Matching Intentions with Divergent Agendas: Interplay of the State, International Donors, and the Civil Voluntary Initiatives in Pakistan

ARSHED HOSSAIN BHATTI

SECTION I

> *To alter concepts ... is to alter behaviours.*
> Alasdair MacIntyre.

Introduction

During the last two decades, there has been proliferation of civil voluntary initiatives in the name of local and international development. The international donors of a large variety have played catalyst role in supporting such initiatives financially to help engage in meaningful interaction with the states in whose jurisdiction they operate.

These initiatives have been given many names, most popular being the NGOs (Non-Governmental Organisations). However, in this paper one is referring to this collectivity as civil voluntary initiatives (CVIs). They can be institutions, organisations or behaviours, forms of social activism or participation—formal and informal, organised and or random.

There is general perception that these initiatives are "donor driven" and follow a "western agenda". We also observe that many international donors do not tend to fund and encourage impartially; they leave out faith-based groups from their support net. The latter reportedly receive charity donations from foreign governments in the name of serving religion—Islam, in the case of Pakistan.

The states, at times, seem to be receptive to funding of international donors for 'development' initiatives aiming service delivery and awareness raising in certain 'non-controversial' areas like population planning, HIV-AIDS awareness, etc. However, they do not appear to approve international donors' funding of advocacy focused rights based initiatives motivating and urging people to articulate their concerns for policy change, reform and promoting democratic assertions.

Arshed Hossain Bhatti is with the ActionAid Pakistan, Islamabad.

Background and Context

Aftermath of the Second World War paved way for decolonisation as many new states emerged in Asia, Africa and Latin America. One of the most immediate and important tasks such states faced was 'development', which loosely speaking meant 'expansion of society's productive forces, the growth of output, and on this basis an improvement in the standards of living of the people'. All these states undertook different sets of policy, practice, planning and strategy to arrive at differing outcomes in the levels and forms of development.

India, Pakistan and Bangladesh, all three are post-colonial states that 50 years ago by and large formed British India. The first two got independence in 1947; and the third, Bangladesh, emerged twenty-four years later. Today, they collectively inhabit about 1.3 billion people who are living with a host of social problems, as well as under what is perceived to be strong state and relatively weak civil society.

The state edifices of these countries have largely been built upon colonial administrative structures, and their legislative and policy frameworks are also extensions of the colonial Acts and Rules. Thus, their ensuing policies addressing different aspects of social development also have a tinge of *control and regulation*. These over-centralised regulatory policies are widely perceived to be 'unfavourable', tending to create a *controlled* enabling environment for the occurrence, emergence, and growth of civil voluntary initiatives leading to the formation and consolidation of the civil society organisations (CSOs).

There is sufficient historical evidence that the CVIs have existed in these countries in one or the other form even before the British Empire set in. Welfare associations, shrines, *dargahain*, *langar khanne*, *chopaal* are obvious examples. However, after 1947, one argues these initiatives have witnessed different types of challenges with different levels of operational maturity, triumph and impact.

It has been argued in the literature on development in 1980s that both the state and market failed to accomplish 'development' in most of the 'developing countries', Pakistan being one typical case. Therefore, several non-state, non-market actors ("NGOs" being one of them) emerged to assist and help the other two in carrying out this task, particularly in the post cold war era.

This resulted in new type of governance structures and mechanisms whereby these non-state actors were taken as entities to be reckoned with and therefore needing some sort of formal codified dealing. This also changed the way states would treat local initiatives, particularly those who would interact with international donors/ non-state actors.

This paper tends to examine and analyse various trends of the tripartite interplay—of states, donors and CVIs—to arrive at recommendations as to how the interplay can become more meaningful and contributive to development and the civil society.

The paper has four sections. Section I briefly builds the context, and introduces the paper; Section II attempts to define major concepts used in this paper like State, International Donors, Civil Society and CVIs. The need and various dynamics of the interplay are discussed in Section III, while Section IV submits several policy recommendations. There is one Annexure placed at the end of the paper, which gives a comparative picture of various laws that govern the interaction and relationship of CVIs with international donors in India, Bangladesh and Pakistan.

SECTION II

> *The social and political world is conceptually and communicatively constituted, or more precisely, preconstituted.*
> T. Ball (1989:1).

The Concepts

This section looks at various definitions of the several concepts used in this paper like State, International Donors, Civil Society, Civil Voluntary Initiatives, etc.

The State

The most widely accepted definition of the State is that of Max Weber (1864–1920), as a territorially defined organisation 'that successfully upholds a claim to the monopoly of the legitimate use of physical force in the enforcement of its orders.'[1]

The state is believed to be a set of institutions a society gives to itself. In wider sense, 'it refers to a set of institutions that possess the means of legitimate coercion, exercised over a defined territory and its population, referred to as society' [World Development Report (WDR), (1997), p. 20].

The State, in this sense, monopolises rulemaking within its territory through the medium of an organised government, which normally consists of three distinct sets of powers with duly assigned roles, i.e., *legislature*, *executive* (mostly referred to as 'the government'), and *judiciary* (ibid.).

In my view, the state is one of the four sociospatial and structural entities of a society: the others are market or economy, the family or household, and the civil society. However, they all have considerable degree of overlap of their domain and a complex functional interface.

---

[1]This definition has been quoted in many books enlisted in the bibliographical references, i.e., [Mann (1993), p. 54-55], and by Uphoff (in de Janvry: note 6, p. 196), who explains that a technical definition of 'coercion' is that of physical force used with a claim (or acceptance) of its legitimacy; force used without such a claim (or acceptance) is called 'violence'.

So far, so much has been written about the state that it is not even possible to simply count all references in one attempt.[2] In Paul Streeten's opinion [de Janvry *et al.* (1995), pp. 35–38], 'we now have a menu of theories of the state to choose from.'[3]

In Ashish Nandy's view [Sachs (1992), pp. 264–74], today's state is actually modern nation-state, which entered the world scene after 1648 with the treaty of Westphalia. Although, he maintains, that "a contractual element had already entered the civic space by the 13th century in parts of Europe, the treaty gave formal institutional status to the emerging concept to the state in Europe" (ibid.). The French Revolution, by linking the concept of the state with that of nationalism, made it even more powerful; and the notion that thus emerged had some distinguished features. In Nandy's words:

> It assumed a closer fit between the realities of ethnicity, nation and state; it gave a more central role to the state in the society than the *ancien regime* had done; and it redefined the state as the harbinger and main instrument of social change… (Sachs: 265)

With new institutional ordering that went with the new concept of the state and the expansion of the colonial empires, within a short time the concept of nation-state not only 'marginalised' all other concepts of the state in Europe but also 'began to enter the interstices of public consciousness all over Asia, South America and Africa' (ibid.).

