

ISAS Insights

No. 24 – Date: 31 August 2007

Institute of South Asian Studies
469A Tower Block
Bukit Timah Road #07-01 (259770)
Tel : 6516 6179 Fax: 6776 7505
Email : isasijie@nus.edu.sg
Website : www.isas.nus.edu.sg



Pakistan: The Road Ahead

Ishtiaq Ahmed
Rajshree Jetly
Iftikhar A. Lodhi*

This paper probes the direction in which the Pakistani polity can or will move in the immediate period at hand and in the next few years. We examine the challenges and options facing the state, the present government and the economy.

The Terrorist Threat

Some American and Indian security analysts have recently expressed grave concern over a possible Islamist takeover in Pakistan. The doomsday scenario sees the Islamists capturing the state by overthrowing the government of General Pervez Musharraf, gaining control over its nuclear arsenal and, thus, posing a veritable threat to its neighbours and indeed ultimately to the United States. We shall demonstrate below that the probability of such a dramatic change in Pakistan is rather small and remote.

Indeed we have to begin with 11 September 2001 and its impact on the Pakistani state. It was a turning point in contemporary world politics as Al-Qaeda hijacked a number of civilian planes in the United States full of passengers and then struck prestigious targets – the World Trade Building in New York and the Pentagon in Washington DC – by crashing into them and causing the death of several thousand innocent people. Although the culprits turned out to be Arabs, mainly Saudi citizens, many of whom had been training in the West for a long time for such an undertaking the Al-Qaeda leadership, suspected of being the mastermind behind the plot, was suspected of hiding in Afghanistan and Pakistan. Thereafter began a worldwide military campaign led by the Americans to destroy the Al-Qaeda network. On 8 October 2001, the United States began to bomb suspected Al-Qaeda hideouts in Afghanistan and also sent forces to that country along with those despatched by the United Nations. Pakistan was served virtually an ultimatum – join the campaign or face the consequences.

The Pakistan government headed by General Musharraf decided to join the war on terror and denounced Al-Qaeda. In the period that followed, the government took an active role in

* Professor Ishtiaq Ahmed is a Visiting Senior Research Fellow at the Institute of South Asian Studies, an autonomous research institute at the National University of Singapore. He can be contacted at isasia@nus.edu.sg. Dr Rajshree Jetly is a Research Fellow while Mr Iftikhar A. Lodhi is a Research Associate at the same institute. They can be contacted at isasrj@nus.edu.sg and isasia@nus.edu.sg respectively.

tracing down alleged Al-Qaeda operatives in Pakistan and handed them over to the Americans in-lieu of handsome rewards. Pakistan has also been engaged in several military operations against foreigners hiding in the tribal areas alongside the Pakistan-Afghanistan border. The main ally of Al-Qaeda, the Talibans, has a strong presence in those rugged, mountainous areas.

But more importantly, the United States provided evidence to the Pakistan government of its nuclear scientists of being involved in extensive illicit trade in nuclear technology and equipment with states that the Americans consider rogues in the international state system such as Iran and North Korea. The Musharraf regime moved quickly and decisively to stop such activities. The central figure in the nuclear technology proliferation scandal, Dr Abdul Qadeer Khan, was dismissed from his post and put under house arrest. Other collaborators of his were also removed from their jobs. The weeding out process was extended to senior generals and other bureaucrats suspected of harbouring Islamist or Al-Qaeda sympathies.

Also, the government declared that it will drastically curtail the madrassahs (religious schools) that mushroomed during the Afghan jihad largely with the ideological and monetary support of the United States and Saudi Arabia. Some 15,000 madrassahs with 1.7 million pupils had come into existence (originally there were less than 250). In most of these schools besides teaching theological subjects, the students were indoctrinated into the ideology of militant jihad. The University of Nebraska was given US\$51 million to produce picture textbooks in which killing Russians (later generalized to cover all non-Muslims) was made entertaining through drawings. How effective was the government in dismantling such jihad-oriented madrassahs is not clear as no proper study of it has been undertaken. There is no doubt that many of the terrorist outfits that have blasted bombs in the Indian-administered Kashmir and in India such as the Lashkar-e-Tayyaba, Jaish-e-Muhammad and others recruited their cadres from these madrassahs. There should be thousands of them dispersed in Pakistani society but how many remain active is difficult to assess.

