

Pakistan's Crisis: Incremental Steps toward Sustainable Democracy

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Summary and Recommendations

The situation in Pakistan, in both political and economic spheres, is deteriorating to an extent that could potentially have a seriously destabilizing impact on not only the country itself, but also Afghanistan and the world at large. In order to reverse this trend, several steps need to be taken. A first and necessary step is to counter militancy more effectively; but this is only one of the measures that need to be taken. Free and fair elections and a civilian government are prerequisites for the necessary legitimacy of any future government, and this also needs to be complemented with restoring confidence in both the political process and in the political parties. Moreover, the strengthening of state institutions is badly needed, and in the short term at least, finding a modus vivendi between the political parties and the army for running the country appears inescapable. Despite the turmoil that Pakistan has experienced in the past year, there is still real potential for bringing sustainable democratic development to Pakistan. This is not because any elected civilian government will rapidly replace military rule, but because the military, in contrast to many perceptions, appears to be willing to share power with a truly civilian government. If this is done in a thoughtful and orderly manner, Pakistan could possibly extricate itself from and reverse the current negative spiral. This will nevertheless require a combination of external help involving the United States, Europe, and Asian powers, including China.

Recommendations

The following recommendations are issued:

- Prepare for a possible international rescue operation in cooperation with the World Bank to avoid failure of the Pakistani economy due to the present unrest.

- Support any Pakistani government's effort to eradicate militant groups not only in the NWFP and FATA, but also in Punjab and elsewhere across the country.
- Support cautiously any measure of a symbolic nature, which aims at and seems viable as a contribution to conciliation, like establishing an independent commission for investigating the assassination of Benazir Bhutto.
- Promote an agreement between the political actors in Pakistan, including, if necessary, the military, if it can lead to an orderly election procedure.
- If Musharraf goes ahead with his plans for elections on February 18, foreign disapproval should be cautious and withheld if it does not seem inevitably to lead to faulty elections.
- Create preparedness for financial support but also demand the emerging government to initiate a policy of reforms and structural changes of the existing feudal system.
- Prioritize the building of state institutions instead of focusing narrowly on the electoral process.
- Not focus one-sidedly on border security. It is becoming increasingly evident that Quetta and Karachi are also becoming safe-havens for Al-Qaeda and other militants.
- There is a need to change the "strategic mindset" on border security and start viewing the Afghan-Pakistan border as an opportunity rather than a problem. The economic synergy that exists across the Durand Line between Afghan and Pakistani traders is the key to the development of FATA and neighboring communities.

Introduction

The year 2007 was marked by a crisis in Pakistan's domestic political system, coupled with a deteriorating security environment in the country. The assassination of Benazir Bhutto on December 27 was preceded by a year of violence, the extent of which was unprecedented since the division of Pakistan and the secession of Bangladesh in 1971. The Lal Masjid (Red Mosque) crisis, the stand-off in the Swat-district, the assassination attempt on President Musharraf, the first attempt on Bhutto's life and her subsequent assassination, as well as numerous sectarian clashes between Shi'a and Sunni militants and a skyrocketing rate of suicide-bombers all testify to the turbulence of the country. In the month of October alone, nearly 1,000 casualties were claimed in armed struggles of various sorts. Should this trend continue, the security situation in at least parts of Pakistan would increasingly resemble that of Afghanistan and Iraq. Indeed, there are suggestions that Al-Qaeda's difficulties in Iraq may have led it to set its sights increasingly on Pakistan.

