

**Whose Public Action?  
Analysing Inter-sectoral Collaboration for Service Delivery**

**Pakistan Country Review  
History of State-NSP relations**

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# Table of Contents

## **Section-1: Purpose**

Methodology and report format  
Defining NSPs

## **Section-2: State and NSP relations: the current status**

## **Section-3: Stepping back: the origin of organisational culture in South Asia**

## **Section-4: The post-independence period: 1947-1958**

Ayub Khan's martial law: 1958-1971  
Bhutto's Islamic socialism: 1971-1977  
Zia's Islamization agenda: 1977-1988  
Return to democracy: 1988-1999  
Formalisation of state-non-state relationships: the Musharraf era

## **Section-5: Conclusion**

A link to the literature

## **References**

# **Pakistan Country Review**

## **History of State-NSP relations**

### **Section-1: Purpose**

The analysis of the international literature on partnerships and policies of the Government of Pakistan vis à vis engagement with Non-State Providers (NSPs) within education, health, and water and sanitation undertaken in stage 1 of this project, confirms current interest in 'partnerships' within development theory and practice. Najam (1998) identifies a striking trend towards an increasing interaction between nongovernmental and governmental entities all over the world. Others show how this interaction, often referred to as 'partnership' has become 'in vogue' (Lewis 1997), a 'new paradigm' (Rao and Smyth 2005) and a frequently used buzzword in development debates (Haque 2004). Partnership is now an oft-used term in government policies and development rhetoric (Pettigrew 2003). Review of government policies, and existing programmes, within the three sectors in Pakistan, shows a similar push towards 'public-private partnerships' in service delivery within the three sectors.

Against this, the purpose of this paper is threefold: one, to provide a historical account of the evolution of NSPs in Pakistan and the factors that have affected their relations with the state over time leading to the current interest in 'public-private partnerships' (PPPs); two, to contribute analytically to the partnership literature as to whether the experience in Pakistan supports or contradicts the experiences being documented in other countries; and, finally to link where possible, the analysis of this report to the programme and case selection.

It is important to note here that, in this paper, the emphasis is on state-NSP 'relations.' The term relations has been preferred over 'partnership' as the focus is on documenting even loose or indirect government influence on working of NSPs. True that the term 'partnership' has also often been used for loose arrangements. In fact, Brinkerhoff and Brinkerhoff (2002: 10) argue that 'partnership' is over-used, thus 'devaluing its essence ... clouding the analytic use of the term,' while Haque (2004) maintains there is no common consensus as to what 'partnership' means. Yet, despite this recognition, the term partnership overwhelmingly suggests a planned interaction and mutual sharing between the two sides. This study on the other hand is interested in investigating not just defined interaction between the state and NSPs, but also the broader economic policies, political developments, or administrative procedures -moves of the state, which affect the working of NSPs; thus the preference for the term 'relations.' An additional benefit of making this distinction right at the outset is to be able to then trace more clearly, when in a given country context, the shift was made towards more formal partnership arrangements and for what reasons.

### **Methodology and report format**

In developing an historical account of the nature of relations between state and NSPs in Pakistan, this paper relies on existing literature on the subject, government policy documents, Five Year Development Plans, interviews with prominent civil society members who have seen the NSPs evolve, academics, and senior officials within the ministry of education, health, and social welfare. The analysis also draws upon the country strategy plans of the multilateral and bilateral donors based in Islamabad to understand their role in the evolution of state and NSP relations in Pakistan.

In the case of Pakistan, due to long periods of dictatorship, any historical analysis of the 59 years of the country's history is divided in line with different regimes: post-independence period, Ayub's martial law, Bhutto's Islamic socialism, Zia's Islamisation agenda, the return to democracy, and the Musharraf era. This paper follows the same analytical divides, and explores the nature of interaction between state and NSPs under different military and elected leaders. But, before that a word on terminology.

## Defining NSPs

A paper attempting to develop an understanding of the nature of relations between NSPs and the state must first of all make clear what NSPs really are, given that the term is open to multiple interpretations. The most inclusive definition of this includes “all those that exist outside the public sector whether they operate on for-profit or non-profit principles, and including individual practitioners, firms, citizen-based organisations, NGOs or faith-based organisations” (Batley 2006: 194). Given the huge diversity of players that could fit within this inclusive definition of NSPs, and recognising that these multiple players can be driven by very different incentives, and motivations, this study focuses exclusively on non-profit non-governmental actors involved in service delivery. In practice this includes service delivery NGOs, and traditional voluntary organisations. The purpose of narrowing down the focus is to make the project manageable and to have some depth of analysis at least about one form of NSPs rather than covering all superficially. This clarity of focus was particularly important given that the research is focused on three countries.

