

SOUTH ASIA'S WEAK DEVELOPMENT: THE ROLE OF GOVERNANCE

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ABSTRACT

This paper argues that governance derives from an interplay of the nature of the state, which in turn drives the sense of vision, along with the commitment and capacity to realise this vision. The development of such an autonomous vision serves to establish domestic ownership over the policymaking process in a particular country. Positive developmental outcomes originate from such a domestically owned vision and the capacity for its realisation. The capacity for realising this vision in turn derives from the interface between the management capacities of the state with the role of the political leaderships and political parties in influencing the relationship between politics and development. To establish the interior logic of this argument it is useful to relate this discussion to the historical experience of particular countries in South Asia.

In contrast to other developing countries, South Asia has two of the oldest, continuous democracies in the Third world, in India and Sri Lanka. In the last decade all five states in South Asia have graduated to functioning democracies, made credible by the contestation of political power and the replacement of incumbent regimes through relatively free and fair elections. A relatively free press, and increasingly pro-active civil society have given depth and sustainability to the democratic process. These positive political tendencies have, however, not been potent enough to improve the quality of governance in any country of South Asia where, if anything, the crisis of governance has intensified. Such negative influences appear to have impacted on the development process in particular countries in the region so that South Asia's development performance has not only lagged behind its East/South East Asian neighbours but remains well below its own potential. The region, thus, remains a poorly governed region which may have contributed to its weak development and the fact that mass poverty in the region has been perpetuated to point where the largest number of the world's poor are located in South Asia.

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South Asia's Weak Development : The Role of Governance

Introduction

Rediscovering governance

It is widely argued today that the crisis in governance lies at the root of poor developmental performance. The multilateral and bilateral aid agencies have been particularly strident in their emphasis on the crisis of governance in the developing countries (DC). The rediscovery of governance appears to have originated in the incapacity of a decade of donor driven policy reforms, based on the so called *Washington Consensus*, to transform the fortunes of the developing world through sustainable development and the alleviation of poverty. Rather than rethink the reform design in the light of the revealed experience of much of the Third World and indeed also of the post-socialist states of Europe, it is somewhat disingenuously being argued by the progenitors of the *Washington Consensus* that policy reforms cannot work if good governance is not practised by the concerned DC. This discovery of governance as the missing link between reform and successful development outcomes happily shifts the failures of the reform model of the 1980s away from its architects to the shoulders of the aid recipient governments. Had the reformers of the 1980's heeded the arguments of their critics of that period that policy reforms needed to take account of a country's socio-political context many of the problems under review today under the rubric of governance may have remained more manageable.

As a result of this process of historical and intellectual revisionism on the design of policy reforms various donors are today propagating their own nostrums about what determines good governance. Such exercises, originating from diverse sources driven by diverse motivations, remain a source of confusion for countries who are under aided advice to improve their governance. Failure to assume ownership over their policy regimes makes such countries particularly vulnerable to the incoherence of the governance agenda.

Interpreting governance

Given the variety of interpretations permeating the governance discourse it would thus be useful to introduce a working definition of governance to guide our discussions. For the purposes of this paper we define governance as an instrumental process which influences the outcome of public policies. Under this definition, governance is recognised as integral to development. However, getting policies right is not excluded from our analytical framework which seeks to put governance at the centre of the development design. Rather, we suggest that 'good' governance cannot substitute for 'bad' policies any more than 'good' policies can be realised in an environment permeated with misgovernance.

The argument and scope of the paper

This paper argues that governance derives from an interplay of the nature of the state, which in turn drives the sense of vision, along with the commitment and capacity to realise this vision. The development of such an autonomous vision serves to establish domestic ownership over the policymaking process in a particular country. Positive developmental outcomes originate from such a domestically owned vision and the capacity for its realisation. The capacity for realising this vision in turn derives from the interface between the management capacities of the state with the role of the political leaderships and political parties in influencing the relationship between politics and development. To establish the interior logic of this argument it is useful to relate this discussion to the historical experience of particular countries in South Asia.

The above argument underlying this paper is structured under the following six heads: (i) The nature of the state and development; (ii) Vision, commitment and capacity; (iii) The role of aid donors in South Asia; (iv) The issue of transparency, accountability and development and their relation to governance in South Asia; (v) The role of politics in governance and development in South Asia; (vi) Conclusions on the extent to which governance influences South Asia's development.

The Nature of the State and Development

Regime change and effective governance

In analysing the nature of the state in influencing the quality of governance we need to analyse the extent to which different state systems such as multi-party democracies, authoritarian/military regimes with political continuity as opposed to periodic regime changes, influence the quality of governance in South Asia through their impact on the vision, commitment and capacity of the state.

Within the South Asian scene authoritarian regimes originating in the cantonment have held office for long periods in both Pakistan and Bangladesh. In Nepal a state of autocratic rule has prevailed, under a feudal and then a monarchical dispensation for most of its history so that democratic governance in this mountain kingdom is of very recent origin.