Though influenced by Weber, Mann gives his own definition, which he calls is 'an institutional' not a 'functional' definition:

> (1) The state is a differentiated set of institutions and personnel (2) embodying centrality, in the sense that political relations radiate to and from a centre, to cover a (3) territorially demarcated area over which it exercises (4) some degree of authoritative, binding rule making, backed up by some organised physical force (p. 55).

From the above definition of the state, in Mann's opinion, four particularities, shared by all states, of political institutions, can be derived: (i) the state is territorially centralised over a delimited territory over which it has binding powers;

---

[2]One book that presents a comprehensive summary of all the major debates about different concepts of the state, its functions, structure, role in 'development', and various types of the states, is Martinussen (1997); particularly Part III, has a detailed account of debates on 'the state building'; 'the state and development'; and 'state and market'. It covers a wide range of writers, such as: Almond and Coleman; Gusfield and Rudolphs; Huntington and Clapham; Apter; Bayart; Alavi; Myrdal ('soft state'); Evans, Johnson and Sandbrook; Popkins and Bates; Hyden; North; and Bhagwati, Little and Bauer.

[3]Paul Streeten (de Janvry: chapter 2) offers a survey of a range of theories of the state from the one that believes 'it can do no wrong' to the one that suspects 'it can do no right'; however, according to both these apparently opposite views the state is an optimising agency: to the former, it optimises the welfare of the people, to the latter, those of the special interest groups. Marxists say that the government (i.e., the state) is the executive committee of the ruling class and always serves the economic interests of that class.

(ii) the state contains two dualities: it is place and persons and centre and territory; (iii) state institutions are differentiated, undertaking different functions for different interest groups located within its territory; and (iv) the definition of state as a delimited territory suggests a further set of "political" relations with other states, i.e., *geopolitics* (p. 56).

More on the nation-state; to Mann, the enormous covert influence of the nation-state of the late 19th and early 20th centuries on the human sciences means that a nation-state model dominates sociology and history alike [Mann (1986), p. 2]. Resultantly, in most of the world today, when one talks of a state, one usually has in mind the modern nation-state (Sachs: 267). From the very beginning, nation-building—a very polite term for the cultural and ideological homogenisation of a country's population—became one of the goals, stated or unstated, of the modern state (ibid.).

Ashish Nandy asserts that most of the proponents and critics of the nation state were severely Eurocentric. They showed little knowledge of, and respect for, the diverse traditions of conceptualising the state in other parts of the world. `What little concept of diversity they had, consisted primarily of a vague idea of the non-western state which was later to be formalised by scholars like Karl Wittfogel as Oriental despotism[4] and by Max Weber as the 'pre-modern state'.[5]

Pakistan, after its inception in 1947, evolved into strong state by assuming two key roles as its *raison d'etre*— "National Security" and "development". This over the years has had two grave implications in the context of development output: (a) Hefty allocations to meet defense expenditures leaving less for investment in the human development sectors like education and health thus retarding the human resources development; and (b) highly centralised planning and public-sector-lead development diminished the role of the private sector and marginalised the provincial and local development thinking, practice as well as evolution and strengthening of local organisations and institutions (LOIs). These two implications jointly contributed to development of underdevelopment; for which the state of Pakistan (its executive) is primarily responsible.

[4]"The peculiar forms of Oriental despotism, not limited to the Orient, had their origin in societies where irrigation was a matter of life and death to the people and their crops, and control of the watercourses was in the hands of the ruler and his bureaucracy"—Wittfogel (1957), quoted by Nandy in Sachs: 267.

[5]On this, Nandy writes that:

> It analytically stream rolled the diverse pasts of the non-west, collapsing them into a single ideal type which, as in the case of Weber, instead of increasing the understanding of these societies, diminished it. It was an effort to make manageable the world's diverse non-western pasts by incorporating them into a more familiar western past. Later, this process was to be scientifically institutionalised through Weberian political sociology, particularly its post World War II Parsonian variant which dominated the behavioural persuasion in Western political science till the 1970s (Sachs: 267).

International Donors

Much like the proliferation of new states after the end of the World War II in mid 1940s, the end of the Cold War in mid 1980s witnessed emergence of several international donor agencies as active non-state actors. Simultaneous to that, as the conviction of the policy makers intensified that both the state and the market had failed to deliver 'development', we witnessed more increase in such actors.

They have been actively engaged with two objectives viz. "care and welfare" and "change and development" in broadly four spheres of activities directly affecting millions of people across the globe. These spheres are (i) development, (ii) relief, (iii) awareness and, (iv) advocacy. Almost all countries have their share of such actors operating at various levels—i.e., international, regional, national, sub-national and local.

There have been many attempts to explain these actors' evolution and emergence; three of which are more accepted, convincing and popular: The first is based on the failure of both governments and market in accomplishing development and meeting the demand for the kind of services these actors could provide. The second explanation is that such actors emerged and proliferated in response to the availability of assistance from foreign donors (governments and international philanthropic agencies) who did not want to stake their funds to governments and instead urged such actors to take the lead. The third explanation articulates a complex web of motivations behind this change, ranging from simple altruism, compassion, urges to reform, charity ethic, and an expression of the evolution of organisational culture and preferred associational forms.

Technically a donor is a person, or an organisation, or an institution that donates resources to another person/organisation/ institution. Donors are of many types, and their legal status, functional methodology and approach to development and sourcing out priorities vis-à-vis their recipients vary from case to case.

In Pakistani context, international donors are variety of entities ranging from international NGOs working in Pakistan by way of a contract with the Economic Affairs Division of the Government of Pakistan (and funding local initiatives) like the Asia Foundation, ActionAid, Catholic Relief Services, etc. (Up until end 1999, they were 24 in total); the bilateral donors like CIDA, JICA, and AusAid, etc.; and the multilateral donors like the ADB, EC, the UNDP and the World Bank, etc.

