

Failed Governance in South Asia: The Fallacy of the Military Option

It is generally accepted throughout South Asia that governance failure lies at the source of most of the economic and political problems facing the countries of this region. The immediate costs of this governance failure rests heavily on the shoulders of the misgoverned and particularly the more deprived segment of the community. However, those responsible for misgovernance do not escape from this process without cost. The most immediate price is paid in electoral defeat where the victims of failed governance can vote those who misgoverned them out of office. This process, however, demands that such an opportunity is indeed presented to the citizens of South Asia through access to free and fair elections where they can register their opinion on misgovernance through unrestricted exercise of their freedom to choose at the ballot box.

Free elections to make such a free choice has however not always been on offer to all the citizens of South Asia. At least three countries, Pakistan, Bangladesh and Nepal, experienced long episodes of autocratic rule which deprived their citizens of such a free choice. It is only in the 1990s that all the 5 countries of South Asia have been exposed to free choice to punish those who misgoverned them by voting them out of office.

Both India and Sri Lanka have used their free choice to vote incumbent governments out of office quite regularly to the point where to be an incumbent has become a political liability both at the state and national levels. In Bangladesh, Nepal and Pakistan this choice was not readily available to voters because of long tenures of military rule. When military leaders shed their uniform and sought to rule as civilians they made sure that free choice was denied to the voters of Pakistan and Bangladesh through use of constitutional and also less legitimate devices to constrain the voter's choice. In Nepal, monarchical absolutism ensured that the popularity and legitimacy of an incumbent government would never be exposed to free choice at the ballot box. The last thing any military or absolutist ruler desires is to expose themselves to a free vote.

As and when free choice was restored to the voters of Bangladesh, Nepal and Pakistan the voters chastised successive governments at the polls. In Pakistan, Benazir Bhutto's People's Party, as the immediate outgoing government, was twice defeated at the polls whilst Nawaz Sharif's Muslim League was once defeated. In Bangladesh the incumbent ruling party, the BNP, was defeated by the principal opposition party, the Awami League in 1996, in an election under a caretaker government. In Nepal the incumbent Congress and Communist governments have respectively each tasted electoral defeat. It could be argued that at least in South Asia at the national level an opportunity to exercise a free choice puts incumbent regimes who have been conspicuous in their misgovernance, at serious risk of electoral defeat.

Unfortunately, for South Asia, the scope for and experience of electoral chastisement has not proved to be a sufficient sanction on incumbent governments to improve the quality of their governance. Thus the prevalence of electoral democracy in South Asia has inspired cynicism amongst the electorate that whomsoever is

voted to power through an unencumbered electoral process, governance is not likely to improve. Citizens of South Asia are coming to believe that misgovernance has now become systemic and transcends the party in power. Free choice at an election, it is argued is thus a necessary but by no means sufficient sanction to ensure better governance.

The rise and fall of the military option

In the bad old days of 'modernizing generals' so admired by Samuel Huntington, the seemingly generic failure of politicians as a class to reform policies and improve governance, inspired military adventurism. It was believed by some amongst the national elite of the Third World that single-minded, visionary generals as were believed to exist in Pakistan, South Korea, Brazil and much of Latin America would evict the failed politicians from the arena of governance and could thereby move ahead without fear of political opposition to provide efficient and corruption-free governance. Thus, military juntas, using the instrument of the *coup d'état* were always seen to be waiting in the shadows as the final nemesis for failed governance and dysfunctional political parties. For much of the 1960s, with some conspicuous exceptions such as India, Sri Lanka and Costa Rica, politics was the monopoly of the generals or was practised under the patronage of the military. The realpolitik of the Cold War made such militarised regimes more convenient clients of the principal cold warriors.

