

ISAS Working Paper

No. 266 - 14 August 2017

Institute of South Asian Studies
National University of Singapore
29 Heng Mui Keng Terrace
#08-06 (Block B)
Singapore 119620
Tel: (65) 6516 4239 Fax: (65) 6776 7505
www.isas.nus.edu.sg
<http://southasiandiaspora.org>



Pakistan is 70: What If?¹

Shahid Javed Burki²

Pakistan did not expect to be born as a nation-state. However, when its birth did occur, it led to unprecedented upheavals. Some of these have left a lasting impression on the country's extremely turbulent history. This paper introduces the readers to some of the main features that dot the country's landscape. It discusses the circumstances of the country's birth; the many crises the country faced from 1951 to 2008; the country's current situation that has several positives but also many negatives; and, finally, the direction in which Pakistan seems to be headed in the eighth decade of its life as an independent state. A section also discusses some of the "what ifs..?" concerning Pakistan to illuminate some salient points in the country's mostly-troubled history.

¹ The Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore, is dedicated to research on contemporary South Asia. It seeks to promote understanding of this vital region of the world, and to communicate knowledge and insights about it to policy makers, the business community, academia and civil society, in Singapore and beyond. As part of this ongoing process, ISAS has launched a series of commemorative essays on each of the eight South Asian countries to coincide with their respective national days. The objective is to present a snapshot of the successes and challenges of the countries in South Asia, a sub-optimally integrated region with a globalising aspiration. The first in this series of essays focuses on Pakistan, which celebrates its 70th birth anniversary on its Independence Day today – 14 August 2017.

² Mr Shahid Javed Burki is Visiting Senior Research Fellow at ISAS. During a professional career spanning over half a century, Mr Burki has held a number of senior positions in Pakistan and at the World Bank. He was the Director of China Operations at the World Bank from 1987 to 1994, and the Vice President of Latin America and the Caribbean Region at the World Bank from 1994 to 1999. On leave of absence from the Bank, he was Pakistan's Finance Minister from 1996 to 1997. He can be contacted at sjburki@gmail.com. The author bears responsibility for the facts cited and opinions expressed in this paper.

Pakistan's Difficult Beginning

The ideological moorings and profile of today's Pakistan are not the same as those envisioned by Muhammad Ali Jinnah, the country's founder, when he began his campaign to create an independent state for the Muslim population of British India. Seventy years after the country's birth, it is about one-half of its original size when it was born on 14 August 1947. Original Pakistan consisted of two parts, separated by about a thousand miles of India's territory. The tensions between the two wings of Pakistan came to the surface soon after the country became independent. There was a dispute about the representation for the eastern wing (Bengal) in the national legislature. Since the east had a larger population, it was eligible for a majority of seats in the National Assembly (NA). This was, however, not acceptable to the country's political and military establishment that also dominated the western part of the country. Under pressure, Bengal agreed to the system of parity, with each wing having an equal number of representatives in the NA. The West Pakistanis wanted Urdu to be the national language; those in East Pakistan wanted an equal status for Bengali. Those in Bengal were also concerned that they were not receiving their legitimate share of the capital and revenues flowing into the country as export earnings and foreign assistance. As a result, Bengali resentment rose against the western wing.

In December 1971, after a bitterly fought civil war, the eastern wing of the original country won separation from the western part and became the independent state of Bangladesh, with strategic help from India. However, that is not the only change from Pakistan's original design. In the oft-quoted speech given on 11 August 1947 before he became the independent nation's first Governor General, Muhammad Ali Jinnah laid out his dream for the country he had founded as Britain decided to partition its Indian colony. His strong preference was to have Pakistan become what in today's parlance would be described as a liberal Western-type democracy. That did not happen but may occur if the progress made since 2008, when the military finally gave up political power under pressure from civil society, continues.

