

Federal Cabinet of Pakistan: Role in Policy Formulation (1988-1993)

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Abstract

This paper looks into the role and working of the federal cabinet of Pakistan from 1988 to 1993. It seeks how well or not the institution of Cabinet was involved in the fields of economic policy-formulation and in designing foreign policy? It also pursues how policy-making had been affected and some weak or wrong decisions had been taken, without collective consciousness of the Cabinet, either by Prime Minister (PM) or by the inner-circle of the PM or by the military establishment especially in regard to foreign policy? The study explores that being in the office, the civilian governments along with their cabinets exercised very less power and authority, even were run with the guidance of the military establishment. The study investigates that the federal cabinet in the said period lost most of its role in policy-making on foreign relations, though, performance of the cabinet remained mixed one on economic policy front during Benazir Bhutto and Nawaz Sharif's regimes. It also inspects that making the institution of Cabinet weak was not in the best interest of the working of the elected governments. It suggests that cabinet should be provided with its due share in decision-making, so performance of the elected governments may be improved. Printed primary sources, especially books written by Federal Ministers and Advisers of the PM of the regime and few published interviews of ministers, newspapers besides a number of secondary sources have been consulted to build the argument in this study. Analytical and comparative methods have been adopted to reach to the conclusions.

Keywords: Federal, Cabinet, Policy, Institution, Formulation

Introduction:

Cabinet is an important seat of decision-making in parliamentary system of government. In Pakistan, however, it passed through various experiences and its role in decision-making and policy formulation had also observed multiple phases and various systems of government i.e. parliamentary, martial law, presidential, civilian martial law etc. The institution of Cabinet had played an important role in decision-making during early years after independence (1947-1954) and even during first Martial law regime (1958-1969) but participated in decision-making drastically less or no participation during coalition-governments' period (1955-1958) and during second Martial era of Yahya Khan (1969-1971). Its performance had remained mixed one during Zulfikar Ali Bhutto's regime i.e. significant in formulation of economic policy and dealing with the provincial affairs but less visible role in foreign affairs (1971-1977) and remained mostly weak institution during Zia ul Haq's era (1977-1988).

The period from 1988 to 1999 was unique in its nature in Pakistan's history as that short period observed four elected governments. Unfortunately, no cabinet, in this period, could complete its tenure as all were dismissed before time. Although four elected cabinets and another four interim cabinets had been established in this period, yet the paper covers the performance of the first two elected cabinets only. The first Cabinet was led by Prime Minister (PM) Benazir Bhutto i.e. from 2 December

1988 to 6 August 1990 and the second cabinet was led by PM Nawaz Sharif from 1 November 1990 to 18 April 1993. PM Benazir's cabinet was formed in coalition with MQM while agreeing on forty-five point agenda of MQM.¹ However, the government led by PM Nawaz Sharif was formed by Islami Jamhoori Ittehad (IJI), an alliance of eight political parties.² Few claimed that the elected governments were working 'under the guidance, if not control of GHQ.'³ The study, however, develops and tries to prove the argument that being in office, the institution of federal cabinet exercised very less power and authority on decision-making related to foreign policy due to military establishment but experienced less share in economic policy-formulation during PM Benazir regime due to elected head of the state i.e. Benazir Bhutto who was also chairing the Cabinet. It also emphasizes on the need of full involvement of the cabinet in the decision-making process as collective wisdom of the elected representatives of the masses who are also responsible to the parliament and then masses can definitely take better decisions in the best interest of the masses and the State.

Formulation of Economic Policy

This part of the paper compares and contrasts the performance of the cabinets of Benazir and Nawaz Sharif to formulate economic policies of their regimes. It finds a marked difference in the approach of the cabinets of both the PMs during their first regimes i.e. Nawaz Sharif came with defined objectives and economic program unlike PM Benazir's cabinet which worked

without any Minister of Finance during her first tenure and could not come with the solid agenda of economic reforms.