Fortunately, the myth of the modernising general died with the fall of Ayub Khan and the eventual break up of Pakistan. Throughout the Third World military regimes proved to be less corrupt and no more efficient than their civilian counterparts. Some generals such as Mobutu in Zaire became legendary for their misgovernance and inspired the concept of the 'failed state'. Even successful 'developmentalist' generals such as Park Chung Hee in South Korea could not contain the growth of corruption in the regime and had to fiercely suppress dissent. Kim Dae Jung, the present elected President of South Korea spent years in prison and exile for challenging the autocracy of Park and could have defeated him in a free election, notwithstanding the transformative impact of military rule on Korea's economy. Park Chung Hee was eventually assassinated by his own security chief and both his successor generals who assumed the Presidency ended up in jail for corruption. The experience with military dictatorships around the world is that military regimes and similar autocratic rulers tended to be both more virulent and more self-perpetuating in their rule because they protected their wrong doings by denying their citizens the free choice to chastise them at the polls. Much blood had to be shed through mass mobilisations and even civil war to remove failed general's such as Ayub Khan in Pakistan, Hussain Mohammad Ershad in Bangladesh, Mobutu in Zaire, Marcos in the Philippines, Suharto in Indonesia, Somoza in Nicaragua, Stroessner in Paraguay and various other Third World despots.

Most of the military regimes of the 1960's and 70's had been backed by the Western powers and sustained by their aid, in

the belief that they could be used as assets in the Cold War. It took the end of the Cold War for the West to discover that governance failure was not the outcome of anarchy or democracy but the lack of democracy. The belief that democracy was an encumbrance on accelerating development has thus given way to a selective belief in the importance of democracy for promoting sustainable development. Today, without external patronage to sustain their arbitrary rule failed generals have been

exposed to the wrath of their citizens emboldened by episodic pressure from particular aid donors on some despots to democratise their policies.

This recent restoration of faith in democracy amongst the Western powers has nurtured the illusion that the Third World has seen the last of the military coups as an instrument of political change at least in those countries which have renewed their commitment to electoral democracy. The Western donors, including Japan and now the multilateral aid agencies, such as the World Bank have popularised the view that military regimes would not be tolerated so that prospective coup-makers remain exposed to the risk of aid being cut-off to the concerned country. This was a refreshing change from the days when the World Bank and US Aid were the principal life support of military rulers in Pakistan and Bangladesh under the mistaken belief that such unaccountable regimes would be more willing and able to carry through World Bank sponsored economic policies.

This recent change in the global political climate has inspired a widespread belief that the risk of aid suspension would deter any coup-maker in South Asia. This belief has generated a measure of complacency amongst the political classes in the region that the military will remain in their cantonments as an export industry supplying peace keeping services around the world through the United Nations.

South Asians who vested their hopes in Western aid being the principal sanction on coup makers would do well to study the opportunistic way in which particular donors such as the United States have dealt with military and autocratic rulers in particular countries. Thus, Western governments and the World Bank happily tolerated far from democratic regimes in East Asia and the Middle East and continue to do so even today. The ambiguity in the US response to the recent coup in Pakistan remains a cautionary tale. Since this coup in Pakistan is the first such episode in the post-Cold War period the future attitude of the US government to the military regime deserves careful attention both by democrats and aspirant coup makers around the Third World. The recent arrival of an IMF Mission in Pakistan is a signal that the Clinton administration is seeking a *modus vivendi* with the new regime. The IMF, ever a serviceable in-

strument of US foreign policy, appears to be testing the waters for the State Department to explore if and when business can be resumed with the regime of General Pervez Musharraf. A regime willing if not able to carry out the dictates of the IMF would hope to earn legitimacy from the donors for its presumed commitment to economic reforms.

by
Rehman Sobhan



Malfunctioning democracies and weak governance are not the exclusive fault of unscrupulous politicians but reflect as much a failure of civil society to discharge its role...

Governance failure and the military option

This rediscovered faith in the durability of democratic governance received a severe shock when the democratically elected government of Nawaz Sharif, commanding an overwhelming plurality in the national parliament of Pakistan, was unceremoniously overthrown in a classical military coup d'état led by the Chief of Staff of the Pakistan Army, General Pervez Musharraf. The coup in Pakistan is of significance in any diagnosis of the process of governance in South Asia or indeed most developing countries. Whilst various proximate reasons have been given about the dynamics of the Pakistani coup, its widely proclaimed rationale by General

South Asia's experience with military rule shows that the military have provided no answer to the problems of governance failure and have, if anything, aggravated these problems by undermining any sustained opportunity for democratic practice to take root through a process of trial and error. Attempts to validate military rule by elements in civil society in South Asia, who remain deeply disappointed with South Asia's record of poor governance under democratic rule, are thus dangerous to the sustainability of the democratic process. The belief that such military coups designed to end bad governance will usher in an era of good governance offered by a new generation of political leaders born from the unfertilised womb of civil society is a dangerous fallacy.

