



Review of and Recommendations for Norwegian Support to good Governance in Pakistan



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**REVIEW OF AND RECOMMENDATIONS FOR NORWEGIAN SUPPORT
TO GOOD GOVERNANCE IN PAKISTAN**

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MAP OF PAKISTAN ¹



¹ Source: Pakistan Planning Commission

ABBREVIATIONS

ADB	Asia Development Bank
AGHS	AGHS Legal Aid Cell
AJK	Azad Jammu and Kashmir
AKRSP	Aga Khan Rural Support Programme
Aurat	Aurat Foundation
CCB	Citizens Community Board
CDDP	Chitral District Development Programme
CMI	Chr. Michelsen Institute
DfID	Department for International Development
FATA	Federally Administrated Tribal Areas
FoDP	Friends of Democratic Pakistan
GINI	Governance Institutes Network International
HRCP	Human Rights Commission of Pakistan
KPK	Khyber Pakhtunkhwa
MQM	Muttahida Qaumi Movement
NPT	National Press Trust
NGO	Non-Governmental Organisation
Norad	Norwegian Agency for Development Cooperation
OECD/DAC	Organisation for Economic Co-operation and Development/Development Assistance Committee
PATA	Provincially Administrated Tribal Areas
PDF	Pakistan Development Forum
PML-N	Pakistan Muslim League - Nawaz

PPP	Pakistan People's Party
SAFMA	South Asian Free Media Association
SHYDO	Sarhad Hydel Development Organisation
SPARC	Society for the Protection of the Rights of the Child
Sungi	Sungi Development Foundation
TAF	The Asia Foundation
UNDP	United Nations Development Programme
WWO	Working Women Organisation

EXECUTIVE SUMMARY

This governance review is commissioned by the Norwegian Embassy in Islamabad, and the Terms of Reference specify that the report should include a political economy analysis of Pakistan. According to the TOR, the main focus should be placed on overall power relations at the national level as well as the provincial and local levels, with a particular focus on Khyber Pakhtunkhwa Province (KPK). The overall analysis is to address key sectors of Norwegian development cooperation with Pakistan. In pursuit of the TOR, this analysis will deal with the legitimacy of the state, gender issues in relation to the state, societal interactions and opportunities for citizens - both men and women - to interact with the state. The role of corruption in relation to governance will also be dealt with. Finally, as relevant for an assessment of the Norwegian good governance portfolio, the analysis will focus on possible drivers of change and the potential spoilers.

The review was conducted by Petter Bauck (Norad, team leader), Arne Strand (CMI, senior researcher) and Shirin Gul (independent consultant), and included a broad document review and interviews in Norway and Lahore, Islamabad and Peshawar in Pakistan.

The report starts by introducing a theoretical framework for analysis, and then discusses how Pakistan and Norway define governance and good governance before moving on to a political economy analysis of Pakistan. This is complemented by an overview of governance history and structures, before presenting our reflections on governance in Pakistan and the conclusions and recommendations to the Norwegian Embassy in Islamabad.

Defining governance

The definition provided by the Pakistani Planning Commission states that:

Good Governance relates to a pluralistic and holistic view where responsibility is jointly shared by players in public sector, the corporate private sector, and civil society by addressing the issues of accountability, transparency, participation, openness, rule of law and predictability.

In a 2004 document, Norad explains that “good governance means the sound administration of financial resources, a responsible economic policy and active

efforts to combat corruption.” Moreover, the document points out that “good governance is also a vital prerequisite for good effective development cooperation. A good system of government is characterised by a well-functioning constitutional state and an economic policy that aims at reducing poverty.”

Political Economy Analysis

A particular challenge is the weak social contract that exists between the state and the population of Pakistan. Unlike most of the European nation states, where such contracts forms the foundation for the division of power between states and citizens, and the accepted mechanisms for controlling this power, the population of Pakistan doesn't have this same relation to the state. The state is rather seen as a playground for the different power elites, and as a means to secure their personal wealth and control.

Pakistan is facing a grave situation on a number of fronts. The democratically elected government is confronted with an increasingly difficult economic situation, although by postponing the necessary reforms the government drives up the rate of inflation. Large geographical differences, demands for greater independence in some areas, and a recurring struggle for power between the three centres of power - i.e. the political elite closely associated with the feudal landowning class, the military and the bureaucracy - is draining the country's resources.

According to independent sources, population growth in Pakistan has increased by 24 % over the past ten years. At the same time, 51 % of the population is living under the poverty line, although governmental statistics put the poverty rate at a maximum of 23.9 %. Almost 60 % of the population is below the age of 30, and there are rising rates of unemployment and underemployment. Moreover, shortages in energy have become acute, where the public and industry both lack electricity and gas supplies.

While the 18th Constitutional Amendment devolves authority from the federal to the provincial governments, there is uncertainty over the degree of fiscal decentralisation and which tasks should remain at the federal level. There are different opinions about the importance of the devolution from the provinces to the districts, a policy undertaken in 2002 under President Musharraf. Little is known about how the gains for local democracy, which were somehow reversed during the recent devolution, should be followed up.

The security situation has worsened over recent years, as the Pakistani Army has taken on Islamic militants in the Malakand division and the Federally Administrated Tribal Areas (FATA), resulting in suicide and bomb attacks throughout the country. Sectarian violence is on the rise and Karachi is on the verge of a civil war between ethnic, political and criminal groups. Regional tensions remain high. The conflict with India continues to dominate the security discourse while the engagement towards Afghanistan, as specified under the strategic depth doctrine, is of international concern.

Additional problems were brought about by a series of natural disasters. Several devastating earthquakes have hit the country in recent years, causing major loss of life and the destruction of an already fragile infrastructure. The 2010 flood affected large parts of Pakistan and destroyed harvests and agricultural land and forced large segments of the population to flee their houses.

The blasphemy case against a Christian woman and the subsequent assassinations of the Governor of Punjab and Minister Bhatti is just one of many examples that illustrate the vulnerability of minorities, the ways in which the present religious and political discourses promote violence and the inability or unwillingness of the Government of Pakistan to curb religiously motivated agitation and murder.

Finally, women in Pakistan are generally discriminated against when it comes to rights to development and their ability to affect their own rights. Many women are subject to domestic and sexual violence in the face of impunity for the perpetrators.

Drivers of change

Given the broad set of challenges, and the particular relationship between the Pakistani state and its citizens, there is not just one, but many potential drivers and agents for change.

Although the Government of Pakistan is criticised for its inability to improve the economic, security and human rights situations, it is this very same government that holds the main responsibility for securing a more positive developmental outcome for the country's citizens. With more responsibility shifted to the provincial level, more attention has to be given to the ability to govern at the provincial level. At the same time, one should not underestimate the impact of decisions and changes that are made by citizens at the district

and village/municipality levels during their involvement in local governance structures.

The media sector has gained increasing influence over the last years, and represents all aspects of the Pakistani society. There are diverging views as to what extent the media sector today represents a corrective to the power structures or if substantial parts of the media mainly function as cover ups for established policies. One part of the media is criticised for being populist and stirring conflicts, another for conveying radical viewpoints, while there is also a minority within the media that try to balance opinion and generate healthy debate on how to improve the situation in the country.

Civil society is an important agent for change, both in protecting and advocating for basic human rights and, not least, the rights of women and minorities, and in furthering pro-poor development. A distinction is noted between single organisations and social movements, where the challenge for the former is to be able to generate networks and mobilise around issues of common concern in ways that motivate those they set out to assist to join together in social movements for change.

Another important voice for change is found in women and women organisations, including female parliamentarians and lawyers. As with many human rights groups and outspoken individuals, these women and organisations are in vulnerable positions and are frequently accused of furthering Western interests.

The youth are mentioned by many as potential agents for change, although many onlookers do worry about religious radicalisation and anti-Western sentiments among them, and the anger generated due to what the youth regard as society's lost opportunities. Engagements and dialogues with the youth appear to be the only way to generate engagement towards positive change. Developing job opportunities for youth will remain a key challenge for the Government of Pakistan. Suppressing their views and marginalising them is only likely to strengthen negative development.

The latter assessment can also be directed towards the religious civil society organisations that have a large influence in Pakistan on both domestic affairs - including the rights of women - and international affairs. Continued dialogue is required in order to learn and to challenge the positions and the ways in which positions are articulated and acted upon.

Norwegian governance assistance

The Norwegian engagement in Pakistan has long historical roots and the governance portfolio in Pakistan includes a wide range of sectors, activities and partners. The dynamics of this engagement has been influenced by political developments in Pakistan and policy changes in Norway.

There are currently a number of interventions that goes beyond the traditional governance programming and support for civil society, like the district development program in Chitral, the building of a network for curriculum development for training of public servants and a regional media engagement programme.

The 2010 budget for governance activities was planned for 36.2 million NOK, the request for 2011 is 32 million, and that same amount is tentatively suggested for 2012 and 2013.

Conclusion and recommendations

Pakistan is facing tremendous challenges that will affect the country's potential to develop and secure good governance structures and practices. There are large differences within the country, in terms of both culture and development. Aspects such as the colonial history, the repeated changes between civilian and military rule and the influence of feudal and tribal structures, have created governance and political structures with limited abilities to govern and develop Pakistan in ways that would benefit the majority of the population. Poor governance and political structures have also magnified the fallout from the natural disasters that have hit Pakistan, the worsened security situation and the increase in sectarian and political violence.

There are, however, potential for both positive and negative changes as a consequence the 18th Amendment, which, as mentioned earlier, transfers power from the federal to the provincial level.

The situation in the country is very fragile, one that donors follow closely, and where they have organised themselves into assistance networks like Friends of Democratic Pakistan (FoDP). At the same time, governance in general and good governance in particular needs to be interpreted within the limits and opportunities set in the Pakistani context.

As for the Norwegian governance portfolio, a major concern relates to the limited institutionalisation that exists within the various projects, including the

weaknesses in the ability of members and organisations to develop broader networks and alliances with similar organisations. This reduces their capacity to instigate positive change and safeguard rights and positive development towards improved governance, both locally and nationally.

There are three important implications for how the Norwegian Embassy should plan and follow up their governance support to Pakistan. The starting point is that good governance should be regarded as a cross-cutting concern in both political relations and development support, where key recommendations for each theme are:

1) Given the rapid changes that are now taking place, the Embassy needs to be **continuously updated** from a range of sources, including the many diverging views and positions that exists within the state, the military and the political parties. Given the recent constitutional change, establishing and maintaining contacts with the provincial governments will be increasingly important since they will have greater latitude in shaping policy, governance structures and strategies.

- We recommend that the Embassy undertakes a more active approach in networking, strives for higher visibility and greater levels of engagement with development partners, becomes more actively involved in governance-related donor initiatives, and develops a strategy to constructively engage with a broad range of governance and civil society stakeholders.
- The Embassy should draw on these different sources of information and analysis as a way to constantly develop a more systematic Norwegian governance policy towards Pakistan. The policy should serve as a basis for informing discussions with the GoP, generating inputs into the donor initiatives, and forming and developing the various inputs into governance planning and programming.
- In order to properly plan and executive these tasks, the Embassy and the Ministry of Foreign Affairs should dedicate and develop sufficient human resources at the Embassy, and prioritise time and resources for actively engaging with a broad range of stakeholders.

2) Based on a developed governance policy towards Pakistan and preferences provided in the Norwegian policy framework, the Embassy needs to **play an active role in donor coordination** mechanisms as a venue for helping to set

the agenda and secure a dialogue with, in particular, the Federal government and the KPK provincial government.

- The Embassy should actively engage in donor networks, and consider establishing a donor relations group for the Embassy's focus province, the KPK. This group should actively engage with the provincial government on governance issues.
- The Embassy's engagement should be informed by an understanding of the previous and the ongoing devolution process in Pakistan, and form a basis for following up on the political development in Pakistan.
- The Embassy should make use of the development partners and other experts in the governance field. This includes engaging with them in discussions on their experiences and viewpoints, and likewise, challenging them on how they as members of civil society can contribute to improved governance.

3) In light of developments in Pakistan and in the KPK, the Embassy needs to **constantly review its governance support** in order to ensure that it is a coherent programme that can contribute towards improved governance in Pakistan. In the reviews, there must be an understanding that the network of governance partners can constitute a more active entity in promoting positive governance changes than each single organisation might achieve on its own. Partners can also provide the Embassy with an arena for contact, dialogue and sounding boards for further developments.

- The Embassy must ensure that questions related to improving governance are included when new projects are developed and ongoing projects revised. A checklist can be developed for this purpose.
- The Embassy should review the present governance portfolio to ensure that the individual projects by themselves, and as parts of a whole programme, can contribute to improving governance in Pakistan.
- The Embassy should challenge and support the governance partners to better institutionalise and develop sound governance within their projects and, likewise, their ability to develop broader networks and alliances aimed at promoting positive change.
- The Embassy should review the extent to which the support for political-party development has led to positive developments within party organisations and to increases in the influences that youth and women have in politics. The review should also look to see if support

corresponds with greater levels of internal democracy and inclusive party cultures and practises.

- The Embassy should ensure confidentiality in partner relations with authorities, NGOs and others.

INTRODUCTION

Based upon a request from the Norwegian Embassy in Islamabad, Pakistan, the Norwegian Agency for Development Cooperation (Norad) organised a tendering process for an examination of the present and planned activities for Norwegian support for good governance in Pakistan (see enclosed TOR in Annex I). The Chr. Michelsen Institute (CMI) was selected as Norad's partner in the review, and the team that visited Lahore, Islamabad and Peshawar between 24th November and 4th December 2010 consisted of Petter Bauck (Norad, team leader), Arne Strand (CMI, senior researcher) and Shirin Gul (independent consultant). Karin Ask (CMI, researcher) provided valuable input to the team and undertook quality control of the report.

The TOR specifies that the report is to include a political economy analysis of Pakistan, with the main focus placed on overall power relations at the national level as well as the provincial and local levels, with a particular emphasis on the Khyber Pakhtunkhwa Province (KPK). The overall analysis is to address key sectors of Norwegian development cooperation and deal with the legitimacy of the Pakistani state. In pursuit of the TOR, this analysis will address the legitimacy of the state, gender issues in relation to the state, societal interactions and opportunities for citizens - both men and women - to interact with the state. The role of corruption in relation to governance will also be dealt with. Finally, as relevant for an assessment of the Norwegian good-governance portfolio, the analysis will focus on possible drivers of change and the potential spoilers.