The reason, in turn, for making a distinction between NGOs and traditional voluntary organisations, is that in the literature on NGOs within development studies, there is a growing recognition that NGOs are a unique phenomenon, which has arisen across the developing world since the 1980s with the rise of international development aid (Edwards and Hulme 1995; Tvedt 1998). The literature notes that a rich history of voluntary organisations undertaking service delivery prior to rise of NGOs has often been ignored within the development literature (Anheier and Salamon 1998; INTRAC 1998). In fact, the term NGO has come to acquire a very specific meaning, which is often linked to development aid. In the literature there is also a recognition that the motives for setting up the two types of NSPs can vary given that many NGOs are driven by monetary interests linked to receipt of development aid rather than by an ideological commitment and are often distributed by the public (Harper 1996; Tvedt 1998; Sperling 1999; Bano 2005). Therefore, acknowledging this distinction can help compare the nature of relations that the two might form with the state.

Loosely defined, the term NSP in this paper is then being used to include NGOs and traditional voluntary organisations involved in service delivery. This by definition implies that organisations primarily involved in advocacy are not a focus of this paper. FBOs, which also act as social service providers are also excluded from the study because of the recognition that FBOs constitute a very diverse number of players and including them in the analysis will bring in the factor of religion in determining NSPs' relations with the state which, given the time and resource constraints of this project, is impossible to investigate in depth.

CBOs, which are another category of NSP often held distinct from NGOs because of their small scale (normally community/village based, membership organisations), are also only of relevance for this paper, if they are part of a broader programme of relations between state and NSPs. The paper thus focuses on non-profit providers of service delivery within education, health and water and sanitation, which attempt to serve the poor. The other types of NSPs are only being engaged with to the extent that they help situate the NGOs/voluntary organisations within the broader NSP arena.

## Section-2: State and NSP relations: the current status

Pakistan today has a large number of NSPs: the total number of registered non-governmental organisations is estimated to be 45,000 (PCP 2002). The most quoted survey of Pakistani NGOs shows that only 18 percent of the registered organisations are involved in advocacy, thus an overwhelming majority is involved in service delivery (Shaus-Pasha et al 2002). Also, the concentration of NSPs is not equal across the three sectors. In fact, the highest concentration is of FBOs involved in religious education (madrasas), which form 30 per cent of the total registered organisations. After that the next biggest concentration is of NGOs/voluntary organisations involved in secular primary education (8 percent) followed by health (4.5 percent) (Shaus-Pasha et al 2002). The survey does not categorise NGOs on the basis of water and sanitation thus making it difficult to estimate the scale of NSPs involved in this sector. There is also currently a lot of emphasis within government documents on 'partnership' between state and non-state providers in all the three service sectors. The Poverty Reduction Strategy Paper, which is the key policy document feeding into sector strategies for each of the three sectors, notes public-private partnerships as one of the six fundamental principles of the reform strategy: "it (PRSP) is public-private partnership oriented," (GoP 2003).

At the same time all the key international development donors in Pakistan are actively supporting these partnerships. For example, the design of the National AIDS programme in Pakistan, which makes NSPs a critical player in implementation of the programme, largely draws upon a World Bank loan, where the Bank played a key role in the design of the programme (PNCA 2006). The next section provides a brief account of the evolution of the NSPs in Pakistan in response to state policies and incentives overtime. It is important to mention here, that the sectors' characteristics do not seem to make a difference to the way State-NSPs relations have evolved; as will be seen below, the difference in approach was really linked to changing state ideologies and international development discourse over time.

### **Section-3: Stepping back: the origin of organisational culture in South Asia**

In recording the relations of NSPs with the state in Pakistan, it might be useful to remember that the very rise of organised voluntary activity within social sectors, in South Asia came in response to socio-economic and political changes ushered in under British rule (Seal 1968). The fact that the different religious identities living in South Asia had historically had a rich history of philanthropy and giving is well documented (Bayly 1973; 1983; Haynes 1987; 1992). However, much of this activity was individual based or was closely linked to religious festivals. Haynes (1987; 1992), in his work on Surat City, highlights how Hindus, Muslims, and Parsis engaged in different philanthropic activities due to their different religious beliefs. He also notes how many of their practices were shunned by the British, who found many of these practices opposed to their notion of philanthropy. In 1910 the district collector, attempting to persuade residents to donate to a school run in memory of Edward VII, reasoned: "Far better it is to lay out your riches on such lasting objects than to waste them on fireworks, in music and other extravagances, and yet I am assured that the annual expenditures in the city on fireworks alone is probably as great as will be required for the memorial we propose" (Haynes 1992).

