Constraints and Possibilities of Good Governance in South Asia

Peerzada Tufail Ahmad & Hilal Ahmad Wani

ABSTRACT: *Accountability, transparency, and participation are the central themes of good governance. Good governance can mean different things to different countries. Since each country or region has a different context of governance,which it faces unique governance challenges. Therefore, it is important that the concept of "good governance" is understood in the context of each country and region to find indigenous and pragmatic solutions to problems of governance. The application of the concept of good governance to developing countries that are at different development stages have unintended and serious consequences for the citizens, especially for poor. The issue of transferability of the notion of good governance to developing countries is not being adequately attended to, while formulating a reform agenda mostly backed by international donors, especially in the case of heavily indebted countries. Developing countries are being asked to do everything which works in developed countries and, consequently, the good governance agenda in the developing world has grown long over the years. South Asia is a region rich in culture and tradition and poor in governance and human development. This paper is an attempt to examine the possibility of South Asian model(s) of governance to capture and address the complexities and challenges of governance in this particular region.*
KEY WORDS: *Good governance, constraints and possibilities, democracy and prosperity, and South Asian countries.*

Introduction

Since the significance of good governance for development is now universally recognized, it stands at the core of governance and administrative reforms undertaken in developed as well as developing countries, including transitional economies. Accountability, transparency, and participation are some of the central themes. However, good governance can mean different things to different countries and can have different implications when it is used as a guiding framework for policy and administrative reforms. Since each country or region has a different context of governance, it faces unique governance challenges. Therefore, it is important that the concept of good governance is understood in the context of each country and region to find indigenous and pragmatic solutions to its unique problems of governance within the framework of universally accepted values.

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Since the paradigm of governance has basically evolved in developed countries with stable democratic political systems and competitive markets, the application of the concept of good governance to developing countries that are at different development stages may have unintended and serious consequences for the citizens, especially poor. Prince Claus expressed the same concern for transferability of a development model to the Third World – in his case the Marshall Plan in these words:

> The suggestion of a Marshall Plan for the Third World is unrealistic and misguiding. The situation in which Europe found itself at the end of the last World War cannot be compared with the very diverse circumstances of the developing countries today. A suggestion of this sort serves to raise expectations which can only lead to disappointment, frustration, and disruption (cited in http://princeclauschair.nl/storage/documents/7806PCC_annualreport2006.pd, 9/10/2012).

It appears, however, that the issue of transferability of the notion of good governance to developing countries is not being adequately attended to, while formulating a reform agenda mostly backed by international donors, especially in the case of heavily indebted countries. The good governance agenda of international development agencies tends to be generic, imitative, and ambitious; and it largely fails to take account of the institutional and developmental context of developing countries. Developing countries are being asked to do everything which works in developed countries and, consequently, the good governance agenda in the developing world has grown long over the years.

Recognizing this problem, Merilee Grindle (2004) has recently argued for *good enough governance* for poverty reduction and reform in developing countries. The concept of "good enough governance", though still in its infancy, represents a strong case for contextualizing or indigenizing the notion of good governance in the developing world to set realistic and achievable reform objectives for each country.

South Asia is a region rich in culture and tradition; and poor in governance and human development. The paper is structured around some fundamental questions: What are the constraints on good governance in South Asian countries? What are the possibilities of good governance in this region? After addressing these questions, this paper would like to examine the possibility of South Asian model(s) of governance to capture and address the complexities and challenges of governance in this particular region.

Constraints to Good Governance in South Asia

First, **Rule of Law**. The term refers to the extent rules are abided by and implemented to all citizens of a state on an equal basis. The rule of law is a basic tenet of the modern democratic state and a basic condition for good governance. Unfortunately, a weak tradition of the rule of law is a major impediment to good governance in South Asia. The rule of law requires a fair political system, including independent

legislatures, a strong executive and a free judiciary that has yet to evolve in South Asia. In the wake of such a fair system rules mean different things to different people and so does their implementation. Equality before the law and one law for everyone is a norm not very well appreciated in this part of the world (Islam, 2004).

One can get away with violation of laws ranging from traffic violation to murder through money, social networks, and family connections. Mistrust between police and people is a major obstruction to the rule of law. The police is often used as an instrument against opponents, feudal lords, and other elites, even by politicians. Violation of rules is a fact of daily life and can be seen on streets, in public offices, and even among the law-makers themselves.