It should however be kept in mind that under more democratic systems based on relatively free and fair elections held periodically, the *Congress Party* had ruled India for 30 years, 1947-77, then again from 1979-89 and from 1991-96. Similarly, in Sri Lanka power has oscillated between the UNP and the SLFP who have respectively alternated in fairly long tenures in office. It is therefore by no means established that in South Asia it is only autocratic rule which coincides with long tenures in office. Thus, the longest tenure of any party in command of state power has been in India where the *Congress Party* has ruled India for close to 45 years of its 50 year history.

To the extent that long tenures in office owe to contested elections rather than forceable occupation of power, it is expected that such regimes will remain more accountable in their governance. However, it must be recognised that the behavioral patterns of regimes whether in power through an electoral mandate or more forceable arrangements, over long tenures, breeds autocratic tendencies, weak accountability and indifference to democratic pressures. The concept of *illiberal democracy* has derived from such a perversion of the democratic process. Thus it is arguable that only in Sri Lanka and more recently, in all other South Asian countries, have claims on national power been regularly exposed to democratic contestation where parties in office operated under a credible apprehension that they could be compelled to vacate office at the next elections.

There is unfortunately no evidence that this exposure of all countries in South Asia, certainly over the last decade, to plural democracy, has noticeably improved the quality of governance, accelerated development or indeed encouraged more equitable distribution of its benefits. Indeed a more competitive political system has coincided with an increase in the importance of money and violence as instruments of electoral gain, the emergence of a highly confrontational parliamentary culture and a progressive degeneration in the morality of the political system. Thus, the causal links between political arrangements, tenures in office and positive development outcomes remains unproven in South Asia. This relationship obviously merits more rigorous comparative analysis than has hitherto been attempted by the scholars of South Asian development politics to understand

what lies beyond the trappings of formal democracy to ensure better governance.

The state and civil society in South Asia

To understand the causal links between the nature of the state and the quality of governance we need to know more about the capacity of the South Asian state to function as an autonomous agent, insulated from sectional and external pressures, in directing its development agenda. Looking at the South Asian experience it appears that this region inherited a relatively strong state at independence. This manifestation of state power originated in the all-powerful bureaucracy established by the British in the Indian subcontinent and Sri Lanka as a *steel frame* to sustain imperial rule. The legacy of the *steel frame* served to establish the ascendancy of the state in South Asia, and enabled it to exercise considerable authority in their relations with civil society. In post-colonial South Asia, the authority of the state was used to empower particular fractions of the feudal elites and the bourgeoisie through dispensation of state patronage.

In all the countries of South Asia, in varying degrees, the once powerful state has, with the passage of time, been exposed to a process of downsizing under the pressure of externally driven economic reforms. Such a process of disempowerment has gradually eroded the autonomy of the state, compared to what it was in the post-independence period and indeed in relation to the East Asian states of the Republic of Korea (ROK), Taiwan, PRC, Indonesia, Malaysia and Singapore. It is arguable that in each of these East Asian and some South East Asian countries, the state has been far more powerful in relation to civil society in general and various fractions of the elite groups, than is evident in any South Asian state. This supremacy of state power in the East Asian state has given it greater autonomy in its dialogues with the business community and other elite groups as well as enabled the state to provide more decisive direction to the development process. By contrast, the overregulated states of South Asia have remained much weaker in their capacity to influence developmental outcomes.

State-business relations in South Asia

In general, state-business relations in South Asia remain uneasy and far more contentious than in East Asia. This over-regulated but weak state in South Asia has encouraged the emergence of private rather than institutionalised state-business rent seeking coalitions. Such coalitions have become pervasive in virtually every South Asian state and have led to the spread of corruption to the point where it extends to all levels of the state. This has contributed to delay in decision making as well as inefficient implementation of such decisions.

The contemporary South Asian experience suggests that elements of *embeddedness*, defined as intimacy between the state and the business sector, prevail in every country of the region, based on social and personalised financial ties. Politicians in every country today draw upon the business sector to finance their election campaigns and in the process incur political debts. The debts are repaid through patronage when in office or when in opposition by their failure to take business groups to task for particular acts of malfeasance. These symbiotic links between business and politics are increasingly manifest in the number of members of parliament who now show business as their primary source of livelihood. Thus we have the spectacle of rich businessmen buying nominations from the political parties and spending large sums of money in complete violation of electoral expenditure laws, to 'buy' electoral victories. In turn, sitting MPs from both the ruling and opposition parties use their access to the decision makers to establish themselves or their family members, in business or become the closet partners of some business house.

This rent-seeking coalition between business and politics has served to fuel corruption and violence in the body politic of South Asia. Money is used to sustain a new class of armed mercenaries who remain immune from the forces of law enforcement because of their political

connections. This class of mercenaries is now directly entering into the political arena where money and violence are becoming important variables in influencing the course of electoral politics. Thus, a new form of *embeddedness* is emerging between business, politicians, the criminal classes and the machinery of law and order. This is undermining the autonomy of the state by seriously compromising the rule of law.

Bureaucrats are caught up in this process particularly in the operational agencies which deal directly with the private sector. They enter into their own collusive transactions with business houses whilst in office or expect to join business houses on their retirement, fuelled by lucrative compensation packages. Bureaucrats socially interact with the business community and marry into each others families. These bureaucrats, along with the politicians, and in particular cases the army, in association with a select class of businessmen constitute an exclusive ruling elite who draw benefit from the resources and patronage of the state.

