



## Pakistan Study Group Unravelling Pakistan: Threats to Stability

### Session 1: Institutional Decline – the polarisation of divisions

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#### Meeting Report:

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- **Policy-making in Pakistan**

On the whole, General Musharraf makes all policy decisions in most areas, especially those that threaten to destabilise the state structure in any way. There are some areas where differences of opinion exist, for example: how to deal with Baluch and Sindhi nationalism; the government's relationship with Benazir Bhutto's Pakistan People's Party (PPP); and the management of political re-alignments. However, the effect of these debates on key issues of state security, which remain under the control of Musharraf's and his mainly military advisers, is questionable and likely to be slight.

- **Musharraf's Foreign Policy and Popular Anti-Americanism**

Popular anti-American sentiment, which is widespread in Pakistan, may be understood at two levels. Firstly, it is part of a global phenomenon that stems from the perception of the United States as a 'bully' in the international sphere, who 'had it coming' with regards to 9/11. Pakistan, along with most other Muslim countries, feels victimised by the 'war on terror'. Secondly, there is a country-specific feeling that the US, a supposed long-term ally, has turned its back on Pakistan in recent decades – for example, the US's condemnation of Pakistan's nuclear programme in 1990 and its decision to withhold military hardware, as well as its apparently favourable diplomatic overtures towards India. However, a paradox emerged after 9/11 following a huge influx of US financial assistance in recognition of Pakistan's support for the 'war on terror', which reinvigorated the weak domestic economy, and strengthened Pakistan's stature in the international arena.

The consequences of this are that even though public sentiment is broadly anti-US and pro-Islam, in great contrast to Musharraf's own views on foreign policy (which are emphatically pro-America), the influx of US financial and symbolic support for Pakistan since 9/11 has forestalled the development of any serious fracture between the public and the government on this topic. It is important to note the unique position of Pakistan in relation to other predominantly Islamic countries, which partly justifies the attention it receives in the international arena. It is the only Muslim country that is both a declared nuclear power and host to a significant Al-Qaeda presence. This means that it has had to negotiate a particularly dangerous course in the conduct of its foreign and domestic policies.

- **‘Enlightened Moderation’: Musharraf’s domestic agenda**

In 2003 Musharraf launched a new domestic policy initiative. Labelled ‘Enlightened Moderation’, there is little agreement about what it actually signifies. According to government rhetoric, it is a progressive modernisation programme designed to bring Pakistan into the 21<sup>st</sup> century, while retaining the importance of religion in the face of globalisation. Part of this idea, it seems, is to encourage people to divorce their faith from their political views, thus distancing Pakistanis from popular movements that support Al Qaeda. Part of it is also aimed at projecting a favourable image to the West, and particularly to the United States, to reassure it of Pakistan’s support in the ‘war on terror’.

However, there is concern that much the policy of ‘Enlightened Moderation’ may be ‘hot air’. There is, therefore, a large degree of political cynicism about this policy in the public arena. At the same time, however, it has clearly encouraged the business community, which believes that to the extent that the policy of ‘Enlightened Moderation’ is pro-US, pro-West and anti-the clerical establishment, it will succeed in boosting the domestic economy. It is perhaps difficult to know why ‘Enlightened Moderation’ is not producing any tangible changes on the ground, but it is thought that it is because the ruling party, the Pakistan Muslim League-Q (commonly known as the ‘King’s Party’), backed by Musharraf, is not entirely on board. It is also likely that the military establishment does not want to scuttle the mullahs irrevocably because it needs them to counter-balance the political significance and clout of the mainstream Peoples Party domestically and to retain a powerful non-state actor for jihadi use in the conflict with India over Kashmir, should the current peace process stall.