The attack on the Supreme Court by parliamentarians in Pakistan in 1998 is a shocking and glaring example of disrespect to the rule of law (Hussain, 2004). Similarly, the findings of a survey to assess governance in India reported public dissatisfaction with the Indian bureaucracy and justice system. Apparently, a weak system of accountability coupled with political interference has deteriorated meritocracy; and equality of law exists merely in theory, while in practice only those with money can buy justice (Court, 2001). In Bangladesh, the rule of law was pointed at as one of the major hurdles in the way of governance reforms due to which an enormous increase was found in unlawful killings and political murders (Shelley, 2004; and Sobhan, 2004). Similar situations persist in Sri Lanka, Nepal, Bhutan, and the Maldives.

Second, **Poverty**. Poverty is a major obstacle to good governance in South Asia. According to the HDC (Human Development Centre) in 1999, nearly half of the population in the region suffers from poverty with little or no access to adequate food, clean water, sanitation, health, education, and employment. The report reveals that in South Asia: one in two people is illiterate, one in five does not have access to clean water, over three in five do not have sanitation facilities, one in five children is malnourished, and four out of five suffer access to financial resources. The average income of the richest 10 percent is nearly 6 times the average income of the poorest 10 percent which means that there is big gulf between the rich and the poor.

The poverty profile of South Asia shows that both in terms of income and opportunities poverty has increased in the entire region with an exception for India, showing slight progress in terms of poverty reduction (HDC, 1999). A gender and inter-regional analysis of South Asia highlights more acute forms of poverty denying women, minorities, and some rural states equal access to opportunities. Cultural norms in South Asia, further, put women at a disadvantageous position and they receive a differential treatment than men when it comes to gender development and empowerment.

The *1999 Human Development Report* by HDC found the region lowest on both gender GDI (Gender Development Indices) and GEM (Gender Empowerment Management). Due to gender streaming and a sharp role division the question "*who does what?*" is mainly decided on the basis of gender while women's concerns

receive inadequate attention in governance (HDC, 1999; and Jabeen, 2000). Poverty creates distrust among people in the governance mechanism and the poor exclude themselves from the political and social processes, which further restricts their participation and representation in governance

Third, **Corruption and Nepotism**. Corruption has been defined as unfair use of public resources for personal gains is viewed as a major hindrance towards good governance in South Asia. Irrespective of the various forms of corruption, it is pervasive at individual, organizational, and state levels. The most common forms of corruption at the individual level include bribery, fraud, nepotism, undue influence, and misuse of public funds and utilities to name a few. At the organizational and state level kickbacks, speed money, illegal industrial licensing and contracts, tax evasion, money laundering, and abuse of power are the most pervasive forms of corruption in South Asia.

A. Sarker (2006) pointed to the interconnected web of exchanges among political elites, bureaucracy, and business elites in abuse of political powers and misuse of public resources in Bangladesh. While the business community offers political support to politicians, they in return receive illegal, formal and informal political and economic concessions in the form of subsidies and tax evasion. Corruption in one way, or the other, is a universal phenomenon but its extent and forms may vary across countries (World Bank, 1999; and UNDP, 2005).

The unique aspect of corruption in the context of South Asia is that it is more rampant at the state level and its magnitude has increased over the years despite various anti corruption measures (Khan, 2000; Zafarullah & Akhter, 2001; and UNDP, 2005). Empirical evidence suggests that in Bangladesh, most of the state enterprises were sold to private parties on throw away prices under market reforms using the patron-clientage relationship (Chowdhury, 2002; and Azmat & Coghill, 2005).

In India, paying bribes for obtaining legal or illegal, formal or informal licenses and certificates is a common phenomenon. The findings of a survey on governance in India quoted comments of an Indian elite that, "*Right from birth to death nothing happens without bribery and corruption. People can neither live nor die with dignity*" (Court, 2001). The Bofors scandal in India involved two former Prime Ministers in corruption (HDC, 1999). According to the *Human Development Report 1999*, the magnitude of corruption exceeded INR (Rupee India) 100 billion in a year in Pakistan; where public financial institutions provided huge loans to political leaders, industrialists, and friends who later declared defaulter. Also, the famous Swiss money scandal involved one of Pakistan's former Prime Ministers and her husband (Islam, 2001 and 2004). In Sri Lanka, due to lower salaries of civil servants only those who are willing to accept bribes join the civil service.

