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DRIVERS OF PUBLIC ENTERPRISE REFORMS IN PAKISTAN: THE PERSPECTIVE OF NEW INSTITUTIONALISM

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ABSTRACT

This paper aims at explaining the drivers of various reform models in the public enterprise sector in Pakistan. Secondary data is collected from articles, ordinances, companies' websites, and policy documents. The study enlightens that PE reforms in Pakistan are associated with the role of the state under various global reform models including development administration, new public management (NPM), and post NPM reforms. The development administration reforms were greatly influenced by mimetic factors to copy the best prevailing model that could boost the economy. Whereas, the drivers of new public management reforms were majorly coercive where international donor agencies played an influential role in policy shift towards denationalization and privatization of public enterprises. Mimetic drivers also influenced the governance reforms where best models of governance mechanism (such as control, audits, and

accountability) were initiated to reinvent the public enterprises so that they look modern and up-to-date. These reforms are explained in light of new institutionalism.

Key works

Public enterprises, NPM, governance, management, Pakistan, new institutionalism

Introduction

A central question addressed in public sector reform agendas is role and size of government in economy and society. In this regard, state versus market debate has remained central piece of arguments among reformers and consequently size and tasks of public enterprises have remained under consideration (OECD, 2017). As a result, number and task of public sector enterprises has either enhanced or reduced under diverse reform agendas in different time periods.

Public enterprises (PEs) were established after world war II in throughout the world to address economic issues like market deficits, economic growth and social development (Bernier, 2014; Kim, Shin, & Yu, 2019) but the results were different. Most of the enterprises run into losses and burdened the public revenues (Aulich & Wettenhall, 2019; Chiu-Shee & Zheng, 2019). In 1980s public reforms trend shifted towards rolling back of state and privatization of PEs with the growing consensus that private sector performs better (Dai, Tan, Tang, & Xiao, 2017; Kim et al., 2019; Naveed, Salman, Jabeen, Jadoon, & Irfan, 2018). Though, privatization trend has spread enormously worldwide but this sector continues to be the major contributor in economies particularly in developing countries. Therefore, governance and management of public enterprises emerged an important question in public sector reform agendas (Seth, 2018). The trend of establishing, privatizing and restructuring of PE was dominant in Pakistan also in different eras. However, there is a continuous increase in the size of PE sector in Pakistan (Naveed et al., 2018) and PE sector has a significant role in the economy of Pakistan. Whereas, the inefficiency of PEs is a big question mark challenging their existence. Hence, it is important to explore and explain the rational of emergence of PEs in Pakistan. In particular, the various institutional factors, under which PEs are established, can explain the rational for the poor performance of PEs in Pakistan. Hence, the drivers of the evolution of PEs under diverse reform agendas are important to understand which is rarely captured in PE literature. Capturing this literature gap, this paper aims to describe historical evolution and reforms of PEs in Pakistan and explain it in light of new institutionalism perspective. Moreover, it captures the current governance mechanism, legal forms, structure, size and tasks of different public enterprises in Pakistan. The paper thus addresses following questions:

- What characterize the different reform models in the public enterprise sector in Pakistan?
- What are the drivers of public enterprise reforms in Pakistan under various reform models?
- How public enterprise reforms can be explained in light of new institutionalism?

The paper proceeds in five sections. After the introduction, Section II provides literature review on PE reform models that got famous globally in different eras. Section III presents the framework of the study in light of new institutionalism followed by

methods discussed in Section IV. Findings, discussion and conclusions are presented in Section V, VI and VII respectively.

II. Literature Review

2.1- Conceptual understanding of PEs

Public enterprise is considered as an entity established, by the government, under public or private law and usually enjoys legal personality with an autonomous or semi-autonomous status. (Kauzya (2008) highlights that PEs produce goods or provide services on a full or partial self-financing basis. Additionally, the government is involved in PE's strategic decisions due to either major shareholding in the company or having representation in its decision-making structure.