Musharraf appears to originate in charges of governance failure by the elected regimes. It is variously argued by Musharraf that Pakistan, under successive political regimes, had become overwhelmingly corrupt where pervasive default of an elite class of borrowers from the state banking system was encouraged by economic mismanagement. Resources for development remained insufficient because this same elite class did not pay their taxes or resisted taxation of their agricultural wealth. As a result, the economy of Pakistan remained mired in deep economic crisis where much needed economic reforms remained unimplemented during the regimes of both Benazir Bhutto and Nawaz Sharif. Such an interpretation of their approach to policy reforms has been strongly contested by both these Pakistani leaders.

Virtually all these reported sins of omission and commission by Pakistan's elected governments, offered by the military to justify their coup have been identified in the course of this paper as manifestations of endemic misgovernance not just in Pakistan but throughout South Asia. Significantly, in Pakistan, a broad spectrum of 'liberal' opinion, associated with the voice of an enlightened civil society, has been speaking out against the misgovernance of the Nawaz Sharif government and suggesting, sometimes quite explicitly, that such a

left to the military as Nawaz Sharif was becoming uncontrollable in his autocracy and misgovernance. This group argued that no reforms could take place in Pakistan under the prevailing political dispensation where both the Muslim League as well as the People's Party appear to compete with each other in their misgovernance. According to these people and from what one reads in the media, few Pakistanis, particularly from among the professional classes, have spoken out against the deposition of their elected government. Indeed I have recently read an op-ed piece in the London daily, The Independent, written by Professor Akbar S. Ahmad, a well regarded scholar of Pakistani studies who holds a chair in Cambridge University, justifying why he agreed to serve the current military regime by accepting the position of High Commissioner for Pakistan to the UK.

It is significant that the most strident critiques of the coup in Pakistan have not originated within Pakistan but from distant shores such as the Commonwealth which has suspended Pakistan's membership until it demonstrates a clear commitment to restore electoral democracy. At the November 1999 meeting of heads of states of the Commonwealth at Durban, a number of African states, which had in recent years been exposed to autocratic rule, were reported to

have taken a particularly hard line against the Commonwealth according to legitimacy to the coup in Pakistan. In South Asia, whilst the opinion of fellow member states has been less categorical on the legitimacy of the coup in Pakistan it was agreed to postpone the imminent meeting of SAARC of heads of states scheduled to be held in end November 1999 in Kathmandu. This decision reportedly originated in the discomfort of some SAARC governments in sitting together with a general who had overthrown an elected prime minister who had represented Pakistan in the two several previous SAARC summits.

The fallacy of the military option

The coup in Pakistan obviously has certain unique features which are not replicable in other countries and originates in the historical specificity of Pakistan. For one, Pakistan has been ruled by Generals for more than half of its 52 year history, though Ayub Khan shed his uniform and sought to reinvent himself as a civilian ruler for the last 7 years of his rule. Prior to military rule and in between military rule, the cantonment remained a major factor in influencing the decisions and political behavior of successive civilian regimes in Pakistan. All political leaders in Pakistan publicly solicited the goodwill of the Service chiefs and even sought their intervention to mediate domestic political conflicts. Whilst the military record of the Pakistan army in

preserving the external security of Pakistan has been far from effective, to say the least, Pakistan's relations of confrontation with India have given the army in Pakistan a vestigial role as guardians of state security. Tolerance for military rule in Pakistan thus appears to enjoy a degree of acceptance not evident in other states of South Asia or indeed most Third World countries.

