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Editor's Note

The salient feature of ISSRA Papers First Half 2013 is that its focus has been shifted more towards the analysis of governance and policy issues. It was very encouraging for the editorial board that highly experienced and serious researchers are now approaching, to get their papers published. The readers will find a marked difference in the quality of papers in the days to come. The current issue contains important papers, dealing with a variety of policy issue.

The first article, written by Dr Sarfraz Hussain Ansari, dilates upon the philosophical discourse of Inayatullah Khan Mashriqi (1888 – 1963), who was trained as a scientist, but during his studies at Cambridge, he took up diverse subjects. He experienced the functioning of the British Raj from close quarters and also watched the fall of the Ottoman Empire in Turkey. He became interested in the study and reform of conditions, in which Muslims found themselves at that juncture. The paper contains invaluable insight, as to how a balanced world-view can be promoted.

The next article 'Emerging Middle East: Interplay of the New Power Centres', written by a passionate researcher of NDU, Mr. Muhammad Shabbir, is a pertinent survey of existing situation in Middle East. A power transition amongst the regional players is now under way, from which new power centers are emerging. In this regard, this study attempts to assess the geo-political effects of the 'Arab Spring' on the region; to delineate the impact of rise of Islamists on the regional policies of Egypt, Turkey and Iran; and to evaluate the consequences of a possible Israel-Iranian war on the regional balance of power and geo-strategic developments.

The next paper, written by Ms Asma Sana, a faculty member of NDU, deals with equally important subject of public policy i.e. Health Sector of Pakistan, an area which rarely attracts the attention of researchers. The health sector has become a provincial matter and, resultantly, the Federal Ministry of Health has been dissolved. This paper is an attempt to investigate the impact of 18th Amendment on the health sector and it also suggests measures for improvement in our health policies as well as in their implementation mechanisms.

In his paper ‘The Social, Political and Economic Effects of War on Terror’, Pakistan, Mr. Tariq Khan has provided very useful empirical analysis of War on Terror in the context of Pakistan. The paper attempts to study the social, political, and economic effects of the war on terror on Pakistan from 2001 to 2009.

This issue also contains a paper on ‘Environmental Issues of Indus River Basin’, written by Mr. Abdul Rauf, a Research Associate at NDU. The central argument of his paper is that continuing population growth is significantly reducing per capita water availability and increasing industrialization and urbanization are bringing important shifts in water use. Climate change is exerting additional, chronic strains on water resources, potentially shifting the seasonal timing or shuffling the geographical distribution of available supplies. He pleads for a rapid planning for both the conservation and preservation of water resources in Pakistan.

Another NDU researcher, Mr. Usman Asghar, has taken up the issue of governance in Pakistan. He argues that Pakistan needs to review and revise its policies to achieve effective and efficient governance practices. Law and order, energy, economy, political stability and national harmony are the key governance issues in Pakistan, which need comprehensive policy response.

The paper ‘US Asia Pivot Strategy: Implications for the Regional States’, written by Ms Beenish Sultan, a Research Associate at NDU, analyses the U.S. foreign policy focuses in the Asia, particularly in the Indian Ocean. The paper argues that it is now one of the vital US interests to secure its economic outreach, so as to provide a ladder to its defence planning. In order to tackle the economic dominance of China and deal with its own declining economy, the U.S. made public its ‘Asia Pivot’ strategy. This envisaged a policy of confronting some, while cooperating with others, as the prime objective.

The second last paper, titled ‘Priority Areas in the Parliamentary Legislation (2008-2013): An Appraisal’, written by Ms Mahroona Hussain Syed, Research Associate at ISSRA, contains an analysis of existing practices in the parliamentary legislation in Pakistan. The paper argues that the most important policy issues, which impact on the lives of the people, somehow, do not find place in the priority list of legislation and how important it is to conduct research not only on policy-formulation practices but also on the promotion of policy advocacy.

The last paper of this issue ‘The Economic Dependency of Countries on International Monetary Fund (IMF)’, written by Intern Faqir Hamim of NDU, looks at the IMF as a policy tool for the US, to advance its national interests. Citing a number of cases, as to how, when and where USA has been using IMF to pursue its national interest, detrimental to other states that are recipients of the IMF loans, the writer argues that the countries like Pakistan should be vigilant about IMF machinations. The paper offers fresh perspectives and alternative lens on contemporary issues.

The Modern Decalogue: Mashriqi's Concept of a Dynamic Community

Dr Sarfraz Hussain Ansari¹

Inayatullah Khan Mashriqi (1888 – 1963) was trained as a scientist, but during his studies at Cambridge, he took up diverse subjects; including one Tripos in Oriental Languages. Back in the then British India, he became Vice Principal of a celebrated college, namely, Islamia College Peshawar. He experienced the functioning of the British Raj from close quarters and also watched the fall of the Ottoman Empire in Turkey. He became interested in the study and reform of conditions, in which Muslims found themselves at that juncture.

In studying the Muslim decline, Mashriqi generalized the problem; as he did not look simply at the fall of Muslim power. He took into account all nations of the world and theorized about the rise and fall of any nation. Indeed, he went further and thought in terms of welfare of humanity as a whole. Mashriqi's concern for the mankind was justified in view of the First World War's toll, which shocked all thinking people in the world. To Mashriqi, annihilation of the human kind seemed to be a distinct possibility. In seeking to answer the problem so formulated, Mashriqi made use of his religio-scientific training. He elaborated a view based on synthesis of religion and science.

¹ Dr. Sarfraz Ansari holds Ph.D in Pakistan Studies. He is currently serving as Assistant Professor at Department of Government and Public Policy, National Defence University, Islamabad.

This paper will attempt to answer three questions:-

- How Mashriqi attempted synthesis of religion and science?
- What did Mashriqi understand by a dynamic nation?
- What were the elements of his 'Modern Decalogue' that could facilitate the creation of a dynamic nation?

Mashriqi's Synthesis of Religion and Science

Religion, according to Mashriqi, was "the greatest of all that is believed and practiced in the world".¹ Rituals, sacrifices, offerings, alms, pilgrimages, prayers, donations etc, were continuing mysteries of religious practices and customs; they were taken for granted by followers of various religions prevalent in the world. Overwhelming majority of people felt no need to understand the mystery of the ongoing religious practices. Not only the common man, but the learned and wise also participated in rituals, without much analysis. One and all considered rituals as a 'vital purpose of their life'. Mashriqi says,

"In the entire history of man's presumption and belief, in fact, in much of what constitutes an account of his struggle and action, Religion alone is that persuasive and quiet catalyst the amazing influence of which is visible almost on every individual. And, religion, too, is such an undebatable, unarguable, and unceasing heritage of man that everybody considers that his inherent right to keep it in unquestioned custody²".

The problem, of course, was that such universality of religious devotions and rituals was equally matched by universal disagreement on the nature of religion. It had not been possible, moaned Mashriqi, "to find an irrefutable and unanimous agreement even about the Being of God and His real Will".³ Indeed, there was no sign of

decrease in mutual difference among Hindus, Buddhists, Christians and Muslims, "every man considering his own Faith true and the rest a mere falsity".⁴ There was the universal conflict, negating the claim of all religions to possess any truth. The universality of religion with its 'murderous mutual conflicts' presented a great problem.⁵ "Much of the bloodshed in the world, its horrifying wars, its great conflicts and massacres were attributed to differences in faith. Often a people did massacre another, because it had a different religion, and because it professed a different faith, worshiped another god, believed in a different prophet".⁶ To Mashriqi, such a state of affairs was not in the interest of mankind. He thought it was of universal importance to seek solution to the problem.

By the time Mashriqi was pondering over the problem, science had come to assume the status of a powerful social force. Utilitarian applications of scientific knowledge led to the production of such magnificent results in practical life as thousands of miles of railway track, millions of yards of cloth, unlimited steam power, iron and steel machinery, devices for instant communication, and multiplication of innumerable conveniences for the benefit of mankind. They all struck the imagination so forcibly as to make any question of the scientific assumption look like superstitious folly. Mashriqi was convinced that with the development of scientific knowledge mankind came to draw firm conclusion and was led to "new openings to power".⁷ It was on the theoretical front that science was even more relevant to his purposes: science had begun to win consensus of ever increasing number of people on many contested issues. Science could create unanimity as to its findings, its 'truths'. Mashriqi noted, "Human beings were unanimous on the facts of mathematics".⁸ Knowledge of scientific laws, e.g., the law of gravitation acted to end many quarrels

among people. This was so because, said Mashriqi, "all have seen the reality with their own eyes; because everybody experiences them every moment and in every state".⁹ In every domain of research and inquiry effect of science was a powerful corrector of human actions and opinions, acting everywhere "to integrate, to narrow down the dividing gulf and, by evolving a common basis, to enforce a universal agreement".¹⁰

If the characterization of science was correct, and it was largely believed to be so, in what precise manner could science help? It is important to ask this question because in Mashriqi's own estimation some of the conclusions reached by scientific study were partial, or at least, misleading in their application. This was particularly true of the concept of evolution. According to Mashriqi, Darwin's theory of evolution contained some positive points. But it also exerted negative influence, leading the Western nations to "believe that 'fitness' signifies only strength and material force... oblivious of the spiritual potential of individuals and the sky shattering power of the culture of their mind".¹¹ In Mashriqi's view, Germany's 'militarism' and 'Britain's piratical lust for land'¹² were manifestations of Darwin's theory of 'natural selection' and survival of the fittest'. The Western scientists, in Mashriqi's view, seemed to be fully satisfied that Darwin had given the decisive verdict regarding survival and prosperity of communities: that "only that community is ensured survival which was 'Fit'.¹³ Mashriqi disagreed and said that in defining 'fitness' in materialistic terms, the Western thinkers had come to accept natural inclinations of "inferior species as a correct clue to the science of human conduct".¹⁴ According to Mashriqi, where force was deemed necessary for social stability, "utmost purification of mind would also be important to sustain such force".¹⁵

With such controversial results and developments in the scientific realm, science could still help, and this was because of the scientific method. The essence of science, as a factor in society, consisted of in the use of scientific procedures. According to Mashriqi, science accords status of knowledge to anything, which is evidenced by the ear, the eye and the human mind, which, when satisfied, would put at ease a man's inquisitiveness. Science is based on observation as well as use of reason.¹⁶

Given the universal importance of and equally universal quarrels in the realm of religion, the problem for Mashriqi was to establish the 'religious truth' the 'common reality', on which mankind could agree. In his attempt to find an answer, Mashriqi undertook to study religions on the model of science. That is, he adopted the scientific method as the criterion for judging the truth or otherwise of claims of different religions. In the process, he redefines religion as universal message of God, preached by prophets to be the way which could produce and maintain a durable and prosperous society. Guidance on matters pertaining to man's welfare and happiness on earth was considered desirable and was to be provided by the Creator. The sacred books carry a promise to man that instruction about his proper conduct on earth would be forthcoming in that the prophets, raised from amongst them, would present a model of proper human conduct. Men could emulate such model for their own good and welfare. Prophets would be human, not superhuman beings and would deliver the Creator's message to mankind as to how it could flourish. Mashriqi was "convinced that the various Prophets, wherever they came from, brought the same message, messages for the good of man himself".¹⁷ The religion was concerned with:

“How the children of Adam should live in the world; what this ignorant and unwise creation should do in contrast to other animal species; how should it conduct itself; what is it that will, in this perpetual struggle for existence, grant PEACE to the human race, ensure its security and evolution, survival and stability”.¹⁸

Religion consisted of principles concerned with 'rise and fall of nations'. It was one and the same message brought by the prophets. Mashriqi was convinced that unanimity among mankind could be re-created by showing that Religion was knowledge, was truth, indeed one truth. Right thinking person could see for themselves, that "a stream of UNITY of message runs through all the existing scriptures even in their mutilated forms".¹⁹ All implied the same objective and goal and the same directive, though forms and practices differed in many cases. Mashriqi was convinced that if there had arisen any difference in the application of the divine Directive, "it is merely a difference of view point of the shade of the picture; it is certainly not the difference of mind's vision".²⁰

All prophets had the knowledge of the same directive, the same law. "Their attention was focused on that law, that fundamental truth, that Religion of Nature, which everywhere ensures Peace-the peace of communities and tribes, of homes and individuals".²¹ This means that mankind's religion is one, and consists of man's correct course of conduct in the world. For Mashriqi, it was man's "bounden duty to comprehend the Immutable Law which governs the rise and fall of nations. The knowledge of this alone constitutes Science of Religions; it is this course, which is every body's urgent need. The sense of good and bad, true and false, right and wrong, is developed in man only

through revelation. The collective virtues and 'fitness' of action, are derived from these teachings of prophets;" and Mashriqi continues: "The principles of survival and stability which today are assiduously pursued by all progressive nations are the remnants of this supreme science".²²

According to Mashriqi, Prophets have exerted amazing influence on the mankind and it is still being felt with all its intensity. A thinking person must recognize the truth and depth of knowledge and action connected with prophetic teachings with an open heart. The knowledge imparted by them must be entertained as the certain basis for knowledge about human society. True, religious differences did rend humanity apart, but that is the result of men's own rebellion among themselves and self-conceit and obstinacy. "Prophets came to make their nations victorious and dominant. Prophet brought knowledge, science; they brought the science of rule. With knowledge and rule, they brought the big news of a good and durable life on earth".²³

Dynamic Nation

Mashriqi believes that all Prophets, without any exception, came to establish peace among the people, which they were sent to lead. They brought knowledge on the basis of which durable rule could be established. In the vocabulary of the Quran, they brought the 'Big Tidings'²⁴, knowledge on which everlasting rule could be built. Prophets brought the tidings of unbroken enjoyment of peace, if people acted on principles preached by them. They proclaimed that prolonged enjoyment of earthly paradise depended on action, the sure knowledge of which they had brought. Such action would ensure everlasting enjoyment of 'heavenly' existence on earth. Communities so established were, for Mashriqi, dynamic communities: "ever since

man's creation, the aim of every dynamic community has been to be in authority and ensure continued security".²⁵ In the Tazkirah, Mashriqi is mainly concerned with conditions under which a group can establish and enjoy self-rule, independent of, and without any interference from, other groups. He terms such a group 'a living people', 'a dynamic people', 'a living nation', 'a dynamic nation'.²⁶ It may be said to be equivalent to what Etzioni has characterized as 'the active society'.²⁷ Independence would mean absence of both physical occupation as well as alien intellectual control. The self-ruling nation will establish its own institutions to give expression to its indigenous moral standards. Urge for freedom among a group is related to solidarity, fraternity, mutual understanding and association on equal terms. It makes for union, closer understanding, and integration of interests. In short, it is a desire for a life of common dependence and common sacrifice. Men who fight for freedom, usually fight for the right to be governed by themselves or their own representatives. They aspire to participate, or, at least, to believe that they are participating in the legislative and administrative processes of their collective lives. People get recognition and sense of being someone from the members of the society to which, historically, morally, economically, and perhaps ethnically, they feel that they belong. And the society which gives one identity is the society which is independent and self-ruling.

A dynamic community does not conceive of suffering destruction which would involve destruction of its supremacy, its self-government, its self-rule.²⁸ Destruction may involve loss of life, loss of produce and destruction of buildings and other physical marks, but it may or may not involve destruction of individual men and women belonging to a nation. Destruction of a nation would certainly involve destruction of a nation's supremacy over a portion of earth, its self-

rule. Sometime such nation may be pushed away from the country, over which it had established itself, turned into a refugee group wandering hither and thither without a place, on which to live in peace under their own rule and government. Self-government and external peace are fundamental characteristics of a dynamic nation. This is why the main thesis of the famous Quranic verse²⁹ about inheritance of the earth (i.e. establishment of rule) is intimately related to the theme of fear of enemy and replacing/transforming such fear into security and peace by building a dynamic nation. According to the verse, security and peace would come to a nation when it establishes its own 'rule on earth'.

Mashriqi equates domination by others with 'hellish' conditions, in that control by others is termed enslavement and 'lake of fire and brimstone'.³⁰ Mashriqi holds that the Quran seems to warn people to avoid becoming enslaved or ruled by aliens, for the master nation snatches away the means of livelihood from the enslaved ones, who may never get an opportunity to re-gain self-rule and prosperity.³¹ A wise nation would always shun coming under imperialist domination. The imperialist masters will not only lay their hand on the more visible resources, but, on the strength of their technology, would unearth and capture mineral wealth hidden from normal view. This will impoverish the victim nation still more, leaving no chance for their improvement in future.

Bases of Dynamic Nation: Elements of Decalogue

Mashriqi posits a Decalogue, as basis for the creation of a dynamic polity/nation. The ten elements include: (1) Belief in Unity of God; (2) Unity among people; (3) Obedience to the persons in authority; (4) Readiness to sacrifice belongings; (5) Readiness to sacrifice life; (6) Ready to migrate if and when needed; (7) Endeavour and activeness

with complete confidence; (8) Belief in the Day of Judgment; (9) Good manners, and (10) Study/conquest of nature.³²

Mashriqi's ten principles are reminiscent of the Biblical Ten Commandments, the Decalogue, in which God commanded the Jewish people: (1) not to have other Gods; (2) not to make graven images nor to bow before them; (3) not to take the name of the Lord God in vain; (4) to remember the Sabbath day, to keep it holy; (5) honour their parents. (6) not to kill; (7) not to commit adultery; (8) not to steal; (9) not to bear false witness and (10) not to covet their neighbour's wife. Over time, in European history, the Biblical Decalogue came to be replaced by other views regarding founding of durable and prosperous societies. Social Darwinist ideas on fitness to rule may be considered as the most important ones.

Such views of the rise of Europe centered mainly upon Darwinian ideas formulated to explain the origin of species in terms of natural selection: the well adapted species, they propounded, possessed characteristics conducive to their survival and passed on the same to their progeny. Herbert Spencer, who reached his Darwinist conclusions before Darwin's *Origin of the Species* was published, held that "stern discipline of nature" eliminated the "unfit".³³ While this formulation had some intellectual content, many others saw in British economic and imperial power the proof of being the 'fittest'. Among those basing their ideas on such British 'facts', one could name Walter Bagehot's *Physic and Politics, or Thoughts on the Application of the Principles of 'Natural Selection' and Inheritance to Political Society*.³⁴ In this book, the author's law of human progress seems to be that the strongest nations always prevail, and in certain marked peculiarities the strongest tend to be the best.³⁵

Mashriqi defended Darwin's theory of evolution but gave completely different meanings to it.³⁶ Natural selection, it was claimed, was part of the laws of God. Functions of nature were being carried on by laws set by Him. It is He who created man, as an evolved being. As the Creator, both of universe and man, it is He who knows fully the nature of man. In His providence, He has revealed His will, His guidance to man through His prophets raised from among peoples themselves. Such prophets taught people how to build durable and prosperous societies. The revealed guidance was in addition to the God-given apparatus; eyes, ears and reasoning mind—the use of such apparatus was also envisaged to lead man to derive knowledge of nature and establish stable and prosperous society.

Keeping the Quranic teachings in view, Mashriqi emphasized that the rise of a nation meant durability, which was bound up with 'righteous' actions, and decline was connected with 'unfitness' for survival and prosperity. Mashriqi was, thus, able to say that there were 'natural' laws working with regard to the fate of nations³⁷; a nation whose members were given to undesirable practices (non-righteous actions) would not flourish and would, inevitably, suffer decline, even extinction. According to Mashriqi, it is significant that the Quran has used the word 'Istikhlaf', to make it clear that even before Islam such 'natural' instinct existed in the various peoples. God's promise with Muslims is the same promise of inheritance, as had been made with the predecessor nations, and in the same way, has He repeatedly described it as 'inheritance in the earth'.³⁸

The Quran lays down a rule with regard to granting durable power to any people,

“And, indeed, after having exhorted [man], We laid it down in all the books of divine wisdom that My righteous servants shall

inherit the earth: herein, behold, there is a message for people who [truly] worship God".³⁹

Principles of the Decalogue can be broadly divided into two categories.⁴⁰ The first nine principles involve verbal utterances/mental contemplation and may be seen as revealed word of God. They seem to involve initial preaching and attentive listening and obedient behaviour towards them. The tenth principle is action. To begin with, it involves investigation into the processes of nature, which reveal themselves to the scientist in a piecemeal manner. It leads to discovery of laws of nature and consequent control and capture of forces of nature. We deal with first nine principles first.

Belief in Tauheed: The unity of God, means action in that you are to conduct yourself in ways that reflect that Oneness of God is a reality for you. Belief in God is productive of certain type of conduct. We take the example of the notion of equality. Faith in Oneness of God should issue in the moral/spiritual equality of all human beings in the conduct of a Muslim. A Muslim cannot but believe in the moral equality of all human beings irrespective of caste or creed. If such belief does not exist, faith in 'Tauheed' is not complete. For some, Islamic modes of worship are intended to achieve individual redemption. For others, like Mashriqi, such modes are contributive to, and creative of, a social order, a good society.⁴¹

An important aspect of Faith in the unity of God is a person's relative detachment from his primordial distractions - such distractions seen as great impediments to the creation of a society wherein nepotism and corruption cannot take root, or flourish. Faith leads to the creation of universalistic as opposed to particularistic norms. When Mashriqi published Tazkirah in 1924, Muslims in India seemed to have a lot of verbal faith in the unity of God; it was not

reflected in their socio-political relations. Mashriqi, through his Khaksar Movement started in 1931, tried to devise strategies whereby he could convert the verbal faith into an active, living faith, in God and, thereby, revolutionize social relations among Muslims in India.⁴²

Unity Among the People: The unity among inhabitants is, according to Mashriqi, so much important that the Quran provides mechanisms to minimize/eliminate possible ill-will between husband and wife, even when they are on the way to being divorced.⁴³ It is thought that even such ill-will, which has private origin, can be productive of disunity among families and, thereby, among Muslims as a society. Unity in a policy is to be built upon smaller unities among individuals and families. Most religions have established certain procedures/manners, the observance of which is envisaged to produce unity. Religions help create a culture of unity.

Mashriqi begins with the building blocks of a united society in that he recognizes the existence of groups at various levels and tries to show ways and means whereby people can be united both horizontally as well as vertically. Mashriqi attaches great importance to good personal relations as building blocks of unity. Even exchange of greetings is taken to play a positive role in promoting unity among people. Active mutual help is considered as a firm basis for promoting unity. If a nation exhibits the qualities of a united nation, having no sectarian differences, then such a nation would be enjoying, without fail, rule over others, or independence for herself.⁴⁴

In Mashriqi's perspective, socio-economic and political disorders are the most important indicators of 'hellish' life, which can devour groups and individuals in those groups. In terms of perspectives which over-emphasize the 'Hereafter' as the place of punishment can overlook indicators which in Mashriqi's view constitute punishment.

For Mashriqi, there is probably no greater punishment than the one which is generated by deadly conflicts among parties, be such groups within one country or different countries at war with one another.⁴⁵

Emphasis on obedience to Ameer (commander, ruler) is indicative of concern about discipline, certainty in the chain of command. Mashriqi sees deliverance of a nation in her organization, almost on military lines. This is so because organized activity is productive of forceful, concentrated effort and is, eventually, fruitful. Mashriqi upheld the authority of the ruler but his emphasis has been misunderstood. What Mashriqi wanted was respect for authority because Mashriqi wanted to see peace in society. He was so sincere in this that when the central government ordered Khaksars, in 1942, to remove their military-like symbols, Mashriqi obliged.⁴⁶

Problem of location of authority in a single head, a few persons, or democratic masses has been debated throughout history. Mashriqi's answer is leadership of single person, who will seek full consultation, but will take his own decision, i.e. be responsible for the decision. Such a leader would be expected to act morally within the cultural norms of his society. Apparently, Mashriqi's emphasis on 'obedience to the ruler' does not seem to take into account conditions of such obedience, particularly those either expressly mentioned or otherwise emphasized in the Quran regarding rule over others, namely, consultation, and accountability. But Mashriqi's decalogue is meant to create conditions wherein behaviour of rulers will not be unwarranted. At the same time, lowering one's head in obedience to the leader of the group will overcome 'the monster of self-conceitedness' and haughtiness.⁴⁷

Of the ten principles of durability of a polity, the most relevant for defense against external intrusion, is complete readiness among the

populace to fight out its battles with some proper weapons, even at the cost of life. It means giving up idols of self-love and engages in actual fight in the way of God. It means sacrifice of one's body, when so needed, in obedience to God's directives.⁴⁸

Financial sacrifice on the part of members of a community to defend the community against attack from enemy, in Mashriqi's view, results in conquering one's self-indulgence, doing something for the have-nots, and renunciation of one's love for money.⁴⁹ Indeed, it means sacrificing one's own wishes so that wishes of others may be fulfilled. It is a constant financial sacrifice, resulting in the strengthening of a people as a whole. It is for the welfare of the nation, meant for some important national purpose. Mashriqi did not regard such sacrifice to be something charitable; he regarded it as the main basis on which national treasury and finance were to be organized, which will then be used for the fulfillment of set national purposes. Spending in organized manner is a manifestation of well evolved society and, at the same time, adds to further collective strength and development.

Hijrat, migration, is one's travel in obedience to God's direction, sacrificing one's love for children, and leaving behind one's home and hearth, belongings, gardens, indeed, all luxuries. Members of a nation, who come to be sincere believers in the unity of God and who are ready to abandon objects of love to the exclusion of the service of the true God, would be ever ready to migrate from their homeland, if required for the good of their nation. Indeed, leaving behind their children, their near ones, home and hearth would be something very insignificant in their eyes. They would be so much intoxicated with love of the Creator and love of their fellow people that they would not have second thoughts, if migration was to be undertaken for a noble

cause. The momentary inconvenience incurred as a result of migration could be a precursor to a long lasting peace on earth, which could usher in an era of durable rule.⁵⁰

Endeavour and action with complete confidence in one's destiny means exertion, leaving aside all lethargy and indolence. The striving servant of God keeps in view the objective of inheritance of the earth and devotes himself, limbs and body, to the achievement of that objective⁵¹. Muslims are to believe in their successes in the future; they should continue their efforts, believing that they would meet a happy ending, that their future is bright. They should have faith to face their future courageously.

Good manners and mutual help, justice and benevolence, keeping of promise and promotion of brotherhood, kindness and love become the true faith and true Islam for everyone⁵². All verses about Husn-e-Ikhlaq (good manners), when acted upon, must promote a peaceful society - a social order in which most of the people will be living a harmonious life. This peace can be both physical as well as mental. Acting upon such verses is likely to create a congenial atmosphere, in which people will feel at rest - mentally and physically. Take the small example of saluting each other, when two people pass by; the repetition of salutation will lead to friendship and brotherhood, mutual understanding and confidence.