The cabinet of Benazir's first regime was without any finance minister. PM, who was considered as true heir of Bhutto's cult,⁴ held that portfolio. PM could not manage extra time for the best working of the ministry as she was already burdened with many other responsibilities. She could not find any competent person to be appointed on this crucial ministry during the whole tenure. She must get such a person to be elected in bi-elections in place of appointing advisors.⁵ Still another opinion suggests that she also wanted to keep major decision-making in economic field in her hands, which had been shifted to the provinces during Zia years.⁶ Mushahid Hussain believes that she was bound by the agreement with the establishment to follow the economic planning, done by the previous regime and had to accept V. A. Jaffery as Adviser on Finance (whom she had never met before).⁷ Besides it, there was no minister to look after banking and insurance, so heavy frauds and mal-practices were observed like loan-taking, heavy debts etc.⁸ Her Cabinet generally and ministers related to economic ministries were inexperienced and young who were elected and then nominated in the Cabinet on account of their affiliation with the Party or being coalition partners. They were Syed Faisal Saleh Hayat,⁹ Minister of Commerce and Industries besides Local Government and Rural Development, Rao Sikandar Iqbal¹⁰, Minister of Food, Agriculture and Cooperatives. Further, she appointed a number of advisers to the PM just to accommodate her party-men.¹¹ They

started exerting authority and used executive responsibility without being answerable to the National Assembly.¹² In addition to it, no Minister for Planning and Development was appointed even.

PPP came into power without any schema or plan of action. While abandoning socialist goals of the Party, her regime started pursuing policy of privatization but without clear goals and purpose. A high-powered Cabinet committee under Farooq Leghari was given task to design rules, regulations and the procedure of privatization.¹³ It further assigned the task to Pakistan Industrial Development Corporation (PIDC) on whose suggestion federal cabinet approved to sale five sick units but could not devise any systematic plan or strategy and was slow to implement its plan.¹⁴ The units included Pak-Iran Textile Mills, Sindh, Dir Forest Industries Complex, Shahdadkot Textile Mills, Sugar Mills Sindh and Harnai Mills Balochistan.¹⁵ It resulted in less interest of private sector and irritation of bureaucracy. Further, no industrial policy could be introduced by the regime.

Benazir's cabinet relied on ad'hoc approach to deal with the economic issues. In a cabinet meeting, Benazir blew up on cabinet secretary (Hassan Zaheer) and enquired about one hundred and six applications of common people for various kinds of jobs, submitted to her during her public meetings. Secretary told her the procedure including advertisement, test, interview etc.; one minister raised voice that whatever PM said should be considered final. Benazir, however, realized and said

that some easy way should be found for the poor who come on roads and give applications to her in place of those who apply for jobs, sitting in homes on advertisements. Then on, Cabinet approved to establish placement Bureau. It was an extempore way to settle joblessness issue.¹⁶ While following that approach, 200,000 vacancies were filled on recommendation of PPP members of parliament through placement bureau.¹⁷ It was actually overruling Federal Public Service Commission and was placing PPP workers on a lot of positions. MQM, coalition partner of the regime, was complainant of the neglect of Urdu speakers.¹⁸ The cabinet had to face criticism that it was favouring policy of patronage to give public sector jobs to its sympathizers. The same ad'hoc approach was followed in case of overseas employment of Pakistani workers. Cabinet was given with the very planned working-paper (prepared by the secretary and his team) but hardly any of the ministers had read that. They were more concerned about appointment of one thousand seasonal workers for Haj season. The job nature was water carriers, sweepers and other such professions. Every cabinet member was given quota of twenty such workers from their constituencies.¹⁹ One major dilemma of the newly appointed cabinet was that it had to go for the option of pre-negotiated structural adjustment loan agreements with the IMF and World Bank.²⁰ It included macroeconomic policy and micro pricing issues as part of the comprehensive conditionality accompanying the much needed loan.²¹ The cabinet could neither impose taxes on traders and

industrialists, who were already in IJI camp, not on feudal and agriculturists who could leave the government and in that case PPP government could lose majority. The regime could also not impose taxes on masses and wanted to give relief to them and in result, the share of developmental projects could only be decreased. Unfortunately, her cabinet team could not present a successful budget and it was issued without any finance Minister. Though her government passed budget through a lengthy process of discussion, holding seminars etc. with the stake holders including representatives of industrial and mercantile community and proudly claimed to approve a unanimous budget but the same stake-holders later, rejected many provisions of the budget within few weeks.²²