The assignment was based on an initial document review, and interviews in Norad and the Norwegian Ministry of Foreign Affairs. Interviews were also held with representatives from the Norwegian Institute for Urban and Regional Research (NIBR). The second part consisted of data collection and interviews in Lahore, Islamabad and Peshawar. The interviews were held with staff from the Norwegian Embassy, elected and appointed central and local representatives of the Government of Pakistan, a range of Norwegian-supported non-governmental organisations (NGOs), bilateral donors, the United Nation

Development Programme, the Asia Development Bank and a range of academics and independent observers.²

The team started by viewing good governance as a cross-cutting issue, although the interactions were built around three consistent points of discussion:

- a) What is governance in Pakistan?
- b) What are the challenges to good governance in Pakistan?
- c) Who are the main players/institutions/networks and who are the agents of change in the promotion of a state-society contractual relationship that fosters good governance?

The fieldwork in Pakistan concluded with a workshop with staff at the Norwegian Embassy in Islamabad. The third part of the study entailed additional examinations of the collected documents, participation in a January 2011 workshop organised by the British Department for International Development (DfID) and preparation of a draft report for comments before concluding the study. The list of persons and institution interviewed in Norway and in Pakistan is enclosed as Annex IV.

To ensure sufficient knowledge on key governance sectors, and to allow for a broader analysis of the Norwegian governance portfolio, the team identified three types of interventions to be targeted for closer examinations. These interventions either specifically aim at developing good governance or contain a major element with the potential for influencing the development of good governance. Each intervention is at a different stage of project/intervention cycle, where one intervention has a long history of receiving Norwegian support, another one is currently under implementation, while the third one is currently in the planning phase.

The first intervention is the support for the NGO/civil society sector, where a diverse selection of organisations and institutions are included to ensure a broad understanding of how different types of activities might help secure and develop good governance.

The second is the larger Chitral District Development programme that is currently being implemented in collaboration with the Provincial Administration

²The NGOs representatives were all Norwegian partners. However, interactions with academicians, media representatives, political representatives, etc. were arranged in an effort to find a greater plurality of voices.

in KPK and the District Administration of Chitral. Issues of interest include the relations between federal, provincial and local government representatives, the role and influence that local communities and women have on the programming, NGOs as implementers and developers of the capacity of the local government, and relations with other donors and implementers.

Based partly on the initiative of the FoDP, the third intervention is an energy programme currently under consideration. This initiative was selected as a way for helping to understand how good-governance planning is taken into account during the programming process. It was also selected based on the team's desire to see the extent to which and how the role of different types of government institutions (federal, province and local), civil society organisations/NGOs and local communities are consulted and included in the early planning process.

The team wishes to express our appreciation to the staff of the Norwegian Embassy in Islamabad for organising appointments, travel and lodging arrangements, as well as their comments on the draft report and for their tremendous hospitality.

GOOD GOVERNANCE

In order to set a framework for assessing the Norwegian support to governance in Pakistan, this chapter focuses on defining what a political economy analysis is and the concept of good governance.

Political economy analysis

The OECD/DAC defines political economy analysis as a study which is concerned with the interaction of political and economic processes in a society. This includes a) the distribution of power and wealth between different groups and individuals, and b) the processes that creates, sustains and transforms these relations over time.³

Political economy analysis is, therefore, used for understanding the relationships between economic and political power within states and among political elites and authoritarian governments, and for unravelling patrimonialism, patronage and the informal and customary operations of political systems.⁴

A recent Norad publication goes further by defining a political economy analysis in the field of international development and by adding to the definition a more constant elements of struggling and bargaining for policy outcomes.⁵ Their starting point is that a “political economy analysis is first and foremost about power and interests. It analyses social and political processes as the outcome of struggles for control over resources and positions.” Such an analysis might then help identify drivers (or agents) or obstructers to reform, and to understand “what kind of change (or non-change) is happening and why, by unpacking the interaction between structures, institutions and agents.”

³ OECD-DAC, Political Economic Analysis, available at: www.oecd.org/dac/governance/politiceconomy. (visited on 29.04.2011)

⁴ Amundsen, Inge (2010), *Good Governance in Nigeria. A Study in Political Economy and Donor Support*, Norad Report 17/2010, available at <http://www.norad.no/en/Tools+and+publications/Publications/Publication+page?key=203616> (visited on 29.04.2011)

⁵ Moen, Eli and Sundstøl Eriksen, Stein (2010), *Political economy analysis with a legitimacy twist: What is it and why does it matter?* Oslo, Norad, available at <http://www.norad.no/en/Tools+and+publications/Publications/Publication+Page?key=208356> (visited on 29.04.2011)

The Norad report had identified the following factors as relevant for a political economy analysis:

- The interests, incentives and power of different groups in society (political and economic elites, social classes, ethnic, tribal and religious groups, indigenous peoples, etc.), and how these generate particular policy outcomes that may encourage or hinder development.
- Decision making and the influence of decisions on development of formal institutions (e.g. in the bureaucracy, judiciary, parliament) and informal institutions (e.g. traditional leaders, customary and Sharia laws) etc.
- The influence on social, political and cultural norms, values and ideas, influencing political ideologies, and religious and cultural beliefs on shaping human relations and interaction, and political and economic competition and the consequent influence on development.

While drawing particular attention to politics, the approach is also concerned with economic processes that generate wealth and how such dynamic processes influence development outcomes. The Norad report warns against considering only the formal, written rules and political rhetoric, since, from their point of view, "state-society relations are also influenced by informal, unwritten rules rooted in cultural norms, customs and traditional social practice." In short, this warning is an acknowledgement of the importance of accounting for personal ties and the sometimes blurred distinction between public and private spheres.

The Norad report argues that the legitimacy of the state is essential in state-building, and thus it is important to include it as a factor in a political economy analysis. The report also argues that the distinction between the state and the government is essential insofar as the survival of a government might not depend on strengthening the state. Rulers might instead rely on "...strategies of patronage, crime, corruption, aid, or mineral extraction" that can limit demands while putting up a "smokescreen of formal institutions in accordance of the idea of the modern state".

The report argues for four general sources of state legitimacy, while pointing out that it is the relationship between these different sources of legitimacy that is the most important factor:

- 1) **Input** or **process** legitimacy which is tied to agreed upon rules or procedures through which the state makes binding decisions and organises people's participation.

2) **Output or performance legitimacy** which is defined in relation to the quality of goods and services that the state delivers and the effectiveness of delivering them.

3) **Shared beliefs**, including a sense of a common political community, and shared beliefs shaped by social practices and structures, political ideologies, religion and tradition that allow people to see the state or other forms of public authority as the overarching, rightful authority.

4) **International legitimacy**, meaning the recognition of the sovereignty and legitimacy of the state by external actors, which in turn has an impact on its internal legitimacy.

An upside down view of governance

A recent research report from the Institute of Development Studies (IDS), entitled *An Upside Down View of Governance* (2010), provides a nuanced view of governance, as it explores how “elements of public authority are being created through complex processes of bargaining between the state and social actors, and the interaction of formal and informal institutions.”⁶

One of their findings is that informal institutions and personalised relationships that usually are regarded as a governance problem might actually be part of the solution. Moreover, they find that a number of programme interventions fail not from a lack of ownership or attention to politics, but, rather, they fail because of an incorrect starting assumption: “that progressive change consist of, and can be advanced through, strengthening formal, rules based institutions that reflect a clear division between public and private spheres of life.” The report, therefore, argues that “the key to making progress in the short to medium term may not be the direct external intervention to orchestrate and support rules-based reform, but more indirect strategies to shift or influence the incentives and interests of local actors”, and concludes that donors “need to reassess their own role in the process, and their traditional approaches to managing ‘donor-recipient’ relationships.”

⁶ Institute for Development Studies (IDS)(2010), *An Upside-down View of Governance*, available at <http://www2.ids.ac.uk/futurestate/pdfs/AnUpside-downViewofGovernance.pdf> (visited on 29.04.2011)

This research identified a series of key questions that can provide insights into the underlying challenges of creating effective public authority in a given context, and identify priorities for action and possible strategies for external actors.

- How are historical and contextual factors (political, institutional, economic and cultural ones) shaping formal and informal institutions, interests and relationships?
- What is shaping the interests of political elites? (Sources of revenue are likely to be critical.)
- Are there common interests among and between public and private actors - interests with the capacity to produce "win/win" outcomes? In particular, what is shaping the relations between politicians and investors, and might these actors have common interests in supporting productive investments?
- What might stimulate effective collective action by societal groups to demand better services or to support or resist public policy?
- What informal institutions are operating (especially in rural areas), and how are they interacting with formal institutions? Are they competing with or undermining effective public authority?
- Is the government reliant on revenues from taxing citizens and how is that reliance shaping citizen behaviour? Is there scope for productive bargaining around taxation?

The findings from this research project are presented in another IDS publication, titled *Societies, States and Citizens: A policymaker's guide to the research*.⁷ It argues that the efforts to strengthen the capacity of civil society to make demands on governments have mixed results. Specifically, these efforts "have created a large number of advocacy and service delivery NGOs that are dependent on donor funding, often have a weak membership base and unclear mandates, and might be reluctant to get involved in political confrontation with governments."

The report does not argue against well-targeted efforts to support core governance functions or NGOs, but in either case they suggest that

⁷ Centre for the Future State, Institute of Development Studies, University of Sussex (2010), *Societies, States and Citizens*, p. 5, available at <http://www2.ids.ac.uk/futurestate/pdfs/Future%20State%20DRC%20Policy%20Briefing%20SSC10.pdf> (visited on 07.01.2011)

“interventions need to be selective, sustained, much more realistic about likely short-term outcomes, and better attuned to local political interests and incentives.”

Good governance as defined by Pakistan and Norway

It is also important to identify how Pakistan and Norway present their visions of good governance and to understand the priorities that each country is making.

Pakistan

The Pakistan Planning Commission is tasked with formulating the national strategic, long term and annual development plans; monitoring and evaluating the implementation of major development projects and programmes; evaluating the economic situation; and coordinating economic policies.⁸

There are two identified documents that highlight how good governance is perceived and prioritised in Pakistan. The Planning Commission’s Annual Plan for 2010-2011 explains that “governance is the process of decision making and the process of implementation of these processes.” It explains governance as consisting of the “decision-making” processes and the process of ‘implementing’ these decisions. While “good governance relates to a pluralistic and holistic view where responsibility is jointly shared by players in [the] public sector, the corporate private sector, and civil society by addressing the issues of accountability, transparency, participation, openness, rule of law and predictability.”

The document establishes that there is an important link between growth and reducing poverty, and as growth generates income, “good governance trickles this effect down to the masses, particularly the poor.” The development activities under the governance sector include: knowledge management, organisational restructuring, institutional reforms, judicial reforms, law and order, professional development and service delivery. The governance strategy for 2010-11 outlines a need to:

- Strengthen the process of decentralised service delivery.
- Strengthen participatory approaches through capacity building.
- Reform legal, judicial and law enforcement institutions.

⁸ Government of Pakistan, *Functions of Planning Commission*, further details available at <http://www.planningcommission.gov.pk/functions.htm> (visited on 29.04.2011)

- Address corporate governance and the public-private interface, thus protecting public interests while minimising private transaction costs.
- Strengthen public-sector management by streamlining the revenue administration, improving the public financial administration, and reforming the civil service.
- Implement policies, programmes, and projects effectively through improved monitoring and evaluation.

The Planning Commission's Vision 2030 document applies the same definition of good governance, but acknowledges that, while there has been progress on governance-related issues, problems still persist, including:

- 1) Poor management of resources, disparities in the pace and level of development across provinces and across districts.
- 2) Denial of basic food, water and shelter needs to a substantial proportion of the population.
- 3) Marginalisation, exclusion or even persecution of people on account of social, religious, ethnic or even gender affiliations.
- 4) Lack of sensitivity, transparency and accountability in many facets of the state machinery, particularly those that interface with the public.
- 5) Lack of credibility - the gap between the intent and the actions - of some institutions in society.
- 6) Inadequate application of rules, evasion of taxes and failure in getting timely justice.
- 7) Existence of a significant number of voiceless poor with little opportunities for participating.
- 8) Deterioration of physical environments in the urban and rural areas.

When concretising a New Development Approach for Pakistan, the Planning Commission suggests that "quality governance" is a key element in strengthening growth and economic reform, and quality governance should include civil service reform, the devolution of power, a performance-based government and a business process reengineered with technology.

Norway

Norad (2004) explains that "good governance means the sound administration of financial resources, a responsible economic policy and active efforts to combat corruption." They go on to emphasise that "good governance is also a vital prerequisite for good effective development cooperation. A good system

of government is characterised by a well-functioning constitutional state and an economic policy that aims at reducing poverty.”⁹

Accordingly, Norad has identified a broad range of development interventions that might support good governance:

- Democracy, including support for national assemblies, elections and independent media.
- Administrative reforms and decentralisation.
- Anti-corruption work.
- Peace-building, post-conflict assistance.
- Institutional matters and the institutional sustainability of programmes and projects.
- A constitutional state and legal reforms.
- Human rights.
- Women and gender equality.
- Development of civil society.
- Public financial management.

Good governance plays a prominent role in the political guidelines for Norwegian development cooperation, and has been given a priority focus in all of Norway’s partner countries. Here, Norwegian embassies “aim to make active efforts to follow national reform processes” through constructive dialogue with national authorities.

⁹ Norad (2004), *Good Governance: Factsheet*, available at <http://www.norad.no/en/attachment/107526/binary/5979?download=true> (visited on 08.11.2010)

POLITICAL ECONOMY ANALYSIS

Pakistan is faced with a range of challenges to the development of good governance. Challenges include a combination of general political instability, increased insecurity and sectarian violence, tensions with neighbouring countries, a worsened economic situation, a rapid population increase, a limited tax income and high levels of corruption. In addition a range of natural disasters have increased the burden on both the population and the Government of Pakistan.

The shared perception from the consultations was that of a “chequered democracy”, one created among the society’s elite groups that then moved in to claim state resources. These include the military and civil bureaucracy, the feudal landlords who hold strong influence within the political establishment, and more recently, the business class.

The result is the existence of a very weak social contract between the state and the citizens of Pakistan, a situation similar to those faced by many post-colonial states. The nation state is weak with poorly defined structures, and the citizens have limited expectations of state performance and support, yet the citizens also have limited capacities to promote change.

One explanation for this state of affairs is that Pakistan has witnessed four periods of military rule since gaining independence in 1947, the latest of which ended when President Musharraf resigned in August 2008. The repeated shifts between civilian and military rule has impacted the development of the political culture and power structures in society. A feudal class has been able to maintain their influence partly through their positions in the Parliament, while retired military officers have moved into the bureaucracy, the business sector and the landowning class.