Nepotism in politics, public organizations, private sector, and civil society organizations is a common occurrence in South Asia. Family, and sectarian, ethnic, and regional connections are often the bases for appointments; while principles of merit and equality of opportunity are being ignored. The devastating effects of

entrenched corruption and nepotism in the South Asian region can be seen in every fabric of social life in the form of rising poverty, reduced efficiency, setting wrong priorities, social isolation, disorder and distrust between the governing bodies, and the general public contributing to the vicious cycle of poor governance (Khan, 2000; and Islam, 2001). The lack of control of corruption in South Asia, therefore, has serious implications for implementing the concept of good governance in the region.

Fourth, **Divided Society**. Society in South Asian countries is deeply divided on the basis of ethnicity, religion, caste, class, and gender. These divisions transcend state, civil society and private sector, and pose a serious challenge for good governance. Fueled by extremism, these divisions have produced a culture of violence and terrorism in the region. Political, sectarian, ethnic, and communal violence in India, Pakistan, Bangladesh, and Sri Lanka often makes headlines in international media. Poor and defenceless people are victims of violence most of the time. According to the data exhibited in the *Human Development Report 1999*, by HDC (1999), around 500,000 people lost their lives in Hindu-Muslim riots at the time of Indo-Pak partition; 55,000 people were killed in Siri Lanka in the civil war with LTTE (Liberation Tigers of Tamil Eelam); while more than one million people were displaced. In India, Jammun, Kashmir, and North East atrocities took more than 83,000 lives since 1995. In Pakistan, large scale Shia-Sunni sectarian violence claimed more than 4,000 lives since 1995. Thousands of innocent lives are threatened everyday due to the rising street violence in South Asia.

Discrimination in employment on the basis of sect, socio-economic background, gender, and ethnicity is also grounded in these sharp social divisions. Even constitutional democracy and secularism in India has failed to mediate these divisions. Ethnic minority groups are not only excluded from the political process, they even become victims of political violence. In Pakistan, for instance, region-based divisions are deeply rooted and reflected in all positions of power in the form of provincial quota in politics and civil service. Similarly in India, class based divisions are so adherent that bringing North and South and upper and lower casts together in development has become a major challenge. Religious militants despite using religion as a binding forceoften employ it for creating fragmentation and seclusion which ultimately result in violence. A gender based analysis of the region points to the patriarchal nature of gender relations with women in general, finding less representation and little participation in all economic, social, and political activities. Any coalition on the basis of above divisions is bound to lead to conflicts, violence, undue influence, exclusion, mistrust, and ultimately poor governance.

Fifth, **Militarism**. South Asia is a highly militarized, volatile, and vulnerable region of the world. A substantial part of the scarce resources, which should otherwise be spent on economic development, is allocated to military expenditure. Both India and Pakistan, two large countries of the region, are nuclear powers that continually spend on building nuclear weapons to maintain deterrence for each

other. India took the lead in building nuclear weapons and Pakistan chased India in this non-conventional arms race. India demonstrated its nuclear capability in 1998 with three nuclear tests in one week; and in fifteen days, Pakistan countered with six nuclear blasts.

In 1997, Pakistan announced to reduce its military spending by 10 percent but immediately after nuclear tests, when India increased its military budget by 14 percent, Pakistan did the same. Moreover, regular armed forces South Asian countries also maintain costly paramilitary forces and heavily spend on purchase of military weapons and hi-tech military hardware from abroad, which further adds to security costs. Militarism in South Asia is a hard but complex reality. Since independence, India and Pakistan have fought three wars, one immediately after independence in 1947, the second one in 1965, and the third in 1971, which led to the creation of Bangladesh out of Pakistan. Kashmir, a territorial dispute between India and Pakistan, is a continuous source of hostilities between these two nuclear powers. People of these countries on both sides are finally the victim of this well demonstrated and flashed militarism in the region. Besides the negative impact of militarism on economic development, it has seriously affected the state capacity of both India and Pakistan to address the issues behind governance such as poverty and the rule of law.

