

CRISES OF GOVERNANCE IN PAKISTAN: A CRITICAL ANALYSIS

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Abstract

Good governance is a key element towards building a strong nationhood and ensures socio-economic prosperity of the country. It helps support the government to perform its constitutional role in such a fashion that promotes the values of transparency, efficiency, responsiveness, accountability, effectiveness to civil society and rule of law. Investment and economic development go hand in hand with good governance. Today, Pakistan is confronted with a number of challenges to streamline its structure of governance as per international standards. To be proficient in governance, Pakistanis in dire need to reconsider and amend its governing policies. In this background, the paper attempts to explore the gap in policy making and its implementation which is a hurdle in good governance in Pakistan.

Key Words: Public governance, policy gap, political instability, accountability, transparency.

Introduction

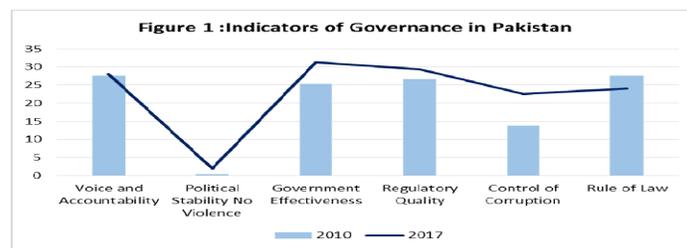
There is no universal agreement on the definition of governance. Divergent opinions exist on the meaning of governance between the perspectives of capitalists, the communists, the liberals and the conservatives. This divergence is mainly based on their opposing political philosophy. The word “Good Governance” is derived from the Greek verb “kubernao” meaning “to steer or direct” (Zargar and Sheikh, 2018). The dictionary defines governance as a system, way, and approach of regulation. It refers to a process of exercising authority to maintain law and order and regulate affairs of the people within

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the international boundaries of the state without any elements of corruption and misuse of authority (Zargar and Sheikh, 2018). According to the World Bank, Good governance means “how power is exercised in the management of a country’s economic and social resources”. The definition has been adopted by the Commission on Global Governance on a broader context as “the sum of many ways in which individuals and institutions, public and private, manage their common affairs”. There is consensus among the scholars that the best approach for sustainable growth is effective and efficient governance.

Governance has four main elements which are used to analyze its overall framework: 1. Transparency (availability of information for everyone); 2. Participation (participatory development process); 3. Predictability (legal framework) and 4. Accountability (Building the capacity of government). In 1992, World Bank introduced a definition as “how power is exercised in the management of a country’s economic and social resources for the development” (Pollitt & Bouckaert, 2017). Many researchers emphasize that good governance is only possible when public sector reforms would be introduced (Sattar, 2019). The report further elaborated on the concept of six indicators of governance. As mentioned in figure 1, mentioned in Fig 1, the foundation of a good governance is based on the determinants of the freedom of thought and speech, equal opportunities in the economic prosperity, no discrimination in the process of accountability and rule of law.



Source: The World Bank (2017)

From the regional perspective, South Asia is considered as one of the poorest, malnourished, and illiterate regions in the world. The population of South Asia is one of the most primitive civilizations of the world and the region is well-known for rising poverty, weak administrative institutions, poor health mechanism, growing religious fundamentalism, and militarization. The region has been consistently suffering from 'mis-governance'. The poor and impoverished class in the region is deprived of all essential human needs and has never been allowed to uplift their living standard as per their abilities (Mazhar & Goraya, 2015). Only 36 percent of the population in South Asia is able to access safe drinking water and 53 percent children are suffering from malnourishment (Mazhar & Goraya, 2015). Specifically, both in Pakistan and India, the governance issues are interlinked. The different reasons are responsible for the discontent. In these two countries, the gain of massive economic growth has been distributed to only a few people. That is the reason why a handful of people are getting richer. This intimation has been given by the political economists about 50 years ago to developing countries that 'planned development' might create high growth rates and that in turn causes the societal tension which weak political systems would be unable to absorb. The same happened during the reign of Ayub Khan in Pakistan, and it was distorted quickly and unpredictably (Nawaz, 2019).