Belief in the Day of Judgment. Real service to God comes to be rendered when, owing to belief in the Day of Judgment, and reward and punishment, God's servant sacrifices his body, his soul, his wealth and all for earning God's approval.⁵³

The tenth principle of the decalogue is 'ilm', knowledge of work of God, scientific study of nature, which would confer power on man. Real service to God begins, when people begin to investigate and

acquire knowledge about God's Works-things which God has made, the universe/nature which He created.⁵⁴ The Quran also draws attention to the study of archeological remains to learn about downfall of earlier nations.⁵⁵ This has now taken the shape of science, but it was emphasized by the Quran many centuries ago. Seen in this perspective, durability and prosperity of a nation is the function of knowledge of nature.⁵⁶ This proposition is true for all times and all places⁵⁷. In matters of reward, the Quran uses a terminology which seems to speak of the world to come, notion of 'salvation' and 'success' are usually taken to mean conditions which will obtain in the hereafter, after death. Mashriqi recognizes such meanings but only as additional to the primary meanings, which he attaches to such concepts. He emphasizes that the Quran is for the guidance of mankind. Naturally, it is to guide people when they are alive. This means that the Quran must be presumed, primarily, to address problems concerned with living people. It would offer code of conduct to people in their life, public as well as private. Mashriqi is critical of many Muslim religious scholars, mystics and intellectuals who claim to know the secrets of human progress, on the ground that they do not pay sufficient attention to the crucial role of knowledge of nature urged upon as a precious thing by the Quran itself. In Mashriqi's view, they indulge in 'non-sensical exaggerations', without possessing real understanding of the Quran.⁵⁸ Nature is the truth from God.⁵⁹ Man has been urged to acquire knowledge of Nature, whose forces are susceptible to human understanding and control. In Mashriqi's view, those who regard nature as useless, are likely to suffer; people with knowledge of nature will succeed in this life and in the life to come. Man has been enjoined upon to make use of his powers of listening and seeing and the intellect given to him, to learn the secrets of

Nature. Those who do it, will earn rewards, 'salvation'; those who neglect the study of nature will be punished, thrown into 'hell'. Elaborating on this Mashriqi cites a Quranic verse⁶⁰, and comments that the nations who acquire knowledge of nature are the ones that have risen in the scale of civilization. Those who have neglected the study and conquest of nature are already groaning under the 'hell' of slavery, i.e. are under imperialistic control. Mashriqi cites several verses from the Quran to show that, in the eyes of God, only those nations would be saved from the 'fire of hell', which would acquire the knowledge of nature and bring natural forces under their control to enhance their defensive and offensive potential. An important verse is,

“And most certainly have We destined for hell many of the invisible beings and men who have hearts, which fail to grasp the truth and eyes which fail to see, and ears which fail to hear. They are like cattle - nay, they are even less conscious of the right way: it is they, who are [truly] heedless! for God has created the heavens and the earth in accordance with [an inner] truth, and [has therefore willed] that every human being shall be recompensed for what he has earned and none shall be wronged.⁶¹

Many nations, including the Muslim one, consider nature to be a purposeless creation; but they pay little attention to the knowledge and messages (directions) which active nation derives from the study of nature. In Mashriqi's view, nations seeing no purpose in nature were then convulsing under alien rule and suffering impoverishment. As a rule, such dependent nations/people cannot engage in fruitful activity; their loss of self-confidence becomes, for them, a great infirmity and disability. All those who do not see any purpose in the

nature; that see it only in terms of 'transitory abode' are, according to Mashriqi, sluggards, liable to be thrown into 'jahannam', hell.⁶²

Servants of God are those who take the nature seriously, investigate it, acquire knowledge of the principles inherent in it and use such knowledge in further enhancing the 'beauty' of the world and their own powers to gain further progress. Mashriqi lists numerous Quranic Verses, which seem to have an amazing unity of meanings, and show that the objective of the religion of Islam is progress in this world.⁶³ Most of such verses emphasize that kingdoms of prophets had been based on knowledge of nature, and were strengthened and made durable on that basis. Mention of such durable kingdom in the Quran means that God Himself is witnessing the knowledge-based foundation of the prophetic rule and is declaring that it was right. Abundance of worldly comforts is especially mentioned and commended as a part of durable rule. Nations which forget that durable self-rule is dependent upon knowledge of nature (whose highest form is prophet hood), suffer decline, and have to undergo 'hellish torture'. All their magnificence and punctiliousness vanish, and they are turned into groups of 'mimicking monkeys'. This is because disappearance of their self-rule and imposition of alien domination lead to worsening of their worldly affairs and their manners of living. It also leads to loss of their physical energies, self-respect and courage. The dominated people fall from the level of ordinary humanity, and behave like monkeys, mimicking habits of the rulers and showing no sign of human dignity.⁶⁴ The Quran elaborates on the theme that with loss of furor for knowledge of nature, even one-time strong kingdoms suffered decline, and some eighteen of such nations have been named.⁶⁵

It is not simply that the ancient prophet-governed nations were the ones which, according to the Quran, were based on the knowledge of natural laws/principles. According to Mashriqi the proposition is true in the modern times as well. The nations ruling over the big portions of the earth were those which had excelled in acquiring the knowledge of nature. Every day they were adding to the store of their scientific knowledge; their insight and understanding into the affairs of the world was ever increasing.

For Mashriqi, search for knowledge of nature was a righteous action, as it was undertaken to derive knowledge from the book of nature with reward in worldly prosperity. Those who take the book of nature to be something purposeless are in the loss. They will suffer pains of torture in this world.⁶⁶

Traditionally, righteous actions are seen to be mainly contained in what are called five pillars' of Islam: Testimony, Prayers five times a day; Zakat, Fasts in the month of Ramzan and Pilgrimage to Makah and Madina. The Decalogue is not different indeed; the decalogue contains the pillars and, in turn, is contained in them. The Principles of Decalogue are dynamic aspects, behavioral aspects of the pillars. As such the principles are measures of pillars.

According to the Quran, the `al-salat' (prayer) can give birth to the same purposeful obedience, the same discipline, the same ability to act, the same fraternity and mutual relationship, the same cooperation and sense of security as were intended in the messages brought both by the prophet of Islam and by all other prophets as well.⁶⁷ Fasting is seen as a political weapon to generate strength, in the sense that a victorious force is always one that has the ability to endure hunger and thirst for a considerable period of time.⁶⁸ Fasting was method whereby people could be habituated to such endurance.

For Mashriqi, fasting was also self-sacrifice. The Muslim month of fasting trained people for self control, which would be lost during the whole year; it was means of self-strengthening by acquiring power over self-indulgence. It afforded a great opportunity to learn patience and perseverance. Looked at from the point of common feeling of fearing God, fasting helps in promoting unity among people.⁶⁹

In the investigation of nature, complete patience has to be exhibited. According to Mashriqi, such characteristics are found among the dynamic nations of the world i.e.; in the early 20th century, the Western nations. And they were receiving their rewards in the way the Quran had indicated. On the contrary, Muslim divines interpret righteous actions in terms of whispering God's name on rosaries, but denying the 'clear signs' of nature. This had resulted in the indignities huddled upon Muslims everywhere in the world. This, said Mashriqi, was 'easy' Islam, Islam of rituals. In his view, Deen (Religion) of Islam had been, thus, rendered into a religion of immobilism and decline.⁷⁰

Spending in an organized manner is a manifestation of a well evolved society and at the same time; it further adds to the collective development of the society.⁷¹

Hajj, pilgrimage to Mecca and Madina was a great means for achievement of unity of Ummah, unity of the Muslim people. The tremendous capacity of Hajj to create a centre for Muslims was unsurpassed; the pilgrimage is conceived to be a unique gathering, the most effective way of bringing Muslims together at one centre before a common Master, with a common feeling of awe and veneration, all these creating a sense of long lasting and unbreakable unity and cohesiveness.⁷² Of course, Mashriqi is not emphasizing Hajj, pilgrimage to Mecca, for all mankind. According to him, the notion of

centralizing place is very important. Indeed, according to him, all nations have some or the other centralizing place. This promotes a nation's solidarity and invincible unity. Mashriqi noted in this context that Muslims had failed to retain the power and solidarity for which pilgrimage had been instituted. Mecca had to become a centre of peace and amity for the world at large. Such honour was being given to London and Paris now that Muslims had failed to achieve results which were meant to be achieved from the institutions of Pilgrimage and general gathering of Muslims at one centre.⁷³

Thus, the ten principles are not different from what are usually called 'pillar of Islam'.⁷⁴ These principles, indeed, branch off from the single root, Unity demonstrated in actions. All basics of Islam emerge from belief in Unity of God, such unity not stated in words only but demonstrated in actions. It is this unity which then leads the practicing people to dominance, peace, stability and expansion on earth.

ENDNOTES

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37. Ibid., p. 44.
38. Ibid., p.45.
39. The Quran, Chapter 21, Verses, 105-106.
40. Mashriqi does not make this division. This is made by the author on the basis of Mashriqi's views that study of nature could yield principles for the conduct of man. Such views occur at several places in his Hadit-ul-Quran, op. cit. See pp. 22-40.
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42. Ghulam Jilani Barq, "Allama Mashriqi", Noqoosh "Shakh-siyat-Number", (1956), pp. 1202-1213.
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Emerging Middle East: Interplay of the New Power Centers

Muhammad Shabbir¹

Abstract

Relations among the regional powers in the Middle East continue to dominate global concerns about security. A power transition amongst the regional players is now under way from which new power centers are emerging. These emerging powers are testing regional geo-political realities to assert themselves in the region. In this regard, this study attempts to assess the geopolitical effects of the "Arab Spring" upheavals on the region; to delineate the impact of rise of Islamists on the regional policies of Egypt, Turkey and Iran; and to evaluate the consequences of a possible Israel-Iranian war on the regional balance of power and geo-strategic developments. The study, while applying the power transition theory, qualitatively analyzes the interplay of four major Middle Eastern powers namely: Iran, Turkey, Egypt and Israel. Considering the significance of religious, strategic, political and economic ties of Pakistan and Middle East, the study also discusses the impacts of power transition in Middle East on Pakistan.

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Introduction

After the recent convulsion at social and political level, the “Middle East”¹ once again has found itself at the cusp of present uncertainties and future possibilities. The nomenclature “Middle East” has been a political expression rather than geographical one; however, discussion in this study relates to the region from Indus to Nile that is significant for its conflict-prone and energy-rich characteristics.² While it is still premature to completely assess the outcomes and impacts of the so called ‘Arab Spring’ uprisings and upheavals on the emerging geo-strategic outlook in the Middle Eastern arena. Nevertheless, after the two and a half year since the upsurge started, it is useful to tentatively delineate and scrutinize the unfolding maturations in the region. Only by studying the upheavals and their possible repercussions on the geo-strategic environment, future developments can be forecasted. Considering the significance of religious, strategic, political and economic ties of Pakistan and Middle East the study also discusses the impacts of power transition in Middle East on Pakistan.

Given the rapid changes, demands for popular participation and success of Islamist movements sweeping the Middle Eastern political realm, this study applies the power transition theory on the interplay of four countries of Middle East namely; Iran, Turkey, Egypt and Israel. It also addresses the pressing questions that relate to the interplay of these countries. For example, will Israel be more isolated than before in the region, and if so, why? How strong is the Iran’s influence in the region, and have Iranian ideological, political and economic tools been dwindled? Will the containing and balancing efforts of US and its allies in the region going to keep Iran lonely? How does Turkey and Egypt both non-Arab states, factor in

to this equation? And, how the interplay of these players affects the region?

The main argument of this study is that the interplay between Iran, Turkey, Israel and Egypt is transforming the region. All of these Middle Eastern players carry important strategic assets in the interplay: Iran, an energy rich Gulf power has nuclear card in hand; Turkey is a rising Euro-Asian power with NATO membership and has booming economy; Egypt is considered a trend setter and leader in Arab World, plus its demographic and geographic disposition makes it significant; Israel is militarily strong, is the only nuclear power of the region and European and American interests also converge in the country.

Power Transition and Middle East

In the paradigm of realism, there are many approaches to assess the shift in the realm of international relations. However, this paper applies “power Transition” theory to study the interplay of power centers in the Middle East. Power transition theory is a structural and dynamic approach to world politics³. According to A.F.K. Organski, “international systems are frequently dominated by a single powerful state that uses its strength to create a set of political and economic structures and norms of behavior that enhance both the security of the lead state and the stability of the system as a whole.”⁴ The maintenance of the status quo is determinant on satisfaction. A state that is satisfied by the status quo they ally with the dominant state and get economic and security aid but other states that happened to be dissatisfied are usually too weak to alter the status quo. But, if a state grows in power, which is determined by rate of industrialization, and is dissatisfied with the status quo then that state will initiate a war to turn over the status quo. In the

book, *Causes of War*, Jack S. Levy and William R. Thompson argue that “The rising challenger begins a war to hasten the transition and bring benefits from the international system into line with the challenger’s rising military power”.⁵

The change from a bipolar world to a single dominant power is not the only reason why the world is so different. Theories that thrived on viewing the world through the clash of two super-powers no longer apply now and this has been a critical policy failure for lawmakers. Tammen attempts to rectify this failure in two ways: first, by providing “a composite picture of Power Transition theory by integrating the various extensions and amplifications into a coherent whole,” and by translating power transition theory into policy relevant terms.⁶

In power transition theory, war occurs because of three conditions: “power shifts, approximate equality of power, and dissatisfaction with the status quo”.⁷ Unlike balance of power theory, which comes into opposition to power transition theory, and solely focuses on the power of military, power transition theory defines power as “The cumulus of population, economic productivity, and the political capacity of the state to mobilize resources to support international policies”.⁸ In other words, the increasing industrialization of state increases its power. But as Levy and Thompson argue, the growth of a state “follows an S-shaped growth curve.”⁹ The power of state grows the more it industrializes but eventually levels off as the state continues to sustain itself. That is why a possible challenger can catch up to the dominant state. Because the dominant state has modest growth, a potential challenger rapidly industrializes and, then can, challenge the

dominant state, but once again the challenger must be dissatisfied with the status quo.

Considering the volatile state of peace in Middle East and center of two most dangerous conflicts, understanding the interaction of the structural and dynamic components of power transition theory provides a probabilistic tool, by which to measure the changes in the region and to forecast likely events in future rounds of change. While based on empirically tested propositions backed by large data sets, the theory has an intuitive feel that maximizes its utility for interpreting the interplay of the four emerging powers in the region. Before discussing the reasons for the emergence of new power centers, the study gives an overview of three major players that have been dominating the regional politics.

An Overview of Old Power Centers in the Region

For decades Syria, Egypt, Saudi Arabia and Iraq have been exercising an important influence in Middle East. Beginning with Syrian, Egyptian and Saudi Arabian bandwagoning in 1973 against Israel to recover the territories occupied in 1967; their collaboration on the 1989 Taif agreement that brought an end to the civil war in Lebanon; through their assistance to the US war to liberate Kuwait from Iraqi occupation; and the accord that underlie the 2002 Arab Peace Initiative, Cairo, Riyadh and Damascus have been able, at times, to effect major change in the Middle Eastern realm. But with the start of twenty-first century, the regional dynamics have started changing and the old order is withering away.

Syria has been turned from being an influential player to being a playing field amongst regional and international players. Assad's regime has proven too strong to be brought down quickly and too illegitimate to continue holding power in the country. Hence, Syria

in all probability is entering a “lost decade”, in which the collapse of Assad regime will be followed by an uneasy transition. It will, therefore, take years to rebuild and regain political, security, and economic order in the country. Iraq due to internal and external factors for almost two decades has been absent from regional influence. “The American invasion of Iraq led up to the eclipse of secular Al-Baathists and abolition of the largest standing Arab army, ostensibly assuring greater security for Israel. However, this in effect, implied end of the ‘Sunni dominated’ Iraq, which was perceived “strong and motivated enough to balance the radical Shiite Iran.”¹⁰ Although, a new Shi’a-led state order is struggling to assert itself in Baghdad, however, it will not be easy for war-prone and terrorism infected country to re-emerge as regional power. Saudi Arabia faces the medium-term challenge of adapting its political institutions to changing political expectations. That challenge is set to have important ramifications for Saudi Arabia’s future regional position. Here, it seems necessary to discuss the elements that are instrumental in the emergence of new power centers.

Emergence of New Power Centers in Middle East: The Instigating Elements

The drivers of change in the Middle East may be viewed with a six-fold focus: 9-11 and US invasion of Iraq and Afghanistan; rise of non-state actors; Arab Spring and fall of authoritarian rules; rise of Islamists against nationalist; declining U.S. and Western influence in the region; weakening of erstwhile powers and resulted vacuum in the region.

Firstly, after 9-11 attacks on US, President George W. Bush announced that “fighting terrorism and preventing future attacks

would be his administration's top priority".¹¹ Governments were given ultimatum to decide whether they stood with the United States in war against terrorism or would face US wrath. In this regard, two operations first in Afghanistan and then in Iraq were launched and Taliban and Saddam governments were overthrown. Attacks in US and resulted operations, perhaps, triggered the chain of causes that would impact the whole region. The major benefactor of the two operations ironically has been Iran, whose wings US wanted to clip.

Second, the non-state actors have been strengthen in the region, owing to the successive failures of states in the Arab-Israeli conflict, 9-11 attacks and lack of adequate participation in the decision-making process. According to Arif Kamal, "They have, in cases, come up with enlarged roles compared with role of a state. For example, Hezbollah's resistance to Israeli invasion of Lebanon (July 2006) brought them to a legendary status as this non-state actor was seen doing what all Arab regular armies had previously failed to do. Similarly, the rise of Hamas and its sustainability in the impoverished Gaza, in spite of its eclipse from power is a point in case."¹² These actors such as Al-Qaidah in Iraq have added another complexity in the region's tense situation, further supporting the transformation of power.

Third, the 'Arab Spring' can be defined as a crisis in central authority, in which old orders in a sizable minority of states have proven untenable even as new and freer orders are struggling to emerge.¹³ In Tunisia and Egypt in 2011, internal mass protests forced the leadership to resign within weeks. Inspired by these successes and rooted in the issues of governance, economic disparities, youth bulge and full play of social media, popular

movements throughout the Middle East were bolstered. They demanded substantial political reform and, in some cases, regime change. After decades of authoritarian rule and political stagnation, popular movements were finally able to destabilize or overthrow a number of authoritarian regimes in the Arab world. This phenomenon has transformed the political set up of the Middle Eastern countries, governed by decades old dynastic rules.

Fourth, experts of Arab and Islamic affairs who have studied the 2011 Arab revolutions' effects on both the Islamic and nationalist agendas have "noticed that "the mood of the Arab populace everywhere seems to be dominated by Islamic rather than Arab sentiment".¹⁴ Some might claim that Islam is connected to Arab identity, and that Arabism is rather an ingredient of the Islamic community's make-up. Nevertheless, a careful review of Islamic political theory reveals that "in his writings Imam Hassan al-Banna the founder of the Muslim Brotherhood and its first spiritual leader - believed in the presence of harmony and symmetry between the Islamic and Arab viewpoints."¹⁵ The results of so called 'Arab Spring' also seemed to prove the 'Islamic revival' in the region, how well Islamists are doing in Tunisia, Egypt and Morocco are however, debatable issues.

Fifth, the declining US influence in the Middle East is a long-term, secular process, probably on going many years. It has had two major accelerators. One, the Iraq War, that discredited the US and weakened militarily and morally its posture in the Arab world. Two, the Arab Spring also is the contributor in diminishing US erstwhile leverage. The US has less familiarity with the new actors in the region and an even less powerful position from which to influence those actors on the ground.

Sixth, internal clashes and external invasion have weakened the Syria and Iraq creating a power vacuum in the region. This vacuum was filled by strategically and economically strong Iran and Turkey. Egypt, although passed through transformation, but it retained its erstwhile position of a leader in Arab World.

The New Power-Centers in Middle East

Iran is a regional power, thanks to three decades of social, economic, diplomatic, and military advancements. Iran has the world's second largest gas and third largest oil reservoirs. One of Iran's greatest successes is the dramatic expansion of its middle class. Despite declines in oil exports and tightened international sanctions, Iran ranked 18th worldwide by GDP (purchasing power parity adjusted) in 2012. Iran is also a formidable regional military power. However, for the last decade, its nuclear program has been a “game of hide and seek, and claims and disclaims”.

The Turk Government, what has come to be called as a moderately Islamic government, has been in power for the last 10 years. Ideological reinterpretation of secular and traditional thoughts, successful shift of power from military to civilian elite, geo-strategic location and economic boom have contributed in the confident posture of Turkey in its dealings with US and the West. Turkey has a booming economy, growing at 9-10 percent. Its average growth for the last 10 years has been around 7 percent. Its income per capita has tripled and GDP has doubled. So it's not just a political success story; it's also an economic success story scripted and strengthened by capitalism, entrepreneurship and internal political stability. In some ways, before the Arab Spring Turkey even was a winner. Based on America's failure in Iraq and the absence of Arab leadership on the Palestinian issue a vacuum in the Middle

East was created. Turkey was successfully able to fill that vacuum with its strategic depth; Foreign Minister Ahmet Davutoglu called this "zero problems with neighbors."

Egypt's demography and geographic disposition makes it significant in the region and the world as well. It is the largest populated country in Middle East and Africa with almost eighty-five million populations. Egypt also has the largest army in Africa and Middle East, with 450,000 personnel. Under Egyptian control, the Suez Canal and Sumed pipeline are the most important ways of transportation from the Indian Sea to the Mediterranean. Historically Egypt was also politically strong.¹⁶ As Nasser saw it, with considerable justice, "Egypt was potentially at the center of three circles: the African, the Arab, and the Islamic".¹⁷ This geopolitical importance made it the object of interest to the great powers. Egypt's new standing has already breathed new life into the Arab League and allowed it success in mediating long-stalled intra-Palestinian negotiations. Even at this time, when Egypt is passing through another crisis in authority, its historic regional role, geographic disposition and military strength afford it a considerable clout in regional affairs.

Israel has the strongest military and is the only nuclear power to the west of Nile. Plus, Israel is significant for American interests and foreign policy in the region. Also, Israel from a strategic standpoint is imperative for western interests; because it impedes what the scholar Fouad Ajami calls the "Dream Palace of the Arabs." In essence, it impedes both pan-Arabism and pan-Islamism espoused by Nasser, Arafat, Saddam Hussein, and Bin-Laden and the likeminded individuals. "Israel is a literal and figurative bulwark against a cross continental Arab-Muslim empire. It inhibits pan-

totalitarianism in the forms of Arab nationalism and Islamic fundamentalism."¹⁸ Israel was among the biggest losers, as a result of Arab Spring, losing its last friend in the region with the fall of Mubarak regime in Egypt. And without Mubarak, King Abdullah of Jordan can no longer be counted on as a friend.

Interplay of Power Centers and Way Forward

As the biggest Arab country, with internal strife and political instability, Egypt's domestic policies and especially its foreign orientations may crucially impact the newly emerging geo-strategic posture of the Middle East. Morsi had apparently attempted to create a new strategic balance between the Suni-Muslim states, Shi' i Iran, and Israel as well as among the USA, Russia, and China. According to Morsi, "international relations between all states are open and the basis for all relation is balance. We are not against anyone, but we are for achieving our interests."¹⁹ Now, when Morsi is no more and Brotherhood in Egypt is losing influence in power-corridors of the country, the future of Egypt remains dependent on armies capability to hold an election and Muslim Brotherhood's potential to make a place in the new government for themselves.

Nevertheless, a compelling partnership for a strategic coalition in favour of Egypt is not Saudi Arabia and the Gulf Emirates but primarily Turkey, since both Turkey and Egypt are regional powers with Sunni Islamic democratic systems. According to Turkish Minister of Foreign Affairs, Ahmet Davutoglu, "a partnership between Turkey and Egypt could create a new democratic axis of power."²⁰ To be sure, both Ankara and Cairo are not hostile to Iran as are Saudi Arabia and most of the Gulf Emirates.

The Turkish and Egyptian governments will also endeavor not to antagonize Iran, unless their interests are in jeopardy. For

example, one contentious issue between Turkey and Iran is Turkey's dependence on Iran's gas supply and its leverage over the PKK (Kurdish Workers' Party) through Iranian (and Syrian) Kurds. Nevertheless, Turkey and Egypt have a common interest and will probably coordinate their efforts to contain Tehran's attempts to create a "Shi' i Crescent" and control oil resources in the Gulf region. This strategy would certainly obtain full cooperation from Saudi Arabia and the Gulf Emirates as well as the USA. Yet, both democratic Turkey and Egypt would be careful not to fully identify with the autocratic-monarchic-conservative Sunni-Muslim regimes, such as in Saudi Arabia and Bahrain. They may even act as mediators between these Sunni regimes and Tehran.

The most important and challenging is the crucial Israeli-Palestinian problem, namely Israel's stubborn refusal to allow Palestinian self-determination in the West Bank in a form of a state and its continued siege over the Gaza Strip. Due to Israel's stubbornness, anti-Israeli manifestations, which had been largely curtailed by Mubarak's regime, erupted in Egypt, once his regime collapsed and full freedom of expression has been granted. Obviously, these pro-Palestinian and anti Israeli sentiments have reflected the deeply rooted ideology of the Muslim Brothers and of their leaders, who were elected to govern Egypt. In this regard, Muhammad Morsi, the detained President of Egypt, appealed to president Obama in late September 2012, asking him to help in settling the Palestinian issue in the form of an independent state. He argued that if Israel expects Egypt to respect its peace treaty with it, Israel should also implement its commitments regarding the Palestinians within this peace treaty. Aside from hinting that this treaty could be revised, Morsi had not cut diplomatic relations with

Israel and even appointed a new Egyptian ambassador to Tel Aviv in early September 2012. Simultaneously, Egypt's new defense minister, Abd Ali Abd al- Ali Fath al-Sisi, coordinated with his Israeli counterpart, Ehud Barak, the dispatch of Egyptian armored and commando units to Sinai to fight Salafi and Jihadist elements.

The military led a takeover this July, following last year's revolution, has unfolded wide cleavages in the contemporary Egyptian society. After the clashes for and against Morsi's regime that started on 28 June, on third July, the army ousted democratically elected President Mohamed Morsi of the Muslim Brotherhood. The military has appointed Adly Mansour as interim President and declared a rather speedy timetable to amend the Constitution by deleting the offensive provisions and submit it to a referendum, as well as hold presidential and parliamentary elections in six months. Despite the new government's promises, the fight for and against military's actions continues on the street. Those opposing Brotherhood rule and calling for President Morsi's ousting (or for early elections) claim to lead a second revolution. On the other side, those supporting the president and the Brotherhood are accusing his detractors of crying foul and mounting a counter-revolution.

The West, worried about the sovereignty and security of the state of Israel has extended support for the military intervention that overthrew the Muslim Brotherhood's government, widely viewed as conservative and anti-Israel. At The survival of America's most important ally in the region, Israel is at stake and the United States is going to exhort all their support in favor of the Egyptian military, which is the major recipient of \$1.5 billion per annum support from America. Saudi Arabia, a strong ally of the United

States, is seen to be falling in line with the American policy in supporting the military regime and possibly a religious democratic government in Egypt would be viewed as a direct threat to Saudi's monarchical order.

Apart from continuing its previous demands that Israel signs the NPT, Egypt will probably exercise intense political diplomatic pressure on Israel to permit the creation of independent Palestinian state along the pre 1967 lines, with East Jerusalem as its capital. On this issue, Egypt will certainly be backed or supported by most of Arab Muslim states, as well as obtaining close cooperation with Turkey. Indeed within the newly emerging regional strategic axis between Ankara and Cairo, the Israeli-Palestinian issue will gain priority, alongside the Syrian crisis and the Iranian threat. Although both Turkey and Egypt maintain cold diplomatic relations with Israel, they can help broker a political settlement between Israel and the Palestinians, including Hamas, owing to their close relations with both Palestinian factions.

Over the years, Iran has secured a strong footing for itself in the region. Because, for political, economic, cultural, religious and military reasons, Iran is too important to be treated lightly by any state in Middle East or Asia. In complex domestic power structure of Iran, the broader governing polity shares Mahmoud Ahmadinejad's robust conviction that Iran is the linchpin of a wide region and can maintain firm independent positions. Ironically, US invasions of Iraq and Afghanistan has supported the Iranian ambitions and furthered its agenda in the region. The Sunni Arab states of Jordan, Egypt and the Gulf are wary of Iran yet feel compelled by its strength to maintain largely cordial relations.

The relationship between Iran and Turkey pivots between friendship and rivalry, but Turkey favours good relations and the avoidance of further regional instability. Russia is a significant economic partner to Iran, is heavily involved in its nuclear programme, and tends to take the role of mediator at the international level. There is certainly a lot more amiability between Iran and Saudi Arabia, despite disagreements on Iranian nuclear program, Iranian apprehension on Saudi support to Taliban in Afghanistan and Saudi concern about Iran, trying to create discord amongst the Saudi Shia community.

Pakistan and Iran have a number of areas of mutual interests, as fighting drug trade and defeating tribal insurgency along their common borders, as well as prospects for trade and energy. Iran and India have notably improved ties, mostly on the basis of Indian energy needs. Energy security and economic ties also dominate Iran's dealings with China and Japan.

Syria and Iran maintain close relationship, as seen clearly in their alliance against the US and Israel, and support for Hezbollah. But due to the civil war in Syria, Iran's fate in the country is linked with the survival of Assad regime. Iran's relationship with Lebanon is long and complicated. The clash between Israel and Hezbollah in 2006 may partly be seen in the backdrop of the broader conflict between Iran and US/Israel. Israel considers Iran as the greatest threat to its security and the tensions between the two have increased. Now Israel seeks US assistance to attack Iran, claiming it to be a threat. While US also consider Iran a threat, however, it seems unlikely that Obama will support Israel in attacking Iran. Additionally, the revelation that Iranian-born close friend of president Obama, Valerie Jarrett has been taking the lead in 'the

undercover talks' with Iran proves that US favours talks rather than confrontation with Iran. Adding to this is the complex results of Arab Spring.

The Arab Spring today, in some ways has become an amalgamation of two phenomena. One is an absolute political re-bargaining of the social contract in virtually every Arab country, affecting the domestic political balance of power. In addition to that there has been a total re-negotiation of the strategic balance of power in the region because of happenings in Egypt, Syria, and Bahrain and so on. The two evidently interact. Changes at the domestic level in Egypt, Syria and other countries are affecting the balance of power strategically in the region because of the changes in regimes and outlooks that change entails. On the other hand, the struggle in the regional arena is affecting how countries are positioning themselves in the domestic competition for power. For example, in Syria, Iran and Hezbollah are supporting to the regime, while the West and Turkey are favoring the opposition. In current Egyptian crisis, Turkey favoring the Morsi and Brotherhood government and the West provide hidden support to military and opposition's agenda. It is the interplay of the regional strategic and domestic political calculus that makes it all the more challenging and complex for foreign countries to react to without ambivalence. These complexities and challenges carry implications for Pakistan that are discussed in the following section.