This is not to deny that there was also a strong organisational culture in South Asia prior to the colonial period, but it was mainly faith-based. For example, among Muslims in South Asia, while many of the madrasa (religious schools) were supported by state funding, many also drew on public donations (Nizami 1983). Similarly, sufi shrines, that also provided free food, boarding and lodging to the public, were largely supported by public donations (Sherani 1991). But, colonial rule did lead to new forms of associational activity within the sub-continent, which led to formation of secular associations though often embedded in a religious ethos (Seal 1968). These local associations took a wide variety of forms: literary and debating societies, leagues for self-betterment, reading groups, societies for social and religious reforms, vakils' and teachers' associations, etc. Many of these were aimed at self-help but many were formed for public causes. Initially, it was religious zeal or caste solidarity that encouraged the propensity

towards associations, but during the course of the “century more of the associations in India were brought into being by groups of men united by secular interests,” (Seal 1968, 194).

These associations were products of many socio-economic changes that had come under British rule. Two developments were particularly important: first, the socio-economic changes under colonial rule that led to the rise of common skills and functions, a common education, and common aspirations and resentments against the policies of the Raj (Seal 1968, 202); second, the Christian missionaries’ campaigns ~~that had launched a campaign~~ against Hinduism and Islam, generated a response within these respective religious groups. These associations drew support from students, or professional men, landlords, and merchants in a limited geographical area, but the more ambitious organisations extended and began to search for ways and means of working together in India as a whole, a trend, which culminated in the Indian National Congress (Seal 1968, 195).

The dramatic surge of such associations can be judged from the fact that the British introduced new legislation to regulate them. In 1860 the British Government passed the Societies Act, initially operative only in Madras, Bombay and Calcutta. The primary motive was to more strictly regulate the voluntary associations, especially the cultural societies that it blamed for the insurrection of the sepoys in 1857. Next, the Trust Act of 1882 was passed; the Act provided legal cover for the private acts of charity and allowed the creators of the Trust tremendous powers and flexibility of operations. There are aspects of this history that persist in current forms of non-state service provision in Pakistan. And these laws still remain in place with most ~~number of~~ NSPs in Pakistan still being registered under the Societies Act (PCP 2002).

As for the sector focus, it is clear that education (mainly the establishment of primary and secondary schools), followed by health (mainly including the setting up of dispensaries and in some cases large scale hospitals) have remained the primary activity of NSPs (Ghaus-Pasha et al 2002). There is little documentation to show the involvement of NSPs in sanitation, but setting up of tube wells or water fountains to provide clean water has also been a priority area of activity of NSPs in South Asia. However, the number of NSPs historically involved in this as compared to the other two sectors seems to be small in pre-partition periods just as today despite the fact that water and sanitation are predominantly provided by communities and households for themselves.

## Section-4: The post-independence period: 1947-1958

After partition, at least in the initial period, the focus of almost all NSPs shifted to catering to the needs of the arriving refugees. India-Pakistan partition had resulted in violent attacks on migrating communities, at the borders, so that many arriving refugees were arriving not only empty-handed but also in a state of physical harm and mental shock. NSPs played a critical role during this period especially in resettling migrants and providing them basic necessities of life. The focus remained on helping them settle down, get basic health care, and gradually move towards ensuring education of the refugee children.

Organisations with a pre-partition existence, for example the Anjuman-~~I~~-Hamiat-Islam, played a key role in settlement of refugees. At the same time, new organisations came about at this time to address the needs of the refugees. The educated urban women, mostly family members of the leaders of the Muslim League and government officials, were among the most active members of NSPs during this period (Mumtaz and Shaheed 1987). Rana Liaquat Ali Khan, the wife of the first prime minister of Pakistan established the Women’s Volunteer Service (WVS) to facilitate the refugees’ rehabilitation in 1948 (Mumtaz and Shaheed 1987). ‘The services provided by the WVS included supplying food, medicines, first aid, establishment of an employment exchange bureau, a widow’s home, a marriage bureau, a lost and found bureau, and abducted women’s home,’ (Ghaus-Pasha and Iqbal 2003).