The definition of public enterprise provided by the ICPE Expert Groups is noteworthy. PEs covers "Any commercial, financial, industrial, agricultural or promotional undertaking – owned by public authority, either wholly or through majority share holding – which is engaged in the sale of goods and services and whose affairs are capable of being recorded in balance sheets and profit and loss accounts" (Basu, 2008: 10). PEs are established in variety of legal categories including departmental undertakings, public corporations, statutory agencies and joint stock companies. The autonomy of PEs vary greatly according to their legal status and distance from the government. Basu (2008) has also categorizes public enterprises according to their activity which can be privately remunerative, socially profitable but not privately remunerative, privately remunerative but not capable of private execution and natural monopolies.

The most prominent and distinctive characteristics PEs is that unlike other government ministries and agencies, PEs do not use government revenues (Rondinelli, 2008) rather they rely on self-generated revenues from sale of goods and services (World Bank, 1995). Thus, PEs are directly involved in market process which differentiate them from other state activities such as national defense or provision of law and order which are not marketed (Turner & Hulme, 1997).

Although public enterprises operate with diverse roles in society but there is consensus on the point that PEs contribute in the government agenda of achieving socio-economic growth (Khan, 2008).

As the name indicates, there are two distinct dimensions of PE including 'public' and 'enterprise'. The 'Public' dimension indicates that PE must serve for public purpose such as regulation, promotion, economic development etc. On the other hand, 'enterprise' dimension refers to commercial objectives of PE whereby it has to operate and compete in market and has to generate its resources. Therefore, elements of commercialization and publicness are both present in case of PE. The weightage given to either dimension determines whether PE operates in the nature of a nonprofit service organization or a profit-orientated company.

2.2- Global public enterprise reform models

Covering the longer historical trajectory of public sector reforms, three models have remained popular globally and adopted by most of the countries at various evolutionary stages of administrative development. Each reform movement comprises of unique

jargons, trajectories and recipes guiding the reform efforts during different periods (Jadoon & Jabeen, 2012). These global reform models include development administration, new public management and post-NPM governance models.

Development Administration Reforms

Development administration is marked by enhanced role of state for rapid political, social and economic development. It got popularity in 1950s, when after World War II; countries faced the major challenge of improving social and economic conditions. The role of state to accelerate economic growth became crucial after World War II, due to massive destruction, market deficit and capital shortfalls. (Khan, 2008). Keeping in view this important role, several SOEs were created in both developed and developing countries. The major aim of these SOEs was to promote economic development, reduce mass unemployment and to produce essential goods at lower prices (Rondinelli, 2008).

In this time, state-led social-economic development was the major trend drawn from developed to most of the developing countries, which had gained independence from ruling countries. Haque, (2007:1303) described it as “post-colonial development model” that was widely adopted by South Asian countries. In this era, many Asian countries, that got independence, were faced with the challenge of the rigid colonial bureaucratic system that was ineffective for rapid economic development. Hence, public agencies were widely recommended as tool to achieve developments goals such as nation building, economic development, poverty alleviation, and consolidation of political institutions. To handle these complex and wicked policy domains, it was crucial to enhance bureaucratic responsiveness. Moreover, under the slogan of nationalization, many private organizations were nationalized resulting in increasing the number of public enterprises.

Although the major assumption behind the establishment of PEs was economic, prosperity and social cohesion but most of the PEs turned out to be economic burden on the government machinery. The underlying motives of PEs could not achieve due to frauds, maladministration of financial resources and overstaffing due to political patronage distribution. (Khan, 2008).

New public management reforms

In late 1980s, there was a sharp criticism by reformers on the enhanced role of state and wide public sector due to its inefficient, rigid, non-responsive and high resource consuming public organizations. This criticism generated another wave of global reforms, which emphasized on professional, efficient and business-like organizations and functions of public sector. These reforms were encapsulated as new public management (NPM) reforms. Consequently, smaller government and reduced public expenditures replaced development administration trends. Privatization, deregulation and neo-liberal models of economic development were propagated globally by international donor agencies under structural adjustment programs. In this phase, large number of public enterprises was privatized all over the world. Major NPM components included privatization, internal competition, market-oriented mechanisms, performance contracts, organizational unbundling and creation of businesslike autonomous agencies (Hood, 1991; Osborne & Gaebler, 1992; Pollitt, 1993).

