

**LODHI. M (ED) PAKISTAN:
BEYOND THE CRISIS STATE
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Sustaining global capitalist order requires the presence of an intellectual elite which espouses and operationalises capitalist values in both metropolitan and peripheral countries. This anthology presents the views of the global capitalist public intellectuals who monopolize policy discourse in Pakistan.

The authors of these chapters enjoy the confidence of leading opinion making institutions in America. They work for the US Naval Academy, the American University Washington, the Brookings Institute, the Atlantic Council, the School of International Affairs and Public Policy (SIPA) Columbia the US Senate and Congress, Newsweek, the Wall Street Journal, the IMF and the World Bank (PXI to XIX). These are the men and women America trusts – its primary informants in Pakistan.

An analysis of the thought of these authors illustrates both the strategic interventions that America may be expected to mount and sustain and the intrinsic limitations and the necessarily ‘bounded’ efficacy of these interventions. In this review I will attempt to understand:

- The limitations constraining the practical efficacy of this analysis.
- The extent to which this analysis reflects political and social realities in Pakistan.
- The thrust of the policy advocacy of these authors.

The most glaring weakness of this policy analysis is its atheoretic nature. State theory has emerged as one of the most fruitful and profound political discourses since Theda Skocpol's seminal contributions (in the mid 1980s) Liberals, republicans, constitutionalists, neo structuralists, institutionalists, Marxists and neo Gramscians have produced, and are continuing to produce a rich and varied literature reinterpreting classical state theory, problematising state-society relationships, focusing on state institutional redesign and investigating justificatory premises for transcending the Westphalian state order to strengthen global capitalist governance. None of these theoretical insights are drawn upon to assess the capabilities of the Pakistani state, the nature of the state legitimation processes, the grounds on the basis of which the state is supposed to be "weak" and society "strong" (p1) or the nature, form of and extent of, the structuring of the Pakistani state within global capitalist order.

Concepts such as "crisis state", "regime change", "security state" (p4 – 12) are used in an impressionistic, loose manner without an explicit recognition of their grounding in modern/post modern state theory. The concept of "societal complexity" (p50) is also not problematised and clearly there is no awareness of the profound sociological literature produced in France following Boltanski on this process. The relationship between social and economic changes and the consolidation of liberal institutional authority (p45) is taken for granted and the pre-requisites for such consolidation are neither identified nor shown to exist in Pakistan. It is asserted that there is "a power

asymmetry between political and non political institutions” (p53) but the meaning of this “power asymmetry” is not explicated and we have incomprehensible and incoherent formulations such as “state interventions in the political process” (p53) and “issues of religion and regionalism have tested the nature of the state” (p62) etc. What is the “nature” of the state, what are the philosophical grounds for ascribing agency to institutional structures? What is “the power elite” (p55) . How can “urban society” be “empowered”? (p68). The caricature of modernization theory (presented on p96,97) does not attempt to justify any of these formulations on the basis of a particular (Pakistani relevant) reading of the “structure without a subject” literature and, therefore, the characteristic of state structures and processes remain no more than subjective, impressionistic evaluations of the authors. Those addressed (mainly American policy makers) must recognize that such evaluations provide very shaky grounds for the formulation of state structure penetration strategies. The “state of siege” the Pakistani state is supposed to be in (p105) — and the “structural challenges” which confront it (p202) “reflect merely the emotional reactions of the authors and are not grounded in coherent theoretical justificatory frameworks.

Theoretical incoherence is by no means confined to state analysis. Another much abused concept is that of “crisis” Pakistan has “a crisis state” (p5) “faces a twin crisis of security and solvency” (p49). Pakistan is “an economic crisis state” (p174) and faces “multiple crisis” (p265) Pakistan is in “systemic crises” (p349) an “unprecedented economic depression” (p350) and a “crisis of fiscal finances” (p351). But the extensive theoretical crises literature produced over the last three centuries is no where referred to and no coherent definition of “crisis” or of its constituent characteristics appears anywhere in this book. American policy makers will be misguided if they are persuaded by this emotive language of panic to undertake “crisis management in Pakistan”.