This form of state embeddedness is however far from autonomous in the way that a state guided by its own vision, uses its embeddedness with business, to realise the state's developmental goals. Thus in South Asia, in varying degrees, we have witnessed an evolution from the relatively autonomous post-colonial state bequeathed to at least three countries in South Asia, living in a relationship of dominance rather than embeddedness with the business community, to that of an embedded state, which has surrendered its autonomy to accommodate the appetites of specific interest groups.

Vision, Commitment and Capacity

The vision and commitment

It is central to the argument of this paper that a sense of vision backed by political commitment is essential to establish the autonomy of the state and to invest it with a capacity to direct the development agenda. It is useful to assess the extent to which the development project of various states in South Asia originates in such a vision underwritten by political commitment. It would be then useful to evaluate this commitment by assessing the capacity of the various states to accumulate the political and administrative capacity to implement their vision.

Looking at South Asia today it would be difficult to identify any state which is driven by a clearly articulated vision of its leadership. If we were to look at the Prime Ministers/President's who have held office throughout South Asia, over the last decade none appears to be driven by a sense of mission to transform their societies in a particular direction. This is in marked contrast to some of the founding fathers of the South Asian post-colonial state such as Jawaharlal Nehru, Shaikh Mujibur Rahman, even Z.A. Bhutto who had definite agendas, about the direction they wanted to give to their countries, whatever may have been the merits of their vision. In contrast, East/South East (SE) Asian states were driven by the developmental vision of leaders such as Mao Tse-tung, then Deng Xiaoping in China, Pak Chung Hee in ROK, Lee Kuan Yew in Singapore, Mahathir Mohammad in Malaysia and Soeharto in Indonesia, who all enjoyed long tenures in office which enabled them to realise some if not all of their vision.

In the absence of a clearly articulated vision of the leadership prospective reformers, such as Dr. Manmohan Singh, in his capacity as Finance Minister of India, may have believed that it was necessary to deregulate and liberalise the Indian economy. But Singh's vision had to operate within the realities of India's political economy where it became the victim of a series of political compromises which eroded the intensity of the mission. Such Finance Ministers who usually tend to be unelected technocrats or bureaucrats remain dependent on the backing of the political leadership since they themselves lack the political authority to decisively push ahead with their particular reform

agendas. Where such leaders themselves are informed by a weak vision or lack strong commitment, it is the vision of the Finance Minister rather than the political fortunes of the leader which become the first casualty.

In contrast to the South Asian experience, the East/SE Asian tradition has fostered a class of professionals who have been inducted into high political office, defined popularly as *technopols*, who have remained relatively insulated from political pressures, in their management of the economy often due to the backing of strong visionary leaders or leaders who operated under fewer political pressure than their South Asian counterparts. However, the power of such unelected *technopols* in East Asia remains open to question since their lack of accountability, except to their leader, is now held as partly responsible for the prevailing crisis in the region. If such leaders falter in their commitment to their vision this compromises the work of the *technopols*.

The lack of a developmental vision amongst the leadership in South Asia is compounded by their weak commitment to realise such a vision. Thus, we more often have evidence of a pseudo-vision where, for example, particular political leaders in South Asia commit themselves to eradicate poverty. However a measure of commitment to realize the vision through a holistic, time bound, practical agenda for poverty eradication is absent in all South Asian states. Thus the statements on poverty eradication, including a declaration at the SAARC summit in Dhaka in 1993, to eliminate poverty in the region by 2005, has a hollow ring to it. What we are left with are a series of *ad hoc* anti-poverty programmes, in most countries of the region, underwritten by a variety of donor sponsors. Such an externally driven approach to poverty eradication lacks political authority and credibility and loses momentum from the very outset of its launch.

Capacity

In the absence of any developmental vision or commitment to realise a clearly articulated developmental mission, capacity to implement the development agenda remains weak. Administrative capacity is already weak in every state of South Asia, being increasingly compromised by their growing embeddedness with particular interest groups. The growth of such predatory tendencies in the executive and legislative branches of the state, deprived of any motivation or direction from a leadership without vision, appears hardly capable of carrying through any developmental mission to a positive conclusion.

This bleak statement of the lack of vision and depreciated capacity of the executive does not preclude initiatives by particular executives, driven by their own sense of mission, to realise a particular micro-objective. Thus ministers, senior bureaucrats, field executives have carried through their own private agendas such as reforming agricultural extension or building a bridge, accelerating infrastructure development, building a milk cooperative, delivering micro-credit within a particular programme where they have achieved visible results within a micro-area. But such micro-interventions in no way generate sufficient externalities which can motivate their cabinet or service colleagues to improve their own areas of work or transform the face of a particular area. It is not surprising that such micro-interventions are disappearing from within the state systems of South Asia and such initiatives are increasingly being led by visionary NGOs with a strong sense of mission, and the administrative capacity to realise such micro-agendas.