At the same time, one landowning family has dominated one major political party since the 1960s, only to be challenged by an industrialist family that has dominated another major party from the late 1980s onwards. None of these parties have developed internally democratic and accountable party cultures. These constellations have been able to resist changes that might reduce their influence and wealth, such as land reform or tax on agricultural income. In such a fragile environment reforms are made to obstruct opponents rather than develop policy, and to grant favours as a way for ensuring the maintenance of positions and influence. Corruption is a major threat to the legitimacy of the

government, as serious charges are made against the President and a number of ministers.

These historical power struggles provide the contextual background for the extremely low income from tax revenues. According to documentation provided by the Ministry of Finance for the November 2010 Pakistan Development Forum (PDF), the current FBR tax-to-GDP ratio stands at about 9 %.¹⁰ There are only 2.75 million people that hold a National Tax Number, amounting to about 1.6 % of the country's 170 million people. Within this 1.6 %, only 2.2 million actually pay any tax.

The same scenario is also found within the business sector. Of 50 000 companies registered with the Securities Exchange Commission only 18 000 filed tax returns in 2008. An attempt to increase the tax-to-GDP ratio, in line with what was negotiated with the International Monetary Fund (IMF) as an obligation for the release of loans to Pakistan, was turned down by the Parliament in early January 2010 due to internal political differences. This decision was made despite an international emphasis on the need for Pakistan to increase the revenue to be able to meet their needs. As pointed out by former State Secretary Barth Eide at the FoDP meeting in October 2010, it is necessary "...to mobilize national resources to meet the needs of the citizens of Pakistan, and ensure a more equal distribution of wealth."

The Pakistan Development Forum (PDF), organised by the Government of Pakistan, is one structure in which donors have organised themselves to help develop and exert influence on Pakistan. Friends of Democratic Pakistan (FoDP) is another group, and there is also an Islamabad-based Good Governance Working Group (GGWG) that, together with the UN, addresses governance issues

It is important to understand the nature of poverty in Pakistan. "Poverty in Pakistan results from deprivations in economic assets, political and social rights, and social and municipal services. There is considerable inequality in

¹⁰ *Tax Reforms in Pakistan* (2010), Document for Pakistan Development Forum, November 2010 and Pakistan Development Forum (2010), *Expenditure Management & Resource Mobilization*, available at <http://siteresources.worldbank.org/PAKISTANEXTN/Resources/ExpenditureMgmt&resourceFinanceDivision.pdf> (visited on 29.04.2011)

people's access to these entitlements and poverty has increased over the past decade." (Nadvi and Robinson, 2004)¹¹

In Pakistan, religion, language (a proxy for ethnicity) and caste/kinship status are found to be correlated with different measurements of disadvantage. Using national-level data, Carraro (2004) found that the incidence of poverty was 39.6 % for religious minorities who made up around 4 % of the total population, and 24.6 % for the rest.¹² Poverty levels were also higher among landless occupational groups, including various "caste-like" hereditary occupational groups (Kabeer 2006).¹³ Similarly, findings from the Pakistan Participatory Poverty Assessment (Government of Pakistan 2003)¹⁴ show that female heads of households and widows, particularly those with young dependants, were systematically identified as among the very poor in all the provinces.

The lack of consistent and comparable data sources has made assessment of poverty trends over time virtually impossible. But, while statistics differ, evidence from a study made by the Oxford Poverty and Human Development Initiative¹⁵ shows that as many as 51 % of the population in Pakistan can be defined as poor, living on less than 1, 25 US dollar a day, an estimate that doubles the governmental figure of 23.9 %.¹⁶ High unemployment and underemployment levels can partially explain this high level of poverty and why women are especially more vulnerable than men.

Therefore, many leave Pakistan to seek job opportunities abroad and the migrants constitute one important source of revenue for Pakistan, although many find only low-paid jobs in the Middle East, first and foremost in the Gulf countries. The government encourages work migration, where a recent discussion focused on the possibility of providing health workers to Portugal.

¹¹ Nadvi, K. and Robinson, M. (2004), *Pakistan Drivers of Change: Synthesis and Policy Implications*, Sussex: Institute of Development Studies.

¹² Carraro, Ludovico, Weinzierl, Sabine and Hunt, Simon (2004), *A Quantitative Assessment of Social Exclusion in Pakistan*, Oxford, Oxford Policy Management Paper

¹³ Kabeer, Naila (2006) *Social Exclusion and the MDGs: The Challenge of 'Durable Inequalities' in the Asia Region*. *Institute of Development Studies Bulletin*, 37 (3). pp. 64-78.

¹⁴ Government of Pakistan, Planning and Development Division (2003), *Pakistan Participatory Poverty Assessment, Summary Report*, available at http://g2lg.gop.pk/Portal/index2.php?option=com_docman&task=doc_view&gid=200&Itemid=105, (visited on 29.04.2011)

¹⁵ Oxford Poverty and Human Development Initiative (2010), *Country briefing: Pakistan, Multidimensional Poverty Index (MPI) (July 2010)* available at <http://www.ophi.org.uk/wp-content/uploads/Pakistan.pdf> (visited on 18.04.2011)

¹⁶ UNDP Pakistan (2011), *Millennium Development Goals*, available at <http://undp.org.pk/goal-1-eradicate-extreme-poverty-and-hunger.html> (visited on 18.04.2011)

The number of citizens in need of food, education and health facilities continues to increase, as does those in need of employment. According to the UN Population Fund (UNFPA), malnutrition rates are high and are linked to 50 % of the deaths among infants and children; there is one doctor for every 1 183 people; and a literacy rate of 57 % is among the lowest in South Asia.¹⁷

Broadly speaking, 40 % of the land in Pakistan is owned by 2.5 % of the households. In rural Sindh landlessness is most acute, with some 67 % of the rural households owning no land and just 0.4 % of the households owning nearly 24 % of the total area (Mumtaz and Noshirwani 2005).¹⁸

Figure 1 below, which shows the GDP growth rate, indicates a high degree of economic volatility since 1972, and a very sharp decline in more recent years.

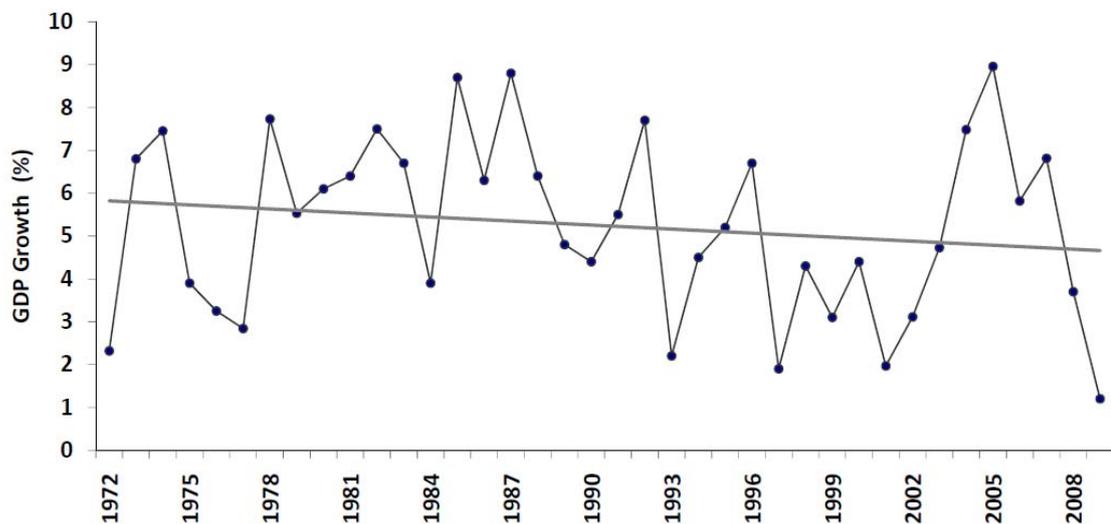


Figure 1: Economic Growth 1972- 2010: Volatility and decline in potential GDP growth¹⁹

Statistics presented in a recent report from the GoP project that the population will reach 191 million in 2015, up from the current figure of 170

¹⁷ UN Office for the Coordination of Humanitarian Affairs, IRIN humanitarian news and analysis (2011), *PAKISTAN: Population growth rate adds to problems*, available at <http://www.IRINnews.org/report.aspx?ReportID=91656> (visited on 29.04.2011)

¹⁸ Mumtaz and Noshirwani (2007), *Women's Right to Land and Property in Pakistan*, IDRC

¹⁹ Government of Pakistan, Planning Commission (2010) *Towards Growth Strategy and Economic Reform*, Islamabad, available at http://www.planningcommission.gov.pk/nda/PDFs/growth_strategy-12Nov10_edited3.pdf (visited on 18.04.2011)

million.²⁰ That makes Pakistan the sixth most populous country on earth. The population has increased by 33.6 million - or 24 % - over the last 10 years, while the employment-seeking population increased by 36 %. By 2050, the country is expected to climb to fourth place with a total population of 352 million, as illustrated in figure 2 below.

Presently 36 % of the population live in cities, while 64 % live in rural areas. It is the urban areas, however, which see the most rapid population increase. The 2004-05 headcount ratio of the poor in rural areas is nearly twice as high (28 %) as that found in the urban areas (15 %), having all the prospects for a looming challenge for the city managers. To make this an even greater challenge in the years to come, data compiled for the *Population Projections for the 10th Five Year People's Plan 2010-15* estimates that approximately 104 million Pakistanis, or about 60 % of a 2010 population of 173.5 million, are below the age of 30 years.²¹

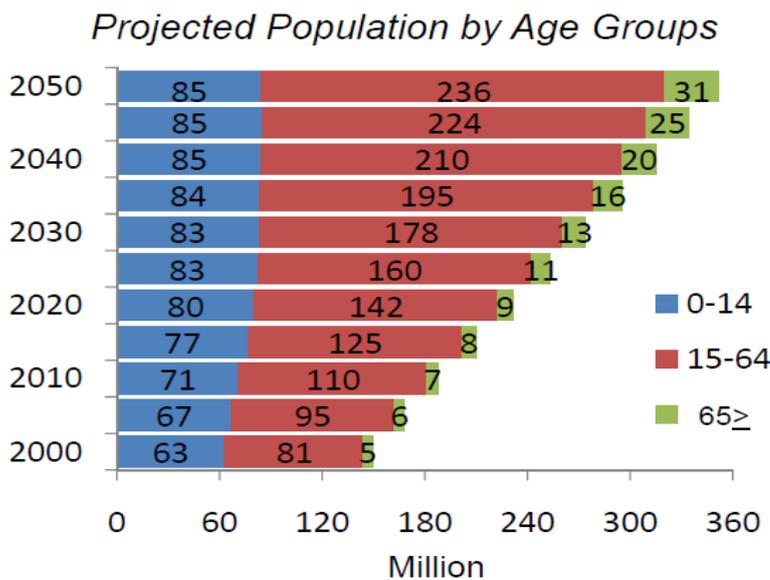


Figure2: Forecast for population by age group²²

²⁰ Government of Pakistan, Ministry of Finance, Development Reporting Cell (2011), *Economic Survey 2009-10, Chapter 16, Population, Labour Force and Employment*, Islamabad, available at http://www.finance.gov.pk/survey/chapter_10/16_Population.pdf (visited on 29.04.2111)

²¹ Ibid.

²² Government of Pakistan, Planning Commission (2010), *Towards Growth Strategy and Economic Reform*, Islamabad, available at: http://www.planningcommission.gov.pk/nda/PDFs/growth_strategy-12Nov10_edited3.pdf (visited on 14.05.2011)

The population and the Pakistani industry both suffer from a lack of energy resources like electricity and natural gas. A 2010 Norad energy assessment points out that the lack of physical infrastructure maintenance and the resulting high energy losses, combined with tariffs below recovery costs, have worsened the financial situation in the sector. This has led to a lack of maintenance of the existing structures and a lack of investments to develop new structures.²³ Existing gas resources in Baluchistan are almost emptied and supplies from Iran or Turkmenistan are not yet in place, resulting in load shedding and unpredictable supplies, even in the major cities.

The warfare that raged from 2007 to 2009 in the Malakand division of KPK between the Pakistani Taliban and the Army, and fighting that continues within the Federally Administrated Tribal Areas (FATA) are of major concern. While attributed to radical Islam the uprising in the Swat valley was also mobilised on the demand for land redistribution, and for the FATA their historically independent role within Pakistan is one factor behind the armed resistance against the Pakistani Army. But there is also a general worsening in the security situation and an increase in ethnic and religious tensions in many parts of Pakistan. Suicide bombers have struck in major cities. Karachi has seen increased ethnic divisions and political assassinations, combined with criminally-based violence. Differences between Shia and Sunni Muslims lead to recurrent violence and revenge attacks. Recently, the Governor of Punjab was killed by a member of his own security forces due to his stand on the blasphemy case.

Beyond generating a general feeling of insecurity in the population, a worsened security situation imposes a negative impact on the relationship between the state/government and the citizens. The government is seen as unable to prevent destruction, and the lack of security negatively impacts development and, thereby, undermines the income potential for individuals and the country as a whole. The US drone attacks in FATA is undermining the legitimacy of the Pakistani government as well as increasing the mistrust in the population towards the political intentions of the US and the West.²⁴ When taken together,

²³ Norad (2010), *Energy Sector Review, Pakistan. Report from a Fact Finding Mission*. January 2010. Oslo, Norad

²⁴ The sentiment around the drone attacks must be understood in the context of the particular history and organisation of the tribal areas as well as the role of the constant debates within the media and the fuelling of opposition by the mainstream religious political parties. This is further exacerbated by the nature of the

the situation is ripe for undermining trust and generating a more difficult security and working environment for international donors, including Norway.²⁵

These security concerns form part of and are influenced by a set of regional conflicts. Most prominent is the long-lasting conflict between Pakistan and India. The respective armies have confronted each other on a number of occasions since independence, and there is continued violence in the Indian-administered Kashmir. Both states have nuclear capabilities and large standing armies. Afghanistan is both an extension of this conflict and a conflict within itself, where both countries have competed for influence and domination. Moreover, historical differences over the border between Pakistan and Afghanistan, and the Pashtonistan²⁶ issue, have negatively influenced the relations between the both Pakistan and Afghanistan.

Pakistan was host to 3 million Afghan refugees during the 1980s and the military support for the Afghan Mujahedeen was largely channelled through the Pakistan Government. However, their continued support and recognition of the Taliban government in Afghanistan put Pakistan at odds with the Afghan ethnic minorities, who instead sought backing and support from India. Presently, Pakistan is under international pressure to deny the Afghan Taliban the ability to operate from Pakistan, to cut any support to the Taliban, and to eliminate the bases of the Pakistani Taliban in FATA.