The campaign for the creation of a Muslim state in British India began in 1940 with the passage of the "Pakistan Resolution", moved by Fazlul Haque, Bengal's most popular and powerful Muslim leader. Jinnah presided over the annual meeting of the All-India Muslim League held at Lahore, the capital of Punjab, which, after Bengal, was the most populous Muslim-majority province in British India. In some of their recent writings, historians have suggested that

Jinnah's demand for the creation of a Muslim state was primarily aimed at gaining political rights for his Muslim community in an independent India that would necessarily have a vast Hindu majority. According to this line of argument, Jinnah did not actually want an independent Muslim state to be created by the British at the time of their departure from the Indian sub-continent. He only wanted to ensure that the Muslim community in an independent India would have political rights that would exceed their proportion in the population. "Only after the elections of 1937, when its overtures to the Congress had been rebuffed did the Muslim League adopt a new line", wrote Ayesha Jalal in her account of Jinnah's stance. "In 1940, a mere seven and half years before partition, it formally demanded independent Muslim states, repudiating the minority status which separate representation necessarily entailed, and asserted that Muslims were a nation."³ This position came to be known as the "two nations" theory.

Other than suggesting that India was home to two nations, Jinnah did not spell out what kind of nation-state he would create if the British agreed to his demand for establishing a Muslim state. The British were preparing for what Stanley Wolpert, another historian who has written on the partition of British India, later described as a "shameful flight".⁴ It was shameful because the bloodbath and the mass dislocation of people that followed the partition could have been avoided. Jinnah had not prepared himself to deal with the situation that developed once the British hurried out of the sub-continent.

Once Pakistan was born, Jinnah was anxious to focus on nation-building. He made it clear that he did not want religion to become the basis of the Pakistani nationhood. In the 11 August 1947 speech, in which he addressed the Constituent Assembly, Jinnah seemed "suddenly to awaken from a dream, looking at the packed and steaming hall packed with eager, perspiring faces all turned towards him for inspiration, orders, instruction, on every minute question of how to build a new state."⁵ While he had paid some attention to what kind of a political structure the new country should evolve, he had not given much thought to the type of economy he would have liked Pakistan to develop. Given his background – he belonged to a family of merchants in Karachi – he would have left the economy largely in the hands of the private sector. However, as in politics, Pakistan went on a roller-coaster economic ride, too. It experimented

³ Ayesha Jalal, *The Sole Spokesman: Jinnah, the Muslim League and the Demand for Pakistan*, London, Cambridge University Press, 1985.

⁴ Stanley Wolpert, *Shameful Flight: The Last Days of the British Empire in India*, New York, Oxford University Press, 2006.

⁵ Wolpert, Stanley, *Jinnah of Pakistan*, New York, Oxford University Press, 1984, p. 337.

with state-socialism (under Prime Minister Zulfikar Ali Bhutto, 1971-77) and an Islamic system (under President Zia ul Haq, 1977-88) before settling down for a system based on public-private sector partnership and an economic system dominated by the military and civilian bureaucracies.

Some ‘What Ifs...?’ Concerning Pakistan

Sometimes the “what if...?” questions help to bring under focus the most salient features in history. According to Robert Cowley, the historian who has done pioneering work in this area, the “what if” approach “can be a tool to enhance the understanding of history, to make it come alive.” This is how he began the introduction to the compendium of 45 essays that he edited. “History is properly the literature of what did happen; but that should not diminish the importance of the counterfactual. What if can lead us to question long-held assumptions. What ifs can define true turning points.”⁶ This is certainly the case with Pakistan. Using that approach, the author will very briefly provide answers to four questions: (i) What would have happened if the British had not agreed to partition their Indian colony?; (ii) Where would Pakistan be today if it had written and adopted a constitution soon after gaining independence like India, its sister state, did?; (iii) Where would Pakistan be today if it had located its capital at or near today’s Islamabad rather than in Karachi?; and (iv) How would Pakistan have developed as a nation-state had its relations with India not deteriorated from the time the two countries were born?

Whenever Pakistan faces what appears to be an existential crisis, the question gets asked whether the almost 200-million Muslims who are now the country’s citizens would not have been better-off had British India not been partitioned into two states, a Hindu-majority India and a Muslim-majority Pakistan. At this time, nearly 14 per cent of India’s population is Muslim, making it, with 170 million citizens of that faith, the world’s third-largest Muslim community. The largest Islamic societies are Indonesia and Pakistan. Bangladesh is the fourth-largest. Had India not been partitioned, it would today have a population of 1.7 billion, with Muslims numbering more than 500 million. Their proportion would have been about 34 per

⁶ Robert Cowley, *The Collected What If? Eminent Historians Imagine What Might Have Been*, New York, Putnam, 1999, pp. xiii-xiv.

cent, up from 25 per cent in 1947. When the British left the sub-continent, its population was estimated at 400 million. One fourth of this – 100 million – were Muslims.

