) define the competitive authoritarian regime as 'formal democratic institutions [that] are widely viewed as the principal means of obtaining and exercising political authority. Incumbents violate those rules so often to such an extent, however, that the regime fails to meet conventional minimum standards for democracy.' The pressures from the West for democratisation is spawning varied outcomes in form of such hybrid regimes

therefore Levitsky and Way (2002) contend that such types of authoritarian regimes are certainly not embarked on transitional rails towards effective democratisation. However, the exogenous and endogenous political, social and economic costs and the limitations of resources make it difficult for the authoritarian regimes to sustain patronage. In addition, Western pressures for democratisation are boosting the costs of co-opting with or repressing of political opponents to prohibitively high levels in competitive authoritarian regimes, nonetheless the mere removal of autocrats in these regimes does not essentially guarantee democratisation.

Levitsky and Way (2005) explain that Western leverage (authoritarian governments' vulnerability to external pressures for democratisation) took many forms e.g. conditionalities, direct state to state pressures, behind the scene diplomacy and even direct military intervention. Besides that, during the post-cold war era, the absence of alternative military and economic aid compelled the elites of the third world countries to accept and adopt the liberal democratic models of governance in one form or the other. However, they conclude that the Western leverage over electoral authoritarian regimes is insufficient to convince them to democratise in effect because the Western international actors have focused merely on elections and neglected essential components of democracy such as civil liberties and level political playing fields. According to Diamond (2002), the pressures to adopt the democratic forms of governments does not consolidate democracy, instead it leads to the creation of 'pseudo democracies', or 'electoral authoritarianism' where the existence of formal democratic institutions for example multi-party electoral competition masks the reality of authoritarian domination. Even during the heydays of the liberal democratic paradigm in 1990s, the Western pressure for democratisation was inconsistent and often ineffective (Crawford, 2001). Levitsky and Way (2005) therefore suggest that leverage is most effective when combined with linkages to the West because linkages to the West also increase the costs of maintaining authoritarianism. However, in our opinion, there are limitations to this proposition as well.

Levitsky and Way use a range of robust indicators to categorise a multitude of countries from Asia, Africa, Latin America and new Europe in terms of their leverage and linkages to the West. While explaining the levels of leverage, they take into account characteristics like states' size and military and economic strength, the existence of competing issues on Western foreign policy agendas, and finally, the states' access to political, economic, or military support from an alternative regional power. Levitsky and Way categorise the linkages to the West in terms of economic, geopolitical, social, communication, and trans-national civil society linkages. Pakistan is not included in their study and therefore some of the indicators selected by Levitsky and Way are being used in this paper to assess the unique case of Pakistan. They propose that regimes are less vulnerable to external democratising pressure in countries where Western governments have important economic or security interests at stake. The case of Pakistan not only validates that

proposition but also suffices to indicate that the priorities and objectives of Western foreign policy can actually consolidate authoritarianism and undermine the possibilities of transition to democracy. It is essential to note that the history of Pakistan's linkages to the West primarily signifies its constrained attachment to the US and therefore this paper takes into account the bilateral relations between US and Pakistan.

The case of Pakistan is different in terms of Western leverage and linkage. Using Levitsky and Way's indicators (drivers of change) of democratic process and legitimacy in institutional arenas like elections, legislation, judiciary and the media, the case of Pakistan can confidently be referred to as a country that has been repeatedly oscillating between the status of total authoritarianism and competitive authoritarianism. Contrary to the general thrust of Levitsky and Ways' argument, Pakistan's linkage with the West (mainly US) has been extremely counterproductive for the democracy instead, these linkages have quite deliberately nurtured authoritarian regimes. Pakistan's geopolitical position has galvanised its strategic importance during and after the cold war era. Therefore, its linkages to the US had different economic, strategic and political implications when compared to the other third world countries. Although the Western demands for democratisation were amplified in the post cold war era, authoritarianism remained embedded in Pakistan's political organisation and structures of governance. Indeed the three major military regimes, each of which lasted for about a decade, have been fully and overtly (with some exceptions of rhetorical stipulation for democratisation) backed up by the US administration. The history of US-Pakistan's bilateral relations determines the extent to which the linkages between Pakistan and US perpetuated authoritarianism in Pakistan.