In this papers the term 'international donors' refers to all those entities who influence and affect a civil voluntary initiative in any way, whether they are physically present in the country or not (like the Ford Foundation who does not have an office in Pakistan but it could exert influence through some regional initiatives).

The Civil Society

The concept and term of civil society is contested and debatable. Historically, different people have attempted to look at the civil society and its role differently.

We see examples of its perceived relationship with, and role vis-à-vis 'democratic associations' (Lock, de Tocqueville), 'the rule of law' (Montesquieu, von Stein), 'state-society relations' (Hegel), 'the public sphere' (Habermas), 'popular participation' (Verba), 'social capital' (Putnam, Coleman), and 'community' (Etzioni) [Anheier (2000)].

There is however lot of confusion and conceptual overlap in explaining and understanding the concept as well as role of the civil society. Some adopt an abstract, systematic view and see civil society as a macro-sociological attribute (Hegel, for instance); others take on individualistic views and emphasise the notion of agency and citizenship (Coleman). There are those who see civil society as a set of institutions and organisations located in the public sphere (Habermass). In essence, some allude to civil society as an actor in itself, some take it as a context, and for some it is space outside the domain of the state, market and the family.

The Centre for Civil Society (CCS), at the London School of Economics (LSE)—taking account of the diversity of the concept—has adopted an initial working definition as:

> 'Civil society refers to the set of institutions, organisations, and behaviours situated between the state, the business world, and the family. Specifically, this would include voluntary and non-profit organisations of many different kinds, philanthropic institutions, social and political movements, forms of social participation and engagement, the public sphere, and the values and cultural patterns associated with them.' [Anheier (2000), p. 17.]

In my view, if we divide the social space of a society according to the type and mode of our entire individual and collective, volitional and regulated, organised and spontaneous activities, we get four spheres. First is the 'political sphere', and is mainly occupied by the state and its various organs. The second is the 'economic sphere', where the producers of goods and services interact with their consumers. The third is the 'familial sphere', which is the space occupied by a family. The fourth sphere comprises the rest of the space, and I would term it ***Open-purpose voluntary action sphere*** (OVAS). This is where the civil voluntary initiatives occur and mature to become civil society organisations (CSOs). However, this sphere interacts, overlaps, influences and is influenced by the space and sphere occupied by the state, the market, and the family.

In other words, if the 'state' is a set of institutions a society gives to itself, *the civil society is the breathing space an informed, responsive[6] and aware society confers upon itself.*

---

[6]By *responsive, informed and aware* I am referring to the level of education and information citizens of a certain polity enjoy (with reference to the *availability* and *accessibility* of these facilities; and, as they say: 'What makes of good leaders, also makes of good citizens—active participation in ruling and being ruled and in public will and opinion formation' [Cohen (1995), p. 7]. This is also essential for 'responsive citizens' as some of them become good leaders, and the others help the former remain good leaders.

Conceptually, I would view civil society as ***amicable union of difference*** that could be formal and organised, or informal but palpable. In this *union* the core characteristics are *diversity* and *pluralism*; and the key catalyst that can, and does, promote, strengthen and reinforce the civil society's force to assert in influencing (the state, the market and the family to) change and reform is perpetual *civil dialogue* between and among diverse and different opinions and thoughts in order to bring them in to the loop of understanding promoting mutuality, respect, inclusion and tolerance for the 'other'. This way, one would assert that civil society is not homogenous entity.

What is a CVI?

Any voluntary initiative, undertaking or action, formal, organised and systematic or informal and random occurring in the space of the civil society— and promising to contribute to collective benefit—is taken to be a CVI in this paper.

The difference between a civil society initiative (CVI) and a civil society organisation (CSO) is of sequence and degree of organisation of the initiative. An initiative could be formal or informal, planned or random, and may comprise just an individual to begin with; an organisation is formal, planned, comprising a group and tending to operate systematically.

If seen on a conceptual continuum, we can have following sequencing that relates CVI with CSOs, and NGOs in the arena of society and the context of development:

Any informal + voluntary + individual based initiative in the civil society space ➔ **CVI**.

CVIs ➔ (when formalised + organised + articulate and represent collective interest + group based) ➔ **CSOs**.

CSOs ➔ comprise a wide variety = NGOs, VOs, POs, NGDOs, PDOs, PDAs, NEPOs, NFOs, VAs, NPOs, PVOs, MOs, OPIs, sports clubs, religious organisations, *et al.* (professional associations, employees unions, housing societies, urban health and sports clubs, and private welfare clinics and hospitals, etc) …[7].

[7]The Civil society organisations (CSOs) have been given many names and the debate is still on; some of the known titles are: voluntary organisations (VOs), peoples' organisations (POs), civil society organisations (CSOs), non-governmental developmental organisations (NGDOs), private developmental organisations (PDOs), popular development agencies (PDAs), not-for-profit organisations (NFPOs), voluntary agencies (VAs), non-profit organisations (NPOs), private voluntary organisations (PVOs), membership organisations (MOs), peoples' organisations (POs), community based organisations (CBOs), grass-roots organisations (GROs), voluntary development organisations (VDOs), grass-roots support organisations (GSOs), and organisations for public interest (OPI).

NGOs as CSOs

NGOs or one organ of the collectivity called CSOs, and an organised expression of CVIs. However, due to their operational and functional high profile they figure in the development discourse much more than CSOs or CVIs. It is generally misconstrued that NGOs are the civil society; they are not.

Their nomenclature has been criticised by many as being inherently 'negative' concept since it starts from 'non'; but the proponents of this title put forth three arguments to support and continue with this. First is that 'more energy has gone into unrequited efforts to name and rename them than has been invested in understanding them'. The second argument asserts that defining something in negative does not make the concept negative as is evident from expressions such as 'non-aggression', 'non-aligned', 'non-fiction' and 'nonconformity'. The third point is that the NGOs see themselves as being what governments are not: 'not bureaucratic, not rigid, not directive, and not stultifying of local initiative; and therefore 'this image plays an important functional role in freeing them from established political hierarchies'.

The CSOs

There are divergent views on which organisation should be part of the CSOs. In this regard, my assertion is that civil society space is essentially inclusive and pluralist; therefore all those organisations that *voluntarily* chose to operate in this space should be considered CSOs.