Such observations about the acceptability or lack of it of military rule are rarely if at all, exposed to democratic contestation. Resort to referendum in various countries, to legitimise military rule usually fails to establish its credibility since the results of such plebiscites tend to be pre-determined in favour of the military by limiting the options of the voters, denying opposition a public voice to challenge military rule and finally through outright manipulation of the final results. Thus initial domestic support for a coup in any country is given widespread publicity largely on the basis of anecdotal evidence where dissenting voices remain firmly suppressed.

Whatever be the popularity of a military coup, the historical record of military rule in South Asia shows that it has followed a cycle of promised good governance and reforms followed by restoration of patronage to the same corrupt elite whose depredations were used to justify the coup. The military, in turn, could never

distance itself from the elite and remained umbilically linked to this elite by ties of blood, marriage, education, land and commerce. It was largely a matter of time before the same military rulers aspiring to end corruption and practise good governance began to draw upon their linkages to the elite to resort to clandestine and then indiscriminate corruption during the tenure of military rule, often with the generals and their families in the vanguard of the corruption. As a result of South Asia's melancholy experience with military rule, which over a period of time could realise little improvement in governance either in the way of improved efficiency, transparency or accountability in public administration, little mystery is left about what to expect from such rule.

Every coup in both Pakistan and Bangladesh has followed a common cycle of promising good governance and practising its opposite. Such military coups have, in the initial period, attracted its civilian votaries. Well-intentioned professionals, incapable or unwilling to establish their representative credentials, see the military as a savior to positions of influence. Unelectable politicians use military regimes to seek power via the backdoor. The mainstream political opposition usually tends to view a coup as a means of reversing political gain at the expense of an incumbent regime and as a short-cut to power. Such politicians only tend to rediscover the virtues of democracy if they are denied opportunities by the military regime to register political advancement in the wake of such a coup.

Military regimes usually develop a strong appetite for staying on in power as reincarnated civilian leaders. General's turned political leaders in South Asia have been compelled to embrace a section of the same 'corrupt' politicians, including those jailed by them for various misdemeanours to provide them with a civilian front. Thus, in both Pakistan and Bangladesh, military leaders have ended up as political bedfellows of the more odious and unrepresentative segments of political life, who have used the military as a vehicle for restoring their depleted political fortunes as well as to enhance their private GDP.

South Asia's experience with military rule shows that the military have provided no answer to the problems of governance failure and have, if anything, aggravated these problems by undermining any sustained opportunity for democratic practice to take root through a process of trial and error. Attempts to validate military rule by elements in civil society in South Asia, who remain deeply disappointed with South Asia's record of poor governance under democratic rule, are thus dangerous to the sustainability of the democratic process. The belief that such military coups designed to end bad governance will usher in an era of good governance offered by a new generation of political leaders born from the unfertilised womb of civil society is a dangerous fallacy.

Post-coup politics in South Asia has invariably led to the return of the old political leaders who emerge re-legitimised by a spell in prison as the born-again champions of democratic rights. This is no accident. It is these same leaders and their political workers who retain links with the voters at the

grassroots levels. This linkage of the political workers cannot be substituted by the NGOs however effective their links remain with the grassroots since NGOs are not political parties and can never aspire to be political parties. If NGO leaders and workers have to play a political role they have to join a political party or if they are ambitious and dedicated enough, they can form their own political party. Voters in South Asia vote for political parties and political players who can influence the machinery of state to perform some service for them. If military leaders aspire to play politics they have to depend on the constituency level linkages of the old political leaders. Political parties and their workers in South Asia thus remain the principal conduit between the voters and the state and thereby remain indispensable to any person, general or civilian, seeking elective office.

To establish that in South Asia or Latin America or Africa or Indonesia, military coups followed by military rule garnished by a selection of eminent civilians is no answer to the failure of governance in these regions, is easy enough. But such a discovery also provides no answer to the very genuine crisis of governance which stalks South Asia today. Democratic governance, as practised in South Asia today, is in poor shape, is deteriorating by the day and holds no immediate promise for improvement. Whilst history in South Asia has given ample evidence that solutions to such failures in the democratic project are not likely to be found in a military option, democrats both in politics and civil society have to face up to their own responsibilities to provide an acceptable standard of governance to the people of South Asia.

