

 Analysis No. 269, July 2014

## THE POLITICAL AND ECONOMIC ROLE OF THE PAKISTANI MILITARY

Elisa Ada Giunchi



Pakistan's armed forces are among the most modern, largest and well funded in the world. Within them, the army is the largest unit and the most powerful institution in the country. In the late 1950s, it became a key political force and increasingly infiltrated the economy. Its penetration into crucial political decision-making became entrenched in the '80s, while the greatest penetration into the economy and society took place in following decade, and has not been reversed to date. In the paper we will see how the army turned into a key player on the political scene and came to control a wide economic sector, what factors may have contributed to its "over-development" and what are its implications.

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## Introduction

Pakistan's armed forces are among the most modern, largest and well-funded in the world and the only ones in the Muslim world to be endowed with nuclear weapons. As of 2010 the military had almost 500,000 men, without counting paramilitary units<sup>1</sup>. Although the military component of Pakistan's budget has decreased since the end of the 1980s, military spending remains very high (3.1% of GDP)<sup>2</sup>. In addition to using vast national resources for its defence, the country remains one of the main beneficiaries of US military aid despite rocky and at times faltering bilateral relations.

Within the military, which is a voluntary service, the army is the largest unit and the most powerful institution in the country. In the next pages we will see how it turned into a key player on the political scene and came to control a wide economic sector, and what the factors are that may have contributed to its "over-development"<sup>3</sup>.

## A history of military intervention in politics

After the birth of the country in 1947 the military gradually grew in numbers and strength due to several factors, some of which go back to colonial times. At the end of the nineteenth century, Punjab, for reasons we will return to, had become the major centre of recruitment for the Indian army. The British granted land to servicemen and retired military personnel and to the pirs and maliks who procured recruits, thus turning them into landowners<sup>4</sup>. This was a reward for their loyalty, a means of forging or consolidating alliances with local power networks, and a way of attracting new recruits. Moreover, the local bureaucracy was strengthened in several ways, and a powerful nexus developed between the bureaucracy, the military and the landed elite, which was to survive following Partition, when Punjab became the economic and political heart of the new state.

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<sup>1</sup> A. LIEVEN, *Pakistan: a hard country*, London, Penguin, 2012, p. 166.

<sup>2</sup> Data related to 2012: <http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS>.

<sup>3</sup> For the concept of an over-developed army see H. ALAVI, "The State in Post-Colonial Societies: Pakistan and Bangladesh", in K. Gough and H.P. Sharma, (eds.), *Imperialism and Revolution in South Asia*, New York, Monthly Review Press, 1973, pp. 145-73.

<sup>4</sup> I. TALBOT, *Punjab and the Raj, 1989-1947*, New Delhi, Manohar, 1988, p. 46.

This colonial legacy, coupled with a lack of trained civil servants, contributed to the progressive induction of the higher military echelons into the civil administration, which paved the way for their increasing role in politics<sup>5</sup>. The higher bureaucracy increasingly ruled with the armed forces, inviting them to run the state and making concessions to them at the expense of “professional politicians”. In the meantime, the communal killings and massive movements of people which accompanied Partition, as well as the rise of ethnic nationalist movements and tensions with Afghanistan and India over Kashmir and the Durand Line respectively, created in the country a sense of deep vulnerability. A few months after Partition, the first war with India over Kashmir broke out, while declarations by Indian politicians that Pakistan would not survive long fed fears of national fragmentation. These factors moulded Pakistan’s early security perceptions and justified high and increasing budgetary allocations to the military<sup>6</sup>.

According to many, a factor that greatly contributed to strengthening the army and its political role was the underdevelopment of the political system, by which is mostly meant inefficient and corrupt politicians<sup>7</sup> who tried to maximize the interests of their own groups rather than working for the common good. The frequent dismissal of governments between 1947 and ‘58, the factionalism within the party system and its aloofness from the general public (the first elections would be held in 1970) did not help to boost the image of politicians. The military, which projected an image of corporate pride, contrasted starkly with them, appearing as a disciplined, organized institution. Undoubtedly, however, the military’s increasing political role in turn contributed to the weakness of civilian elites and further delegitimized them<sup>8</sup>, in a mutually reinforcing process.