These measures, nevertheless, earned General Musharraf the gratitude and praise of the United States, but within Pakistan, the Islamists perceived such policy a betrayal of Islamic causes and a negation of Pakistani sovereignty. It is important to note that the Islamists in Pakistan include not only the militant clerics and their cadres but naturally also those generals and scientists who have been recently been given the kick. In July 2007, an armed Islamist insurgency made an appearance in the capital which the government had to crush with overwhelming force through Operation Silence. Although Musharraf was again praised for taking a determined stand against Islamism, the Americans have been demanding even more determined action against Al-Qaeda leaders and operatives suspected of hiding in the tribal areas as well as the Talibans who are based in those areas. In case Pakistan did not comply, the Americans have threatened to hit targets directly within Pakistan. After protests from Pakistan, the United States' State Department toned down that message, saying that it preferred to work in cooperation with Pakistan. But certainly if the Islamists were to capture power, American military action can be expected to be quick and determined.

However, as argued above, the key position holders in the Pakistan nuclear establishment as well as in the military have been removed from their posts. Without them being involved in a successful plot to capture Pakistan's nuclear bombs, the extremists cannot access and use such weapons. Thus, even if General Musharraf were to be removed from office through the political process or something as dramatic as an assassination, the state institutions would still not automatically fall into the hands of the Islamists. The reason is that the generals who are

currently in positions of command are pragmatists, and most of them have had close relations with the Pentagon and would continue the policy of cooperation with the Americans.

Moreover, an Islamist takeover will also gravely threaten the existence of Pakistan. The Islamists coming to power through a general election is even more unlikely. All the Islamist parties and factions together have not won more than 10 per cent of the total votes. Thus unless a grave lapse in intelligence gathering has occurred at the highest levels of the state there are good reasons to believe that an Islamist takeover scenario is far-fetched.

Arms Race

The second thing to consider is if a possible United States-India nuclear deal will set in motion another arms race between India and Pakistan. Currently, it seems that the Indian government is going to face great difficulties in obtaining parliamentary approval on that deal as both left and right sceptics perceive Indian sovereignty compromised and, specifically, its control over its weapons programme severely restricted. But assuming that the deal is completed, ratified and closed by both sides, the balance of power will incontrovertibly tilt in favour of India. Would Pakistan then seek to enter into a comparable deal with another power with a view to re-establishing the balance of power? This seems to be the natural response for Pakistan but one can wonder if there is a willing nuclear power to enter into such an alliance. Often times, China is mentioned as the counterweight that Pakistan will try to cultivate. There is a long history of close relations between both countries and that relationship remains stable. However, the Chinese are not known to entering into military alliances. Some informal understanding between the two countries may take place to counter perceived Indian hegemony in South Asia. On the other hand, relations between India and China are improving quickly and that factor could also play a role in China not wanting to enter into a South Asian arms race.

One can also envisage that both India and the United States will make efforts to assuage Pakistan that such a deal is not directed against Pakistan's integrity and sovereignty. In particular, India may respond to Pakistani concerns by offering concessions on Kashmir that uphold its position that the borders cannot be redrawn but some sort of joint responsibility for Kashmir, as Pakistan has suggested, can be agreed. Equally, the United States is not likely to abandon Pakistan altogether, in spite of the so-called strategic understanding with India that the deal has been described. Pakistan will continue to be important to monitor the volatile tribal areas on the western border with Afghanistan. Can Pakistan expect Saudi Arabia, a traditional economic backer, to finance the Pakistani arms race? This possibility must be discounted because the former has recently been developing good relations with India and, in any case, it has its own worries uppermost with a possible Iranian graduation to a nuclear weapon state.

Under the circumstances, the traditional arms race scenario is not likely to be pursued by Pakistan. It may, however, continue to develop its nuclear weapons capability based on its doctrine of minimum nuclear deterrence. In the longer run, it may be persuaded to reconsider if relations with India cannot be grounded on some more sophisticated values such as economic cooperation and joint ventures, including some sort of regional South Asian defence structure.