Weak executive capacity in the South Asian states is compounded by weak political capacity. In every South Asian state the style of politics remains highly confrontational. This process precludes any effort at promoting political dialogues to build a consensus behind a development agenda. Parliament tends to be an arena for rhetorical exchanges rather than a vehicle for political

consensus building. *Parliamentary Committees* tend to be under-used or undermined by the unilateral agendas of the executive in South Asia. Whilst some Ministers in some countries may be more cognisant of the importance of building a political constituency supportive of the reform process such initiatives are undermined by the generally confrontational political environment as well as the lack of support for such initiatives from the political leadership. Thus, as with the case of micro-administrative success, individual efforts at political capacity building generate few externalities.

The ultimate answer which emerges from our argument states that not only do the South Asian states lack the capacity to realise particular developmental goals but that there is little awareness for the need and hence no initiative is forthcoming to build such capacities. Capacity building in South Asia thus degenerates into unfocused donor driven training agenda's based on consultancy and training programmes without any recognition of the wider socio-political context in which capacity building needs to be situated,

The role of aid donors in South Asia

How far do donors influence state policy?

Apart from India, the donors and particularly the *Bretton Woods Institution* (BWI), the *World Bank* and *International Monetary Fund* (IMF), have played a dominant role in the policymaking process of every South Asian country. Thus, successive administrations in Pakistan have pursued the BWI agenda without any hesitation and have made very little effort to assert any ownership over these agendas either through domestic professional inputs or through attempts to build political support behind the BWI agenda. The Pakistani experience with the BWI has been replicated in Bangladesh through successive regimes. The same *Policy Framework Paper* (PFP) for Bangladesh, negotiated by the bureaucrats of the autocratic *Ershad regime* with the IMF in August 1990 has been directing the policy agendas without modification, of successive elected regimes of the Bangladesh Nationalist Party (BNP) in 1991 and the *Awami League* in 1996. A similar continuity in a BWI designed policy agenda put in place in Sri Lanka in 1977 by the newly elected UNP regime through negotiations with the IMF, continued without modification, through the entire tenure of this regime and has since been inherited by the successor SLFP regime without modification. In Nepal the BWI agenda put in place in the 1980's under the monarchical regime has been continued through successive regimes under the *Congress*, the *Panchayat* parties and even the *Communists*.

In India, when the first loan was negotiated by the regime of Indira Gandhi with the IMF in the early 1980's a reform process influenced by the IMF was put in place. This policy regime has persisted through the regimes of Rajiv Gandhi and the *Janata Dal*, has been accelerated under the Congress regime of Narshiman Rao under the leadership of Dr. Manmohan Singh and has been perpetuated under the *United Front* coalition. The BJP appears to be maintaining continuity in this BWI influenced policy regime.

It is arguable that in India the change in policy direction in the early 1980s and its acceleration in the 1990s, derived from domestic compulsions, were designed by India's own highly competent policy professionals who happen to share the views of the BWI. This view of domestic ownership over India's reform process has been contested by the critics of these policy reforms. This debate remains ongoing within India and its eventual resolution may lie in more focused enquiries into the role of aid donors in policymaking in India and indeed, throughout South Asia.

Donors and domestic politics

This pervasive influence by donors over policymaking in at least 4 South Asian countries derives from the high degree of aid dependence of each country in financing the development process. This high degree of aid dependence has to some extent been reduced in Pakistan and Bangladesh in the 1990's compared to the 1970s and 80s, but still remains high compared to India. Virtually all major development projects in these 4 countries tend to be underwritten by aid. Since 1982, when the process of *structural adjustment reforms* (SAR) was initiated by the World Bank, policy lending through programme loans has been increasingly used to promote particular reforms.

This heavy dependence on aid is to some extent tied to the importance of aid in assuring the political survival of particular regimes. It is arguable that over the last 20 years, no political regime, including the Martial Law regimes in Pakistan and Bangladesh, could have survived in office without such an inflow of aid. The extent of this political necessity for aid may again be arguable. But there is little doubt that every regime which held office in each of these countries actually *believed* that a regular inflow of aid was needed for their political survival. This conviction about the importance of the aid donors has remained a binding constraint in the response of each regime to the policy advice of the donors. Many donors have, however, argued that they remain surprised at the readiness with which these four South Asian states tend to succumb to their advice.

It has, in practice, been far from certain that gestures of contradiction would have invoked a cut-off in their aid. Nor is it testable if aid cut-offs would have been regime threatening. Martial Law regimes, surprisingly, appear highly insecure in their exercise of authority and are particularly sensitive to the advice of donors. It is arguable that such Military despotisms lack popular legitimacy and seek to compensate this by cultivating the patronage of their aid donors. The perpetuation of military regimes in power in Pakistan and Bangladesh for over a decade must owe in considerable measure to this patronage extended by their aid donors who made little effort to use their disproportionate leverage over these regimes to nudge them towards democracy.

In contrast to the military regimes, elected regimes appear no less genuflective to the donors even where such donor-driven policies expose them to electoral risk. Rather, in South Asia, elected regimes have often been quite willing to give greater attention to the concerns of aid donors than to those of their electorate. The size of the aid pledged by the donors at the annual consortium meeting is projected by both the governments and opposition of South Asia (again less so for India) as a measure of the political goodwill of the donors which remains highly prized by all major political parties.