Implications for Pakistan

Pakistan has not only religious, political and economic ties with the Middle East region, but the region can also be 'called the strategic depth of Pakistan'.²¹ Looking at the regional calculations of

emerging Middle East, following five points are noteworthy with regard to its implications on Pakistan:

- The continued repression in and occupation of Palestine by Israel still seems to be continued for the foreseeable future. This, due to close Indian and Israeli collaboration, also impacts the Indian occupation of Kashmir, an issue very close to heart for Pakistan.
- The crisis in Iraq due to US invasion has spiraled towards sectarian strife and civil war in the country. In addition to that, a foreign intervention in Syria could further increase the sectarian crisis that may spill over to Pakistan.
- The US policies and intervention in both Iraq and Afghanistan have not only disturbed the respective countries, but Pakistan has also directly and indirectly suffered both in terms of blood and treasure in the so called War on Terror.
- There is also the looming crisis in Iran on its nuclear program that threatens to escalate into a military confrontation in Pakistan's neighborhood. This conflict carries the potential for the escalation of sectarian conflict within Pakistan.
- More than three million Pakistanis are living in the Middle Eastern countries. These countries are providing jobs to millions of Pakistani citizens. A large number of Pakistan's remittances come from the Middle East. Therefore, for Pakistan's stability and prosperity, the Middle Eastern region must remain stable.

In the present geo-strategic environment in the region although Pakistan enjoys cordial relations with Iran, Turkey and Egypt;

however, Iran's relations with the US, Saudi Arabia and other Gulf countries are quite tense due to their perception about its nuclear programme and its perceived role in the ongoing situation in Syria. The situation has been further compounded by the US and EU countries sanctions against Iran due to its nuclear programme. This has also brought the project of laying gas pipeline from Iran to Pakistan under strain. In any case Pakistan has to walk very pragmatically since it cannot lose friendship of Saudi Arabia and GCC countries for Iran and vice versa. At the same time Pakistan cannot afford hostile relationship with the US, it being the sole superpower. The prevailing tensions between Iran, GCC countries and the US are likely to remain for quite some time in the future. Hence in next some years it will be very challenging for Pakistan to further advance its relations with Iran, while also keeping good relations with Saudi Arabia, other GCC countries and the US unless some dramatic favourable development occurs.

Conclusion

To conclude, Middle East once again is in a period of uncertainty. Given Iran's significant weight and influence in the broader Middle East, developments in that country will cast a shadow over everything else. However, for a long term peace in the region, the Palestine Issue needs to be resolved. Unfortunately, US, Iran and Israel continue to display a bunker mentality, in which zero-sum-game calculations prevail on the issues of Palestine and Iranian nuclear program. It is striking that in the Middle East today, hopes for peace are still held hostage to a regional order, characterized by the rivalries of postcolonial states, as opposed to postmodern ones. As long as regional politics remain the monopoly of these states, whose behaviors are defined by the "otherness" of

their neighbors, contentious rivalries will remain the modus operandi of the Middle East, to the detriment of everyone. A silver lining however can be seen with emergence of Turkey and Egypt as regional players in the region. But again, it will depend that all the players adopt the policy of cooperation or confrontation. By the end of the day, the choices of regional players will save or doom the region.

Endnotes

¹ For a detailed discussion of the British role in the making of the Middle East, see Roger Adelson, *London and the Invention of the Middle East*. For the Middle East as a security concept, see Bilgin, "Inventing Middle Easts," 10-37. For a geopolitical analysis of the Middle East, see Davuto lu, *Stratejik Derinlik*, 129-43, 323-455.

² Arif Kamal, "Dynamics Of Peace and Stability In the Middle East Arena: Identifying the Contemporary Challenges and Options For Response", (Margalla Papers, 2009), 94-105. Explains the term that, "The nomenclature 'Middle East' has been a colonial (and later, a neo-colonial) convenience rather than a geographic expression. The connotation of this nomenclature has also been shifting like the 'shifting sands' of the region. For example, expression 'broader Middle East', now used by the US and G-8, is in fact synonymous with bulk of the muslim world."

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⁵ *Ibid.*

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¹⁴ Michael J. Totten, "Arab Spring or Islamist Winter?", *World Affairs Journal*, January/February 2012. accessed on 06 April 2013 from, <http://www.worldaffairsjournal.org/article/arab-spring-or-islamist-winter>

¹⁵ Mustafa Al-Faqi [Translated from Al-Hayat (Pan Arab),] "Despite Historical Interplay, Islamist Movements Dominate Arabist Perspectives in the Arab Spring", *Al-Monitor: The Pulse of the Middle East*, March 2013. accessed on 05 May 2013 from: <http://www.al-monitor.com/pulse/ar/contents/articles/politics/2012/02/did-the-nationalist-project-retr.html>

¹⁶ Egypt - Foreign Policy, accessed on 08 May 2013, from: <http://countrystudies.us/egypt/123.htm>

¹⁷ Egypt - Foreign Policy, accessed on 08 May 2013, from: <http://countrystudies.us/egypt/123.htm>

¹⁸ Bret Stephens, "Is Israel Important? A briefing", *Middle East Forum*, January 19 2005. accessed on 30 April 2013, from: <http://www.meforum.org/692/is-israel-important>

¹⁹ *Daily News (Egypt)*, August 29, 2012.

²⁰ Quoted by Hasan Kosebalaban, "Turkey and the New Middle East: Between Liberalism and Realism," *Perceptions*, Autumn 2011, p. 109; *The New York Times*, September 19, 2011.

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An Appraisal of Health Sector in the Backdrop of 18th Amendment

Ms Asma Sana¹

Abstract

National security hinges on human security and the health remains as one of the important pillars that ensure 'Human Security'. Regrettably, since independence, the governance issues in Pakistan along with lack of political ownership have retarded progress in the health sector, which resulted in poor contribution by the people towards social and economic development of the country. A long awaited change in the health sector in the form of 18th Amendment in the Constitution of Pakistan has brought more confusion than clarity. The health sector has become a provincial matter and resultantly, the Ministry of Health has been dissolved. Probably, Pakistan is the only country in the world which does not have a Health Minister at the national level, an appointment which is responsible to coordinate the health related issues both nationally and internationally. Therefore, unless the ambiguities are removed and clear demarcation of responsibilities is drawn between the centre and the provinces, the health sector is likely to suffer more in coming days and month. Nevertheless, the 18th Amendment has also created opportunities, which can be realized by removing anomalies and introducing appropriate measures, both at the national as well as provincial levels. This paper is an attempt to investigate the impact of 18th Amendment on the health sector and it suggests measures for an effective implementation of the 18th Amendment in the Constitution.

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Introduction

Security is not just limited to the fields of military, economy, and politics. Human security has a much broader scope and the health sector remains one of the important pillars of a healthy nation that plays significant role in determining human capital. With due health care at the highest level, the productivity and efficiency of the labor force can be improved, which contributes positively towards economic growth and leads to human welfare.¹

Health sector in Pakistan had been under the Ministry of Health since independence. However, in 2011, after the 18th Amendment, Health Ministry was abolished and Provincial Health Departments were made responsible to implement health care programs. Through this arrangement, it was assumed that responsible district bodies would emerge, which would focus on the specific health issues of their area. However, due to lack of capacity as well as experience, the health sector has suffered badly that retarded the progress and influenced the common people negatively. None of the provinces could deliver satisfactorily because of the lack of experience, interest and financial capacity.

Increasing costs of medicine, diagnostic tests, and medical equipment have made health sector extremely expensive for a common man. Public spending is very low in this sector, thus, private sector is contributing much more in this regard, which also includes Non-Governmental Organizations (NGOs). Weak governance, population explosion and natural calamities and epidemic diseases like 'dingy virus' have also affected all dimensions of health and human development. In such like environment, a central body at the federal level is important to coordinate at the global level so that requisite support is mustered to coup up with

such like challenges. However, the role played by the central government in meeting the problem that the Punjab government had faced two years ago was well short of desired level and the provincial government had to struggle singlehandedly. The 18th Amendment left many policy areas unattended, which need to be addressed. Therefore, there is a need to prioritize this important pillar of human security, so as to make universal and equitable health access across the country.

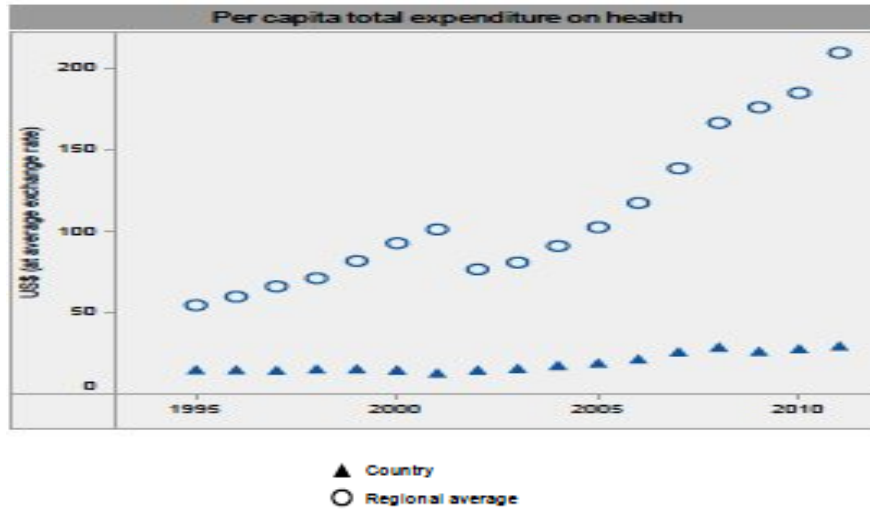
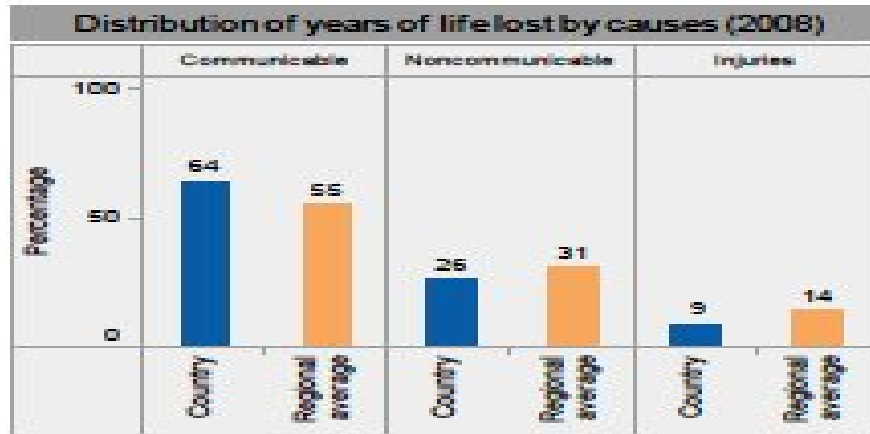
Above in view, this paper is an attempt to critically evaluate the health sector in Pakistan and highlight the grey areas. Through this study, an attempt has also been made to recommend the viable reforms for the sector to be considered, both at the federal and provincial levels, which may help in developing comprehensive guidelines for those who are to implement the new health policy in the backdrop of the 18th Amendment in the Constitution.

An Appraisal of Health Care in Pakistan

Pakistan is among those countries, which are at high risk of infectious diseases. According to an estimate, “8-9 million people are infected with hepatitis-C virus, 620,000 people have tuberculosis and every year 410,000 people are infected, while 59,000 die from this disease. Around 500,000 cases of malaria are detected annually and 5,000 people die of rabies every year. Poliomyelitis remains endemic despite an intense global focus on eradicating the disease.”²

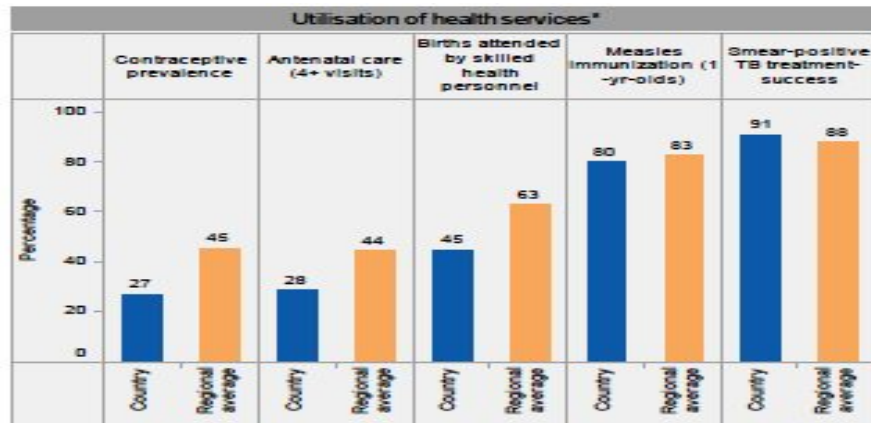
The public spending in Pakistan on health is about \$9.3 per person, which is much less than internationally recommended \$60 per person per annum. Almost 78 per cent of the population pays for medical treatment from their pockets. “Presently, 121,374 doctors are registered in Pakistan, while the doctor to population

ratio is 1: 1127 which is far less than the World Health Organization’s (WHO’s) recommended 1:1000”.³ Health indicators provide a depressing account, as it lags behind in achieving set targets. “Maternal Mortality Rate and Infant Mortality Rate are high, almost 260 per 100,000 deaths and 61.27 per 1,000 live births, respectively. About 19 per cent of the whole population and 30 per cent of children less than five years are mal-nourished.”⁴



Source: WHO Statistics

There is an absence of programs for non-communicable diseases at provincial and federal levels. The regulatory arrangements for medicines are unsatisfactory. There is a lack of proper health diagnostic facilities, medical education and particularly absence of health information-related institutions. The creation of a national public health network of institutions and professionals is necessary for effective planning in health reforms. There is no value for life in Pakistan. The community is not well protected against internal strife, including ethnic and political tensions. More than 30,000 people have died in the country as a result of acts of terrorism, including at least 85 doctors and sixteen community health workers involved in the poliomyelitis eradication campaign.⁵ Good governance leading to peace and tranquillity is crucial for human security and efficient functionality of the health system in the country.



* Data refer to latest year available from 2005. For specific years and references, visit the Global Health Observatory at www.who.int/gho.

Health Sector: State's Obligations

Provision of better health facilities is the sole responsibility of the states. According to international law, Universal Declaration of

Human Rights (UDHR) is considered as part of customary law of states, in which Article 25 addresses health care as one of the fundamental right of human beings.⁶ Though, it is not a binding document but the two latter convents, International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR), legally bound the ratifying states to oblige the treaty terms. Pakistan has signed and ratified both; in addition, the ICESCR's Article-12 obliged states with regard to health, mentioning that each person has the right of enjoying the highest attainable standard of physical and mental health.⁷ States have to take steps to achieve the standard and specified goals. The human rights Charter of Islamic Countries, Cairo Declaration on Human Rights in Islam in Article-17 also guaranteed the right of medical care.⁸

In Pakistan, the Constitution of Pakistan also puts an emphasis on human security in Article-9 of the Constitution, as the health is been recognized as one of seven determinants of human security. Article-38 of the Constitution deliberates the promotion of the social and economic well being of the people, and its subsection (d) declares that the state shall "provide basic necessities of life, such as food, clothing, housing, education, and medical relief, for all such citizens."⁹ Therefore, domestic and international law imposes legal obligation on the Government of Pakistan to provide better health facilities to the citizens. However, health is not specifically mentioned as a legislative subject. Reference was made to several subjects related to health in the Constitution's Legislative Lists.

Prior to 18th Amendment, there were two legislative lists: Federal Legislative List (FLL) and the Concurrent Legislative List

(CLL). Any matter which is not listed in the two falls under the jurisdiction of the provincial assemblies.

Legislative List	Legislative Authority	
Federal Legislative List	Parliament	Part 1: Federation
		Part 2: Council of Common Interests (CCI) chaired by Prime Minister, and other members include Chief Ministers of other provinces and three member of federal government nominated by the PM. Its role is to regulate and formulate policies.
Concurrent Legislative List	Parliament and Provincial Assemblies	

According to the 1973 Rules of Business of the Government of Pakistan, the Concurrent Legislative List (CLL) and Federal Legislative List (FLL), Ministry of Health was mandated to formulate national health policy planning and coordination.¹⁰ It also maintained liaison with international health and donor organizations. Its functions also include human resource development, medical / allied education, standardization of manufacture of drugs and biological/ legislation/ licensing of drugs and medicines, prevention of infectious/ contagious diseases and to collect vital health statistics.¹¹

It was also made responsible to operate national healthcare programs such as “National Program of Primary Health Care and Family Planning (LHWs Program); Expanded Program on

Immunization; National TB Control Program; National Rollback Malaria Program; National Nutrition Program; National Hepatitis Control Program; National Blindness Control Program; Maternal Neonatal and Child Health Programme; National Health Information Resource Centre; National Health Policy Unit; Tobacco Control Program; National Program for Control of Avian Influenza.” Ministry of Health also had an administrative control over number of departments attached and subordinate institutions and oversight of autonomous bodies.

The problems in the Ministry of Health were as follows

- It lacked capacity to function according to the mandate given, as it was overwhelmed by the administrative and logistic tasks and micro-management of the programs.
- Its oversight function of autonomous institutions put an extra burden on the ministry of health.
- It failed to develop disease surveillance functions.
- It had limited capacity to collect and analyze information for health policy.
- There was a lack of capacity in maintaining norms and standards.
- Corruption and external interference in decisions, particularly in relation to recruitments, transfers and disciplinary actions.

Health Sector after 18th Amendment

The 18th Constitutional Amendment was an attempt to remove anomalies introduced in the Constitution under military rule. It repealed the 17th Constitutional Amendment, re-constitutes the Council of Common Interests, a supra-cabinet and abolished the Concurrent Legislative List (CLL), which altered power sharing

between the federal and provincial governments in Pakistan's federal system."¹² After the abolition of Concurrent Legislative List; the Federal Legislative List outlined the federal prerogatives, which were considerably reduced. All mandates, including health, became subject of provincial mandate. Thus, the Ministry of Health became redundant, as health became a matter of provincial jurisdiction, thus, the federal government dissolved the Ministry of Health. Therefore, there is no authority left at federal level to regulate or monitor the health sector.

The Concurrent Legislative List (CLL) was deleted from the Constitution. However, there are certain areas which required federal oversight. In such areas, federal mandate can be retained through other mechanisms. On the other hand, there are certain advantages, as previously two ministries, health and population, existed which created problems due to marginalization of family planning and reproductive health, as core health issues.¹³ There are three changes, which have been made in the Federal Legislative List (FLL). These are as under:-

- “Legal, medical and other professions” have been shifted from the Concurrent Legislative List (CLL) to Part II of the Federal Legislative List (FLL).
- A new Entry has been inserted in Part I of the Federal Legislative List (FLL): “International treaties, conventions and agreements and international arbitration.”
- “National planning and economic coordination, including planning and coordination of scientific and technological research” has been shifted from Part I to Part II of the Federal Legislative List (FLL).

Therefore, the federal government has constitutional and legal space for maintaining many important functions in the health sector.

Challenge after 18th Amendments

- **No Federal Institution:** There is a need for an institution at federal level to perform number of functions, such as formulation of national health policy, health regulation, international commitments and health information and research. Almost all federating countries have divisions at federal level to perform such functions. There is a need to clarify the distortions and institutional weakness in the sector so as to build capacity. This will require detailed re-organization and reform of existing institutions that are responsible for regulation and over-sight. This cannot be made possible unless there is an astute analytical and normative capacity within the system to oversee and guide the process of reform and ensure policy consistency.¹⁴
- **National Health Policy:** After 18th amendment, the policy-making role has been shifted to the provinces. However, when it comes to a ‘National Health Policy’ that is the official policy by the highest level of the government, which is formulated by the Cabinet. Since 1997, Pakistan has had two official policies one of 1997 and the second of 2001.¹⁵ After 18th amendment, health is no more federal subject and now provinces do not concur with the unified health vision and want to exercise their prerogative to pronounce their own health policy.
- **Regulation:** In most of the countries, regulation is a central government’s responsibility. It is relevant to quality,

price or numbers in the domain of health services delivery, technologies, human resource, medical education and medicine. Article-151 of the Constitution of Pakistan states “... trade, commerce ... throughout Pakistan shall be free” and Federal Legislative List (FLL) gives federal government mandate to develop a federal regulatory authority. The ambiguity arises, when the subject for which the federal regulatory agency is created, is devolved. Thus, this is one of the unattended areas left by 18th Amendment.

- **Health Financing:** In Federal Legislative List (FLL) the only entry related to health financing is “the law of insurance, except as respects insurance undertaken by a province and the regulation of the conduct of the insurance business, government insurance, except so far as undertaken by a province by virtue of any matter within the legislative competence of the Provincial Assembly.”¹⁶ This provides a basis for federally led health insurance or a social insurance scheme. The choice of individual health financing strategies is largely a provincial prerogative. Provinces have up to 40% per cent more funds, but due to lack of accountability and governance issues, process of reforms is quite weak. Another hurdle is slow transfer of funds, which creates problem in vertical health programs. There is no performance parameters and poor resource tracking. Compilation of provincial health account is a key challenge for the provinces.
- **Service Delivery:** Health service delivery is considered as a provincial subject but federal link has been strong over the years. There is still a need for strong administrative

infrastructure, technical expertise and managerial capacity at institutional level. There is a need for the balance of authority, accountability and separation between federal and provincial functions. Quality assurance, evaluation and community oversight roles still need to establish, as provinces are now dependent upon districts for delivering services.

- **Human Resource for Health:** The FLL contains many entries related to human resource, which also apply for health. It enables the federal government to assume any human resource regulatory function. The exercise of executive authority is subject to provincial concurrence and policy oversight at the forum of CCI. The devolution of Human resource service structure is more problematic. There is lack of trained staff and well-equipped health facilities.
- **Health Information:** There is lack of integrated disease surveillance system at national level. Inter-provincial information sharing mechanisms lacks and only irregular reporting exists. Moreover, there is constrained utilization of information and evidences for assessment of health services, surveillance in case of health security and planning in national programs. Therefore, this resulted in constrained and flawed decision-making.
- **Planning Process:** The planning is highly centralized, which only focused on increasing the number of health facilities, laboratories or infrastructure, without increasing the capacity of health professionals. Either the machinery is not available or if it is available, then the trained

professionals are absent. Thus, result is loss of resources. Another dilemma that Pakistan faces is that it possesses conservative society. Healthcare or family planning programs cannot be borrowed from abroad. Such programs badly failed in the past, as they were considered contradictory to social norms. Indigenous programs, compatible with our cultural norms, need to be worked out.

- **Management at District Level:** The administrative and managerial flaws are not just at the top level. At district level, Basic Health Units (BHUs) are not functional due to absenteeism, political interferences, and unavailability of medicines and lack of resources. There is also lack of coordination among the BHU staff, Health programs and the communities.

Reforms in Health Sector

- **Federal Health Authority:** It is an imperative to retain a federal structure for health to fulfill national health functions. Constitutionally, there is a need to establish 'Health Division'. This division can be placed under any 'Ministry'. "Federal health organizations need to undergo reconfiguration, as relevant, and develop appropriate reporting relationships with the Health Division in a 'recast' arrangement so that national health functions are better served."¹⁷
- **Political Ownership:** The persistent low fiscal support to health sector is evident to show that health is never been considered as a political priority in Pakistan. There is no much public debate about the health issues and possible solutions. Various projects and efforts for reforms have been

hampered due to change in government and policy vacillation. Therefore, there is a need to provide political support to the health sector.

- **Allocation of Health Budget:** Although, in the current budget, the provinces have shown positive trends towards this important sector, but still their efforts are well short of the desired level. There is a need to increase the public sector spending on health. At federal and provincial level, public spending should increase at least to 5 per cent of GDP by 2025. In the existing environment with all financial constraints, health sector can be improved, if the resources are managed judiciously. Health is one of the most corrupt sectors in Pakistan; hence, the eradication of corruption could also bring improvement. Under National Finance Commission (NFC), provinces are having a mandate to spend money but that money should be allocated equitably. After 18th Amendment, the federal government has the role of monitoring the development in the federating units.
- **Access to Health Care:** Universal access to health care should be considered as an indicator of domestic policy by the provinces. For this at first stage, services that can enable targeted access can be employed fairly to address financial barriers. The poorest class should be particularly targeted with special programs related to nutrition and maternal, newborn, and child health (MNCH) and innovation in social protection.
- **Public-Private Partnership:** The liaison between public-private sectors will also help in improving access to health care facilities such as emergency transport system, which is

largely operated by private organizations. Before undertaking any project, the provincial governments have to enhance their capacities and outreach through engaging private sector. Essential service packages and policies for private sector regulation are also necessary, because Pakistan is one of the countries, where consultation of private health providers is quite high, which needs to be addressed. In 2010, 4.83% of total expenditure on health came from external resources, which included international donors and international organizations.¹⁸

- **Federal and Provincial Coordination:** After the abolition of Pakistan's Ministry of Health, there is no institution actually working at the federal level for monitoring and evaluating health sector. There is a dire need of federal institutional system to support provincial departments of health. "The focus at the federal level should be on coordination, technical support, and discharging of responsibility for federal roles rather than exercising bureaucratic and financial controls over provinces, which was the case before the 18th Amendment."¹⁹ Along with it, health-related laws need to be re-visited for providing better health opportunities.
- **National Policy on Health:** There is a need of a national policy on Health for unified national vision, as per the federal government's inter-provincial equity promoting role. All provinces need to build capacity and consider health as a 'nation building agenda'.
- **Separation of Responsibilities:** Previously, it has been noted that the responsibilities of Ministry of Health and

Population overlapped, which created bureaucratic hurdles in implementation of programs. This duplication should be avoided and policy-making should be separated from regulation, oversight and analysis.

- **Primary Health Care and Basic Health Units (BHUs):** The 66% health of rural population of Pakistan is dependent upon the Basic Health Units or Community Health Workers. The outreach and quality of Community Health Workers should be improved by increasing their role. They need to be integrated in health sector, as they share the most of the burden in providing healthcare to the people. According to the statistic of World Bank, the number of community health workers per 1,000 people in Pakistan is 0.06, which is quite low.²⁰ “Community Health Workers include various types of community health aides, such as Community Health Officers, community health-education workers, family health workers, lady health visitors and health extension package workers.”²¹ The most important aspect of it is that these primary care facilities only provide delivery of curative services, completely ignoring the preventive side.

Conclusion

Extreme poverty, population explosion, low literacy rate along with low budgetary expenditure on health care, lack of skilled professional in the health field, and insufficient health care facilities, have further weakened the state. While 18th Constitutional Amendment has created opportunities as well challenges, but the possible way forward to improve health sector is improving the

governance system. The health system is in process of regeneration, with provincial empowerment in the country's federal system.

In the on-going system, which is in process of maturation, one must not negate the role of federal government. There is a need of unified 'National Health Policy' for all provinces of the country, and the central government has to perform this task. The federal and provincial governments have to own health as a priority sector for development. However, the responsibilities at federal and provincial level should be clearly defined. Moreover, there is a dire need to increase the public sector spending on the health budget in all provinces. Along with it, elimination of corruption and ensuring transparency within the provinces is also important for achieving set targets.

Finally, it is recommended that the health should be included in 'nation building agenda'. This agenda may include futuristic vision of universal health access and narrowing of inequality between rural and urban populace. To bridge the gap between haves and have nots, the government should facilitate the NGOs working in rural and far flung underdeveloped areas. Investment in health sector and human development must be considered as a key for true national security and prosperity.

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The Social, Political and Economic Effects of the War on Terror: Pakistan 2009 To 2011

Mr. Tariq Khan¹

Abstract

Pakistan has been fighting the war on terror, as a front line state, since September 2001. So far, the war has brought huge destruction to Pakistan by slowing down the economic growth, devastating the social structure, and harming the country politically. This paper attempts to study the social, political, and economic effects of the war on terror on Pakistan from 2009 to 2011. During this period, intensity of the war increased and it spread into the settled areas of Pakistan. Federally Administered Tribal Areas (FATA) and Khyber Pakhtunkhwa (KPK) suffered the most. This qualitative paper shows a significant negative relationship between terrorist activities and economic growth, social progress, and political advancement.

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Introduction

Terrorism means harassment, destruction, suicide attack and killing of innocent people on no reasons.¹ Terrorism disturbs the inhabitants, damage infrastructure, cause a decline in economic well-being, bring political instability, and break the social fabric of the society. Terrorism affects the economic growth of a country by lowering foreign direct investment, capital formation, investment and increases risk perception. When we look around the world from a historical perspective, we see that war affected countries, whether in Africa, Asia, Europe or any other region have suffered alike. More terrorist attacks at private citizens, property, transport and airports are related to lower capital formation and low GDP per capita growth.² The International Monetary Fund (2001) estimated the direct costs of September 11, 2001 attacks on US as equal to \$21.4 billion while, Navarro and Spencer (2001) found that the loss of capital stock was \$50 billion to \$53 billion.³

Pakistan has been fighting the war on terror since September 2001. So far, the war has cost the country the lives of more than 35,000 citizens and 3,500 security personnel, besides destruction of infrastructure and \$67.93 billion direct economic loss.⁴ Pakistan is facing terrorist attacks including suicide bombing which has deteriorated law and order situation and the foreign investors are reluctant to invest in Pakistan. The military operations against the terrorists displaced millions of people from Swat district of KPK and FATA. Terrorist activities also shattered Pakistan image in the international community.⁵ Terrorism has threatened the peace, stability and well-being of Pakistani society.⁶

The topic is significant because it has substantial policy implications for the country as the period of the war on terror is

getting longer and Pakistan's economic, political and social setup is being devastated with each passing day. Pakistan is a low-income country and the war on terror has further intensified her economic problems. Due to low economic growth, foreign borrowings have increased while Pakistani exports, capital formation and private investment have decreased. Terrorists have challenged the writ of the state and thus the soft image of Pakistan has been tarnished.⁷ Though researchers like Pasha (2010) have endeavored to study the effects of war on terror on Pakistan, recent papers on the subject are not available particularly from 2009 onwards.⁸ The purpose of this paper is to identify the social, political and economic effects of the war on terror on Pakistan and to address the knowledge gap from 2009 to 2011.