Post-NPM reforms

In 1990s, another set of ideas started to penetrate in public sector reforms. These include, good governance (Grindle, 2010), good enough governance (Grindle, 2007), the-whole-of-governance (Christensen & Laegreid, 2007) and new democratic governance (Bowornwathana, 2006). Reformers under this paradigm emphasized more on accountability, effectiveness and quality of public sector (Jadoon and Jabeen, 2012), instead of economic prosperity, poverty reduction emerged as major development goal. Marketization movement (under NPM) was challenged by reformers and state verses market debate again turned in favor of state-led development with the realization that market cannot cater poverty reduction goals. NPM emphasized heavily on institutional autonomy, which increased distance of executives and politicians. To cope with this situation, post-NPM reformers raised slogans of accountability, control and coordination. Under these slogans, the target was to increase the quality of public enterprises through reinvention reforms. The re-inventors of public enterprises have come up with two approaches namely trickle-down approach and direct approach (Trivedi, 2008). Trickle-down approach emphasizes achieving targets through accountability of PE's higher-level management and strategic positions. Use of performance contracts between government and PE is widely recommended and extensively used tool to curb the inefficiencies of PEs. On the other hand, the direct approach suggests a directly attack on PE inefficiencies with instruments such as ISO 9000, e-government, e-procurement, performance management systems and enterprise resource planning (Trivedi, 2008). Through these instruments, PEs can be widely reinvented into efficient government entities.

III. Theoretical framework: Public sector reforms and new institutionalism

The review of literature on public enterprise reforms indicate that several public reform models gained global popularity at different times and were adopted by most of the countries in the world (Jadoon and Jabeen, 2012). Haque (2007) asserted that most of the famous public reform models were originated in western countries and were borrowed by the countries in Southeast region. In this regard, donor agencies also played crucial role in the policy transfer from developed to developing countries (Dolowitz & Marsh, 2000). New institutionalism provided important theoretical explanation of this phenomenon with its arguments for institutional isomorphism. Due to absorption of institutional pressures, institutional actors become similar to each other.

The basic proposition of new institutionalism was that the organizations became similar with each other (in their structural arrangements and practice) because they adopted the external requirements and conformed to the institutional rules. (DiMaggio & Powell, 1983; Thornton, Ocasio, & Lounsbury, 2012). Conformity with institutional pressures was important for survival and to gain legitimacy in the environment (Meyer & Rowan, 1977; Zucker, 1977).

Zucker (1977) claimed taken-for-granted nature of institutional rules and rationalized myths. He asserted that institutionalized acts require no reinforcements but still they are transmitted widely. Tolbert (1985) argued that "widespread social conceptions of appropriate organizational form and behavior constitute the institutional environment of organization" (p.2). Due to adherence to the widespread appropriate forms, organizations become similar and isomorphic with each other.

DiMaggio & Powell (1983;1991) presented three basis of isomorphism, which make organizations similar with each other, including coercive, normative and mimetic sources. Professional bodies exert normative pressures. Coercive pressures are caused by both “formal and informal pressures exerted on organizations by other organizations upon which they are dependent” (DiMaggio & Powell, 1991:67). Whereas, mimetic processes result from imitation due to uncertainty. DiMaggio a Powell’s mimetic isomorphism got great popularity with the realization of mindless organizational behavior in response to institutional pressures.

Institutional isomorphism presents significant explanation for the public sector reforms. Several public reform models gained global popularity as rationalized myth and were adopted globally. Hence, the drivers of the public enterprise reforms in Pakistan can be explained in light of normative, coercive or mimetic institutional pressures that guided the public sector reform process in Pakistan. Under normative pressures, famous reforms were transferred to other countries by professional bodies and reform agents to enhance efficiency of public sector. Coercive drivers were most prominent in case of international institutions who introduced famous reforms as part of loan granting contracts with developing countries. Hence, developing countries were bound to introduce such reforms. Whereas, under mimetic drivers, countries introduced famous recipes to look modern and up-to-date with the global trends.

Figure 1 depicts the drivers of public sector reforms in light of new institutionalism.