- **Political Islam**

Linked to the debate on Musharraf’s policy of ‘Enlightened Moderation’ is the question of the President’s relationship with the country’s clerical establishment (*mullahs*). Whilst they have in recent years been closely linked to sections of the ruling military hierarchy, the *mullahs* are now increasingly viewed as ‘troublemakers’ in the context of Musharraf’s new policy. As a popular force, they hold a significant degree of ‘street power’ (see Civil Society section below), which has required successive governments simultaneously to co-opt or suppress them. This tactic may now prove to be harder in the context of a less conservative domestic social policy, such as the ‘Enlightened Moderation’ project, which discourages people from using their beliefs for political ends. Although it is clear that Pakistan’s foreign policy still contains a strong pro-Islamic sentiment, the government is anxious to steer the country away from radical Islamic politics, which it now regards as a bad idea, both domestically and internationally.

- **Democracy and Democratisation**

It is difficult to say whether there has ever really been democracy in Pakistan: for example, political representatives have rarely, if ever, been fully accountable. Though there has been some progress in the direction of instituting civilian supremacy, it has lost momentum and may even have been reversed in recent years. Elections have taken place but they are not open and fair; turnout has been very low; the ruling party is in reality an artificial creation of the military establishment; the parliament still holds no real executive power; and the press is not as free as the government suggests (self-censorship is rife and the government freely uses its leverage as the primary source of public sector advertising to make editors heed its advice).

It was noted that in non-democratic/semi-authoritarian societies, elections are not the main outlet for popular sentiment, given the weakness of political parties and the lack of responsiveness of the government to public pressure. In Pakistan, if there is any accountability at all, it is most likely to be the civilian government that is held to account by the national security military establishment. This is a consequence of the strength of post-colonial state structures, including the military, in relation to party political processes, which has remained under-developed.

## **Political Parties under Musharraf:**

Pakistan People's Party (PPP) is really the only party with any clout, but it needs Benazir Bhutto at its helm, and is therefore weakened due to her exile (her husband, Azif Zardari is not an adequate substitute for her). Even under these circumstances, the PPP came first in elections in 2002 with 25.8% of the valid vote, their stronghold being in Sindh province, with significant support in Punjab province. Despite being denied power in Karachi, the PPP forms the backbone of the opposition within the ARD (Alliance for Restoration of Democracy), along with the PML(N).

The PML(N) won only 9.4% of the valid vote in 2002, with a vocal core of supporters coming from Punjab, and should therefore not be 'written off' as a force for the opposition. However, the PML(N) like the PPP suffers from a leadership vacuum, as its head, Nawaz Sharif, is also currently in exile.

The PML(Q), or 'King's Party', enjoys the (albeit tacit) support of the president, who holds de facto power. This support was instrumental in ensuring the party's performance in the 2002 general elections, in which not surprisingly, it did well by gaining 25.7% of the votes. Because the province of Punjab holds the largest number of seats in parliament, the PML(Q) is determined to be strong there – it tends to do this by co-opting, persuading, and intimidating.

The Muttahida Majlis-e-Amal (MMA), a coalition of Islamic parties including the Jamaat-i-Islami and the Jamiat-ul Ulama-i Islam (JUI) of Fazlur Rahman, is far from harmonious and weaker than it appears. Despite winning a number of seats in the 2002 election, its percentage of the vote was low (11%) compared to the two main parties (the PPP and the PML-Q), while its main support was concentrated in only two of the country's four provinces - the NWFP and Baluchistan, with the rest distributed among Pashtuns in Karachi, opposed to the US invasion of Afghanistan. The MMA is anti-Musharraf and anti-India, but until recently, has been able to rely on Musharraf's support in order to thwart the PPP. The MMA has rallied around the ARD, as most recently when it sided with the opposition in demanding that Musharraf step down as army chief. But it has also been suggested that the MMA's natural ally is the military establishment: firstly, because of the army's strong power networks at the local level; and secondly, because of past collaborations between the military and Islamic forces in jihad-type ventures in Afghanistan and Kashmir, which could occur again. This is significant, as it now appears that the key question for the future of the MMA is whether the Islamic parties are as useful to Musharraf as the army may be for them? In light of Musharraf's recent conciliatory moves towards the PPP and the PML(N), the MMA may well look towards the army for support, in order to prevent its internal tensions leading to a collapse of the coalition.