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<sup>5</sup> M. AZIZ, *Military Control in Pakistan: The Parallel State*, London, Routledge, 2007, pp. 5-6; 100.

<sup>6</sup> Between 1947 and 1949 military spending represented on average more than half of the annual budget, and reached 73% in the fiscal year 1950-51: see A. JALAL, *The State of Martial Rule: The Origins of Pakistan's Political Economy of Defence*, Lahore, Vanguard, 1991, p. 92.

<sup>7</sup> Of this opinion are S. NAWAZ, *Crossed Swords: Pakistan, Its Army, and the Wars Within*, New York, Oxford University Press, 2008, p. xxvii; L. ZIRING, *Pakistan: The Enigma of Political Development*, Boulder, Westview Press, 1980, pp. 126-36; P.I. CHEEMA, *The armed forces of Pakistan*, Karachi, Oxford University Press, 2000, 135-36, A. SIDDIQA, *Military Inc, Inside Pakistan's Economy*, London, Pluto, 2007, p. 244.

<sup>8</sup> S. NAWAZ, (2008), p. xxviii; A. RIZVI, “Pakistan: Civilian-Military Relations in a Praetorian State”, in M.R. James and V. Selochan, (eds.), *The Military and Democracy in Asia and the Pacific*, Canberra, Australian National University Press, 2004, pp. 88-100.

Politicians themselves contributed to the military's politicization by asking it to intervene to quell ethnic and religious revolts and to settle political differences. Both the Bengali revolt in 1971, and the Baluchi revolt in 1973-77 were repressed by the army. While the 1971 intervention was decided by General Yahya Khan, the repression in Baluchistan was decided by the elected government of Zulfikar Ali Bhutto, who, like the higher military echelons, was unwilling to redress ethnic grievances that were at the basis of the revolt. More recently, the military was sent to northern tribal areas by Musharraf and by subsequent elected governments to counter extremist forces, primarily the TTP (Tehrik-e-Taliban), that are bent on anti-state activities, causing widespread resentment in the area.

While military repression was naturally not popular in the areas that were the target of intervention, the military's image was boosted everywhere during natural calamities, such as the 2010 floods, as its efficiency was evidently greater than that of the state apparatus. More in general, the state's dependence on the military, whether to repress or to provide emergency aid, has not allowed civilian institutions to control the military, creating a vicious circle that is difficult to break.

When in power, the military did not actually perform that well. The armed forces rose to power on several occasions through coups, mostly by invoking the need to moralize and rationalize the state apparatus, and ruled for roughly half of Pakistan's history (1958-70; 1977-88; 1999-2008), legitimized by the judiciary<sup>9</sup> and by the apathy – if not outward sympathy – of the population. They were somewhat successful in terms of economic growth for a series of geopolitical circumstances, but did not address the structural problems of the national economy, did not root out malpractices and had a poor record on distributive policies<sup>10</sup>. But, despite creating some disillusion, overall the military continued to enjoy widespread respect and its faults were quickly forgotten.

Civilian rulers did try from the 1970s to decrease the army's standing, though they did so haphazardly: Z.A. Bhutto restructured the military's high command and took some measures to dilute its political role and bring it under civilian control, but he himself relied on the armed forces to quell urban protests and the Baluchi rebellion. Most importantly, he did not alter his security and foreign policies, which remained focused on the Indian threat, invested even further in military modernization and

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<sup>9</sup> On the attitude of the judiciary towards military coups see P.R. Newberg, *Judging the State. Courts and Constitutional Politics in Pakistan*, Cambridge, Cambridge University Press, 2005.

<sup>10</sup> M.H. KHAN, *When is Economic Growth Pro-Poor? Experience in Malaysia and Pakistan*, New York, IMF, 2002.

started the nuclear weapons programme. Ultimately, his attempts to control the army while strengthening it led to his demise: he was removed by a coup in 1977. When his daughter Benazir Bhutto and Nawaz Sharif tried to rein in the army, they suffered the same fate: Benazir was removed twice through the president's collusion with the armed forces, and Nawaz Sharif was first sacked by the president and then, in 1999, removed by a military coup orchestrated by the army chief Musharraf.