کلام میر سچھے اور زبان میر زا سچھے
مگر ان کا کہا یہ آپ سمجھیں یا خدا سچھے

regarding “social patron client relationships as antithetical to the notion of citizenship” (p55) or the justification for defining feudal order in terms of social structure (p56) or the assertion that the army has a “clientalist relationship with the bureaucracy” (p62). Akbar Zaidi and Ali Cheema’s extensive writings on the transition from feudalism to capitalism in both urban and rural Pakistani society are completely ignored. The concept of a “strong society” alleged to exist in Pakistan, therefore, remains untheorised as is the concept of “society’s empowerment” (p 67-68). Nor is it clear why “strengthening society” necessarily requires “the building of democratic and pluralistic institutions” (p62). In the chapter on “retooling institutions” several “civil society institutions” are enumerated but their “strength” (whatever that many mean) is not estimated nor are any measures identified for “strengthening” them (p164-66). The cavalier, non rigorous treatment of social trends often degenerates into simple incoherence. For example what is the meaning of the following sentence: “It is important to understand that 99 percent of the fabric of a diverse and rich culture and people can and do make a difference” (p201).

The presumed positive relationship between the growth of liberal democratic institutions and social economic changes (p45) is neither explicated nor theorized. Nor is the concept of “economic governance” problematized within the context of the extensive literature on the state-market nexus. The IMF endorsed macroeconomic strategy is not subjected to any critical evaluation. Such theoretically challenged concepts as “technical progress function” are presented as if they were consensual concepts (p179). The IMF macro model is described as “pro poor” (p182) without any attempt to refute the extensive theoretical and empirical literature which challenges this view. The discussion of economic issues degrades into incoherence when Pakistan is described as “an economic crisis state” (p169). Is the Pakistani state sustained by the “crisis” of the economy, so that were the economy to thrive the state would collapse? And what do the authors understand by “crisis”. Throughout Pakistan’s history real GNP has never recorded negative growth for two consecutive quarters. A classically defined economic or financial crisis has never existed in Pakistan. Nor does Pakistan’s debt servicing difficulties pose any serious threat of contagion for Pakistan unlike Turkey, Brazil and Argentina, has virtually no private market liabilities nor can default by Pakistan bankrupt America or European Union governments.

Theoretical incoherence also characterizes the chapter on education (p267-282). It’s conceptual framework is provided by the long discredited ‘unfulfilled expectations’ theory. It presumes that the modern education system “is value neutral” (p257) and yet lists the values that ought to be promoted through it (p253). It argues that education should not be “agenda driven” (p253) yet presents an agenda for reforming different categories of the education system specially madrassa education (p279-282).

Most of the premises and judgments on which these policy proposals are based are either not justified theoretically empirically or are manifestly incorrect. Thus no evidence is presented to show that Pakistan “is in the throes of a severe financial crisis” (p2) or that “Pakistanis are a deeply traumatized people groping for a magical formula” (p9) or that “an informed open ended debate is impossible in Pakistan” (p9) or that “Jinnah had expected to negotiate Muslim League sharing of power at all India level” (p11) or that Pakistanis “have a serious penchant for myth, delusions and conspiracies day in and day out” (p20) or that “there is popular aspirations for the rule of law” (p70) or that “ the Pakistan military role is predatory” (p84) or that “the opportunity cost of defense spending is rising” (p86) and that it is “crowding out private investment” (p87) or that “Pakistan faces an existential military threat” (p126) or that “a moderate majority rejecting extremism exists in Pakistan” (p129) or that “devolution has improved access to public services and local representative are responsive to the public” (p157) or that “demand for education is very high in Pakistan” (p256) or that “foreign assistance can prevent disaster” (p229) or that “the liberal left supports Pakistan’s nuclear programme” (p277) or that “Pakistan’s existence as a sovereign state is not in question” (p283) or that there are “improved prospects for the emergence “of political equilibrium” or that “India is infiltrating the TTP” (p288) or that “ surrender to India on Kashmir would not be acceptable to the vast majority of Pakistanis” (p287) or that “ the vast majority of Afghans do not want a return of the Taliban”(p310).