Simultaneously, President Pervez Musharraf's position has been weakened, as his legitimacy and popularity have been eroded. In dismissing the head of the Supreme Court, Chief Justice Iftikhar Muhammad Chaudry,—replacing him and other judges with a composition loyal to Musharraf, and by declaring emergency rule, he disrupted the hope of “free and fair” elections and derailed the legitimate transformation from military to civilian rule. A U.S.-brokered power-sharing deal between Musharraf and Bhutto, though fragile from the outset, all but collapsed with Bhutto's assassination; and a main pillar in the U.S. strategy for Pakistan's future vanished. The current crisis in Pakistan presents a significant dilemma not only for Musharraf and the U.S., but also for other political actors with vested interests in the stability of Pakistan. These include regional powers such as China and India, as well as Pakistan's most important trading partner, the European Union. The situation is complicated by the fact that very few external actors have any great legitimacy in the country, especially the U.S. that has been severely discredited in the eyes of the population.

Indeed, Pakistan's crisis raises a number of questions. How should the process of democratization be reconciled with the imperative of providing stability, and the security of the democratic process? Is there at all a trade-off

between democracy and security, or must they be advanced in a complementary fashion? How can elections be held when Pakistan's entire system of justice has been suspended and remains in deadlock? And, moreover, how will civil-military relations unfold at a time when Pakistan is going through one of its worst crises since the birth of the nation?

Western mainstream opinion and Pakistan's liberal intelligentsia often argue that parliamentary elections, if considered "free and fair," would automatically transform Pakistan from military rule to a civilian government. This report concludes, however, that this is an unrealistic prospect. Combining the factors of Pakistan's cyclical history of military coups and civilian governments—and the deep suspicion of misrule running between them—together with the current security situation in the country, with its the weak political and economic structures, suggests instead that the transition will (and must) be more combined with both structural changes in both the economic and political fields.

The army, for its part, will be reluctant in ceding decision-making to a civilian government in a situation whereby elements sympathizing or cooperating with the Taliban and Al-Qaeda have virtually taken over areas nominally under government control. Conversely, the army realizes that the days of support for its actions are numbered, unless it allows for more civilian influence over the ruling of the country. What Pakistan needs is not rapid and dramatic change *in this respect*. What Pakistan needs is time to build up trust between civilian politicians and the military—a process which inevitably will take time and will require co-management of the country. This leadership, in partnership with the international community, should make the strengthening of Pakistan's state institutions the foremost priority—both to uphold the transition to democracy and to counter militants. As important as support from the international community in promoting structural changes, will be immediate financial support to avoid capital flight from the country caused by the dissolution of law and order. It should also be accepted, even if grudgingly, that the military is the most stable and least corrupt institution in the country today and will likely be crucial in any transition to a more stable Pakistan.

The Background to Pakistan's Crisis

The Power Position of the Military Establishment

Following independence, Pakistan faced a severe resource imbalance in comparison to India. Three wars were fought with India over Kashmir and then, in 1971, local discontent in East Bengal led to an Indian-supported uprising against the central government. After having suffered significant human losses in the war of 1971-72, Pakistan finally accepted the division of its territory, with Bangladesh assuming sovereign powers as an independent Muslim state. The behavior of the Indian government during this process created feelings of great animosity in Pakistan, which are still not forgotten today. Against this backdrop, Pakistani industry was directed toward rearmament and weapons production at the same time as the military gained a disproportionate influence in the ruling of Pakistan. This militarization of the country also had profound consequences for deteriorating bilateral relations between Pakistan and India.

India, for its part, has continued to maintain military forces numbering more than a million men under arms. Its military expenditure, according to official figures, has consistently amounted to between 2.5 and 3 per cent of its GDP, while Pakistan, with only a seventh of India's population, needs to invest disproportionately more in order to match India's capability in the eventuality of any conflict, as well as to maintain a credible deterrent. In this sense, it is not surprising that the share of military expenditure in Pakistan's GDP is as high as 5.5 percent, excluding pensions of military personnel.

President Musharraf has attempted to attract India's interest in establishing closer contacts between the two countries, but it was not until he declared that the UN Security Council Resolutions on Kashmir were not necessarily binding that he managed to bring India into a comprehensive dialogue. The so-called Composite Dialogue that started in January 2004 initiated a mutual policy of *détente*.