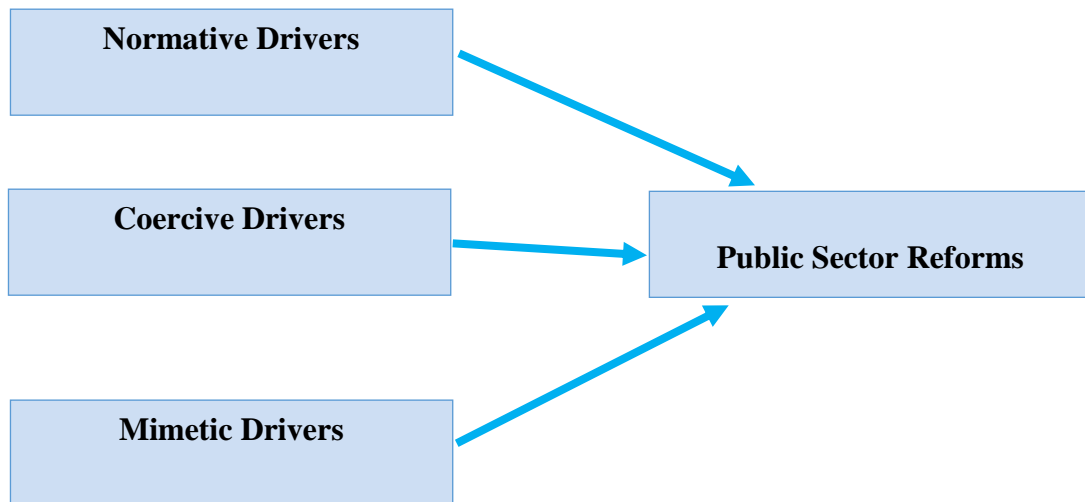


Figure 1: Drivers of Public Sector Reforms

IV. Methods

This study is based on secondary data collected from legal instruments, policy documents, public sector reform documents, company reports and published articles. The population of the study include all federal level public enterprises in Pakistan. All public enterprises listed in the report of National Commission of Government Reforms (NCGR, 2008) are included in the population of the study. The whole population, that includes 99 public enterprises, is studied for analysis.

V. Findings

Public enterprise sector has gone through various phases of reforms in Pakistan. This section explains the drivers of PE reforms in different phases in detail.

Creation of public enterprises under development administration (1947-1970)

There were only a dozen of public enterprises when Pakistan took independence such as Pakistan railways, post office, telecommunications, seaports and broadcasting. After independence, the government adopted development administration strategy with emphasis on development of local industry. The focus of government policy was promotion of local industries (both private sector and public agencies) that could provide substitutions of imports (Srinivasan, 2003). Due to weak private sector, large amount of capital was utilized on imports. Therefore, the state started its major role in economy through public enterprises in order to boost the economy.

The government of General Ayub promoted both the private sector investment as well as the public sector industrialization (Srinivasan, 2003). For enhancement of industrial development, government established the state-owned Pakistan Industrial Development Corporation (PIDC) in 1958. The agenda of PIDC included establishments of local industries either under state ownership or in partnership with private sector. PIDC initiated more than fifty local industries and the profitable industrial units were privatized to boost private sector (Bokhari, 1998). In this phase of PE reforms, Pakistan enjoyed free market economy. State intervened the market, in those areas where private sector failed or could not invest (Rizwan & Jadoon, 2010).

Most of enterprises were established as attached departments of respective ministry or either through special act or under Company Act, 1913. State policies were influenced by development administration thinking whereby the purpose to establish state agencies was to achieve economic development of the nation through the instrument of state bureaucracy (Jadoon, Jabeen, & Rizwan, 2011). Additionally, PEs were needed to have control of the state in some strategic industrial sectors such as steel industry and shipbuilding companies. Another rationale was to promote the export of critical products or to regulate the import of necessities for public. Furthermore, financial institutions were created for provision of credit to private sector industries and agricultural businesses. PEs were also established to produce industrial engineering goods for the development of technological skills (ASOSAI, 1998).