The only prominent new economic policy was its People's Works Program, which was also more like a political propaganda tool than a serious economic development or welfare plan. Two different approaches were followed to implement the provisions of the Program: the funds under this program were largely given to PPP elected candidates via provincial governments in Sindh and NWFP, which were ruled by PPP governments.²³ However, it was implemented in Punjab and Balochistan, Opposition-controlled provinces, through district PPP leadership under supervision of the federal government in place of provincial government unlike the other two provinces. Such money was mostly used in those constituencies where PPP candidates were successful.²⁴ One Minister of State Javed Jabbar was critical of partisan title of the program, which reflected federal

government's support to those people who were supporters of the PPP and 'people's' reflected association with the PPP.²⁵ Nawaz Sharif, Chief Minister of Punjab, retaliated on that discrimination.²⁶ Chief Ministers of both the provinces i.e. Punjab and Balochistan wrote note of dissent on recommendations of Economic Council related to funds allocated to the provinces.²⁷ Iqbal Akhund suggested in a letter to Benazir that People's Works Program should be in the main priority list of the government and that a cabinet committee should be established on this single agenda with the objective to look into the best utilization of the funds. Unfortunately, no such step was taken.

No industrial policy could be introduced by the cabinet, however, it had to face criticism on issuance of hundreds of new licenses to install textile mills. PM's critics raised objections and claimed that most of the licenses were given to her friends and relatives.²⁸ In addition to it, Cabinet removed ban from trade union activity but new labour policy was not designed.²⁹ The right procedure should be devising new labour policy first and then removing ban from trade union activity. Thought fiscal policy could not observe any radical shift,³⁰ yet, fiscal deficit was brought down to 6.5 per cent of GDP in the fiscal year 1989-90 against 7.4 per cent of the year 1988-89. Inflation was also kept under control.³¹ The regime's approach to depend on foreign assistance for social welfare of poorer sections of the society enhanced chronic economic issues for Pakistan.³² However, one success of the regime was installation of the projects by various

multi-national corporations in oil exploration, drilling, textile and fruit preservation.³³

PM Nawaz Sharif appointed Sartaj Aziz as Minister of Finance and Ijlal Haider Zaidi was appointed as Adviser to PM for Financial Affairs.³⁴ The other ministers on economic ministries were Malik Muhammad Naeem Khan, Minister of Commerce, Lt. Gen (Retd) Abdul Majid Malik, Minister of Food, Agriculture and Cooperatives and Choudhri Hamid Nasir Chatha, Planning and Development. His team of ministers on economic ministries were also not relevant and experienced in the given fields but Minister of Economic Affairs and Finance as well as Adviser to PM on Financial Affairs were qualified and experienced. Further, PM also had experience of serving as Finance Minister and Chief Minister of the Punjab.

PM had comprehensive economic program in his mind and came in the first meeting of his cabinet with a complete set of economic agenda. He wanted to free economy of the country out of the clutches of bureaucracy. He suggested to establish six committees of Industrial policy, Privatization and Deregulation, Export policy, Exchange and Payment System, Tax policy and Resource Mobilization and Self-reliance. Sartaj Aziz, Minister of Finance, was given the task to formulate the committees and to bring the proposal in the very first meeting of the cabinet.³⁵ In place of appointing senior-most bureaucrats of various ministries to be part of the above committees, he recommended to appoint members of the Senate including Saeed Qadir, Mazhar Ali, Prof. Khurshad Ahmed and Yusuf Shirazi from the private sector as

heads of the committees. Six committees were given task to present their recommendations in a month but on persuasion of Sartaj, two months were given.

Economic Committee of the Federal Cabinet evaluated the reports and prepared working papers on the reports of the six committees. The federal cabinet then, discussed and passed the policies to be introduced in the country. Cabinet was conscious of giving legislative cover to all such policies, so worked on this aspect also. It prepared and sent a bill related to economic reforms named Economic Reforms Act 1992.³⁶ The bill provided legislative protection to all the policies of the Cabinet related to privatization of public sector enterprises, and nationalized banks, promotion of savings and investments, fiscal incentives for industrialization and deregulation of investment, banking, finance, exchange and payments systems, holding and transfer of currencies etc.³⁷ It was passed by the Senate and then signed by the President on 23 July 1992.