Issues of Governance in Pakistan

Pakistan has been confronted with various governance issues which dissuade the sustainable and smooth socio-economic growth and development in the country. The World Economic Forum's competitiveness index of 2019 has ranked Pakistan 110 among 141 countries on the bases of 12 pillars which are: macroeconomics environment, labor market efficiency, technological readiness, higher education, training, infrastructure, health and primary education, institution, business

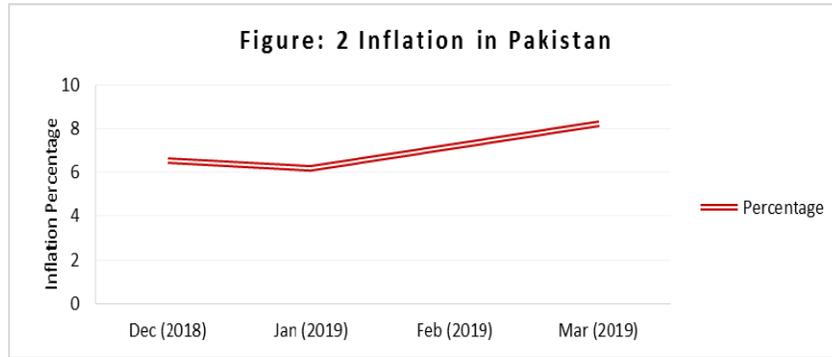
sophistication, innovation and goods market efficiency (Iqbal, 2019). In all these pillars, Pakistan is lagging behind which depicts the worst picture of Pakistan's governance, both at the national and international levels. The government needs to undertake different strategies to restructure and revise its policies related to the effectiveness and efficiency of governance in all sectors by setting up short and long-term goals for development (Khan & Alam, 2020). The country has been facing uneven economic growth since independence.

Today, there are three core issues of governance faced by the government i.e. social and economic cost, corruption, and decentralization of governance and development. Some other issues that are impeding the development process are law and order situation (issue of militancy), monetary policy (gap in demand and supply), energy crisis (circular debt management issues), financial management (budget deficit problems), and fiscal taxation (Tufail, 2018). Since its inception, governance shows that political issues have always been prioritized over the critical matters of economy like unemployment, illiteracy, drug trafficking and even judicial reforms have never been introduced to bring fundamental changes in the existing anti-people, elitist and exploitive structure of the judiciary (Haq, 2019). Without fundamental structural changes, any scheme or strategy would not be successful to reform judiciary, executive and legislature. Role of private sector and individual is equally important for the socio-economic development of the country who will partake in the growth of sustainability (Imran & Nordin, 2018).

Issues of Economic Management

Without economic diversification, it is impossible to achieve sustainable economic and human development. Resource allocation is considered as one of the equitable, social, and widespread aspects of good governance but this realistic approach has never been fulfilled due to rising poverty and

unstructured economic management in Pakistan (Malik, 2019). In past, resources were distributed in an inefficient manner which generated corruption and major payment accumulation vested to interest groups whereas the government in Pakistan consumed more and their investment in infrastructure development and social services got reduced (The World Bank, 2013). The current government from its start has been going through a number of issues of economic management and has faced currency devaluation, an increase in the price of import bills, debt obligations, high inflation rate in the country as reflected in Figure 2. Presently, the foreign exchange reserves are at an all time low to meet the demand of imports for two months and the current trade gap has risen to around \$ 25 billion which has negatively affected economic growth to drop to 4 percent in the fiscal year 2018-19 (Ahmar, 2019). Pakistan is bound to pay \$12 billion as the loan installment. Before assuming power, Prime Minister Imran Khan visualized and pledged that he would lessen public debt almost by half but this desire is likely to remain unfulfilled. Nearly Rs.6 trillion has been added to already existing debt burden in just one year of his tenure, as reported in the latest report of the State Bank of Pakistan (SBP, 2020). The central government's debt increased from 21 percent to Rs. 33.4 trillion by the end of February 2020 in comparison to the last month, rendering to statistics released by the central bank. In February 2019, the incumbent government promised to bring public debt down to Rs. 20 trillion over the tenure of five years but the current policy directions suggest that by 2023, the debt would be almost double (Rana, 2020).