On top of these economic and political challenges are those posed by a series of natural disasters, where severe earthquakes and the 2010 floods resulted in the massive destruction of infrastructure, schools and property, not to mention the destruction of agricultural lands and harvests. In each disaster, large numbers of citizens were temporarily uprooted. The findings from the Damage

Pakistani State and its lack of 'Open Government', with the absence of a dialogue with the larger civil society (media, citizen groups, academia, political parties, trade unions, chambers of commerce, etc.) on government strategies. Civil society groups are rarely involved in government decisions and knowledge about decision making is often unknown to the public. While the mainstream parties – the MQM, PML-N and the more right-leaning PTI, lead by Imran Khan - might be seeking short-term goals as opposition in a fledgling democracy, it is also true that this polity, one marked by years of dictatorship, is still coming to terms with democracy and democratic conduct. In other places within this report, observations from those consulted clearly show that democratic maturity, though slow, is certainly increasing.

²⁵ It is unclear how the killing of Osama Bin Laden on May 1st, 2011 might influence the developments in Pakistan. One could argue that his death adds strength to reactions against the use of unmanned drones in FATA and to the questioning of Pakistan's sovereignty.

²⁶ Pashtonistan could be translated as the Land of the Pashtons. The Pashtons are the biggest tribal community in the world, comprising of approximately 42 million people, with around 27 million living in Pakistan and 15 million living in Afghanistan. At times the issue of an independent Pashtonistan has been on the agenda.

and Needs Assessment coordinated by the World Bank and the Asian Development Bank estimate that, by November 2010, the overall recovery and reconstruction costs were between 8.74 billion and 10.85 billion U.S. dollars.²⁷

The aforementioned factors constitute a demanding set of challenges that cannot be addressed without addressing issues of good governance. As suggested by figure 3, which evolved out from the review, the political economy analysis of Pakistan promises to be a complex one, in line with the complexities of facilitating good governance. Take notice that the large differences that exist between the five provinces and the two special status areas, FATA and PATA, should be taken into account. The different actors will be discussed in more detail below, while Annex III provides an overview of how the state and the governance structures have evolved historically.

²⁷ Asia Development Bank and the World Bank (2010), *Pakistan Floods 2010. Preliminary Damage and Needs Assessment*, Islamabad, presentation available at: <http://siteresources.worldbank.org/PAKISTANEXTN/Resources/DNAbyadb-worldbankPresentation.pdf>, (visited 29.04.2011)

AN ADMINISTRATIVE (POST-COLONIAL) STATE

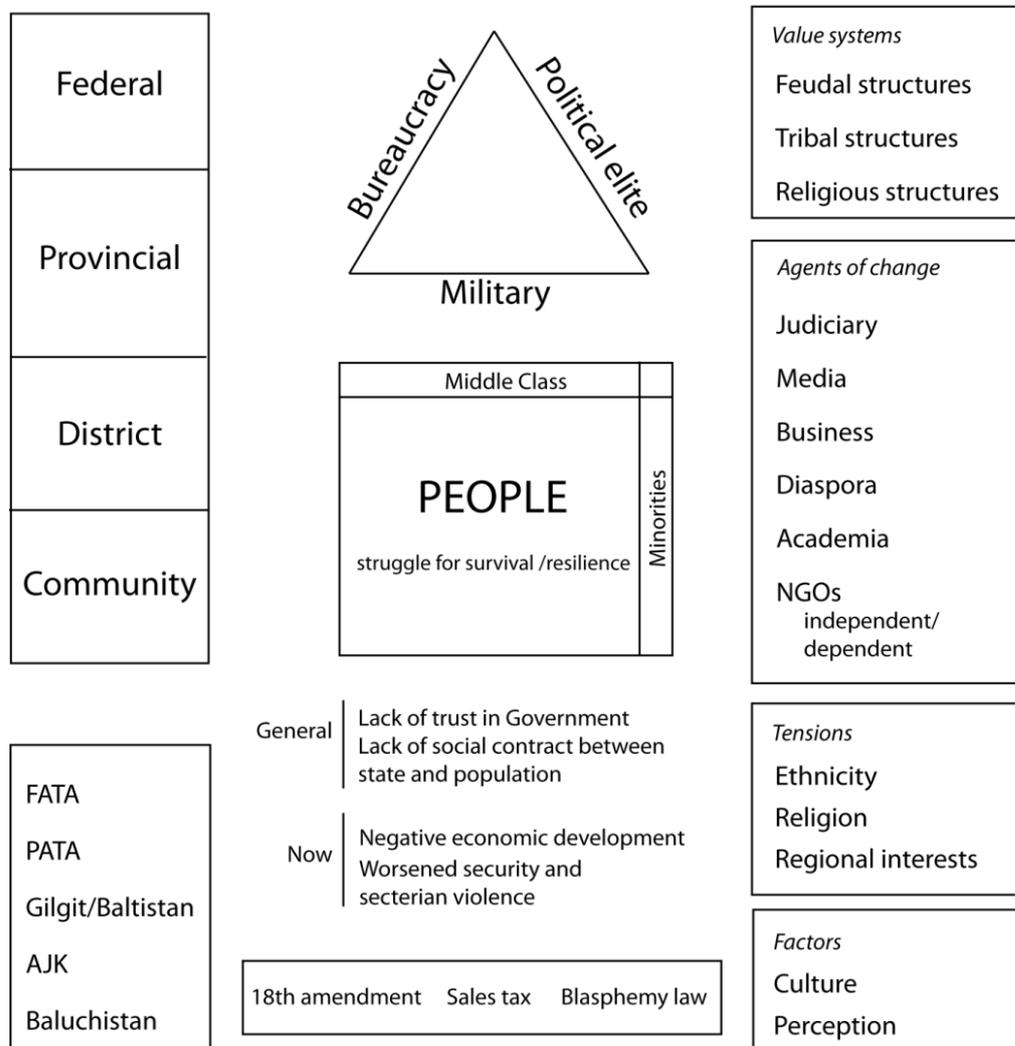


Figure 3: Pakistan: An administrative (post-colonial) state

The discussions conducted by the team, together with the prevailing literature are drawn on in order to briefly provide descriptions of the characteristics of the major actors identified in the study. These actors are as follows:

Military

Formally, the military’s role is to defend the territorial integrity of Pakistan. However, the civilian control over the military was relinquished very soon after

1947, with the imposition of the country's first martial law in the 1950's. The military claims supremacy due to its status as guardian of the "nation's geographical and ideological frontier and custodian of people's interests and welfare. The military has touched every facet of society, ranging from fighting insurrections to fighting locusts, from building roads to removing water logging and salinity, from reading electricity meters to running the cricket board" (Khan 2005).²⁸

Bureaucracy

The bureaucracy provided continuity in the organisational order and hence ensured a seamless transition to independence in 1947. It was primarily dominated by the elite Indian Civil Services, but it also had partakers from other service cadres. It was generally elitist and interested in maintaining its status. It was anti-democratic in its ethos, especially when it could still be a partaker in power. It began to turn against the military in the 1980s and, because of the relegation of its status, it turned completely anti-military under President Musharraf. It shifted from a major player in state capture in the 1950s, when it was the main agent to pull the country away from the democratic process, to junior partner in the 1960s and 1980s. It became the main victim of Pakistan People's Party's (PPPs) backlash against the "establishment", as seen in the 1973 reforms and the arbitrary dismissal of 1300 government servants for alleged corruption. It was partially revived as a junior partner under General Zia in the 1980s. Under General Musharraf key positions within the bureaucracy were taken over by military or ex-military personnel, leading to massive demoralisation as a consequence of devolution exodus of junior officers.

The bureaucracy was at the forefront of development efforts in the 1950s and 1960s, when the Planning Commission and Pakistan Industrial Development Corporation led the growth process. These efforts were, however, more within the framework of economic growth by co-opting the business community and not necessarily growth with a pro-poor focus.

A common perception distilled during the team's meetings about the bureaucracy included its role in protecting the status quo, resisting information

²⁸ Khan, Z (2005), *Pakistan's Experience with Democracy and its Outcome*, paper prepared for the 'study on 'State of Democracy in South Asia, Centre for the Study of Developing Societies, Delhi

sharing, and centralising decision-making, as well as its overall lack of professionalism and orientation towards performance, the pervasiveness of corruption within it, and its lack of modern operating procedures and regulatory mechanism. As a consequence of these perceptions, there is a distinct public disdain for public servants.

Political Parties

Political parties in Pakistan have generally lacked internal democracy and well-developed organisations. An exception is said to be Jamiat-e-Islami. As institutions the parties have always been weak. Within seven years after its formation, the founding party, the Muslim League, was rife with factions and in-fighting. It was only after the birth of the Pakistan People's Party (PPP) in 1969 that another major political player emerged in present-day Pakistan. As most other political parties the PPP throughout its life has been under the control of one family. Moreover, Pakistani politics is characterised by provincial rather than national political parties.

It is argued that an atmosphere where each successive military regime sought to curtail national elections and promote local elections and governments, a more 'personal' and 'patronised based' political culture would develop. According to one estimate, there are over 90 fringe parties, many with religious and nationalist leanings, and less than a dozen mainstream parties in Pakistani politics (Salim 2005).²⁹ Political parties have been used by the same players who have been part of State capture at different points throughout Pakistan's history.

Judiciary

Pakistani jurisprudence follows the British tradition in line with what it inherited from the British colonial master. An important component of the tradition was the complete independence of the judiciary. A major infraction of this tradition took place during the periods of multiple Martial Law regimes, where higher-level members of the judiciary were rewarded for their loyalty to the military government or punished when taking positions against it.

The first test for the judiciary occurred in 1954 when the Governor General dismissed the Constituent Assembly. The Sindh High Court declared the orders

²⁹ Salim, F. (2005), *Promise of Democracy in Pakistan*, paper prepared for the 'study on 'State of Democracy in South Asia, Centre for the Study of Developing Societies, Delhi

of the Governor General as invalid. The Federal Court under Justice Munir reversed the decision and upheld the dissolution. Unfortunately, after the Sindh High Court's decision the judiciary proved pusillanimous and decided cases against the dictators only after their rule ended. While the higher level of the judiciary lost a lot of credibility in the constitutional cases, the lower levels also became increasingly corrupt and justice became more and more elusive for the poor and the honest. A standard statement in common parlance is "why pay a lawyer when you can pay the judge?"

Corruption within the judicial system increased corruption in the entire justice system, including the police. Consequently, informal systems like "qabza groups" - a reference to a land grabbing mafia - became the winners as civil litigation normally took a lifetime to settle.

Media

In 1947 Pakistan inherited a small print media alongside a broadcasting corporation. The tradition was of relative independence, but with a literacy rate of only 16 %, print media had a limited impact. Pakistan Television began airing its programmes in 1964. The news remained strictly state controlled during periods of military rule. The control over the press was institutionalised through the establishment of the National Press Trust (NPT) in 1959. In 1962 the media received their first major blow under the Press and Publication Ordinance through which the state was given powers to limit media independence. Only after 1985 was press control loosened and the NPT was finally dissolved.

In 1971 the weaknesses of the media were exposed at the time when Dacca fell during the war between West Pakistan and East Pakistan, in what was to become Bangladesh. A parallel information option used by people in Pakistan was the Urdu service of the British Broadcasting Corporation (BBC).

The biggest impact in terms of coverage has come with the arrival of satellite television and the airing of Urdu and mother tongue channels. Despite these expansions, and the ability of television to circumvent low literacy rates, the bulk of televised coverage still belongs to terrestrial television: PTV and ATV.

While the media have developed and grown in size, they have also lost the diversity of views that existed before 1962 when the progressive tradition coexisted with the centre and right wing. "Ideological diversity" was more evident in those years in not only newspapers but also magazines, weeklies,

etc. and even in Urdu press. In the English press, which is followed by a small group of educated elites, some diversity exists in the form of magazines like *Newsline*, and *Herald* and newspapers like *Dawn*. Under General Zia ul Haq the right-leaning media segment gained wider coverage since it had fewer leashes and greater resources. In the urban centres *Takbir* became an important mouthpiece for its views.

In 2010, the Initiative for Peace building, funded by the European Union, issued a report entitled *Media and Governance in Pakistan, A controversial yet essential relationship*. Among the findings is one that shows a steady development from media administered by professional journalists to a situation where commercial interests dominate. The report also highlights the attempts by the state, in particular under military rule, to control the media. The report presents the picture of an immature press, one often easily used by state interests or influential power holders. Several media-related initiatives are assessed, like the South Asian Free Media Association (SAFMA). The conclusion is that “outreach and the outcome of all these initiatives remain very limited and out of step with the fast pace of media expansion”.³⁰

The blasphemy case serves as an illustration of the role of the media in Pakistan. Blasphemy is treated as a very serious crime in Pakistan and is vehemently defended in some quarters of society. For example, Asia Bibi, a Christian mother of five, is on death row after being found guilty of blasphemy in her Punjab village in June 1999, a charge she denies. In January 2011 the Governor of Punjab, Salman Taseer, was assassinated in Islamabad due to his support for a proposal to reform the blasphemy law.

The role the media played in the aftermath of his murder is of interest here. By and large, and especially among the Urdu-language media (both electronic and press), the media overwhelmingly took a posture of condoning the crime. The voices of reflection within the media, though few and far between, were present, however. They managed in this case to keep the debate alive by pursuing the grounds of sanity versus insanity, and violence versus non-violence. In one televised debate, Muslim clerics representing three different schools of Islam came to the conclusion of non-violence, where one of them actually recanted his earlier position. Yet, for such debates to have an impact

³⁰ IFP Democracy and Transitional Justice Cluster (2010), *Country Case Study: Pakistan, Media and Governance in Pakistan, a controversial yet essential relationship*. Available at: <http://www.initiativeforpeacebuilding.eu/pdf/pakistanOct.pdf> (visited on 27.04.2011)

they will need to reach out beyond the televised debates found in the national media, not least to the district-level press clubs, the local journalists and the Urdu-language print and electronic media.

Civil Society

In Pakistan, there are three waves that coincide with the emergence of distinct features within the country's civil society organisations (CSOs). The first 30 years of Pakistan (1947-1977) saw citizens getting together in charity organizations, women's organizations, writers forums and some trade unions. The trade unions flourished in number and membership during the 1970s when the number of registered unions increased from 209 in 1951 to 8,322 and their membership base increased from 393,000 to 1,050,000 (Iqbal, Khan and Javed, 2004).³¹ In Pakistan there are multiple legislations for registering not-for-profit organizations. As of 2002, there were 56,219 registered CSOs in Pakistan. Most of these (43,007) are registered under the Societies Registration Act of 1860, followed by the 12,703 registered under Voluntary Social Welfare Agencies Ordinance 1961 and the 509 non profit organisations (NPOs) registered under Companies Ordinance 1984. The estimated number of members in these organisations is 6 million in 2001/2 (Pasha, Jamal and Iqbal 2002).³²

The second wave of CSOs was established in the 1980s, marked by restrictions on civil liberties and a decline in donor interests in funding civil society organisations in Pakistan. After the second martial law in 1977 and the beginning of the Afghan war the strength of Trade Unions eroded considerably and they have not been able to recover their lost power (Malik 2002 in Baqir 2007)³³.