New industrial policy was introduced in March 1991 with the approval of the Cabinet. All sectors of economy were opened for foreign investment except few such as arms and alcohol. Pakistani investors were also given all opportunities. Industry-specific incentives were also provided; some key industries such as biotechnology, electronics, fertilizers, fiber-optics and solar-energy etc. were exempted from customs duty and sales-tax. Four-year tax-holiday was also provided to above industries. Machinery required for some industrial sector was exempted from custom duty and sales tax.³⁸ Additional incentives were

given to export sector of industry. Further, incentives were given to value added exports and non-traditional exports. Special Industrial Zones were established to provide all infrastructural facilities to industrialists and investors.³⁹ It tried to create a balance in agricultural and industrial growth. It focused to install agro-based industries in rural areas and gave packages for it. Federal Cabinet also improved policy framework for investment in gas, petroleum, ports and shipping.⁴⁰ A lot of incentives were offered to entrepreneurial class in both industrial as well as agrarian schemes. However, such Plans mostly benefited entrepreneurs and the effects could not trickle down to common citizens.⁴¹ Industry, banking and insurance flourished.⁴²

Sharif's government pursued policy of privatization, deregulation and liberalization. The Cabinet Committee for Privatization finalized a list of 100 public companies to sell to the private owners.⁴³ On privatization Committee's suggestion, under senator Saeed Qadir, Privatization Commission prepared a list of the units to be privatized. Cabinet committee on privatization, chaired by finance minister approved the list and other requirements. Work went smoothly and fast: sixty-six units and two commercial banks were privatized between January 1991 and June 1993. The federal cabinet opened many public sectors for private sector also such as development of telecommunication, roads, air service, ports and shipping etc.⁴⁴ A lot of work had been done to privatize PTCL also.⁴⁵ Nawaz Sharif's cabinet was pro-business but it also believed in favoritism. It generally supported Punjabi businessmen and

mostly Chinioti Sheikhs. An example was selling of Muslim Commercial Bank. Its original owner, before nationalization, was Memon Adamjee family, who was ready to pay higher price during the bidding for privatization process; the bank, however, was sold to Mansha Sapphire group, a Punjabi Chinioti group.⁴⁶ Over all, liberalization process did not give very positive results.⁴⁷ The benefits of privatization were enjoyed by selected Punjabi businessmen.

While following Free-market Economy Plan, restrictions on the movement of foreign currencies were lifted.⁴⁸ The Cabinet approved to introduce liberalized economic policy and denationalization was started. It wanted to establish a real welfare State but also emphasized on privatization.⁴⁹ President Is'haq Khan had disliked it as he had invested heavily in running nationalized sector and public sector during Zia years.⁵⁰ Under tax reforms, 'withholding taxes on interest income dividend income and export income were introduced. It enhanced income-tax revenue of over 46% in the year 1991-92 and 32% in 1992-93.'⁵¹

Inter-provincial issues, related to economy, were also addressed by the Cabinet. Two were considered basic issues; water distribution between Punjab and Sindh and second was distribution of revenue between federal and provincial governments. With the approval of Federal Cabinet, Council of Common Interests (CCI) was established on 12 January 1991. It was urged to the CMs that they should settle mutual issues of the

provinces in three months at maximum. With continuous working of the CCI, Inter-provincial Water Accord was signed on 16 March 1991 and long-awaited issue of water distribution between Punjab and Sindh was settled. Settlement on second issue was reached at on 9 April 1991, when an agreed report of the National Finance Commission was signed and all provincial governments agreed on the plan.⁵² 1991 NFC was a big step towards the process of decentralization in the field of economy of the provinces as it improved their financial position. It further rationalized fiscal relationships of the Centre and provinces and granted them with the considerable autonomy. However, as provinces could not utilize their own resources so benefits of 1991 Award could not be achieved.⁵³

Nawaz Sharif had to face criticism not to involve the cabinet or National Assembly (NA) for consultation while taking decisions on some important economic plans such as Motorway and Yellow-cab scheme. The Lahore-Islamabad Motorway was selected as the first of the landmark projects of Motorway in Pakistan.⁵⁴ Yellow-cab scheme was introduced by the PM without finding out either Pakistan could afford such purchase or not.⁵⁵ The cabinet was not taken into confidence on case of Cooperative Society Scheme, too, which was also failed. As collective wisdom did not prevail to introduce such schemes, so flaws could not be addressed. Forty Cooperative banks in Punjab had violated their charters. Such banks had given several unsecured loans to Nawaz Sharif and Shujaat Hassan's families.