The specific research question is as follow: What are the social, political and economic effects of the war on terror for Pakistan for 2009 to 2011?

Theoretical Considerations and Methodology

Charles Townshend (2002) defined terrorism as “the calculated use or threat of violence to inculcate fear, intended to coerce or intimidate governments or societies” (P.5).⁹ In the same way terrorism means to impose ones owns interpretation of religious doctrines, political culture, social values and economic system upon the society through violence and fear. Michael (2007) defined terrorism as “public harassment, wave of agitation, protest against the government, damage to public and private property in order to draw the attention of the authorities” (P.37).¹⁰ He further found that terrorism is contrary to the peaceful political setup and destroys the political structure of a society. Terrorism inhibits economic growth and capital formation. From 1970 to 2005 the world witnessed

nearly 20,000 terrorist incidents which resulted in more than 90,000 casualties or injuries. It ranged from the hostage takeover during the 1972 Munich Olympics to the 2002 and 2005 tourist bombings in Bali. They further found that terrorism is indeed associated with adverse economic effects.¹¹

League of Nations Convention defined terrorism in 1937 as “all criminal acts directed against a state and intended or calculated to create a state of terror in the minds of particular persons or a group of persons or the general public”(Article 1(2)).¹² The United States Department of Defense defines terrorism as “the calculated use of unlawful violence or threat of unlawful violence to inculcate fear, intended to coerce or to intimidate governments or societies in the pursuit of goals that are generally political, religious, or ideological”. Further, the British Government defined terrorism in 1974 as “...the use of violence for political ends, and includes any use of violence for the purpose of putting the public or any section of the public in fear”. Moreover, the United Nations defined terrorism in 1992 as “an anxiety-inspiring method of repeated violent action, employed by (semi-) clandestine individual, group or state actors, for idiosyncratic, criminal or political reasons, whereby - in contrast to assassination - the direct targets of violence are not the main targets”.

The existing literature shows that there is no officially or universally agreed upon definition of terrorism. It is believed that one man’s terrorist is another man’s freedom fighter. For example, a fighter in Palestine is a terrorist for United States and Israel but he is a freedom fighter for the Palestinians, the Arab world and their supporters. In short, terrorism means spreading violence, killing

innocent people, destroying property and inculcating fear among the inhabitants through coercive means.

This qualitative paper will analyze the connection between terrorism and economy of Pakistan by analyzing its impact on agriculture, manufacturing, tourism sector, foreign direct investment, increased defense expenditures and stock market. These are the primary sectors of Pakistan economy and any terrorist activity has a negative impact on these sectors. Pakistan is an agrarian economy and 45 percent of the population depends on agriculture for earning livelihood. During 2009 to 2011 the imposition of frequent curfews, shelling and firing destroyed fruits and other agriculture commodities in Swat valley. It had a negative impact on the local economy and also caused unemployment. From 2009 to 2011 foreign direct investment decreased as terrorism spread fear among the people and foreigners were reluctant to invest in Pakistan. Stock market also suffered due to high profile killings like that of Benazir Bhutto, ex-premier of Pakistan. Due to large scale military operations against the militants, defense expenditures increased manifold which ultimately decreased the development budget. Annual budget for the police force also increased significantly. Similarly, terrorism also affected tourism and manufacturing sectors.

This paper will further look into the impact of the terrorist activities on social sector. Pakistan lost more than fifty thousand citizens and military personnel. Terrorists destroyed a number of schools in KPK and FATA which also spread fear among the school going children. Due to terrorist attacks on the private property people lost their businesses and unemployment increased. Military operations against the militants uprooted millions of people in KPK

and FATA which brought economic, social and psychological sufferings to them. Moreover, this paper also focuses on the political impact of the war and analyzes the domestic, regional and international impact of the war on terror on Pakistan.

It is difficult to calculate the exact number of economic losses due to war on terror. Though the Ministry of Finance, government of Pakistan has proclaimed the economic loss of the country, due to war on terror, as \$67 billion but it did not mention how the cost was calculated. It is important to mention that besides war on terror there were other vital factors like international financial crisis in 2008, energy crisis and high floods of 2010 etc. which also negatively affected the economy of Pakistan. It is difficult to separate the effects of war on terror from the effects of other factors. It should not be assumed that war on terror was the only factor which negatively affected the economy of Pakistan.

Moreover, not much research has been done on the subject in Pakistan. I reviewed the available relevant literature from international journals, research papers, the World Bank, Ministry of Finance and Pakistan Bureau of Statistics. This paper will ultimately show that there is negative connection between terrorism and economic, political and social growth. Terrorism is a real threat to the existence of Pakistan and it must be taken seriously by the policymakers.

Impact Analysis of the War on Terror on Pakistan

The ongoing war on terror has left deep negative social, political, economic, and psychological implications for Pakistan. Details of the impact can be seen in Table 1.

Table1: Impact of Terrorism

Sectors	Impact of terrorism
Economy	Negative impact on earnings, consumption, tourism, foreign direct investment, security expenditures etc.
Political impact	Negative impact on the country's image at the local, regional and international level
Social impact	Negative impact on employment, poverty, infrastructure and has high human cost
Psychological well-being	Negative impact on human health and causes traumas, stress and headache

Source: Ali (2010), Barth et al. (2006), Bari (2009) & Michael (2007)

Social Impact of the War

Incidence of Terrorism and Human Cost: The intensity of terrorism increased in Pakistan in 2009 as the country experienced mega terrorist's attacks on the General Headquarters of Pakistan Army, Sri Lankan cricket team in Lahore and on Manawa Police Training Center, Lahore.¹³ PIPS data also shows that fifty four political leaders and activists were assassinated in FATA and KPK. In FATA, 559 terrorist attacks took place which killed 644 people and injured 1046. In KPK, in 1137 attacks 1438 people were killed. Further, in 2010, 459 attacks killed 836 people in KPK. In FATA, 904 people were killed and army convoys check posts and pro - government elders were frequently attacked. PIPS data shows that in 2012, 1577 terrorist attacks killed 2050 people. In KPK, 456 attacks killed 401 people while in FATA, 388 terrorist attacks killed 631 people. Frequent terrorist attacks brought negative economic, political, social and psychological consequences for Pakistan by

destruction of property, infrastructure and sluggish economic growth.¹⁴

Rate of Unemployment: In 2007, Greenbaum, Dugan & LaFree examined the impact of terrorism on employment and business outcomes in Italy from 1985 to 1997 and found that terrorist attacks decrease employment opportunities.¹⁵ Employment is more of a social issue than an economic one as it affects the lives of all people alike. In Pakistan unemployment increased from 3.12 million in 2009-10 to 3.40 million in 2010-11.¹⁶ Table 2 shows that due to increased terrorist activities in the urban areas of Khyber Pakhtunkhwa, unemployment increased from 0.10 million in 2009-10 to 0.12 million 2010-2011. However, the data for FATA is not available. It can be easily predicted, from the intensity of terrorism, that thousands of people would have become jobless in FATA.

Table 2: Rate of Unemployment in Pakistan and Khyber Pakhtunkhwa from 2009 to 2011

Region	Unemployed in millions					
	2009-2010			2010-2011		
	Total	Male	Female	Total	Male	Female
Pakistan	3.12	1.91	1.21	3.40	2.22	1.18
Rural	1.89	1.12	0.77	1.85	1.14	0.71
Urban	1.23	0.79	0.44	1.55	1.08	0.47
KPK	0.55	0.35	0.20	0.53	0.32	0.21
Rural	0.45	0.29	0.16	0.41	0.25	0.16
Urban	0.10	0.06	0.04	0.12	0.07	0.05

Source: Labor Force Survey, Pakistan Bureau of Statistics

Military operations against the insurgents in Swat valley displaced 3 million people which ultimately dislocated the economic activity of the local residents.¹⁷ Due to terrorism, Khyber

Pakhtunkhwa economy remained 3 percentage points less than the national economy, which remained less than 3 percent in 2007-08.¹⁸ He further found that the counter terrorism campaigns led to massive unemployment in Khyber Pakhtunkhwa and FATA during 2009 to 2011.

Impact on Education

Education is the key to progress for any nation of the world. Militants attacked and destroyed a number of boys and girls schools in FATA and KPK as a strategy to imbue the youth of the area with militant values. Militants attacked 119 schools in 2008; 188 in 2009; 129 in 2010 and 142 in 2011. In 2011, 79 attacks were witnessed in KPK and 56 in FATA. Girls' schools suffered 62 attacks against 51 attacks on boys' schools. Militants destroyed almost 1,000 schools, mostly girls' schools, in FATA and KPK. Only in Swat valley, 401 schools were destroyed in 2010-11.¹⁹

According to KPK Education Department, militants destroyed a total of 758 schools in various parts of the province including 640 schools in Malakand division.²⁰ Militants destroyed local culture, banned listening to music and recreational activities.²¹

Displacement and its Impact: Pakistan Institute of Peace Studies found that due to military operations in various parts of the KPK and FATA, 2.7 million to 3.5 million people were displaced which is considered as the largest displacement in the history of Pakistan. The displaced people left their homes for safety and security and went to the urban areas of the country to support their families. Largest displacement took place in South Waziristan Agency in FATA where approximately 4, 28,000 people were displaced. In Orakzai Agency, 4, 00,000 people and in Malakand division 3, 83,190 people were uprooted out of which 3, 82,950

returned home while 20,777 are still in the camps. In Khyber Agency, between 84,000 and 100,000 people were uprooted while the number of people who fled Mohmand and Bajaur agencies is estimated as 7, 50,000.²² Due to increased militancy and subsequent military operations, the local residents, particularly women and children, of the conflict areas suffered from physical and psychological abuse and traumas. The fear of death and feelings of helplessness further traumatized their lives.²³

Political Impact of the War

High incidents of terrorism lead to increased political instability in a country.²⁴ Similarly, war on terror has left significant political impact on Pakistan at domestic, regional and international level. Militants destroyed the local social, political and judicial structures in FATA and Malakand division. The tribal areas of Pakistan are governed by Frontier Crime Regulation (FCR) and local disputes are settled in Jirgas that work in collaboration with political agents, appointed by the federal government. During crisis, militants killed hundreds of local elders which disturbed the political balance in FATA.²⁵ She further found, “The presence of the military in FATA in post 9/11 scenario also undermined the authority of political agents. The power of the jirga and political agents has been assumed by Taliban commanders” (P-41). This also reduced the influence of political parties in FATA and Malakand division. Women politicians were harassed and an active women councilor from Dir district of KPK was murdered. Pakistan decision to join war on terror has weakened the federation as the fighting is getting longer. This has also created gap between the masses and the Pakistan military as the pro-Taliban section of the people opine that Pakistan army is fighting a war of US while pro-US section of people say that

Pakistan military is the biggest hurdle in eliminating terrorism and supporting militants in Afghanistan.²⁶

War on terror suffered Pakistan politically at regional and international level. After the fall of Taliban regime in 2001, Northern Alliance dominated government was installed in Kabul which is anti-Pakistan and pro India. Taking advantage of this, India opened more than thirty consulates and missions alongside the Pakistani border. India gained three major advantages out of this situation. It declared Kashmiri freedom fighters as terrorists. Second, it obtained access to civil nuclear energy from various countries including United States. Third, India increased her role in Afghanistan by supporting Northern Alliance government. At international level Pakistani citizens have been denied US visas and subjected to humiliation at American airports through special search and screening. Pakistan has been captioned as a failing state and maps are published showing its balkanization. Further, regular anti Pakistan sessions are held in US Congress with Indian cooperation.²⁷

Economic Impact of the War

Government of Pakistan Estimates of the War on Terror: Poverty Reduction Strategy Paper (PRSP-II) of the Ministry of Finance, Government of Pakistan has identified five indirect costs of the war on terror, in addition to the direct costs. The first one is the slowing down of domestic economic activity. It means that foreign direct investment, industrial output, tax collection and exports decreased. Overall GDP growth suffered due to intensive terrorism. The second one is the increase in the credit risk of the country which means that Pakistan suffered from the financial losses by failing to repay the loans it obtained from

financial organizations especially IMF. The third indirect cost is the enormous increase in unemployment in terrorism affected areas like KPK and FATA. Due to losses to agriculture sector, damage to businesses and tourist resorts thousands of people lost their jobs. The fourth one is the heavy costs of displacement of local population. Due to insurgency and counter military operations, millions of people were displaced from Malakand division and FATA. In the fifth place, due to frequent terrorist attacks implementation of development projects got delayed in KPK & FATA. This delay increased the cost of the projects manifold.²⁸ With the increase in terrorism the benefits of participation in the war fell as in 2007-08, the United States assisted Pakistan with \$1.9 billion, whereas the cost of the war was over three times higher at \$ 6 billion.²⁹

The cumulative cost of the war on terror from 2001-2002 to 2010-2011 is \$ 67.9 billion.³⁰ Table 3 shows that in 2004-05 the direct cost of war on terror for Pakistan was Rs 67 billion which increased to Rs 78 billion in 2005-06 and to Rs 262 billion in 2009-10. Similarly, the indirect cost increased from Rs 192 billion in 2004-05 to Rs 707 billion in 2009-2010.

Table 3: Estimated Direct and Indirect Losses to Pakistan Economy Due to War on Terror from 2004-2010

RS. Billion	2004 -05	2005- 06	2006- 07	2007- 08	2008- 09	2009- 10	Cumulative 2005-2010
Direct Cost	67	78	83	109	114	262	712
Indirect cost	192	223	278	376	564	707	2340
Total	259	301	361	484	678	969	3052
US \$ bn	4.4	5.0	6.0	7.7	8.6	11.5	43.0

Source: Economic Survey of Pakistan, 2009-10

According to table 4 the actual cost of the war on terror increased considerably from \$ 2.669 billion in 2001-02 to \$ 13.6 billion by 2009-10 and to \$ 17.8 billion in the financial year 2010-11. However, it is not clear that how these costs were calculated. On October 3, 2008 the Prime Minister of Pakistan announced a compensation package to the affected families of Walibagh suicide attack as Rs. 3, 00,000 per deceased and Rs. 100,000 per injured person.³¹ Keeping in view this formula, the total potential compensation cost for the year 2009, for the people killed and injured (details of casualties under social impact of the war on terror) is estimated as above Rs 5 billion. He further found that no systematic data regarding damage to property and infrastructure is available. The comprehensive technical statement of the total cost is lacking and it is difficult to judge the reliability of government estimate of the magnitude of the costs.

Table4: Actual Cost of War on Terror for Pakistan from 2001-2011

Years	Billion \$	Billion Rs.	% Change
2001-2002	2.669	163.9	-
2002-2003	2.749	160.8	3.0
2003-2004	2.932	168.8	6.7
2004-2005	3.410	202.4	16.3
2005-2006	3.986	238.6	16.9
2006-2007	4.670	283.2	17.2
2007-2008	6.940	434.1	48.6
2008-2009	9.180	720.6	32.3
2009-2010	13.560	1136.4	47.7
2010-2011	17.830	1528.0	31.5

Total	67.926	5036.8	
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Source: Economic Survey of Pakistan 2010-2011

Table 5 shows the area specific cost of war on terror in 2001-02 and 2010-2011. In 2001-02 the cost of the war on terror to Pakistani exports was \$1.40 billion which increased to \$2.90 billion in 2010-2011. Similarly, the cost of compensation to the affected people was nil in 2001-02 but in 2010-11 it increased to \$0.80 billion. The cost of foreign investment was \$0.15 billion in 2001-02 which increased to \$2.10 billion in 2010-11. Thus, the cost of war increased manifold in 2010-11 as compared to 2001-02.

**Table 5: Area Specific Cost of the War on Terror in
2001-02 and 2010-11 in \$ Billion**

Areas	2001-02	2010-11
Exports	1.40	2.90
Compensation to affected people	0.00	0.80
Physical infrastructure	0.00	1.72
Foreign Investment	0.15	2.10
Privatization	0.50	1.10
Industrial output	0.11	1.70
Tax Collection	0.25	2.10
Cost of Uncertainty	0.10	2.90
Expenditure Over run	0.11	1.60
Others	0.10	0.90

Source: Economic Survey of Pakistan 2010-11

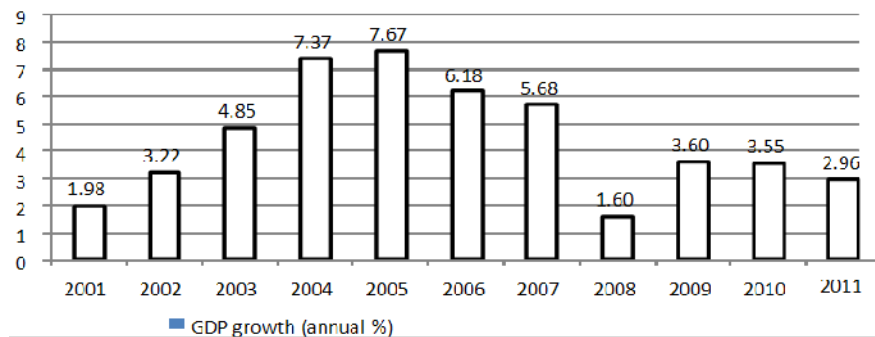
It is important to mention that Pakistan has received \$15 billion, on account of over \$10 billion in shape of Coalition Support Fund (CSF), compared to official losses of \$68 billion till fiscal year 2010-11. This indicates that Pakistan received only 14 percent losses as reimbursed by the United States.³²

- *Impact of the War on GDP and Various Sectors of Pakistan Economy*

Terrorism has an adverse effect on overall economic activity of a country. For example, in 2001, Israel had 47 terrorist incidents per million people and observed a 4 percentage point drop in real GDP per capita growth. Similarly, in 2003, Russia had 0.97 terrorist incidents per million populations and faced a 0.08 percentage point decline in real GDP per capita growth.³³ However, Tavares in 2003 studied the determinants and costs of terrorism at the aggregate level, determined by GDP growth and suggested that the economic cost of terrorism is less severe in those countries which have better developed institutions.³⁴

During the period in question, Pakistan GDP growth fluctuated considerably.³⁵ Figure 2 shows that in 2009, GDP increased by two percent to 3.60 percent as compared to 1.60 percent in 2008 and decreased by 0.5 percent in 2010. It further decreased to 2.96 percent in 2011. In 2009 and 2010 GDP growth was a positive rising but it decreased again in 2011.

Figure 2. GDP Growth in Pakistan (2001-2011)



Source: World Bank

The economy of Pakistan remained under stress from 2008 to 2011 due to both unfriendly domestic and international factors. At

domestic level intensified terrorism caused low economic growth. It was due to increased terrorist activities in the urban areas, rehabilitation of half a million internally displaced persons from Swat valley and knock-on effect of terrorism on investment inflows and market confidence.³⁶

It is important to keep in mind, however, that war on terror was not the only constituent factor which affected the economy, but also there were other factors which had a negative impact on the economy. According to Economic Survey of Pakistan, it includes energy crisis which estimated a loss of approximately 2.0 to 2.5 percent of GDP in the same year on account of energy supply constraint, the devastating floods in 2010, the global financial meltdown in 2008, increased oil prices in 2010 and the European debt crisis.

Foreign Direct Investment

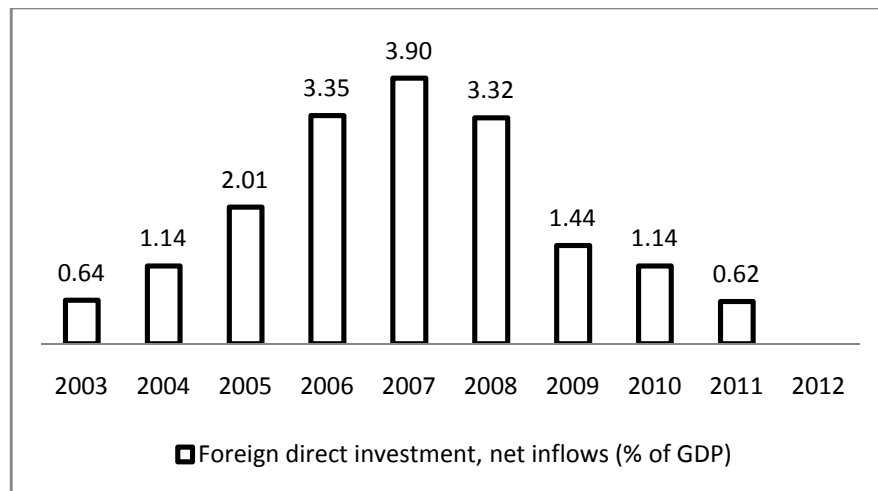
In 2007, Abadie and Gardeazabal examined the impact of terrorism on foreign direct investment (FDI) and concluded that one standard deviation increase in terrorism leads to a decrease in the ratio of net FDI to GDP of between 4.16 and 6.54 percentage points.³⁷ Further, Enders and Sandler studied the impact of terrorism on FDI in Greece and Spain and found a higher adverse impact of terrorism on FDI. They found a negative 13.5 percent impact on FDI in Spain from 1976 to 1991 and a negative 11.9 percentage point impact on FDI in Greece from 1975 to 1991.³⁸

Investors always look for a safe and secure environment to invest their money. The peaceful countries of the world receive high foreign investment as compared to troubled areas. According to Economic Survey of Pakistan, foreign direct investment has emerged as a major source of private external flows for Pakistan

which helps to bridge its widening saving investment gap, prevents from ill-effects of development exploding debt accumulation to finance its development needs and thus enables exchange rate stability.

Figure 3 shows that FDI had sharp rising from 2003-2007 and started declining from 2008 onwards. It rose from 0.64 percent of GDP in 2003 to 3.90 percent of GDP in 2007. However, it started declining from 3.32 percent in 2008 to 1.44 percent in 2009 to 1.14 percent in 2010. It further decreased to 0.62 percent in 2011.

Figure 3. Foreign Direct Investment in Pakistan, 2003-2011



Source: World Bank

FDI decreased from \$ 3719.1 million in 2008 to \$3205.4 million in 2009 and further declined to \$1292.9 million in 2010 and to \$666.7 million in 2011. Total investment declined from 22.5 percent of GDP in 2006-07 to 13.4 percent of GDP in 2010-11. This decline was due to increased terrorist attacks, increased credit risk, high floods, high oil prices and euro zone crisis.³⁹ FDI was adversely

affected by the terrorist activities in FATA and KPK where most of the terrorist attacks took place.⁴⁰

Agriculture

Agriculture sector is the source of employment for 44.7 percent of labor force in Pakistan, contributes 21.8 percent to GDP and has large impact in balance of payment.⁴¹ Agriculture is the main source of revenue for the people in the terrorism affected areas like the FATA and KPK. Only Swat district has arable land of 98,100 hectares and agriculture is the primary source of livelihood for almost 80 percent of the population. From 2007- 2009, in Swat valley the loss to agriculture has been amounted to Rs.35 billion and 55 to 70 percent of the total fruit produced was wasted. This was the result of various hostilities, artillery shelling, blowing of bridges in bomb blasts and imposition of frequent curfews by the army. As a result of the precarious law and order situation of the area the local farmers, landowners and dealers had to face losses of billions of rupees.⁴²

Table 6 shows that, in Pakistan, agriculture growth was 6.5 percent in 2004-05 which decreased to 6.3 percent in 2005-06 and further decreased to 4.1 percent in 2006-07. In 2007-08, it sharply declined to 1.0 percent and it rose to 4.0 percent in 2008-09. In 2009-10, it showed 0.6 percent growth and increased to 1.2 percent in 2010-2011. However, this decline in agriculture was not only due to terrorism but also due to other factors like devastating floods in 2010. Terrorism mainly affected agriculture in Swat valley of KPK and FATA.

**Table 6: Agriculture Growth Rate Percentage in Pakistan
2004-2011**

Year	Agriculture Growth (%)	Major Crops	Minor Crops	Livestock	Fishery	Forestry
2004-05	6.5	17.7	1.5	2.3	0.6	-32.4
2005-06	6.3	-3.9	0.4	15.8	20.8	-1.1
2006-07	4.1	7.7	-1.0	2.8	15.4	-5.1
2007-08	1.0	-6.4	10.9	4.2	9.2	-13.0
2008-09	4.0	7.8	-1.2	3.1	2.3	-3.0
2009-10	0.6	-2.4	-7.8	4.3	1.4	2.2
2010-11	1.2	-4.0	4.8	3.7	1.9	-0.4

Source: Economic Survey of Pakistan

Tourism sector

A number of studies have sought to calculate the impact of terrorism on tourism industry and found that it has negative impact on the economy of a country. In 1991, Enders and Sandler using monthly data from 1970 to 1988 found that a single terrorist attack in Spain decreases the number of tourists by 140,000.⁴³ In 1992, Enders, Sandler and Parise studied the impact of terrorism on tourism industry and found that between 1974 and 1988 Austria suffered \$4.5 billion, Italy lost \$1.1 billion and Greece lost \$0.8 billion in lost revenue. They also found that continental Europe as a whole suffered losses of \$16.1 billion.⁴⁴

There is a high correlation between terrorism and decline of tourism. One study has concluded that due to terrorism Israel also faced sharp decline in foreign tourist activities from 2000 to 2003 period. People like to visit those places which are safe and secure.⁴⁵ In Pakistan, the attractive tourist places are located in the northern part and there was significant decrease in the number of tourists visiting Pakistan due to intense acts of terrorism after 2007-08. Pakistan Hotels Association in 2008 indicated a sharp decrease in hotel occupancy rates especially after the bombing of Marriot hotel

Islamabad. The security threat also led to decrease in the hotel events like marriages and conventions etc. The occupancy rates in 2007-08 declined from 60 percent to almost 40 percent. The indirect cost of less travel to Pakistan and downstream activities was about Rs10 billion.⁴⁶

Swat valley alone suffered a loss of Rs 60 billion from 2007 to 2009. In 2009, Pakistan ranked 113 out of 130 countries due to intense terrorism. In 2010, after the area was cleared from terrorists, the hotel association offered the tourists 10 day free stay in hotels in Swat. It is likely that thousands of people associated with tourism industry became jobless in war affected areas of FATA and KPK.⁴⁷

Defense Expenditures

In 2007-08, when militancy increased and terrorists started getting control of settled districts of Pakistan like Swat district, the Pakistan army conducted military operations against the terrorists to flush them out. For security and civil relief operations up to US \$ 4 billion (2.4 percent of average GDP) additional expenditures incurred on the annual budget. More than 3 million people were displaced which resulted in a budgetary outlay of US \$ 600 million in fiscal year 2009 alone for relief and rehabilitation process of the internally displaced persons. Cumulatively, the potential GDP loss due to terrorism for the period 2008-09 has been estimated as US \$ 11.7 billion. During this period, Pakistan also suffered diversion of development funds to the security budget, capital flight and brain drain.⁴⁸

In 2008-09, defense budget was 3, 11,303 million and in 2009-10 it increased to 3, 42,914 million. In 2008-09 25,421 million budget was allocated to the police and in 2009-10 it increased to

32,169 million. This allocation was higher by 28.5 percent as compared with the budget estimates of 2008-09. In 2008-09 total budget for public order and safety affairs (including police) was 27,343 million which was increased to 34,641 million in 2009-10.⁴⁹

Summary and Conclusion

The above discussion shows that Pakistan has suffered a great deal due to the ongoing war on terror and is still paying a heavy price in the form of low economic growth, sacrificing citizens and destruction of infrastructure. War on terror has also shattered the soft image of Pakistan in the international world. The above data show that GDP growth declined, defense expenditures increased manifold, tourism sector suffered, stock exchange experienced low performance and foreign direct investment also decreased significantly. It is important to mention that besides terrorism other related factors like energy supply shortages, global financial crisis of 2008 and heavy floods of 2010 also played significant role in negatively affecting Pakistan economy.

Here the question arises is how to minimize the negative effects of war on terror on the social, political and economic sectors of Pakistan. One possible step is to develop a comprehensive strategy as how to fight this war.⁵⁰ Government may review its strategy because the present strategy is not workable. In spite of the fact that defense budget, including Police, has increased manifold in the past four years but the acts of terrorism, instead of decreasing, are increasing day by day. The political leadership, military, religious leaders and all other stake holders need to sit together and work out a possible strategy either to resolve the issue through dialogue or by eliminating the terrorists. Pakistan also needs to take the regional countries into confidence in resolving the issue of terrorism.

However, keeping in view the overall scenario, it will not be an easy task to create consensus among all the stake holders.

Second, government may consider building the destroyed infrastructure, including schools, roads, and bridges in FATA and KPK. Government may establish Opportunity Zones in the militancy hit areas.⁵¹ The youth and the internally displaced persons may be provided skills and financial help for establishing their own businesses. This will help to resolve the menace of militancy to a great extent by decreasing unemployment.