Typology and Classification of CVIs/ CSOs[8]

In this sub-section one has attempted to classify various CVIs with reference to why, how and who questions. One is basing the classification on four factors: (a) the nature of stimulus behind a CVI; (b) the type of responses that take shape of a CVI; (c) the nature of the formation process a CVI passes through and the type of the emerging organisation; and (d) the type of decision making structure a CVIs has.

(a) The Nature of Stimulus ('why' an initiative?**)**

In my view there are broadly the following four types of stimulus that trigger civil voluntary initiative. However, they are not necessarily in this order and hierarchy:

---

[8]These various classifications are submitted as aide to explanation and understanding as to how various initiatives and organisations in the space of civil society come about; and which one can be generated through co-production of the state and international donors so that they could strengthening and deepening the civil society. These various types do overlap and one organisation might fit two or more classifications, as the categorisations are not mutually exclusive.

I intend to offer a detailed treatment to these classifications in my (on going) Ph.D. dissertation with the Taxila Institute of Asian Civilisations at Quaid-i-Azam University, Islamabad.

(i) **Knowledge**: when the initiator (individual or group) possesses certain special knowledge that she/he/ they think will promise some sort of collective benefit;

(ii) **Compassion**: when the initiator has compassion (out of altruistic reasons) to do or contribute to certain perceived collective good;

(iii) **Incentive**: when the initiator conceives some personal/ collective, tangible or intangible, immediate or long-term dividend in the form of political, social, psychological or financial gains; and

(iv) **Fear**: when the initiators have fear of losing (life, liberty, property, status, and or prestige). An initiative could also be a combination of some or several of these.

(b) The Nature of the Response ('how' of an initiative?**)**

There seem to be three types of organised voluntary responses expressed through CVI:

(i) **Proactive**: when the drive /motivation occurs within (i.e., a sports club).

(ii) **Reactive**: when an initiative is in response to some external event (i.e., flood relief initiative).

(iii) **Induced**: when the stimuli are externally induced; say when a state agency/donor or both encourage the occurrence of an initiative/ organisation (citizens groups encouraged by local authorities).

(c) The Nature of Formation Process ('who' is behind an initiative?**)**

There are broadly three types of organisational motivations:

(i) **Indigenous** initiative: when an individual – who is internal to, and organic part, of a group/ social set up where the initiative is being taken – takes an initiative; Edhi Trust is one example.

(ii) **Hybrid** initiative: when the initiative is product of joint effort of internal and external entities (to that sub-system); say government and private; donor and private, and or government and donor; but it is privately lead. In such initiative the organisation that is produced/ established is a product of joint deliberations but emerges as private sector entity; Sustainable development policy institute (SDPI); Lahore university of management sciences (LUMS); and SAP-Pakistan are relevant examples.

(iii) **Polymorphic** initiative: when an initiative (organisation, process, mechanism) comes about after having passed through several stages of state-lead consultation/ development/ growth/ refinement. The difference between hybrid and polymorphic initiative is that the resulting product is private and semi-public, respectively and the latter is mostly lead by a

public sector agency. National Conservation Strategy (NCS); Social Action Programme (SAP); Trust for Voluntary Organisation (TVO); National Trust for Population Welfare (NATPOW) are close examples.

(e) The Nature of Emerging Structures (what type of management structure CVI has?**)**

CVI can be divided in three types based on the type of their management structures:

(i) **Pure**: those organisations whose board of director and objectives are independent of any government agencies' or donor's direct influence, and they are able to operate with a reasonable degree of independence.

(ii) **Buffer**: organisations who have government agencies' representatives on their board of directors, and they need to consult some other agency in their decision making process, e.g., NRSP, TVO, etc.

(iii) **Proxies**: those organisations, which are extension of some international organisation and initiatives. Therefore, most of the local chapters of international donors/ NGOs like will fall in this category; CIDA, JICA, ActionAid Pakistan, The Asia Foundation; save the Children (US); Save the Children (UK); Oxfam, etc. The proxy CSOs not only influence and support local initiatives, they also operate independently and some of hem with considerable local identity and leadership.

SECTION III

The Need, Dynamics and Problems of the Interplay

The Need

According to the World Development Report (1997:23), the Great Depression was seen as a failure of capitalism and markets, while state interventions—the Marshall Plan, Keynesian demand management, and the welfare state—seemed to suffice to convince many developing countries to accord the state a central role in undertaking development. By the 1960s, states had become involved in virtually every aspect of the economy, administering prices and increasing regulating labour, foreign exchange, and financial markets (ibid.).

To Nandy, in 1950s and 1960s 'national security' and 'development' were the 'two of the major themes in the ideology of the modern state' (in Sachs, *op cit.*). Whereas, 'development' allegedly was defined as 'the process in the name of which the state mobilises resources internally and externally and, then, eats them up itself, instead of allowing them to reach the bottom and the peripheries of the society' (Feith and Falk, Richard in ibid. note 5).

Due to such criticisms, and particularly owing to the 'failure of the state to deliver development', the pendulum swung 'from the state-dominated development model' of the 1960s and 1970s to the 'minimalist state of the 1980s' [de Janvry: chapter 2; WDR: 23-24].

The development theory thenceforth started operating on the premises that 'the only institutions that mattered were those directly facilitating market transactions' [Evans (1996), p. 1033]. However, 'market as magic bullet' did not work either albeit the conventional economists made every possible effort. At this point, revisionist such as Johnson, Amsden, and Wade convinced even the World Bank in admitting that state bureaucracies, particularly in the 'East Asian Miracle, had played a central role in development (ibid.:1034).

This changed the mind-set of the developmental theorists and practitioners, and the slogan of development alike. 'Bringing the state back in' Evans (1985) became the new catchword. Prominent academicians like Paul Streeten put forth the thesis of 'strong state with a limited agenda' and that "for proper working of the markets, strong - and in many cases expanded—state interventions (of the right kind, in the right areas) is necessary" (in de Janvry: 20).

Meanwhile, beyond the conventional 'state-market' debate, some other, very convincing debates have emerged, along with the phenomenon of the Non-Governmental Organisations (NGOs), which started mushrooming in the 1980s, and are ever since flourishing unabated.

The arguments assert that since states have the tendency and potential to damage markets by 'regulations, licensing and bureaucratic red tape'; and 'markets tend to corrupt governments'; therefore there is a need for 'civil society' (organisations), to contribute to more constructive relationship between the two (ibid.: 30).