Had partition not happened, the Indian administrations will have been much more preoccupied with satisfying such a large body of Muslims. As the political scientist Subrata Kumar Mitra has pointed out in his work on the evolution of the Indian political system, a large presence of Muslims in the country's population would not have facilitated the development of strong democratic institutions.⁷ Also, with the leadership concerned with serving the interests of the people that follow a faith which is in great turmoil in the early decades of the 21st century, India will not have been held out as an example of political progress which the other South Asian nations could emulate. The partition served well the overall interests of the South Asians. However, as the essays in the book edited by Riaz Hassan point out, the Indian Muslims have done less-well than the average non-Muslim in the country's population.⁸

After independence, India quickly moved to frame and adopt a constitution. This was accomplished within four years of winning independence. It took Pakistan more than one quarter of a century and also a couple of failed attempts before it finally managed to agree on what *appears* to be a durable document for governance. The author has italicised the word 'appears' since it cannot be said with total certainty that the Pakistan constitution adopted in 1973 will survive and that the country's powerful military will not feel tempted to intervene once again. In 1958, General Ayub Khan, at that time the Commander-in Chief of the Army, abrogated the constitution that had been adopted two years earlier after a great deal of debate. The role of Islam in politics was the most contentious issue. It was resolved through the adoption of a preamble to the constitution that maintained that sovereignty would rest not with the people but with Allah. The general who went on to become Pakistan's first military leader abrogated the 1956 constitution and gave the country a new system designed to provide a legal cover to his authoritarian ways. Ayub Khan was overthrown by General Yahya Khan, the head of the army, who followed his predecessor's approach and did away with the 1962 constitution. The new military leader would have liked an elected NA to write another constitution. However, the assembly elected in December 1970 was dominated by the East Pakistan-based

⁷ Subrata K Mitra, *Politics in India: Structure, Process, and Policy*, London, Routledge, 2011 (second edition, forthcoming in 2017).

⁸ Riaz Hassan (editor), *Indian Muslims: Struggling for Equality of Citizenship*, Melbourne, Australia, Melbourne University Press, 2016.

Awami League which, by proclaiming a “six-point plan” for governance, had campaigned for the granting of much greater autonomy to the country’s eastern wing. That was not acceptable to the political elite in West Pakistan or to the powerful military. Their resistance led to a civil war and the eventual creation of Bangladesh as an independent state.

It is possible that the roller-coaster political ride on which Pakistan embarked soon after gaining independence could have been avoided had the country given itself a legal framework that had to be followed. This could not be done because the partition had created enormous turmoil. The arrival of eight million Muslim refugees from India and the movement of six million Hindus and Sikhs in the opposite direction unsettled the country.⁹ In terms of the proportion of the population not born in the country, there is no other precedent in human history to equal what Pakistan was when it took its first census in 1951. Then one-fourth of the country’s population was made up of refugees.

Nearly three million refugees from India went to Karachi and other cities of south Sindh since Karachi was selected to be the country’s capital. They went there in search of government jobs and in the hope that proximity to the authorities would smoothen their settling down. Karachi, in 1947, was a small port-city with a population of 400,000. It was much smaller than Lahore that had the physical infrastructure to accommodate a government that was still being born. However, the Punjab capital was too close to the border with India with which relations were strained. Had some other town in Punjab such as Rawalpindi been chosen as the national capital, where most of the refugees would then have gone, Pakistan would not have had to deal with the ethnic problem which later turned Karachi into one of the world’s most violent cities.¹⁰ It would also have facilitated the creation of a different economic structure for the country.

The refugees who settled in Karachi took up jobs in the still-formative government or set up businesses in and around the city. Most of these people had lived in the urban parts of the Muslim-minority provinces of British India. Very few were involved in agriculture. Pakistan’s trade war with India in 1949, when New Delhi refused to accept Karachi’s decision not to devalue its currency with respect to the United States (US) dollar as was done by all other

⁹ The author estimated these numbers while working at the Harvard University under the supervision of the economic historian Alexander Gerschenkron. The conclusion from this work was published in Shahid Javed Burki, *Pakistan Under Bhutto, 1971-77*, London, Macmillan, 1980.