Methodical investigation is required to verify these impassioned assertions and this book contains no systemic sociological or political empirical framework of analysis. Hence these judgments are no more than speculative haunches of a socially insulated elite and susceptible to very wide margins of errors. Formulating policies on the basis of such dubious presumptions is proving disastrous for the donor community, specially America.

The economic assessments of these authors are particularly misleading. The often repeated assertion of an economic and financial crisis (p247, 48, 57, 59, 125, 169, 172, 191, 229 and passim) is simply false. GDP has never recorded negative real growth for two consecutive quarters and the Pakistani currency has never faced a crisis of acceptability either in the local or world markets. The population is not “exploding” (p2) — the annual rate of growth is 1.6 percent. Pakistan’s middle class does not number 25 million (p55,67) — no reliable estimates of this exist. No ‘budgetary crisis’ emerged as “a chronic threat to Pakistan’s financial stability in the 1990s” (p49) — financial markets functioned efficiently even in the aftermath of the 1998 nuclear initiative and the multi tiered exchange rate policy of the State Bank proved successful. There was no “dramatic expansion of the middle class during the Musharaf era” (p50) — quite the contrary asset distribution patterns (as shown by the size distribution of banks’ investment accounts) worsened. Public investment does not “crowd out’ private investment in Pakistan (p52). Several econometric studies show that the relevant elasticity is positive, statistically significant and high — public investment “crowds in” private investment in Pakistan. The undocumented economy is not twice the size of the documented economy (p59) — according to the estimates of the Pakistan Institute of Development Economics it is between 30 to 50 percent. There is no exorbitant rise in debt (p59). Pakistan is not classified as a highly indebted country by the World Bank. The total debt to GDP ratio is about 60 percent. The urban population does not contribute three fourths of GDP — official sources provide no estimates of the spatial distribution of GDP on a time series basis and FBS statistical series provide no basis for segregating the major economic sectors — agriculture, manufacturing, construction, transportation, services etc — into their urban and rural components Pakistan was not “economically crippled in the 1990s” (p125) – the economy continued to grow in each year of that decade. All governments do not “abandon the policies of

their predecessors”(p151) — there has been major economic policy consistency since 1991 as several IMF country reports testify. Budget subsidies do not amount to 20 percent of tax collection in most year (p161). Pakistan has not “lurched from one financial crises to another” (p169) — there has never been a financial crisis in Pakistan. Most banks were not bankrupt on the eve of nationalization (p172) and the State Bank did not recommend their nationalization in 1973 or 1974. There is no evidence to show that “the fiscal debt is the root cause of all ills” (p182). All claims about the SME sector’s contribution to GDP, to GDP per capita growth, employment and exports (p218-220) are highly exaggerated. Reliable estimates on SME contributions do not exist and in the national income estimates the SME sector has been ascribed an imputed growth rate for the last seven years.

Studies at PIDE and CBM have shown that pre conditions for inflation targeting do not exist in Pakistan contrary to the claim on (p194). Textiles are not the largest manufacturing sector as claimed on (p216,218). Exports growth is not responsive to downward adjustment of the real effective exchange rate as claimed on p221 — the empirical evidence is quite the reverse Zia did not leave the country “reeling in economic crises” (p88, 448). Benazir inherited a thriving economy in 1988.

Inaccurate and patently false statements are not confined to economic trends. It is simply untrue to assert that “Islamic groups did not specify what they meant by an Islamic state”(p64) – they have been doing so since the passage of the Basic Principles Resolution in the Constituent Assembly in 1949 or that “political attitudes have changed since Musharaf’s era” (p74), why then do zamindar dominated parties continue to rule Pakistan? There is no “transformation of the country’s political terrain” as claimed on p71. No evidence exists to vindicate the claim that “effective counter forces exist in a resilient civil society to prevent a descent into chaos” (p77).