Sixth, **Capacity of State and Non-State Institutions**. The quality of governance in a country depends on the capacity of the state, the private sector, and civil society organizations. In developing countries, including those of South Asia, that capacity of state and non-state actors is a constraint to good governance. The state's capacity to perform effectively its role in governance includes a capacity for policy formulation and coordination; monitoring and evaluation; performance management and accountability for results; budget and expenditure management; a capability to innovate; and transparency, accountability and possibilities of fighting corruption. Thus, state capacity goes beyond public administration and management and includes all state institutions like parliament, the executive, and the judiciary.

In South Asia that capacity of state institutions and public organizations is constrained by a number of factors that include weak management and a weak control system, corruption and nepotism, low wages and incentives, and politicization of the bureaucracy and the judiciary. Wages in the public sector are not comparable with those in the private sector. Over the last few decades, due to inflation, salaries of public servants have drastically gone down. For example, in Bangladesh, salaries of top civil servants are seven times lower than in the private sector. In Pakistan, public sector salaries are 60% lower than in the private sector even excluding non-wage benefits. In India, entry level salaries of civil servants are less than two thirds of comparable wages in the private sector and this differential increases at higher levels (HDC, 1999).

The lower salaries of civil servants diminish their motivation, inhibit efficiency, decline effectiveness, and encourage corruption. These problems are not only

limited to the bureaucracy; inefficiency and lack of discipline are also a problem in parliament, the cabinet, and the judiciary. Parliamentary proceedings are poorly attended since there is no mechanism for internal accountability in parliaments. Access to justice is also a problem due to incapacity of courts to handle increased caseloads resulting form population increase in South Asian countries (Khan, 1998). According to the findings of the *Human Development Report of 1999,* there are about 24 cases pending in courts for every one thousand cases and there are about ten judges for every million people in South Asia (HDC, 1999).

Capacity is also an issue in the case of non-state partners in governance, civil society, and the private sector. Civil society in South Asia is small and fragmented, while facing financial constraints. Civil society organizations are also constrained by weak management and control systems. Transparency and accountability which civil society organizations demand from government is rarely practiced by these organizations. Similar problems are faced by the private sector which is small in size besides being non-competitive.

Good governance demands new managerial skills from both state and non-state actors to perform effectively as partners in governance. Traditional boundaries between the public and private sector are increasingly getting blurred today. The new tools of governance such as public-private partnership, contracting out, decentralization, and devolution assume good management in public, private, and civil society organizations beyond traditional management skills. Networking, contract management, mobilization, negotiations, and regulation are the new management skills required by the civil servants accustomed to command and control. They are now assumed to fully understand the dynamics of the private sector as well as civil society. Similarly, the private sector and civil society need to know how the government works and they should fully understand the complexity and sensitivity of public goods besides being responsive. These governance skills are not only scarce in South Asia, but they have not yet been recognized as a capacity issue.

Good governance also requires good local knowledge, both explicit and tacit. The capacity to produce local knowledge through research is also a constraint to good governance in South Asia. One of the major reasons for the concept-reality gap and the implementation deficit highlighted in the development literature is heavy reliance of developing countries on international agencies and international precepts in policy-making and reform initiatives such as good governance. Generic policy prescriptions by the international lending institutions, such as the World Bank, are injected into policies and reform programs of loan recipient countries often without having a complete understanding of the local contingencies. The countries in South Asia do not yet possess a capacity to produce local knowledge through research to be utilized in policy-making. Among South Asian countries, India performs slightly better in terms of indigenous research since it had established research institutions and universities much earlier.

Possibilities for Good Governance in South Asia

Despite the above constraints that portray a dismal picture of governance in South Asia, there are hopes, aspirations, and possibilities for good governance. State and society in this region have not given up their quest for good governance which they regard as vital for their future. Several reform initiatives of South Asian countries in the wake of globalization and emerging communication technologies testify to the region's commitment to improve governance. The rule of law is recognized as a major governance issue by governments. Police and judicial reforms have received new impetus. In Pakistan for example, under devolution, a long-standing issue in the rule of law has been addressed by separating the judiciary from the executive at district level. Investigation has been separated from prosecution under police's structural reforms. Similarly, in India, Bangladesh, and Nepal, special attention has been given to improve law and order while justifying their recent governance reforms (Desai, 2000; Chowdhury, 2002; and Cheema, 2005).

