

## A Charter for Change

### Need for a New System (Mahbub ul Haq)

There is a growing consensus in the country that what we need today is a change in the system, not just a change of government. Many serious commentators are talking about a mutbadal nazam (an alternative system). But the real questions are : why a new system? What will be the substance of change? And how can such a change be brought about through constitutional means? These are the issues that I would like to discuss in the present and subsequent articles.

There are several reasons for the current search for a new system. First, there is growing despondency that, despite several political changes in the past, the faces of our rulers have barely changed. Pakistan has been ruled by only one party for the last 49 years : the Elitist Party of Pakistan. It is a shifting coalition of the same 300 odd powerful families who drive their political and economic influence from either land or money or civil and military connections. Neither the political faces nor their policies have changed very significantly. Most of the political feudals who have ruled us believe in patronage rather than in governance. The system of government is often used to enrich themselves rather than the nation.

Second, two distinct economies have emerged in the country - one embarrassingly rich and the other desperately poor. The former has access to government patronage, foreign investment, liberal tax concessions and sufficient capital. It pays little by way of taxes - either because it is tax free (like agricultural income) or because it evades tax payments. The poor economy, however, has little access to any economic opportunities. It is denied most of the social services which the governments normally provide in many other countries by now - whether education or health care or even clean drinking water. Paradoxically, it bears the major burden of taxation. Unemployment and inflation are high, the middle classes are constantly squeezed, and the sheer struggle for survival consumes most of the energies of the majority of the population.

Third, there are many social tensions which are polarizing the nation. The existing quota system has, unfortunately, partitioned the country along provincial lines : domicile is more important than merit. There is at the same time a growing tension between rural and urban areas. Rural areas still enjoy a dominant control over political constituencies even though urban population is now beginning to equal rural population. No government has even the courage to conduct an honest census of population. To make matters worse, urban masses are being taxed while the rural elites escape taxes altogether. The urban areas are almost on the verge of an open revolt - since they are being cheated both politically and economically.

Fourth, many thoughtful commentators worry about the steady erosion of the institutional structures in the country. The independence of the judiciary has been subverted through executive power. People despair of receiving equal justice - or any justice at all - from legal institutions. The civil service has been highly politicised and demoralised. The political system is fragile, unresponsive to people's needs, and thoroughly corrupt. Even the armed forces - which were always viewed as the eventual guarantors of the integrity and stability of the country - are showing their own disturbing fissures, as was evident by the failed revolt by some disgruntled elements last year. In the midst of such a sad collapse of institutions, only national press seems to have become freer and stronger - though it has a long way to go in setting a tradition of sober investigative journalism or becoming a strong enough institution for the accountability of the rulers.

Viewing this dismal scene, many analysts are willing to give up. They are predicting a slow, inevitable disintegration of the country, fearing that Pakistan will join the ranks of other "failed states".

I do not disagree with the diagnosis. But I thoroughly disagree with the feeling of resignation. This is precisely the time to organise a civil society movement for a fundamental change in the system. Governments will not change the system : they are its product and its main beneficiaries. But people can change the system - and they will, if properly organized.

But before turning to that theme, let me identify an agenda of reforms that must become central to such a new system. A 12-point agenda is briefly stated here : each item of this reform agenda will be elaborated in subsequent articles.

1. Comprehensive land reforms must be implemented through which all land ownership is returned to the actual cultivators, private incentives for higher production are revived by giving our farmers international prices; credit, fertilizer and new technology are brought to the door steps of the owner cultivator; a sensible system of agricultural taxation is introduced; and the current economic and political influence of landlords is substantially reduced.
2. Merit system will have to be revived by completely eliminating the provincial quota system in government services and corporations, and by relying on open competition and on eminent panels for recruitment and promotions.

3. A realistic human development agenda will need to be designed through which everyone in the country is provided with basic social services of education, health, nutrition, clean drinking water and family planning services within a decade. Adequate investment must also be made to prepare our human capital for the 21st century.
4. A new social safety net will have to be created so that the poorest people in society are guaranteed a minimum income and some employment opportunities. The real focus should be on opening up new economic opportunities, not on welfare.
5. The institutions of judiciary, civil service and press will need to be strengthened by curtailing executive interference, by defining new rules of the game which ensure their independence as well as accountability, by relying completely on the merit system for the conduct of these institutions, and by making these institutions responsive to the people, rather than to the government.
6. New traditions of transparency will have to be set so that full information about all transactions - particularly bank loan write offs, state patronage, procurement procedures for arms and civilian contracts, privatisation negotiations etc. - is provided to the general public and national legislatures. One of the greatest challenges is to create new information and value systems which help police the widespread corruption in society.
7. A massive decentralization of powers will have to be undertaken whereby decision making processes are brought closer to the people; local bodies enjoy substantial autonomy in governing their localities; and most current powers of the provincial governments are delegated to the district and division level.
8. We need to seek a new balance between defence and development; new thinking about a more cost-effective system of national security; more transparency in defence spending and arms procurement; more reliance on merit and seniority for promotions of defence personnel; and full civilian control over all defence matters.
9. There must also be a thorough re-examination of our foreign policy so that we can begin to live peacefully within the region rather than trying to find alliances outside the region all the time. A new detente with India and practical steps to unfreeze the Kashmir issue are central to any such re-examination.

10. No nation can develop half-free and half-chained. Empowerment of women - through their full participation in education, employment and political and social life - is vital for this purpose. So is an objective review of all discriminatory laws against women in the light of actual practices in other muslim countries and an authentic interpretation of the dictates of Islam.
11. A new economic system has to be designed, based on a new balance between public and private sectors, fair taxation, an innovative strategy to engineer agricultural and industrial breakthrough, an export-led growth system, rapid privatisation of public assets, and a new framework to combine high growth rates with better distribution.
12. There must be some fundamental reforms in the political system to save it from domination by the same influential groups and from constant instability and confrontation arising out of shifting political loyalties of an elitist class. It is at least a fair question whether a parliamentary system based on proportional representation or a democratic Presidential system based on direct vote, can constitute a successful "by-pass operation" for the present unstable system.

There is much that can be added to this reform agenda. But these, I believe, are the core issues. There must be a serious and sober national debate on them. These proposals, which are often inter-linked, must be developed in a realistic fashion and a practical strategy designed for their implementation. The civil society in many countries has succeeded in tackling such national problems. There is no reason why we cannot do so in Pakistan. The subsequent articles in this series will take up this challenge as a modest contribution to a national debate on these issues.

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The writer is the President of the Human Development Centre, Islamabad, and Chairman of the Foundation for Advancement of Science and Technology (FAST). He was formerly Pakistan's Finance and Planning Minister.