Another possible step is to give preferential access to Pakistani exports, especially textiles and agriculture products, by United States, Japan and European Union to their markets. This will help Pakistan to boost its exports. In short, it is essential for the future of Pakistan to make an end to this war at the earliest.

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Environmental Issues of Indus River Basin: An Analysis

Abdul Rauf Iqbal¹

Abstract

Water, an important resource, is today threatened by extensive demographic growth, disordered urbanization, political actions and climatic changes etc and same is the case with Indus River Basin (IRB). Continuing population growth is significantly reducing per capita water availability and increasing industrialization and urbanization are bringing important shifts in water use. Climate change is exerting additional, chronic strains on water resources, potentially shifting the seasonal timing or shuffling the geographical distribution of available supplies. This changing pattern of water usage compels the scientists and the policy makers, to better apprehend, assess, and act on the links between water resources management, global and regional environmental change, sustainable development, and social welfare in order to meet these emerging challenges.

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Introduction

“Water, like religion and ideology, has the power to move millions of people. Since the very birth of human civilization, people have moved to settle close to it. People move when there is too little of it. People move when there is too much of it. People journey down it. People write, sing and dance about it. People fight over it. All people, everywhere and every day, need it”.

—Mikhail Gorbachev¹

Water is such a unique resource, for which there is no substitute. Fresh water is the world’s most essential commodity, because of its life-sustaining nature, and historically, “adequate water supplies provide a basis for the growth and development of human social, economic, cultural and political systems.”² Alternatively, water crises increasingly limit economic development and impact inter-dependent infrastructure such as energy and agriculture. On the other hand, quality and quantity of water is today threatened because of extensive demographic growth, disordered urbanization, political actions and climatic changes etc and same is the case with Indus River Basin (IRB). With this premise, this paper is an endeavour to highlight the environmental issues in the IRB and their likely impacts. The factual data from reliable international agencies’ reports have been used to project the central idea of the paper that socio-economic, environmental and political pressures will significantly reduce per capita water availability over the coming decades.

Indus River Basin – A Prelude

The Indus River is one of the most important water systems in Asia. The Indus River originates near Kailash Range in Tibet and, thereafter, it flows to the west, eventually falling into Arabian Sea.³ The main river Indus is about 2,000 miles long.⁴ The total area of Indus basin, the area draining the Himalayan water into the Arabian Sea, is about 365,000 square miles.⁵ Indus system consists of 27 major tributaries, the six most significant branches are: Chenab, Ravi, Sutlej, Jhelum, Beas, and the Indus itself which flow westwards through India before crossing into Pakistan. The seventh major tributary, the Kabul River, originating from Afghanistan, flows eastward into Pakistan. All told, the Indus River Basin encompasses 1.12 million square kilometers (km²), with 47 percent of this area falling in Pakistan, 39 percent in India, eight percent in China, and six percent in Afghanistan. In turn, 65 percent of the total area of Pakistan, 14 percent of the Indian land mass, 11 percent of Afghanistan, and one percent of China's land area lie within the Indus Basin.⁶ In this backdrop, Indus is considered as the life-blood of Pakistan, "which could not function without the support of this mighty river."⁷

Climate and precipitation conditions vary considerably over the basin. Most of the precipitation occurs in winter and spring. The Upper Indus Basin, in the north, covers a high mountain region with alpine and highland climates. Much of precipitation falls as snow, particularly at higher elevations. To the south, the Lower Basin extends over plains exhibiting sub-tropical arid and semi-arid to temperate sub-humid climates. Here, most of the precipitation falls during the monsoon from July to September. Across the entire Indus Basin, annual average precipitation ranges between 100-500

millimeters (mm) in the lowlands to 2,000 mm and above in the Himalayan foothills and the higher mountains.

In the upper sub-basins, flows derive largely from local run-off from the surrounding catchment. In the lower sub-basins, discharges descending from up-stream catchments increasingly predominate in the local river flow. On the whole, the high-altitude catchments comprise net contributors to the basin's water supplies and the lowland catchments constitute net consumers. Even so, all the basin catchments show substantial seasonal fluctuations, with river flows peaking during June-September, when the monsoon brings intense rainfall to the Lower Basin and higher temperatures increase snow and glacier melt in the Upper Basin. Observed monthly flows in individual sub-basins can be ten times greater at the height of the summer wet season than during the lean winter months. Large year-to-year variations in annual precipitation induce corresponding variability in the Indus' annual flow.⁸

Indus River – A Lifeline for Pakistan

Today, the Indus supplies the needs of some 300 million people living throughout the basin. Together, India and Pakistan represent almost all of the demand on the river's resources, with Pakistan drawing 63 percent of water used in the basin and India drawing 36 percent. Pakistan depends critically on the Indus, as the country's other rivers run only seasonally and their total flows equal less than two percent of the mean annual inflow entering Pakistan through the Indus system. For India, meanwhile, the Indus furnishes about seven percent of the annual utilizable surface water available nation-wide. Crucially, the basin's freshwater resources nourish the agricultural breadbaskets of both countries. Agriculture accounts for 93 percent of water withdrawn from the Indus, while industrial

and domestic demands combined make up just seven percent of total use. Pakistan annually abstracts three-quarters of the river's flow into canal systems, supporting the world's largest contiguous system of irrigated agriculture, and 95 percent of all the country's irrigation occurs within the basin.

In addition to sharing the Indus' surface waters, India and Pakistan also share important — though inadequately mapped and characterized — transboundary aquifers in the basin.⁹ Groundwater constitutes an essential additional source of freshwater for the region. Groundwater and surface water resources in the Indus Basin are closely linked, both hydrologically and socio-economically. Hydrologically, seepage from surface sources — such as rivers and irrigation canals — contributes to re-charging subterranean aquifers, while groundwater flows similarly enter and augment surface streams. By some assessments, 45 percent of Pakistan's renewable groundwater supply originates in leakage from the canal system, 26 percent comes from irrigation return flows, and six percent derives from river re-charge. In India, an estimated one-fifth of the surface water withdrawn from the Indus for irrigation subsequently drains into groundwater aquifers as return flow.¹⁰ Socio-economically, many water users in the basin rely on groundwater to supplement or supplant surface water supplies where these prove inadequate, intermittent or unavailable. Over 40 percent of the irrigated land area in Pakistan, for example, is irrigated from mixed surface water and groundwater.¹¹ For many cities in the basin, groundwater is the principal or unique source for municipal water supplies. In India, groundwater abstractions in those states situated wholly or partially within the Indus Basin — Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, and

Rajasthan — amount to 62.7 km³. Pakistan's annual groundwater withdrawals from the basin totaled 61.6 km³ in 2008, or one-third of all national water use. Across the Indus Basin, groundwater accounts for 48 percent of total water withdrawals.¹²

Environmental Pressures on Indus River Basin

Growing populations and increasing development are placing mounting pressures on the Indus Basin's water supplies. In Pakistan, total annual water withdrawals have risen from 153.4 km³ in 1975 to 183.5 km³ in 2008, while total annual renewable water resources per capita have plunged from 3,385 cubic meters (m³) in 1977 to 1,396 m³ in 2011. Over the same period, total annual water withdrawals in India have doubled, leaping from 380 km³ in 1975 to 761 km³ in 2010, while annual renewable water resources per capita have tumbled from 2,930 m³ in 1977 to 1,539 m³ in 2011.¹³ To place these numbers in perspective, hydrologists commonly consider 1,700 m³ per year the national threshold for filling each person's water requirements for domestic needs, agriculture, industry, energy, and the environment. Annual availability under 1700 m³ per capita constitutes conditions of "water stress," and less than 1,000 m³ per capita represents "water scarcity."¹⁴ For the Indus Basin as a whole, the United Nations Environment Programme (UNEP) calculates that per capita annual renewable water availability stands at 1,329 m³. Another analysis by the International Centre for Integrated Mountain Development (ICIMOD) estimated yearly water supplies in the basin at 978 m³ per person. Both figures indicate that the basin's inhabitants face severe water stress.¹⁵

Renewable Water Resources and Withdrawal Levels in the Indus River Basin			
Country	India	Pakistan	Total
Average long-term available renewable water supplies in the IRB	97 km ³ /year	190 km ³ /year	287 km ³ /year
Estimated renewable surface water supplies in the IRB	73 km ³ /year	160-175 km ³ /year	239-258 km ³ /year
Estimated renewable groundwater supplies in the IRB	27 km ³ /year	63 km ³ /year	90 km ³ /year
Estimated total water withdrawals in the IRB	98 km ³ /year	180-184 km ³ /year	257-299 km ³ /year
Estimated total surface water withdrawals in the IRB	39 km ³ /year	128 km ³ /year	
Estimated total groundwater withdrawals in the IRB	55 km ³ /year	52-62 km ³ /year	

Note: Figures for surface and groundwater supplies may not sum evenly to figures for total renewable water resources because a

large fraction of groundwater and surface water resources overlap, so that separate supplies cannot be absolutely distinguished.

Source: Derived from FAO, *Irrigation in Southern and Eastern Asia in Figures: AQUASTAT Survey 2011*, Karen Frenken ed. (Rome: FAO, 2012).

The intensifying strains on the Indus can be read in diminishing river flows and dropping water tables. Water is a renewable resource, but also a finite one. Rainfall, snow and ice melt, seepage between surface waters and groundwater, and return flows from irrigation and other uses ultimately drain to the Indus River and recharge aquifers to varying degrees. For any given source, however, renewals vary over time and place. Natural processes may only recharge underground aquifers over tens, hundreds, or even thousands of years, and the glaciers that nourish many water courses have accumulated over millennia. Every watershed is only replenished by a certain amount of renewable water every year.

Diminishing River Flows

According to various studies, long-term available renewable water supplies in the Indus Basin average 287 km³ per year, representing 190 km³ of annual renewable water resources in Pakistan and 97 km³ in India. Of this total, surface water accounts for around 239-258 km³, comprising 73 km³ from India and 160-175 km³ in Pakistan. Annual renewable groundwater supplies have been estimated at 90 km³, reflecting resources of 27 km³ in India and 63 km³ in Pakistan. Against the basin's renewable freshwater resources, estimates of total annual water demand range from 257-299 km³. India withdraws about 98 km³ yearly, with around 55 km³ of withdrawals coming from groundwater stocks and 39 km³ from surface sources. Pakistan's annual water demands from the Indus

add up to 180-184 km³, with 128 km³ from surface water and 52-62 km³ pumped from groundwater aquifers.¹⁶ Annual averages can camouflage important year-to-year fluctuations in water availability. An assessment of supply and demand on the Indus River by experts at the International Water Management Institute (IWMI) helps frame the importance of such variations. In recent decades (1957-1997), annual flow in the Indus ranged from 120-230 km³, with a long-term average of 187 km³. Meanwhile, combined Indian and Pakistani withdrawals from the river now amount to 176.5 km³.¹⁷

As the riparians' resource requirements have grown, water removals from the Indus are outpacing natural rates of renewal. Total withdrawals nearly equal or even surpass long-term flow balances and eco-system needs. Increasingly, the Indus is a "closed" basin. A basin is considered closed, when all of its water resources are already allocated to meet various societal and environmental needs, with little to no spare capacity left over, such that supply falls short of demand during part or all of the year.¹⁸ Claims on the Indus have reached the point that some sub-basins, and even the river as a whole, may generate no net runoff (i.e. mean annual discharge from the river is zero percent of mean annual precipitation). In fact, at times the Indus no longer reaches the sea year round.¹⁹

With human water demands effectively absorbing available supplies, little flow remains to support the natural environment. Hydrologists and environmental scientists recognize that river systems require base "environmental flows" to sustain riverine habitats and eco-systems and maintain ecological functions such as diluting pollution, flushing sediment and nutrients downstream, controlling salinity intrusion, and replenishing wetlands and

estuaries. No fixed formula has been found to determine appropriate environmental flows, which will vary from river to river. One preliminary assessment, however, has suggested that environmental water requirements for the Indus River should equal 25 percent of mean annual runoff, or about 46.75 km³ per year based on the reported long-term average annual flow of 187 km³.²⁰ Indus is not meeting this target. Within Pakistan, the 1991 Water Apportionment Accord between the provinces committed to ensure that annual environmental flows to the Indus Delta below the Kotri barrage would not descend below 12.3 km³ — so as to check seawater intrusion, maintain the river channel and sediment transport, and support fisheries — but flows since the 1990s indicate the terms of the Accord are not being fulfilled and run-off to the delta has been notably less than 12 km³ per year.²¹

Dropping Water Table

India and Pakistan are likewise rapidly depleting the basin's groundwater resources. Indeed, abstractions from the Indus aquifers reflect both the most intensive and the most unsustainable levels of groundwater exploitation on Earth.²² Studies in Pakistan reveal water tables plummeting by two to three meters a year, with groundwater levels falling to inaccessible depths in many wells. Because groundwater salinity in these aquifers typically increases with depth, dropping water tables lead farmers to irrigate with ever more saline water, salinizing the soils and degrading their production potential. Salt-affected soils now afflict 4.5 million hectares, amounting to over 22 percent of Pakistan's irrigated lands.²³ Similarly, a review by India's Central Ground Water Board determined that over-drafts exceeded rates of re-charge in 59 percent of the administrative units monitored in Haryana state, 80

percent of units in Punjab, and 69 percent of units in Rajasthan. Around the region, yearly groundwater withdrawals equaled 127 percent of the total renewable supply in Haryana, 170 percent in Punjab, and 135 percent in Rajasthan.²⁴ As a result, the Indus Basin is literally losing water. Estimates based on satellite data indicate that the basin aquifers lost groundwater at a rate of 10 km³ per year between April 2002 and June 2008, an annual debit representing more than half the combined capacity of India's six large dams in the Indus system, or almost half the available water storage in all the reservoirs of Pakistan.²⁵

Water Pollution

Increasing water pollution also burdens the Indus Basin. Natural processes can contaminate water supplies, but poor water quality more often results from human factors.²⁶ Agriculture, industry, mining, and other activities charge surface and groundwater resources with synthetic chemicals, fertilizers, pesticides, toxic metals, and microbial pathogens that can compromise human health.

Pressures on water quantity and quality interact. Decreasing water quality ultimately can lower available water quantities, as some sources become too degraded for certain uses. Likewise, diminishing water quantities increase the concentration of any pollutants present, eroding water quality. Water quantity and water quality stresses frequently occur together, as demand centers requiring large withdrawals — such as zones of intensive agriculture, urban agglomerations, and industrial concentrations — also generate substantial pollution.²⁷

Surface water quality in the upper Indus is high on certain measures, but progressively deteriorates downstream, as farms and

towns dump untreated agricultural effluents, human waste, and industrial pollutants into the river, canals, and drains. Nitrogen loading, phosphorous loading, pesticide loading, organic loading, and mercury deposition exhibit alarming levels throughout the river's course, and agricultural and industrial pollutants taint almost all shallow groundwater.²⁸ According to UNEP, farms, cities, industries, and households pour 54.7 km³ of wastewater into the Indus every year, with 90 percent of these effluents coming from the agricultural sector.²⁹

Re-shaping the Basin: Population Growth, Urbanization, and Climate Change

Water managers in the Indus Basin will have to overcome a host of overlapping socio-economic, environmental, and policy pressures as they strive to fulfill their countries' future water needs. Historically, demographic pressures constitute the most powerful driver of regional water stress; the influence of population growth on water shortage has proven about four times more important than the effect of long-term shifts in available water resources due to climate factors.³⁰ Even absence of any other stresses, demographic changes alone will significantly trim per capita water availability over the coming decades. As populations expand, renewable water resources remain finite, reducing available shares per person. The UN expects that India's population will increase by almost a quarter in the next 20 years, topping 1.5 billion in 2030 and approaching 1.7 billion by 2050. Pakistan will witness even more spectacular growth. From 174 million inhabitants in 2010, its population will surge to 234 million in 2030 and near 275 million in 2050.³¹ Within the confines of the Indus, one assessment projects that 383 million people will be living in the basin — including populations in

Afghanistan and China — by 2050. Annual renewable water availability across the basin would then be under 750 m³ per capita. Another model evaluation by the International Water Management Institute (IWMI) calculates that total annual availability of renewable water on the Indian portion of the Indus Basin will slip from 2,109 m³ per capita (in 2000) to 1,732 m³ in 2050. On the Pakistani portion of the basin, yearly per capita water availability is expected to slide from 1,332 m³ to 545 m³.³²

Economic growth and urbanization will also propel important shifts in water use. The Organisation for Economic Cooperation and Development (OECD) projects that Indian GDP will rise 5.1 percent per annum on average over the next 50 years — more rapidly than any other major economy — boosting per capita income more than sevenfold in 2060. Pakistan aspires to achieve seven percent annual GDP growth, quadrupling per capita income by 2030.³³ Expanding economies will fuel growing industrial sectors, requiring increasing water inputs. By the same token, the UN anticipates that India's urban population will swell a further 62 percent over the next two decades, and Pakistan's will balloon by 83 percent.³⁴ City dwellers use more water on average than their compatriots in the countryside, and over the past two decades, municipal water withdrawals have doubled in India and quadrupled in Pakistan. On the Indian side of the Indus, analyses by IWMI conclude that by 2025 both domestic and industrial water withdrawals will double from 2001 levels. Likewise, municipal and industrial demand in Pakistan is expected to grow more than two-and-a-half times over current use.³⁵

Larger, wealthier, and more urban populations will need sufficient sustainable water supplies to drink, wash, and cook. But it

is the water needed to produce the food that they will eat that will challenge policy-makers. International norms established by the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF) hold that each person requires a minimum of 20 liters of water a day for drinking and basic hygiene.³⁶ By contrast, to grow a kilogram of wheat — the primary crop cultivated in the Indus — requires 1,827 liters of water on average, while a kilogram of rice takes 1,673 liters. Producing dairy, meat, poultry, and other animal products can be even more water intensive, necessitating appreciable amounts of freshwater to grow feed, provide drinking water, and care for the animals. Raising a kilogram of lamb, for example, demands 10,412 liters of water; a kilogram of eggs uses 3,265 liters; and a kilogram of milk, 1,020 liters.³⁷ All freshwater inputs considered, it takes 2,000 to 5,000 liters of water per person per day to grow the food to support diets of 2,800 kilocalories daily that the FAO deems the threshold for ensuring food security.³⁸

The growing danger of climate change compounds the water resource challenges confronting the region. Continuing global warming may shift the seasonal timing or the geographical distribution of water supplies. Extreme weather events are predicted to increase in frequency and degree, with stronger storms, higher floods, and deeper droughts becoming more numerous and severe. Such impacts could significantly alter water availability and damage or degrade the water supply and sanitation infrastructure on which Indians and Pakistanis depend. Regional-scale climate change projections remain clouded by many uncertainties. Nevertheless, ensemble analyses of multiple models suggest that the Indus Basin region will experience increasingly variable

precipitation. Winter precipitation is projected to decrease, implying less availability and higher water stress during the lean season. Summer precipitation is expected to increase overall, but with enhanced year-to-year variability in daily rainfall during the monsoon. An anticipated rise in intense precipitation presages more severe monsoon flooding. With more rainwater coming in short sudden downpours, less will be absorbed by saturated soils and more lost as direct runoff, correspondingly reducing the potential for re-charging groundwater.³⁹

Glaciers in the Major Basins of the Hindu Kush Himalaya Region				
Basins	Number	Glaciated Area (km²)	Estimated Ice Reserves (km³)	Average Area per Glacier (km²)
Amu Darya	3,277	2,566	162.6	0.8
Indus	18,495	21,193	2,696.1	1.2
Ganges	7,963	9,012	793.5	1.1
Brahmaputra	11,497	14,020	1,302.6	1.2
Irrawaddy	133	35	1.3	0.3
Salween	2,113	1,352	87.7	0.6
Mekong	482	235	10.7	0.5
Yangtze	1,661	1,660	121.4	1.0
Yellow	189	137	9.2	0.7
Tarim	1,091	2,310	378.6	2.1
Qinghai-Tibetan Interior	7,351	7,535	563.1	1.0
Total, HKH	54,252	60,055	6,126.8	1.1

Source: SR Bajracharya, Status of Glaciers in the Indus Basin, (Kathmandu: ICIMOD, 2012)

Climate change will exert additional, chronic pressures on key sources of fresh water supplies in the Indus Basin. The headwaters of the Indus rise in the glaciers of the Himalaya Hindu Kush (HKH). Often called the continent's "water towers," the glaciers of the greater Himalayan range constitute the world's largest body of ice outside the polar ice caps. The glaciers act as massive regional freshwater repositories, seasonally accumulating snow and ice at high elevations and releasing melt water that feeds 10 large river systems across Asia. According to a recent inventory, the Indus is by far the most heavily glaciated of the region's major basins. It counts 18,495 glaciers covering 21,193 km² and containing an estimated 2,696 km³ of ice, representing 44 percent of the total ice reserves in the entire HKH region. Snow and glacial melt contribute more than 50 percent of the total flow of the Indus, forming an especially critical source of water during the summer shoulder seasons (before and after the rains from the summer monsoon), when melt water comprises 70 percent of the river's summer flow. In years of feeble or failed monsoons, melt water can avert or alleviate otherwise calamitous drought.⁴⁰ As global warming drives up temperatures and shifts precipitation patterns worldwide, however, glaciers in the Himalayas are generally retreating.⁴¹

Initially, increased glacier melting could boost river flows. This trend however could pose risks of its own. Rising runoff can heighten the danger of "glacial lake outburst floods" (GLOF) as melt water collects behind natural barriers of ice or debris. Seismic activity, avalanches, landslides, or other triggers can weaken or collapse these retaining barriers, sending sudden waves of water rushing downstream.

The Challenge and the Opportunity

Left unaddressed, such pressures could sow increasing competition over dwindling water supplies, fueling potentially destabilizing international tensions. Historically, the international boundary that set India and Pakistan apart at independence also set them at odds over water. As the downstream neighbor, Pakistan feared Indian withdrawals or diversions could deprive it of its water supply, posing an existential threat to its agriculture and economy, and undermining its food security. As the upper riparian, India worried that according all of the Indus' flow to Pakistan would curtail possibilities for developing the river for its own benefit. Since 1960, the Indus Waters Treaty (IWT) between the two countries has governed water resource development on the river and its main tributaries. Unlike other water agreements that typically distribute water allowances between riparians — either as absolute amounts or percentages of the river flow — the IWT physically divided the river, allocating use of the three western tributaries that contribute to the main river entirely to Pakistan, and allotting the three eastern tributaries to India. The treaty also controls the type and features of projects that India can establish on its portion of the Indus.

Since its inception, the IWT has stood through three wars and countless lesser clashes. But the accord has no provisions for how the parties should respond to the variations in water flow that climate change could engender. Nor does the agreement contain effectively binding provisions to address water quality or pollution. Similarly, while the two countries share trans-boundary aquifers as well as surface waters, there are no provisions for managing this key resource, or even for sharing data on groundwater supplies. Yet consumers across the Indus Basin rely on groundwater to

supplement or substitute for surface water. As pressures on one source of supply grow, users will of necessity turn to the other.⁴²

South Asia's earliest civilizations arose on the banks of the Indus, encompassing sites in both modern day Pakistan and India. Recent archaeological evidence suggests that climatic shifts dried the rivers that once watered the irrigated agriculture on which those Bronze Age cities depended, precipitating the ultimate collapse of Harappan civilization.⁴³ Today, India and Pakistan again face significant water resource challenges. In 2005, a World Bank assessment judged that India's clashing water supply and demand trajectories offered "a stark and unequivocal portrayal of a country about to enter an era of severe water scarcity." A parallel 2005 World Bank analysis of Pakistan warned that while development of the Indus had transformed one of the world's most arid nations — providing the platform for the country's economy — "the survival of a modern and growing Pakistan is threatened by water."⁴⁴ Yet contemporary Indus civilization is by no means destined to suffer the fate of its Bronze Age predecessors. Effective management of the basin's water resources — built on sound scientific data, guided by an integrated knowledge base, and anchored by capacity building and confidence building measures — can promote a sustainable future for both India and Pakistan in the Indus Basin.

Conclusion

Decision-makers in India and Pakistan will have to overcome a host of overlapping socio-economic, environmental, and political pressures, as they endeavor to ensure their countries' future water needs and to sustainably manage the resources of the Indus River Basin that both nations share. Continuing population growth will significantly reduce per capita water availability over the coming

decades. Increasing industrialization and urbanization are bringing important shifts in water use. Climate change will exert additional, chronic strains on water resources, potentially shifting the seasonal timing or shuffling the geographical distribution of available supplies. Increasingly subject to soaring demand, unsustainable consumption patterns, and mounting environmental stresses, the Indus is swiftly becoming a “closed” basin; almost all of the river’s available renewable water is already allocated for various uses — with little to no spare capacity.

Scientists, policy-makers, and the general public in both Pakistan and India will need to better comprehend, assess, and act on the links between water resources management, global and regional environmental change, sustainable development, and social welfare in the Indus Basin, in order to meet these emerging challenges. Existing analyses and projections, however, are often fraught with important uncertainties and unknowns. The dearth of consistent information at the relevant regional, national, and sub-national scales has, in turn, impeded efforts to conduct integrated evaluations that would better connect “upstream” assessment of environmental and socio-economic impacts on water resources with “downstream” implications for agricultural production and livelihoods, drinking water supplies and sanitation infrastructure, and hydropower development and industry. Coordination and exchange across national and disciplinary boundaries will be essential to overcoming this science/policy gap and to providing decision-makers with holistic perspectives on the multiple risks, weighing on the Indus Basin and the consequent policy choices and possibilities facing the riparian nations.

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Governance Issues in Pakistan: Suggested Action Strategy

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Abstract

Pakistan has been concerned for the improvement of its institutional and human capacity to improve the livelihoods of its citizens since its inception. This surge for improvement in the lifestyle of its citizens is assessed by the level of good governance in the country. Pakistan lags far behind in the field of governance, as the same is evident from the world reports on governance. Pakistan needs to review and revise its policies to earn effective and efficient governance practices. Law and order, energy, economy, political stability and national harmony are the key governance issues in Pakistan, which need comprehensive policy response. Pakistan has to overcome its shortcomings in the corruption control, accountability and mal-administration through legal frameworks in support, to ensure the good governance. Pakistan can achieve the good governance by introducing integrity, coordination, cooperation among individuals as well as institutions, besides the economic sustainability and proper policy process implementation.

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Introduction

A recent research suggests that at the current rate of progress, it would take Zimbabwe 184 years to reach the institutional quality of Singapore as measured on the Kaufmann, Kraay, and Mastruzzi governance effectiveness index.¹

Pakistan is confronted, at present, with a variety of governance issues, which have become a hindrance in the smooth and sustainable development of the country. World Economic Forum report ranks Pakistan at 124 among 144 countries on the index of competitiveness which is based on 12 pillars as follows: institutions (115), infrastructure (116), macroeconomic environment (139), health and primary education (117), higher education and training (124), goods market efficiency (97), labour market efficiency (130), financial market development (73), technological readiness (118), market size (30), business sophistication (78) and innovation (77).² This portrays a pathetic picture of governance at national and international level. Pakistan needs to review its policies regarding the efficiency and effectiveness of governance at all levels with a serious concern for development and growth in the short term and long term. It is an established fact that poor governance leads to corruption in a number of ways.³

The concept 'Governance' needs to be defined first as there are numerous descriptions of the term governance. In the next step, it can be evaluated in achieving the desired goals at national level. This process involves these three actors in making political, administrative, economic, and social decisions that affect the public. Governance determines the lifestyle of a society, as how it will organizes itself to make and implement decisions (politics), mediate

differences (public goods), and exercise legal rights and obligations (public administration). As a whole, governance encompasses the rules, institutions, and practices that set limits and provide incentives. It operates at every level of human enterprise in a country and its impact is also for all segments of society. It is the responsibility of the state that it creates an enabling political and legal environment whereas civil society facilitates political and social interaction.

It is commonly perceived in Pakistan that the concept governance revolves around law and order situation in the country, whereas, it is a more comprehensive concept which involves managing the affairs of the state i.e. political, economic and social.

This paper discusses governance issues in Pakistan. These issues are dependent on a few underlying legislative and administrative factors, which have contributed to mis-governance or mal-governance in Pakistan. Then, this paper attempts to identify the action strategy to rectify the governance issues in Pakistan. This paper also explains the minimum action strategy needed for improvement of governance level in Pakistan as it lags far behind in world ranking of governance.

According to a study, there are three basic elements of governance in Pakistan, which need core attention of the government, mentioned as decentralization, corruption and the social and economic costs of mal-governance.⁴ The governance issue is not restricted to these three broad areas only. Other than these three core segments, governance reforms are inevitable particularly in the areas of fiscal (taxation) and monetary policy (money demand and supply), financial management (budget deficits), energy (circular debt management), law and order (ethnic and terrorist

conflicts) and devolution of power to local governments which are some of the major challenges for Pakistan.