If the well-intentioned spokespersons of civil society wish to challenge the failure of governance in South Asia they have to expose themselves to the hazards and costs of political contestation to challenge the democratic legitimacy of the established political players. The fact that democratic processes, in their present form, in South Asia, deny concerned members of civil society the opportunity to participate in politics with a view to promoting better governance should not drive them to search for false solutions in the shape of military rule. Malfunctioning democracies and weak governance are not the exclusive fault of unscrupulous politicians but reflect as much a failure of civil society to discharge its role of both monitoring the role of parliament and engaging in representative politics. If members of civil society cannot immerse themselves in politics because they cannot bear to pay the price lest it inconvenience their prevailing life styles, then they should not look to military rule to ease their path to public office. Such, perhaps, well-meaning efforts by re-spectable members of civil society to enter public life via the cantonment lends a spurious legitimacy to military rule thereby hammering another nail in the coffin of sustainable democracy in South Asia. Such unrepresentative regimes can never be a solution to failed governance but only serve to prolong the agony of mis-governance in this region and indeed much of the Third World.

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Against such backdrop we believe our market solution, albeit an abstract one, is an option worth considering — unfortunately not many options are available either. We believe our policy would, firstly reduce the total number of hartals per year. Secondly, it will definitely lessen — may altogether banish — uncertainty regarding the number of hartals per year. Hypothetically speaking, such decline in uncertainty will help restore political stability and boost the confidence of private and foreign investors because business expectation can now be formed more accurately than ever before — as such it will also have positive impact on economic growth. Finally, and most importantly, if either of the parties deviates from the rules of the game, viz., opposition calling for unanticipated hartal having exhausted the quota or the ruling party carrying on anti-hartal activities, both may seek legal compensation from the court. Fortunately, for the court, the matter now becomes less complex than it was before because the legal issues in question can be tackled under the existing contract law.

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The Economics of Hartal

by Gazi Mainul Hassan and Syed Abul Basher

HARTAL has been the hottest and one of the most frequently discussed issues for the last couple of years. The phenomenon became quite regular particularly during the last part of the Ershad government's tenure. Since then whoever was in the opposition invariably used hartal as a core of its political programme. The country paid a heavy toll during 1985-86, when a 70-day long non-cooperation was called by the then opposition party, Bangladesh Awami League. The situation still prevails though the position of ruling and opposition party is reversed. The country is yet to find any suitable mitigant to save its economy from the menace of hartal.

Many have suggested their views to cope with hartal. To cite a few, Rehman Sobhan (99) proposes that Prime Minister take the initiative and hold talks with the opposition parties. Jaffer Ullah (99) encourages 'high court suo-moto' a mechanism in which hartal victims file suit against the political parties in court to seek hefty compensation. Nazrul Islam (98) suggested 'Institutional change' by shortening the government tenure from the present 5-year term to a four-year term to discourage Hartal. Another popular thought to reduce hartal is for the 'business communities' to discontinue

their patronage, in the form of donation until political parties shun hartal.

While it is true that none of the above suggestions were implemented, fresh ideas are cropping up all the time. In this article we endeavour to provide an alternative approach to tackling the hartal issue by assuming that hartal possesses all the characteristics of a tradable goods, and as such try to provide a market or economic solution. The reason for adhering to such an unorthodox concept is that we believe the realm of all political and social issues is ultimately governed by economic forces. Political parties are nothing but a collection of closely associated like-minded individuals organized upon a common belief and from this platform they try to maximize votes in their favour from the citizens who share their creed. Since individuals respond to incentives, political parties being mere collections of individuals should also respond to incentives, especially pecuniary incentives. As long as they are like-minded, if one of the members respond to a monetary incentive it should not be surprising that the others would do the same. Finally, since at least one of the members will be as good as the rational economic individual, the mechanism we shall be arguing should hold in principle. This

shall be our point of departure and our argument will follow this line of reasoning. Since hartals are costly, measured in terms of lost output at its market price, why does the government not pay (bribe) the opposition to refrain from calling it? In principle, it could not be more costly than it currently is. On the other hand, if the opposition parties were offered such incentive as a substitute for calling hartal, wouldn't it be much foolish of them by not responding?