The Pakistani military gained strength also as a result of wider geopolitical circumstances. The emphasis on defence, as mentioned, was the product of tensions with Afghanistan and of security calculations and fears stemming from the relationship with India. It is significant that the growth of the military was particularly evident as a result of the 1965 war and as a reaction to India's rising defence expenditure in that period: real defence expenditures almost doubled between '60-'65 and '65-'70<sup>11</sup>. Even more relevant was the importance that Pakistan came to have in the eyes of the US. In the early 1950s Pakistan became part of the US' containment strategy against the Soviet Union. This alignment, which had been pursued by Mohammed Jinnah since Partition, provided the Pakistan military with the means to modernize and thus bolstered the army's image of efficiency as compared to civil institutions. The importance of Pakistan to the US during the Cold War and, since 9/11 2001, for the "war on terrorism", consolidated the military regimes of Ayub Khan, Zia and Musharraf at the expense of more democratic forces.

### The Afghan "watershed"

In the 1980s Pakistan's role in the *jihad* against Soviet forces in Afghanistan was amply rewarded by the Reagan administration, which provided Zia with sophisticated military equipment and funding as well as substantial economic aid. Pakistan's support of the *mujaheddin* on behalf of "the free world" also justified higher allocations to the defence budget: defence spending under Zia dramatically expanded, by '87-'88 overtaking development spending. In that context another event occurred which would have deep consequences: the military high commands, together with the ISI, a branch of the secret services, took control of Afghan policy and the nuclear sector, and since then have been reluctant to let them go.

In that decade, as a consequence of Zia's Islamisation policy and of his alliance with religious groups linked to his Afghan policy, *maulvis* and religious teaching were integrated into the armed forces, and senior posts were increasingly covered by officers who, like Zia himself, came from the lower urban middle class and were as a consequence more religion-oriented than their predecessors. Thus the military, already

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<sup>11</sup> See table in S. NAWAZ, (2008), p. xxxviii.

perceived as a bulwark against territorial fragmentation and India's "evil" designs, could also present itself as the guardian of Pakistan's "ideological borders". The military-mullah nexus which took form under Zia can be actually traced back to 1965 and the 1971 civil war, when the military regime conveniently allowed the Jamaat-e-Islami to characterize the Indians in 1965 and the Bengali rebels in 1971 as "infidels" against whom good Muslims should conduct a jihad. It should be remembered here that under the elected Bhutto government Afghan Islamist dissidents started to be supported by Pakistan: Zia's policy of supporting Afghan extremists as a geopolitical tool was a continuation of his predecessor's policy, although thanks to considerable foreign support it gained unprecedented depth.

When in the mid-1980s, under external and internal pressure, the military regime was forced to restore some degree of democracy, Zia devised a system that behind a civilian façade allowed the military to control the decision-making process: in 1985 he amended the constitution to empower the president, a position he then held, to dismiss parliament and the prime minister. Zia used this clause when three years later he dismissed Prime Minister Mohammad Khan Junejio, who had tried to have a say on military promotions and attempted to reduce defence expenditures.

### **"Democratic transitions" and the military**

What happened in the following decade indicates that the military finds it difficult to retreat to the barracks and give up its political role, and gives us food for thought when we ponder on the "democratic transition" following the 2008 national elections.

After Zia died in 1988, national elections were held producing an elected government headed by Benazir Bhutto. However, the security forces retained a final say on sensitive issues such as regional policies, defence expenditures, and the nuclear sector, and refused any interference in internal postings, transfers, promotions, service privileges and perks. Both Benazir and Nawaz Sharif, as mentioned before, were dismissed when they attempted to reassert control over these areas. Defence spending remained very high, although the percentage of military expenditure in GDP slightly dropped during the 1990s.

This brings us to an interesting point: both elected and unelected governments have neglected the public health and education sector, while spending considerable amounts of money on defence<sup>12</sup>. To be fair, the

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<sup>12</sup> See for the period '88-'99 see E. GIUNCHI, "Democratic Transition and Social Spending: the case of Pakistan in the 1990s", *Democratization*, vol. 18, no. 6, December

underfunding of social welfare in democratic phases cannot be attributed only to the military's strength and influence behind the scenes. A factor which may explain the limited commitment by governments, whether elected or unelected, to social welfare is the structure of Pakistani society, where family/*biraderi* (kinship group) affiliations and crony networks make politicians more interested in pleasing their limited constituencies, and dominant classes belong to groups – mainly rural elites – which are overrepresented in both the major political parties and the national assembly<sup>13</sup>, and thus are, for ideological and self-serving interests, uninterested in investing in the socio-economic empowerment of the poor.