The relations between Pakistan and India have always been characterised by extreme levels of distrust, antagonism and complex disputes over the regional political and ethnic matters. Since the partition of the sub-continent in 1947, Pakistan's relations with Afghanistan have also been quite hostile; the tensions between Pakistan and Afghanistan are rooted in the controversial history of Pakistan's NWFP (Northwest Frontier Province). Khan (2010) describes that after the partition of Indian subcontinent in 1947, the then Afghan government denounced the 1893's Anglo-Afghan treaty that was the basis of demarcation of an international boundary between Afghanistan and the British India. At the time of partition of India and Pakistan in 1947, the delineation of the boundary called Durand line<sup>1</sup> was not accepted by the Afghan government and instead made a claim over the North Western Frontier Province (NWFP) of the newly established state of Pakistan. In attempts to integrate the NWFP into Afghanistan, the Afghan government began to encourage secessionist elements and diplomatically isolating Pakistan. India also extended its full support on this issue to Afghanistan in order to destabilise Pakistan's territorial integrity.

Pakistan was caught between two hostile neighbours on its Eastern and Western borders and desperately needed a strong and well-equipped military for its security and territorial integrity. The civil military bureaucracy has always held

sway in both internal and external governing affairs of the new state of Pakistan. Khan (2010) notes that the inclination of Pakistan's armed forces towards the United States pushed Pakistani leaders to opt for a close US-Pakistan relationship to secure a strong external ally against the actual and perceived threats. Further, the ruling establishment of Pakistan also anticipated that the economic and military needs of the country can be served by an alliance with the United States. However since then, the relations between Pakistan and US have been lopsided wherein US has been thoroughly utilising this relationship with a broader global agenda whereas the benefits for Pakistan from these relations have not been more than counterproductive military and economic concerns. The overall costs paid by Pakistan are way too higher than the geo-strategic and economic benefits derived from this unequal partnership.

In the initial years of Pakistan's independence, the United States regarded Pakistan not only as a major player in the containment of communism but also envisaged Pakistan's army as a stabilising force in the Middle East and even in the Southeast Asia (Mahmud, 1991). Khan (2010) asserts that whether it was the containment of communist advances in South Asia, the protection of the US interests in the oil-rich Middle East or very recently the US war against terrorism, the US has relied on Pakistan because the achievement of those objectives was not possible without Pakistan's support. The withdrawal of Soviet forces from Afghanistan has a lot to do with US and Pakistan's support and encouragement to Afghan Mujahidin. Similarly, the current occupation of Afghanistan by US was facilitated by the military regime of General Musharraf that provided US with the intelligence and logistic support. Khan (2010) believes that the United States has always preferred military dictators over democratically elected governments in Pakistan. The possibilities and prospects of Pakistan's democratisation were severely diminished in such circumstances. The impact of such exogenous factors not only helped military dictators like Ayub, Zia and Musharraf to protract their illegitimate regimes but also extended the sphere of Pakistan military role in governance of the country. The US-Pakistan linkage has therefore proven to be extremely devastating for Pakistan as US-backed military regimes have thwarted the process of constitutional development, politicised the military and have increased the role of army in politics at the cost of building civilian and democratic institutions (Rizvi, 2000; Zaidi, n.d.).

The history of Pakistan's linkages with US demonstrates that contrary to Levitsky and Way's premise, the US as the most dominant Western political actor has been successful in achieving its geo-strategic objectives by manipulating the authoritarian regimes rather than effectively pressurising them for democratisation. It is argued that strategic and geopolitical objectives precede everything else in US priority list and the case of Pakistan is a convincing example. The understanding of Pakistan's vulnerability in terms of Western leverage and its counterproductive linkages are foundational in the assessment of her struggling democratic institutions at the national and regional. The areas of Pakistan remained a British

colony since early 19<sup>th</sup> century however post-independence the country has been primarily associated with US in terms of economic, political and military linkages. Pakistan's geo-strategic location and its well-developed military are the critical factors that shaped up the dynamics of US foreign policy for Pakistan. Therefore, the US foreign policy agenda has been remarkably different for Pakistan when compared to any other third world country. In essence, democratisation and good governance reforms have been the least important objectives of US foreign policy, if at all.