Corruption is also on top of the reform agenda in many countries. Accountability and transparency ascended in the countries as a result of internal and external pressure. Media, NGOs (Non Governmental Organizations), and international agencies have created a new level of awareness and sensitivity to this epidemic evil. Core reforms in economic, political, and administrative arenas have also been introduced in the form of civil service, education, social sector, public-private partnership, and gender reforms. For example, Bangladesh has introduced reforms in government audit to bring transparency in the audit system; while India is putting more emphasis on training of civil servants to enhance their efficiency and effectiveness. In Pakistan, through a Devolution of Power Plan System 2001, political reforms have been introduced for transferring administrative and financial powers to local governments (Burki, 2011). The Indian state Kerala also presents a good example of community and state partnership in the effective implementation of poverty alleviation programs at the local government level (Minocha,1998).

There is an increasing concern in the region for resolution of outstanding disputes between India and Pakistan and to increase regional economic cooperation. The latest example is the visit of the Foreign Minister of Pakistan to India for bilateral peace talks one day after a train blast on a Pakistani train in India in which over 60 Pakistanis died. There are great challenges to peace in the region but at least a process has begun to create a conducive environment for the peace process and confidence building measures. People-to-people contact between these two nuclear rivals, bilateral peace talks, and other confidence building measures have raised hopes for peace in the region. The countries of the region have realized that immense human capital goes wasted as a result of women not fully participating in the economic, political, and administrative arena.

Gender empowerment is an important component of economic, political, and administrative reforms in many countries of the South Asia. Reservation of 33 percent of seats for women at national, provincial, and local government level in Pakistan is one such example of gender reform initiatives in the region. Realizing

that governments alone cannot do everything, the role of civil society organizations has also expanded in the region over time. Philanthropy, self-help, self-development, and common pool resources have long been recognized as traditional and religious values in the collectivist countries of South Asia (Hofstede, 1980).

In Pakistan, dynamic individuals such as Akhtar Hameed Khan, Abdul Star Edhi, Imran Khan; and organizations such as Citizen's Police Liaison Committee (CPLC), Shell Pakistan, and Agha Khan Rural Support Program (AKRSP) represent some of the positive examples to address needs of the common people. Similarly, in Bangladesh, Grameen Bank through its wide network of non-governmental organizations set a remarkable example of empowering the poor through its micro-credit policies; and in India, the village of Sukhomajri near Chandigarh is widely hailed for its efforts in micro-watershed development and environmental sustainability. In Sri Lanka and Nepal also various successful civil society initiatives have been adopted to promote community collaboration in governance (HDC, 1999).

Revolution in information technology and globalization has considerably reduced the geographical boundaries among countries. Access to information through internet, radio, TV, and media is growing in South Asia. There is now ample opportunity of having debate on policy issues and critically examine governmental policies and programs even in the so-called authoritarian regime of Pakistan. Public perception about civic governance and human rights is changing as a result of advancement in information technology. The situation demands regional cooperation and competition to meet the competitive challenges of the 21st century.

South Asian countries need to learn from each other's experiences and also from what is going on in other parts of the world instead of following a linear path. For example, how Bangalore in India has become the second largest software market world over; how Grameen Bank in Bangladesh is catering to the micro credit needs of the poor; how Pakistan channelizes its efforts towards indigenous philanthropy and many more success efforts and experiences that can be shared for mutual development.

The number of universities in the region has also increased manifold. Universities in the region are actively engaged in establishing linkages with foreign universities for mutual learning. The growing trend towards higher education in the region increases the likelihood of local knowledge through research and knowledge-sharing at the regional level.

Towards a South Asian Model or Models of Governance

Based on our analysis of governance and its context in South Asia, we strongly believe that there is a dire need for developing an indigenous model or models of governance to adequately capture the realities of governance in South Asia and to find pragmatic solutions to the challenges of good governance. Now, we would like to deliberate on this in order to provide a road map to developing such indigenous

model(s). Let us reiterate that the concept of governance while assuming democratic and good government, competitive markets, a capable and responsive civil society, and well-entrenched norms of bureaucratic behavior in the society, redefines the role of state in society *vis-à-vis* the private sector and civil society.