Source: Trading Economics (2019)

Pakistan's economy has been facing serious repercussions as a result of inefficient system of governance. Crises in Pakistan's economy are due to three main reasons: firstly, all the government officials have failed to recognize and prioritize the dynamics of political or economic crises; secondly, both governance and economic crises are getting deeper and lastly, many developing countries have developed a state model based on an amalgamation of both economy and governance where the government is bound to ensure there is transparency, efficiency and a conducive environment for the investors (Ahmar, 2019). Weak and unattracted economic structure has not earned any economic dividends and that is why the contribution of overseas Pakistani's to bail out or support the unstable economy has made no significant impact. The amount deposited by Saudi Arabia has been used to pay foreign debt and import bills which also increases burden on the economy. In Pakistani culture, the absence of accountability and transparency for the procedure of expenditure and allocation causes a hindrance in the implementation of good governance. The delay in the issue of taxation and tax exemption too many favorite political supporters or groups have further negatively affected good governance in the country. The budget is prepared without a proper framework of the macroeconomic policy. However, mid-term to long-term spending strategies are not equipped, neither these outlines are

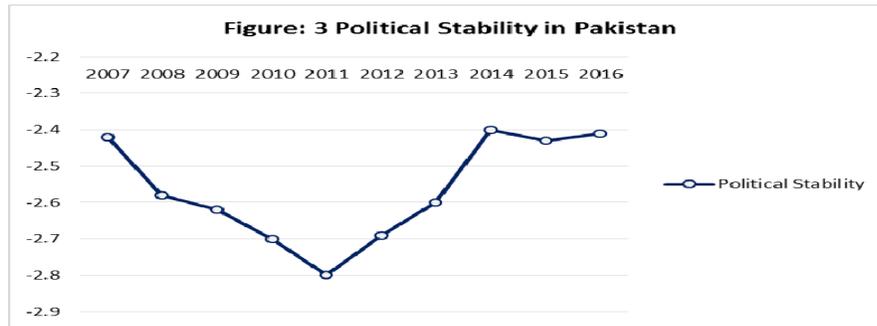
formed. That's why, there is no connection between the arrangement of expenses and the funding for the major economic variables, like growth and prices. (Yousaf, Ihsan, & Ellahi, 2016).

Issues of Political Stability

Today, political stability is considered a prerequisite for the socio-economic uplift, political integration and rule of law in the state (Memon, et al). Political instability has been a serious and threatening issue for all developing nations across the globe. Political stability not only keeps states integrated but also plays a crucial role in maintaining peace, stability and sustainable economic growth, as well. A well-structured democratic political regime always has a positive impact on economic growth. Whereas, in Pakistan autocratic governments have performed much better in comparison with democratic governments, especially in maintaining stable economic growth and inflation rates. (Haider, Ud- Din, & Ghani, 2011). On the other hand, sluggish economic growth has been one of the defining features of democratic governments in Pakistan. The autocratic regime also observed the stable external sector with the high capital inflow and low trade deficit mostly in the form of foreign direct investment (FDI) and an investment portfolio that denotes the high level of confidence of foreign investors.

In Pakistan, poor governance has led the state towards the alienation of people. The problem of lack of governance is proved in various ways: poor infrastructure and perilous law and order conditions cause severe social deficit issues. The stability of Pakistan depends upon good governance. Better implementation of governance needs public participation in the decision making process (Saleem, 2014). Political patronage has distorted the centers and institutions of power to compete for influence in the country. Political stability is considered as one of the important factors of good public governance. As shown in

Figure 3 Political stability in Pakistan is in a negative percentage but it is getting better from 2014.