However, opposition has been raised by Hindu nationalist circles in India against any real settlement of difficult questions with Pakistan; in particular, there is resistance to making any deal with Musharraf, whose authority they do not accept. During the greater part of 2007, no meeting occurred within

the framework of the Composite Dialogue. As long as India adopts such a position, it would seem unlikely that the power position of the military establishment in Pakistan will weaken. It is there to defend the country from both domestic and external threats, and both seem to credibly persist.

Structural Problems

In 2005, Ishrat Hussein, Governor of the State Bank of Pakistan, stated that "Pakistan is facing many difficult challenges. One third of the population still lives under the poverty line. Human Development indicators remain low as almost half of the population is illiterate, infant and maternal mortality rates are high, access to quality education and health care particularly by the poor is limited, income and regional inequalities are widespread, infrastructure shortages and deficiencies persist, skill shortages are taking a toll in the country's productivity while at the same time, there is high unemployment and underemployment."

Though Pakistan has experienced substantial and rapid growth under Musharraf's tenure as president, the problem is that economic development in Pakistan has not significantly addressed, let alone eliminated, the socio-economic problems that the country has endured since its birth. To the contrary, they have worsened over the course of the last two decades. The percentage of households living in absolute poverty increased from 21.4 per cent in 1990-91 to 40 per cent in 2000-01. By 2004-05, more than 36 million Pakistanis were living below the official poverty line.¹

Agriculture is the mainstay of Pakistan's economy, employing 45 percent of the population.² Most of Pakistan's agricultural output comes from the Indus basin, the locus of the majority of the population. The socio-economic structure of the country is usually described as mainly feudal in nature.

A Pakistani writer, Professor Sharif Shuja, has eloquently illustrated the way many Pakistanis feel about their situation:

¹ Pakistan Ministry of Foreign Affairs, *Economic Survey 2005-06*, p. 11., <http://www.mofa.gov.pk/Publications/overview.pdf>

² Ibid.

There are three power centers in Pakistan: (1) the feudalists and the elite with their money; (2) the army with the guns; and (3) the ulema with its jihadi army and the claim to be 'protectors of Islam'. Most Pakistanis are lost somewhere in between. The problem for democracy and social justice in Pakistan is that the country is being controlled by a handful of families, and the system they created is corrupt and self-serving. The people have seen no significant development. Pakistan's political elite has been notably unsuccessful in nation- and state-building. The army works in tandem with the feudal landlords, who have been allowed to keep their huge lands. Land reform is not done in Pakistan. This feudalism is at the heart of the country's problems. Landlords are quite powerful. The feudal prototype in Pakistan consists of landlords with large families possessing hundreds or even thousands of acres of land. They seldom make any direct contribution to agricultural production. Instead, all work is done by peasants or tenants who live at subsistence level.³

General Musharraf's government has, at least nominally, acknowledged this problem, among other announcing plans in 2002 to carry out massive land reform, and issuing a report on "Decentralisation and the Revolution of Power," calling for rapid land redistribution. The report was impressive, but there is little indication that Musharraf's government has been serious about its implementation.

Pakistan, the Region, and the West

Any long-term solution to Pakistan's woes is impossible without addressing the underlying cause of the socio-economic problems that are facing the nation. Indeed, every Pakistani politician asking for support from the West should be reminded of such, and exhorted to act in alleviating the socio-economic problems. This is especially the case as Western states have been discredited and often seen as a problem rather than a part of the future solution.

Moreover, the role of the West must be seen in the light of a partner, both from Pakistan as well as from the West. In Iraq and Afghanistan, the U.S.

³ Sharif Shuja, "Musharraf's Administration and Pakistan's Economy," *Contemporary Review*, March 2005.

and its allies have appeared as only being interested in gaining strategic positions. After ousting the Taliban and Saddam Hussein, the West has been seen as withdrawing its forces, leaving the locals to the task of improving their own lot without much foreign support. This impression has alienated many Pakistanis to a very high degree; and that is part of the explanation why Musharraf is viewed, both by the civilian elite around him and among the military, as being as much a part of the problem as he is part of a possible solution.