Robert Putnam, springing from the convincing strength and popularity of his 'social capital' thesis argued for "synergy" implying that 'civic engagement strengthens state institutions and effective state institutions create environment in which civic engagement is more likely to thrive' [Evans (1996), p. 1034].

The "synergy hypothesis" emphasises that

> there is evidence that the existence of the state and the rules it establishes and enforces can strengthen and increase the efficiency of LOIs [Local organisations and institutions] and that, at least in coalition with other urban-based groups, LOIs can give rise to collective action increasing the power of the state [Nugent (1993), p. 629].

A special study edited by Peter Evans (1996), pp. 1033–1132 explores the relationship between government and civil society in a variety of different developmental contexts, and assesses the impact of state-society (civil society) synergy. In the same series of articles, Ostrom [(1996), pp. 1073–1087] proposes the

concept of "coproduction" referring to the 'joint activity of citizens and government'. It implies that 'public and private actors are enmeshed together in the process of production' and synergy is produced by the intimate entanglement of public agents and engaged citizens'.

To support the above arguments, Evans [(1996), pp. 1119–1132] argues, "Complementarity creates objective grounds on which cooperation between governments and citizens can be built but that embeddedness generates the normative and interactional basis for realising the potential joint gains."

Similarly, Uphoff, advancing the same line of argument for the expansion of collective action argues that it will require public policies that capitalise on complementary relationships of the third sector (i.e., the civil society organisations) with state and market institutions. It will, he opines, fill in gaps between the public and the private sectors and help make each of them more effective. In the light of this argument, he proposes a principle of 'assisted self-reliance' (de Janvry: 195). This, to him, is a 'pump-priming approach to mobilise local resources in a positive sum way, where external funds and technical assistance are offered on acceptable matching basis (ibid.).

Amartya Sen has used the expression 'cooperative conflict' for the relations within family (in de Janvry: note 48); according to Paul Streeten similar relations exist both within the state and between it and pressure groups (ibid.: 45).

Sen, again quite like Uphoff's 'assisted self-reliance' proposes "GALA: getting-by with a little assistance" [Sen (1997), p. 6] approach implying a mutual help for development venture, where donors help poor states, states help civil society organisations and markets, markets also help CSOs and this way the process of development keeps propelling.

The above discussion highlights the significance of the need of cooperative and productive interplay between the state, market, CVIs and the international donor agencies to co-produce development. Since, state and market are inevitably more established and embedded in the business of society, they need to support CVIs (in the form of 'enabling environment' and local philanthropy respectively) so that the CVIs have a more meaningful role. Similarly, the donor agencies can also be made to play a better role in helping the CVIs.

The Dynamics

The Government of Pakistan has several pieces of legislation that govern registration and operations of CVIs in Pakistan; however there is none that attempts to cover CVIs direct interaction with international donor agencies. Although there are several mechanisms that facilitate those CVIs who seek foreign assistance, but these are neither mandatory nor widely known.

There are six pieces of law under which "NGO" can be registered in Pakistan, viz.

1. Societies Registration Act 1860.
2. The Trust Act, 1882.
3. Charitable Endowment Act, 1890.
4. The Cooperative Societies Act 1925.
5. Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961.
6. The Companies Ordinance, 1984.

However, most of the non-governmental writings on this subject do not include 'Charitable Endowment Act 1890' in their list, though it figures prominently in the official references.

It is interesting to note that none of these laws refer to the agencies, whose affairs they promise to govern, as "NGO"; all of these have a different and distinct title for the respective entity: agency, society, trust, charity, company, cooperative, etc.

The Background of the Laws

It is apparent from the list that the State of Pakistan inherited four of these six laws from the colonial era, and the other two were enacted before the Cold War was over. Therefore, none of these laws envisaged, anticipated and tried to cover governing a possible direct relationship and transaction between an "international donor" and an "NGO". The reason it seems was that the colonial administration being foreign itself did not have to worry about any international donor, and then the non-state actors were not there functioning this way either.

Before the Cold War was over by late 1980s, perhaps no policy maker anticipated, at least in Pakistan, that the state could ever be by passed by any international state or non-state actor to interact directly with any agency, organisation or entity in the jurisdiction of the state. This was so because for the previous three decades the states had enjoyed absolute autonomy and sovereignty. The phenomenon of 'embedded autonomy' and 'negotiable autonomy' emerged after transnational business corporations became important actors and certain issues emerged that needed some sort of global governance like Narcotics Trade, Environment (pollution), Terrorism, Poverty, Human Trafficking, and Human Rights violations.

The Standing Committee on NGOs

It was in 1986-87 that the US-AID rolled out a programme titled 'Special Development Fund' whereby the possibility of funding the private sector agencies ("NGOs") emerged and the Government devised a policy to govern 'Foreign Assistance to NGOs'. The Economic Coordination Committee of the Cabinet, the highest economic policy approval forum in Pakistan, set up a body "Standing

Committee on NGOs" in the Economic Affairs Division (EAD) of the Federal Ministry of Finance "to consider the proposals for financing of Non-Government Organisations (NGOs) from Foreign Assistance Funds."

The **composition** of the committee was: Secretary, EAD (Chairman), and the members were; Secretary, Finance, Secretary, Planning Division, Secretary, Ministry of Education, and Secretary, Health Division. The government notification No.150/JS(US)/87 dated September 1, 1987 also declared that the secretaries of the concerned Provincial Governments "will be co-opted as members whenever necessary".

A year later (May 9, 1988), in a subsequent and partial notification, it was declared that Secretary, Population Welfare Division would also be member of the Standing Committee. The following year (April 9, 1989) as a corrigendum, it was notified that "the Secretary Health" in the first notification "may be substituted by "Secretary Ministry of Health, Special Education and Social Welfare".

The Functions of the Standing Committee, with its Secretariat located in the EAD, were declared to be: (i) to consider all the proposals on case to case basis for financing of NGOs from foreign aid funds submitted by the Ministries/Divisions/ Provincial Governments concerned; (ii) to give approval to sponsor proposals costing up to Rs.10 million (Approval of the ECC of the Cabinet will be obtained for amounts exceeding Rs 10 million); (iii) to receive provincial proposals through their respective Planning and Development Departments for arranging foreign assistance to NGOs.

Subsequently, it was also decided that financial assistance to NGOs "will be provided on matching grant basis of 50:50". However, in October–November 1990, the conditions of matching grant by NGOs and the restriction on the authorisation of Rs.10 million ceiling by the Standing Committees were relaxed by the ECC.