### **International Aid, Conditionalities and Structural Adjustment Programmes**

In order to understand the dynamics of democratisation in competitive authoritarian regimes, it is also essential to take into account the convergence of economic development and political agendas of the international monetary and financial institutions that are dominated by the developed states, primarily the US. The distinction between political and economic strategies is apparently becoming extinct i.e. economic interests are shaping up the political strategies to such an extent which plausibly transcends the impact of other social and cultural considerations. A wide range of contemporary literature assesses the impact of development aid, the strings attached called conditionalities<sup>2</sup> and the structural adjustment programmes on the economic development, democratisation and institution building in aid recipient country. The following part of the paper reviews the critique of international monetary and financial organisations' policies and their respective outcomes in terms of their impact on development management and institutions of governance.

The World Bank (1992) reports that in developing countries, the poor development management is a result of weak institutions, lack of an adequate legal framework, weak financial accounting and auditing systems, damaging discretionary interventions, uncertain and variable policy frameworks, and inefficient decision-making, which increases risks of corruption. In addition, pervasive patronage in governments has led to public investment choices being used to finance massive organizations with minimal output, usually by contracting excessive foreign debt. On one hand, the assessment of political, economic and administrative issues and practice in developing countries, by the leading bilateral multilateral aid/development agencies and financial/monetary organisations leave little room for debate in terms of the problem diagnosis. However, on the other hand, the coercive remedial course of action provided by such organisations e.g. IMF and the World Bank has proven to be highly devastating in countries where the Western leverage is high.

'One size fits all' (Stiglitz, 2002) road map to restructuring the economy and public sector that is highly preached by the World Bank and IMF, of course with some insignificant variations, sounds good in theory but in practice, it has usually ended up in exacerbating the economic and political conditions of aid recipient

countries. The strategies for the quest of political and economic power have changed in the wake of the new world order. While a direct military invasion remains an option for the dominant states, manipulating and capitalising on their economic power, either directly through bilateral relationships or indirectly via IFIs (International Financial Institutions), has become an apparently less austere yet a very effective instrument for retaining their influence in international political power arenas.

The development aid from international agencies can potentially augment governance reforms, provided it is managed well. For instance, the effectiveness of the aid can be enhanced by offering technical assistance in electoral mechanisms, supporting the institutionalisation of sovereign and autonomous elected assemblies and councils, parallel reforms in judiciary and bureaucracy, and consolidation of the political and civil society. Nonetheless, the conditional flow of international aid has been criticised with a variety of good reasons. According to the iconic neo-classical economist, Milton Friedman (1958), foreign aid is detrimental to civil liberties and democracy, because the international aid is received by the governments of the recipient countries and therefore it increases the size and role of the public sector as compared to private sector. Knack (2004), argues that aid recipient governments tend to be accountable primarily to their foreign donors and not to the taxpayers whereas Grossman (1992) believes that foreign aid has the potential to encourage military authoritarianism and cause political instability because the receipt of aid is valued as a bounty and such perceptions in turn diminish the prospects of democratic governance. Due to the absence of genuine democratic institutions, Knack's (2004) and Grossman's (1992) arguments hold ground in case of Pakistan where the non-democratic and distant state has been more responsive to the demands of foreign donors at the expense of public accountability. Rather than blocking development aid to the autocratic regimes in Pakistan, the international financial institutions have been funding them heavily in programmes of 'good governance'.