**General elections are scheduled for 2007.** Pakistan will be under pressure (especially from the US) to ensure that they take place in propitious conditions, as the international interest in the country is high. It was noted that because the West believes that Musharraf plays a crucial role in fighting terrorism and Al-Qaeda, there might not be too strict a judgement on the conduct or the outcome of these elections. However, given that the US has included Pakistan in its Greater Middle East initiative, it may be difficult for the US to apply standards that appear to diverge too sharply away from its pro-democracy policies in force elsewhere.

The ideal scenario for the Pakistani 'establishment' would be for the PML(Q) to emerge as the winner but with some competition – probably from the PPP. This would bring in a two-party system of sorts and demonstrate to the world that Pakistan is on its way to democracy. This scenario would require Musharraf to come to an agreement with the PPP to make it worthwhile for the party to 'play the game', for example: offering it assurances that it may hold power in some provinces; not seriously pressing the charges against Benazir Bhutto (it is debatable whether he will allow her to return to Pakistan and lead the party, but she cannot become prime minister for the third time because of a constitutional amendment passed in 2003 with the help of the MMA). Musharraf could make such offers if he believed that by appearing to let his arch enemy, the PPP, into power he could: reduce support for Islamic parties, like the MMA; boost Pakistan's democratic credentials abroad; and increase the support base of his pro-West policies.

A further issue is whether the PPP would be willing to strike a deal, particularly if Musharraf doesn't allow Benazir Bhutto back from exile. It is unlikely that the PPP will refuse to take part in the elections, as it will want to use the opportunity to show its strength. It is also likely that it will attempt to strengthen the ARD, especially if a significant number of other opposition parties rally around it. In the event, the possibility of a PPP-PML(N) (or Benazir/Nawaz) alliance may not be too far-fetched – together they may be able to gain the support of regional forces, or even the MMA (if it feels betrayed by Musharraf).

Of course, the 2007 elections could also see a repeat of the outcome in 2002, with the PML(Q) fighting a divided opposition based on the PPP and PML(N), and the establishment supporting the MMA. It was argued that Musharraf would not choose such a scenario as he prefer not to institutionalise the MMA, firstly because of the volatile and unreliable nature of the coalition, and secondly because it would certainly incur the disapproval of the US.

Only in the face of an alliance involving the main political parties would Musharraf have to pay any attention to them at all. Even then, the success of any such opposition would depend on the degree of anti-establishment sentiment among the people. If such resentment intensifies, then an opposition alliance could potentially exploit existing grievances against the governing elite centring on the crisis in Baluchistan, the building of the controversial Kalabagh Dam, widening poverty, and the privileges that still accrue to ruling classes. In this case, Pakistan could witness the return to some kind of democratisation process.

At this stage, it is impossible to anticipate the outcome of the elections. In any case, it was still widely agreed that, whatever the outcome, the army would continue to play a dominant role in politics, the economy, and the society, precluding any fundamental change in Pakistan (see section on the army below).

- **Civil Society**

At the meeting, concern was expressed about the weakness of civil society in Pakistan, although there was some disagreement about precisely how poorly developed it really is. While most Middle Eastern countries have witnessed some kind of political awakening amongst peasants and the rural middle classes, this kind of grassroots movement is scarcely visible in Pakistan. The lack of any framework for civil society is perhaps to blame, making it vulnerable to encroachment by other institutions, for example the army (see section on the army below).

On the whole, civil society organisations and groups are isolated and lack 'voice' in the public arena. It was pointed out that the *mullahs* are the only group who enjoy any popular weight, albeit in certain areas only, but there was uncertainty about whether they could properly be considered a part of civil society. It was also observed that civil society in Pakistan is very small and tends to concentrate its activities not on demands for democratisation, but on lobbying the government to rein in religious laws that are seen to discriminate against women and religious minorities. In contrast to India, political parties in Pakistan rarely reach out to the poor and disenfranchised for support. This lack of popular participation may explain the weakness of civil society.