Musharraf has been forced by necessity to become too closely connected with the West. After 9/11, he had to choose between accepting the demand of the religious traditionalists in Parliament—that Sharia law rather than British-inherited common law—be the mainstay of the legal system of Pakistan and accepting U.S. demands to use Pakistani territory for operations in Afghanistan. He chose the latter, and thus became a symbol of Western influence both in relation to Pakistan and Afghanistan—an influence that is seen as a threat by a substantial part of the population, as well as a symbol of the negative developments that have occurred in Pakistan and Afghanistan during the last five years.

To the West, this means there is a need to realize that it has to change its own image and avoid a continuation of the ongoing alienation of the Pakistani population. This can best be done by contributing substantial resources to much-needed reforms for reducing income disparities between the poor in the countryside and the urban population—and to really be seen as doing such.

Political Violence

Pakistan has experienced a high degree of violence and political turbulence throughout its existence. During the entire 1990s, Pakistan was on the verge of becoming a failed state with an economy in shambles, severe tensions with India, and a strategic policy that provided support to Islamic fundamentalists in Afghanistan and Jihadists in Kashmir.⁴ Musharraf's coup in 1999 needs to be seen in context of this mismanagement under the civilian governments run alternately by Bhutto and her main rival, Nawaz Sharif. Since then, and

⁴ Stephen Cohen, "The Nation and the State of Pakistan," *Washington Quarterly* (Summer 2002), p. 110.

under Musharraf's rule, the economy has recovered, the use of militants is no longer considered an issue of Pakistan's "strategic depth," while tensions with India have eased somewhat after a dangerous crisis in 2002.⁵

Nevertheless, the influx of foreign fighters into Pakistan's tribal areas (primarily into the South Waziristan Agency of Pakistan's Federally Administered Tribal Areas ((FATA)), including Jihadists of Uzbek, North Caucasian, Arab, and Chinese origin, has exacerbated the stress on Pakistan's tribal societies and threatens the Pakistani (and Afghan) state. Quetta, the capital of Baluchistan, has also been used as a base for the insurgency in Pakistan and Afghanistan. Today, however, these radical forces are no longer only confined to Baluchistan, Waziristan, and the FATA but have also penetrated the North West Frontier Province itself, which the government ostensibly should control, in contrast to FATA which are autonomous areas governed by tribal and not Pakistani law. The militants have established links with sympathizers and suicide bombers in the rest of Pakistan—not least the dormant Jihadi groups formerly active in Kashmir and now spread across the Punjab.

As a result of this, Pakistan has witnessed a severe crisis in the past six months—starting with the hostage crisis at Lal Masjid (Red Mosque) in July which killed 88 people in total, including 10 Special Forces officers,⁶ and ending with the assassination of Bhutto in December.

The Lal Masjid Standoff, its Aftermath, and the First Attempt on Bhutto's Life

Radical Muslim students at the Lal Masjid (the Red Mosque, in central Islamabad) during the autumn of 2007 started to take hostages to press their demands, which included the immediate implementation of Islamic law and the cessation of cooperation with the United States. This led Musharraf to order an intervention by force. The operation at Lal Masjid was the largest undertaken by Pakistan's military against its own citizens since the operation against Bengali citizens of East Pakistan in 1971.⁷ It also triggered a wave of violence across the country.

⁵ Daniel Markey, "A False Choice in Pakistan," *Foreign Affairs*, (July/August, 2007).

⁶ *The Lal Masjid Crisis* (Islamabad: IPRI, September 2007), p. 87.