The priorities of international organisations in terms of allocation of development aid are determined by the economic and strategic objectives of the states that dominate and run these organisations. For instance, Alesina and Dollar (2000) studied the patterns of allocation of foreign aid from various donors to the recipient countries and found considerable evidence that the allocation of foreign aid is dictated as much by political and strategic considerations, as by the economic needs and policy performance of the recipient countries. They also suggest that colonial past and political alliances are major determinants of foreign aid. Secondly, while allocating development aid, the international organisations overlook the political and administrative composition of the post-colonial states and other associated complexities. Therefore, it is more frequently observed that a 'one size fits all' packages of reforms (supply driven policy rather than demand driven objectives) are pushed forward. Besides that, development aid is also sanctioned without considering the fact that the strength and effectiveness of



institutions of governance is totally dependent on a precondition - democracy - as Santiso (2001) argues that neither democracy nor good governance is sustainable without the other and therefore democratisation and good governance reforms need to be perceived and pursued together.

The case of Pakistan clearly indicates that allocation of development aid is driven by the political and strategic agendas of US and Western led financial agencies rather than the real developmental and institution building needs of the country. Pakistan received huge sums<sup>3</sup> of development aid from US and other Western multilateral aid and development agencies despite the fact that the country remained under the control of autocrats mostly. The pursuit of good governance reforms becomes meaningless in authoritarian regimes instead it obstructs the development of political institutions and nurtures authoritarianism. In similar vein, the impact of conditionalities that are part and parcel of international aid is also questionable. It is important to note that not all types of conditionalities are detrimental; certain conditions can be quite effective e.g. anti-corruption measures and improvements in tax collection system but at the same time, austere conditionalities like devaluation of currency, floating interest rate, reduction in public expenditures, downsizing the public sector, abolishment of subsidies and the imposition of new taxes conditionally contribute to the economic polarisation and social exclusion of the marginalised groups of citizenry. Kapur and Webb (2000) argue that properly designed governance related conditionalities can potentially improve the effectiveness of aid however, if such conditionalities are imposed on a makeshift basis that only focus on the short-term foreign policy objectives of major shareholders of IFIs in which a high degree of discretion is involved in sanctions, the impact of the aid is not likely to be pro-poor.

The association between the aid/conditionality and democratisation is insignificant, if at all. According to a study by Crawford (2001), conditionality made a significant contribution to democratisation in only 2 out of 29 cases during the 1990s. Crawford studied 29 cases of politically motivated aid allocations between 1990 and 1996 and found that only in 13 cases, aid was sanctioned after the improvement of recipient countries' ranking in democratic credentials as measured by the Freedom House. Similarly, Knack (2004) provides a multivariate analysis of the impact of aid on democratisation in a large sample of recipient countries over the period between 1975 and 2000. Using two different democracy indexes and two different measures of aid intensity, Knack finds no evidence that aid promotes democracy. His findings remained the same even when the analysis was confined to the post Cold War period i.e. between 1990 and 2000, despite the fact that reliance of the US and other donors on authoritarian regimes was considerably reduced.

Owing to the changing political economy circumstances worldwide, the scope of aid conditionalities also expanded beyond the economic spheres towards the political dimensions in the last decades of the 20<sup>th</sup> century. The World Bank's mandate, as laid down in its Articles of Agreement is to promote sustainable economic and social development. However, the memorandum of Bank's general

council also suggests that countries' governance of public sector and economy may be relevant to the Bank's work if it is concerned with efficient management of a country's resources. Thus, there could well be a need for the Bank to encourage, for example, civil service reform, legal reform, and accountability for public funds and budget discipline (Shihata, 1991 cited in The World Bank, 1992). Legal reforms undoubtedly refer to the amendments in constitutions which should, by all means, remain the domain of a state's sovereign legislative bodies and should reflect the voice and interests of the citizenry. However, IMF and World Bank's 'conditioned' policies have drastically changed rules in use in international and domestic politics over the last few decades. Austere dictation in matters ranging from micromanagement of economy to the hegemonic control of third world regimes, by international multilateral and bilateral aid organisations is a blatant encroachment upon the sovereignty of dependant poor countries. Aid recipient country's democratic credentials and capacity to govern is thus adversely affected with the sanction of aid that is politically motivated and conditioned in line with the strategic and economic agendas of IFIs and the states that dominate them. The effectiveness of development aid and associated conditionalities can be enhanced if the aid is primarily conditioned with the most essential conditionality - democracy. This will not only increase the costs of maintaining autocracies to a prohibitive level but will also spur the process and enhance the prospects of democratisation.

