

Democracy or autocracy?

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THIS may be a good time for a student and practitioner of development economics to enter the debate on constitutional reform in Pakistan. The debate is raging at the moment, fuelled by the government's announcement of two packages of proposed constitutional changes.

General Pervez Musharraf addressed some of the questions that have been raised by the politicians and political analysts. This he did in a 70-minute speech carried by radio and television on July 12. His answers don't seem to have satisfied most of his critics. The general covered three subjects in his long address to the nation: the state of the economy, the on-going war against international terrorism, and the new political structure he wants to build on the foundations laid by the Constitution of 1973.

Although President Musharraf did not link these three subjects, his decision to focus on them suggests that he recognizes that without a fully representative political system he cannot pull the economy out of the trough in which it has been languishing now for a dozen years. Also, a functioning economy supported by a political structure that has the confidence of the people are two of the several necessary conditions for bringing domestic terrorism under control in Pakistan.

As I have indicated in some of my previous contributions to this space, the Constitution of 1973 did not produce a political structure that could bring a vibrant economy back to the country. I continue to puzzle about the affection the country has for that flawed document. I am also not convinced that a fully representative mechanism established to go over some of the unresolved issues that have created a political impasse in the country will lead to opening up of a new era of

cent. This sharp slowdown in the economy contributed to a significant increase in the incidence of poverty. According to one count, the number of people living in poverty has increased to 50 million with five million people being added to the pool of poverty every year.

Clearly democracy as practised in Pakistan was not good for economic development. This should not lead to the conclusion that in Pakistan democracy creates economic problems or that we should opt for an authoritarian system in order to produce a healthy rate of economic growth. Even the East Asian countries that once espoused strong governments, with "strong" equated with authoritarianism, have now accepted the importance of democracy to restore health to their economic systems.

There is now agreement in East Asia that the ravages of the 1997-99 could have been avoided had greater amount of participation been allowed in the political system to all segments of the population. It is clear from the experience in Pakistan that it is not democracy that created a problem for the country's economy but the way it was practised. There were problems not with the principles of democracy but in the way they were applied.

From the perspective of economics, why is

Johnson and his ability to work with a number of powerful groups in the US Congress to pass a legislation that made denying people the right to vote a criminal offence.

More recently, the practice of allowing people, lobby groups and corporations to make hefty contributions to the election funds of candidates at various levels of government has reduced the voice of the ordinary citizen in the American system. And, even more recently, the string of stories about corporate wrongdoing has exposed the amount of corruption the political system has tolerated in the business world. But the American system has the ability to correct its faults, to get back on the course once the deviations became pronounced and noticeable. As this is being written, the American Congress is drafting tough legislation to increase the government's oversight over the workings of publicly listed companies.

There can be no doubt that the American political system has contributed enormously to the country's extraordinary economic progress. Nearer home, democracy in India is also helping its economic recovery. The Indian system has matured to the extent that strong vested interests are no longer able to block needed reforms, the voices of the disadvantaged people can be heard, and the

courts are able to exercise checks and balances on the executive and the legislature. The judiciary in India has taken upon itself the task of protecting people's welfare even without being petitioned by the public. This is an interesting development worth being taken cognizance of by Pakistan's courts.

Why has democracy, as practised in the past, not served the Pakistani people? Among most politicians and several political analysts, the responsibility for the failure of democracy in Pakistan is placed at the door of what Benazir Bhutto once called the

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that created a political impasse in the country will lead to opening up of a number of old wounds. It is claimed by the supporters of the 1973 Constitution that these wounds were healed by the agreement that was reached in 1973.

In a number of articles published in this space in March and April of this year I proposed that a representative constituent convention, convened to meet after the October elections, could help resolve a number of issues that have hindered Pakistan's political development. These include the number of provinces in the Pakistani federation, the role of religion in economics and politics, the role of the military in politics, and strengthening the legislative and judicial systems. I don't want to go over that ground again. This time around, I want to take stock of the current debate and relate its relevance not only to Pakistan's political future but also to the health of the country's economy.

The only time the country enjoyed rapid economic growth, improvement in income distribution and some reduction in the incidence of poverty was in the periods when the military was in charge. In 1958-69 as well as 1977-88, Pakistan's GDP grew at more than six per cent per annum, and the per capita income of the population increased by 3.2 per cent a year. In other words, during each of these two eleven-year periods of rapid economic growth, GDP almost doubled in size and income per head of the population increased by 41 per cent.

The economy performed poorly when the political structure embedded in the 1973 Constitution was in place. In 1972-77 and again in 1988-89, Pakistan had low rates of economic growth, considerable worsening in the distribution of national income and a sharp increase in the incidence of poverty.

Coincidentally, the longest period of decline of the country by elected politicians also lasted for 11 years. During this time, GDP increased at the annual rate of 3.8 per cent, while income per head of the population rose by 50 per cent. The GDP and income

democracy a better system of governance than various forms of autocracy? There are four reasons for that. Democracy gives voice to all segments of society not only at the time of elections but at all times. Second, it creates mechanisms — "checks and balances" in the language of American politics — that ensure that power will not get concentrated in the hands of one individual or in the hands of a group of individuals. In the American system the legislative and the executive check and balance each other's power. The judiciary keeps a watch on both, brought into action when some aggrieved party seeks its assistance. Third, democratic institutions also work in a transparent way, allowing people a good view of the process of decision making in the various branches of government.

The fourth attribute of a democratic system is only indirectly related to its formal construct. Since democracy is based on openness in the political system, it creates an environment in which independent media flourishes and citizens are able to organize themselves into groupings that come under the description of civil society. Media — the press, radio and television — and civil society organizations also keep a watchful eye on the functioning of the government. This is an additional check which is not formally incorporated in the democratic constitutions that provide the framework within which governments perform their designated functions.

These four attributes of democracy — full representation to all people, checks and balances among different branches of government, transparency in the conduct of business, and freedom of speech — are good for the market-place where individuals interact with one another on economic matters. No democratic system in the world is perfect. The oldest of them, the United States — not to mention the European countries — have had their problems. For instance, the United States has had a ban on visa for political forces in the country. General Kargil, who is reputed to be a military leader, dis-

"Islamabad establishment."

According to her, this is made up of the senior officers of the military and the civil service and is supported by some segments of the business and industrial community. According to this interpretation of the Pakistani history, each time democracy was ready to strike roots in Pakistan's political soil, the establishment pulled out what was still a tender plant. In the 1990s, this happened four times. No wonder, democracy never took a firm hold.

This is a self-serving explanation. Democracy in Pakistan failed not because of the Islamabad establishment but because of the people who were given the responsibility of protecting and nourishing it. Politicians did not work the system to serve the people. Leaders make systems; in Pakistan, however, none of the four leaders who had the opportunity to get the political structure to work was interested in its effectiveness, efficiency or longevity.

Zulfikar Ali Bhutto, the father of the 1973 Constitution, started subverting it from the day it became operational. He was not interested in allowing the Constitution to constraint him in exercising absolute power. General Ziaul Haq had an entirely cynical approach towards managing a political system with the help of a basic law. He wanted to be an absolute ruler and if things stood in his way, he was happy to cast them aside.

Prime Ministers Benazir Bhutto and Nawaz Sharif also failed spectacularly. Four general elections in the 1990s brought them twice each to power in Islamabad. They did not seem interested in developing the political structure. Neither respected constraints on the use of power. Both operated freely without checks and balances. Their behaviour brought ruin to the economy. It also brought the military back to power. This time the military is struggling hard to leave in place a durable and representative political system and to provide the country with a functioning economy. Will the military succeed? I will return to this question in this space tomorrow.