Gradually, as the refugee issue settled down, these organisations moved back to issues of general concern for the population and increasingly expanded into provision of basic education and healthcare, small-scale income generation, women's issues and population control. For example, the All Pakistan Women's Association (APWA), which was established in 1948 and remained the most influential women's platform in Pakistan for the first three decades, shifted its focus to education, health and poverty reduction through income generation, after its initial focus on settlement of refugees.

Many health NSPs also developed within these initial periods. Edhi Trust, which is the largest relief and rehabilitation organisation in Pakistan today, was established in 1951 (Durrani 2001). The Foundation also has a strong health focus and initially started as a dispensary. It is today also the largest non-profit ambulance service provider in Pakistan. Many other important platforms also developed within this period, including the Girl Guides and the Red Cross, and the Family Planning Association of Pakistan (FPAP).

During this period, there is no clear pattern of interaction between the state and the NSPs. The state was facing many formative challenges including to do with its very formation with constant tension between a British trained bureaucracy, weak political elite, and a strong military (Ali 1970; 1983; Noman 1990). The NSPs also realised the limitations of the newly formed state and appear to have been satisfied to play a supportive role. ~~The women-led~~Women's initiatives were anyway being led by members of elite families whose husbands were in position of power within the government, so the relationship between NSPs and the state remained loosely collaborative and supportive rather than confrontational. The NSPs in the very initial period, thus, remained sympathetic to the limitations of the state in ensuring service delivery.

The state on its part also remained interested in utilising NSPs' services. In 1951, government utilised the services of the United Nations Technical Assistance Administration for training and technical assistance of social workers in Pakistan (Ghaus-Pasha et al 2003). The government established the National Council of Social Welfare in 1958 to coordinate the activities of the NSPs, disburse grants to them, and use them effectively in provision of social services. On the whole, in this period, there is little ~~role-influence~~ of international development aid on working of NSPs, as any aid coming was directed mainly to the state (Ghaus-Pasha et al 2003).

### **Ayub Khan's martial law: 1958-1971**

The imposition of military rule, brought an end to the first decade of uncertain and weak governments, and installed a military regime, which was to stay for a decade. Being a military ruler, Ayub Khan clamped down on advocacy groups or any form of political activity within society; this repression of public voices, along with systematic economic and political marginalization of West Pakistan, was critical in the latter opting to form as an independent state of Bangladesh in 1971 (Ali 1970; 1983; Noman 1990). However, Ayub was keen to support the non-political welfare-oriented voluntary organisations. He initiated a Grant-in-Aid programme that channelled state funds to NSPs to improve social service delivery and this led to an increase in NSPs. This helped him strengthen his own image as a social reformer. In 1961 the Voluntary Social Welfare Agencies Ordinance was introduced. According to this Ordinance, "a voluntary social welfare agency is defined as an organization, association or undertaking established by persons of their own free will for the purpose of rendering welfare services and depending for its resources on public subscription, donations or Government aid." (Ghaus-Pasha and Iqbal 2003). The Ayub era witnessed a major rise in aid flows especially from the US because of Pakistan's geo-political importance in the cold war period (Zaidi 1999a). Some of this had also translated into the Grants-in-Aid programme directed towards NSPs, but direct interaction between international donors and NSPs was rare.

### **Bhutto's Islamic socialism: 1971-1977**

As opposed to the relatively cordial and mutually supportive relations between NSPs and the state during the first two decades in Pakistan, the government of Zulfikar Ali Bhutto, the first elected Prime Minister of the country, dramatically transformed the nature of relations between the two sides. Bhutto had come into power under the banner of 'Islamic socialism,' with the slogan of "bread, clothing, and house" for everyone. His government argued for a strong role of the state in social service provision. He undertook a major nationalisation programme, which apart from the commercial sector also nationalised the education institutions run by the NSPs. The government nationalised 19432 privately managed educational institutions run by NGOs and family trusts (Ghaus-Pasha and Iqbal 2003). This was also accompanied by the induction of 25000 teachers into government service (Ghaus-Pasha and Iqbal 2003).

This period therefore witnessed a straining of relations between the two sides as NSPs lost control over their institutions. Despite good intent, the government was unable to ensure an efficient take over of these establishments so that the standards in many of these institutions deteriorated dramatically during this period. This experiment on the whole proved a waste of time and energy on both sides as at the end of the Bhutto era these institutions were again denationalised, and returned to their parent NSP, such as Tameer-e-Millat, an NGO that ran a chain of schools across Pakistan. Bhutto era is significant in Pakistan's history for maintaining a relatively independent foreign policy vis à vis the USA. The aid flows to Pakistan came downfell during this period, and development institutions had little role to play in the shaping of state and NSP relations in this period.