Degrees of Ownership

It would be an exaggeration to argue that such a donor-driven reform process remains totally without official ownership. Many of the policy agendas promoted by the donors originate in long standing problems which have remained inadequately addressed by successive governments in South Asia. It is generally accepted, even amongst critics of the BWI reform agenda, that in South Asia economic activity has been overregulated, has tended to be too insular in its orientation and that a degree of liberalisation in trade policy was in order. The point at issue was the pace of liberalisation and its sequencing. It was, thus, argued that other aspects of the reform process, such as creating an appropriate environment for investment and production which would have moved to at least partially level playing field for domestic industries to compete with freer imports, should have been, *ab initio*, put in place. It has been observed that in Bangladesh, Nepal and Pakistan, possibly

Sri Lanka, a more graduated import liberalisation process, compatible with the slower pace of liberalisation actually adopted in India, would have enjoyed more ready domestic acceptance.

It is arguable that externally driven reform agendas, however meritorious and indeed acceptable to particular ministers, will fall victim to weak implementation in the concerned country. No policy initiative, unless backed by firm conviction, which translates into a strong commitment manifest in a willingness to develop capacity, is likely to be sustainable. Thus weak governance originates in lack of commitment which in turn derives from weak ownership. Developmental failures originating in weak governance thus originate further upstream in the donor driven reform process.

Few governments in South Asia have made such externally driven reform agendas into the basis of a political mobilisation to seek support for such reforms. Little attempt is made to expose the plethora of aid agreements annexed with numerous policy conditionalities which impact on the daily lives of South Asia's citizens, to parliamentary debate. Nor have these regimes made the donor driven reform process into the centre piece of their election campaign. Even the *Congress Party* was loathe to put Dr. Manmohan Singh's liberalisation agenda at the forefront of their election campaign in 1996 and had already begun distancing themselves from the reform agenda at least 2 years before the elections of 1996. Neither did the United Front government project the reform agenda of its Finance Minister, Mr. P. Chidambaram, during the 1998 election campaign. The BJP regime has blown hot and cold over reforms depending on their assessment of the prevailing political climate.

It is similarly evident that sitting Finance Ministers elsewhere in South Asia make only a limited effort to reach out to civil society to sell their reforms, whilst their colleagues in the line Ministries usually tend to distance themselves from the reform process. Again this weak effort at political mobilisation originates in weak ownership. Weak political support for any policy is one of our measures of weak governance and hence accounts for poor developmental outcomes.

Issues of transparency, accountability and development and their relation to governance in South Asia

Instruments for Regulating the state

Transparency and accountability are generally recognised as important aspects of good governance. They expose the state to regulation and public scrutiny. It is argued that a system of accountability to the people reinforced by top-down accountability will ensure that policy reforms are being implemented and that malfeasance will be discouraged through exposure to public scrutiny. Transparency in all government transactions, through full public disclosure before the parliament and in the press serves as an instrument of accountability for the government before the people.

Accountability

Traditionally South Asia's lines of accountability from the executive to the legislative and beyond to their citizens, has remained weak. This was part of the colonial legacy where, during imperial rule, the Government of India (GOI) was accountable to *Whitehall* and not the people of India. This imperial tradition of South Asia, of contempt for its citizens, has unfortunately persisted into the post-colonial state and remains alive and well half a century later.

In states such as Pakistan, Bangladesh and Nepal with a long tradition of autocracy, originating in the unchallenged power of the Chief Executive, there were no institutional mechanisms of accountability where Parliament itself functioned at the will of the Chief Executive. Even during

episodes of electoral democracy the tradition of the all powerful chief executive, with no civic accountability and little accountability to parliament, has persisted. In India and Sri Lanka, chief executives have been rather more accountable to their Parliaments, though in Sri Lanka, the move to a Presidential system, during the UNP regime led by Junius Jayawardena, has certainly weakened the accountability of the Chief Executive to parliament. In India too, even within a more tested system of parliamentary democracy, we have witnessed the rise of the all powerful chief executive in the person of Indira Gandhi, with a far weaker degree of accountability either to her cabinet or to the legislature, compared to her father, Jawaharlal Nehru. Her successors did not have either her authority or her will to sustain such a distance from parliament but there is a general acceptance that even in the post-Indira Gandhi era accountability to the legislature remains far weaker than was envisaged by the authors of the Indian constitution.

In countries where accountability to the legislature remains weak, the confrontational posture of the opposition has itself been far from conducive to promoting Westminster style accountability through sober parliamentary debate and pro-active *parliamentary committees*. Again country variations in the functioning of the respective parliaments and *parliamentary committees* merit study to enable us to gauge the extent to which the executive remains accountable to its legislature.

Parliament's accountability to its electorate remains, mysteriously weaker, considering the power of this electorate, demonstrated in recent years, to disemploy successive regimes throughout South Asia. The political tradition of electorates taking their sitting MPs to task for failures of governance has not been strong except on election day where many 'failed' MPs throughout the region have been voted out of office by their electorate. In turn, sitting MPs seek to keep faith with their electorate by lobbying for locating items of public expenditure in their respective constituencies and measure their parliamentary achievements by their success in securing public funding for their constituents. This appears to be seen by MPs as compensation for being unable to serve their constituents in securing relief from administrative oppression and misgovernance or to play a creative role in parliament by taking the executive to task for its failures of governance. It is arguable that the weak degree of accountability of the executive to the legislature and of the parliamentarians to the electorate has both promoted and compounded weak governance.