Increase in the number of PEs under nationalization process (1971- 1977)

In 1977, the new government had a major policy shift towards wider role of the state in industrial and economic development of the country. It was due to assumption that the enormous economic and social development was beyond the capacity of the private sector. Hence, the state had to assume leading role in the economy. Bhutto's Government came up with the agenda of nationalization whereby large number of privately owned industries and financial institutions were nationalized. Thus, Bhutto's 'experience of socialism' resulted in increase in the number of PEs and widening the size of public sector (Hasan, 1998: 187). In this era, 19 new enterprises were established and hundreds of private industries were nationalized. Common legal form was either statutory corporations or establishment under Company Act, 1913. Various holding companies were established to coordinate and govern the nationalized industries in different sectors

such as National Fertilizer Corporation, Pakistan Ghee Corporation, Northern Area Transport Corporation and Pakistan Broadcasting Corporation. In previous era, Pakistan enjoyed free market economy, where state mediated for the purpose of development and strengthening of private sector. However, in this era state assumed a major role in economy having control on major industries in all sectors. Consequently, size of public sector was enhanced and number of public enterprises increased largely.

Privatization and restructuring of PEs (1978-1998)

With the nationalization of private industrial enterprises and creation of further public enterprises, the public sector became too large to be managed effectively. Consequently, PEs remained ineffective to achieve their agendas. Instead of boosting the economy, majority of the PEs became huge burden on the economy. Therefore, the new military government of General Zia adopted the policies of privatization, divestment and deregulation to reinstate the confidence of boost private sector (Bokhari, 1998). In 1977, Zia's government announced denationalization of more than two thousands industries (Bokhari, 1998).

Under globally propagated NPM reforms in 1980s, the large size and inefficiency of public sector was extremely criticized. In public enterprise sector, the major trajectories of NPM reforms included liberalization, privatization and deregulation. IMF and World Bank transferred NPM trend to Pakistan through structural adjustment program. For the privatization of public enterprises, government established Cabinet Disinvestment Committee in 1985. The Committee developed the process and action plans for the privatization of PEs under petroleum ministry. This period is marked by various positive developments including creation of ministerial level committee and formulation of the rules and regulations for privatization. Yet, the targets towards disinvestment were not achieved as planned. Bokhari (1998) asserted that insufficient legal framework, inadequate institutional system and dearth of political will were the major factors that hindered the privatization of PEs.

The government of Benazir Bhutto, in 1988, also continued with the policies of privatization and supports for foreign investors. In 1989, government adopted strategy of privatization on wide spread ownership basis for the first time. However, with the inadequate legal framework and complexity of the task the progress remained unsatisfactory.

In November 1990, the new government of Nawaz Sharif aimed privatization as its principal economic policy. The government targeted wide range of sectors such as financial institutions, industrial undertakings, banking sector, telecommunications and infrastructure. For this purpose, it immediately established Committee on Disinvestment and De-regulation and subsequently, the government established a Privatization Commission. The birth of Privatization Commission institutionalized privatization efforts in Pakistan (Bokhari, 1998). In 1998, the Privatization Commission succeeded in privatization of ninety-seven government enterprises, which included 87 public enterprises from industrial sector, 5 financial institutions and public offerings of three enterprises from power sector.

Although governments were changed, however, privatization remained an important policy during this era. Although many efforts were made towards privatization but

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success rate remained quite dissatisfactory. Therefore, number of enterprises could not reduce greatly. Besides privatization, restructuring was also perused in various sectors by which organizations were unbundled resulting in increase in number of enterprises. For example, the Water and Power development Authority was unbundled into 11 distribution and transmission companies. In addition, several new enterprises were also established. Notable enterprises established in this era include Telephone Industry of Pakistan, Pakistan National Shipping Corporation and National Power Construction Corporation. Most of the enterprises in this era were established or were converted under Company Ordinance, 1984. Therefore, most common form was public companies. Despite privatization, overall number of PEs remained high in this era also.

Governance and management of PEs (1999- 2019)

For almost two decades, privatization of PEs continued as an important agenda of public sector reforms in Pakistan, still many targeted enterprises could not be privatized. Privatization is a complicated, multifaceted process and in the context of Pakistan is politically and socially sensitive issue. Moreover, several enterprises could not be privatized because of their strategic role in economy. Realizing that privatization is not the only solution, PE reforms were shifted towards good governance and management of PEs. Therefore, in 1999, the government of General Musharraf shifted its policy focus towards political decentralization and re-regulation. In addition to privatization, another government strategy to deal with this loss-making PEs was improvement in governance mechanism of PEs. Most popular policy agenda was performance contracting with PE's top management whereby managers were provided more operational autonomy while making them accountable for PE's performance (Larbi, 1999). Under the influence of international trend, Pakistan government offered Performance Management contracts to number of PEs and introduced performance-signaling system to bring efficiency in the operation and management of PEs.