Most of the societies which incurred a huge bad debts including National Industrial Credit and Finance Corporation (NICFC) and the Services Co-operate Credit Corporation belonged to IJI's MPAs. Such scams were s big question mark on the credibility of Nawaz Sharif.⁵⁶ Nawaz had to face heavy criticism so he appointed a Judicial Commission for enquiry.⁵⁷ Twelve-member special committee was also formed to probe into irregularities and malpractices but nothing came out of it. Around two million people lost their life-savings in the Co-operative Societies in Punjab.

His other projects put heavy burden on already dwindling economy of Pakistan, though, right in right direction. Fiscal deficit, during his regime remained high i.e. 8.7 per cent of GDP in 1990-91, 7.4 per cent in 1991-92 and 7.9 per cent in 1992-93.⁵⁸ Besides Yellow Cab Scheme, Baitul Maal, vigorous drive against food adulteration etc. were less organized plans and had been introduced in a haphazard manner. All such schemes could not change life or plight of common man.⁵⁹ The economic policies, designed by the economic team and approved by the Cabinet could not observe success due to inflation and a large budget deficit, which the government could not solve. Keeping economic elite such as industrialists and landowners out of tax-net only increased class-disparity and less collected tax besides budget deficit.⁶⁰ The However, the other opinion suggests that Sharif's economic policies were progressive and if could be

implemented completely, could have led to economic development.⁶¹

Comparison of the performance of the cabinets of both Nawaz and Benazir's first regime is quite contrasting. Benazir's Cabinet was without any Finance Minister and other Ministries related to economic fields were also not given to trained or relevant and qualified experts. Secondly, the Cabinet started work without any economic plan or agenda. Thirdly, no commitment was shown by the cabinet towards land reforms and restructuring of institutions even.⁶² Its only unique idea was People's Works Program, which was also not without controversy and political conflicts. Its implementation in non-PPP provinces without involvement of provincial governments could not give success to the Program. Nawaz's first tenure started with broad array of economic agenda. His Cabinet emphasized on privatization, encouraged entrepreneurs and supported industrial sector with a lot of incentives. Foreign investment was also enhanced. With Sartaj Aziz's help, water distribution of Indus system was done successfully from the platform of Council of Common Interests. Energy problem could also be addressed with the construction of dams. Nawaz Sharif's cabinet brought control of economy from bureaucracy to businessmen to a large extent, which was result of large scale privatization. With the help of Sartaj Aziz, National Finance Commission addressed and settled the issue of distribution of public revenue among four province and the federal government.⁶³ But besides it, his schemes of Yellow Cab

and Cooperative societies failed, which gave bad name to the regime and his policy of privatization was generally pro-Punjabi. However, few mutual trends were also observed such as emphasis on privatization, heavy reliance of industry majorly on cotton-textile production,⁶⁴ less time to observe the results of the implementation of the regime's economic programs etc.

Formulation of Foreign Policy

This part of the paper looks into the role of the cabinet in devising foreign policy of Pakistan. The most important fact of the whole phase was less strategic importance of Pakistan due to end of war in Afghanistan and collapse of Russia after which cold war had been ended. Pakistan had to face tough time from the only Super Power i.e. USA and had to face military and economic sanctions. In addition to it, she had to face threat of declaring Pakistan a terrorist state throughout the period due to Pakistan's alleged involvement in Kashmir's war of independence.⁶⁵ Second most troubling aspect of foreign policy of Pakistan, in this phase was instability and civil strife in Afghanistan. Pakistan's efforts to establish Mujahideen government in Afghanistan failed.⁶⁶ Continuous civil war in Afghanistan had not permitted Pakistan to develop fruitful economic and technological relations with newly independent Central Asian Muslim States. Pakistan's relations with India remained more troubling due to new dimension of Kashmir freedom struggle. India continuously blamed Pakistan for the insurgency.

While keeping in view above facts, this study revolves around the argument that the military establishment kept the formulation of foreign policy in their hands and it was not ready to share power with the elected governments and their cabinets in many regards. It is further true that whenever the cabinets of both Benazir and Nawaz Sharif tried to exert their power in the fields of foreign policy, security concerns or nuclear policy, the regimes had to face disastrous end.