The Steering Committee of NGOs

In October 1993, the Standing Committee in its meeting decided to set up "Steering Committee of NGOs" to facilitate the former. The decision reads as under:

(i) A steering committee should be established comprising members of the rank of Joint Secretary from EAD, P&D Division, Finance Division, and the concerned Ministry, one from each Ministry/Division, under the Chairmanship of the Additional Secretary, EAD, which shall examine all the cases before submission to the Standing Committee on NGOs and accord its recommendation on the project. The Committee shall also monitor the progress of the sponsored projects.

(ii) The P&D Division will facilitate the EAD with the format for projects based on proforma for Concept Clearance Committee, on which the NGOs in future will be required to submit their projects for financial grant/assistance.

Isolation of Mechanisms from Issues

There have been several parallel developments—independent of the above-mentioned mechanisms—in the region as well as between Government and international donor agencies and international NGOs, which caused ambiguities and problems for various parties in the debate. Some of them are:

(i) India and Bangladesh came up with adequate legislation to govern international donors' and local NGOs' interaction and relationship, in 1976 and 1982 respectively. These pieces of legislation attempted to cover the subject reasonably sufficiently. Contrarily, none of the laws in Pakistan cover local NGOs interaction and relationship with the international donors. This is one 'mission gap' causing pressure on the Government. The controversial "NGO Bill" of 1995-96 was one step to cover this gap, but somehow it boomerang. **Annex I** shows details comparison of this proposed legislation with the ones in Bangladesh and India.

(ii) Various International NGOs' had independent contracts with the EAD, which allow them to work in Pakistan in collaboration with the governmental and non-governmental organisations "in the field of the economic and social development of the country". This gives them umbrella permission to have interaction and transactions with local NGOs. Up till end 1999, there were 23 such NGOs in Pakistan.

(iii) Government of Japan, under its "small grants" programme, had an agreement with the EAD to directly contact and sponsor small NGOs under intimation to the government.

(iv) The European Commission also had an agreement whereby it sought permission to have independent contracts with Six development agencies in Pakistan (TVO, SPO, SAP, Shirkat Gah, NGORC, and NATPOW). These set precedents for alternative arrangements.

(v) Even the summary for the ECC, in whose response the Standing Committee was established in 1987, had emphasised need for adequate legislation to cope with the implications of this tripartite interaction. This has not happened so far.

(vi) There have been instances where practice overruled policy and set exceptional precedents giving indications that (a) better placed and rightly positioned "NGOs" benefit from the ambiguities, (b) informal links work more than formal channels, and (c) lack of policy coordination is confounding the confusion.

(vii) It is clear to very few organisations that registration per se does not ensure funding.

Some Problems of the Interplay

Two studies sponsored and commissioned by the UNDP under Local Dialogue Group initiative (UNSP 2, and 3) give a very informative account of perceptions, intentions, practices of NGOs as well as donors in Pakistan. The study brings out that the NGOs perceive governmental legislation as intrusive and unnecessary, instead of facilitating and supportive. They see relationship with government not on the basis of equality, but that of a patronage. Most of them were found unaware of the contours and parameters of the legislative framework meant for them.

The study also found that donors enjoy reasonable degree of operational independence and space to interact with CSOs. In my view, in Pakistan, the international donor agencies/NGOs enjoy much more freedom as compared to Bangladesh and India. In Bangladesh, "The Foreign Donations (Voluntary Activities) Regulation Ordinance 1982", and in India "Foreign Contribution (Regulation) Act 1976" govern CVI-International donors support relationship. They are much more stringent than the existing and the proposed Pakistani legislation; and are adhered to by the CVIs/CSOs and donors alike.

However, in Pakistan, one the legislation is not as stringent and intrusive as that in Bangladesh and India. Secondly, here the practice overruns rules, the informal is preferred to the formal, and even the government seems to be engaged in selective and irregular practice of benefiting some, and penalising others.

The various governments in Pakistan, and the incumbent in particular, have been more vulnerable to yield to donors' demands, influence and persuasions, due a host of complex reasons like their playing to the gallery of donors, and seeking legitimacy through 'pro-donor' image.

Only a few donors have agreement with the government to directly disburse aid to local development organisations and initiatives (JICA, EC); whereas most are freely interacting and funding initiative of their choice.

The aforementioned UNDP studies have identified various areas where improvement was needed, such as, mutual mistrust and misperceptions, lack of cohesive policy framework/laws and lack of awareness of these laws and policy, and universal application of these policies.

The major problem with the legislative framework, in my view is that, all these regulations are extensions and offshoots of colonial rules and laws, and the present day governments see the CVIs with the same mindset.

The CVI, contrarily, seek operational inspiration and legitimacy from modern, post-colonial times. The role models of local CVIs are other similar endeavours in the developed world where those governments look at such initiatives as something intrinsic to their societies, something that is within, their own and for a collective benefit. Therefore these initiatives and organisations tend to assert and proliferate, and when unable, adjust to the outside environment to survive and continue by hook

or by crook. In Pakistan, the state seems to take the civil voluntary initiatives and movements as something eerie that must be kept at arms length, regulated and controlled from distance. But parallel to that, it does not have adequate resources (human, technical and financial) to do that. The state conceptually tends to regulate and control, but actually manages that only occasionally. This perhaps is syndrome and expression of a false security paradigm of the rulers and state functionaries who see most of the CVIs as recalcitrant element with a possibility of undertaking 'anti-state' activities—whereas in Pakistan 'anti-government' is always interpreted as 'anti-state'.

The donors in this scenario become very important players, and they gain an added leverage as perceived brokers between the state and the CVIs. They therefore acquire a position to influence the state, and support and promote the CVIs; but they seem to do that selectively albeit in line with their policies, strategies and understanding.

In Pakistan, like many developing countries, citizens are missing in action from the actual scene of development planning and execution. They only figure as cold and mutable (and disembodied) reference in the planning texts and development discourse.

SECTION IV

Concluding Observations

In view of the foregoing discussion, one wishes to express that the state, international donors and the civil voluntary initiative in Pakistan can evolve a better fit to make the existing interplay more meaningful, synergetic and more beneficial both for civil society and development.