It is quite false to claim that Syed Ahmad's jihad movement was Deobandi inspired (p116). The Deobandi school was established in 1863, Syed Ahmad died in 1831, or that "Zia's rule lead to a wholesale Islamization of the state" (p123) — the praetorian state structure remained unaffected by his rule, or that the MMA was the first Islamic alliance in Pakistan's history (p133) — such an alliance was first formed in 1952, or that thousands of jobs were given by Zia to Jama'at-i-Islamic members (p136) who numbered 2 million in 1976 (p145) — Jama'at Islami's membership in that year totaled 13,576. or that Jama'at-i-Islami is the "main architect of official Islam" (p144) — state Islamic orthodoxy was crafted by Muslim League ulema and intellectuals such as Moulana Shabir Ahmad Usmani, Moulana Zafar Ansari, Dr I.H Qureshi etc and official Muslim League discourse always depicts the Jama'at-i-Islami as an offshoot of the Tehrik-i-Ahrar and, therefore, an opponent of the Pakistan movement and ideology.

Such baseless assessments and presumptions ground the policies advocated by these authors. The over whelming policy concern is to increase American intervention in Pakistan. Thus it is argued that liberal minded people should stop condemning America (p9) and the US and NATO should take steps to neutralize the external security concerns of the Pakistan armed forces (p17). America should also ensure that the military is "weaned away" from religious elements (p17-18). America should provide low intensity Fourth Generation anti insurgency training to the army and indoctrinate officers and men with liberal ideas (p 91, 93). Support should also be provided for the establishment of a National Counter Terrorism Authority, General Kiyani is praised profusely for his pro American attitudes and inclinations (p 93, 94) and for his presumed attempt to discourage the radicalization of the military (p94, 111-12). The democratic movement in Pakistan is seen as Western crafted (p103) and anti American discourse must be suppressed to ensure continued

American support for Pakistani democratic forces (p 102-103). America must support the mass propagation of “progressive Islamic values” (p130). The IMF should take advantage of natural disasters in Pakistan to push through its “reform” agenda as should the World Bank and the ADB (p184). This agenda should concentrate on accelerated privatization (p151, 159) local administration reforms (p157) and enhancement of State Bank autonomy (p157). The IMF and the donor community should ensure that Pakistan ‘owns’ these reform despite their foreign conception and implementation supervision (p185). The IMF Stand by Agreement should be restarted (p181) and “Pakistan should use the IMF as a political flack jacket to push through (unpopular) reforms” (p189). The foreign sector orientation of the economy – through enhancement of exports and foreign investment — should be increased as this will perpetuate Pakistan’s subordination within global capitalist order (p193) USAID’s global energy sector strategy should subsume Pakistan’s national energy policy (p243, 245) and multinationals should be allowed to dominate Pakistan’s energy sector (p232). Pakistan should serve the American labour market by providing vocational training to skilled immigrants (p264). Pakistan should broker a ‘new deal’ between America and the Muslim World (p303).

These authors argue that American support for Pakistan can yield positive results if the rulers whole heartedly embrace a liberal policy stance.. Thus what Pakistan needs most from America are “constitutional experts” (p13) who should comprehensively redesign the political system. This can keep Islam in “check” through state policy (p64) and avoid a nationalist backlash which would weaken globalizing tendencies in Pakistan (p76). A new middle class led coalition should be formed — including lawyers, women, TV anchors, kulaks and the “under privileged” — to spearhead liberal reforms” (p75-79). The army should accept subjection to civilian control (p91) support pluralist democracy (p92) and recognize insurgents and not India as its

main enemy (p96). Local governance systems should be established to isolate the insurgents (p93). The ISI should accept civilian oversight (p93) Islam should be reinterpreted so that it becomes a force for “progressive change” (p113). Leadership should not be driven by “electoral cycles” (p115) despite democratic institutionalization. Education sector restructuring should be seen as a “strategic priority” (p252) and enhancement of private stakeholder influences should be used to transform the public education system (p263-264). Secular teachers can reorient madrassahs (p264) and secularization of the public curricula is advocated (p265).