¹⁰ Steve Inskeep, in *Instant City: Life and Death in Karachi*, New York, Penguin Books, 2012, has provided an insightful account of the development of Karachi.

members of what was then called the Sterling Area (now called the Commonwealth), created opportunities for industrial development and commerce that would not have arisen if the Pakistan-India economic and commercial relations had not been snapped at that time. The Indian decision was to profoundly affect the direction of economic development in Pakistan.

The author's final "what if" concerns India-Pakistan strategic relations. In 2006, he was invited by the US Institute of Peace (USIP) to write a paper on the resolution of the Kashmir dispute. In it, he suggested that Kashmir had cost Pakistan a great deal. It had diverted resources to defence that could have been used for economic development. It also brought terrorism into the country when its military, having supported radical Muslims to fight and expel the Soviet Union from Afghanistan in the 1980s, turned the attention of these militants towards Kashmir.¹¹ In the circumstances, the author had suggested that Pakistan should let Kashmir be India's problem and not involve itself anymore in attempting to bring about a change in the status quo. The paper, before being published by the USIP, was read by General Jehangir Karamat who was then Pakistan's Ambassador to the US, and by Pakistan's then-President Pervez Musharraf. The latter told the author, "You write regularly about Pakistan for the Pakistani newspapers. Why don't you write about your main findings in your columns? I want the people to realise how costly it has been for us to remain involved in Kashmir." His reaction came as a surprise, because he was behind the Kargil conflict in north Kashmir in 1999 when the Pakistani troops captured the Kargil heights but were driven back by a concerted Indian response.

In a special report published by *The Economist* to mark the 70th birthdays of Pakistan and India, the conclusion reached about the future of relations between what it called "hissing cousins" was accurate but not encouraging. "Sadly, reconciliation may become even harder as time goes by. For young Indians in Kolkata or Bangalore, Pakistan is no longer viewed as a lost cousin but simply as a bothersome distant neighbour. Younger Pakistanis follow the news from India more closely, but are increasingly alienated by their neighbour's rightward, Muslim bashing drift."¹²

¹¹ Shahid Javed Burki, *Kashmir: A Problem in Search of a Solution*, United States Institute of Peace, Washington DC, 2007.

¹² "Special Report: India and Pakistan: Hissing Cousins", *The Economist*, 22 July 2017, p. 12.

Evolution of the Economy and the Political System

As economists belatedly began to recognise, there is a strong relationship between political stability and economic progress. This is certainly the case in Pakistan. In a recent book, two academics – economist Daron Acemoglu from the Massachusetts Institute of Technology, and political scientist James Robinson from the Harvard University – collaborated in writing *Why Nations Fail*, in which they explored how political and economic systems interact with each another. They divided institutions into two categories: exclusive and inclusive. If a country has to have an inclusive economic system in which the rewards of growth are equitably distributed in a reasonable fashion, it must also have an inclusive political system.¹³ Pakistan’s history has many examples to show that these two authors are correct in positing these relationships. Field Marshal Ayub Khan had to give up power once the people came out on the streets to protest that they had not been rewarded by what the military ruler had called the “decade of development” – 1958 to 1968.

Pakistan’s economic and political developments have been uneven over the last seventy years. As shown in Table 1, the 1960s and 1980s were periods of high rates of economic growth. During both, the military was in charge and that had created a forced political stability. Also, during both periods, there were large flows of external capital, mostly from the US. Washington, in pursuing its strategic objectives in the geopolitical arena in which Pakistan is located, was prepared to aid Islamabad. However, when the US’ strategy changed and Pakistan lost its importance, Washington walked away. Each period of rapid growth was followed by brief interludes of near-democratic governance and a loss of economic momentum. Each time, the rate of economic growth declined by almost two percentage points.

¹³ Daron Acemoglu and James A. Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, New York, Crown Business, 2012.

Table 1: Annual Growth Rates of GDP, Population, and Per Capita GDP (per cent per annum)

Years	GDP	Population	Per Capita GDP
1950-60	3.1	2.4	0.6
1960-70	6.8	2.9	3.8
1970-80	4.8	3.0	1.7
1980-90	6.5	3.2	3.3
1990-2000	4.6	2.4	2.1
2000-10	4.7	2.3	2.3
2010-16	4.0	2.0	1.9

Source: Economic Surveys, Government of Pakistan.