Hartal as a tradable Goods

Nowadays, a number of market-based instruments (MBIs) are available in to protect the environment. One such instrument is emission license/permit which allows a firm to pollute up to a certain level. Firms' production in such case is thus constrained by the pollution limit. However, in practice, every firm does not exhaust it upto the limit and most of the time, can sell or transfer it to the other firms who may need it. Such MBIs work wonders in limiting environmental degradation.

The reason for having digressed from the discussion of hartal in the preceding paragraph is that a similar concept may also be applied to discourage hartal if it is seen from an economic viewpoint, say as a

tradable goods. To start with, a policy has to be formulated on the maximum number of days the country can afford to observe hartal in a year, say by taking the median number of hartals over the last ten years.

Once the total number of allowable days for hartal is set, its distribution cascade needs to be worked out. While it may appear counterintuitive, the market of hartal will be open exclusively to a portfolio of political parties who have secured seats in the preceding general election. Reserving the right of calling hartal for the successful political parties is logically convincing since all the political parties invariably argue that hartal is the representation of the protest of the mass. The right will be assigned according to the proportionate representation in the Parliament. Higher number of seats would mean more number of days a party can call hartal.

But the objective function of the ruling party has always been to reduce hartals to a minimum. Thus, we have already pulled out the largest portion of the pie leaving the rest to the opposition parties. Given the fact that hartal is now a tradable commodity whose long run supply is fixed (by the median number of hartal of the

last ten years), the opposition will try to optimize the use of its hartal quota by calling hartals in important events. In other words, hartal will now become more sensible.

An apex body may be institutionalized which will issue permit in favour of the political parties. Some parties may not need the maximum number of permitted days of hartal allocated to them while others may need more. Accordingly, parties with surpluses may sell their hartal rights, for a price, to parties with deficit.

If there were ever such a market for hartal, buyer or seller in such a market could be anyone, i.e., both the ruling and opposition parties. Ruling party would always want to reduce the total number of hartals by inducing sellers (opposition parties) to transfer their rights to them at an agreed price. This price would depend on the demand for and supply of hartal where the long run supply is fixed. Ultimately the price will be settled mainly via the demand for hartal. The ruling party with a continual demand to reduce hartal will try to acquire as many additional hartal rights as possible according to their reservation price. Therefore, there is also a need for the opposition party to acquire additional hartal

rights from other players in the market. Nevertheless, following this mechanism, the decision to call for a hartal by the opposition party will now have a different dimension. It would force them to go through an economic cost-benefit analysis. Where in the past, the opposition could freely call for hartal by only concentrating on their political gains without having to incur any direct or indirect costs whatsoever, now, calling for any hartal would mean for them to forego the amount they could have earned by selling the right to the buyer. The foregone opportunity to earn a substantial amount may be just too high to ignore.

The chief reason for the hartal being so overused as a primary demonstration of protest against the government by the opposition is that it is costless for them. By assigning a price for hartal we shall not be able to eliminate its use completely but we may definitely compel the opposition to limit its use subject to an incentive constraint.

End Notes

Readers may choose to be skeptical against the implementation of the market solution that we suggested so far to encounter hartal which, albeit, is rather unconventional. For example, critics may argue 'is

there any existing mechanism of the state that will convince them to believe that the parties involved will not cheat? i.e., how can we be sure that the opposition will not call for any hartal even after having exhausted their quota or do so? We appreciate such thought and also take this point quite seriously. Because we know that in developing countries like ours, politicians usually get away with lies and cheat on the fellow citizens by not keeping promises, as if they were made to be broken in the first place! Nevertheless, there is an important point to note here which is quite distinct from the general case. If one opposition party sells its right of hartal to the ruling party (or any other opposition parties) and then suddenly calls for another for whatever reason, it shall then be a breach of contract. If so, as it happens in usual cases, the ruling party may go to court and seek justice.

We are convinced that under the present circumstances it remains a very complex decision for the court to define the legal dimensions of hartal which is why, perhaps, the High Court has failed to reach any strong consensus over the suo-moto it had issued earlier — why hartal and anti-hartal activities will not be declared unconstitutional.