The third wave came during the 1990s. Its prominence was led by the rural support programmes established to keep up with the international trend towards participatory development. This approach was pioneered by the Orangi Pilot Project (OPP), which was implemented in Karachi as a self-help, participatory model for development.

³¹ Iqbal, Khan and Javed (2004), *Non-profit Sector in Pakistan: Historical Background*, Baltimore, John Hopkins University, Center for Civil Society Studies

³² Pasha, Jamal and Iqbal (2002), *Dimensions of the Non-profit Sector in Pakistan*, Baltimore, Johns Hopkins University, Social Policy and Development Centre

³³ Baqir, F (2007), *UN Reforms and Civil Society Engagement*, available at <http://www.roap.unep.org/program/Documents/CSO10/UN%20REFORMS%20AND%20CIVIL%20SOCIETY%20ENGAGEMENT.pdf> (visited on 18.04.2011)

The academia within Pakistan has very limited influence within civil society. With a few exceptions, what is defined as the intelligentsia in Pakistan comprise mostly of retired bureaucrats, retired military personnel and NGO workers and activists. However, activism without intellectual engagement on common interests is hard pressed to achieve the elusive counter narrative needed to communicate a plurality of views in an increasingly polarised society. With regard to the above mentioned blasphemy case, a form of self-imposed censorship was found in most universities. Only at the Quaid e-Azam University did the students gather to condemn the murder of the Punjab governor.

REFLECTING ON GOVERNANCE IN PAKISTAN

To view support for good governance as a separate sector sidesteps the fact that governance should be viewed as a cross-cutting theme: it is important in all development interventions. This importance is reflected in Report No. 13 to the Stortinget (2008-2009) entitled *Climate, Conflict and Capital: Norwegian Development Policy Adapting to Change*, where chapter 2.3. is called "Good governance is a cross-cutting issue."³⁴

In this chapter we will provide a brief introduction to the Norwegian support for good governance, compare the situation in Pakistan up against the theoretical framework, and discuss the potential agents of change in Pakistan. We then provide some general comments on projects reviewed for this assessment and make some suggestions for how the Embassy might review their existing partner portfolio.

As a point of departure, we believe it is important to accept the particularities of Pakistan as identified in the political economy analysis. This includes the weak relations between the state and its citizens, the lack of proper mechanisms for an active participation of the population, the particular power structures and the particular challenges faced in the country today.

Norwegian governance support

The Norwegian governance support to Pakistan has developed over time, partly due to political developments in Pakistan and partly due to changes in Norwegian policy. The support today covers a wide range of sectors, activities and partners. From the 1980s and until 1995 the development cooperation focused primarily on commodity assistance, such as schoolbooks and fertiliser. The focus then shifted to community development, as the support was channelled through the Aga Khan Rural Support Programme (AKRSP), and placed a greater emphasis on gender, the environment and support for rights-based organisations.

Good governance was first introduced as a Norwegian priority in the development cooperation during the reorientation in 1995/96. For more than

³⁴ Government of Norway, Ministry of Foreign Affairs, *Report No. 13 to the Storting (2008-2009), Climate, Conflict and Capital: Norwegian Development Policy Adapting to Change*, Chapter 2.3, Oslo, available at: <http://www.regjeringen.no/en/dep/ud/dok/regpubl/stmeld/2008-2009/report-no-13-2008-2009-to-the-storting.html?id=552810> (visited on 9.2.2011)

20 years, support to a number of rights-based civil society organisations in Pakistan has been an important element of the total development portfolio of the Norwegian Embassy. A number of the organisations receiving funds today have been among those partnered with the Embassy since the end of the 1980s.

The move from support through the Government of Pakistan to support for civil society organisations was also due to the freeze in support that resulted from Pakistan's nuclear testing in 1998. The diversity in support that had developed prompted a debate on the need for a more focused form of support, where a decision was reached to phase out environmental projects. With the 2002 removal of the freeze in support for the GoP, a removal partly due to the increased focus on Pakistan in the ongoing war on terror, the Norwegian development budget to Pakistan doubled within one year.

In recent years governance has entered into a more prominent position in the Norwegian development cooperation with Pakistan. As a consequence a number of new, less traditional initiatives have been taken on by the Embassy in Islamabad. Among these are the support for South Asian Free Media Association (SAFMA) as a regional organisation working for the freedom of the press, Governance Institutes Network International (GINI) which works to establish a network among educational institutions involved in training governmental employees to develop and modernise the curriculum, and the Chitral District Development Program (CDDP) which aims at strengthening the role of the local authorities in Chitral District in running local development programmes.

The Norwegian support for civil society organisations, including those addressing governance issues, was reviewed in 2008, where a useful distinction was made between the different types of activities undertaken by CSOs. Moreover, the review pointed out that, in 2008, as much as "two thirds of the assistance has been committed to governance projects, with the remainder about equally divided between culture and environment. Nearly half the partnerships are very old, going back 13-20 years".³⁵

The 2010 budget for governance activities was planned at NOK 36.2 million, the request for 2011 is NOK 32 million, and the same amount is tentatively suggested for 2012 and 2013.

³⁵ Husain, Tariq (2008), *Review of Civil Society Portfolio, 2008*. Islamabad, EDC (Pvt.) Limited. Commissioned by Royal Norwegian Embassy, Islamabad

The following table gives an overview of the projects and organisations that have received support from Norway from 2006 to 2010. A brief presentation of the organisations receiving Norwegian funding is provided in Annex II.

Agreement partner	2006	2007	2008	2009	2010
AGHS Legal Aid Cell	2 092	2 146	2 000	2 200	2 600
GINI			984	4 800	575
Human Rights Commission	1 041	1 565	1 500	2 000	2 160
Mahbub ul Haq HDC	575	646	558	587	440
NDI			2 500	880	4 741
Rozan	506	514	643	1 075	460
SAHIL	1 811	1 896	1 541	1 962	1 650
Shirkat Gah	1 563	1 477	1 143	890	1 000
SPARC	1 208	1 224	1 010	1 806	2 977
Sungi		4 317	2 095	3 000	
The Asia Foundation		6 610	2 290	-203	
WWO	943	488	426		
Aga Khan Foundation	2 000	1 436	1 799	1 865	900
Chital D D P				8 000	
Grand Total	11 739	22 319	18 489	28 862	17 503

Table 1: Development assistance to Pakistan via governance related organisations and projects 2006 - 2010 (NOK 1000).³⁶

Theory versus field findings

A range of aspects on governance and good governance are discussed in the political economy analysis chapter. Here, we will discuss our findings up against suggestions for improved state legitimacy, which includes strengthening the social contract between the state and the citizens, fulfilling the requirements for good governance and developing a public authority.

An important question to pose here is whether or not civil society organisations and NGOs engage with the government and their different stakeholders to ensure that the government fulfils these requirements. The answer we can draw from examining those organisation supported by the Norwegian Embassy appears to be mixed. As we will argue later on, efforts are fragmented. There

³⁶ Norad Statistical Database 2011, available at: www.norad.no (visited on 29.04.2011)

is a lack of concerted and coordinated effort to further strengthen the arguments and pressure for improvements and change.

It is important to keep in mind the warning presented in the Society, States and Citizens report: civil society actors might be reluctant to politically confront the government since many NGOs are "...dependent on donor funding, often have a weak membership base and unclear mandates."³⁷ In the Pakistani context donors need to acknowledge that NGOs, advocacy groups and individuals that engage in issues that are regarded as sensitive due to tradition and/or religion - i.e. the rights of children, women and minorities - expose themselves to increased risks when receiving support from international donors or align themselves with what many might regard as Western values or viewpoints. This requires the donors to carefully manage their contacts and to avoid demands for "donor flagging" on publications or arrangements.

The following suggestions are made when addressing the key questions related to the challenges of creating public authority and the possible priorities and strategies:

The **history and the context** continue to shaping and influencing formal and informal institutions, interests and relationships. While Pakistan is a fragile state, one can argue that the devolution of power to the provinces might reduce the tension caused by history and context and help build an identity that is less "one Pakistan" and more based on the uniqueness of the different provinces and areas which to a great extent overlap with ethnic identities. There are two exceptions, however. First is Baluchistan's strive for independence, a struggle as old as the state of Pakistan. This can benefit from being addressed in a less confrontational manner, as has been the case over the last few years. Second is the importance of coming to a conclusion about the position and the rights of the citizens of FATA. A dialogue is required in order to grant more political and developmental rights to the citizens, while allowing them a degree of self-governance in line with their tribal traditions within Pakistan.

It is also important to account for the **interests of political elites**. The question here is the extent to which the "political culture" that has developed

³⁷ Centre for the Future State, Institute of Development Studies, University of Sussex (2010), *Societies, States and Citizens*, p. 5, available at: <http://www2.ids.ac.uk/futurestate/pdfs/Future%20State%20DRC%20Policy%20Briefing%20SSC10.pdf> (visited on 29.04.2011)

within parties, where the focus is on persons rather than political directions and “inheritance” rather than democratic elections, works to inhibit major political changes. The same question can also be directed toward the relationships between the political elites, the military and the bureaucracy.

Taxation has proved hard to introduce, not least because the political elites have resisted it. The notion that a larger middle class might lead to social change and improved governance is hardly convincing for Pakistan in the short-term perspective. Instead, many will simply aspire to reach the “upper class” rather than join forces in a middle-class movement. Those non-elites within the military, the bureaucracy and the political parties that do manage to move up the social hierarchy might choose to maintain their network loyalty as a source of social guarantee rather than help promote common middle-class interests.

There might be **common interests** among and between public and private actors, but these seem to erode easily in the face of a weak public management, the lack of economic development, a dwindling energy supply and increasing corruption. When combined with a transparent taxation system, government assistance towards the development of new energy sources, along with improvements in the agricultural sector and small businesses, could help strengthen these common interests.

The ability and will of civil society groups to improve networking and coordination (and support each other’s demands) could help **stimulate effective collective action** by societal groups and lead to improved services and public policy, and reinforce the momentum for change.

The **informal institutions** remain strong, especially those based on tribal lineage and the feudal system. While the former opposes being ruled by the state, the latter is largely in control of the state and the bureaucracy and resists changes that reduce its influence (and wealth).

The government has, therefore, been reluctant to **tax citizens**, despite international pressure to do so and the toll this reluctance takes on the state’s ability to provide for its citizens. There is a need for bargaining between groups, including the business community and the diaspora. But, the starting point of bargaining must reflect the interests of the state and the larger majority in need of development, rather than the interests of the elites that have been allowed to both set and evade policy change.

Drivers of change

Given the breadth of challenges outlined above, and the particular relationship between the state and the citizens, there is not just one, but many potential drivers and agents for change. The challenge is to identify the ones that hold the largest potential for contributing to positive change, and to identify what is needed to strengthen this potential. We will return to particular challenges at the end of this chapter.

Although the Government of Pakistan is criticised for their inability to improve the economic, security and human rights situations, the government is still a very important factor in securing a more positive development path. An analytic distinction should be made between the GoP's ability to govern in a complex setting versus its willingness to govern in that setting. The former can be addressed through dialogue between the citizens and the GoP over the improvements in governance structures and the qualifications of public officials. This dialogue can be facilitated by strengthening the competence and activeness of civil society organisations and networks. To the latter one can also add a dialogue between donors and the GoP, one that takes place through bilateral talks in the respective donor/GoP forums. The aim must be to ensure long-term improvements in the interaction in Pakistan between the different groups of elites and the population as a way to promote the legitimacy of the state and improve its performance. At the same time, the short-term perspective must be open for more innovative approaches that rely on existing traditional structures.

With more responsibilities being shifted to the provincial level, greater attention has to be given to the provinces' ability to govern. At the same time, decisions and changes made by citizens at the district and village or municipality levels through their involvement in local governance structures might hold the largest impact for change. While these local government structures were strengthened after the 2002 devolution, their strength appears to have been temporarily curtailed in relation to the status given to the provincial governments in the 18th Amendment.

It remains to be seen how this sub-provincial devolution of power and the creation of local-level governance structures are to be followed up by the various provinces. It will be decisive for the future role of citizens at the local level, including the role of women, that there is sufficient knowledge and understanding of how these processes evolve in the provinces and at the federal level.

The media sector has gained increasing influence during the past few years, and represents all aspects of the Pakistani society. One part of it is criticised for being populist and stirring conflicts, another for conveying radical viewpoints, while there is also a minority within the media that try to balance opinions and generate healthy debates on how to improve the situation in Pakistan. Important concerns are voiced that question whether or not professionalism has given way to commercial interests and whether or not the media sector functions as a mouthpiece for different power elites. The challenge is to help encourage and develop a critical and independent minority and broaden their reach and their capacity to engage with larger segments of the population.

Civil society is an important agent of change, both in terms of protecting and advocating basic human rights - not least the rights of women and minorities - and in furthering pro-poor development. A distinction is noted between single organisations versus social movements, where the challenge for the former is to be able to generate networks and mobilise around issues of common concern in ways that motivate those they set out to assist to join together in social movements for change.

Another important voice for change is found in women and women organisations, including female parliamentarians and lawyers. They are, however, in vulnerable positions and are frequently accused of furthering Western interests, which then reduces the impact of their interventions within the communities.

The youth are mentioned by many as potential agents of change, both due to their large numbers and their increasingly global outlook. Many onlookers do, however, worry about religious radicalisation, anti-western sentiments and the anger generated due to what the youth regard as lost opportunities for a large segment of the population. Engagements and dialogues with the youth appear to be the only way to generate engagement towards positive change. Developing job opportunities for the youth will remain a key challenge for the GoP, where vocational training is one important element. Suppressing their views and marginalising them is only likely to strengthen negative development.

The latter assessment can also be directed to the religious-based civil society organisations that have a large influence in Pakistan on both domestic affairs - including the rights of women - and international affairs. Continued dialogue is

required in order to learn and to challenge positions and the ways in which positions are articulated and acted upon.

Finally informal and traditional structures should be included in the overview of agents of change, not because of their forward looking views, but because they represent a possible negotiating factor in reaching national or provincial agreements on the way forward.

Portfolio review and selection process

Both the Norwegian project portfolio related to governance and the spectre of partners built up over the years represent important entry points into different parts of the Pakistani society. With support from Norway and other donors these partners conduct a lot of impressive work, often in relation to marginalised groups in the society.