Despite the maximum number of legislative reforms by the last government, governance still poses a big challenge for both the bureaucracy and politicians. There are number of studies which indicate the weaknesses in tax policy and administration, as Pakistan's most serious challenges. After the 18th Amendment in the Constitution of Pakistan, provinces are given more autonomy, devolving the main responsibility for the delivery of education, health, water and sanitation, roads and transport, and agriculture services. This functional devolution naturally accompanied by remarkable political, fiscal and administrative changes at provincial and national levels.⁵ Despite all this, administrative decentralization remains the most contentious area, which still follows the path of pre-partition era. Provinces are more autonomous in recruiting junior level staff, whereas, federal (central) services still remain under the umbrella of Central Superior Services (CSS).

Conceptual Framework

There is a gap theoretically between the interpretation and practice of the concept 'Governance'. Explaining the very concept of governance, a scholar explained that the term had been derived from a Greek word, 'kubernao' which meant to steer, noting that the process of decision-making and the process by which decisions were implemented was part and parcel of the term governance.⁶ In simple words, governance was supposed to be regarding the public institutions that would perform public affairs, manage public resources, and guarantee the realization of human rights and delivery to public goods on merit.

An approach to public goods and their free and fair availability for common public will mean good governance that would be accomplished in a manner, if corruption does not exist besides due regard to the rule of law. In this backdrop, public policy scope and the use of institutional resources to manage society's problems and affairs matters a lot as knowing the problem is meant to have half the solution in the form of policy response.⁷

A study under the World Bank has identified six key governance indicators, by researchers namely Kaufmann-Kraay-Mastruzzi which appraised the governance in the world; voice and accountability, political stability and lack of violence/terrorism, government's effectiveness, regulatory quality, rule of law, and control of corruption.⁸

Basic Elements of Governance

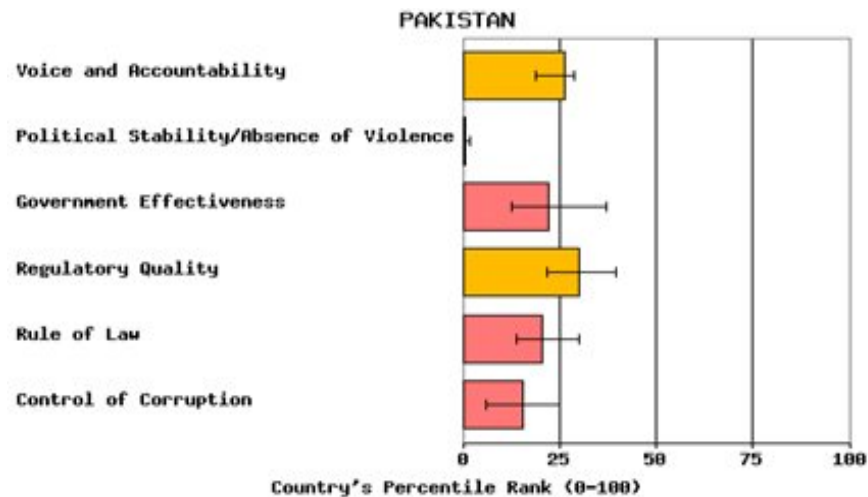
Governance is divided into five basic elements which help to evaluate the overall governance level.

- Accountability (Building Government Capacity)
- Participation (Participatory Development Process)
- Predictability (Legal Framework)
- Transparency (Information Openness)

Governance is very commonly used term among the politicians and bureaucracy in Pakistan. It is necessary to elucidate this concept. A World Bank report mentions that there is no strong consensus around a single definition of governance or institutional quality. Some definitions are so broad that they cover almost anything, such as the definition of rules, enforcement mechanisms, and organizations, whereas, some narrowly focus on public sector management issues, including the definition proposed by the World Bank in 1992, as "the manner in which power is exercised in the

management of a country's economic and social resources for development".⁹

This study by World Bank further unfolds the governance ingredients, which are mentioned as (a) the process by which governments are selected, monitored and replaced; (b) the capacity of the government to effectively formulate and implement sound policies; and (c) the respect of citizens and the state for the institutions that govern economic and social interactions among them." This study calculates the world governance index which provides the world ranking of governance on six indicators. There are six indicators as shown in the figure below for Pakistan, taken from World Bank data set.¹⁰



The above figure shows six broad dimensions on which governance is ranked in the world. These dimensions had been identified by the World Bank researchers as helpful in determining the state of affairs in a country with regard to governance and good governance. The results of the governance index rate the countries, where top countries fall in the bracket of good governance and last ones in the bracket of bad-governance countries.

The foundations of 'good governance' rest on the principles of freedom of thought and speech, and from persecution and from hunger; equality - all persons have the same rights; equity - no person is discriminated against; justice; honesty and transparency; and accountability.¹¹

Global trends have also indicated that a blizzard of management oriented reforms which had swept through other countries as well in the 1980s have changed the contours of administrative practices. Thatcherism in the UK (1979) and Reaganomics in the USA (1981) had pushed a series of reform drives in other countries such as New Zealand (1984), Malaysia (1989), Canada (1989) and Australia (1989) towards optimizing manpower, reducing paperwork and outsourcing public functions. This was done to reduce overload and help capacity development of government organizations in ways that increased citizen's access to governance".¹²

Governance Issues in Pakistan

There exists a general consensus among policy-makers, planners and economists that the best mechanism to sustain growth in future is to ensure effective governance in the system. For the sake of effective governance, there can be many strategies like reforms in civil services (grass-root level), improving and enhancing the capacity of institutions involved in policy-making to frame coherent policies (middle level), developing and advocating for policy reforms.

Pakistan's governance problems start with the archaic induction system, which has been functioning for decades as a matter of status quo policy. Either it is the Federal Public Service Commission or Provincial Service Commission, both needs to re-visit the selection criteria, according to the terms of reference for the job. These

institutions are recruiting misfit individuals for the important jobs in the country.

In broad spectrum, a study deliberates on governance issues within four broad areas, namely, Legislative Framework, Institutional Capacity, Efficiency and Management.¹³ These are briefly discussed, as the first one focuses on the constitution, which defines the boundaries within which state organs, institutions, agencies and agents can operate and, therefore, addresses issues related to the state and its people. The other one is the institutional capacity, which identifies the ability of state actors like institutions, agencies and agents to identify policies, ensure coherence and coordination and ensures compliance and their evaluation.

Recruitment plays very vital role in the functioning of the system as the entire system hinges upon recruitment of eligible and competent. It does not mean that the bureaucracy is ineligible but majority of them are misfit in their respective institutes, as per their academic backgrounds. This has impacts on the system in long run as well. As a consequence, the systems collapse or could not deliver efficiently and the rest of the segments also decline in their performance.

It is obvious that the economic growth alone does not ensure the availability of public goods to all the people. Education, health, water sanitation and dispensation of justice are good examples of public goods, but whose consumption by one group of individuals does not diminish their availability to others. "Governance relates to the management of all such processes that, in any society, define the environment which permits and enables individuals to raise their capability levels, on one hand, and provide opportunities to realize

their potential and enlarge the set of available choices, on the other.”¹⁴

Governments have been concerned for quite some time about institutional and human capacity to improve the livelihoods of citizens, the competitiveness or viability of business, the delivery of basic public services, and trust in regulatory institutions. As part of broad reform and change agendas, Pakistan has also been developing and revising its institutions, frameworks and tools.

Pakistan is currently facing financial, economic, social and energy challenges, which indicate the crucial role of government in serving the public interest regarding the service delivery and public goods. The state structure demands renewed attention by the government towards the institutions, policies and tools that help government to deliver what the ordinary citizens and businesses need and expect. It also highlights the core areas, where the government attention is inevitable and changes may be needed. Good governance is not a thing which could be handled in isolation. In particular, Pakistan needs to realize and assess its capability that how it can improve its capacity to anticipate and manage risks, and react quickly to complex problems in changing environments in the region and in the world as well. Due to the global nature of these challenges, it is no longer feasible to act at the national level in a solitary manner, as Pakistan holds important geo-strategic position.

There are four major governance issues in Pakistan, whose importance has been highlighted by the recent crises: evidence-based policy-making, integrity in the public sector, co-ordination of policies and programs at all levels of government and fiscal sustainability. These areas can pave the way for the strategy to deal

with the growing problem of governance, as it has been mentioned in many studies as well.

Achieving Evidence-Based Policy-Making

It is learnt that evidence-based policy making can help Pakistan to charter its journey to a sustainable growth path. In the first step, Pakistan lacks proper policy making practices. Meta analysis explores that since the pre-requisites of policy-making are missing from the practice in the country, its further essentials like policy analysis, evaluation and advocacy are also missing at state level. Coherent and more effective policies require government to take account of all pertinent policy processes for more comprehensive and fruitful decisions.

Government assesses the benefits of policy proposals in relation to the future monetary costs, whereas, there exist multiple intangible costs and effects for the society. A well formulated policy design can maximize the benefits for all of the stakeholders. A good policy needs to be implemented with same level of dedication with which it was drafted. Similarly, an effective policy implementation requires effective governance: the capability to manage risks, manage procurement and contracts, obtain and allocate the right type and quantity of resources, provide oversight of processes and procedures, and review the impact and effectiveness of decisions and actions, once undertaken. Developed nations have adopted this pattern of evidence-based policy making much earlier which has resulted in growth and development.

Fostering Integrity

Integrity of an individual, either an ordinary citizen or a public servant, is the key to the good governance. This integrity needs proper protection as well. Insufficient safeguards for integrity,

particularly those that govern the intersection of the public and private sectors, is a contributing factor to the bad governance in the country. It is very important that integrity of an individual compels one to respond at the earliest to a public crisis. A timely policy response can hamper the time, size, scale and speed of issue. In the contemporary world, strong integrity systems are more important than ever as governments act to bolster the economy. It is learnt that the effectiveness of government actions also depends on its credibility and on the public's trust in government. Credibility stems from integrity – the ability of government to act in the public interest and to minimize waste, fraud and corruption.

Pakistan needs to review its integrity frameworks. An integrity framework includes the instruments (e.g. ethics, moral codes, justice, whistle-blowing arrangements, and watch dogs), processes and structures for fostering integrity and preventing corruption in public organizations, while considering the contextual factors and conditions that influence their efficacy.

Better Co-ordination at Levels of Government

Governance can be improved by managing the relations at levels of government efficiently. It is a key issue in public governance, since almost all countries are decentralized to one degree or another, same is the case with Pakistan. Pakistan maintains three tiers of management hierarchies as federal, provincial and local government.

Central (federal) government depends on the co-operation of sub-central levels to achieve many of its policy objectives. At the same time, in order to carry out its responsibilities, the sub central levels are often dependent on the collaboration or consent of higher levels. The system operates vertically from federal to local

government level. The political, fiscal and energy crisis reinforces the search for public spending efficiency at all levels of government in Pakistan, which has necessitated improved co-ordination between central and sub-central government. This improved cooperation and collaboration can improve the governance practices in the country.

It is evident that effective management of government relationships horizontally (across federal ministries) and vertically (across provincial and local levels) requires narrowing a series of gaps. These gaps result from the fact that one level of government will depend on another for information, skills or resources. Information asymmetry has proved to be a very big challenge in the policy making process. Different tiers of government possess different type of information on the same issue. For example, intelligence sharing among the law enforcing agencies and institutes is not centralized or shared symmetrically. This drawback leads towards the lack of coordination among the agencies, resulting in bad governance in law enforcing institutes and agencies. Mending these gaps presents one of the primary challenges of multilevel governance. A brief explanation of existing gaps is given as under:

- **Information Gap:** It is characterized by information asymmetries at various levels of government, while designing, implementing and delivering public policy. Policy process is affected adversely with the information gap, leading towards the bad policy decisions, which ultimately result in bad governance.
- **Capacity Gap:** Lack of human resource and infrastructure lead towards the capacity gap. It arises when there is insufficient human, knowledge (skill-based and “know-

how”) or infrastructural resources available to carry out tasks, regardless of the level of government. Pakistan needs to take serious capacity building measures to enhance its human and fiscal capital to meet the modern world challenges. In the absence of sufficient capacity of both human and capital, it is impossible to deliver the public goods on merit.

- **Fiscal Gap:** Fiscal gap is the difference between revenue and expenditure. It reflects the difference between revenues and the expenditures at all levels of government, needed to meet their responsibilities. As the fiscal gap widens, sub-central structures look towards the central structure to get bail-outs and funding, which indicates a direct dependence on higher levels of government for funding, in order to meet obligations.
- **Administrative Gap:** Administrative gap arises, when public administration is governed by non-technical or non-professional officers in comparison to their job description. An inappropriate candidate for the post cannot produce results; rather he will be a misfit in the system. Institution will keep suffering until this individual retires.
- **Policy Gap:** Policy gap is one of the most vital gaps which causes bad governance. It results when policies are made by such people (politicians/bureaucrats) who do not understand the public sentiments (the demands and needs of those who will be directly affected by these policies). For example, health policy will be made by such politicians who did not get their treatment from local medical institutes. Likewise, lower tiers of government structure like provincial

and local government feel deprived of policy process as the center dictates policies from top to bottom. This creates a gap among the policy stakeholders, which ultimately damages the good governance.

Bridging the Gaps for Good Governance

It has been observed that countries all over the world are developing and using a broad set of mechanisms to help bridge these gaps, improve the coherence of multi-level policy making, and smoothen the disparities that can arise from the allocation of tasks and resources. Experts and analysts are dealing the public administration as a side role discipline whereas, public policy has emerged as a mainstream discipline with better solutions to deal with public goods and their delivery to the public.

Fiscal Sustainability

Fiscal sustainability is the basic premise for the good governance. Fiscal indicators depict the country's growth and potential for further development. Economic policies like fiscal policy and monetary policy are considered to be the two main pillars of the national economy which regulate and pave the way for investments and trade both inside and outside the country. Pakistan needs fiscal sustainability desperately to compete with global markets. Energy crisis has damaged the fiscal sustainability the most in the recent years and, if this issue is not addressed seriously, it will keep damaging the economy in future as well.

Challenges for Governance

Pakistan needs to review and re-think the role of government and its capacities to govern the current law and order, demographic, financial and energy challenges, which have direct impact on governance practices in Pakistan. The quality, flexibility and

effectiveness of public governance system are mandatory minimum to Pakistan's capability to address future issues and problems.

In particular, it is emphasized that Government of Pakistan needs to draft new policy guidelines and instruments or re-shape old ones radically in new ways, with the efforts to revive and sustain economic activity, spur new growth in the system and strengthen the framework for well-functioning trade markets in the country. Moreover, both law and order situation (terrorism) and the financial crisis (energy crisis) have illustrated the importance of governance system.

In the contemporary world, governments need to be quick in response to policy issues regarding the national interests, as world is so competitive and challenging. Public media has brought more and more awareness in the masses. As a result, citizens seek quick response and immediate solutions to problems along with high-quality public services to meet their needs. In addition, technological advancement (media) has raised citizens' expectations from government for new ways to communicate and ensure public services.

People have access to more information, which stimulates them in judging their government's performance both on "democratic performance" and "policy performance". Democratic performance refers to the degree to which government decision-making processes living up to democratic principles, whereas, policy performance refers to their ability to deliver positive outcomes for society through public policy. At the same time, society's expectations are increasing, despite the fact that the resources available to meet these needs are becoming more limited. As evident from current budget for Fiscal Year 2013-14, Pakistan's

budget deficit is widening, which means serious repercussions for the economy and society. In such circumstances, the efficiency and effectiveness of public sector have become need of the hour and the success of government depends on it.

What Governance Capacities or Competencies are Needed for Dealing with National and Global Challenges?

The variety of challenges facing Pakistan government brings into sharper focus the requirements for government to think and act in the long-term, to co-ordinate internationally as well as within central government, and to analyze diverse information due to their complex nature. To address these challenges, government will need competent staff with the right skills. Pakistan will also need to foster collaboration and ensure that high quality information is available and used in decision-making. Government needs to develop new competencies, but also to continue to reflect upon current reforms: what has been effective? How do we foster the appropriate conditions for success?

Ability to Anticipate Future Challenges: Strategic Planning and Forecasting

Terrorism, climate change, energy shortage, political stability and pandemics are just several of the known challenges facing government, which will require co-ordination and long-term planning to address. These challenges underscore the importance and continued need for improved risk assessment and management in the formulation, pursuit and evaluation of policies designed to serve the public interest. Due to short-term political and electoral imperatives, government often find it difficult to appropriately predict and anticipate emerging areas of risk, or to adequately assess and anticipate governance challenges and opportunities. In

addition, these same pressures can make it difficult to effectively develop and implement long-term responses that span multiple terms of office. Policy planning and forecasting within public administration has tended to focus more on short to medium, rather than long-term, with high level programs of work or strategy statements largely linked to the electoral cycle. One exception has been in budgeting, where Pakistan has tried to some extent in adopting tools to incorporate a long- and medium-term perspective, including fiscal rules and projections and medium-term expenditure estimates and ceilings.

Collaboration and Coordination

Governance challenges are often horizontal in nature, affecting multiple aspects of government activity. Consequently, addressing these challenges often requires coordination across ministries.

There are drawbacks, however, in that overly large organizations may make it difficult for managers to pay sufficient attention to all key issues. Traditional inter-ministerial or cross-departmental structures can be useful, but their effectiveness can be limited, if actual front-line staff, service delivery agents and those involved in regulatory oversight or control are excluded from deliberations. However, increasing co-operation may not just require structural adjustments, but also cultural changes to create an environment and incentives conducive to collaboration. High-level public service leadership may be integral to facilitating these changes, and some countries have taken steps to cultivate a separate group of senior managers.

Building the Right Skills: Attracting and Retaining the Right Staff

Under normal circumstances, government is concerned with attracting and retaining a high caliber staff, and many countries have implemented reforms designed to improve their ability to do so, including delegating HRM decisions to line ministries, opening recruitment to external candidates, introducing performance assessments and performance-related pay, and cultivating a separate senior management group. Likewise, governments are addressing demographic shifts both internally (within the administration) and externally, which can affect their capacity to provide goods and services. For example, central government workforces are ageing more rapidly than the wider labor market in many OECD member countries (Indicator 12) and women are increasingly participating in government employment, often at higher rates than in the wider labor force.

Supporting Evidence-based Policy-making: Data Collection and Assessment

The challenges facing governments have long-term implications and solutions will impact a large part of the economy. As a result, there are many vested interests arguing for one policy option over another. To better provide empirical advice to governments, the public service must be able to readily access and analyze relevant, neutral information. Lobbyists/high-profile stakeholders often have access to alternative data and information sources, which may or may not be impartial. On one hand, information has become easier to collect and store as it has become digitized, on the other, decentralization and fragmentation (including the use of different, incompatible ICT systems) within government have often made it

difficult to ensure data coherence, hindering comparisons. To improve the breadth and quality of the data available, it will be important to build the capacity of national statistical offices. Likewise, staff involved in policy formulation may need training in how to analyze and critically evaluate data sources. Greater linkages may need to be made between the policy cycle and the breadth and quality of information that is available to administrations. When possible, identification of data needs must be developed in tandem with the planning of service delivery so as to maximize the ability to use operational data. The costs and benefits of requests for additional reporting and/or information from ministries and the public need to be weighed to ensure that unnecessary burdens are not being created. Finally, governments could consider putting more data in the public realm to encourage analysis by think-tanks, academics and non-profits.

Integrating Policy Making and Implementation

The separation of policy-making from policy implementation was a common reform in many OECD member countries. However, policy-making and implementation are two sides of the same coin and both are necessary for a policy or programme to be successful at attaining its goals. Unfortunately, the separation of policy making and implementation has often broken the information flow, sometimes resulting in both poorly planned policies (which can make effective implementation difficult) and incomplete or partial implementation. The policy cycle is such that challenges enforcement, implementation and compliance of both existing and proposed policy changes, which need to be considered as early in the policy-making process as possible. As the stakes rise with the size and seriousness of many of the global challenges, it could be

important to re-establish the link between planning and implementation.¹⁵

As a matter of fact, Pakistan needs to take certain bold steps in the form of policies, which could provide a roadmap to good governance practices in the country. Pakistan needs to eliminate nepotism, corruption and violation of merit for recruitment of persons and use of capital. In this backdrop, government has to develop strategies to ensure the job security, secrecy and self-respect of the individual. There prevails 'sifarish' culture in Pakistan, which is the gross root cause of merit violations, as people would go to their elected representatives, asking for favors, reminding the representative that they had elected him for such tasks and that they would not have come to his door, had their concern been addressed.¹⁶

Conclusion

Good governance is supposed to allocate the national resources among the public efficiently, augmented with equitable opportunities for economic and social development of a nation. This is assumed the basic responsibility of any government, which is dependent on good governance. Unfortunately, good governance has been a dream for both the policy-makers of Pakistan and its people. As a matter of fact, defects in economic governance results from the failure of government to table a comprehensive tax policy. In the absence of a good tax policy, people feel burdened whereas corporate tycoons enjoy the tax evasions.

There are certain other examples, which lead towards the bad governance in the country. Pakistan lacks far behind in planning and budgeting, which results in mal-practices like corruption and exploitation of resources.

In brief, Pakistan has to re-visit its policies regarding the governance and management of public affairs to achieve economic growth and development in the country. It has become inevitable to improve the quality of life of people of Pakistan, which will not be possible without reforming the basic structure of governance. Main areas of concern should be macro and micro-economic management, political stability, improvement of public policy, public administration and institutional capacity.

In sum, governance is very well analyzed in a study that it is a continuum; it does not automatically improve over time. Citizens need to demand good governance. Their ability to do so is only enhanced by awareness, education, and employment opportunities. The Government of Pakistan needs to be responsive to those demands.

End Notes

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US Asia Pivot Strategy: Implications for the Regional States

Ms. Beenish Sultan¹

Abstract

The U.S. foreign policy largely covers presumptions of geostrategic challenges from various regions of the world. It pursues the goal of maximizing its own national interests sometimes at the cost of interests of other states. In this pursuit, where it has immensely engaged its men and material in various countries, its economy back home suffers tremendously. Resultantly, now one of the vital national interests of the U.S. is to secure its economic capacity, so as to provide a ladder to its defence planning. This becomes more pronounced in the wake of a rising China and dawn of the Asian Century. Nevertheless, in order to tackle the economic dominance of China and deal with its declining economy, the U.S. made public its 'Asia Pivot' strategy. This envisaged a policy of confronting some, while cooperating with others, as the prime objective. Competitions of such nature between two major powers have obvious repercussions for the Asian capitals.

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Introduction

The current U.S. outlook entails interplay of diverse underlying goals for maximizing its own national interests. Gauged through the external outlook the policies adopted remain tricky in terms of the factors shaping the final behavior. Some theorists believe that the internal environment plays a vital role in determining the policy, while some believe otherwise.¹ However, the fact remains that to date the policies adopted by the U.S. remain ambiguous. In a recent upturn of events, the U.S. 'Asia pivot' policy was made public.² Considering the spirit of the strategy, there are various questions that arise regarding this shift by the U.S; is it really fuelled by the rise of China as an economic power? What links does the deteriorating economic system of the U.S. have with the strategy? Why was a need felt to shift the focus to East Asia at this point in history? And most importantly, what implication does this shift envisages for the regional states?

At the end of the cold war, U.S. and China were not viewed as competitors and enjoyed fairly good relations.³ China's top trade destinations included US on the top, with \$162,899.6 million of exports and \$48,726.3 million of imports. Furthermore, Chinese trade amounted to 2.2 % of total American foreign trade.⁴ This pattern changed quite gradually and in the post-cold war era, they realized that China is rising rapidly and the U.S. started to think about what a rising China would mean to the world. China's GDP grew with a steady pace, while the U.S. was engaged militarily in various regions of the world.

Amidst the changing patterns, the U.S. shifted its focus from Europe to East Asia, mainly due to its growing economic importance. Concurrently, it also developed a sense of suspicion

regarding the Chinese outlook, and believed it to have ‘totalitarian’ political system, introvert military affairs, along with vague future objectives and capabilities. Nevertheless, the rise of China shaped differently both the acuity of Asia and also the balance of power at large. In this regard, China is considered as a prospective threat to the interests of the US in Asia by the conservatives and liberal groups. Whereas, the liberals emphasize on a ‘peaceful evolution’ and cooperative engagement through trade, interdependence and investment,⁵ the neo-conservatives aim to restrict Chinese rise by ‘pre-emptive confrontation’, following a diplomatic pattern, forming alliances and ending up in military confrontations.⁶

Theoretically, three major views have appeared as a response to China’s economic growth in the last two and half decades: firstly, ‘The threat’ perception argues that as China grows economically, at the same time, it attains modernization of its military, the predominant power of the US eventually fades away; especially in Asia and North Asia. Scholars of this group (Huntington, 1996; Bernstein and Munro, 1997; Bernstein and Munro, 1998; Meirshimer, 2001) argue that the growth of China has the tendency to disturb the global status quo and subvert Asia as well as the world. The strategy proposed by this group is to ‘contain’ China as soon as possible and by adopting any means.

Secondly, the liberals are rather more optimistic about China, and emphasize on ‘incorporating China into the world system’.⁷ Their argument flows from the idea that the rise of China may not turn out to be a threat to the global system and in turn destabilize the world. Instead this growth will in fact provide an enormous market to the rest of the world and the economic growth at large. This, they emphasize on due to various reasons: (a) China has an

exclusive non-expansionist culture. (b) growing interdependence will enhance China's wealth and it will be satisfied with the status quo of the existing global economic and military order; and (c), China's participation in international organizations has increased tremendously in the last two decades and that will prevent China from upsetting global order and stability.⁸ They also argue that if China becomes part of the international structure, it will follow international norms and regimes for its own benefit.

Thirdly, scholars from the "pro-conditioning" perspective are more optimistic than realists but more cautious than the liberals.⁹ They propose that in spite of China's extraordinary growth in the last three decades, it is still weak both economically and militarily as compared to the US. This is true because as China rises, it also faces intense internal and external problems that have a potential to hamper China's rise as a global power.¹⁰ China has been forced to adopt conservative rather than aggressive policies to upset global order and emerge as regional super power.

The economic rise of China may be a predominant factor for the US and its aim to maintain its hegemony in the world, however, the fact remains that China would never like to be the way US had been in the years ahead. Nevertheless, the US remains skeptical of the emerging powerful status of China and strives to 'contain' China through adopting various techniques. Will it be possible in achieving this goal, only time may tell, but the repercussions of a potential conflict between two major powers are bound to be huge on the regional states. For this an insight into the genesis of the 'Asia Pivot' is necessary to analyze the threat perception regarding the theoretical behavior of the US.

Asia Pivot: The Genesis

The concept of Asia Pivot or ‘Asia Re-balance’ is a combination of gradually developing aspects of the US foreign policy, originating essentially from the US Defence perspective, which was orchestrated by Mr. Andy Marshall of Pentagon- the most brilliant thinkers in the US military.¹¹ Consequently, at the outset of a post-cold war era, the Pentagon office became conscious of the varying global economic and strategic trends, especially after the realization that China is rising rapidly and they began to think that what could a rising China mean to the world?

Following this, the Obama administration disclosed the ‘Pivot to Asia’ strategy. This was articulated as a pompous strategy in order to reinforce the position of US in the Asian region, following the overt use of military, diplomatic, economic, and cultural instruments.¹² In the follow up, the US government is seemingly focusing on creating ‘military balance’, which would ultimately lead to revamping economic dominance. U.S. interface with Asia of such nature is not a new one; however, the truth of China rising as a global economic giant is a new chapter to strategic thinking. Despite the pivot policy, trade between U.S. and China has been immense in the past two decades and the Asia pivot seems to be an old wine in a new bottle.

So what are the pivot’s main goals? In March, National Security Advisor Tom Donilon restated in detail what America was trying to achieve in Asia. The U.S. government desires a “stable security environment and a regional order rooted in economic openness, peaceful resolution of disputes, and respect for universal rights and freedoms”, it is seeking to achieve that end through action in five specific areas:

- Strengthening alliances
- Deepening partnerships with emerging powers.
- Building a stable, productive and constructive relationship with China.
- Empowering regional institutions.
- Helping to build a regional economic architecture.¹³

The same objectives were discussed at the end of April 2013 by Joseph Yun, Acting Assistant Secretary, Bureau of East Asian and Pacific Affairs, in to a Senate Committee, which mainly covered the security dimension of the re-balancing policy. The U.S. “commitment to the Asia-Pacific region is [being] demonstrated in a number of ways,” Yun said, including “intensive engagement at every level.”

Meanwhile, the U.S. has not done much regarding the pivot strategy. So far, only 2,500 marines have been shifted to a base in northern Australia, which raised concerns in China.¹⁴ In addition, their economic integration and inter-dependence also poses questions regarding the actual spirit of the pivot policy. Currently, the bilateral trade between China and U.S. has elevated immensely and is expected to rise in the year 2013.

Notwithstanding the above, today the US-China economic reality is one of complete integration. One cannot imagine the Chinese economy or the US economy being complete without each other. The Chinese debt holdings, trade, manufacturing etc. and many similar areas are reflective of the inter-connectivity between the two economies. It is unlike the Cold War, where the US-Soviet competition was divided along the ‘Iron Curtain’ and there was a conflict situation between the US and Russia. The US-China relationship is characterized by cooperation. Now, it is difficult to

imagine a military and political strategy, divorced from the economic realities of the day.