So what is the future for civil society? For some, the outlook was distinctly pessimistic, with the development of a vibrant civil society a distant prospect, especially if the army continued to dominate the public sphere (see section below on the army). Others were more optimistic, and suggested that it was not a lack of civil society per se, but a lack of coordination and structure within it, which has precluded its ability to act as a powerful social force and outlet for popular discontent.

- **The role of the Army**

The army has never exerted as much power as it does now – army representatives are at the head of every important institution, to the point where they form a 'state within a state'. The number of ex-army men holding positions as governors and ambassadors has always been

high, but increasingly they are occupying the top spots in universities and within the civil service academy. Furthermore, with their own educational and health facilities, cultural organisations, and residential areas, they operate within their own social sphere – a ‘society within a society’. Public resentment towards them mainly stems from the exclusiveness of the army circle, and their access to far better facilities than the rest of the population.

In addition, the army could be seen to run their own ‘economy within an economy’: they control 15-20% of industry; they are the single largest landowners in the country; Army, Navy and Air force foundations are huge enterprises worth around 70 billion rupees (approximately 1 billion euros), and contribute to the top quarter of the working force of enterprises in Pakistan, hiring 12,000 employees.

What are the consequences of this? The army is so entrenched in the public sphere that it becomes almost ‘corporate’ – similarities can be drawn with Indonesia in this respect. It is therefore extremely difficult to reduce, let alone eradicate, the army’s penetration of society, economy and state. With the public sphere occupied by the military, the space for the development of civil society is shrinking rapidly. Therefore, the ‘Enlightened Moderation’ policy may end up being an army-oriented initiative. What are the hopes for the future? If the ‘Enlightened Moderation’ programme continues to be dominated by the army, then societal change will need to come from within the army - perhaps through the development of an army ‘bourgeoisie’, more interested in material gains than exerting political control. Otherwise, there needs to be a decrease in the legitimacy of the army, which would allow for the independent growth of civil society – possibly through a resolution of the Kashmir issue and a concomitant reduction in regional tension.

#### • **Baluchistan: the current insurgency and Baluchi nationalism**

Baluchistan is currently in the grip of its fifth insurgency since independence. On the morning of the meeting the federal government ordered the Pakistan armed forces to move into the tribal areas of Sui in Baluchistan to crush the latest tribal rebellion, which erupted in January 2004. The latest military offensive, supported by the provincial government, which is dominated by the PML(Q) and the MMA, led to the deaths of 40-50 people, mostly civilians living around the Sui gas installation in the rebel heartland of Dera Bugti.

Among the factors driving the insurgency, the following were singled out for discussion:

1. the relatively recent emergence of inter-tribal cooperation, which is believed to underlie the newly formed Baluchistan Liberation Army, currently spearheading the insurgency;
2. rising resentment against the mistreatment of the Baluchi people and the under-development of the province, which has intensified in recent years with the awareness that the exploration of oil and gas reserves in the region have brought few benefits to Baluchistan;
3. anger against the influx of people from outside – Pashtuns now make up more than a third of the population, which adds to the fear that ‘outsiders’ are encroaching on Baluchi land. The new port of Gwadar facing the Persian gulf, which has been built with Chinese assistance, is encouraging these migrations from Karachi and Sindh into the area;
4. the involvement of a growing number of young, middle-class Baluch, who may be less inclined to co-operate with the government or be co-opted as was common among tribal sardars in the past;
5. the risk of Indian involvement in the region as an extension of greater Indian involvement in neighbouring Afghanistan.

The question of Baluchi nationalism also came under discussion, with attention focused on its roots and its apparently ephemeral character. It was noted that Baluchi nationalism was diffused in the 1980s - so what has changed? The following were judged to be significant:

- Zia-ul-Haq coopted the nationalists (the Bugtis, Mengals, Sardars) into the state largesse system, but Musharraf’s policy has been to ally with the *mullahs*, who have succeeded at the expense of the nationalists, pushing them out of power.