The limitations in the scope of this paper does not allow space for detailed impact assessment of the foreign aid received by Pakistan from IFI's However, it is argued that Pakistan's economic growth is attributed to the development aid has had a significant impact on widening the economic and social inequality gap between the various income and social groups of Pakistani society. Evaluating the economic impact of foreign aid in Pakistan, Easterly (2001), concludes that Pakistan has had a considerable per capita growth between 1950 and 1999 and intensive involvement of international financial agencies and donors. Pakistani population includes well-educated and well-to-do elite groups however, considering the economic growth, Pakistan underperforms on most of the social and political indicators e.g. education, health, sanitation, fertility, gender equality, corruption, political instability, and democracy. Easterly (2001) refers to these outcomes of economic growth as 'growth without development' and concludes that the foreign aid has actually contributed to overall economic growth of the country but it has failed in promoting social and institutional development because of the elite domination, social polarisation and ethnic divisions.

Musharraf's military regime was pushed to become the frontline non-NATO ally in the Global War on Terror in 2001. The country has been adversely affected as a result of the army's involvement in the War on Terror that led to social, political and economic instability of unprecedented nature and intensity. Pakistan bore the brunt of internal insurgency as a backlash of America's growing military presence in the region. America's aerial missiles strikes from unmanned aircrafts

on the tribal belt of adjoining NWFP province (renamed Khyber Pakhtunkhwa KPK in 2009), indiscriminately killing civilians including women and children, have triggered the anti-American sentiments to the highest levels in Pakistan. The retaliation from the militant groups that had started during Musharraf's military regime continued to increase ever since. America has provided Pakistan, approximately \$18 billion in aid since 9/11, a huge proportion of which was pre-allocated for military assistance. Whilst the ill-gotten wealth of the corrupt rulers continues to multiply, in fighting the proxy war for US, Pakistan has incurred colossal losses. According to the Pakistan Economic Survey 2010-11, Pakistan incurred approximately \$68 billion in economic losses since 2001. This is in addition to around 30,000 civilian casualties and 5000 army and law enforcement agencies' personnel died fighting the American War against Pakistani militant groups. The rising insurgency has drained Pakistan economic resources like never before. The country's total external debts in March 2011 have risen to a total of \$59.5 billion (Express Tribune, 2011); this amount has nearly doubled during Pakistan's People Party (PPP's) civilian government. Due to the war-like situation, the foreign investment has rolled back; the agriculture based economy continues to suffer due to the rising inflation; and the industrial sector is crippled due to the country's worst ever continuing energy crises.

### **Why Institutions of Governance Matter?**

The institutions of governance are foundational in determining the effectiveness of any democratic polity as their strength and role can either be positively enabling or at worst, containing the preconditions that are required for democratisation. O'Donnell (1993, 1999) argues that an effective state, which upholds the rule of law, is essential for protecting the basic (civil and political) rights that are central to democracy. On the contrary, strong states can also enhance autocratic stability (Huntington, 1968; Skocpol, 1979). Whereas some of the states' institutions keep a check on the overwhelming executive power and uphold a democratic rule of law, others involve in suppressing the opposing political forces and tend to maintain political hegemony. The autocrats of competitive authoritarian regimes have managed to survive in the countries where the autocratic governments had a firm hold of the state's organisations that enabled them to suppress the opposition uprising (Levitsky and Way, 2010). The striking levels of weaknesses and instability of institutions of governance (e.g. judiciary, political parties and civil society) and weak enforcement of formal institutions (e.g. state's constitutions) also adds to the overwhelming power concentration in the dominant institutions of the state.