As shown below, if Pakistan had enjoyed stability, it was only during the time the military was in charge. It was in command for 34 of Pakistan's 70 years; military men were presidents from 1958 to 69, 1969 to 71, 1977 to 88 and 1999 to 2008. Even when they did not control the government, they influenced policy-making in some important areas. To a considerable extent, Pakistan's relations with its four neighbours – Afghanistan, China, India and Iran – were heavily determined by the thinking of, and inputs from, the men in uniform. The farthest that the military has withdrawn from the centre-stage to the backbench was noticeable in recent years, when elected men have governed at the federal and provincial levels. The boisterous press and television have also acted as overseers of the country's political development. The lawyers' movement of 2006-07 also demonstrated the power of protest that would be very hard for the military to ignore.

The decision by the Supreme Court on 28 July 2017 to remove Nawaz Sharif from prime ministership had the tacit support, it is believed, of the military leadership. Commenting on Sharif's removal, Salman Masood of *The New York Times*, was of the view that "the Pakistani military has seldom been able to wield as potent a mix of policy control and popular acclaim as it does now. The fragile democratic system...again appears to be on shaky ground."¹⁴ Sharif always had difficult relations with the military establishment. His earlier tenures were cut short either by the military operating behind the scenes – in 1993 – or by its direct intervention – in 1999. "During his most recent tenure, Mr Sharif had an uneven relationship with the military. His overtures of more openness toward India, Pakistan's long-time foe, backfired as generals spurned his efforts."¹⁵

¹⁴ Salman Masood, "Nawaz Sharif, Pakistan's Prime Minister, toppled by corruption case", *The New York Times*, 28 July 2017, p. A7.

¹⁵ Ibid.

Political Periods in Pakistan's History

The following marked key political periods in Pakistan's history which showed the government being ruled interchangeably by civilian and military leaders:

- i. 1947-51: The settling down was delayed because of the death of Muhammad Ali Jinnah in September 1948 and the assassination of Liaquat Ali Khan, the country's prime minister, in October 1951.
- ii. 1951-54: Pakistani politics was militarised with the entry of General Ayub Khan as defence minister in the federal cabinet. A constitution was finally adopted in 1956.
- iii. 1958-62: A coup d'état by Ayub Khan established the first military administration. The 1956 constitution was abrogated in 1958 and a constitution with a presidential form of government was adopted in 1962.
- iv. 1962-69: Rapid economic progress occurred during what the military called the "decade of development". However, widespread unhappiness with the inequitable distribution of the incremental national income led to Ayub Khan's removal by the military.
- v. 1969-71: Pakistan's second military government, led by General Yahya Khan, took office but failed in its attempt to write another constitution. The civil war in East Pakistan led to the creation of Bangladesh. The forced departure of General Yahya Khan and the political ascent of Zulfikar Ali Bhutto followed.
- vi. 1971-77: Bhutto introduced socialism by nationalising large industrial, financial and commercial enterprises owned by the private sector. The belief that he had rigged the elections in 1977 led to demonstrations against him and his removal by the military.
- vii. 1977-88: The third military government was established by General Zia-ul-Haq. It was in office for 11 years. It executed Bhutto in April 1979 on the charge of that he had ordered the murder of a political opponent. The military government sided with the US and organised the opposition to the Soviet Union's invasion of Afghanistan. It also

introduced Islam in the country's economic and political governance. Zia was killed in an aeroplane accident in August 1988.

- viii. 1988-99: This 11-year period, following the end of the third military regime, saw four short-lived elected administrations in office. The governments, headed by Prime Minister Benazir Bhutto (1988-90), Sharif (1990-93), Benazir again (1993-1996) and Sharif once more (1997-99) fell to actions by the presidents who used a provision in the constitution to dismiss them on the grounds of corruption and mismanagement.
- ix. 1999-2008: The military was back in power, this time under General Pervez Musharraf. The new president brought in a number of military personnel into his administration. His effort to control the judiciary by firing an independent-minded Chief Justice of the Supreme Court resulted in the launch of the "lawyers' movement" that ultimately resulted in his resignation.
- x. 2008-July 2017: Two elections, five years apart, brought some stability to the political system. The civilian government, headed by the Pakistan People's Party, stayed in office for five years, 2008-13, followed by another civilian government, led by the Pakistan Muslim League (Nawaz) that won a decisive victory in 2013. However, on 28 July 2017, the Supreme Court declared Sharif ineligible for the office of prime minister.