⁷ *Ibid.*

The fallout from the Lal Masjid crackdown led Islamist militants to break a local truce with the government. The situation became particularly precarious in the areas around the picturesque Swat valley, only 150 km from Islamabad. The combatants received reinforcements from Waziristan, but also from fighters of Afghan, Uzbek, and Arab origin arriving from Afghanistan. Not until the military intervened in Swat did Pakistan manage to temporarily quash the rebellion. The death toll in the two week period following the military's intervention amounted to around 350 persons, one third of whom were civilians. The government is yet to establish full control over the hills around the region.

This bloodshed continued in the autumn, with daily suicide bombings, clashes between the army and militants, and sectarian violence in the tribal areas. When Benazir Bhutto returned to Pakistan, a suicide-bomber targeted her in Karachi; the bomber narrowly missed his target, but killed more than 140 persons, making it the worst suicide attack in Pakistan's history. The days of late October and early November were some of the bloodiest in decades, claiming hundreds of lives. When Musharraf imposed emergency rule on November 3, the U.S. started reconsidering its steadfast support for Musharraf, and many in Congress raised their concern over continued military rule in Pakistan.

The State of Emergency: Rhetoric or Reality?

On the political front, Musharraf's handling in response to the assassination attempt on Bhutto was only the latest in a series of apparent mistakes. The dismissal of Chief Justice Iftikhar Muhammad Chaudry, a clamp-down on the media, and the imposition of emergency rule in early November all rebounded and Musharraf found himself increasingly isolated.⁸ Musharraf's stated intent of taking extreme measures to fight extremism was unconvincing in the context of his fight for political survival—giving way to suspicions that his slogan of “Pakistan first” in reality equated to “Musharraf first.”

⁸ Daniel Markey, “The Summer of Pakistan's Discontent,” *Foreign Affairs* (September 20 2007), p. 1 (update to his article “A false choice in Pakistan” fn. 4).

It would, however, be wrong to entirely refute Musharraf's claims that Pakistan was, factually speaking, in a state of emergency.⁹ After all, which state would tolerate parts of its jurisdiction being directly controlled by insurgents, like the Swat valley in NWFP, an armed rebellion in the capital, and a wave of suicide bombings rivaling those of Afghanistan and Iraq in intensity as well as assassination attempts of political leaders, including Musharraf?

As Musharraf stated in his emergency declaration, militant groups were, and are, "banding together" and threatening the writ of the state. The collusion between militant groups, including those led by Baitallah Mehsud (one of the prime suspects in the assassination of Benazir Bhutto), Maulana Fazlullah, and Jalaluddin Haqqani (a former Minister in Afghanistan's Taliban government), has enabled them to extend their territory and influence beyond the Federally Administered Tribal Areas to also threaten the rest of the country. Sectarian violence has become widespread, particularly between Shi'a and Sunni militants in areas bordering Afghanistan, while dozens of tribal elders were murdered by militants in Waziristan. Simultaneously, militants previously used by the government in the Indian-administered part of Kashmir have turned inwards—now targeting Musharraf, his government, and other politicians of importance in different political parties.

Islamic Militancy: Pakistan as a Theater in the Civil War within Islam

Yet this should not eclipse how Pakistan also fits into the larger pattern of an ongoing struggle between moderate and extremist forces across the Muslim world and how Pakistan, Afghanistan, and Iraq are the epicenters of this struggle. Socio-economic development and poverty may conceivably explain the phenomenon of terrorism in general, but it does not explain why it plagues the Pashtun border areas to a far higher extent than equally poor areas elsewhere, such as Afghanistan's north.¹⁰

⁹ Chapter X of the Pakistani Constitution specifies that: "If the President is satisfied that a grave emergency exists in which the security of Pakistan, or any part thereof, is threatened by war or external aggression, or by internal disturbance beyond the power of a Provincial Government to control, he may issue a Proclamation of Emergency." See the official website of the Pakistani Government, <http://www.pakistan.org/pakistan/constitution/part10.html>

¹⁰ Barnett Rubin, "Saving Afghanistan," *Foreign Affairs* (January/February 2007), p.11.