The establishment was ready to hand over government to PPP after its success in 1988 elections while relinquishing control on important foreign policy decisions and ceding it to military through foreign minister Sahabzada Yaqub Khan and promised to support Ghulam Ishaq Khan to be elected as president.⁶⁷ It took several days to settle the issue and then President sent message of meeting to Benazir Bhutto.⁶⁸ Shuja Nawaz had mentioned that Beg,⁶⁹ C in C, met with Ms. Bhutto and informed Joint Chiefs of Staff Committee (JCSC) meeting that he had taken guarantee from Benazir that she would not interfere in the following five points and that policy of military in that regard would not be changed. It included; no change in Afghanistan policy, nuclear policy and defence policy and no meddling in administrative set up of civil-military services and that Zia's family would not be harassed.⁷⁰

Benazir had to accept all the conditions before taking oath, though, she had to face criticism from her party-men and companions on accepting portfolio of PM with the fact that her cabinet could not take decision on key issues such as defence

budget, foreign policy and security matters,⁷¹ but there was no way out. She abided by the conditions in the beginning, but later, tried to control foreign affairs through newly appointed Secretary of Foreign Affairs, Tanveer Ahmad Khan and Advisor on National Security and Foreign Affairs, Iqbal Akhund and Happy Minwala⁷² (both were considered as de facto foreign ministers).⁷³ One more appointee was Dr. Naseer Sheikh, Adviser on Overseas Affairs but inspite of all such appointments PM could not control various aspects of foreign policy.⁷⁴ Benazir's that effort could not bear fruit; Akhund mentions that he did not play very important role in foreign affairs' as decision-making was in control of the intelligence agencies and the establishment.⁷⁵ Even, PM was not informed of the invitations of foreign visits i.e. Germany and Turkey invited PM formally but she remained unaware of such invitations.⁷⁶ She only came to know about such invitations indirectly. ISI had complete control on Afghan policy since Russian intervention there and it did not permit the politically elected cabinet to discuss it even or to bring any change in the policy, though PM wanted political solution, rather than of military, for Afghan crisis.⁷⁷

In presence of restricted ground to perform, Benazir, not her Cabinet, tried to show her performance in few aspects. Rajiv Gandhi visited Pakistan in 1989 for SAARC Summit. It was a platform where multi-lateral not bilateral issues could be addressed. The federal cabinet was 'apparently' not involved in the issues to be discussed with Indian PM. PM Pakistan, Akhund and few others were part of the relevant discussions. They

discussed nuclear capability issue and emphasized that South Asia could not be nuclear-free zone. PM Pakistan emphasized that Kashmir issue should be solved which was main cause of spending extra economic resources on defense on both sides. Gandhi kept quiet on it but during his second short visit to Pakistan, he once again adopted hardline on Kashmir issue in a joint press conference with Benazir. He said “Kashmir is an integral part of India.”⁷⁸ Whereas Benazir could not outrightly reject Gandhi’s version, which was a notable lapse by the PM Pakistan.⁷⁹ She was apologetic on Pakistan’s stand that Kashmir issue should be settled in accordance with the resolutions of UNO.⁸⁰

Very tense situation was prevailing in Kashmir at that time. India had deployed a large number of troops there to quell independence movement of Kashmiris. It was followed by mass arrest, torture, rapes, force disappearance and killings.⁸¹ The other version claims that ISI had launched an operation in Occupied Kashmir till that period.⁸² The regime agreed to hold bilateral talks with India on the issue but only foreign secretary level dialogue could take place in January 1990 which failed. Later, no bilateral talks could be arranged till 1997.⁸³ On 27th January 1990, a special meeting of the Cabinet was called with the sole agenda of Kashmir. It was agreed by all coalition partners that India was trying to create situation like 1965 as India wanted to divert the world’s attention from independence movement in Kashmir. Indian forces had adopted harsh attitude towards Kashmiris and had continuously been blaming Pakistan

for interference in Kashmir. Pakistan condemned all such moves.⁸⁴ Benazir had started developing independent foreign policy, out of the hegemony of the military gradually. Unfortunately, she was dismissed soon. President, during last weeks, asked to bring files directly to him, in place of the PM.⁸⁵ Later, she and her government was dismissed.