It can be argued, as was done in some reporting by the foreign press, that, with the removal of Sharif as prime minister, Pakistan may have entered another period of political instability. No elected Pakistani prime minister has completed his or her full five-year term in office. However, the opposite point can also be made. According to Pamela Constable writing for *The Washington Post*, "the historic ruling while hailed by Sharif's opponents as a victory for Pakistani democracy, threw the country's political future into turmoil."¹⁶ At a news conference, Imran Khan, leader of the Pakistan Tehreek-e-Insaf party, viewed the Supreme Court judgement as "the beginning of a new era in the history of Pakistan" in which there would no longer be "two types of laws, one for the weak and one for the wealthy and powerful. In this new era, justice will reign supreme. It is a victory for the entire nation."¹⁷

¹⁶ Pamela Constable and Shaiq Hussain, "Pakistan's high court removes prime minister from power", *The Washington Post*, 29 July 2017, p. A10.

¹⁷ Ibid.

Pakistan at 80: The Next 10 Years

To conclude, Pakistan's economic past has been looked at with some competence by a number of historians. The author has also contributed to this genre.¹⁸ As Pakistan celebrates its 70th birth anniversary, it would not be inappropriate to speculate about its future. Where will Pakistan be when it celebrates its 80th birth anniversary in 2027? This is a particularly difficult question to answer for a country such as Pakistan where so much remains unsettled even after 70 years of its existence as an independent entity. Pessimism is an indulged preoccupation of Pakistanis who think about their country. For instance, the author recently received an email from a highly respected scholar of Pakistani origin who is now an American citizen and resides in the US. "This trip has been even more disturbing for me than the last few", he wrote to the author me in an email on his way back from Pakistan. "The level of decay and deterioration here in the very fabric that defines human and social behaviour is unbelievable! The rot here is much deeper than even I had assessed before. Alas, such is our sorry state and we seem condemned here to this horrible fate. I guess the only option for people like us is to continue doing whatever good we can and pray for a miracle."

There were a number of developments that prompted this line of thinking. Most important of these were the proceedings in the Supreme Court concerning the alleged financial malfeasance by Nawaz Sharif and the members of his immediate family. Some of the details of the practices indulged in by the Sharif family came to light as a result of the revelations made in the 'Panama papers'. These had shaken not only Pakistan but several other parts of the world. The 'Panama papers' had, for instance, led to the resignation of Iceland's prime minister and caused considerable embarrassment to David Cameron, the then-prime minister of Britain. From the released material, it appeared that some members of the Sharif family had set up a number of shadow enterprises in Panama to hide the nature and scope of the real estate transactions undertaken by Sharif's sons (Hassan and Hussain) and daughter (Maryam). These involved the purchase of expensive apartments in London's high-scale market.

As the 'Panamagate' scandal gained currency, Imran Khan, the cricketer-turned politician, forced the Supreme Court to take up the matter. He had threatened a "million supporters" march

¹⁸ Shahid Javed Burki, *Changing Perceptions, Altered Reality: Pakistan's Economy Under Musharraf, 1999-2006*, Karachi: Oxford University Press, 2007. See also Parvez Hasan, *Pakistan's Economy at the Crossroads: Past Policies and Present Imperatives*, Karachi: Oxford University Press, 1998.

into Islamabad if the judges would not take up the case. They acted and ordered the establishment of a six-member Joint Investigation Team (JIT) to probe the matter and report back to the court within 90 days. This was done and a detailed report was submitted by the JIT in time. It was widely expected that the judges would order the opening up of inquiries by some of the government agencies with the necessary authority to examine whether the then-prime minister, his children, and some of his associates (the then-Finance Minister Ishaq Dar, for instance) had acted in ways that could lead to their conviction for wrong-doing. The court-ordered investigation found that there was a “significant disparity” between the declared wealth of the Sharif family and the assets it owned in London and the Middle East. The verdict came on 28 July 2017 when the five-member bench declared that Sharif should vacate his seat in the NA and could not stay on as prime minister.