With this in mind the team made some general reflections in relation to the Norwegian support and how the relations with these partners are followed up by the Embassy:

- Different organisations have their particular target groups. The question of how these organisations can strengthen their promotion of governance changes in Pakistan seems to be lacking in focus, both in terms of the approach the organisations take and in their dialogues with the Norwegian embassy.
- A general impression is that, only to a limited extent, the partners focus on institutionalising their efforts in ways that promote the development of broader social movements with the capacity to work for change locally or nationally.
- Based on their overall visions the various partners clearly state their demands for change, ones often focused within their field of interest. A more comprehensive analysis that connects their visions to an understanding of Pakistan as a whole should be developed, including an understanding of the relationships between the state and citizens, between the federal level and provinces, and between the urban and rural areas, along with an understanding of the conflicts between the feudal and/or traditional society on the one hand and the modern Pakistan on the other hand. This would provide a stronger platform for scrutinising the potential for promoting sustainable change.

- The level of interaction between the Embassy and the various partners differs over time. As mentioned by many, a hallmark of Norwegian engagement is its active participation in dialogues with each partner as well as with networks among partners and other donors. The importance of this active approach is appreciated. An active approach will give Norway the possibility to promote issues related to how these organisations work separately as well as how they interact. Despite this active approach, enquiries need to be directed towards the ways in which additional synergies can be reached.

These observations are based on a short field visit and meetings with some of Norway's partners that work on governance-related issues. There are obviously significant differences between the organisations. With additional time and scrutiny over a larger number of organisations, it is possible that some of the observations made would need some modification.

Nevertheless, the team proposes that, in order for the Embassy to make a final assessment on which partners to continue supporting and which ones to phase out, each partner should be invited to a dialogue which focuses on the following issues:

- How does the partner analyse the challenges in Pakistan in relation to issues of governance? What are the possibilities for change? What are the obstacles to change?
- How does the partner place itself within this picture? What kinds of change do they promote? Up to now, what has their work achieved in terms of tangible and sustainable change?
- What does the partner do to institutionalise their work, namely how do they work to promote social movements among their target groups, and beyond, in efforts to press for change?
- How does the partner work with other organisations or institutions to create additional synergies for change? What kind of tangible synergies have they created already?
- How does the partner work with/towards governmental bodies, on the federal as well as on the provincial and local levels, to promote change? How do they see the potential for change through this work?
- How does the partner work with political bodies and parties, on the federal and provincial level, to promote change? How do they see the potential for change through this work?

In addition the Embassy will need to assess their dialogue with each partner. How has the relationship worked out, what role does the partner play as a source of information and as a sparring partner in the field of governance?

Based on these dialogues we assume that the Embassy will be in a position to make a final assessment about which partners to continue to cooperate with and which ones to phase out. The Embassy will have to decide on the balance between the different concerns to address. The team will, however, propose that a particular focus is put on the potential for promoting change through the institutionalisation of good governance efforts and thereby creation of new synergies.

CONCLUSION AND RECOMMENDATION

In this report we have presented some of the challenges Pakistan and its people are confronted with, and how this affects the possibility of developing and securing good-governance structures and practices. We have presented a picture of the large differences that exist within the country. We have also shown how the colonial history and the repeated alternations between civilian and military rule, along with the continued influence of feudal structures, have created governance and political structures with a limited capacity to govern and to develop Pakistan in a way that benefits the majority of the population.

Weak governance has compounded the implications of both natural disasters that have hit Pakistan, has worsened the security situation caused by Islamic militant groups in many parts of the country, and has increased sectarian and political violence. These events have exposed the weaknesses and fragility of the political establishment and the state bureaucracy and, to some extent, the inability of the military establishment to provide security.

Although the end results are not yet clear, we have also pointed out the potential for both positive and negative changes as a consequence of the transfer of power from the federal to the provincial level that came about with the 18th Amendment. There is a lack of clarification about the extent in which political influence and the control over the budget has been devolved to the district level, and it is unclear whether the entire process will generate a more unique sense of ownership and improved citizen-state relations, or if it will generate the opposite outcome. The developments in the KPK, and not least in FATA, are also about accepting more traditional and tribal-based governance structures and their role within the governance system.

The situation in Pakistan is very fragile and followed closely by the donors - the World Bank (WB), the United Nations (UN), the Asian Development Bank (ADB) and the International Monetary Fund (IMF). They have organised themselves to assist Pakistan in handling their multitude of challenges, but also to convey clear signals and establish benchmarks that development support will be linked to.

Furthermore, governance in general and good governance in particular needs to be interpreted within the limits and opportunities set in the Pakistani context, while also taking into account the fact that many in Pakistan acknowledge the challenges they face. Actual governance support to Pakistan also needs to be

shaped by the guidelines provided in Norwegian foreign relations and development policy.

This leads us to identify some common characteristics that appear to be relevant for several of the Norwegian partners in relation to governance:

- There is a limited, if any, contextual analysis that sets the programs/projects within a Pakistani power context, an analysis that elaborates on if and how actors might be able to influence the power structures in ways that improve governance.
- Another major concern is the limited institutionalisation of the projects and ability to develop broader networks and alliances with the capacity to instigate positive change (or safeguard rights and positive development towards improved governance).

This reflection holds a number of implications for how the Norwegian Embassy should plan and follow up their governance support to Pakistan. This support should be regarded as a cross-cutting concern in both political relations and development support, but with three main emphasises.

1) The Embassy needs to be **well informed** from a range of sources outside the donor circles. This is especially important given the rapid changes that are now taking place; the many diverging views and positions that exist within the state, the military and the political parties; and the increased importance that the various provinces are expected to play in shaping their own policies and governance structures and strategies.

2) Based on its own analysis and the preferences provided in the Norwegian policy framework, the Embassy needs to **play an active role in donor coordination** mechanisms as a way to help set the agenda and secure a dialogue with, in particular, the Federal government, the KPK provincial government and possibly the Sindh provincial government.

3) The Embassy needs to **constantly review its governance support** in light of developments in Pakistan and in its focus province, the KPK, to ensure that it is a coherent programme that, through its plethora of different projects, can contribute towards improved governance in Pakistan. The review should take into account that the network of governance partners can constitute a more active entity in promoting positive governance changes than each single organisation might achieve on its own. Governance partners can also provide

the Embassy with an arena for contact, dialogue and sounding boards for further developments.

We will provide the following recommendations within the three focus areas, taking as our starting point that improving Pakistan's governance potential and ability is one of the most important contributions Norway can make towards developing the country and promoting national and regional stability at the present stage.

Ensure a well informed and connected Embassy

Norway's reputation is important in development cooperation, and is built on the ability of Norway to be well informed, connected, analytical, and responsive to changes in the political and social contexts.

- We recommend that the Embassy focuses additional efforts on active networking, maintaining a higher visibility, and engaging with development partners. The Embassy needs to be actively involved in governance-related donor initiatives, and needs to develop a strategy for constructively engaging with a broad range of governance and civil society stakeholders.
- The Embassy should safeguard its development and governance investments by engaging the Parliament and with implementers at the provincial level, most notably in the KPK, in light of the architecture of the 18th Amendment. This should include a debate on how relationships can be developed and if there are specific initiatives that can be supported to improve governance at the provincial and district levels.
- The Embassy should establish collaboration with academic institutions engaged in the improvement of governance in Pakistan, and especially in the KPK, and consider funding concrete studies on governance in a Pakistani context. This entails having an understanding of intergovernmental financial matters, as well as administrative and legal issues in relation to the transfer of responsibility.
- The Embassy should draw on these different sources of information and analyses in order to constantly develop a Norwegian governance policy towards Pakistan. The information, analyses and the resulting policy should inform future discussions with the GoP, generate inputs into the donor initiatives, and inform the development of various inputs into governance planning and programming.

- The Embassy and the Ministry of Foreign Affairs should meet these tasks by allocating and developing at the Embassy itself sufficient human resources dedicated specifically to good governance. Time and resources should be prioritised for actively engaging with a broad range of stakeholders. Gender competence and networks should be prioritised. In this regard, the Embassy is advised to actively draw on competences within the Norwegian Ministry of Foreign Affairs and within Norad.

Be an active governance donor

Improved knowledge and policy on governance issues should be reflected through a broad engagement with other stakeholders in an effort to generate debate and shape policy and practice.

- The Embassy should engage actively in donor networks, both those organised internationally and those based in Islamabad. The Embassy should consider establishing a donor-relations group for the KPK, one committed to actively engaging in the development of particular governance policies and structures within the province. Priority should also be given to building relations with donors and organisations involved in the Chitral District. This will be of importance for any future engagements on issues related to energy and, not least, the Chitral District Development Project.
- The Embassy's engagement should be informed by an understanding of the previous and the ongoing devolution process in Pakistan, and should form a basis for following up on the political developments in Pakistan. We suggest that the Embassy makes a request for external resources that can assist in developing an overview of and an analytic approach to the devolution processes, paying specific attention to clarifying the magnitude of outstanding issues.
- The Embassy should make use of the development partners and other experts in the governance field in order to engage with them in discussions on their experiences and viewpoints, and likewise, challenge them on how they as members of civil society can contribute to improved governance.

Develop a coherent governance programme

As we have repeatedly pointed out, we regard governance as a cross-cutting theme and stress the importance of accounting for the particularities of governance within Pakistan, where the relationship between the citizen and

the state is weak, when developing and implementing policies and programmes designed to strengthen governance.

- The Embassy must ensure that questions related to improving governance are included when new projects are developed and ongoing projects revised. A checklist can be developed for this purpose.
- The Embassy should review the present governance portfolio to ensure that the different projects by themselves, and the programme as a whole, can contribute to improving governance in Pakistan. Contributions should include advancing and securing the rights of vulnerable group, helping to develop a policy that improves governance generally or makes practical contributions to strengthening the influence that people have on governance, and ensuring that the governance results in benefits for all.
- When challenging and supporting governance partners, the Embassy should focus on improving the institutionalisation and development of sound governance policies within partner projects, and stress the partners' ability to develop broader networks and alliances that can safeguard rights and contribute to positive developments towards improved governance.
- The Embassy should review the extent to which development support to political parties has actually resulted in organisational developments, increased influence of youth and women, and party cultures and practices that are more inclusive and democratic. Findings should be used to enter into a dialogue with present partners on how their projects might be developed or reoriented, or if new partners might have more to contribute to this important governance field.
- The Embassy should ensure confidentiality in partner relations with authorities, NGO and other organisations. Likewise is the importance of adhering to signed agreements and divisions of responsibilities. After all, adherence is what the Embassy asks of the partners. If concerns arise about particular partners or projects, a speedy process should be initiated to determine the facts and then act in accordance with the agreement if changes or a partnership termination is required.
- The Norwegian model for project proposal is appreciated as its simplicity makes it accessible to the remotest of potential partners, specifically more grass roots level civil society organisations. At the same time, the Embassy needs to develop a more uniform internal checklist that assesses projects by integrating factors related to both contextual

fitness and design robustness. A specific area to be assessed is through development of an internal risk-management matrix, one that gives systematic support to proactive and adaptive management rather than successful but ad-hoc fire fighting.

- Drawing on recent research on governance, another recommendation is for the Embassy to *show less concern with micromanaging aid, and greater concern with the political dynamics that influence its effectiveness.*

ANNEX I: Terms of Reference

Review of and Recommendations for Norwegian Support to Good Governance in Pakistan.

Background

Norwegian bilateral development assistance to Pakistan, channelled through the embassy in Islamabad, supports a wide range of projects aiming to strengthen good governance. The present good governance portfolio represents the largest single of the seven objectives that the embassy supports (governance, education, health, gender, environment, culture and human rights). Good governance is also an element in several of the interventions aiming at other main objectives. Good governance has a planned annual budget in 2010 of some 36 million NOK (six million US \$) and is most important to the embassy's overall program.

The goals and objectives of the individual good governance projects are diverse and cover a variety of initiatives. They focus on regional development in Chitral, free press and media in South Asia, institutional cooperation between Norwegian and Pakistani technical agencies, and promotion of democracy and good governance in a general sense. The embassy has, as the range illustrates, sought to promote good governance from different points of view, supporting a wide and varied range of interventions.

The Embassy now wishes to review its support of good governance for three reasons:

- The Embassy needs to consider the effectiveness and relevance of the support aimed at good governance in Pakistan. Does experience till date support the notion that it actually is possible to influence good governance in Pakistan significantly through supporting specific good governance projects and integrated in other projects/programs?
- The present good governance portfolio is varied. The review should assess if there are indications that certain ways of working or certain channels are more effective than others.

- The overriding priorities for Norwegian development assistance are given by the Norwegian parliament and government and are changing according to political decisions. According to the most recent priorities, environment and renewable energy should have high priority. However, good governance remains a key priority, and the review should look into how this could be addressed in a strategic manner, both specifically as well as integrated in any part of the portfolio.

The review shall be directed by the political guidelines for Norwegian co-operation with Pakistan and Norwegian development policies and foreign policies in general. Norwegian foreign policy interests in neighbouring countries may also be relevant.

Purpose

The review thus aims to provide the embassy with:

- A political economic analysis of Pakistan with main focus on overall power relations, at the national level as well as the provincial and local levels, in particular focused on Khyber Pakhtunkhwa Province and related to key sectors of Norwegian development cooperation. This analysis will deal with the legitimacy of the state. It will include relevant analysis of gender issues related to the state -society interaction and opportunities for citizens, men and women, to interact with the state. The role of corruption in relation to governance will be dealt with. There will be a focus on possible drivers of change and spoilers relevant for an assessment of the Norwegian good governance portfolio. This will be commissioned to an external institution and will be conducted as a desk study. The field visit will add to the study. This will form the base for the recommendations and alternatives presented.
- Recommendations and alternatives for further development of the good governance interventions in Pakistan.

The review will:

- Consider views among social scientists and other informants of relevance on the Pakistani development scene on the overall effectiveness of international development agencies supporting initiatives aiming at strengthening good governance through development cooperation. Review different categories of partner agencies available for good governance programs.

- The review should give special consideration to presenting ways of working with government when aiming at strengthening good governance. Assess the embassy's overall experience with good governance in such documentations as evaluations, reviews and reports. These may be supplemented with individual interviews with key informants from on-going projects, such as the Chitral development project, that have not yet been subjected to formal reviews. The team will consider whether the collective documentation indicates trends with regards to strengths and weaknesses of good governance programming.
- Survey three selected international donor agencies, two bi-laterals and one multi-lateral, to learn what experience they have with good governance programming and find out from these whether they judge any one type of programming to be more effective than other program interventions. What are their plans for future interventions related to good governance? These donor agencies will be proposed by the embassy and agreed on in a dialogue between the team and the embassy.

Team Composition

The team will be headed by Norad. The team leader shall be responsible for the production of the report.