The other fact behind dismissal of Benazir was difference of opinion on nuclear bomb program. PM Benazir had advised military establishment to stop working on atom bomb preparation as Washington would not issue economic assistance to Pakistan. She assured the US administration during her visit to USA that Pakistan's atomic program was for peaceful purposes and that Pakistan was not preparing atom bomb.⁸⁶ In 1990, Peter Galbrooth and Mark Siegel informed Benazir, while collecting information from back channel that gas uranium had been transformed into metal. Benazir was shocked and developed confrontation with the military establishment.⁸⁷ In addition to it, military establishment could not develop trust towards her due to accompanying of US ambassador, Robert Oakley, to GHQ uninvited for a special briefing. It was meant for the PM only and not to any foreign ambassador.⁸⁸ Meanwhile, US got busy in conflict with Iraq and the situation was well used by the establishment in Pakistan. Benazir's government was then dismissed.

The situation related to control on foreign policy of Pakistan was not much different during Nawaz Sharif's regime, too. He also had to accept Sahabzada Yaqub Khan as Minister of foreign

affairs, who resigned from the Cabinet in March 1991 and after that no Minister for Foreign Affairs was ever appointed in the Cabinet. Though Muhammad Siddique Khan Kanjoo served as Minister of State for Foreign Affairs since September 1991.

The most important and controversial issue of the period was Pakistan's stand on Iraq's attack on Kuwait. Saudi envoy, immediately after the attack, met with Mirza Aslam Beg first to sought help against Iraq and then met with the PM Nawaz Sharif and Gen. Beg. Both initially wanted to send Pakistani troops from the side of Kuwait and Saudi Arabia against Iraq's invasion. Cabinet, under Nawaz, was against Iraq's invasion on Iraq and was in support of US coalition. However, C-in-C Mirza Aslam Beg changed his stance and stated unexpectedly in January 1991, while addressing officers' get-together at GHQ, that Iraq's attack was 'a western Zionist game plan to neutralize the Muslim world.'⁸⁹ and that it was justified. He believed that gulf war would be proved same for USA as Afghanistan war had proved for Soviet Union. He wanted to establish a coalition with Iraq and Afghanistan and wanted Pakistan to adopt independent foreign policy.⁹⁰ It created problems for the government. Nawaz Sharif even criticized military chief in his speech in the parliament on 4 February 1991, though criticism was veiled.⁹¹ Public opinion was also divided between pro and anti-Iraq views. Ijlal Haider Zaidi, Advisor for Defence Affair, managed a meeting of the Defence Committee of the Cabinet. Differing views, there, made the matter worst. Gen. Beg said that US

would bite the dust in this war, while the rest believed that Saddam was wrong. PM did not agree with the Army Chief and then a Committee was constituted to ponder over the issue, which decided to be on the side of USA.⁹² Cabinet's decisions prevailed in case of Pakistan's policy on Iraq. Though Muhammad Hassan a member of Sharif's inner circle also mentioned it while saying that 'Pakistani leaders have been willing to sacrifice the national interest at the altar of the American connection.'⁹³ IJI was itself a coalition set up and difference of opinion on Iraq-Kuwait war prevailed among coalition partners of IJI. JI and JUP were not supporting majority's verdict and were even part of the demonstrations against attack on Iraq.⁹⁴

Military, like Benazir's regime, kept control on Kashmir, Afghan and nuclear policy. US warned Pakistan of its activities in Jammu and Kashmir i.e. training and equipping anti-Indian forces there. Nawaz's cabinet tried its best to improve the relations but the change occurred only when Nawaz Sharif interfered with the business of ISI. Besides it, there was always clash of interest between the Nawaz's cabinet and military highcommand on future set up of government in Afghanistan. ISI had supported and even admired Mujahedeen under leadership of Gulbaddin Hikmatyar of Hezb-e-Islami. Washington wanted to see more moderate faction in power. Nawaz was also moderate and did not share extremist pro-Islamic views. He wanted and tried to change the opinion of

military highcommand, but was not successful in this regard.⁹⁵ JI under Qazi Hussain Ahmed left the ruling coalition under Prime Minister Nawaz on the issue of Afghan policy majorly. He was against the moderate policy of Nawaz on Afghanistan. Installment of Mujahedeen government in Afghanistan was success of ISI and of Pakistan's regional policy, but Pakistan could not consolidate the gains due to disunity among multiple factions of Mujahedeen.