China- The Economic Giant

David Shambaugh, as early as the year 1993, predicted China's prospective economic growth with the potential of surpassing the US and EU in the early twenty first century.¹⁵ This rise would make China the global lead trading power, possessing the largest foreign exchange reserves, the largest consumer of oil, the largest military power, and the largest source of high technology and scientific advancement.¹⁶ In the beginning of 2008, Fareed Zakaria in the cover story of *Newsweek*, "The Rise of a Fierce Yet Fragile Superpower," confirmed that the advent of China as a global power was no longer a forecast but a reality.¹⁷

Currently, China's GDP growth is predicted to rise at a rate of 8.4 percent, up by 0.6 percentage points from that of 2012. The Center for Forecasting Science with the Chinese Academy of Sciences said, it expected China's economy will see a modest rebound in 2013, with secondary and tertiary industries rising by 8.9 percent and 8.8 percent, respectively. It put year-on-year growth in primary industry at 4.7 percent. Consumption and investment will drive economic growth up by between 4.2 and 4.5 percent, while exports from the world's second-largest economy are expected to decline by 0.3 percent, the center's figures show.¹⁸

Implications for the Regional States

In the year 2009, President Obama emphasized on enhancing the relations of the US with China.¹⁹ This sent shivers down the spine of the Asian capitals, where they thought of a G-2 condominium taking decisions over the heads of other states in the region.²⁰ In this regard, the general understanding of the 'pivot

policy' shows a discrepancy across the Pacific. The East Asian economic vibrancy is the future eye of the US foreign policy. Whereas, the Chinese are reluctant in the alliance structure as proposed by the US, as it gives vibes of 'containing' Chinese rise. Understanding the assumptions, on which the new strategy is based, is critical because they gravely affect the region's prospects for peace. The question is, why the pivot? Why now? The answer is not so obvious that one can say simply, China is rising, and America wants to prevent.

The pivot strategy like the other US policies remain ambiguous and is not well understood in most of the regions. The Chinese have developed a natural suspicion that the only real purpose of the pivot is its own containment, though Washington denies this. In Southeast Asia, some countries think a greater U.S. commitment will boost stability; others see it as a risk to stability. The U.S. itself has contributed to the confusion by repeatedly reframing the strategy, which was originally a "pivot" and then evolved into a "re-balancing", a "shift", and now also a "Pacific Dream."²¹ It has also failed to counter media portrayals of the pivot as an essentially military endeavor; partly, because the pivot's military board is the only one that has achieved well-articulated goals.

In case of Obama administration, the 'Asia Pivot' has translated into new defence deployments and active diplomatic leverage of shifting US emphasis on maritime Asia- Pacific deployments. In this regard, the only one, although relatively minor but potentially symbolic move, is the establishment of a marine base in Australia.²² At the same time, an increase in diplomatic outreach to all Chinese neighbors have been witnessed, and since the Chinese are worried about the US influence, there has been warming up of the US-

Vietnam relations.²³ Shifting dynamics and new investments, therefore, are being observed.

Concurrently, the shift has prompted a wave of anti-American feelings from within China. Major nationalistic groups are now calling for countering the US efforts through military means in order to deal with the US military posture in the Pacific and the upcoming US defence strategies.²⁴ For example, an article published in China's *Global Times*, a nationalistic newspaper owned by the Communist Party mouthpiece *People's Daily*, called for China to strengthen its long-range strike capabilities. Some voices are calling for closer alignment with Moscow and promoting the BRICS grouping (Brazil, Russia, India, and China) as a new "pole" in the international arena to strengthen the emerging powers against the West.²⁵

The US and the rising China have also realized that besides competition, they have serious differences in the later's neighborhood setting. Taiwan is a point in case.²⁶ In recent years, situation of potential conflict has emerged between US and China in spheres of Chinese-Japanese relationship and Chinese relations with North Korea and South Korea. Equally important are the rising potential maritime disputes that include countries like Vietnam, who have historically been opposed to the US, but as China is rising, have led to shifting alliances and relationships in the region.

In parallel to the military, diplomatic and strategic shift, US now has become increasingly interested in India too,²⁷ and this has been driven by some of the same dynamics as those in case of Asia pivot. The US military and defence planners are now planning ways for counter-balancing Chinese influence, adding extreme views on constraining, although the mainstream views do not agree with

‘containing’ but with counter-balancing. For the purpose, they looked towards Asia, having a number of smaller countries, but then, a booming India stood out because of its population and images of economic growth, although it is a midget, as compared to China.

Under the strategic umbrella of the US-China relationship, a natural observation is that there is a danger, considering the US getting close to India, while China and Pakistan maintaining their historic relationship, that a two-bloc scenario is emerging i.e. the US- India bloc and the China – Pakistan bloc. On the other hand, when we see the Pakistan-US relations, they depict a continuous deterioration over the past a few years. Supposing that a very difficult and ruptured Pak-US relationship emerges, within this four-way relationship context, and the crisis continue to mount, turning into truly hostile and conflictual relationship, this would cause grave concerns within the US and China relationship too, using North Korea analogy.

Pakistan: The Regional Player

Pakistan enjoys a unique geo-strategic disposition at the cross roads of various sub regions of the Asian continent. In this regard, it is one of the most important regional players and is bound to be concerned about any move of the major powers, which might have an impact on the regional peace and security. Re-focus of the U.S. on the Asia Pacific region and its ‘Asia Pivot’ policy, is indeed a point of concern for Pakistan, where it enjoys cordial relations with ‘Rising China’. The prime objective and agenda of the strategy of containing China, in fact, have long term implications for Pakistan.

Currently, Pakistan-US relations are going through difficult times yet again. The year of drawdown from Afghanistan-2014 is

just around the corner and both the states are still struggling to find an option which ultimately addresses the concerns of all, the stakeholders. Furthermore, there is a wave of anti-Americanism in Pakistan and the repercussions of the global war on terror are immense on the social fabric of Pakistan, especially the tribal belt. Pakistan's face as a moderate power has blurred in the Muslim world and is passing through the worst ever energy crisis. The U.S., by virtue of its ally status, is not of much help and also opposes Pakistan's endeavors of regional economic integration.

It should be kept in mind that Pakistan has an essential role for the U.S. in its broader Asia strategy. Pakistan definitely has an economic interest in taking advantage of the rising growth rates of East Asia, and thinking about many economic challenges that Pakistan is facing at home. The need of the hour is an economic opportunity, as a force for political stability. Recognition of this aspect has, in fact, led to an increase in the US Aid programs instead of capacity building. Billions of US dollars have been doled out, but one finds a poor track record of the U.S. in implementing simple infrastructure related programs.

In order to help Pakistan to increase its economic growth, it needs to tap the Asian growth miracle, increasing and sustained growth in China and at times a similar growth rate in India and the miracle economies like Thailand, South Korea are suitable for taking advantage of. In this regard, for Pakistan, the close cooperation of the US with India is more worrisome. India is no more projected as an emerging power, but in words of Hilary Clinton, "India has emerged as a power and assumed the role of Pacific power; India, geographically is not in Asia-Pacific, but we will make India a Pacific power".²⁸

Pakistan enjoys good relations with the Southeast Asian nations. The region has a great economic potential. The concept of energy corridor, the 'New Silk Route' and maritime choke points could bring peace and prosperity in the region and as a matter of fact, China cannot be ignored or isolated. Thus, it is in the interest of the US and the regional states that the policy of 'cooperation' and not 'confrontation' is adopted in the region.

Findings

The phrase 'Rising China' is, indeed, a fascinating one, but it comes with a lot of insecurities for the regional states. The US power is declining and in its efforts to curb the decline along with containing China's rise, it is inflicting insecurities in the regional states, including the ASEAN states. The international community is also highly concerned about the conflict prone outcome of any policy that may lead to any kind of race amongst the two powers. Hence, the following findings may be emanated from the foregoing discussions:

- The concepts of the 'Asia Pivot' strategy was floated from the Pentagon and reflects the spirit of the US defence endeavors. This has brought military thought on the lead and the political reasoning has been placed subservient to it, being a total reversal of logical thinking.
- Whenever the US has opted a strategy of cooperating with some and confronting some in any region, it has resulted in dismantling the balance altogether. Similarly in the Asia Pivot policy, Pakistan has not been provided its due place. As the drawdown from Afghanistan approaches near, the U.S. has ignored Pakistan in the due process and provided India the strategic lead.

- Pakistan and China enjoy a unique affirmative in their strategic relations. Pakistan has come a long way in taking up its role at the cross roads of regions and it will continue to take up a forward looking approach. In this regard, the Pak- China relations are one milestone, both the countries have achieved over the years. However, for securing their interests both the countries should re-vitalize their relations.
- As the US believes with regard to the emerging regional powers in Asia, China is considered as an ‘enemy’ and India the friend. While both the countries not only have a major role to play in the days ahead, but they also enjoy immense bilateral trade relations. Perceptibly the US is ‘falling in love’ with India and is not viewing the region with clarity.

Conclusion

In the backdrop of its Asia pivot policy, the US is creating more animosities and producing more enemies. What it really needs to do is to re-balance political, geo-political and economic imperatives. The US has a responsibility to contribute towards making the world a better place. In addition, the decline in its power is just predicted and not materialized as yet. There is a strong belief that the budgetary hurdles the US faces, might be one deal away to be totally eradicated. However, still the US might not be the super power as it once was after the World War II. Asia has risen and attained economic primacy. This, indeed, is a welcome development.

With regard to the Asia Pivot strategy, there are significant underpinnings about which Pakistan is likely to be concerned. The US is pursuing close cooperation with India and declared as an emerged power and the one which has assumed the role as the Pacific power. Undoubtedly, India is a secular democracy with a

growing economy. However, if India is given a much larger role to play and that too at the expense of Pakistan's role, then, this is not only going to have implications for Pakistan but also for the other regional states i.e. Bangladesh, Nepal, Maldives.

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Priority Areas in the Parliamentary Legislation (2008-2013): An Appraisal

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Abstract

In the election year of 2013, it seems pertinent to explore the areas in which the outgoing Parliament of Pakistan, including both Houses i.e. the National Assembly and the Senate, passed legislations during its entire tenure, covering a period of five years, from its inception in 2008 till its dissolution in 2013. Taking clue from the 'Elite Theory' from the perspective of Public Policy in case of Pakistan, this research explores whether Pakistani elite, one segment of which is represented by the elected representatives of the people of Pakistan, is any different in terms of working for the welfare of the average citizens, as compared to the elite class identified by the Elite theorists in other countries. The study thus, takes a look at the performance of the Parliament of Pakistan from 2008-2013, only to find out that the central legislative body, i- e. the Parliament apparently fell short of legislating upon many key areas of public welfare, which would have directly affected the average citizen. Legislation regarding basic socio- economic sectors was largely missing, which reflects poorly on the top priorities of the legislators, once they occupy the elected houses.

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Introduction

The most common perception about Pakistan's style of governance is that it is a country overwhelmingly ruled over by a class of self-serving political elite — a species markedly distinct from the rest of the proletariat, in the pure Marxian sense of the word, characterized by abundance of wealth and absolute power that holds sway over the masses. What disturbs the mind most is the sort of permanency that this scenario entails for the common man, in terms of what Pakistan sees at every change of political government is only a change of faces, where all the faces belong to the same elite class at the end of the day, which had never left the political scene anyway.

The elite theorists would see it as incriminating evidence, which confirms their assumptions on the rule of aristocracy. They would say, in the words of John Higley, that in Pakistan too, a tiny minority of ruling class exists which 'outwits' and 'out-organizes' the majority of population and perpetuates its existence by watching self-interests.¹ For the elite theorists, 'Power' is the key variable which is acquired by the elite with the help of handy tools of heredity, wealth, intellect and organizations like parliament, where they continuously ignore matters of public welfare and empowerment after gaining access to power corridors, watching their own interests.² However, Vilfredo Pareto would not agree, owing to his Law of Circulation of Elites, for he believed that in every society there is no permanent elite existing in that society. The elite class keeps changing due to a variety of reasons.³ Following Machiavellian tradition, he propounds two main sets of alternatively governing elites where the group of *lions* rules and hold on to power through coercion and a largely authoritative use of

brute force, while the alternative group of *foxes* would use diplomacy, cooperation and political intrigue.⁴ To quote Pareto (1935),

“Whatever the form of government, men holding power have, as a rule, a certain inclination to use that power to keep themselves in the saddle, and, to abuse it to secure personal gains and advantages.”

This brings home two important points. One, that the ruling elite is essentially self-serving and that they are few in number and hold power in turns, unless there is a revolution or invasion that replaces the old set with a new set of elite. Following these two assumptions, studies have been conducted even on estimating possible numbers of members of ruling elite in a country. Interestingly, in a study carried out in 2002, Dye estimated the total number of elite in USA to be around approximately ten thousand people.⁵ Dogan conducted a similar study in 2003 in the case of France and estimated the number of French elite to be around half of that in the US.⁶ For small European states like Denmark, the number was found to hover around a meager fifteen hundred.⁷ Not so surprisingly, Farrukh Saleem states in the case of Pakistan that not more than 3000 families out of a total of 30 million families residing in Pakistan have taken part in the elections throughout Pakistan’s history. He concludes that seeing past trends, Elections 2013 essentially may be hailed as ‘intra-elite competition’ as well,⁸ which does not augur well for the future welfare of the masses. Unfortunately, it does not seem to be a matter of lack of ability to find good home-grown policy mixes for the masses that could eradicate hunger, poverty, unemployment, and illiteracy forever, rather it seems to be a problem of lack of political will on the part of

the country's leadership. Saleem supports this argument by stating that it will be naive to assume that the ruling elite in Pakistan is clueless about how to steer Pakistan out of the current impasse in its socio-economic development. It is only that the politico-economic systems have been so arranged as to reap more and more benefits for the elite, at the average citizen's expense.

Since the saga is unending to date and the public at large still romances with the idea of following personality cults, there is a need to bring forth a rational, stoic assessment of what the political governments actually do, for the electorate once they assume power. One way of doing this is, by analyzing the sort of legislation that is carried out in our parliament and for this purpose, the need is felt to analyze the performance of Pakistan's first ever, tenure-completing National Assembly, at a time when Pakistan is undergoing a transition into a new political set-up in the wake of general elections of 2013.

Therefore, taking clue from arguments embedded in the Elite Theory, this paper aims to dig out and qualitatively analyze the specific areas which the elected leaders preferred to legislate or not to legislate upon, from the year 2008 to the year 2013. The key sectors related with socio-economic development on which data is analyzed are Health, Education, Environment, Poverty Alleviation, Energy Sector and Human Rights and Protection of Under-Privileged Sections of the Society. The entire data on legislation, used for the analysis has been retrieved from the national website of the National Assembly of Pakistan. It is pertinent to mention at this point that the purpose of this paper is not to bring indictment on the legislators or to attempt at finding veracity of claims of the elite theorists at all.

Pakistan's National Parliament: The Legacy Continues

After the introduction of an increasingly Westminster style of governance in Pakistan with the President being turned into the proverbial ceremonial head, courtesy the 18th Amendment to the Constitution of Pakistan (1973), the nature of state of affairs has changed remarkably. Pakistan's bi-cameral legislature is far more empowered today to take upon any sort of legislation without fear, constitutionally speaking. As greater empowerment brings more responsibility with it, much to the chagrin of the law-makers, there is common perception among masses that somehow their elected representatives have their priorities set somewhere else, which have nothing to do with the interests of the common man. This is a concern echoing in the minds of the professionals too. For example, Dr. Ishrat Hussain, former Governor of State Bank of Pakistan, in a very insightful essay says that the socio-economic underdevelopment of Pakistan, despite a remarkably stable average economic growth pattern, is the outcome of lack of political will on the part of the decision-makers to solve issues and set priorities right.⁹

Analysis

From the first session of the National Assembly on 17 March, 2008 to the last session culminating on 16 March, 2013, legislative business was carried out with the Pakistan Peoples Party holding the reins of the government in the center. The overall political and economic situation, however, remained fickle and highly volatile, although the ruling coalition could boast of bringing many constitutional reforms and making efforts to strengthen democracy at least up to the extent that the institutions remained intact.

A significant cutback in executive power and a landmark extensive devolution of power and responsibilities to provincial governments through 18th Amendment have generally been welcomed by all and sundry. The genuineness of electoral reforms, led by an unprecedentedly independent and credible Election Commission of Pakistan, and an effective voter registration programme won many accolades for the government even internationally. One can trace a somewhat conscious effort to create a balance of power between institutions and between center and provinces, as evident from the passage of constitutional amendments regarding composition and appointments in judiciary, changing the name of the North West Frontier Province to Khyber Pakhtoonkhwa, 7th National Finance Commission Award, which significantly increased the share of federal resources available to Pakistan's four provincial governments, through which a particular beneficiary was Balochistan, constitutional changes to the distinctive status of the Federally Administered Tribal Areas (FATA) and Gilgit-Baltistan, amendments regarding the Role of the Public Accounts Committee, apart from amendments to the Rules of Procedure and Conduct of Business in the National Assembly. The key legislation which caused public attention for example, are given as follows:

- The Anti-Money Laundering Bill, 2009.
- The Competition Act, 2010.
- The Election Laws (Amendment) Act, 2011.
- The Industrial Relations Act, 2012.
- The Anti-Terrorism (Second Amendment) Act, 2013.
- The Election Laws (Amendment) Bill, 2013.

However, it would not be an over-statement of the situation on ground, if it is said that that provision of comprehensive national and human security to the masses remains a utopian dream. The government's performance, if judged in terms of bringing across the board relief for the masses, could seriously be challenged. The Government fell short of providing any semblance of good governance to the electorate. This conclusion is validated by the trends shown in Pakistan's performance in terms of six indicators (namely Government Effectiveness, Political Stability and Absence of Violence, Regulatory Quality, Voice and Accountability, Rule of Law and Control of Corruption) developed by the World Bank to measure over a period from 1996-2011, where Pakistan's nose-diving performance is disheartening, to say the least.¹⁰ Political stability and absence of violence, for example, plummeted after 2008 onwards to get the lowest percentiles on the graphs.

Pakistan's burning issues, including terrorism, deteriorating law and order situations in Balochistan, Karachi and FATA, growing sectarianism and above all lack of socio-economic development, despite all their severity, could not invite a strong response from the Assembly, as the study under review shows. Economy remained in dire states with continuous allegations of misappropriation of funds and rampant corruption throughout the tenure of the last government, appearing like Alfred Hitchcock's 'Tales from the Dark Side', every now and then in the media. Energy crisis turned into a monstrous disaster, to say it mildly. As of socio-economic development front, Pakistan ranks 146th out of a total of 187 countries of the world on the Human Development Index, falling much below the regional average.¹¹

Amidst this scenario, therefore, for this study, the major sectors which have been specifically chosen are representative of the basic socio-economic indicators which reflect the state of affairs for the common man including education, health, energy security, poverty alleviation, protection of under-privileged segments of the society; including women, children, the elderly, the special persons etc. and environment.

Furthermore, for the purpose of analysis, two main forms of bills were distinguished from each other. The Government bills are those bills that are introduced by the government ministers or members of National Assembly from the ruling coalition, working in some capacity with the government. The Private Members Bill are those which are introduced by the other members who are not part of government or ruling coalition. These reflect the initiatives undertaken by the members in their individual capacity. Some of the bills may be seen in both categories of bills, which show the point of their origin but subsequent adoption as government bills.

Education

The indicators for education show marginal improvement. However, a glance at the nature of the bills introduced and ratified shows an overwhelming emphasis on setting up of new institutes and universities, signaling a trend towards higher education.

On the other hand, the UNICEF and UNESCO reports on Pakistan predict that Pakistan may not meet some of the targets envisaged under UNO-stipulated Millennium Development Goals (MDGs).¹²

Table 1: Education

Parliamentary Years	Education – related Legislation	Bill Type
2008-09	Compulsory School Attendance Act, 2008	Private Members Bill
2009-10	The NFC Institute of Engineering and Technology Multan Act, 2009	Government Bill
	The Pakistan Institute of Development Economics Act, 2009	Government Bill
	The Pakistan Engineering Council (Amendment) Act, 2009	Government Bill
	The Institute of Space Technology Act, 2009	Government Bill
	The National School of Public Policy (Amendment) Act, 2010	Government Bill
	The Pakistan Naval Academy (Award of Degrees) (Amendment) Act, 2010	Government Bill
2010-2011	The Degree Awarding Status to Dawood College of Engineering and Technology Karachi, Act 2010	Government Bill

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	The Pakistan Institute of Fashion and Design Act, 2009	Government Bill
	Pakistan Engineering Council (Amendment) Act, 2010	Government Bill
	The National Defence University Act, 2009	Government Bill
	None	Private Members Bill
2011-12	The National Vocational and Technical Training Commission Act, 2011	Government Bill
	National University of Modern Languages (Amendment) Act, 2011	Government Bill
	The Shifa Tameer-e-Millat University Act, 2011	Government Bill
	None	Private Members Bill
2012-2013	The Pakistan Academy of Letters' Act, 2012	Government Bill
	The Right to Free and Compulsory Education Act, 2012	Government Bill
	The Islamabad Capital	Government

	Territory Private Educational Institutions (Registration and Regulation) Act, 2012	Bill
	The My University, Islamabad Bill, 2013	Government Bill
	The Dar-ul-Madina International University Bill, 2013	Government Bill
	The South Asian Strategic Stability Institute University Islamabad Bill, 2013	Government Bill
	The Higher Education Commission (Amendment) Bill, 2012	Private Members Bill
	The South Asian Strategic Stability Institute University Islamabad Bill, 2013	Private Members Bill
	The Dar-ul-Madina International University Bill, 2013	Private Members Bill
	The My University, Islamabad Bill, 2013	Private Members Bill

Health

S. Akbar Zaidi pointed to a very stark reality about the way Pakistan's health sector is being taken, by stating that Pakistan's health sector is marked for its overarching concentration in terms of

policy making, on the curative side of healthcare instead of preventive healthcare system. More than 60% of all diseases that cause fatalities in Pakistan are diseases caused by waterborne germs present in polluted/ contaminated water.¹³ Whereas cancer and heart attacks may pose mortal threats to the people in the West, people of Pakistan die of Diarrhea and hepatitis. Polio, which is an almost extinct disease all over the world, Pakistan has the unique honour, along with very few countries, of hosting it--- a murky situation especially in the backdrop of recent attacks on polio workers performing their duties of providing free vaccination against Polio to children.

Table 2: Health

Year	Health Sector-related Legislation	Type of Bill
2008-09	Tibb-e-Unani, Ayurvedic, Homoeopathic, Herbal and any other non-Allopathic Medicine Act, 2008	Private Members Bill
	Medical Devices Act, 2008	Private Members Bill
	Transplantation of Human Organs and Tissues (Amendment) Act, 2008	Private Members Bill
	The Quality Check on Baby Foods and Cosmetics Act, 2009	Private Members Bill
	None	Government Bill
2009-10	The Pakistan Pharmacy Council Act, 2009	Private Members Bill

	The Medical And Dental Council (Amendment) Act, 2009	Private Members Bill
	The Reproductive Healthcare and Rights Act, 2010	
	The HIV/AIDs (Safety and Control) Act, 2010	Private Members Bill
	The Compulsory Blood Test of the Relatives of Thalassaemia Patients Act, 2010	Private Members Bill
	The Transplantation of Human Organs and Tissues Act, 2009	Government Bill
2010-2011	The Pakistan Private Hospitals, Clinics and other Private Healthcare Units Regulatory Authority Act, 2010	Private Members Bill
	None	Government Bill
2011-2012	None	Private Members Bill
	None	Government Bill
2012-2013	The Injured Persons (Medical Aid) (Amendment) Act, 2012	Private Members Bill
	The Pakistan Psychological Regulatory Authority Act, 2012	Private Members Bill
	None	Government Bills

Environment

Environmental catastrophes are not something new to Pakistan, which has seen many in recent years, including earthquakes and

floods. According to the Economic Survey of Pakistan 2011-2012, environmental issues have the potential of turning into 'principal' concern for human security in Pakistan.¹⁴ Environmental degradation exacerbated by climate change, depleting bio-diversity, air and water pollution etc., are only the tips of the ice-berg. Pakistan has only 5.17% of its total land area covered by forests according to the same Economic survey, with the mangrove forests being lost at an alarming rate of more than 2% per annum.

Although Pakistan has shown remarkable improvement in terms of giving access to its people to clean drinking water, i. e about 92% of the population has access to it according to UNICEF estimates but an incriminating evidence comes from The World Bank 2010 report in terms of the very provision of water to Pakistanis as it includes Pakistan in the list of one of the World's most water-stressed countries of the world.¹⁵ Waste management and sanitation, on the other hand, are areas where concrete steps for redressal are a far cry and public at large is not even aware of the gravity of these problems or their solutions. The United Nations Millennium Development Goals envisage that at least 90% of a country's population should have access to sanitation, whereas, Pakistan's national percentage falls at 48% according to WHO estimates for 2010-11. Many species in wild life are facing threat of complete extinction at the same time. Water conservation is equally important but no real, on-ground effort is visible, to either ensure water conservation or at least raise public awareness beyond issuing public statements and a few workshops, mostly held to create awareness amongst the already educated and highly aware segment of the society.

This disquieting situation should arguably jolt any country's legislator out of slumber, especially considering the fact that the last government elected a president who has been Pakistan's Minister for Environment during previous PPP-led governments. However, upon analysis of the performance of the Parliamentary legislations over the past five years, it was found that only two bills relevant to the environment sector were introduced and passed; and both were related with the wild life sector. Both these bill were introduced by Private Members, while the government introduced no legislation regarding any area of concern related with environment sector.

Table 3: Environment

Parliamentary Years	Environment Sector-Related Bills	Type of Bills
2008-09	Islamabad Wildlife (Protection, Preservation, Conservation and Management) (Amendment) Act, 2008	Private Members Bills
	None	Government Bill
2009-10	None	Private Members Bills
	None	Government Bill
2010-2011	None	Private Members Bills
	None	Government Bill

2011-2012	None	Private Members Bills
	None	Government Bill
2012-2013	The Falconry Law Bill, 2013	Private Members Bills
	None	Government Bill

Poverty Alleviation

The Human Development Report 2013 states that around 49% percent of the total population of Pakistan is experiencing Multidimensional Poverty, while 11% more are threatened by vulnerability to multidimensional poverty.¹⁶When we look at the legislation undertaken, we find one major initiative by the government in the shape of the Benazir Income Support Programme (BISP). BISP has several components and because of constitutional cover provided to it, it cannot be rolled back when new government takes over. The direct monetary injections given to the poorest of the poor are based on the latest concepts being developed around the world for poverty alleviation, and have been appreciated by international organizations also.¹⁷

Some bills have been passed by the NA regarding pensioners, disabled persons and reinstatement of employees which may have indirect effects over reducing poverty by impacting employment situation, but these have not been included here, because of the content (in terms of what are they actually about), nature (whether administrative or human rights-based), intention and purpose etc.

Also, since such legislation affects very small target population and its effects on overall poverty alleviation will be marginal.

Table 4: Poverty Alleviation

Parliamentary Years	Poverty Alleviation-related Bills	Type of Bills
2008-09	None	Private Members Bills
	None	Government Bill
2009-10	The Pakistan Bait-ul-Mal (Amendment) Act, 2009	Private Members Bills
	None	Government Bill
2010-2011	None	Private Members Bills
	The Benazir Income Support Programme Act, 2010	Government Bill
2011-2012	None	Private Members Bills
	None	Government Bill
2012-2013	The Pakistan Food Security for Poor People Bill, 2012	Private Members Bills
	None	Government Bill

Energy Sector

The economic survey of Pakistan 2012-2013 mentions that in the case of Pakistan, whenever lower rates of growth in terms of energy consumption were witnessed, these were usually followed by lower rates of growth of GDP and vice versa. So the correlation

between the two is quite obvious. In 2013, the largest areas of energy consumption still stand out to be the oil sector and the CNG sector.

An over-reliance on Gas and Oil and less emphasis on Coal, as an energy source, is only part of the problem. The extreme shortage of energy is also because of a trinity of problems. Blaming the spiraling circular debt, the massive corruption in the power sector and mal-governance, would still be naïve, when we know the flawed public policies caused the problems in the first place. Pakistan facilitated installation of thermal energy-based power generation plants which is considered the costliest in the world because it is oil-based. Huge incentives were offered and the investors searching for massive returns invested. The cost of electricity generation, which grows exponentially due to now persistent double digit inflation in Pakistan, is usually passed on without any discrimination between the poor and the rich.

What Pakistan needs is a comprehensive and well-integrated energy policy, which is strictly implemented in letter and spirit.