### **Zia's Islamization agenda: 1977-1988**

Another military coup in 1977 brought an end to Pakistan's first engagement with democracy. The timing of this shift was important as it coincided with important international events: Afghan Jihad, the weakening of the Soviet Union, rising international influence of neo-liberal thinking through the Bretton Woods Institutions, and the influx of international development aid to non-governmental organisations as opposed to the state in developing countries (Bano 2005). All these factors played an important role in shaping the voluntary sector in Pakistan. It is in the early eighties that Pakistan registered the birth of 'NGOs' as a specific form of NSP, and a dramatic shift of prominent leftist workers to this platform. What this new term represented was a new way of funding social or voluntary organisations, where these organisations could apply for development aid. Zia, like Ayub, encouraged NSPs due to their non-political nature, though he openly suppressed the leftist, women rights and other advocacy based groups (Mumtaz and Shaheed 1987). Zia period also witnessed a high influx of aid to both state and non-governmental organisations in Pakistan due to the government's willingness to support the US in resisting the Soviet war in Afghanistan (Zaidi 1999a). According to the estimates of a survey of about 2000 non-profit organisation, over 27 percent of currently active organisations surveyed were established during 1978 to 1987 (Ghaus-Pasha et al 2002).

The fact that NGOs arose as a distinct phenomenon during this period largely in response to availability of donor aid, is reflected in the statement of the head of one of the biggest NGOs in Pakistan, who was once an active member of the left: "I came across the term NGO for the first time in 1982 in the Dawn newspaper. I called up a friend in the government ministry to ask what this really means." Similarly, as Munnoo Bhai, a prominent public intellectual and columnist, adds: "The term NGO came to Pakistan after the 1970s. It came to Pakistan in *Lunda* (second hand items like clothes and shoes sent from west to the developing countries)." Also, many argue that in the first decade the main NGOs were set up by people from the left (Bano 2005).

As for the reasons for this shift, interviews with and journalistic writings of prominent activists and thinkers in Pakistan indicate that Zia ul Haq's repression of the left as well as internal weakening of the leftists groups due to the Sino-Soviet split and the gradual decline of the Soviet Union were important factors (Bano 2005). After the dissolution of the Soviet Union,



many prominent members of the left joined NGOs, argues Dr Mehdi Hasan, a prominent academic and member of the left<sup>1</sup>.

It appears that the internal weakening of the left due to internal and external factors coincided with the influx of aid for non-governmental organisations through international development organisations. “The donors were looking for individuals who talked of public concerns and the left was most trained in that jargon,” adds Rana Shafiq ur Rehman<sup>2</sup>. For the people from the left who were tired of internal political repression and slightly disillusioned with the socialist ideology, the idea of getting funds to set up organisations where they could do the work they wanted was very tempting. “Many leftist leaders joined the NGOs because they realized that it is difficult to mobilize people purely on basis of ideas; it is much easier to build a relationship when you go to them with a school and a dispensary. Many therefore opted for NGOs,” argues Dr Nayyer, a prominent physicist and activist in Pakistan<sup>3</sup>.

However, all these observers also note that this shift towards NGOs led to a change in the way these people worked. When talking of their former leftist colleagues who have now joined NGOs, there are often concernsgrumbles about the high salaries that they draw as heads of NGOs and lack of any ideological commitment due to having to keep shifting with the donor agenda. In August 2006, a seminar on NGOs’ accountability, organized by Action Aid Pakistan in collaboration with the Human Right Commission of Pakistan, noted many of these concerns. The Seminar, which brought together leading NGO practitioners from across the country, saw many senior NGO officials acknowledge the negative repute of NGOs among the public, and questioned NGOs’ performance and lack of commitment to an ideological agenda due to dependence on donor aid.

But, it is also a fact that, despite these concerns about NGOs, they have continued to expand since the 1980s, and their number and influence on government policy and planning has continued to increase and formalise over time (PCP 2002). Whether this rise in NGOs is a result of genuine public action or a result of incentives provided by development aid, and whether the Pakistani state has willingly given a bigger role to NGOs in policy and service delivery or has done so under pressure of the international community are debateable questions. But, as discussed above and as will be seen in the next sections, the role of international development institutions has been one important, if not the sole, factor leading to these shifts.