What has emerged today amounts to no less than a lawless area and terrorist safe haven that stretches from central Afghanistan all the way to Swat near Pakistan's capital. The establishment of this corridor has been possible through a combination of several factors: First, the weakness of the Frontier Corps in maintaining law and order; Second that the main front in the global Jihadist war is shifting back from Iraq to the tribal areas; Third, through collusion between various Al-Qaeda-associated groups. The army's inability to control the valleys connecting with Afghanistan has also resulted in a regular supply of reinforcements of insurgents to Swat, and possibly beyond.

What makes the insurgency in Swat of such significance is that it is now clearly part of the larger global Jihadist vision, rather than being limited to Pakistan solely. Fazlullah's band of militants is now linking the insurgency to a broader mission encompassing Afghanistan. This could be seen both in their endorsement of the Taliban as they captured the Swat valley, and other smaller towns, as well as in their participation in the newly-formed Pakistan Taliban Movement, formed in mid-December and including around 40 Jihadist organizations.

It is important to consider Musharraf's actions within this broader framework. Indeed, Musharraf has during his tenure changed the entire strategic course of Pakistan as a state, from one supporting extremist elements to one considering them a liability and the foremost threat to Pakistan itself. This is no mean achievement. He has also surrendered his uniform, and has installed an Army Chief who is pro-Western, secular, and supports the concept of democratization, albeit coupled with a strong military. He has also demonstrated an ability to hold the country together in face of extreme domestic dissent and unrest.

The Assassination of Benazir Bhutto

Pakistan's many problems, including a feudal structure, weak state institutions, and militancy, were epitomized with the assassination of Benazir Bhutto and the twenty other persons who lost their lives when her motorcade was attacked on December 27, 2007. Before the assassination, Bhutto had addressed a rally at Liaquat Bagh in Rawalpindi, in which she called for an end to military rule and vowed to defeat the extremists that

threatened the government's writ in FATA, the Northwest Frontier Province, and along the Afghan border in general.

The government offered several conflicting explanations of the cause of Benazir's death.¹¹ It seems that it tried to modify the original version of the explanation of the incident and that it failed to immediately make a proper investigation.¹²

It has given the impression of an inept government, which may harbor good intentions, but which repeatedly fails to foresee the consequences of its actions.

Implications

Civil-Military Relations and Emerging Potentials

It should be acknowledged that the current government of Pakistan has approached a situation where it, willingly or not, must face a popular vote. A strong momentum and demand for elections have been built up, especially following Musharraf's interference with the judicial system. But unrealistic hopes vis-à-vis the democratic process should not overshadow the fact that the electoral process offers few solutions. The core of the problem is rather that the violence and the threat posed by militants effectively disrupt the political process and remove the essential preconditions for democracy to function, particularly since it deters moderate forces from participating in the democratic process. Thus the main impediment to democracy is not Musharraf or the army, as it is usually portrayed in the West, but the militants—which no one in Pakistan apart from the recently deceased Bhutto and Musharraf have dared to criticize. The consequences of doing so should have a strong deterrent effect: Bhutto is no longer alive and Musharraf has only narrowly escaped two major assassination attempts himself, as have his interior and prime ministers. In this context, it is necessary to consider the

¹¹ At first, the government insisted that the subsequent bomb-explosion had killed her but this version was later changed to an explanation stressing that a fractured skull from hitting the car's sunroof was the cause of it. Video-footage from the scene later showed that Benazir was hit by a bullet, which likely also proved to be the deadly factor. Apart from these conflicting accounts, the government made no serious attempts to make a forensic investigation of the crime scene while much of the evidence on the spot was washed away.

¹² It should be noted that the latest attempt on Musharraf's life received a far more thorough investigation.

need, while developing democracy, to protect the democratic process from the asymmetric threats posed by militants bent on undermining democracy for the purpose of sowing unrest and eventually usurping the state.

