



THE MISLEADING STORY OF ELITE CAPTURE IN PAKISTAN

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Modern societies are structured by organizational and value hierarchies. This hierarchical feature ends up creating social inequities economic insecurities and populist political imaginaries. People and communities who found themselves lurching on lower echelons of the hierarchy feel disgruntlement that feeds into political projects looking for a villain responsible for their demeaning status. The desperation feeds into anger that lends itself to popular myths or ready-made answers to a complex existing social reality. Such lazy thinking is tolerable in politics as it is contentious by default and every social group tries to push the allocation of resources in its favor. However, if the same sort of thinking starts becoming part of the wider academic and policy discourse it causes concern. I fear the same is the case with elite capture theory.

The theory form of thinking ideally performs two

functions a) description of a given phenomenon in such a manner that enhances its comprehension b) critically re-formulating the approach these phenomena could be studied. Loosely, it could be argued that any theoretical exercise helps us to connect the analysis of the social reality (ontology) with the ideational framing of that analysis (epistemology). The vacuousness of elite capture is unsurprisingly clear in dealing with both ends. Neither does it help in explaining what causes economic decline, political ineptitude or/and policy ad-hocism in Pakistan, nor does it provide a coherent and concrete critical frame of reference. The next question popping out of the discussion is why it attained such ubiquitous currency in both popular and academic social worlds.

Scholarship in social sciences in Pakistan remains very basic and the quality of training in social science is

even lower by regional comparisons.¹³ The predominance of Anglo-Saxon methods of inquiry and economic thinking is not a new thing but its preponderance increased manifold after the Washington Consensus became the sole ideology of economic policymaking. The trickle-down effects of this mode of thinking started to make pathways into diverse territories of the globe resulting in the re-ordering of institutional terrains and re-fashioning of the political economy scholarship. The focus of the scholarship started to shift away from inequality, distribution and fairness to efficiency and innovation as the guiding principle. The two leading signifiers of this ideational framing were growth and governance spelled out first in the world Bank Report, *Governance and Development*, published in 1992.¹⁴ The governance instead of government emerged as the central plank of the regulatory state. Bank explained the governance in following words;

“Governance is defined as the manner in which power is exercised in the management of a country’s economic and social resources for development”.

Management is the keyword that helps in interpreting the semantic space occupied by the noun, governance. The normative intention of the statement is expressed in the statement by underlining that to attain development it is necessary to achieve the most efficient forms of management. Any other moral concerns are at best subservient to the goal of attaining better management. However, the report did not stop here and further elaborated the idea of governance by stating:

“Good governance is synonymous with sound development management”.

The governance in this discursive framing pinned with another adjective to further narrow down the range of policy options¹⁵. This global managerial turn in thinking about development was a result of the emergence and consolidation of deregulatory forms of capitalism.

After the 2008 global crisis and later the squeezing of developmental aid the sole focus on managerial form of thinking stood questioned. The global anti-capitalist movements raised concerns about the manner global economy was running for the betterment of the few. This global failure was more pronounced in the Global South where billions in the name of developmental intervention created no visible difference. The scholarship on development by that time was already tackling with causes of design failures in developmental intervention.

Elite capture, these studies argued, is the most efficient cause of the failure of such programs.¹⁶ Later on, the very concept of elite capture was seized by World Bank allied institutions to explain the causes of bad governance at national levels. This insensitivity to scale further reduced the analytical prowess of the concept but the gap was filled by rhetorical hype.

UNDP published a report on the elite capture in Pakistan¹⁷ and it generated a lot of heated discussion in Pakistan. However, the analytical framework of the report remained largely rickety. The military, which is mostly recruited from the poor and middle classes, was attached to corporate and landed classes. Classes were mixed with institutions and the umbrella term ‘elite capture’ was used to connect all these varying actors to support the narrative. The report mostly analyzed the elite capture from a tax evasion angle and calculated how much money Pakistan could save if these elites were taxed. This narrative sits very well with the good governance objective and with the policy prescription of raising tax revenues.¹⁸

Elite capture theory also fails to explain the inability of all regimes, since General Musharraf, to tax the retail sector in Pakistan. After the deregulation, the share of the services sector has increased manifold and the biggest chunk of it came from the retail sector. Every government has tried to document and then tax the sector but to no avail.¹⁹ The trading merchants are not part of the ruling classes of Pakistan, yet they are the source of the biggest leakage of public money.

Pakistan is a very large and socially complex country that is struggling with challenges of transparency, state capacity, poverty, bad planning, extractive bureaucracy and a pretorian political system. Populist slogans and catchy buzz phrases cannot substitute socially entrenched and empirically valid policy and development solutions. There is a need to go beyond governance-centric managerial thinking nor blaming amorphous elites is a solution. Rather such framing of the policy argument fans and feeds into populist politics that can further complicate the reform efforts in Pakistan.

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¹³For detailed discussion on the topic see SA Zaidi, "Introduction," in *Dismal State of Social Sciences in Pakistan*, ed. Syed Akbar Zaidi (Pakistan Academy for Rural Development Peshawar, 2002), 1–25; Aasim Sajjad Akhtar, "Critical Forum: Populism, Hybrid Democracy, and Youth Cultures," *Critical Pakistan Studies*, 2024, 1–31.

¹⁴World Bank, "Governance and Development" (World Bank, 1992), <https://elibrary.worldbank.org/doi/abs/10.1596/0-8213-2094-7>.

¹⁵Voltaire once famously remarked Adjectives are enemies of nouns.

¹⁶<https://pide.org.pk/research/understanding-elite-capture/>

¹⁷<https://www.aljazeera.com/news/2021/4/13/elite-privilege-consumes-17-4bn-of-pakistans-economy-undp>

¹⁸Rosita Armitage also discussed inequality in Pakistan but she also documented the insecurity of elites for details see Rosita Armitage, *Big Capital in an Unequal World: The Micropolitics of Wealth in Pakistan*, vol. 29 (Berghahn Books, 2020).

¹⁹Even in 2024–25 budget indirect measures were adapted for the sector that shows the failure on the part of government.