The privatization, deregulation and performance contracts generated the challenge of regulation of PEs to protect the interests of the citizens and to gain confidence of the private investors. For this purpose, regulatory authorities were created in various sectors (Rizwan & Jadoon, 2010). Thus, Pakistan Securities Exchange Commission (SECP) was formed to monitor the activities of corporate and capital market sector. For the regulation of oil, gas and petroleum sector, Oil and Gas Regulatory Authority (OGRA) was established. National Electric Power regulatory Authority (NEPRA) was created for the regulation of power sector. For regulating telecommunication sector, Pakistan Telecommunication Authority (PTA) was established.

Another important trend in this era is towards establishment of PEs for skills and technology development such as National Industrial Parks Development Company, Technology Up-gradation & Skill and Development Company and Pakistan Hunting and Sporting Arms Development. Most of the enterprises in this era are created under public private partnership arrangements and are non-for profit organizations. In light of various reform drives discussed above, Table- 3 provides a comparison of global public reform trends and PE reform models in Pakistan and identifies the institutional drivers of reforms in Pakistan.

Table: 3 Drivers of PE reforms in Pakistan

Global trends	PE Reforms in Pakistan	Underlying Assumptions/ famous recipes	Institutional Drivers
Traditional administration (Before-1980)	Development administration (1947-1970)	- Post-colonial development - state bureaucracies - -promotion of private sector -free market economy	Mimetic Drivers - Nation building - Creation of state bureaucracies as instrument of development
	Nationalization of PEs (1971-1977)	- State- led socio economic development -expanded role of state/ socialism -massive task of economic development is beyond the capacity of private sector	Memetic Drivers - Economic expansion through state institutions - Nationalization of private sector - Statutory Corporations as instrument of economic expansion
NPM trend (1980-1990)	Privatization/ restructuring of PEs (1978-1998)	-Inefficient public sector - Smaller states -disinvestment - Business-like institutions -Public companies	Coercive Drivers - Structural adjustments programs - Conditions of privatization under loan agreements
Post NPM trend (1990s and onward)	Governance and Management of PEs (1999-2013)	- Poverty reduction goals through effective role of state -Reinvention of public institutes -governance and quality of state institutions -Regulation of private sector	Memetic Drivers - Adoption of famous business like practices such as performance management contracts with PEs - Adoptions of new models of collaborative arrangements such as Public-private partnership

VI. Discussion

The historical analysis of the reforms in PE sector, in Pakistan, indicates that this sector has witnessed various phases of reforms in different times. Consequently, public enterprises were either created, privatized, restructured or reinvented. The PE reform trends in Pakistan are similar to the global public sector reform trends. Incorporating the global reform trends, the governments in Pakistan established various PEs in different eras. Under each era, either mimetic drivers or coercive drivers guide privatized and restructured PEs reforms, in different eras.

The first phase of PE reforms in Pakistan was characterized by the creation of state bureaucracies for economic growth and development. At that time bureaucracy was taken as the rationalized structure and instrument to achieve economic development globally (Haque, 2007; Thynne & Wettenhall, 2001). Thus, public bureaucracies gained institutional character and became part of the PE reform policies. Haque (2007) asserted that most of the countries in South Asia adopted this trend under the assumption that social development is only possible through state led bureaucracies. These countries were facing uncertainties and institutional constraints to develop localized solutions. Mimicking famous trends was the better policy solution. Hence, the post-colonial development in Pakistan is dominated by state bureaucracies indicating the mimetic drivers. However, in this period not only the state bureaucracies were established but also private sector was strengthened. Following free-market strategy, state intervened only in those areas where market failed.

In the similar vein, the second phase of PE reforms in Pakistan is also derived by mimetic institutional factors. This phase is comprised of nationalization process (1971-1977) which was the famous model in the world at that time. In most of the developing countries, state assumed major role in economy through two strategies including nationalization and creation of new PEs (Rondinelli, 2008). By mimicking the famous model of development, Pakistan also experienced nationalization process taking it the rationalized myth.