Internal Rebellion

The territorial unity and integrity of Pakistan has been a major worry of the ruling elite. Pakistan has once been dismembered in 1971 when East Pakistan broke away to become Bangladesh. Actually centrifugal tendencies originated first in western Pakistan when Pukhtun nationalists and some Baluch leaders began to complain of Punjabi domination. Later, even Sindhis developed resentment against the Punjabi-dominated centre. The lack of consistent democratic government has meant that relations between the centre and provinces have not as yet stabilised. In recent days, Pukhtuns in both the North West Frontier Provinces and Baluchistan have given calls for the creation of an Afghanistan province. This complicates relations not only between the centre and Pukhtuns but also between the centre and Baluch nationalists who have been involved in several armed encounters with the Pakistan military.

A Reformed Futuristic Vision

Functioning successfully as a nation and society in the era of globalisation requires skills and strategies which are more variegated than those that served well the needs for security and integrity of nation-states. In the case of Pakistan particularly, it should now be quite clear that much time and energy have been wasted in a vain attempt to establish an Islamic state which can also be a democracy. Pakistan can either be normal type of civilian state within a democratic framework that grants equal rights to all its bona fide citizens, irrespective of their caste, creed, colour or gender, or a retrogressive and closed polity that institutionalises discrimination of minorities and women. Saudi Arabia and Iran are cases in point of the latter type of Islamic polities that have promoted Islamist ideology worldwide. They have been able to do so because for all practical purposes, they are rentier states that can afford to waste huge chunks of their oil wealth in such projects.

Pakistan does not have any such asset it can squander away with impunity. Given the intense economic activism in India and in South East and East Asia, there is reason to believe that Pakistan will increasingly be compelled to consider partaking in such activism. The road to prosperity lies in sound finances and skilful economic planning and management. A re-orientation in such a direction would require a climb down from ideology and a pragmatic approach to societal matters.

A 'Normal Role' for the Military

Observers and analysts of Pakistani politics would have little difficulty in agreeing that the Pakistani military, more precisely the huge army, is the most powerful institution in that country. Historical-structural analyses originating in the colonial period and those rooted in the Cold War epoch furnish abundant evidence of the ubiquitous presence of the Pakistan military in the politics of Pakistan. It has enjoyed practically veto powers in relation to the elected representatives of the people and, in the process, has arrogated to itself the role of guardian and custodian of the Pakistan national interest. At the same time, the Pakistan military has had an unmistakable pro-Western orientation while also acquiring very visible signs of an assertive Islamist fighting force from the early 1980s onwards. The Americans would exert great pressure on Pakistan to choose one of these two orientations.

Moreover, in the absence of civilian supremacy, the praetorian guards have been corrupted by too much power – this power is not simply military or political but also economic. The military runs its own banks, insurance companies, productive enterprises and, recently, have

been involved in hectic real estate deals and so-called land development schemes. Charges of rampant and extensive corruption by the military top brass are now commonplace in Pakistani political parlance and frustration can be sensed in all sections of society. Military officers now occupy senior positions in all major public sector institutions, preventing promotion of civilians. There is simply no system of check-and-balance in place to monitor the economic activities of the military. It is very doubtful if such a privileged position is tenable in the longer run.

Musharraf's Options

The foregoing section reveals that Pakistan is in a critical state today and faces several crises internally and externally. It would be fair to say that Musharraf is facing the worst period of his rule as President. The big picture problems facing Pakistan and Musharraf are international Islamist terrorism, domestic insurgency and ethnic conflict, and the demands for a return to democracy. These challenges have been compounded further in recent months by a series of events.

One, the invasion of the mosque in July 2007 which was one of the biggest challenges faced by Musharraf government in the eight years of its rule. The attack was significant as it marked one of the biggest crackdowns on Islamic elements since Musharraf came to power. The fact that it happened right in the heart of the city, the federal capital Islamabad, in close proximity to the presidential palace and parliament, was just as much of a concern as the fact that it pointed to the possibility of religious extremism spreading from the Frontier areas into the interior of the country. If history is any guide, the Lal Masjid attack, quite like the attack on the Golden Temple, could have a serious impact on Pakistan's fight against terrorism, especially after its enlistment as a frontline state post-September 11 to assist the United States in its war on terror. It could cost Musharraf support from the Islamic parties and right wing factions in the country who see the invasion of the mosque as a sign that Musharraf is willing to turn on his own people in his support for the United States. The alliance between the government and jihadists is already precarious; the Lal Masjid episode could inflict an irreversible damage on this association.