Source: The World Development Indicators (2017)

Corruption as an Issue

“Poor governance leads to, and encourages and breeds, corruption in a number of ways, for instance through bribery and extortion, nepotism, fraud and embezzlement, it reduces the efficiency on which an economy depends, and by increasing the cost of investment, lowers the potential return. It also reduces the government’s resources and hence its capacity for investment. Common to other South Asian countries, corruption in Pakistan is unique because it occurs up stream, it has wings which encourage flight of capital rather than wheel which encourage reinvestment and it often rewards rather than punishes as the legal processes to fight corruption are weak in themselves and the lower judiciary is amenable to letting off the accused if the ‘price is right” (Ismail and Rizvi, 2010: P. 14; Javaid, 2010).

Corruption has been defined as misuse of authority for private gains which is unfortunately an endemic in Pakistan

because no tier, no office and no structure of public sector is free from it. Corruption exists in various forms both in public and private sectors of Pakistan, such as favoritism, embezzlements and money laundering, misuse of authority, illegal facilitation of payments,, enticement and gift receiving, deception and fraud (Khan, Rethi and Szegedi, 2018). Corruption is not only amoral issue, but it also causes high human rights glitches, impacting economic growth and slowing down sustainable development (Khan, Rethi and Szegedi, 2018; Knight, 2012).The origins of corruption in Pakistan are traced back to the colonial period when the British used to bribe and oblige their loyal factions with gifts, lands and titles and this practice not only promoted favoritism but it also ingrained a toxic culture among all government institutions as their right to do corruption (Awan,2004).Today, Pakistan is ranked 120th corrupt nation out of 180 countries on the Corruption Perception Index (CPI) (Transparency International, 2020). As rightly said by Vittal and Mahalingam, (2008) ‘the level of corruption in the society ultimately depends on the values and morals of that society’, (Javaid, 2010) in are port titled ‘People and Corruption: the Asia Pacific’ it is revealed that “voices concern across the globe about growing inequality, poverty and corruption which is prevailing in South Asia“(Sehgal, 2017). It is necessary that Asian countries would attain sustainable and equitable growth for development purposes. Corruption derailed the governance that is engraved in almost all the sectors of Pakistan. The main determinants of social development are literacy rate, health care factors, gender equality, infant mortality, etc (Brunswick Canada, n.d).Nevertheless; Pakistan is lagging in many of the above-mentioned indicators. Corruption distorts the structures of governance and further affects the state’s system of service delivery.

Gaps That Hinder the Sustainable Public Governance in Pakistan

Public governance can be upgraded by maintaining the relationship at the multiple levels of government which originates from the core issues in public governance. There are three main stages of hierarchies of management in Pakistan from federal to provincial and then to local government. However, the central government is unable to perform all the tasks alone without the cooperation of the sub-central government. The system generally works vertically from federal to the local government level. Fiscal, energy, and political crisis increases the inefficiency of public spending at the government level. To overcome this, there is a need to develop the link between both central and sub-central governments. This collaboration and coordination will increase the output of Pakistan's governance. It is proven that to implement effective governance policy, shrinking the gap between horizontal and vertical government relationship is vital. This gap increases if one level of government is not cooperating with the other level of government. The colossal delinquency in governance is the asymmetry in information distribution. All departments of the government hold a disparate type of information for similar issues. For instance, the intelligence information is sharing among the various department is not shared systematically. This demerit has moved the agencies towards filthy coordination and hence, causes bad governance to regulate laws among the institutes.