## **Return to democracy: 1988-1999**

The 1990s saw continued proliferation of NSPs, with increased availability of development aid being challenged through them. It is also in the 1990s that the first formal attempt at establishing a formal relationship between the state and NSPs in delivery of basic social services across education, health and water and sanitation was witnessed under the Social Action Programme (SAP). Initiated in 1992 at a cost of \$7.7 billion, SAP became the main social sector reform initiative in Pakistan for the 1990s (SPDC 1997; 2000). Though the Government of Pakistan provided 76% of the funds, the international donor community had a great say in shaping the project primarily because all the key multilateral and bi-lateral donors formed a consortium to pool their funds through this programme. It was made a condition within SAP design that a certain portion of social service delivery must be ensured through NSPs. The emphasis on involving NSPs was largely normative where the idea was to involve NSPs in order to ensure accountability and community participation. In reality, SAP, unlike the current programmes, did not recognise the private for-profit sector as a partner (SPDC 1997; 2000). NGOs were also treated with mistrust where NGOs—they were engaged under contractual rules set by government with little adaptation to the NGOs’ orientation, policies and interests.

At the same time, the nineties witnessed other state experiments with the NGO sector in Pakistan. A critical emergence in the NGO sector was the establishment of Rural Support

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<sup>1</sup> Interview with Dr Mehdi Hasan, Islamabad.

<sup>2</sup> Interview with Rana Shafiq ur Rehman, Lahore.

<sup>3</sup> Interview with Dr Nayyer, Islamabad.

Programmes (RSPs) in the nineties. Inspired by the success of AKRSP, a project of the Aga Khan Foundation in the Northern Areas of Pakistan, the government of the time sought to emulate the programme by creating a National Rural Support Programme plus four provincial Rural Support Programmes, with the help of grants from multilateral and bilateral donor agencies. It can be argued that part of motivation for setting up the RSPs was to balance out growing influence of NGOs by setting up these semi-autonomous structures. Similarly, Education Foundations were established at national and provincial levels.

The RSPs as well as these Foundations act as semi-autonomous bodies and are often referred to as GONGOs (Government NGOs). The catch here, however, was that these organisations became competitors for the same donor funds as were available for the NSPs. As a consequence, RSPs have their supporters as well as critics. Critics argue that they are stepping on the space and resource ideally meant for NGOs. Supporters argue that their connection with the government helps better delivery of social services, and provides more opportunities to bring subtle changes within the state system. In view of an official at the World Bank Pakistan office, engaging with the state through the RSPs kind of model provides more opportunity to bring change within the social service delivery within the state system than working through NGOs who stay outside the system. For donors, RSPs due to their huge structure understandably provide a much safer bet. RSPs' ability to attract development funds has resulted in their continued expansion and today they are dominating major partnerships with the state across the three sectors – education, health, water and sanitation.

Another occurrence of the 1990s has been the evolution of NGO support organisations. These organisations, themselves registered as NGOs, provide capacity building training to smaller NGOs. Examples are Strengthening Participatory Organisations (SPO), South Asia Partnership Pakistan (SAPPK), the NGO Resource Centre and the Frontier Resource Centre. Also, in 1997, the Pakistan Poverty Alleviation Fund (PPAF) was set up as a non-profit and autonomous private company to mobilize and assist poor communities in developing income-generating activities through human resource development and micro-credit programmes. This ~~had~~ theplaced greater emphasis on water and sanitation projects. Similarly, Khushal Pakistan, established in the Musharraf era, is one of the most important sources for financing and developing sanitation infrastructure.

However, there is little to suggest that the changing democratic governments of Nawaz Sharif and Benazir Bhutto willing gave this increased space to NSPs. Rather the democratic governments resisted the rising influence of these organisations as they were seen to be unaccountable; also the NSPs could be seen to threaten the constituencies of the politicians through their development work in that area. In 1996, the government proposed a law regarding registration and working of non-profit organisations (PCP 2002). An NGO Bill was proposed, which was resisted by the NGOs, many of whom came together to form the Pakistan NGO Forum (PNF). The Bill was eventually not pushed through due to multiple factors including the change in government. Nuclear tests by Pakistan in 1998 led to reduction in aid flows to the country, which also affected the level of NGO activity. But, as will be seen, the dramatic surge in aid flows post-September 11 has dramatically expanded NSP activity in Pakistan at the current point in time. Moreover, the emphasis on the millennium development goals has moved the emphasis from involving them in government social service projects due to the normative value of community participation to outright talk of partnership and resource mobilisation.