An external resource institution will be identified in Norway through a simplified tendering process. This resource will be the main responsible for conducting the desk study producing the background material for the field visit and subsequent conclusions and recommendations. This resource will also participate in the field visit and in writing up the report.

The third team member will be a Pakistani national who knows the Pakistani society and development scene well. The member will have a network of professional contacts to draw on to ensure that the team will be able to meet, consult and discuss with people who have the necessary insights in all matters related to the review. This team member will either be identified by the resource institution or in a close cooperation with the Embassy.

The team will have considerable broad based experience in development work and international development cooperation and will have a good knowledge of the present day Pakistani context.

All team members ought to have a background in social sciences and have worked with governance related issues. The team's competencies shall include gender, particularly in the Pakistani context. Relevant experience combined

with other academic backgrounds may also suffice and be considered. The team members will need obvious personal qualities related to the assignment in terms of sensitivity to the topic and the culture and team work. Governance in Pakistan is at present far from perfect, and it is therefore essential that the team can work with the topic with a non-threatening demeanour vis-à-vis government partners.

Sources of Information for the Review

The review will build upon the following sources:

- Written materials, whether official reports or relevant correspondence and documentation, available in the Embassy archives and in Norad,
- Similar studies or reports conducted by other agencies and other relevant written material,
- Direct meetings with representatives for government agencies, academic institutions, NGOs, donor agencies, multilateral organizations and other sources of information deemed necessary. Government and administrative bodies at different levels should be particularly well represented as good governance is so closely connected with the public sector. Tentatively the field visit will have meetings in Lahore, Islamabad and Peshawar.
- Relevant representatives in the Norwegian Ministry of Foreign Affairs, Norad, at the Norwegian Embassy in Islamabad and in Norwegian institutions engaged in governance related cooperation with institutions in Pakistan.

Time Frame

The time frame outlined is tentative and based on the needs of the embassy.

- The desk study on political economy will be initiated during November 2010 to form part of the basis for the planned field visit to Pakistan.
- The field visit to Pakistan will preferably be conducted during the end of November and beginning of December 2010. A first oral reporting with recommendations to the extent possible will be given by the team to the embassy at the end of the field visit.
- A draft report should be written by mid January 2011 and circulated to the Embassy for comments.
- A final report should be ready at the beginning of February 2011.

Deliverables

The team will produce:

- A draft review inception report and present and discuss this report with the Embassy partly ahead of the field visit, and also at the start of the field visit. The inception report will account for the methodology to be used and give a tentative list of people to be met, places to be visited and literature to be consulted. The inception report will also give a preliminary outline of the draft final report.
- A draft final report electronically and present this to the Embassy for discussion. The final report will be in line with the outline presented in the inception report unless agreed to with the Embassy beforehand. The final report is expected to be up to 30 pages. The listed length will include an executive summary and exclude front covers, lists of abbreviations, map and annexes, imported tables and the like.
- A final report electronically.

Team Selection and Terms and Conditions

- Norad will head the team.
- Norad will undertake the selection of the resource institution and person(s) according to the conditions outlined in the Terms of Reference and the Norwegian Governmental Rules for Purchase, in close cooperation with the embassy.
- The Embassy will, if necessary, assist in identifying a local consultant to be part of the team.

Budget

- A separate budget covering the external resources will be attached to this Terms of Reference.
- A separate agreement will be made between Norad and the Embassy if any cost sharing is to be applied in relation to the Pakistani team member.

ANNEX II: NORWEGIAN SUPPORTED ORGANISATIONS

Below is a short presentation of organisations and institutions that receive Norwegian financial support for their governance activities.

Directly related to governance

Asia Foundation (TAF) aims to develop a peaceful, prosperous, just, and open Asia-Pacific region. Specific initiatives aim to improve governance, law, and civil society; women's empowerment; economic reform and development; sustainable development and the environment; and international relations. TAF collaborates with private and public partners to support leadership and institutional development, exchanges, and policy research.

The TAF has 18 offices throughout Asia and the Islamabad office works in close partnership with local NGOs, universities, and the government of Pakistan to make programmes locally responsive. Their activities include domestic election monitoring and a small alternative dispute resolution project in seven districts of KPK.³⁸

Devolution Trust for Community Empowerment (DTCE) was established in July 2003 as an “ends-orientated, information-intensive and knowledge-based organisation that strives to make consistent efforts to create a new relationship between the citizen and the state, based on shared rights and responsibilities”. DTCE employs participatory action research methodologies to support a permanent learning process.

The DTCE works with community engagement forums in all four provinces, such as Citizen Community Boards (CCBs), local networks, village and neighbourhood-based citizens groups, local press clubs and bar associations. They engage with local government functionaries to provide them with technical and institutional support for engaging with community-based interventions in the districts.³⁹

Governance Institute Network International (GINI) was registered in 2008 as an Islamabad-based non-profit organisation that focused on promoting research

³⁸ More information is available at the Asia Foundation Home Page: <http://asiafoundation.org/country/overview/pakistan> (visited on 29.04.2011)

³⁹ More information is available at the Devolution Trust for Community Empowerment Home Page: <http://www.dtce.org.pk/DTCE/index.html> (visited on 30.01.2011)

and education. The formation of the organisation started in 2005 and included a 2008 conference on "Governance Curriculum and Executive Education in Pakistan".

GINI's goal is to develop a governance curriculum and to create knowledge-sharing platforms on an institutional and sustained basis. Their network includes public training institutes, public and private universities, research institutes/organisations, individual scholars, practitioners from civil society and representatives of the Norwegian Institute for Urban and Regional Research (NIBR) and East-West Centre in Hawaii (USA).

GINI has organised a number of baseline studies, including training needs assessments and governance indicators, and organised a major governance conference.

Mahbub ul Haq Human Development Centre (MH - HDC) was established in 1995 and is a policy research institute and think tank "committed to organising professional research in the area of human development and promoting [a] human development paradigm as a powerful tool for informing people-centred development policy."

The centre produces an annual report on "Human Development in South Asia", with different yearly focuses, such as poverty, technology and trade. Moreover, it monitors poverty in Pakistan and produces policy briefs on development and poverty issues.⁴⁰

National Democratic Institute for International Affairs (NDI) is an international organisation that has been involved in Pakistan's democratic development for nearly 20 years. The Institute's early work entailed domestic and international monitoring before shifting in 2002 to an emphasis on developing and reforming political parties. The Institute combines polling and focus group research to assess the state of political parties.

NDI has a three-year programme to strengthen political parties in Pakistan, including 1) the development of professional political-party secretariats; 2) assistance in the establishment of formal training capacity in political parties; 3) fostering women's participation in the political process; and 4) improving opportunities for youth in political parties.⁴¹

South Asian Free Media Association (SAFMA) and their implementing agency, the Free Media Foundation (FMF), is a network of mainstream media

⁴⁰ More information is available at the Mahbub ul Haq Development Centre Home Page: www.mhhdc.org (visited on 30.01.2011)

⁴¹ More information about their activities in Pakistan is available at the National Democratic Institute for International Affairs Home Page: <http://www.ndi.org/content/pakistan> (visited on 30.01.2011)

practitioners. It seeks to facilitate the transition from information as power for the few, to information as empowerment for the many, and to bring peace to the region and promote regional cooperation. SAFMA engages with major stakeholders, including parliamentarians and others that matter in policy formulation, in each country throughout South Asia.

SAFMA has national chapters in Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka, and has helped establish other institutions like the South Asian Media Commission (SAMC), South Asian Policy Analysis network (SAPANA), South Asian Media School (SAMS), and the SAFMA Central Secretariat in Lahore, Pakistan.⁴²

Sungi Development Foundation's (Sungi) mission is to "bring about policy and institutional changes by mobilising communities to transform their lives through equitable and sustainable use of resources without any discrimination against social origin, sex, race, caste and religion."

Sungi's role is to improve good governance by mobilising people to influence government policies, systems and structures and not to take on roles of the government.

Sungi is primarily working in KPK, but is involved in the flood response and has produced a range of reports and policy documents.⁴³

The Chitral District Development Programme aims at promoting local development initiatives - ones based on local priorities and active participation - to promote local ownership of developments in the district of Chitral. The cooperation and interplay between the provincial, district and local entities focuses on important elements within local governance.

To manage the programme the Norwegian Embassy launched a bidding process for the running of a Project Management Unit (PMU). The bidder selected was named "Thrive", which was a consortium of two organisations: The Researchers (TR) and the Vicar.⁴⁴ Thrive is contracted as a PMU for the Chitral Programme. The consortium interacts with the four main stakeholders: the people of Chitral and its various units, the Chitral District Administration, the province of KPK, and the Donors. The project period spans from April 2009 through December 2013.

⁴² More information about the network and their various activities are available at the South Asian Free Media Association Home Page: <http://www.southasianmedia.net/> (visited on 30.01.2011)

⁴³ More information is available at the Sungi Development Foundation Home Page: <http://www.sungi.org/> (visited on 30.01.2011)

⁴⁴ Vicar has later on withdrawn from the consortium.

Thrive has a pool of experts to draw on for programme management, including public policy and local government experts, culture, infrastructure, environment and livelihood specialists, as well as gender, project planning, institutional assessment and institutional development experts.

Governance - Child Rights

Sahil, meaning “shore”, was established in 1996 and works exclusively against issues related to child sexual abuse (CSA) and exploitation. Among their activities, Sahil provides free legal aid and free counselling to the victims of CSA, sensitisation trainings to primary-school teachers on child protection issues, a CD game on social and financial savings programmes for children, training tools on sexual behaviours of street children, and a youth club in Lahore that provides HIV and AIDS information and counselling services. Moreover, Sahil participates in consultations on child protection policies and government bills that advocate child rights and protection at the policy level.

The geographical areas Sahil has selected for interventions are Abbottabad, Sukkur, Jaffarabad, Lahore, Swat and Islamabad/Rawalpindi.⁴⁵

Society for Protection of the Rights of the Child (SPARC) was established in 1992 to “promote and protect the rights of the child [and] to empower children within the framework of recognised standards through advocacy, research, awareness-raising, outreach activities, human development and institutional capacity building.”

SPARC’s work includes issues such as child labour, juvenile justice, education and violence against children. SPARC has also taken up issues that ultimately affect the condition of children in Pakistan, such as corruption, freedom of association and the “myth or reality” of NGOs.

While maintaining their independence, SPARC has found it useful to engage the government in efforts to convince it to keep its commitments and bring about legislative changes where necessary.

SPARC has offices in Islamabad, Karachi, Quetta, Lahore and Peshawar.⁴⁶

⁴⁵ More information is available at the Sahil Home Page: http://www.sahil.org/abt_sahil.html (visited on 30.01.2011)

⁴⁶ More information is available at the Society for Protection of the Rights of the Child Home Page: <http://www.sparcpk.org/> (visited on 30.01.2011)

Governance - Human Rights

AGHS Legal Aid cell (AGHS) is a human rights and legal aid organisation established in 1980.

AGHS is engaged in providing (1) free legal aid; (2) paralegal education; (3) publication of books and pamphlets on legal awareness; (4) research on child labour, women labour and bonded labour; (5) human rights advocacy (6) monitoring of human rights violations (7) drafting human rights related legislation; (8) a women's shelter (Dastak) that was established in 1990 but is now managed by a trust. Their main office is in Lahore.⁴⁷

Human Rights Commission of Pakistan (HRCP) was established in 1993. According to HRCP, they have a national outreach, including FATA, and offices in Lahore, Quetta, Peshawar and Karachi.

Their goal is "the realization of the entire body of human rights, as defined in international instruments, by all citizens of Pakistan, as well as all persons present in the country." Among their activities are campaigns to raise public awareness; organising special fact finding missions to probe serious violations of rights; promoting democratic governance; training activists; and networking and cooperating with other like-minded organisations.⁴⁸

Governance - Gender

Rozan was established in 1993 and registered in 1998. Working from Islamabad, Rozan addresses issues related to emotional and psychological health, gender, violence against women and children, and the psychological and reproductive health of adolescents.

Most of their team members are qualified psychologists who work to enhance the emotional health of people from all sections of the society by conducting awareness-raising activities, training and counselling.⁴⁹

Shirkat Gah, Women's Resource Centre was established in 1996. The organisation is "committed to a just, vibrant, progressive and democratic society where women are fully empowered, [where] gender equality, human

⁴⁷ More information is available at the AGHS Legal Aid Cell Home Page: <http://aghsblog.wordpress.com/> (visited on 30.01.2011)

⁴⁸ More information is available at the Human Rights Commission of Pakistan Home Page: <http://www.hrcp-web.org/default.asp> (visited on 29.04.2011)

⁴⁹ More information is available at the Rozan Home Page: <http://rozan.org/> (visited on 30.01.2011)

security and opportunities are ensured for all, [and where] peace prevails and resources are shared in a sustainable and equitable basis.

In addition to advocacy work and building the capacity of local communities and civil society organisations, they also conduct baseline research and exploratory visits and publish reports, training tools and awareness and advocacy material.⁵⁰

Working Women Organisation (WVO) was established in 1986 and has a representative structure covering the Punjab province.

WVO aims to strengthen the capacity of working women to defend their rights. This includes education, awareness raising and a collective struggle to establish and implement legal rights for women. They organise meetings and rallies to highlight the plight of women workers. WVO also lobbies the authorities as well as produces and disseminates information on issues affecting women. WVO has established education centres for women workers and their children, and has undertaken advocacy work with male members of workers' families.

⁵⁰ More information available at the Shirkat Gah Home Page: www.shirkatgah.org (visited on 30.01.2011)

ANNEX III: GOVERNANCE HISTORY AND STRUCTURES

Throughout the interviews it became evident that the historical legacies in the development of Pakistan and its governance structures have a major impact on current debates, perceptions of governance and the role of the state and, consequently, how the state can be developed. Below is a brief summary of the history of governance in Pakistan, with further details on the challenges and implications of the introduction of the 18th Constitutional Amendment.

The British period

Many point to the colonial legacy when describing the development of governance structures in Pakistan, as being part of the British Indian Empire until 1947. The Indian Empire was divided into provinces, minor provinces (such as the then Northwest Frontier Province and Baluchistan) and the princely states, such as Kashmir and Jammu (including Gilgit and Baltistan) and Kalat in Baluchistan. In addition was the Federally Administrated Tribal Areas (FATA), where, through a 1901 policy based on the Frontiers Crime Regulation, the British decided to curtail its involvement in certain 'tribal' areas.⁵¹

These geographical divisions, along with the administrative structures, are still important elements in the present-day Pakistani government setup, as well as significant for the continued sub-national opposition and conflict with the Federal State, as is the case in Baluchistan. A Harvard University report (2005) states that a rudimentary rural-government system of village councils (*panchayats*) or village headmen existed before the onset of the British period.⁵² However, after the transfer of responsibility from the British East India Company to the British Crown in 1857, the British attempted to co-opt the local elite by establishing local government structures called District Committees whose members were nominated by the British District Magistrate.