The inherited imperial tradition of lack of accountability to the people was however compensated by a much more serviceable system of bottom-up accountability. The British did put in a place a mechanism where every official from the local *patwary* upto the *Viceroy of India*, was accountable to a superior power. Institutional mechanisms of reporting up and surveillance of subordinates was the hallmark of the imperial system. This tradition persisted into the post-colonial state where the inherited administrative structures maintained this tradition of bottom-up accountability. However it is written largely in the post-colonial history of each South Asian country how these systems of bottom-up accountability progressively weakened to the point, where at least in such states as Pakistan and Bangladesh, this system of accountability has all but disappeared. As a result each person and tier of the administration has become a law unto themselves. In some cases, different units of administration, working outside the scrutiny of their superiors, have reconstituted themselves into rent-seeking collectives, aggregating into a full-time predatory state.

It remains arguable that the weak capacity to implement development programmes, leading to weak developmental outcomes, in a large measure originates in the virtual absence of executive accountability either to the people or to their superiors so that in the end no one really remains accountable to anyone or for anything. This process both perpetuates corruption, maldistributes its

benefits and raises the costs of development.

Transparency

Weak accountability in a system discourages transparency in their dealings with their citizens. In South Asia parliament was the ultimate pressure point on the government to remain transparent in their dealings with their citizens. However only in India and Sri Lanka has a functioning parliament served as an effective vehicle for bringing to light the failures of governance in their country. Here again both the weak capacity of parliamentarians to exercise their custodial function and the skills of the administration in minimising the degree of information they would share with Parliament, weakens the role of the legislature in promoting transparency. In those countries with long traditions of subordinated legislatures, the executive met their reporting obligations to parliament on a *need to know* basis. This tendency was encouraged by the poor calibre of the MPs, their lack of curiosity and willingness to be fobbed-off with inadequate or even misleading information by the executive.

The tradition of the *parliamentary committee* has served the process of transparency somewhat better than has parliament. But this again has depended on the pro-active role of particular MPs rather than the good intentions of the government. It is also recognised that an investigative press and a pro-active judiciary remain a vital resource for a parliament in enforcing accountability on the executive.

However, the best instrument for ensuring transparency remains a free media serving an alert civil society. In South Asia, compared to East/SE Asia, the press has remained relatively free, at least whenever military rule has not sought to curb the press as it did in Pakistan and Bangladesh and in India during the *emergency* declared by Indira Gandhi in the mid-1970s. However, the daily press in most countries of the region tends to be owned by big business houses, some of whom have their own political and policy agendas which may come into conflict with editorial independence. In contrast, the electronic media in most countries of South Asia, has remained subservient to the state which has compromised both its independence as well as its quality. It is only with the arrival of satellite television that, in India at least, a highly independent form of discourse on television, manifest in a variety of *talk shows* such as *Ap Ki Adalat*, is exposing acts of misgovernance to a high degree of transparency.

To sustain such a process of transparency demands more than a free media. It demands an alert civil society anxious to take the state to task for its acts of misgovernance. Such a conscious civil society remains the strongest pressure point to make governments both accountable and transparent since the natural tendency of the state in South Asia is to minimise the exposure of its governance to public scrutiny. South Asia is yet to see a regime which goes out of its way to make its governance more transparent and appreciates the functional value of public accountability.

Leadership's accountability

Within South Asia the struggle for making the national leadership and executive accountable to the people has been part of an on-going process pre-dating independence. However, the struggle to establish accountability whether from the imperial power or from the military juntas has no corresponding spin-off in demanding accountability of the political leadership within the participants in the democratic struggle. Most of the political parties which led the struggle for independence in South Asia were elitist by their composition and led by charismatic leaders whose authority was rarely questioned within their respective parties.

This tendency to vest absolute power in such party leaders, without accountability to their rank and file, perpetuates their lack of accountability within their party when such leaders assume state power and accounts for the weak foundations of the democratic system in South Asia. Thus, leaders who have enjoyed absolute power within their party, as and when they assume power, remain less inclined to be collegial in the running of their administration. The resultant weakening of the cabinet system of government and emergence of a viceregal tradition with executive power being monopolised in the office of the chief executive, emerges as the outcome of a tradition of weak accountability within the political party system itself.

This move towards absolutist leadership, even within a working democratic system, in turn contributes to the weakening of any system of accountability within the systems of governance. The emergence of such fiefdoms throughout the hierarchy of government, originates in the assumption of absolute power by the respective political leaders throughout South Asia and their increasing reluctance to devolve this leadership both to their colleagues and beyond to lower echelons of a federated polity. Such a system breeds weak governance not just within the administration but within political parties, who remain organisationally weak and financially non-transparent in their practices.