For this the following set of conceptual and practical recommendations are submitted:

Conceptual and Policy Steps

(i) There is a need to rethink roles, and of altering concepts to alter behaviours. The state must own, support and promote CVIs as entities completing it, supportive of its functions, and strengthening its role. In this regard co-orientation (common understanding of problems and possible solutions) of various actors of the interplay is proposed.

(ii) There is a need to nurture, support and promote new agents of change, who are politically aware and socially active citizens. This will also help correct misplaced politicisation of the society, by reactivating and rejuvenating social activism. Local organisations and institutions can take a lead in this. The emerging local government set up and the proposed citizens boards are very appropriate steps in that direction.

(iii) There is a need to promote *openly negotiated coordination*[9] among various actors of the interplay - the State, the donors, the CVIs, and the business sector.

(iv) There is need to redesign and redefine the imperatives of the state and security; and review the arena of functions the state needs to concentrate to have relevance and a better fit with our own social and cultural realities. The institutions of the state need to be *people centred*; currently they are *issues centred*. The state needs to be stronger to cope with the forces of the international capital, and needs to delegate a lot of authority to a level where it legitimately belongs.

(v) The people need to be informed and reformed. This reform will be from within. Presently reform is directed from top, centrally designed, controlled and coordinated. This is likely to evolve into regimentisation of the society. The agents of change should not be sitting in the capital (i.e., National Reconstruction Bureau); they must be proliferated, diffused, spread and scattered all over in the form of politically aware and socially active citizens. What they need is enabling, encouraging, supportive and conducive environment.

(vi) The donor assistance (financial, technical and institutional) needs to be streamlined and coordinated for optimal impact, and wider benefit to even those initiatives that do not have information, knowledge and access to donors. The district needs to be made hub of social development, where Local Government Organisations Institutions, CVIs and donors/ their proxies can have openly negotiated coordination generally in any area, but particularly in poverty eradication, awareness of local level issues, and initiatives in environment management and resource conservation.

Practical Policy Steps

(a) There is an imperative to introduce one window facility for CVIs/ NGOs and donors to offer information regarding registration and funding;

[9]The concept of openly negotiated coordination is informed by each other's strengths, expertise, and weaknesses and is inspired by the mutual willingness to cooperate and coordinate. Its strength comes from agreeing to observe certain rules of the game for transparency and accountability purposes. It's agreeing to work in a team for well defined common, collective benefit keeping with the spirit of 'synergy', 'co-production' and 'complementarities'. Besides, ONC also refers to introducing the principle of market, such as efficiency and productivity, in social division of labour. For instance, if a local government wants to provide free lunches in primary schools; then instead of taking this job up, or right-away offering to a civil society organisation, or entrusting it to a market agency, the ONC approach would seek to invite them to compete with each other; and whosoever takes the bid, the winner will be the community and the loser, nobody. The result is positive-sum, benefits regenerative and the impact is *collective*. Contrarily, in case of rent seeking, selective benevolence and directed solutions, mistrust, outright conflict, uninformed differences, and unnecessary divergence occurs resulting in zero-sum output and distributive impact.

(b) There is a need to enact an umbrella legislation that accommodates NGOs' concerns and donors' priorities; some work on this has already been done by Pakistan NGO forum [PNF], some more can be expedited.

(c) There must be affirmative strategies favouring funding to rural based, small CBOs, as they seem to be the most disadvantaged in accessing information and resources;

(d) The government can encourage, and the policy community and the civil society activists can assert an informal, but regular, parliament of Civil Society Organisations (CSOs), where the Government and the international donors agencies have observer's status. This parliament can inte alia look into issues of accountability and transparency in particular.

To wind up, one word on paradigm shift of development. Presently the whole paradigm of development (planning, coordination and execution) is embedded in the discipline of economics; it needs to be reoriented in sociology, and economics needs to be considered its sub-discipline as the former represents sum total of social relations. Admittedly, economic transactions do co-implicate a wide range of human behaviour, responses and considerations, but that is an affect of historical inculcation of concepts that were meant to produce this belief. It is a new millennium and about time to alter concepts, to alter behaviours, and to let people be, become choose, have and progress.

REFERENCES

Anheier, Helmut (2000) Can Culture, Market and State Relate? *LSE Magazine* 12:1, 16–18.

Anjum, Tanveer (1998) Civil Society in Medieval India: A Case Study of Sufism (1206–1398). Unpublished M.Phil. dissertation with the Department of History, Quaid-i-Azam University, Islamabad.

Ball, T., J. Farr, and R. L. Hanson (1989) *Political Innovation and Conceptual Change: Ideas in Context.* Cambridge: Cambridge University Press: Particularly, Chapters 1 *Language and Political Change* and 5 *The State* by Quentin Skinner. 6–23 and 90–131, respectively.

Calhoun, C. (ed.) (1997) *Habermas and the Pubic Sphere.* The MIT Press.

Chandhoke, N. (1995) *State and Civil Society: Explorations in Political Theory.* New Delhi: Sage Publications.

Cohen, J. L., and A. Arato (1992) *Civil Society and Political Theory.* The MIT Press.

Cox, G., and G. Wood (1976) *State and Civil Society: An Impasse within Political Sociology?* Uni of Bath.

de Janvry, A. *et al.* (eds.) (1995) *State, Market and Civil Organisations: New Theories, New Practices and their Implications for Rural Development.* A Study prepared for the ILO, Macmillan Press.

Edwards, M., and D. Hulme (1996) Too Close for Comfort? The Impact of Official Aid on Non-governmental Organisations. *World Development* 24:6 961–73.

Evans, P. (1996) Government Action, Social Capital and Development: Reviewing the Evidence on Synergy. *World Development* 24:6 1119–32—and also his 'Introduction': pp. 1033–37.

Evans, P. *et al.* (eds.) (1985) *Bringing the State Back.* Cambridge University Press.

Evans, T., and P. Wilson (1992) Regime Theory and the English School of International Relations: A Comparison. Millennium: *Journal of International Studies* 21:3, 329–51.

Etzioni, Amatai (1968) *The Active Society*. New York: Free Press.

Foley, Michael W., and Bob Edwards (1996) The Paradox of Civil Society. In *Journal of Democracy* 7:3 38–52.

Fowler, A. (1991) The Role of NGOs in Changing State-Society Relations: Perspectives from Eastern and Southern Africa. *Development Policy Review* 9:1.