The 1988 transition to democracy made no dramatic difference in terms of approach to extremist forces and foreign policy policies, as the decision by Benazir and Sharif to support the Taliban proves. This may well be a product of the army's interference, but it could be argued that elected leaders share the outlook of the military on some issues including the perceived need to control Afghanistan in order to counter India's preeminence in the region and its 'machinations', and to do so through religious proxies. Civilian elites may be unwilling to cut military expenses for the same reason: as the autobiographies of some politicians indicate, they are imprisoned in a security paradigm based on the Indian threat and the related the fear of fragmentation.

The increasing strength of Pakistan civil society and openness of its media are widely considered a promising factor that may in the long run force the military to step back. However, Pakistan society has in the past been quite compliant with coups and behind-the-scenes military interference. This could be explained by disenchantment with civilian leaders, by a widespread obsession with Indian 'machinations' aimed at dismembering the country, spread by school textbooks and the media, and by the military's ability not only to project an image of discipline and efficiency, but also to fulfil some widely felt needs. This was particularly evident when the coup by Musharraf was welcomed by wide sectors of Pakistan's civil society. From the outset he adopted the agenda of Pakistan 'civil society', which is mainly a product of the urban middle class: accountability, decentralization of power, gender equality, and good governance<sup>14</sup>, while also promoting 'enlightened moderation' against the excesses of extremist forces. While passing the NSC act in 2004, which

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2011, pp. 1270-1290.

<sup>13</sup> S. SHAFQAT, "Democracy and Political Transformation in Pakistan", in S. Mumtaz, J.L. Racine and I. Ali, (eds.), *Pakistan: The Contours of State and Society*, Oxford, Oxford University Press, 2002, 225.

<sup>14</sup> A. SHAH, "Pakistan: Civil Society in the Service of An Authoritarian State", in M. Alagappa, (ed.), *Civil Society and Political Change in Asia: Expanding and Contracting Democratic Space*, Stanford, Stanford University Press, 2004, pp. 376-77.

gave the military a permanent role in decision making on strategic issues by creating a consultative body that includes the four most senior military personnel, two years later he amended the infamous Zina Ordinance, which had been the object of intense criticism by women's and human rights groups. It remains to be seen whether the needs of Pakistan's expanding middle class can be met by new political parties and civil society groups.

### **The military's economic interests**

Through the decades the Pakistan military has acquired a prominent economic role which takes various forms: in addition to being given a wide range of benefits including licenses and large plots of land, reflecting a British tradition in the subcontinent<sup>15</sup>, retired and serving senior officers received key posts in the public sector and in state-run corporations. The military also penetrated the economy through the business ventures of its welfare foundations. Initially created mostly to look after retired and disabled soldiers, these foundations today operate a wide array of commercial activities, whereby economic and geostrategic interests often intersect, and are among the largest business conglomerates in Pakistan.

Pakistan's "Milbus" (Military business), as Siddiqi calls it, was rooted in pre-colonial times and promoted by the military's early link with post-Partition bureaucracy, but grew between '54 and '69, stagnated between '69 and '77, and expanded dramatically after '77. In the 1980s the army also benefitted from Zia's privatization policies, which undid Bhutto's nationalization of wide sectors of the economy. The return to a civilian government in 1988 did not mark a reversal of the situation; in fact Benazir Bhutto and Nawaz Sharif provided the military with even greater economic opportunities in order to appease it while trying to reduce its political role. In this phase the military also entered new areas of business such as broadcasting and energy, and opened military-run educational institutions that mainly catered to the elites, while serving and retired personnel were increasingly found also in public universities and think tanks. This contributed among other things to entrenching a process begun through curricular reforms in the previous decades that had promoted the image of the military as the saviour of the country and the guardian of its integrity and ideology. The complex of the military's economic interests has turned the military, in Lieven's words, into "a giant kinship group, extracting patronage from the state and distributing it to its members"<sup>16</sup> and has

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<sup>15</sup> I. TALBOT, (1988), p. 46.