Over the period of time, Pakistan has experienced an institutional decay, especially of bureaucracy both in terms of intellectual caliber of civil servants and their devotion to work. This deterioration has been primarily caused by the virtual decline of academic standards at graduate and post graduate institutions. Colleges and universities both have failed to produce competent and intellectual candidates for the civil service examination. Moreover, declining in the civil service training to

prepare officers for smooth running of public institutions has also been noticed. To the contrary, in military, an effective system of promotion has been introduced which is based on competence, transparency, devotion and intellectual skills to run institutions. Unlike the civilian bureaucracy, officers in the military have to study new courses and acquire new skills as per the requirement of their promotions and new jobs. Their promotion is made when they satisfactorily pass examinations. When civil bureaucracy was declining, military was developing and introducing new courses and mechanism to excel its officers. New training schools were introduced in which specialized and professional trainings in various fields of electronics, engineering and aeronautics are given. This institutional growth of the military has given military bureaucracy an edge over civilian bureaucracy due to an absence of professional competence, effective political mechanism and political harmony on key decision making process and also competent politicians. This competence imbalance between military and civil bureaucracy along with a weak political setup has largely resulted in the disruptions of a smooth relationship between the two. That's why, democracy in Pakistan has never been successful in bringing socio-economic uplift and people's desire of prosperity remains a mere dream.

Recommendations to Improve Governance in Pakistan

The salient features of good governance consist of protection of human rights, balanced dispersion of wealth, enhancement of individual capabilities, and all wooing public participation in the decision making process as per the norms of a democratic government. People's participation at different levels across Pakistan is essential to uplift governance in the county. Till today the government is a powerful actor in the process of governance. Rule of Law is an important aspect to ensure law and order in the state which also helps eradicate corruption. Other than that the main determinant of good governance is transparency which

means a system in which everyone is treated equally and he/she has the right to enjoy basic immunities and human rights within the international borders of a state. Being a democratic state, Pakistan needs to ensure transparency, accountability, rule of law, equality before law, free and fair trials, and protection of individuals' rights. Following recommendations may help improve governance in Pakistan:

1. Pakistan needs to strengthen its institutions not individuals. But at the same time, individual empowerment is equally important to take initiatives and participate in the process of improvement for socio-economic growth.
2. Federal government of Pakistan needs to decentralize power and empower provinces for law-making as per their requirements. Moreover, decentralization of power with financial feasibility can only produce grass root trickle down effects.
3. Institutions must be run by competent administrators and selection for key posts must be based on strict merit and political favoritism needs to be put an end to.
4. Accountability process with a check and balance system needs to be introduced where everyone is accountable for his/her deeds and public money must be spent with great care.
5. The government needs to bring urbanization in rural areas so that people can easily manage their affairs within their respective villages. As Pakistan has experienced population influx of migrants which has created too much management and governance issues for the government including provision of employment, basic immunities and other facilities.
6. The main governance issue in Pakistan is due to absence of performance management mechanism. All governance issues in the country are mostly connected with political,

social and economic spheres and overall fall within the domain of performance management. To effectively tackle these issues, the government needs to have an integrated institutionalized performance management system as per global practices.

Conclusion

Good governance is a process through which national resources are fairly and equally distributed amongst the public. The primary responsibility of the government is to provide all the fundamental requirements of the public to enhance good governance but it turns out to be a dream for both Pakistan and its people as well. Pakistan is lacking in the budgeting and planning which causes the mal-practices like exploitation and corruption of the resources. The state has to ensure equitable and sustainable development. Nonetheless, these reforms cannot be implemented without political will. The governance crises in Pakistan are due to social, economic, and political challenges which have engraved with the feudal and colonial past. A new governance system is needed which can be developed on the basis of accountability, ownership, and decency. Even in today's era, governance is not considered a buzz word for the policymakers. Whereas, the idea of effective governance has always surrounded by popular imagination. In short, Pakistan must review its policies concerning the governance and management of public affairs to accomplish economic development and progress in the country. Now it has become unavoidable to advance the living standard of Pakistani people, which is not probable without restructuring the rudimentary edifice of governance. Key concerning areas must be macro and micro-economic management, political stability, up-grading of public policy, public administration, and institutional capability.

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