In weak institutionalised governments, constitutions usually fail to constrain powerful actors for example where constitutional courts, electoral commissions, and other formal checks on executive power are apparently independent, but are often intimidated, patronised, or neutralised in practice (Mozaffar and Schedler, 2002). Some of the strong establishment divisions like the executive or federal

bureaucracy of the state not only patronise other formal and informal institutions but also tend to overshadow the elected legislative bodies thereby establishing the supremacy of executive over the legislature. Levitsky and Way (2010) referring to such scenarios, believe that the political outcomes are frequently the products of *de facto* power relations, rather than formal rules.

As mentioned earlier, Pakistan has a history of oscillating between the status of a total authoritarian state and competitive authoritarian regime. The constitution of 1973 was framed by the elected government of Z. A. Bhutto and it was passed unanimously by the leaders of all political parties in the National Assembly. The 1973 Constitution had adopted a federal parliamentary system for the country with a bicameral legislature in which the president was only a symbolic head of the state whereas the *de facto* governing authority was vested in the elected government i.e. the national and provincial assemblies. Later, during the military regimes of Zia and Musharraf, many amendments were incorporated in the constitution, which changed the entire character of the constitution. Thereafter, the bicameral legislative system remained intact however, the notorious 8<sup>th</sup> amendment passed by the parliament in Zia's authoritarian regime in 1985 changed the status of Pakistan's government from a parliamentary to semi-presidential form of government and allowed the President, a number of additional powers that included the constitutional authority to dissolve the elected assemblies. This controversial amendment was subsequently abused several times by the incumbents of Presidency to maintain their hold over the elected parliaments.

The three military dictators did not only organise sham referendums to get themselves elected as presidents but also maintained their firm grip over the weak parliaments through arbitrary amendments in the constitution. The constitution was altered in attempts to mask the realities of autocracy under the garb of democracy to such an extent that the functional domains of army and the executive were almost indistinguishable. During their respective regimes, Ayub, Zia and Musharraf also held the office of the President of Pakistan while leading the army at the same time. A typical modus operandi of Pakistani military dictators includes taking over the elected government, dissolving the legislative assemblies, twisting and amending the constitution via executive orders, getting elected as a President via sham referendum, pressurising the supreme judiciary for indemnifying the military coup and other associated political manoeuvres, introducing local government reforms and using the powerful organisations of army and state to organise and manipulate the general elections so that the parliament that is run by the favoured party remains under total control. The civil and political liberties are typically done away with and regional dissents or other political uprising is then crushed using the law enforcement organisations of the state mainly the army, paramilitary forces, intelligence agencies and police.

The issues related to democratisation and good governance are intermingled. The typical paradox i.e. 'what leads to what' or 'what is a prerequisite for what'

remains open to various views, making the quest for long term solutions even more complex. Hyden et al. (2004) conclude from their empirical study that the failures in development and obstacles to democratisation stem from a failure to undertake the necessary steps in establishing a system of rules that legitimise political choices and political behaviour. Their conclusion provides a launching pad for the assessment of the core hurdles in the process of democratisation and governance reforms in Pakistan since its independence in 1947. It is argued that democratisation and good governance are inter-dependant and therefore in the absence of autonomous democratic institutions, hopes for effective and efficient national and local governance are not more than sheer wishful thinking.

Pressure for democratisation, stress on good governance reforms and transformation to the free market economy were essential driving factors of the paradigm shift that occurred during the last decade of twentieth century. Osborne and Gaebler (1992) in their seminal work 'Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector' suggested the principles of reinventing the government which advocates for catalytic governments separating 'steering' (devising policy and regulation) functions from 'rowing' (service-delivery and compliance functions). They categorically stressed on the shifts to community-owned government - empowering rather than serving citizens, which would push the control of services out of bureaucracy and into the community. They also urged for competitive government that required service providers to compete for their businesses, based on their performance and effectiveness. Among the other guidelines were target-oriented governments that would avoid regulating internally, eliminating many of their internal rules and fundamentally simplifying their administrative procedures such as budgeting, personnel management and procurement. The guidelines also require result-oriented governments to shift accountability from input mechanisms to outcomes; be customer/market oriented and enterprising; restructure the private sector to solve problems of service delivery rather than using administrative mechanisms such as regulation; and finally decentralise the government that would devolve the authority down through the political and administrative organisation.