<sup>16</sup> A. LIEVEN, (2012), p. 167.

further reduced the autonomy of the state. In particular, the placement of military officials in key positions in the Ministry of Defence and in the Ministry of Finance has made these institutions subservient to military interests<sup>17</sup>, and made it more unlikely that regional policies may evolve away from the paradigm of the Indian security threat.

As mentioned above in relation to welfare and to state policies addressing extremism, it would be too simplistic to just point the finger at the military. Its economic interests have made its direct control or political interference in politics more entrenched by raising their stake in the country's decisions. It can however be argued that the military's privileged access to state resources and posts and its use of them for extracting patronage is part of a more general problem: a culture of entitlement is pervasive among all actors on the political stage,<sup>18</sup> coupled with a lack of commitment to the common good and a predatory approach to state resources that can be found among dominant classes in other young nations with no strong emotional attachment to the state and contradicting identities.

### The ethnic factor

Most military personnel (75%) come from three districts of Punjab, the so-called "Salt Range". Another 20% from the Khyber Paskhtunkwa<sup>19</sup>. Punjab's over-representation is even more pronounced within the army<sup>20</sup>. The predominance of this ethnic group goes back to British policies, as already mentioned: after the 1857 Mutiny and northward expansion of the British, greater numbers of Punjabis were recruited. This pattern intensified in the latter part of the century: from 1875 to 1914, Punjab troops rose from a third of the total army to three-fifths. Part of this development was due to the region's history, which forced local people to develop military prowess to resist invaders from the Frontier; the region was also close to Afghanistan, which Britain repeatedly tried to occupy, and it was therefore cheaper for the Indian army to recruit from here. Thus pragmatic reasons reinforced the martial castes theory that gained ground among British officials towards the end of the 19<sup>th</sup> century.

The Indian army continued to be dominated by the Punjabis in the twentieth century, with the effect of increasing the region's prosperity. After Partition, the Pakistan army inherited this disequilibrium,

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<sup>17</sup> P.R. CHARI - A. SIDDIQA-AGHA. *Defence Expenditure in South Asia: India and Pakistan*, Colombo, RCSS Policy Studies, 2000, p. 29.

<sup>18</sup> S. NAWAZ, (2008), p. xxxv.

<sup>19</sup> P.P COHEN, *The Idea of Pakistan*, Washington D.C., The Brookings Institution, 2004, pp. 223-24.

<sup>20</sup> S. NAWAZ, (2008), pp. 570-71.

continuing to be overrepresented by Punjabis and to a lesser degree by Pashtuns; the system of rewarding military personnel with perks and privileges, land and employment opportunities, which remained in place, consolidated the political influence and affluence of Punjabis at the expense of other groups. Land transfers to Punjab military personnel in non-Punjab areas has time and again created political tensions with the local population, particularly in Baluchistan. Contributing to the bitterness of non-Punjabi ethnic groups, the military's welfare funds have invested in the largest province, a product of the predominance of Punjabis but also of the extent and quality of infrastructures in that province. It can thus be argued that the predominance of Punjabis within the army, which mirrors a nation-wide imbalance in all state institutions, has fed nationalist claims by minor provinces and contributed to disaffection from the centre and to persistent tensions.

### Conclusions

Several factors, internal and external, partly rooted in colonial policies, have contributed to strengthening the Pakistan military and boosting its image since the aftermath of Partition. After 1958, the army became a key political force and increasingly infiltrated the economy. Its penetration into crucial political decision-making became entrenched in the '80s, while the greatest penetration into the economy and society took place in the '90s, and has not been reversed to date.

The predominance of the military can be seen as part and parcel of predatory politics and a patronage system that characterises all dominant classes in Pakistan; as a consequence, any dilution of its power could only be pursued through general, and necessarily long-term, processes aimed at promoting public scrutiny through education and the media and at redressing social and ethnic imbalances. The role of the national security paradigm in justifying the military's strength and its tentacular influence in society also points to the need for a rapprochement with India, primarily through solution of the Kashmir issue, while Western decision-makers should be mindful of the consequences for civilian institutions and democratic processes of their strategic imperatives and of the military aid that is provided to further them.

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