

## Question

Elite capture of policy making framework has adversely impacted economic development in Pakistan.  
Discuss.

Ans: Introduction:

The concept of elite capture in policy making is a situation where influential and privileged groups wield disproportionate influence over the formulation and implementation of policies, often to the detriment of societal interests. This phenomena is of significant concern in context of economic development of Pakistan. The country, with its diverse socio-economic landscape and complex governance structures, has grappled with the consequences of policies that primarily serve the interests of elite class.

Impacts on Economic development of Pakistan

1) Unequal distribution of Resources:

World Bank has direly warned Pakistan that it is at the edge of a precipice with country facing its worst economic crises. The world Bank's country chief said that Pakistan should decide that whether it wanted to remain a laggard with 40% population living below poverty line or change course to take off for brighter future. He blamed elite capture and policy decisions driven by strong vested interests of military, political and business leaders for mess.

## 2) Lack of inclusive development

Weakening of state institutions has prevented country from embarking on path of economic progress. The failure to broaden tax base is one of manifestation of <sup>stronghold</sup> small narrow elite which has left state with few resources for development of infrastructure. It also make country more dependent on foreign aid.

add references/examples to substantiate your arguments.

### 3) More burden of taxes on masses.

A major problem is failure to increase our revenue. Tax revenue as percentage of GDP has stagnated at 10 percent over last decade and has been declining while burdening the masses with more taxes as part of IMF's program. The state has refrained from broadening the tax net to real estate, retail business, and big landlords.

It is basically corporated interests that determine our financial priorities  
(Zahid Hussain)

### 4) Adverse Economic Situation

According to world Bank official Pakistan is facing an existential threat with worsening human resource capital and economic crises. Over 39% of population living under poverty line. Pakistan's per capita income is the lowest in South Asia. The worsened

Economic condition has impacted the majority of interests, especially low and middle income segments and small business. Mounting seg debt and dwindling foreign exchange reserves are biggest challenges. Without immediate fiscal reforms, could lead to economic collapse.

do not leave these lines.....

## 5) Shape policy priorities:

There are many countries who have gone through similar crises but they managed to recover and moved to a path of sustainable growth by making right and timely decisions. The problem with Pakistan is much more serious with continuing elite capture of state power that provides total control of vested interests shaping our policy priorities.

add more arguments in this part. this was the main part asked in the qs.

## How to combat it?

### 1) Ensure Transparency and Accountability:

Elite capture has been identified as significant problem in Pakistan, whose elites have strong representation in Parliament and have been dubbed as "electables" who align with different ruling parties to continue protecting and perpetuating their vested interests. These should be constitutional.

amendment to limit the number of terms that parliamentarians can serve to prevent the entrenchment of dynastic politics and elite interests. There should be law to ensure transparency and accountability of political funding to prevent the influence of moneyed elites on policy making. Additional law should establish an independent anti corruption commission with the power to investigate and prosecute cases of elite corruption and misuse of public interests.

## 2) Encourage the Merit based Recruitment

There should be merit based and competitive recruitment and promotion system for civil servants and nepotism that elites use to control the bureaucracy. There should also be performance based

evaluation system and incentives for civil servants to encourage efficiency and effectiveness in service delivery.

### 3) strengthening of Judicial independence

There should be judicial reforms to ensure the independence and impartiality of judiciary to prevent the interference and manipulation of elites in judicial decisions. There should also be judicial reforms to improve the accessibility and affordability of justice to enable poor and vulnerable groups to seek redress for their grievances.

### 4) Political reforms for Checks and balances on government

Political reforms should be made to introduce proportional representation in electoral system to ensure fair and representation of diverse groups and interest in

in parliament. There should also be political reforms to strengthen role of opposition parties, civil society organisations, media, and watchdog groups. ~~to~~ provide effective oversight and checks and balances on government.

## Conclusion

### 5) public awareness

public evolutionary movements are critical for creating awareness about elite groups - it is the people who could break the power nexus of elites in Pakistan.

### 6) Economic Reforms for taxes

There should be economic reforms agenda to broaden tax revenue to reduce reliance on external debt, and end that elites



use to finance their rent seeking activities - There should be economic reform to redistribute wealth and ~~eco~~ income more equitably to reduce gap between rich and poor that exploits <sup>elites</sup> for their benefit.

## Conclusion

In conclusion, the phenomena of "elite capture" within Pakistan's policy making framework has undeniably determined detrimental effects on country's economic development. It has led to allocation of resources and benefits in a way that primarily affect favors the interests of elites, exacerbating income inequality and impeding the broader socio-economic progress of Pakistan. Addressing this issue is crucial for Pakistan's future economic development and social stability, as fostering a more inclusive and transparent policy-making process is essential for unlocking the country's full economic potential.

improve the structure of the answer. add more arguments in the relevant section.