The drivers of third phase of PE reforms in Pakistan are more dominated by coercive factors. NPM based reforms were popularized, internationally, with the emphasis on privatization, deregulation and restructuring reforms (Hood, 1991; Osborne & Gaebler, 1992; Pollitt, 1993). IMF and World Bank transferred most of these reforms to Pakistan under loan conditions through structural adjustment programs. Privatization of public enterprise was the major agenda that was coercively passed by international donor agencies to Pakistan. Contrary to this, mimetic drivers were again prominent in the next phase of PE reforms in Pakistan. The famous international recipes, such as performance contracts and corporate governance models, were initiated in PEs in Pakistan with the assumption of that proven business-like practices can enhance PE's performance.

Thus, the perspective of new institutionalism well explains the drivers of the PE reforms in different phases in Pakistan. The mimetic perspective of institutional isomorphism (DiMaggio & Powell, 1991) argues that reforms are initiated as a result of imitation due to uncertainty. Due to uncertainty in environment, countries tend to model their reforms on those countries that seem to be successful and legitimate in achieving reform objectives (Dolowitz & Marsh, 2000). In this context, Scott (2001) notes that organizations adopt many practices based on practices of other organizations as means of appearing legitimate and up-to-date. Zucker (1977) provided explanation of this

phenomenon that institutionalized acts require no reinforcements but still they are transmitted widely. This is because actors adopt famous trends in search of excellence and to remain up-to-date.

Moreover, Conformity with institutional pressures play crucial role for survival and to gain legitimacy in the environment (Meyer & Rowan, 1977; Zucker, 1977). This institutional conformity may also provide access to important resources. In case of PE reforms, the developing countries incorporated the famous reforms as a condition to received loans and aids. This is how reforms are coercively transferred to developed countries under loan agreements. An analysis of PE reforms in Pakistan indicates that the recipes to pursue development goals were not indigenously emerged in Pakistan rather were either dictated by international actors such as international donor agencies or were driven by the motive of adopting famous tested models. Pakistan adopted famous reform trends either mimetically (whereby rationalized myths were adopted) or coercively (whereby donor agencies imposed the famous recipes). Hence, either mimetic or coercive drivers remained prominent in the PE reforms in Pakistan.

VII. Conclusions

The drivers of PE reform models in Pakistan are found to be both mimetic and coercive institutional factors. Some reform agendas are dictated by the international donor agencies, whereas, other are mimetically initiated in face of uncertainty and in expectation that proven recipes would deliver in the context of Pakistan as well. The rationalized myths experimented in the PE sector in Pakistan include creation of state bureaucracies, nationalization of private sector, privatization of public enterprises and reinvention of PEs through governance and management reforms. The rationale for the emergence of public enterprises in Pakistan is associated with the role of state under various global reform models. Accordingly, different types of public enterprises are emerged in various eras. The development administrative model enhanced the role of state in society in the form of centralized bureaucratic state. It resulted in 'large government' involved in almost all types of activities ranging from bread and butter to huge machinery through centrally controlled organizations. This era tremendously enhanced the number of public enterprises most of which were large bureaucracies in form of either attached departments or statutory corporations created under special act or Company Act, 1913. This phase ended on nationalization of hundreds of private industries under Bhutto's government. Creation of various holding companies to manage newly nationalized industries is the special feature of this era. Development administration phase enhanced the role of government to unmanageable extent. With the emergence of new public management in 1980s, there was a major policy shift in form of denationalization, and privatization of public enterprises. Although a large number of enterprises were privatized under NPM, still many other public organizations were established. Restructuring was also pursued by which large enterprises were unbundled resulting in increase in number of enterprises. Most of the enterprises in this era were established or were converted under Company Ordinance, 1984. Therefore, most common form was public companies. Despite privatization, overall number of PEs remained high in this era also. The governance reforms started in 1990s and were more focused on improving management and governance mechanism of public enterprises.

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Public enterprise sector plays a major role in the economy of Pakistan. Therefore, efficient governance, management and performance of public enterprises have always remained an important policy concerns in Pakistan. This paper provide baseline for major developments in this sector in various eras in history. This study can be helpful for future researchers in the area of understanding reform motivations in Pakistan, major structural arrangement of PEs in Pakistan, dynamics of governance, management and performance of public enterprises in the context of Pakistan.

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