Economic policies endorsed by these authors are vintage neo-liberal; population control measures should be rigorously instituted (p351). The government should restrict its role to policy making — public investment should wherever possible (specially in energy transport, communication and the commodity producing sectors) be eliminated (p232-4). Agri business multinationals should dominate the rural economy which should be comprehensively deregulated (p213). Pakistan should pursue extremely tight monetary policy — inflation targeting should be recognized as the primary macro policy concern (despite the empirical evidence that pre conditions for its success do not exist in Pakistan) (p 191,192,225). Real interest rates should be jacked up (p193). Legislation must be enacted to limit the growth of reserve money (M_0) (p193).

Fiscal policy must be equally tight. The IMF sponsored regressive Value Added Tax (VAT) must immediately be imposed on all goods and services (p187). Draconian wage and job cuts are advocated as means for raising factor productivity (p195) “Creeping” devaluation is seen as essential for restoring health to the current account balance (p195, 220).

This can only be described as a policy wish list not based on any coherent, theoretically grounded analysis of economic, political and social realities in Pakistan. The agency question — who can and will articulate these policies — is not seriously addressed anywhere in this anthology. Implicitly America is expected to induce Pakistan to do all this. The single most important reason for this policy preferences is the social isolation of these authors. They may be physically present in Pakistan but their hearts and minds have emigrated to America. Nicos Polantzis' description of the Roman citizens of the Western provinces of the ancient Roman empires describes these authors well — they may be Goths (Punjabis, Mohajirs) ethnically but in spirit and in thought they are Roman (American). This is reflected graphically in the fact that of the 833 citations in the book there is only one in Urdu (p360) and none at all in any of our regional languages. Scholarly output in Pakistani languages (not only in Urdu but also in Sindhi and Pashto) has blossomed since the early 1960s. But these authors trusted by the donor community have no access to this rich literature. They cannot but mislead. The donor community remains largely unaware of the social insulation and consequent intellectual shallowness of its informants: hence the rave reviews of Ian Talbot, Anatol Leiven and Prof Innocent of the Cato Institute which appear on the back flab jacket of this book.

The divide between the these authors and the people of Pakistan is not just social. It is rooted in the psyche of these authors. These authors regard Pakistan and its people with profound contempt. This book is full of abuse for the people of Pakistan.

Pakistanis “have a psychologically introverted mindset” (p9). “Pakistanis are a mythical people whose thoughts and actions lack credibility and substance, a frustrated and depressed people” (p9). The Pakistani media “disseminates myths and mistruths”

(p9). “The development of a critical, intellectual tradition in stunted” in Pakistan (p10) Pakistani “intellectuals have been bribed into subservience. History has been reduced into a jumble of clichés. The vast majority of Pakistanis take comfort in ignorance. Habits of national denial have reached crises proportions” (p10). There is “a witches brew of religious bigotry (prevailing) in Pakistan” (p13). There “is a growing rot in social morality” (p14) “Women are still buried alive in Pakistan” (p36). Pakistani “teachers are barely literate” (p42). Pakistan has always “adopted myopic policies” (p48). Pakistan’s “people are (constitutionally) despondent” (p96) “Public schools create a savage mentality” (p258). “The public sector is inherently corrupt” (p260) ad infinitum.

Authors who have such contempt and hatred for Pakistan and Pakistanis cannot of course understand this country and this people. They have no faith in Pakistan. That is why they continue to call for American intervention to subjugate all aspects of social, economic and political life in Pakistan. They owe over their privileged status exclusively to donor sponsorship. The more Pakistan in desovereignized, dismembered and impoverished the greater the social salience of this comprador elite. Hence their incessant demands for American initiatives leading to the desovereignization of Pakistan.

But desovereignizing Pakistan has not been shown to be a viable project and the policies advocated by these authors are mired in inherent contradictions and misinterpretations. The inherent weakness of the donor community policy initiatives in Pakistan reflects the shallowness and incoherence of the advice proffered by its local client elites.

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