⁵¹ For further details see the Federal Administered Tribal Areas Home Page: <http://fata.gov.pk/> (visited on 29.04.2011)

⁵² This early historical section draws largely on Cheema, Ali, Kwaja, Asim Ijaz and Qadir, Adnan (2005), *Decentralization in Pakistan: Context, Content and Causes*, Harvard University, Faculty Research Working Paper Series, RWP05-034,

The district, as the principle unit of governance, was controlled by the Deputy Commissioner.

The outbreak of World War I in 1914, paired with increased pressure from nationalist parties, prompted the British to grant limited space for local politicians at the provincial level through the Government of India Act of 1919. But the pressure continued and led to the 1935 passage of the Government of India Act, which established a federal form of government through elected representatives, although they were under the control of the unelected Provincial Governor. The 1935 Niemeyer Award was the first attempt at introducing fiscal federalism in India.

But, as the Harvard paper highlights, the British “used the district bureaucracy and central and provincial policies to co-opt and entrench local elites through a selective but extensive system of patronage.” In Punjab, a land settlement policy was implemented that safeguarded “the local landowning classes from the economic and political domination by the urban elites.”

Post-independence

Since its inception Pakistan has been cast in the role of the seceding state, with a need to create a viable centripetal seat of government.⁵³ Following independence in 1947 the basic governmental structures were maintained, although without any real commitment to strengthening locally elected bodies. Elections were often not held at all.

During the first 11 years of independence the ruling elite consisted of a military-bureaucratic oligarchy, with the politicians acting as junior partners. This changed when General Ayub imposed martial law⁵⁴ in 1958, and disqualified anyone who had held public office or membership of any elected body from standing for election. While the civil-military oligarchy remained, the role of politicians within the ruling elite was marginalised.

A new and elected local-governance structure was introduced to the rural areas through the Basic Democracies Order of 1959 and to the urban areas through the Municipal Administration Order of 1960. It has to be noted that the initiative did not work out properly in rural areas due to a) the continuation of

⁵³ Delhi, which was the established seat of government, was on the other side of the newly established border. This is important to recognise since it is very different from the gravitating force of Kabul in Afghanistan.

⁵⁴ The first US Air force base in Pakistan was established during this period.

traditional structures, b) the fact that the controlling authority still remained within the bureaucracy, which had the power to overrule any action taken by local bodies, and c) local bodies had few functions to perform due to their curtailed fiscal capacity.⁵⁵

The first general election to be regarded as free and fair in Pakistan was the 1970 elections for the National Parliament and four Provincial Assemblies, which were later confirmed by the 1973 Constitution. The politicians were now the ruling elite while the bureaucracy was marginalised. Moreover, the military was fresh with the misfortunes of East Pakistan and the separation in 1971 and, hence, was largely discredited. In fact, before becoming Prime Minister Mr. Bhutto was the civilian martial law administrator. The 1973 constitution also mentioned local government institutions as a “principles of policy”, but did not provide any details for how such institutions should be established. Therefore, a centralised government structure was maintained.

This brief period of civilian rule was brought to a close when General Zia-ul-Haq seized power in 1977 through a military coup. The ruling elite were once again composed by the military-bureaucracy oligarchy, with politicians being relegated to a subordinate role for more than a decade afterwards. A new entrant that was co-opted - rather than elected - into the echelons of power was the religious-based political party, Jamaat-e-Islami, which took three ministerial portfolios, namely education, law and information. In 1979, General Zia revived the local government system by promulgating the Local Government Ordinances. This brought together the urban and rural government structures, established a national and centralised government structure, while opening for non-party electoral representation at the local level.

The Devolution Plan

While civilian power was restored in 1988, the ruling elite consisted of those politicians that had support from the military establishment. Members of the bureaucracy were once again junior partners. The local-government system was maintained, but, according to Mezzera et. al. (2010), it “became almost defunct”.⁵⁶ Civilian rule lasted until 1999, when General Pervez Musharraf

⁵⁵ Mezzera, Marco, Aftab, Safiya, and Yusuf, Sairah (2010), *Devolution Row: An assessment of Pakistan's 2001 Local Government Ordinance*, Report for the Research Project “The Political Economy of State building” – the Pakistani Case Study, Netherlands Institute for International Relations.

⁵⁶ Ibid.

overthrew the elected government and established a ruling elite led by the military and co-opted politicians and religious partners.

The bureaucracy was perceived to be target when Musharraf went on to introduce an ambitious devolution initiative. It started with the establishment of the National Reconstruction Bureau (NRB) and led to the Devolution Plan of 2000. This plan was put into effect with the Local Government Ordinance of 2001, which was passed by all four provinces. The 17th Constitutional Amendment ensured that the provinces could not make changes to the Devolution Plan unless they were approved by the President. Elections for local government councils and for *Nazims* (elected chiefs) started in December 2000 and were to be completed in 2001. In reality, however, it appears that most of the *Nazims* were directly appointed rather than elected. Mezzera et. al. (2010) explains that “the devolution plan had been conceived as a comprehensive process of substantive decentralization where, according to the declared intentions, resources and responsibilities had to be devolved to the greatest possible extent to the local levels of government, through a truly participatory democratic process.” In reality, the process marginalised the influence of the political parties and failed to shift any power from the Federal to the Provincial Assemblies. It did, however, institute a quota system that allowed for 33 % female representation in local bodies and, thus, opened up space for the involvement of a larger number of women outside the party structures.

Non-profit grassroots organisations called Citizen Community Boards (CCBs) were formed to facilitate community participation in service delivery. The CCBs identified and managed development projects and assisted those destitute within the community. They were funded by grants from the local government, but had to raise 20 % by themselves. In an effort to help establish and train the CCBs, in 2003 the government established an NGO called the Devolution Trust for Community Empowerment (DTCE). The NGO secured funding from a multiplicity of donors, including Norway. The donor funds were managed by UNDP. The organisation has maintained and expanded its activities after President Musharraf’s power came to an end in 2008.

It is evident that, throughout her history, Pakistan has witnessed several incidents where non-participatory and non-democratic means were used for consolidating the interests of the state. Zaidi (2006) argues that, throughout this history, different factions and fractions ‘have partly captured the state and

found alliances more manageable through *jore-tore*⁵⁷ rather than through the cumbersome and less certain path of participation'.⁵⁸

When access to power operates outside participatory processes and a pluralistic democracy, it is relatively easy to maintain the status quo by keeping the excluded on the margins of political life. When the bureaucracy becomes a partner in political power, the process and structures, as well as the system of accountability, suffer at the expense of services to the citizens

The 18th Amendment

On April 8, 2010, Pakistan's Parliament passed the 18th Amendment that, among other things, gives the provincial governments' greater autonomy under the Constitution by abolishing the Concurrent List (to be explained below) and other related provisions. The full impact of the amendment's many changes has yet to be completely analysed and deliberated on by key stakeholders.

As reported by the Parliamentary Committee for Constitutional Reform, the genesis of the reform came from demands raised by all political forces from time to time which called for making amendments to the Constitution. In particular, it was stressed that there was a need for giving the provinces autonomy, ensuring an independent and impartial judiciary, and sharing of resources between provinces and the Federation.

The original scheme of legislative lists was as follows:

- Federal Legislative List: identifies areas/subjects where the Parliament has exclusive right to legislate.
- Concurrent Legislative List: identifies areas/subjects where the Parliament and the provincial assemblies both have rights to legislate.
- Residual powers were left with the provincial assemblies.

⁵⁷ Urdu word for tactics

⁵⁸ Zaidi (2006), *The Improbable Future of Democracy in Pakistan*, p. 17, paper prepared for the study on State of Democracy in South Asia, Centre for the Study of Developing Societies, Delhi

According to the revised scheme, the distribution is as follows:

- Federal Legislative List: Some new insertions have been made in Federal Legislative List.
- Concurrent Legislative List: Doesn't exist anymore.
- The Parliament's right to legislate is now restricted to the Federal Legislative List.

The 18th amendment eliminates the "Concurrent List", i.e. the enumeration of areas where both the federal and provincial governments may legislate, but where federal law prevails. Laws governing marriage, contracts, firearms possession, labour, educational curriculum, environmental pollution, bankruptcy and 40 other diverse areas are the exclusive jurisdiction of the provinces and each provincial assembly will be responsible for drafting its own laws on the issues.

The 18th Amendment potentially impacts the mandates of several Federal Ministries and, by implication, increases the roles and responsibilities of the related institutions and administrative structures at the provincial level. Thus, by June 30, 2011, the federal government is supposed to have concluded the transfer of the responsibilities and resources to the provinces for the provincial governments to assume effective responsibility and authority in these areas.

Another important but under-reported change specifies that future National Finance Commission agreements, which define the ways in which the national revenues are distributed between the central government and the provinces, cannot reduce the provinces' share below that given in the previous agreement (Article 160). Provincial governments also now have greater authority to raise domestic and international loans and give guarantees on the security of the Provincial Consolidated Fund.

Those provisions in the 18th Amendment that increase provincial autonomy by, among other things, abolishing the concurrent list are likely to have a major bearing on governance and policy making at the federal and provincial levels. In particular, the abolition of concurrent list will pose a formidable challenge to the capacity of the provincial governments, especially the smaller ones, to take over the legislative, policy making and regulatory responsibilities previously performed by the federal government. The new arrangements require institutional, financial and capacity realignments of provincial

departments, as well as influence the terms of engagement between international partners and the federal and provincial governments.

Prior to the 18th Amendment and the 7th National Finance Commission Award, provinces relied heavily on federal fiscal transfers; in most cases up to 75 % of their overall financing requirements were met through federal transfers. Moreover, development financing was typically a function of support from international development partners.

Some of the implications for finance, planning cycles and developmental regimes will include:

- Higher wage bills and pension liabilities for provinces due to the transfer of human resources.
- Higher operations and maintenance costs for provinces, as infrastructural responsibilities are devolved.
- Increase in the provincial outlays for development, as federal budgetary allocations for the devolved subjects are completely dispensed with or gradually drawn down.
- Enhanced powers for approving schemes and projects.

An assessment that is being made among scholars is that the devolution under the 18th Amendment is acceptable to the major political parties, since they will remain in charge of the provincial assemblies. This is seen as contradicting the devolution implemented during President Musharraf, when the district level was empowered based on a non-party political process, and where the army used the opportunity to appoint the most important local *Nazims*. In this context a lot of uncertainty and questions are voiced about the willingness of provincial leaders to implement a new devolution plan from the province to the levels below.

There is the danger that the ongoing devolution might result in severe differences between the provinces on issues like curriculum and governance. Several devolution measures are hotly debated, as are questions about reversing some of the existing devolution measures, in particular those related to education and curriculum development.

Among some political circles, an interesting concern is voiced about the effects of the devolution in relation to the KPK. Some claim that this devolution will strengthen the identification that local populations have with their respective

provinces, an identification that threaten the unity of the state itself. Others counter by arguing that a stronger provincial identity will, in turn, strengthen the sense of belonging to the federal Pakistan.

The 18th Amendment embodies within it the existential struggle of Pakistan. The course taken during the implementation of the 18th Amendment will determine whether the nation continues to be an administrative state or develops into a mature polity able to create multiple narratives within a strong sense of federalism, with strengthened provincial autonomy.

The denial of the multiple narratives within the state of Pakistan will further strengthen the centrifugal forces currently witnessed in certain parts of the country. It is, therefore, important for the Norwegian government to engage at the highest level in an effort to understand the path taken by the implementation of this pivotal reform agenda.

ANNEX IV: INTERVIEW LIST

<i>Venue/Date</i>	<i>Organisation</i>	<i>Person(s)</i>
Oslo November		
	Norwegian MFA	Mr. Janis Bjørn Kanavin
		Mr. Alf Arne Ramslien
		Mr. Knut Espeland
	Norad	Ms. Eli Moen
	Norwegian Institute for Urban and Regional Research (NIBR)	Mr. Arne Tesli Mr. Jon Naustdalslid
Lahore 25 November 2010	Human Rights Commission of Pakistan	Mr. I.A. Rehman
	Shirkat Gah	Ms. Khawar Mumtaz Ms. Fauzia Viqar Ms. Naureen Tawakkal
	Resource person on anti-corruption	Mr. Irfan Qadir
26 November 2010		
	Institute of Public Policy Beaconhouse National University	Ms. Ayesha Ghaus
	SAFMA	Mr. Imtiaz Alam
	SAFMA: Governance seminar	Board, editors, politicians and academics
	President Supreme Court Bar Association of Pakistan	Ms. Asma Jahangir
Islamabad 29 November 2010		
	Embassy of Norway	Development team
	National Democratic Institute (NDI)	Ms. Sandra Houston Ms. Marie-Eve Bilodeau
	THRIVE	Mr. Aazar Ayaz
	Devolution Trust for Community Empowerment (DTCE)	Mr. Mushir Naqvi Mr. Azhar Bashir Malik
30 November		
	Embassy of the Netherlands	Mr. Johannes Smeets Mr. Syed Saadat Ali

	Government of Pakistan Planning Division	Mr. Muhammed Asif Sheikh, Additional Secretary
	Governance Institutes Network International (GINI)	Mr. Daniyal Aziz Brig. Mummud Salem
	Mahboob ul Haq Institute	Ms. Khadija Haq
01 December	Government of Pakistan Economic Affairs Division	Dr. Mohammad Shurshid, Deputy Secretary
	Democracy Reporting International	Ms. Katherine Vittum Mr. Amir Goraya
	Sungi	Ms. Samina Khan Mr. Sheikh Asad Rahman
	Independent observer	Mr. Musharaf Zaidi
Peshawar 02 December	KPK, Secretary Planning	Mr. Saleem Khan
	KPK Provincial Assembly, Speaker	Mr. Kiramatullah Khan
	KPK and FATA Directorate for Education, Director	Mr. Fazli Manan
	Government of Pakistan Sarhad Hydel Development Organisation (SHYDO)	Eng. S. Ishtiaq Hussain Shah Eng. Qayyum Zaman Khan
	University of Peshawar, Institute of Management Studies	Mr. Zafar Habib
	Ex- Nazim Chitral	Mr. Mughfarat Shah
Islamabad 03 December	Asia Development Bank	Mr. Rune Stroem Mr. Omer Bin Zia
	USAID	Mr. Todd Sorenson Ms. Cathrine Johnson
	DFID	Mr. Sikander Ali
	Norwegian Embassy	National programme staff

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