In the governance paradigm government, the private sector and civil society are viewed as major partners guided by the norms and values encapsulated in the notions of democracy, bureaucracy, corporate social responsibility, and civic responsibility. Efficiency, accountability, transparency, fairness, decency, and participation are values taken for granted in developed countries that have experienced a gradual shift from government to governance for managing public affairs. These values are accepted and appreciated both at formal and informal level, in government as well as in private sector, in political as well as in economic and civil society (Jain, 2009).

The concept of governance has evolved in an institutional and cultural context where constitution and law of land is respected, dissent is tolerated not punished, and where human rights are respected not violated. These societies have not reached to this stage of their social, political and human development over night, they have experienced all what South Asia is going through now be it feudalism, nepotism, slavery, fundamentalism, or violence. No developed country can claim to be 100% free from corruption, human right abuses, poverty, violence, and nepotism. However, these are not constraints on good governance in developed countries unlike the South Asia.

Therefore, the questions such as what is good governance, how governance should be measured, what should be the sequence of governance reforms, how to ensure effective implementation of any reform measure, needs to be addressed in the context of South Asia, and indeed in the context of each country in the region. These questions need to be addressed at theoretical, methodological, policy, and administrative level. Let us now address the above questions one by one to draw contours of South Asian model(s) of governance.

Good governance in South Asia may be viewed as a structure and process of governance that promote humane development. This implies that provision of basic services, the rule of law, and protection of human rights are the priority areas of governance. Given the weak institutional norms, efficient and effective management at all levels and in all organizations in private and civil society organizations is vital for an efficient functioning of government and other governance partners. A management system with internal accountability in government, the private sector and civil society organizations constitutes the basics of any good governance agenda. Unless these organizations have strong control systems, they cannot contribute effectively to good governance. In the absence of strong internal control mechanisms based on rules and proper incentive structures at all levels, the new paradigm of good governance will only shift power from government to the private sector and civil society but the poor will not be the real beneficiaries of the shift from government to governance. Therefore, organizational development should

be a central theme of good governance (Alberitton, 2009).

There are lessons we can learn from experiences of South Asia with democracy and bureaucracy. Due to massive inequalities in society and a small middle class, both bureaucracy and democracy strengthened traditional elites and created new elites. Inequalities in society are also reflected in the market and civil society. Elitism exists not only in the public sector but is also seen in the realm of non-state actors. So, what is the way out? Internal and external accountability in conjunction with sound competition policy and strong regulation across the board through efficient and effective management systems and transparency in decision-making is the answer. The good governance paradigm's sole focus on government is problematic in the South Asian context. Capacity for good governance is an issue not only for the state, the private sector and civil society suffer with the same problem. Thus, while the region is going through a transition from government to governance, it is extremely important how good governance is pursued in South Asia.

In view of the above, the concept of humane governance (HDC, 1999) coupled with good enough governance (Grindle, 2004) as discussed earlier has direct relevance to South Asia. Thus, good governance is good political, good economic, and good civic governance which promotes human development. The goal of good humane governance in each country of South Asia should be good enough humane governance. The rule of law, provision of basic services, and poverty reduction with the participation of the private sector and civil society should be taken on priority basis. However, government still has to play a major and leading role in human development.

Good enough humane governance in South Asian countries may be assessed through hard core, performance oriented, and tangible indicators. All institutions and organizations involved in governance must be assessed periodically, including parliament, cabinet, judiciary, private sector, and civil society. Implementation of policies is a major problem in South Asian countries. It is less related to capacity but more to political will at institutional and organizational levels. Donors should be tough on implementation. We should not forget that effective implementation begins from the formulation and design stage of policy, program, or project; if it is based on wrong theories or concepts poor implementation is the obvious result. It also becomes a problem if the implementation strategy is not built in the planning of a project or policy. It is important that South Asian countries should learn from each other by sharing successes and failures in order to improve implementation.