The hazard posed by strong leaders to good governance lies in the complete dependence on such a leader to articulate the vision and demonstrate the commitment to realise their vision. If the leader's vision is weak or defective this permeates both the direction of party politics as well as the quality of governance when the leader is in office. When such a leader passes on it is rare for their vision to be bequeathed to a successor even to their genetic heirs. The departed leader's vision thus lives on in the slogans and rhetoric of their heirs. Such an inherited vision, remains devoid of commitment and thus compromises the credibility of the vision and hence the quality of governance under their successors.

The Role of Politics in the Governance and Development of South Asia

Building a political consensus

It is evident from our earlier discussion that the nature of politics in a particular country remains crucial in influencing the quality of governance and hence development. To understand the role of politics in development we need to diagnose the political culture of a country to establish whether it is consensual or confrontational, since this tendency impacts on governance and development.

In virtually every country in South Asia democratic politics is becoming increasingly confrontational. An earlier tradition of sober consensual political debate, depended in no small measure on the absolute immunity of the ruling regime from political challenge, as in the case of the *Congress Party* in India and the stature of its leaders who enjoyed high public esteem. As Indian politics moved to incorporate a wider spectrum of social forces, through the struggle of these forces to assert themselves within a more plural system, parliament became a more contentious arena. This process has culminated in the decline of the *Congress* and the emergence of local and caste based parties more representative of the pluralism of Indian politics.

Whilst such a process of democratic assertion is part of a process of widening the representative base of politics it has not only made Indian politics more confrontational but has helped to destabilise the national government, which is increasingly dependent on a coalition of disparate political elements built around a coalition of regional and caste interests. Indian politics today appears to depend on coalitions built around the ambitions, whims and appetites of particular leaders, who remain unmoved by issues. Within such a system, politics degenerates as much into a

clash of egos as it does of irreconcilable political forces.

In the remaining South Asian countries the political system remains far less plural and hence more manageable. Bangladesh and Sri Lanka have effectively built a two-party system, as indeed has Pakistan, at least at the national level. Nepal's two party system has, however, been exposed to a process of sub-division which has had a destabilising impact on its politics leading to a series of national elections. The recently concluded election has given an absolute majority to the Nepali Congress but this majority could be undermined by a split in the party as happened in the parliament after the elections of 1991. This problem of unstable majorities also afflicts Pakistan where loyalties within the dominant parties remain ephemeral so that the coherence of these parties remains far from assured, given the opportunism of the individual party members. In contrast, in Sri Lanka where the culture of their two party system has remained durable, the political system has not been able to accommodate the demands of the Tamil minority which has served to perpetuate one of the most durable armed insurgencies in contemporary Asia.

Bangladesh is perhaps the only country in South Asia today which has two major political parties, the Awami League and BNP, evenly matched and capable of ousting the incumbent regime through elections. However, in Bangladesh and indeed in all other South Asian countries, to the extent that such a two-party system prevails, it has become highly confrontational where the principal parties remain disinclined to agree on the rules of the game. This not only leads to sharp divisions over parliamentary procedure, but makes discourse particularly incendiary, replete with walkouts and boycotts by the opposition. There is a temptation to run a parallel process of politics on the street even where a parliament with reasonably impeccable electoral credentials is in session.

It is not surprising that such a confrontational political system diverts attention from development and prejudices good governance by making it difficult for any government to build a consensus behind its development agenda. In such a system opposition for opposition's sake is common place in the political process. Thus political parties which have themselves initiated a process of economic reform demonstrate no compunction in opposing these same policies when they are perpetuated by the successor regime. In turn, it must be recognised that particular governments have, themselves, shown no great enthusiasm to seek out their opponents to include them within a process of consensual policymaking. Thus, the reluctance to build a developmental consensus remains mutual to both government and opposition.

Problems of regime stability

The logic of this confrontational system is for the opposition to seek to unseat a sitting government before it completes its scheduled term in office. In most of these countries attempts to prematurely terminate the life of the regime draw upon a variety of tactics such as encouraging defection, (Pakistan, India, Nepal) or where this is not feasible by street agitation (Bangladesh, Pakistan, Nepal) and even through conspiracy with the armed forces (Pakistan). In response, sitting governments are becoming increasingly repressive in the treatment of their political opponents and less mindful of the legitimate rights of a parliamentary opposition.

Over the last three decades, such a confrontational political environment had been virtually unthinkable in most of East and South East Asia, where governments, in office could expect to remain there undisturbed for fairly long tenures. The only unstable polity in the region was Thailand, where, however, unstable parliaments were underwritten by continuity in policies as well as a unifying, highly revered, monarchy, a stable and powerful bureaucracy, military and business establishment who together constituted the steel frame of the Thai state. Differentiation between political parties was largely built around personalities rather than policies.

Regime stability in East/SE Asia has encouraged continuity in policies, risk taking to push through reforms in the knowledge that this would not threaten the political life of the regime and a more consensual approach to politics. Some of this consensus was obviously artificial, built around the suppression of dissent. But this frustration of dissent was to some extent compensated by a more inclusive development agenda. However the political explosions in ROK and Indonesia and the upsurge at *Tiannamen Square* in Beijing, indicate that successful development outcomes, including the reduction of poverty, are not sufficient compensation for frustrating the urge for democratic expression in a country.