- There has been a considerable change in the demographic profile of the province – Pashtuns now make up between 30-40% of the province's population, the rest are Baluchi.
- Pathan refugees from Afghanistan settled in Baluchistan were issued with ID cards and exercised their right to vote – they tended to vote for the *mullahs*, alienating the nationalists.
- In the past, the nationalist movement had little or no funding, but increasingly, Baluchi expatriates (mostly members of the three major tribes) settled in the Middle East (especially Oman) and elsewhere, have contributed huge amounts to fuel the current campaign. Baluch nationalists are also in a position to acquire weapons from the Taliban, who relocated to Baluchistan in large numbers after the US invasion of Afghanistan.
- It is doubtful whether Sardar Akbar Bugti, who currently leads the nationalist camp in Baluchistan can actually hold out against the government for long and continue to represent Baluch sentiment, given that he has been the beneficiary of government handouts in the past.

Future scenarios: Either the army will repress the insurgency (before engaging in discussion with the nationalists) and impose Governor's rule, creating huge instability and threatening the proposals for the pipeline intended to stretch 800 kms across the region from Iran into Baluchistan; or the government will involve the nationalists in negotiations to resolve outstanding issues – this is the least likely scenario, making the outlook extremely gloomy.

## • Economic Issues

There has been colossal financial development in Pakistan in the last two years. Before 9/11, the economy was failing; there was no foreign direct investment (FDI), and very low growth (as low as 1.8% in 2000/1). The Pakistani government was dependent on IMF packages, none of which were successfully completed, and there seemed to be little hope of arresting the flight of capital. Since 9/11, Pakistan's economy has been given a significant boost in a number of ways:

- immediately after the bombing, the US 'rescheduled' \$379 million of Pakistan's debt, and lifted other economic sanctions. The US has since continued to relieve debt, for example it lifted \$1 billion in 2003. Other Western governments responded in a similar fashion;
- Pakistan received significant amounts of military assistance, including some sophisticated weapons (since this meeting, the US has also authorised the sale of US F-16 fighter jets, which had been suspended in 1990 following US sanctions against Pakistan's nuclear weapons programme);
- Pakistani emigrants in the US and UK (and elsewhere), who feared an anti-Muslim or anti-Pakistani backlash, moved capital back to the country - their investments stimulated the Pakistani property and the stock market;
- good conditions for agriculture allowed for profitable wheat and rice crops, as well as an excellent cotton crop – textiles make up two-thirds of the country's exports;
- the reconstruction of Afghanistan was a boost for Pakistani companies, especially those involved in cement production;
- the telecommunications industry has expanded;
- privatisation is occurring, with shares in the stock market being bought by Middle Eastern investors – the Karachi Stock Exchange is now among one of the best-performing stock exchanges in the world.

The consequences of these developments for the Pakistan economy are: a rise in the balance of payments; a vast improvement in the exchange rate; and unprecedented growth in GDP, which is predicted to reach 7% in 2005.

However, problems remain, especially since the government cannot claim responsibility for this economic progress. If the Al-Qaeda threat subsides, the flows of aid and resources into Pakistan will stop. There is still very little FDI, and what investment there is, is unlikely to trickle down to the poor, further delaying the government's programme of poverty-eradication.

- **Predictions about the future**

A key question centred on the future of Pakistan without Musharraf, with attention focused on whether it would be possible, in the event of Musharraf's death, to revive and/or establish a stable political process. Previously, the vice-chief of the army was nominated chief and parliament was subdued, therefore continuing the predominance of the military. It was suggested that it may not now be so easy – there are significant anti-army voices in parliament, which will put pressure on the interim president to nominate a successor. There would certainly be space for the return of Benazir Bhutto and Nawaz Sharif into the political process.

Questions remain: Can any new military leader continue in Musharraf's shoes? Is his leadership too personalised for a smooth succession?

As for the possibility of a return to democracy, or indeed, to democratisation, the future looks unpromising. The grip of the army in all spheres of Pakistani life remains a fundamental barrier to economic, social, and political development, as outlined above. If regional conflicts do not subside and foster a reduction in the standing of the military establishment; and NGOs are not adequately strengthened and supported both domestically and internationally; it is hard to envisage any progress towards a stable democracy in the foreseeable future.