The ‘Panamagate’ episode spotlighted at least two features of the Pakistani landscape that concern all those who worry about the country’s future. The first factor is the important role that the military continues to play in the country’s life. Two JIT members were from the military intelligence services. The second feature concerns the steady deterioration of the institutional infrastructure needed for a maturing political and social entity. Having come under pressure from the civil society components, in particular, the lawyer community, Musharraf, Pakistan’s fourth and possibly the last military ruler, held elections. There is some speculation that the military may have had a hand in the way the ‘Panamagate’ crisis was handled. If that is the case, Pakistan will revert to its historical path; if not and if the military is mostly a bystander, the country may have taken another step forward in terms of its political development.

The JIT report also highlights some of the institutional failings witnessed by the country. Pakistan has become an institutional graveyard, burying many institutions that have critical roles to play in developing the country and modernising the society. There are a number of examples of political assault on the institutional structure. The judicial system is weak, a characteristic which the country shares with some other South Asian nations. The Planning Commission at the federal level, and provincial planning and development departments were once deeply involved in formulating policies and carrying out project appraisals. That is no

longer the case. Most projects in the US\$60 billion (S\$81.60 billion)¹⁹ China-Pakistan Economic Corridor (CPEC) were included in the programme without being subjected to evaluation about their economic and financial viability. As prime minister from 1973 to 1977, Bhutto methodically dismantled the institutional structure constructed by President Ayub Khan (1958-69). He also dissolved the powerful Civil Service of Pakistan that had inherited the mantle of the Indian Civil Service, once called the “steel frame” of the British Raj. An independent and merit-based system of bureaucracy had served Pakistan well in its first post-independence quarter century. It is also the reason for India’s success in building a modern political system. By nationalising large segments of the modern parts of the economy, Bhutto also did away with the dynamism of the Pakistani private sector that had powered the economy for a number of years. The elaborate systems of ensuring the accountability of officials in public service have not delivered what they were supposed to ensure – a fact pointed out at some length by the JIT report. There are, in other words, many reasons for backing those who are pessimistic about the country’s future.

Pessimism is a self-fulfilling premise. As economists have discovered, the level of confidence about the future is a major contributor to the pace and space of development. This is true at both the micro and macro levels. Stock markets value individual stocks on the basis of how they rate their future. Confidence also dictates the level and direction of investment by the private sector. Prevailing sentiment about the country affects the amount of investments by private players. Changing the narrative about Pakistan – focusing on some of the positives rather than being totally preoccupied with the negatives – will invite more capital into the economy from both local and foreign entrepreneurs. If there is truth in the findings presented in the JIT report, even those who occupy senior positions in the government are inclined to invest their wealth outside the country’s borders. Are there reasons to be optimistic about the future?

A number of positives should begin to figure in the way the economy’s future is assessed. The most important of these is demography. The census held earlier this year will provide estimates of the size of the population, its rate of growth, and its age distribution. The population with the median age of 24 years is very young. The author estimates that some 75 per cent of the

¹⁹ While a smaller figure was mentioned initially when China and Pakistan signed the agreement to begin work on the CPEC, the estimate is being revised as the projects included in the programme are identified and developed.

population of large cities – those with more than five million people each – is below the age of 25 years. The city youth is better educated; the women among them have done surprisingly well in acquiring the skills needed by the modern sectors of the economy. Economists correctly believe that the next global growth thrust will come from South Asia but the countries of this region will not follow the pattern of East Asia’s “miracle economies”. Instead, they will provide modern services to the world’s ageing population.

Pakistan also has its location as an asset. Sitting northwest of India, and between the resource-hungry China and resource-rich Middle East and Central Asia, Pakistan could become the area for a free flow of land-based commerce. This is the reason for China’s investment of large amounts of its resources in the CPEC. In fact, the CPEC is an important component of its new development paradigm.

There is no doubt that the Pakistani economy has turned the corner, moving from sluggish to reasonably fast rate of economic growth. It has successfully dealt with some of the stresses it had come under in the immediate post-military era. The economy is now moving forward at a sustainable rate of growth of 5.5 per cent a year, two percentage points higher than the rate at which it was growing in the 2007-14 period. In the next 10 years – from now until the country celebrates its 80th birth anniversary in 2027 – the rate of growth could average 6.5 per cent a year. If that were to happen, the size of the economy could be 90 per cent larger than the level reached in 2017, and the income per capita 63 per cent higher.²⁰

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²⁰ These are author’s estimates based on his on-going work on Pakistan’s future.