### **Formalisation of state-non-state relationships: the Musharraf era**

NGOs have continued to grow in Pakistan under the present government. More importantly, the state has explicitly adopted the language of 'Public-Private Partnership': the Poverty Reduction Strategy Paper as well as sector reform plans explicitly use this term (GoP 2003). The NSPs, for-profit as well as not-for-profit, are being seen as key partners in PPP. The emphasis on PPP runs across the three sectors. The Poverty Reduction Strategy Paper (PRSP) maintains:

“Recognizing immense contribution of the private sector and NGOs in the social sectors, the ESR is anchored in development of partnerships between the private sector, civil society organisations, and the public sector. Public-private partnerships are critical to reaching the goals of access and quality at all levels of education creating possibilities for both voice and choice and improved service delivery” (p. 70, GoP 2003).

One obvious reason for induction of PPPs is that the sitting government is pro-market. But, the influence of the international development institutions is also very clear given that many of these strategy documents frame PPPs within the Millennium Development Goal No. 8 of Forming Partnerships in Development (GoP 2003). Moreover, the Musharraf government inducted leading NGO personalities as ministers and advisors within the social sector ministries at national and provincial level from the very outset. The strategy was obvious: these development practitioners gave the military regime a civilian face, which it badly needed in the initial days to win support of foreign donors and the international community in general. Either way, the familiarity of these NGO people with the donor language clearly had an impact in the drafting of the strategy papers.

This was most obvious within education where the Federal Minister for Education and one of her key advisors, came from an NGO background with a prior history of engagement with the donor community, and were highly regarded by the donor community. For example, the head of UNESCO in Pakistan wrote an article in *The News*, a leading national daily, appreciating the Minister’s commitment to education and her understanding of the challenges. It was more than a coincidence then that the social sector policies, especially within education became increasingly a reflection of thinking of the international development institutions. This Minister, who was later removed, actively promoted the idea of privatisation of education, including primary education, and the Education Sector Reform Strategy (ESRS) prepared ~~under by her~~ and her team of advisers gave great emphasis to ‘public-private partnership’.

At the same time, the government has undertaken devolution to establish its democratic credentials, and claims to have increased opportunities for engagement between the state and non-state providers at all levels. As part of Pakistan’s Local Government Ordinance 2001, there is also an attempt to formalise many aspects of informal community participation mechanisms through formation of Citizen Community Boards (CCBs). Local governments are required to allocate 25% of their annual development budgets to CCB projects. CCBs are citizens’ groups of at least 25 members that register with government and undertake projects with public funds. By July 2005 there were over 16,000 CCBs registered in Pakistan. Of these 10,150 were in the Punjab. However, the CCBs are currently marred with numerous problems and are yet to establish their credentials.

A recent independent evaluation of CCBs in five districts of Punjab (Lahore, Hafizabad, Jhang, Faisalabad, Narowal) commissioned by the World Bank found that the informality and flexibility required to work with community groups is lacking in government. Local governments are not equipped to deal at a micro-level with community needs and are governed by rules and procedures that do not allow flexibility. Processes of CCB registration and project execution are unclear to communities; they are complicated and lengthy. Rent-seeking commonly delays and discourages CCBs from forming or surviving. Technical departments are required to subscribe to procedures and standards, not taking into account community capacities to implement or maintain projects. CCB members have little information about which department deals with their project type and are often frustrated that they need to make repeated visits to various offices. There is no technical or financial cap on CCB projects that adequately reflects community ability to implement projects. Often large projects are awarded to CCBs for political reasons, which they are not able to execute or maintain. CCBs are driven by a few individuals and the concept of ‘participation’ is missing. Whereas the process is very political and has led to the distribution of political largesse by politicians making CCBs, districts where there is best practice in regard to CCBs are also clearly those with a strong political will and commitment to the CCB concept.

## Section-5: Conclusion

A review of the evolution of state and NSP relations in Pakistan shows that while advocacy NGOs and political groups have been consciously snubbed, the NSPs have generally received support from the changing regimes in Pakistan except during Bhutto's socialist era, which preferred a greater role of the state in provision of basic services. The non-political nature of NSPs ~~has been was~~ critical for retaining this support in the first two decades after independence, while from the 1980s onwards the role of the international donor community ~~has become~~ critical in the shaping of the relationship. What we see is that military governments have actively courted the NSPs because they do not challenge their rule, and yet at the same time provide the military regime an opportunity to demonstrate its liberal credentials and show its concern for the well-being of the ordinary people. At the same time, we see that donor aid has had a great influence in encouraging or obliging the government to involve NSPs in formal partnerships first through the SAP programme and then through the current emphasis on 'public-private partnerships.'