Foreign policy formulation remained under control of the military establishment during third parliamentary interlude. PMs or their cabinets were mostly not included in the decision-making and policy-formulation process on issues including Kashmir, Afghanistan, Nuclear policy, relations with USA and India etc. The will of the establishment mostly prevailed and difference of opinion on foreign policy issues between the elected PMs or their Cabinets versus the establishment mostly resulted in dismissal of the elected governments. However, only few exceptions were observed like Pakistan's stand on Iraq's attack on Kuwait. PM Bhutto also tried to downplay the military establishment on nuclear issue to get extra favour of USA but was not successful and later was dismissed. Similarly, Nawaz Sharif's difference of opinion on Afghanistan policy emerged as one of the causes rifts among IJI's leadership and later of his dismissal.

Conclusion

This study finds that Benazir's first cabinet started work without defined economic agenda. The ministers were mostly inexperienced and not qualified in the fields of economic policy-making and formulation. Secondly, portfolio of finance ministry was kept by PM Benazir herself, who inspite of her intellect and vision, could not manage time to work on economic agenda due to her extremely busy schedule. Benazir appointed a lot of advisers to run the system effectively, but most of them were new in the system and had not been proved a great help for her government. They were accommodated on account of being their faithfulness to the PM or being coalition partners. They exerted their authority and shifted secretaries and other officials from one office to another or side-lined them in impression that such bureaucrats were supporters of the military. Her Cabinet mostly relied on ad'hoc approach to deal with the economic issues. Establishment of Placement Bureau was its best example. The only prominent economic program of her regime was People's Works Program which also faced mismanagement and disparity of implementation in the provinces. Two opinions prevail about involvement of Nawaz Sharif's Cabinet of the first regime on economic-policy formulation. Sartaj Aziz, finance minister claims that the cabinet had given approval to economic agenda, brought by the PM in the very first meeting of the Cabinet. He also writes that cabinet was fully involved in introducing new policy of privatization of various public sector firms as well as banks. New industrial policy and incentives, given to new

entrepreneurs, were also approved by the Cabinet. Whereas, Cabinet was not involved to get approval of Yellow cab scheme and cooperative Societies Scheme and both the schemes failed badly. Besides it, his privatization and industrial policies practically benefited Punjabi businessmen in most of the cases. Benazir's first cabinet had less avenues to perform in foreign policy areas as PPP leadership had to make commitment that it would not look for change in Afghan policy and other major foreign policy concerns. Secondly, previous Foreign Minister was continued and foreign policy formulation remained major concern of military establishment only. However, she tried to revive relations with India and to address Kashmir issue, while having two meetings with PM India, Rajiv Gandhi, but her attempt could not bear fruit. Even, in her that attempt, Cabinet was not involved and the discussion points and strategy was designed by inner circle of the PM and military establishment. Nawaz Sharif's Cabinet had mixed performance on foreign policy formulation process. His cabinet successfully adopted pro-USA and pro-Saudi point of view on Iraq, though Gen. Beg wanted Pakistan to establish a coalition with Afghanistan and Iraq against USA and to adopt independent foreign policy. However, Nawaz's Cabinet was not successful to intervene the military's purview of policy-formulation related to Afghanistan and Kashmir. Nawaz Sharif was not in favour of establishment of Hikmatyar's government in Afghanistan and wanted to establish comparatively moderate regime, but could not convince the establishment. His cabinet's plan to develop close

economic relations with newly emerged Central Asian States could also not be materialized due to continuous civil war in Afghanistan. Similarly, his regime could not change ISI's Kashmir policy, even it had to face threat of economic sanctions from USA.

Overall, federal cabinet had not remained seat of decision-making related to foreign policy of Pakistan during this whole phase. Only few exceptions prevailed like policy on Iraq-Kuwait War. Otherwise, decisions of the military establishment prevailed. The institution of Cabinet enjoyed comparative freedom of decision-making on economic-policy formulation process but such power was also curtailed by the Prime Ministers. Especially, PM Benazir Bhutto did not permit her cabinet to take decisions on even economic policy-formulation process in most of the cases, though Nawaz Sharif's regime observed mixed trends in this regard. The study has found that the less involvement of the cabinet in decision-making has resulted in the failure or less success of many policies during the whole regime. It was due to absence of collective wisdom of elected representatives and this flaw in the system of government needs complete overhauling.

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