In contrast, South Asia has sacrificed some of positive features of democracy because of its confrontational approach to politics which has bred a sense of uncertainty in the style of governance. Even where governments, as in Pakistan, Bangladesh and Sri Lanka, have been elected with clear mandates to rule for five year tenures, their approach to policy making and administration tends to remain predicated on the impermanence of office. Thus, every action is influenced by the prospect of how the opposition will respond to such an initiative and within the last two years of office by their prospects for re-election. In contrast, in East/South East Asia most policies were designed on the assumption of the durability in office of the policymaker and the lack of challenge to the implementation of such policies. Such a political culture, built upon the impermanence of office has, at least in South Asia, proved inimical to good governance. This is paradoxical since an effective multi-party parliamentary system can do much to compel the government to become more transparent and accountable in its transactions.

Unfortunately rather than move towards improving transparency in governance and make the executive more accountable, regimes throughout South Asia have become more defensive in their political responses leading to intolerance of criticism not just from their opponents but even from civil society where all criticisms are seen to be politically motivated. Competitive politics also contributes to a tendency to politicise the bureaucracy leading to political nepotism in administration, where loyal bureaucrats are used to play a partisan role in the service of the ruling party rather than the people. Such a system, perpetuates a politics of patronage and corruption where it subordinates the forces of law and order to overlook the indiscretions of the party faithful whilst persecuting the opposition.

In such a political environment, built around using the administration for political gain, there is a tendency to propitiate the bureaucracy. This political patronisation of the bureaucracy is largely responsible for the failure of most South Asian regimes to downsize the government and reduce the share of current expenditure in GDP even where such an oversized state machine is manifestly dysfunctional. Not even donor conditionalities have managed to downsize the central bureaucracy of South Asia due to the political indispensability of these bureaucrats to successive regimes. Such an approach, built around using the bureaucracy as a political resource by both the government and opposition is, furthermore, largely responsible for undermining discipline and weakening the process of accountability within the machinery of government.

Conclusions : Putting governance in perspective

The available evidence points to the importance of governance in influencing developmental outcomes in South Asia as indeed in any country. Every South Asian state is seen to suffer from a lack of vision, commitment and political capacity to give clear direction to their respective development agendas. In most countries of the region, outside perhaps India, donors have played a

major role in influencing policy agendas which has led to weak ownership over the direction of development. In every country, bureaucracies have become increasingly politicised so that the quality of administration has deteriorated, in relation to the tasks before it. Thus, transparency in governance has remained poor and accountability remains weak.

The resultant growth of corruption has added to the costs of development. The growing tendency to accommodate special interest groups and the weakening of state autonomy over decision making has made governance in South Asia into an increasingly predatory process. This commoditisation of governance has extended into politics so that the dynamics of South Asian politics increasingly appears to be driven by money and violence which are used to influence the nature of governance in the pursuit of private gain.

In contrast to other developing countries, South Asia has two of the oldest, continuous democracies in the Third world, in India and Sri Lanka. In the last decade all five states in South Asia have graduated to functioning democracies, made credible by the contestation of political power and the replacement of incumbent regimes through relatively free and fair elections. A relatively free press, and increasingly pro-active civil society have given depth and sustainability to the democratic process. These positive political tendencies have, however, not been potent enough to improve the quality of governance in any country of South Asia where, if anything, the crisis of governance has intensified. Such negative influences appear to have impacted on the development process in particular countries in the region so that South Asia's development performance has not only lagged behind its East/South East Asian neighbours but remains well below its own potential. The region, thus, remains a poorly governed region which may have contributed to its weak development and the fact that mass poverty in the region has been perpetuated to point where the largest number of the world's poor are located in South Asia.

Notwithstanding a wealth of related studies our theorisation on governance remains underdeveloped. Empirical work on governance, located within the historical specificity of South Asia also remains limited and has generated little more than anecdotal or micro-level evidence on the deficiencies of governance in this region. We lack the conceptual apparatus to link together such micro-evidence, by assigning appropriate weights to particular variables influencing governance. We are, thus, left with a growing literature on evidence of particular aspects of misgovernance in South Asia but with only a limited capacity to explain variations in governance and their developmental outcomes as between the member countries of the region or in comparison to other regions. Nor do we know too much about how these variables interrelate to establish a clear process of causality between governance and development. Furthermore, how far differences in governance explain the extent of differentiation in developmental outcomes within South Asia will need to factor in the policy regimes of the respective countries.

This paper should be viewed as an exploratory essay into the role of governance in the development of South Asia. Much more theoretical and empirical work is called for before we can draw any categorical conclusions about this vital linkage to the point where governance can be holistically integrated into the policy agendas of South Asia in a form where it can have a predictable impact on development outcomes. However, the absence of such empirical evidence about the causal link between governance and development need not wait upon the availability of a robust theoretical framework. There is enough micro and anecdotal evidence to suggest that South Asia is experiencing a crisis of governance so that the need to reform its governance remains long overdue. In every country of South Asia,

transparency, accountability, free elections, the need for making a decisive assault on corruption, demand urgent attention, whatever may be the extent of their impact on development outcomes. These aspects of governance lie at the very heart of building a sustainable democracy which is no less paramount a goal for South Asia than realising sustainable development.