Finally, we can see three types of dominant NSPs in Pakistan: first, NGOs, a post 1980s phenomenon closely linked to development aid and sharing similar commitment and motivations as documented in other parts of the world within the development literature; second, the traditional voluntary organisations, which do not engage with development institutions but are engaged in service delivery across the three sectors; third, GONGOS, including RSPs and Foundations which operate as NGOs, and today present the biggest development network within Pakistan, but have formal connections with the state.

Given that the focus of this research is on relations between state and non-state providers, it could be suspected that the nature of the relationship can vary depending on which of these three types of NSPs is engaged in the partnership. Though the programmes and the possible case studies have been selected on different criteria, ~~however,~~ it might be worth noting that the cases selected in case of Pakistan (see the programme and case selection report) for in-depth study do cover each one of these types of organisation in Pakistan. Within education, due to the focus on NFE, the case selected is bound to be an 'NGO,' i.e. an NSP reliant on development aid, since NFE, as practised in Pakistan, is a very donor aid linked phenomenon. Within health the focus is on BHUs, where RSPs are the only NSPs being allowed to enter the partnership. And within water and sanitation, the focus is on the Orangi project, which does engage with development aid, but is known to be very independent of the donors, and has an endowment established through a grant by a Pakistani Bank in early 1980s, thus making it less vulnerable to shifting donor priorities.

This provides an opportunity to at least make some comments on our initial hypothesis (since it is no longer possible to formally test it) that organisations with for-profit motives as opposed to not-for-profit ones can lead to different types of relations. Also, the comparison across the three types of case will help compare situations where the relationship has evolved in response to the interventions of development institutions and where it is a more spontaneous evolution.

Having different models thus might throw some light on whether the motives for engaging with the state across the three types of NSP are really different and whether this affects the nature of the relations that evolve across the three types. If we want the selected cases in India and Bangladesh to be able to provide us a similar opportunity to compare the motives of NSPs and study their impact on the nature of partnership, then we need to ensure that at least one of the selected NSPs does not rely primarily on donor aid and is known to be ideologically committed and independent (this is a bit of a value judgement but reputations do exist and are easily verifiable within the NGO community). But, from the discussions in the UK, it increasingly seems that this is not a serious criterion for case selection anymore. The only reason, for analysing the Pakistan data in this light is to act as a reminder, that unless we do make some conscious decision at the selection stage about including one NSP, which primarily relies on indigenous funds, or is known to act very independently of donor influence, the research will not be able to



comment on whether for-profit and non-for profit motives of NSPs lead to different relations with the state. |

## A link to the literature

Brinkerhoff (2002) argues that 'partnerships' tend to be portrayed through one of three perspectives in development-orientated literature: *normative, reactive or instrumental*.

- *Normative perspective*: In this perspective, partnerships are an end in themselves and promoted mainly by NGO advocates that critique government and donor practices by proposing a larger role for NGOs and civil society. The normative perspective takes a moral position arguing that partnerships should maximise equity and inclusiveness and that it is the most ethically appropriate approach to sustainable development and service delivery.
- *Reactive perspective to normative stream*: This perspective is donors' and governments' reaction to the normative stream perspective. Here the donors and governments reports argue that partnerships are critical to in-donor or government reports arguing that partnerships are ideal to achieve enable the achievement of development objectives, and they tend to. The reactive perspective tends to describe an organisation's partnership work in glowing terms. |
- *Instrumental perspective*: In this perspective, partnerships are a means to achieve other objectives (effectiveness, efficiency and responsiveness). ThisOne analytic thread considers particular types of relationships and purposes that are often accompanied by 'how to literature'.

What we see in case of Pakistan is a weak normative perspective as it is difficult to argue that NSPs in Pakistan have pressurised the state to allow greater involvement in service delivery on their own initiation. What is more visible in the case of Pakistan is a reactive perspective, where the donors' emphasis on encouraging government to evolve partnerships with NSPs has led to glowing reviews of partnerships. But, the important point to note here is that donors were not responding to a domestic normative perspective, as there is hardly any evidence of such a demand from NSPs in Pakistan in the 1970s and 1980s. What we see in Pakistan is the reverse. The normative stream was first led by the donor community: the donors, rather than NGOs themselves, built the pressure on the state to involve NSPs rather than the NSPs themselves. This led to increasing space for NSPs; with this increased space NSPs became more demanding of the state to engage them in service delivery projects for normative reasons. Also, what is interesting to note is that in Pakistan, there is a shift from normative/reactive perspectives to an instrumental perspective: as opposed to SAP in the 1990s, which involved community participation more on normative grounds, the current push on 'public-private partnerships' is more about effectiveness, efficiency, and resource mobilisation.

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