Table 5: Energy Sector

Parliamentary Years	Energy Sector – related Legislations	Type of Bills
2008-09	None	Private Members Bills
	None	Government Bill
2009-10	None	Private Members Bills
	None	Government Bill
2010-2011	None	Private Members Bills

	The Oil and Gas Regularity Authority (Amendment) Act, 2008	Government Bill
	The Pakistan Atomic Energy Commission (Amendment) Act, 2010	
	The Alternative Energy Development Board Act, 2010	
2011-2012	None	Private Members Bills
	The Regulation of Generation, Transmission and Distribution of Electric Power (Amendments) Act, 2011	Government Bill
	The Gas Infrastructure Development Cess Act, 2011	Government Bill
	The Petroleum Products (Petroleum Levy) (Amendment) Act, 2011	Government Bill
	The Private Power and Infrastructure Board Act, 2011	Government Bill
2012-2013	None	Private Members Bills
	None	Government Bill

Human Rights and Protection of Underprivileged Sections of the Society (women, children, minorities, special persons, disabled persons, senior citizens)

In terms of some areas related to gender equality, human rights and protection of underprivileged segments of society, positive trends were observed in terms of legislation. On the other hand, the parliamentarians seemed to have taken keen interest in legislating against violations of basic human rights of women and children. The Pakistan 2012 Human Rights Report appreciates the passage of various bills during the period of 2008-2012, regarding protection of women, work place harassment, harmful traditional practices like wani, sawara, forced marriages, Karo Kari and honour killings.¹⁸ According to the Aurat Foundation reports, quoted by this report, from 2008-2011, 2341 women were killed under one traditional practice i. e Honour –killing. Therefore, the same report praises the passing of bill for acid-burning cases. Today, Pakistan ranks 123rd out of 148 countries on the GII (Gender Inequality Index) according to the Human Development Report 2013, released under the aegis of UNDP. On this index, Pakistan ranks lower than Bangladesh (ranked 111th) but higher than India (ranked 132nd).¹⁹

On a similar note, the bills against corporal punishment, child marriage and women trafficking showed a healthy trend among parliamentarians to address the social evils present in the society. The special emphasis on protection of special citizens, prisoners and juvenile offenders shows a wide array of subjects which caught the attention of the legislators. At the same time, how effective these are in terms of bringing relief to the people is yet to be seen.

Table 6: Protection of the Under-Privileged and Human Rights

Parliamentary Years	Human Rights-related Legislations	Type of Bills
2008-09	The Prevention of Anti-Woman Practices (Criminal Law Amendment) Act, 2008	Private Members Bills
	Social Protection for Home Based Workers (Amendment) Act, 2008	Private Members Bills
	Prevention of Domestic Violence Act, 2008	Private Members Bills
	Special Citizens Act, 2008	Private Members Bills
	Prevention of Harassment at Workplace Act, 2008	Private Members Bills
	Working Women (Protection of Rights) Act, 2008	Private Members Bills
	In-House Working Women Protection Act, 2008	Private Members Bills
	The Special Citizens (Right to Concessions in Movement) Act, 2009	Private Members Bills
	None	Government Bill
2009-10	The Rights of Juvenile Offenders Act, 2009	Private Members Bills
	The Charter of Child Rights	Private

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	Act, 2009	Members Bills
	The Protection of Children Act, 2009	Private Members Bills
	The Child Marriage Restraint (Amendment) Act, 2009	Private Members Bills
	The Disability Concessions Card Act, 2009	Private Members Bills
	The Woman Honour Act, 2009	Private Members Bills
	The Prohibition of Corporal Punishment Act, 2010	Private Members Bills
	The Acid Control and Acid Crime Prevention Act, 2010	Private Members Bills
	The Rehabilitation Authority for Victims and Abuse Act, 2010	Private Members Bills
	The Prevention and Control of Women Trafficking Act, 2010	Private Members Bills
	The Prisons (Amendment) Act, 2010	Private Members Bills
	Domestic Violence (Prevention and Protection) Act, 2009	Government Bill
	The Protection Against Harassment of Women at the Workplace Act, 2010	Government Bill
2010-2011	None	Private Members Bills

	None	Government Bill
2011-2012	The Hindus Marriage Act, 2011	Private Members Bills
	The Prevention of Anti-Women Practices (Criminal Law Amendment) Act, 2011	Government Bill
2012-2013	The Disabled Persons Employment and Rehabilitation Act, 2012	Private Members Bills
	The Injured Persons (Medical Aid) (Amendment) Act, 2012	Private Members Bills
	The Protection and Welfare of Khawaja Saras Rights Bill, 2012	Private Members Bills
	None	Government Bill

Conclusion

As Paul Krugman, the Economics Nobel Laureate, would say about American policy-makers, “We need to place the blame where it belongs, to chasten our policy elites. Otherwise, they’ll do even more damage in the years ahead,”²⁰ suffice it would to say that the time has come that the people should see that the promises are made for the right causes and priorities be set right. Above analysis shows that in most of the sectors that actually affect average citizen of Pakistan, usually legislation is not carried out. The social causes which catch the attention of local and international media, NGOs and Institutions are quick to catch the legislators’ eyes, but

regarding the general empathy coupled with a strong desire to steer the country out of the socio-economic abyss and work for the welfare of the people, one would feel that something is really amiss somewhere. Hence, although there is no dearth of chutzpah needed to say 'All is Well' amongst our top legislators, but the Pakistan of today is fast changing in this transition mode and will need pragmatic solutions implemented in time before God-forbid any calamity, natural or man-made, strikes it. Preemptive actions to foreclose impending disasters are needed but these could be done only if those who stride the Power corridors take a few lessons in selflessness and think themselves as true representatives and servants of common man. One solution lies in reducing the yawning gap between the ruling and the ruled in terms of wealth and power. Pakistan needs a strong middle-class which is the back bone of any rising healthy economy and leadership should also emerge from this class.

End Notes

¹ John Higley has presented a very crisp account on the subject in his article titled, 'Elite Theory in Political Sociology', available at <http://xa.yimg.com/kq/groups/26452858/582250183/name/Teoria+elite+s+Higley.pdf>.

² Dr. Mustafa Delican (2012), presents a comparative analysis of major elite theories through his article, 'Elite Theories of Pareto, Mosca and Michels', available at: www.journals.istanbul.edu.tr/tr/index.php/sosyalsiyaset/.../12646

³ Pareto, V. (1915/1935). *The Mind and Society. A Treatise on General Sociology*. New York: Dover.

⁴ Powers, Charles, H. 1987, *Vilfredo Pareto*. New Burry Park: Sage Publications. p 41 gives accurate description of Pareto's division of political elite.

⁵ See T.R. Dye,(2002). *Who's Running America? The Bush Restoration*. Upper Saddle River, N.J: Prentice-Hall

⁶ M. Dogan's study can be reviewed in "Is there a ruling class in France?" in M. Dogan (Ed.), *Elite Configurations at the Apex of Power*, 2003. (pp. 17-90). Boston: Brill

⁷ These results have been taken from the study by Christiansen, Moller & Togeby,(2001) in John Higley' s article, 'Elite Theory in Political Sociology'.

⁸ See Farrukh Saleem's article, 'Elite Democracy' in *The News International*, published on 8 January , 2013. Available at: <http://www.thenews.com.pk>

⁹ The said article, *Pakistan and Afghanistan: Domestic Pressures and Regional Threats: The Role of Politics in Pakistan Economy* written by Dr. Ishrat Hussain was published in the *Journal of International Affairs*, Vol.63,No.1.Fall/Winter 2009.Page 1-8. It is available at: <http://jia.sipa.columbia.edu/role-politics-pakistans-economy-0>

¹⁰ Details can be seen in World Bank's *Worldwide Governance Indicators, Country Data Report for Pakistan, 1996-2011*. Available at : <http://info.worldbank.org/governance/wgi/pdf/c170.pdf>

¹¹ The Human Development Index is a composite measure which looks into three most essential and basic indicators for measuring Human development which are Education, Health and Income. The data is compiled from 1980-2012 and shows a very marginal improvement in HDI of Pakistan. Complete details are available at <http://hdrstats.undp.org/en/countries/profiles/pak.html>

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¹³ S. Akbar Zaidi has given a very insightful analysis of Pakistan's socio-economic development issues in his book, *Major Issues in Pakistan Economy*, 2004.

¹⁴ For in-depth details of Pakistan's current environment-related situation, *Economic Survey of Pakistan 2011-2012*, Chapter 16, *Environment* can be reviewed. Available at: http://www.finance.gov.pk/survey/chapter_12/16-Environment.pdf

¹⁵ The World Bank report paints a very dismal picture for Pakistan, though accurately, because of the lack of concrete steps taken in time to reverse the trend.

¹⁶ This report titled, 'The Rise of the South: Human Progress in a Diverse World', published as Human Development Report 2013 is available at <http://hdrstats.undp.org/images/explanations/PAK.pdf>. However, this data is based on 2006-07 estimates. Therefore, 2012-13 estimates, if available, may have given different results.

¹⁷ See for example the report by the Frontier Post on Asian development Bank's appreciation for the BISP program. 'Asian development Bank declares BISP's work as Impressive'. Available at: <http://www.thefrontierpost.com/article/187708/>. Accessed on 10th June, 2013.

¹⁸ The Human Rights report on Pakistan gives a detailed account of the state of affairs in the human rights in Pakistan. It is available at <http://www.state.gov/documents/organization/204621.pdf>

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IMF - The Economic Tool to Advance American National Interest

Faqir Hamim Masoom¹

Abstract

In America's pursuit of its national interest, war is the last resort and less violent means are considered to be the best options. The economic dependency of countries on International Monetary Fund (IMF) is the perfect tool used by USA to pursue its national interest and foreign policy objectives. One of the most lethal weapons used by USA in this uni-polar world is IMF. It influences the IMF to shape the economic policies of the dependent countries and keep them under check. Countries like Pakistan have to succumb under US pressure to prevent total depletion of financial reserves under terms that are eventually harmful in the long run. This paper also takes a number of cases under consideration to reach to a solid conclusion on how, when and where USA has been using IMF to pursue its national interest, detrimental to other states that are recipients of the IMF loans.

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Introduction

America has relied extensively on economic tools of statecraft in furthering its national interest. Economic statecraft has proven to be an essential tool in facilitating cooperation amongst the international community. The economic instruments tend to be more credible than diplomatic channels and certainly less costly than military intervention.¹ Taking the International Monetary Fund (IMF) as the intervening variable, this paper will attempt to display how the United States influences ‘the-seemingly independent-IMF’ and its dealings, in pursuing both its domestic and international interests. As well as showing how IMF’s policies help in destabilizing and exploiting essentially all those states that come knocking at its door.

Analyzing America’s interventionist role in the IMF, under the paradigm of Structural Realism, the paper will define the basic procedural workings and main structure of the IMF. The role United States plays in driving IMF decisions and what factors promote America’s presence in the Executive Board of the IMF. Further the paper will discuss the exploitative role of the IMF and its structural adjustment policies in Least Developed Countries (LDCs), with examples from a number of countries and an in-depth insight into Pakistan’s case, in the time period immediately after the 9-11 attacks.

This paper aims to identify a relation between America, the hegemonic power in the contemporary international structure, and the IMF. The manner in which the IMF adheres and fully complies to the American perspective is just another example of how far America’s overwhelming supremacy extends to. America simply uses the IMF as an instrument to create economic conditions that

are favorable to its super-industrialized economy, regardless of what crippling effects any such actions have on the developing countries. The economic policies instilled by the IMF have far reaching repercussions for developing and underdeveloped countries in terms of social, political and security issues.

Theoretical Framework

The 'Neo-Neo debate' comprises of certain key features that set apart contemporary Liberal and Realist thought². The two paradigms agree on the definition of anarchy, but they differ over how competitive and conflicting the world is, how best to mitigate the effects of anarchy; and lastly, the role played by international organizations in the international structure. The liberals, good hearted, yet immensely idealistic, attribute the role of the international organizations in keeping anarchy at bay and their acting as a foreseer to encourage countries to cooperate and harmonize with each other. Realists too feel that international organizations can be poised to play a pivotal role in amalgamating the interests of nations; however, they believe that hegemonic powers and eminent members only adhere to the international organizations, when it best serves their interest. Thus, addressing a common misconception and putting an end to vibrant paradoxical statements suggesting that realists see the role of international organizations to be biased and essentially ineffective.

A prime example from the annals of world affairs can be of the Iraq crisis in 1998. With America poised to attack Iraq, UN Secretary General Kofi Annan endeavored into his February 1998 diplomatic mission in hopes of calming tensions between the two countries. When Mr. Annan announced that on behalf of the UN an agreement had been reached, the then US ambassador to the UN,

Madeleine Albright stated: “It is possible that he [Annan] will come with something, we don’t like, and in which case we will pursue our national interest.”³

Before establishing a link between America and the IMF, it is imperative to understand the basic underlying features of how the IMF functions and what are the main aspects of the fund.

The Functioning of the IMF

The IMF and the World Bank were established in 1944, as a result of a conference in New Hampshire, America. Headquartered in Washington D.C., The IMF was designed to further economic cooperation within the world market. This was achieved by providing its member states with short term loans, towards promoting international trade.⁴ Immense financial resources and the ability to schematically design economic policies help IMF to exert greater influence, than practically any other organization in history.

However, the debt crisis of the 1980’s cannon-balled the IMF from stimulating international trade, to role of revitalizing a country’s economy, when faced with an economic crisis.⁵ The IMF provides emergency loan packages tied, to certain conditions to ensure the re-payment of the loan, referred to as Structural Adjustment. Under the Structural Adjustment policy, the IMF dictates the monetary distribution among institutions such as education, health care, environment-protection and more.

In passing IMF resolutions, voting power is determined by the influx of money that each member country pays into the IMF quota system. This can be easily defined as, “one vote per dollar.”⁶ Contrary to popular belief, the IMF does not give out loans, per say. Countries are offered to purchase foreign currency with the

domestic currency, this transaction is called “re-purchases”. These re-purchases, with interest rates attached, must be repaid according to terms dictated by the fund.

It has been established, the IMF’s decision-making bodies are inclined towards the countries that contribute to the funds liquidity the most. Identifying America as the largest shareholder, as per the ‘one vote one dollar’ structure, it has to be determined, where exactly does the United States stand with respect to the IMF.

United States Standing in the IMF

The International Monetary Fund’s largest contributor to its quota system is the United States of America. In accordance with the ‘one vote per dollar’ United States contributions compose of approximately 17% of IMF’s liquidity.⁷ The executive board’s decisions are made as per weighted voting, which commensurate with the member country’s financial contributions. Therein, the United States essentially holds onto 17% of the vote, it should also be noted here that only 15% of votes are required to veto many of board’s decisions. It, therefore, becomes virtually impossible for an IMF decision to be approved without America’s consent.

America’s membership of the IMF gives it de facto control of the board’s decision making process.⁸ US dominate the overall policy and direction of the IMF. The Executive Board approves all proposed programs in accordance with the IMF voting rules. However, as America can veto Fund’s decisions, essentially no managing fund director can undertake a major decision until and unless the USA is on board.

The IMF decision making can be influenced by bargaining, which allows governments to exert influence, based entirely on their individual interests, therefore, allowing the US with more power

than fellow member countries. Taking examples of Britain and Japan, although they are recognized as important contributors to the IMF, these states are not big enough to veto Executive Board's proposals. Comparing the industrialized nations, America has the most leverage to shape IMF programs.⁹

A correlation can also be established between the United Nations General Assembly (UNGA) and IMF voting trends. Countries that vote alongside USA in the UNGA signify a measure of foreign policy alignment. Such countries are more likely to be granted IMF assistance and be granted conditionality agreements with less stringent structural adjustments. The IMF acts as a financier, extending financial retributions, in return, for consensus on US foreign agenda on the international stage. Until 2001, US Congress has passed 60 legislative mandates requiring American representatives at the IMF to use conditionality agreements to achieve specific domestic objectives.¹⁰

American determination to extend market based economies to the developing world is reflected in the emphasis IMF imposes on macro-economic stability and structural development. American commercial banks appear to be the biggest beneficiaries of the US backed IMF policies. IMF will offer loans to countries already heavily indebted to American commercial banks than to those who are not. IMF offers approximately 6-8 % for each dollar of debt owed to American commercial banks,¹¹ thus, linking IMF loans and commercial debt service. In the absence of IMF credit, debt service will cease to exist. The IMF Executive Director reports to the US Treasury Department and, then with IMF staff and fellow executive board members, thus further signifying how immensely saturated

America's national interests are in the IMF decision making process.

American foreign policy interests have been strong indicators of IMF loans since 1990's. In 1985, less than 150 countries belonged to the IMF, in 2003 that number had reached 184.¹² The IMF secretariat in Washington works secretly, determining policies for 80 countries under its control, largely without the participation of the other global partners or even the recipient country. When hit with staggering interest rates and austerity measures hidden in the form of structural agreements, it is as if a country availing the IMF loan was in fact a pig in the poke.

Jeffrey Sachs, the head of the Harvard Institute for International Development said: "In Korea the IMF insisted that all presidential candidates immediately *endorse* an agreement which they had no part in drafting or negotiating, and no time to understand. The situation is out of hand...It defies logic to believe the small group of 1,000 economists on 19th Street in Washington should dictate the economic conditions of life to 75 developing countries with around 1.4 billion people."¹³ The widely accepted statistic that one percent of the US population owns 50 percent of the stock, while conversely 80% of the population own just 4% of stock,¹⁴ shows that lending money is just another scheme employed by the rich to accumulate more wealth. Noam Chomsky said, "It is a fairy tale for the rich."¹⁵

With this, there can safely be draw three conclusions: first, American commercial bank interests are strongly linked to IMF lending decisions. Secondly, countries with larger debt owed to American commercial banks are granted larger loans. Third, American foreign objectives are deeply rooted in IMF lending.

It has now been established how American policies are the underlying driving forces of the IMF decision making bodies. The objective now is to unravel the in-built factors of the very same IMF policies that inadvertently result in exploiting recipient nations.

IMF: An Exploitative Agenda

Karin Lissakers, IMF's former US Executive Director, accurately described the fund as the 'credit community's enforcer'.¹⁶ The IMF makes certain that the lenders reap exorbitant profits and are not faced with the risk of losing money. A hallmark of IMF loans is that the money may have been borrowed by an authoritarian government, where a small group of elite's voracious lust for immense wealth is satisfied, leaving the mass population with the drudgery of paying off the loans, as they entail compromising public expenditure on essentials such as health, education etc. Structural adjustment is just a euphemism, a fancy word, describing a program where the common are made to pay off the debts incurred by the rich. IMF loans work very systematically in benefiting a few eminent members of a state's leadership, leaving the common steeped in debt, courtesy of structural adjustment.

Anthony 'Tony' Soprano is depicted in the multiple Emmy and Golden Globe award winning HBO TV series as the head of an Italian American crime family based in New Jersey. When an individual is unable to return a loan, Mr. Soprano and his associates pass the responsibility of repaying the amount incurred, to the family and friends of the debtor. In case of partial or delayed payment, the criminals employ methods best known as creative deterrence to ensure full and uninterrupted imbursement. Blowing off the knee-caps with a hand-gun is one example. The IMF essentially works like the crime syndicate headed by Tony Soprano,

except on a much larger platform. So is the case with IMF's interminable confrontations with its borrowers.

Through the 1970's IMF pressured countries to take loans and borrow in excess, resulting in the inevitable debt crisis. September 26, or simply known as S26, was called for as a Global Day of Action against the IMF and World Bank.¹⁷ Primarily the demonstrations were in response to IMF's impositions of neo-liberal and Structural Adjustment Programs. The critics focused on the institution's promotion of a form of economic globalization, encompassing privatization, the opening of markets and cutting social spending.

In Washington, Congressional hearings suggest that IMF is in dire need of more money. It is advocated that the poor countries will suffer, if the IMF is not provided with the \$108bn appropriation from Congress. This claim is preposterous. The IMF already has \$215bn¹⁸ on hand in cash, in addition to another \$100bn in gold reserves. IMF is also planning on acquiring another \$250bn in SDR's ¹⁹(i.e. the IMF's currency). It is evident that the IMF is desperately trying to secure hundreds of billions of dollars more than it is likely to need. The fund has multiple times the money that the poor countries-whose needs are loose change as compared to IMF resources- will ever be allowed to borrow.

The repercussions of IMF policies on vulnerable states are crippling. Besides conniving to drench a country in endless debt, erroneous predictions based on high confidence about economic situations also dampens the chances of a country desperately trying to recover from an economic crisis. Chomsky referred to this practice as "hitting a system you don't understand with a sledgehammer...it's bound to cause damage."²⁰ The agreements are made strictly for the rich, by the rich. The 'virtual senate' furthering

corporate interest causes a conflict between money-making enterprises and that of social welfare.

Much of the social unrest in the 3rd world countries, as attributed by Chomsky, refers to rich countries like America flooding foreign markets with more sophisticated technology through research and development. This often results in shattering the working, producing population of the core countries. These claims were backed by externalities, best described as social indicators and unaccounted effects of the global economy. The IMF's interventionist policies restrict the working of free markets and do not allow capital markets to operate freely. It is argued that attempts to influence exchange rates only make things worse. IMF's policies strengthen the private monopolies and give them ample chance to exploit the greater population.

Exhibiting how the IMF exploits and further hampers the economic growth of countries already facing a financial crisis, below are specific examples of countries, and their involvement with the IMF.

IMF Policies and Appraisals on LDCs

When Paul Wolfowitz was appointed to the World Bank, Indonesian human rights activist lodged a serious protest. Wolfowitz's appointment was criticized with such fervor because when he was appointed as ambassador in Indonesia, he never lifted a finger to help the country. He was seen as a strong supporter of Suharto, widely seen as one of the most horrendous monster in modern history, comparable with Saddam Hussein's atrocious crimes against humanity. Wolfowitz was seen as an individual who vehemently opposed democracy, widely neglected human rights and supported the corrupt regime of Indonesia's Suharto. At the time of

Suharto's rule, Transparency International ranked Indonesia as the world champion in corruption. Wolfowitz at one time stood by Suharto and backed all of his corrupt practices but when appointed to the World Bank, promised to take stringent action against corruption²¹.

Perhaps, one of the most crippling criticisms of the IMF in the present situation of the Asian crisis is of the policies it imposed on the nations of South Korea, Thailand and Indonesia. The policies were wrongly designed and played a major role in further worsening the situation. Instead of quietly luring the international banks and the wealthy countries to extend more credit to the affected countries and help boost investor confidence. The IMF chose to pinch the countries further, thus, driving their banks and corporations into deeper crisis, and depleting an already fragile investor confidence.²² The Asian crisis of 1997 had many countries such as Indonesia, Malaysia and Thailand, which were pressurized by the IMF to pursue stringent monetary policy, by implementing an increase in interest rates and a tight fiscal policy to moderate the budget deficit and, in turn, strengthen exchange rates. However, these policies were introduced at a time, when the economy was under a minor crisis and it escalated the issue into a full blown recession, complimented by high unemployment rates.

Let's take an example of Duvalier's government in Haiti. Mr. Duvalier fled the country with the help of the Americans, leaving the people of Haiti to pay off the debt, which only he and his inner circle benefited from. Most debt, as in this case, is illegitimate. The United States has instituted another international organization that perceives these debts as totally illegitimate, they are called odious debts.

In 2001 Argentina was faced with similar circumstances, when forced into a policy of fiscal restraint. This eventually led to a decline in public services investment and debatably impaired the economic growth.

When the IMF intervened in the African nation of Kenya in the 1990's, they forced the Central Bank to remove controls over the flows of capital. In retrospect, this decision made it easier for corrupt politicians to launder money and extract it out of the domestic economy. This blatant example of corruption aided by the IMF is known as the Goldman Scandal.

Ghana, another African nation was imposed with importing rice from the United States. "People buy Texas rice", the trader said. "It's sad we can't produce our own. Ghana should produce its own rice."²³ Ghanaian officials tried to do just that, produce its own rice, and set up higher tariffs on imported rice to safeguard its local economy and protect its own growers. This increment was received with harsh criticism by the IMF, and soon Ghana succumbed to pressure and backed down. Besides rice, Ghana's local markets were flooded with tinned tomatoes from Italy, and chickens from Holland.

IMF has been extensively criticized for supporting authoritarian regimes and military dictatorships in Brazil and Argentina, among other nations. Castello Branco in the 1960's received IMF funds, originally denied to other countries.

The Latvian nation proves to give a prime example of structural adjustment, where the IMF dictates alterations in domestic policies to enforce repayment of loans. The Latvian government missed a 200 million euro payment from the IMF for not making sufficient cuts in the budget, as prescribed by the IMF. The government

wanted to run a budget deficit of 7% of GDP for this year; however, the IMF wanted 5%.²⁴ Already, Latvia had cut its budget by 40% and was planning on shutting down vital public enterprises such as schools and hospitals in order to meet the IMF's targets, resulting in violent street protests by the local population.

Developing the argument further after a general analysis of numerous countries, the paper shifts to address the case study of Pakistan-IMF relations in the years immediately following 9-11.

Pakistan: The Case in Point

Structural adjustment programs often entail conditions that call for decrease in subsidy, particularly in agriculture sector, which is the backbone of most LDCs, including Pakistan. In the short run, IMF loans do not influence the output inflation tradeoff, however, in the long run; the IMF loans lead to an increase in the sacrifice ratio.

Pakistan's outstanding public debt has now exceeded its Gross Domestic Product (GDP), thus, resulting in the income per capital to be substantially lower than the per citizen indebtedness.²⁵ The external debt burden, a large portion attributed to the IMF lending, can be singled out as the primary cause of all the economic woes faced today. The situation further worsens as Pakistan still continues to be a recipient of IMF loans. A large amount of all received funds are allocated for paying off earlier incurred debts and its ever-piling interest. The levels of debt have contributed to the increasing budget deficit, which inadvertently creates the need for more borrowing, thus, engulfing Pakistan into a recursive debt-trap.²⁶

America has long been perceived as using fiscal policies to divert IMF funding as they see fit. The IMF has long been viewed to be

politicized in order to help America achieve its foreign policy objectives, primarily in the LDCs. The case of Pakistan joining America in the War on Terror (WOT) provides a raw analysis of how America utilized economic statecraft post 9-11. America used the IMF as a tool to reward Pakistan for agreeing to fully assist it in Afghanistan. The amount of foreign assistance from the United States to Pakistan in the years following 9-11, was the greatest since the end of the Cold War.²⁷

Denoting the economic perks as carrots to lure Pakistan into high levels of compliance, in the US WOT a “renewed debate re-emerged on what should be the appropriate mix of carrots and sticks in achieving America’s foreign policy objectives.”²⁸

A previously approved IMF disbursement to Pakistan, amounting to \$135 million was released on September 26th 2001, which was signed in November of the previous year.²⁹ The then Bush Government leaped at the opportunity of harnessing the credit for influencing the IMF decision favoring their new allies in the War against Terrorism, Pakistan. Journalistic reports stated that the US would put its weight behind the IMF Executive Committee to approve and facilitate any disbursements coming in Pakistan’s way.

With regard to approving IMF loans to Pakistan, State Department spokesman Richard Boucher stated: The US government “Will be able to support that and vote for that because we have waived these [Glen Amendment] US sanctions.”³⁰

Yet in another press meeting, Mr. Boucher reiterated the same point when he stated: “We voted for the release of \$135 million tranche of IMF lending.”³¹ And, there by implying the United States to be Pakistan’s benefactor and staunch advocate of Pakistan’s cause.

Another strong indicator, suggesting American favoritism for Pakistan in the IMF was a 2001 article in the Washington post by Paul Blustein, in which he wrote: “According to a senior IMF staffer, the expectation among some of the people dealing with Pakistan before Sept. 11 was that the chances for Board’s approval were 50-50, because although the Pakistani government had kept many of its pledges, it had failed to deliver on others, including tax collection. After September 11, the political atmosphere was transformed so at Wednesday’s meeting, board members representing the IMF’s member countries heaped praise on Islamabad’s economic performance.”³² There in depicting the IMF procedures for issuance of loans as not solely based on solid economic factors. An underling factor of preferential treatment can steer the IMF decisions either way. The institutions have been long politicized and base their decisions on political considerations.

The structural adjustment policies are inherently paradoxical and self-contradicting to what the IMF loans aim to achieve. The IMF would expect Pakistan to act on alleviating poverty, which is manifested in high rates of unemployment. Conversely the structural adjustment policies that go along with funding such a program would entail the ‘downsizing and rapid privatization’ of the public sector, supported by cuts in public spending.

Major Findings and Conclusion

Some IMF and World Bank projects are truly great and help in improving the lives of the people that are benefited from their programs. In Colombia for example, the IMF has set up zones of peace which separate citizens from various warring factions and ask the pro-government military, paramilitaries and guerillas to leave them alone. However the IMF’s policies haven’t been benevolent

and they have to go a long way to “redeem itself.” The whole IMF lending system has no legitimacy. The entire global debt system is fake debt, or ‘odious’ debt. Furthermore the United States backed IMF loans to dictators and authoritarian governments have undermined the democratic process internationally. Lending to dictators led regimes has led to the criticism of America’s lack of accountability and willingness to adhere to countries with bad human rights records. The American international fiscal policy can best be described as using the IMF as a proxy organization that was reflective of the western financial community’s framework.³³ The IMF policies that facilitate unfair trade can be widely seen as the single largest cause of worsening debt of already poor countries.³⁴

IMF’s Structural adjustment policies are set to enforce a swift and uninterrupted collection of outstanding debt. The IMF is acting as “the credit community’s enforcer,”. In essentially all of its standby agreements negotiated over the last year, the IMF has included conditions that will over time diminish the output and employment in situations where economies are already dwindling.

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