Fox, J. (1996) How Does Civil Society Thicken? The Political Construction of Social Capital in Rural Mexico. *World Development* 24:6, 1089–1103.

Gellner, E. (1994) *Conditions of Liberty: Civil Society and its Rivals*. London: Hamish Hamilton.

Goldsmith, A. A. (1996) Strategic Thinking in International Development: Using Management Tools to See the Big Picture. *World Development* 24:9, 1431–39.

Habermas, J. (1991) *The Structural Transformation of Pubic Sphere: A Inquiry into a Category of Bourgeois Society*. The MIT Press.

Hadenius, A., and F. Uggla (1996) Making Civil Society Work, Promoting Democratic Development: What Can States and Donors Do? *World Development* 24: 10, 1621–1639.

Hall, J. (ed.) (1995*) Civil Society: Theory, History, Comparison.* Polity Press.

Halliday, F. (n.d.) International Society as Homogeneity: Burke, Marx, Fukuyama. *MILLENIUN*: *Journal of International Studies* 21:3, 435–461.

Heller, P. (1996) Social Capital as a Product of Class Mobilisation and State Intervention: Industrial Workers in Kerala, India. *World Development* 24:6, pp.1055-71.

Karlson, N. (1993) The State of State: An Inquiry concerning the Role of Invisible Hands in Politics and Civil Society, a PhD thesis at Uppsala University.

Kaviraj, S. (1991) On State, Society and Discourse in India. Chapter 4 in, M. James (ed.) *Rethinking Third World Politics*. pp. 72–99.

Keane, J. (ed.) (1988) *Civil Society and the State: New European Perspectives*. London: Verso.

Keane, J. (1998) *Civil Society: Old Images*, *New Visions*. Polity Press.

Lam, W. F. (1996) Institutional Design of Public Agencies and Coproduction: A Study of Irrigation Associations in Taiwan. *World Development* 24:6, 1039–1054.

Lipschutz, R. D. (1992) Reconstructing World Politics: The Emergence of Global Civil Society. *MILLENIUN: Journal of International Studies* l.21:3 389–420.

Mackintosh, M. (1992) Questioning the State. In M. Wuyts *et al. Development Policy and Public Action*. Oxford University Press.

Malik, Iftikhar H. (1997) *State and Civil Society in Pakistan*. London: Macmillan.

Mann, M. (1986) *The Source of Social Power* Vol. I. A History of Power from the Beginning to A.D. 1760. Cambridge University Press.

Mann, M. (1993) *The Source of Social Power* Vol. II. The Rise of Classes and Nation-States, 1760-1914. Cambridge University Press.

Martinussen, J. (1997) *Society, State and Market: A Guide to Competing Theories of Dev*. Zed Books.

North, D. (1995) The New Institutional Economics and Third World Development. In J. Harriss and others *The New Institutional Economics and Third World Development.* Routledge.

Nugent, Jeffrey B. (1993) Between State, Market and Household: A Neoinstitutional Analysis of Local Organisations and Institutions. *World Development* 21: 4, 623–632.

Ostrom, E. (1996) Crossing the Great Divide: Coproduction, Synergy, and Development. *World Development* 24 :6, 1073–1087

Pestoff, V. A. (1998*) Beyond the Market and State: Social Enterprises and Civil Democracy in a Welfare Society.* Ashgate.

Peterson, M. J. (n.d.) Transnational Activity, International Society and World Politics. *MILLENIUN: Journal of International Studies* 21:.3 Winter, 371–388.

Popper, K. (1994) *In Search of a Better World: Lectures and Essays from Thirty Years.* Routledge.

Putnam, R. (1993) *Making Democracy Work: Civic Tradition in Modern Italy.* Princeton: Princeton University Press.

Putzel, J. (1998) Non-governmental Organisations and Rural Poverty. In S. Silliman and L. Noble (eds.) *Non-governmental Organisations in the Philippines: Civil Society and the State.* Honolulu: University of Hawaii Press.

Rengger, N. J. (1992) A City which Sustain All Things? Communitarianism and International Society. *MILLENIUN: Journal of International Studies* 21:3, 351–369.

Sachs, W. (ed.) (1992) *The Development Dictionary: A Guide to Knowledge as Power, Sixth Impression.* Zed Books.

Seligman, Adam B. (1992) *The Idea of Civil Society.* New York: Free Press.

Seligman, A. (1993) The Fragile Ethical Vision of Civil Society. In B. Turner (ed.) *Citizenship and Social Theory*. New Delhi: Sage.

Sen, A. (1997) *Development Thinking at the Beginning of the 2st Century*. DERP No. 2. Development Economics Research Programme, STICERD, LSE.

Sen, G. (1996) Gender, Markets and States: A Selective Review and Research Agenda. *World Development* 24:5 821–39.

Smith, M. P. (1988) *City, State, and Market: the Political Economy of Urban Society*. Basil Blackwell.

Steiner, George (1989) *Real Presences*. London: Faber and Faber.

Strange, S. (1993) *States and Markets*. Pinter.

Taylor, Charles (1995) Invoking Civil Society. In *Philosophical Arguments* 204–24, 303. However, the copy I have, I obtained from LSE Library's Special Collection [P8520] has been republished in *Contemporary Political Philosophy* 66–77.

Tester, K. (1992) *Civil Society.* Routledge.

Todaro, M. (1994) *Economic Development* (5th edition). Longman.

UNDP (1997) *Reports (UNSP 2 & 3)*. Islamabad. UNDP.

Whaites, Allen (1996) Lets Get Civil Society Straight: NGOs and Political Theory. *Development in Practice* 6: 3, 240–44.

Wheeler, N. J. (1992) Pluralist or Solidarist Conceptions of International Society: Bull and Vincent on Humanitarian Intervention. *MILLENIUN: Journal of International Studies* 21:3 463–487.

White, G. (1996) Civil Society, Democratisation and Development. In G. White and R Luckham (eds) *Democratisation in the South: the Jagged Wave*. Manchester: Manchester University Press. Chapter 5.

Wolfe, C. (ed.) (1998) *The Family, Civil Society and the State.* Rowman and Littlefield Publishers.

World Bank (1997) *World Development Report*. Oxford University Press for World Bank.

Wuyts, M., M. Mackintosh, and T. Hewitt (eds.) (1992) *Development Policy and Public Action.* Oxford University Press.

The comments were not received in time for press. *Ed.*