Two, the crisis precipitated by the dismissal of the Chief justice of the Supreme Court, Mr Iftikhar Chaudhry, on charges of misconduct and nepotism by General Musharraf. The dismissal sparked riots on the streets and emboldened the masses to openly defy Musharraf's regime. The removal per se was not as surprising as how swiftly it transformed into a mass agitation spreading to different cities, including Lahore and Karachi, and the extent to which it was able to galvanise opposition against Musharraf. The Chief Justice had locked horns with the government on a host of issues but his anticipated opposition to Musharraf contesting elections as President whilst retaining his uniform is what is rumoured to have precipitated his ouster. The movement gave ammunition to the pro-democracy forces and called for restoration of democracy, rule of law, fair and free elections and an independent judiciary. The reinstatement of the Chief Justice by the Supreme Court has further weakened Musharraf's case, alienating the progressive secular forces who may have comprised his support base.

Three, Pakistan's relationship with the United States which had supported Pakistan as an ally in the war on terror and propped up the Musharraf regime through diplomatic and financial support, has recently also faced some hiccups. The United States has openly stated that Pakistan is not doing enough to contain terrorism in its backyard and there have been veiled

threats of unilateral American military action on Pakistani soil, an eventuality that would be wholly unacceptable to the people of Pakistan and who would blame Musharraf if this were to happen. Musharraf is caught between a rock and a hard place as he tries to balance his foreign policy concerns with domestic considerations.

These events have exerted immense pressure on Musharraf. Equally significantly, these events, especially the judicial crisis, have given huge moral support to the pro-democracy factions. Where does this leave General Musharraf and what are the options ahead of him. Even though the political climate is highly volatile and dynamic, five possibilities present themselves.

1) Musharraf cuts a deal with political parties

The Pakistan Peoples Party (PPP) leader Benazir Bhutto has reportedly been in touch with Musharraf on a possible power sharing arrangement. Musharraf could make strategic compromises with Benazir to remain in power. But he will need to explain how he is making a deal with those he branded earlier as corrupt and not capable of managing the country's affairs. Similarly, Bhutto will have to explain how she justifies joining hands with a military dictator when the PPP has all along advocated a different line. Any deal with the PPP would, therefore, be complicated.

2) Return of democratic forces through free and fair elections

There is now a real chance for the return of democratic forces. The mood has already been set by the media and intelligentsia, which have mobilised public opinion in favour of democracy. The two leading opposition parties – the PPP and the Pakistan Muslim League (N) [PML (N)] – formed a Grand Alliance for the Restoration of Democracy and signed a Charter of Democracy last year, demanding democratic, constitutional rule and return of the army to the barracks. These are welcome developments, and if free and fair elections are held, both the PPP and PML (N) are likely to register a strong presence in the political arena. But rhetoric and high intentions will have to be tempered by the fact that these parties do not have a very good track record at protecting and preserving democracy.

3) Musharraf engineers his re-election

The re-election of Musharraf as President by the present national assembly and provincial legislatures, with or without uniform, is no longer a given. Even with the President seeking support of the assemblies before the conclusion of their present term, his re-election may not be easy. The Muttahida Majlis-e-Amal, a coalition of religious parties which were instrumental in supporting him in the 2002 elections, may not be as willing to support him now following the Lal Masjid siege. To gain their support and rebuild the military-mullah alliance, Musharraf will have to make concessions, which he can ill afford to make for fear of upsetting the United States.

Alternatively, elections can be rigged as was alleged in 2002. But given the reinstatement of the Chief Justice and a public that is willing to take to the street to protect the rule of law, any such attempt by Musharraf will certainly be challenged, and most likely successfully. The Chief Justice has already led the Supreme Court in delivering two judgments highly unfavourable to Musharraf, namely the release of PML-N Acting President, Makhdoom Javed Hashmi, and the ruling in favour of the return of former Prime Minister Nawaz Sharif and his brother from their “forced exile”.

4) *Musharraf resigns*

No military ruler has given up power voluntarily – both Ayub Khan and Yahya Khan resigned in the face of acute crises which plagued their administrations, and Zia-ul Haq died in office. If history is any guide, Musharraf will cling on to the very end but when the end is nigh, there is a real possibility that he will bow to the inevitable and resign. Another possibility is that the army itself sees him as a liability and asks him to step down to preserve its own image. This will only mean that another General replaces Musharraf and a new equation is worked out.