To set the reform agenda using good enough governance as a goal, each country needs to be looked at where it stands in terms of its development, economic as well as democratic. For example, India has successfully maintained civilian control over the military; whereas Pakistan has experienced just the opposite. Therefore, in Pakistan, instead of pursuing a revolutionary agenda for democratic development, a reasonable and viable strategy has to be worked out for a power shift from the military to democratically elected institutions to avoid any serious consequences. The latter is exactly what happened in 1999 in Pakistan. The elected Prime Minister

pursued an ambitious agenda for bringing the military under civilian control, which led to a military take-over.

We are not in any way justifying military take-overs in Pakistan, but arguing for political wisdom to be exercised in a country where democratic institutions are not yet fully mature, while the army is well entrenched in politics for historical and strategic reasons. On the economic front, privatization policy is another case of failure due to pursuing it on ideological grounds without any awareness of the political economy of the country. There is a general consensus in Pakistan that privatization has failed to deliver as promised but vested interests benefited from the sale of profitable state-owned enterprises to the extent that the Supreme Court of Pakistan had to intervene by stopping sale of Pakistan Steel Mill. As a result, the whole policy is now under revision (*Daily Dawn*, 16/3/2006).

Conclusion

Last but not the least, countries in South Asia cannot have good governance purely on the basis of borrowed models and ideas without adapting them to their own institutional contexts while looking into their short and long term national interests. It can happen only if the role of donors is redefined, local knowledge is created through research, and policies and reform agenda are debated. Results will be slow but sustainable and promising. In this respect, research collaboration among academics and researchers in the region is the need of the hour as a first step towards to this direction.

It is good that each country should learn from experiences of other countries; however, there is no substitute for local knowledge, critical discourse, and citizen participation in the process of governance as advocated by Prince Claus: "*Development in the true sense of the word is impossible without some form of democracy which gives the people some say in the process*" (cited in http://princeclauscannualreport2006.pdf, 9/10/2012). It is a question of enabling people to direct their energies within their own cultural context to bring about change, in the belief that it is in their own interest. We are not using democracy here in the formal Western sense, but in its more basic meaning of "by the people for the people".

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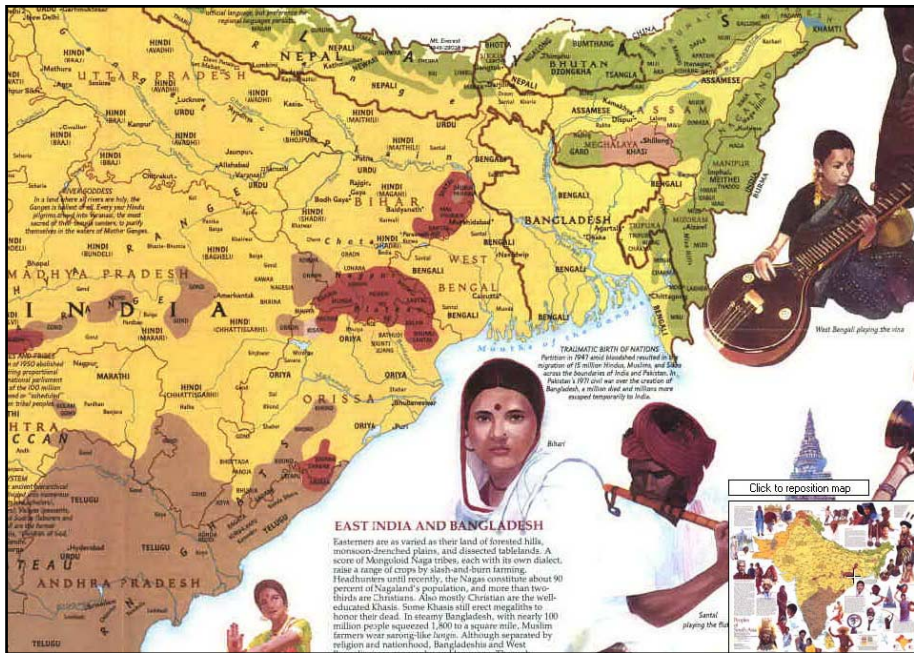
People of South Asia
(Source: www.google.com, 15/1/2013)

South Asia is a region rich in culture and tradition and poor in governance and human development. Last but not the least, countries in South Asia cannot have good governance purely on the basis of borrowed models and ideas without adapting them to their own institutional contexts while looking into their short and long term national interests.

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