The above-mentioned principles of reinventing the government sound quite reasonable with prima facie evidence but their application in post-colonial autocracies or countries with highly centralised governance structures, is never without pitfalls. It is emphatically argued that in the absence of contextual analysis of the embedded complexities and institutional decay in the developing countries, the 'one size fits all' programmes of good governance, on the contrary, further deteriorate the existing institutional fabric of those states. The development of institutions of governance is a long-term evolutionary process and therefore a sudden shock of paradigm shift that is stipulated by the changing geopolitical circumstances, is very unlikely to be absorbed easily by the states that have a long history of inherent governance predicaments.

The chronology of governance practice in Pakistan reveals a daunting scenario. The preliminary literature review of governance issues in Pakistan

reveals a range of complexities in the political, social and administrative realms. These underlying issues and complications have made it improbable for the western models of good governance to effectively work in a post-colonial state like Pakistan where the persistent lack of institutional development has drastically impeded the progress of reforms. Governance is about formal and informal management practice, which spreads across various institutional arenas. A comprehensive analysis of the approaches and outcomes of governance therefore need a reassessment based on revised parameters that go beyond the subtle normative discourse as idealised in many prescribed models and programmes.

### Conclusion

This paper has highlighted the wider political economy perspectives for the understanding of a multitude of exogenous factors that collectively affected the national governance dispensation in Pakistan. Pakistan's geographical location and the regional political circumstances immediately after its independence compelled it to establish collaborative relations with the US. However, this lopsided linkage has proven to be extremely counterproductive for the process of democratisation and prospects of institution building in Pakistan. The authoritarian regimes continued to rule Pakistan under the auspices of US administration. Various US administrations exploited these asymmetrical relationships by taking advantage of Pakistani military's alliance in controlling the oil rich Middle East, containment of USSR advancement in South Asia and recently the global war on terror. Although the elections for legislative bodies have been sporadically conducted at national, provincial and regional levels, the elected parliaments and local governments could not work autonomously in the omnipresence of a dominating military, executive and bureaucracy. The state has been stranded between complete autocracy and competitive authoritarianism. While the army, executive and federal bureaucracy thrived beyond the legitimate constitutional limits in terms of *de facto* governing powers and authority, a corresponding consequential impact deteriorated other critical institutions of governance like judiciary, political parties, economy and civil society.

Foreign aid has been sanctioned frequently to Pakistan by US, IMF, WB and other multilateral aid and development agencies but, by and large, the prime beneficiary of this aid has been the Pakistani military and bureaucracy. The continuous inflow of development aid has improved the economic growth rate but instead of having a positive impact on economic development of the masses of society, it has contributed further to the polarisation of the economic society. For the autonomous and effective functioning of institutions of governance in a democratic polity, it is essential that the constitution ensure a balance of power between them. In Pakistan, the constitution has been twisted frequently to maintain the dominance of the executive over the democratically elected governments. Considering the severity and complications in the nature of governance problems of Pakistan, it would appear that the preconditions of good governance are scarce.

## Notes

1. The Durand Line refers to the border between Afghanistan and Pakistan, which is approximately 2,640 kilometres long. In 1893, Durand Line Agreement between the Government of British India and Afghan ruler, Amir Abdur Rahman Khan was agreed upon for demarcating the limit of their respective spheres of influence. It is named after Henry Mortimer Durand, the Foreign Secretary of British India at that time. This single-page agreement (that contained seven short articles) was signed in order to prevent mutual interference beyond this frontier line between Afghanistan and what was then the British India (now Pakistan). (Source: Khan (2010) and 'The Durand Line Agreement': Available at <http://www.khyber.org/pashtohistory/treaties/durandagreement.shtml>)
2. The high conditionality lending refers to the process in which international monetary institutions offer loans on the promise of borrowing countries to pursue a specified set of economic, political and administrative policies (Sachs, 1989)
3. Pakistan received \$58 billion in foreign aid between 1950 and 1999 (Easterly, 2001)

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