5) *Musharraf declares a State of Emergency*

Under Pakistan's Constitution, the President may declare a state of emergency if it is seen that the country is threatened by war or external aggression, or by internal disturbance beyond the government's authority to control. According to some reports, Musharraf was on the verge of declaring a state of emergency and ruling under martial law. However, had he done so, or considers it as possible future option, it is certain that he will lose credibility in the eyes of the people. It will be seen not as a measure to protect the peace and security of the state but merely as a ploy to delay elections and perpetuate his rule. Also, the United States is unlikely to be keen on this option and will exert pressure on Musharraf not to do so.

Whether Musharraf rides this storm or not, there is no denying the fact that his authority has been severely compromised. The stakes are high as new variables have been introduced into the picture providing another historic opportunity for democratic forces to re-emerge on the political scene. This is the right time to push for change and it will be a pity if the moment is lost.

Economic Situation

Last but not the least, we are of the opinion that the Pakistan economy is ready and mature to partake fruitfully in economic activity that will generate greater prosperity if it is provided able leadership. Despite all the political instability, Pakistan has maintained an average five percent gross domestic product (GDP) growth over the last 50 years and has been growing by seven percent in recent years. Pakistan's foreign exchange reserves reached US\$16 billion and foreign direct investment (FDI) totalled US\$7 billion in FY2006-07 from a mere few hundred millions at the start of this century and gross national product per capita grew from US\$470 to US\$960 during the same period. Full credit must be given to the Musharraf regime for recruiting capable and innovative experts who have turned the economy around so well.

All the macro economic indicators show healthy signs of a growing economy particularly the improved fiscal discipline. In recent years, public and private investment witnessed 40 percent and 30 percent growth respectively constituting 23 percent of GDP as compared to 16 percent in 2001. Private investment is largely in deregulated sectors of oil and gas, power, communications and finance, and origins of FDI include the United States, the United Kingdom, the United Arab Emirates, Saudi Arabia, Norway, Japan, Hong Kong, Singapore and China. Karachi Stock exchange is growing steadily and the sovereign bonds launched by the government were oversubscribed showing a strong investor confidence. The Singapore government has invested more than US\$160 million in last five years. Port Authority of Singapore took over management of Gwadar port and has plans to invest US\$8 billion over the next 40 years.

There is, of course, a rider that needs to be kept in mind – the critics see it as a “trickle down economy” largely driven by privatisation and liberalisation. The fact that the growth is unable to make any significant dent in unemployment (6.5 percent in a 42 million labour force) and high levels of underemployment raises doubts about the overall policy framework. Moreover, inflation remains a formidable challenge even when adjusted with high oil prices. Poverty is another daunting challenge which was moderately brought down from 32 percent (national poverty line) to 26 percent in the last eight years.

These challenges demand from the government to make momentous efforts to bring the benefits of growth to the poor people. An equitable growth will not only ensure a prosperous Pakistan but will substantially compliment government’s endeavors to fight extremism and terrorism who prey on the poor of the country.

The most urgent of all ongoing reforms is the education system of Pakistan. The government has been reasonably successful in reforming the economy, bureaucracy, revenue department and remained moderately successful in case of judiciary and the police. However, the education reforms have been confined to higher education. No doubt, higher education is crucially important but so is the universal primary education. Enormous resources and effort is required to incorporate the traditional madrassahs (15,000) and to absorb their 1.7 million students. All these reforms and economic growth can stall or even reverse if the growth is not inclusive where all parts of the society benefit.

Conclusion

We have tried to demonstrate that, notwithstanding mounting difficulties faced by Pakistan, it remains a relatively stable state in South Asia. The state institutions of the civil bureaucracy and military remain integrated, coherent and strong and can ward off internal and external threats. The dominant position of the military in Pakistani politics needs to be corrected so that a civilian government can come to power and democracy can be put into practice. The Musharraf regime will probably face greater internal and external pressure to permit democratic elections to take place. His own future as the president of Pakistan, in particular, seems highly uncertain.

A democratically-elected government can continue to pursue the economic policies worked out during the Musharraf period and, thus, put Pakistan on the road to economic development, in consonance with the strategies being pursued by India and by the more successful countries of Southeast Asia. This should be the rational choice of Pakistan and the road ahead for it in the foreseeable future. There is reason to be optimistic that Pakistan will change course and start greater integration in the economies eastwards.

oooOOOooo