The road to the elections has been bumpy to say the least, but, more positively, Musharraf has discarded his uniform, appointed a civilian caretaker government, and seems intent on holding general elections. Simultaneously, Pakistan's new army chief, Ashfaq Parvez Kayani, is consolidating his position and has demonstrated his support for the democratic process and the transition to civilian rule. In his words: "Ultimately, it is the will of the people and their support that is decisive."¹³ These are important developments, as the army will be essential in supporting the new government, not against itself but against the overall instability in the country.

It remains to be seen whether Kayani will remain loyal to Musharraf, and how the army will react to the election results; but there does exist a real potential of bringing true democratic development to Pakistan. A rapidly elected civilian government will not necessarily replace military rule overnight, but the military appear to be willing to share power in the short term at least, and ready to hand over all power in the long-run if stability can be achieved. A compromise between the military and an elected civilian government may represent a viable solution against the background of Pakistan's history and its current state of affairs. This is in no way a perfect solution from a democratic perspective, but it is rather a more realistic outlook in the face of the current development.

It is difficult to envisage a Pakistan, in the short term, in which the army is marginalized and subordinated to civilian decision-making. This is not only because the military is currently Pakistan's only working state institution, but also because the whole of society has been modeled after it as a consequence of the decay of civilian institutions.

Acute Financial Problems Impending

There are acute economic problems as well, necessitating immediate solutions that require support from the outside world. The most obvious and

¹³ David Rohde and Carlotta Gall, "A General in Musharraf's Shadow Raises US Hopes," *International Herald Tribune*, January 7 2008.

immediate problem is clearly that of law and order, with ethnic, political, and religious groups clashing violently across the country. This has to be stopped immediately, and force will have to be used, not least against Islamist militants. The role of the military is clearly key in this process. But there are also acute financial problems that are threatening to become equally disastrous. Indeed, Pakistan is starting to count the cost that all the killings are having on the fast-growing economy. Accordingly, most sectors of the economy are facing an adverse impact from the recent violence. Estimates put the loss of revenue in the economy in the days following the December 27 assassination at 50 billion rupees. According to one estimate, the Federal Board of Revenue (FBR) would need 2.74 billion rupees in additional receipts per day in the coming days to meet the 1.025 trillion rupee revenue target set for the current fiscal year, which runs to July. The FBR faces lost collection of income tax, federal excise duty, and other levies due to the closure of banks and damaged economic activity. The present crisis may help to derail economic reforms initiated under the administration of President Musharraf if political stability is not restored.”¹⁴

The Legitimacy Problem

Except for the two most serious immediate problems facing Pakistan, namely law and order and the risk of financial collapse, there are the underlying long-term problems that have made it possible for the militant Jihadists to create so many serious difficulties. These problems are all of a socio-economic nature, and need a battery of reform measures, which in turn will require a great deal of authority to be carried through. Authority can be created by military might, but this is likely to erode with time unless supported by legitimacy. Long-term legitimacy can most easily be accomplished by a civilian government, elected in general elections according to the constitution—but only if that government proves capable and free of the corruption and mismanagement that has characterized earlier democratically-elected governments in Pakistan. On the other hand, since there exists a caretaker government established by the military, there possibly is a need for some form of agreement between the military and

¹⁴ Syed Fazl-e-Haider, "Pakistan's economy takes a hit," *Asia Times Online*, January 3, 2008, http://www.atimes.com/atimes/South_Asia/JA03Dfo6.html (accessed January 5, 2008)

partners of a coalition of political parties about the future, so as to carry through the measures needed to prepare the ground for general elections. General elections are already planned for February 18, 2008.

Any such deal could come under criticism for being “undemocratic” in the narrow sense of the word, because it would have to be made with the military, which possesses a role that it should not have in an ideal democracy. However, the power of the military has been a given fact for 50 years and cannot be eliminated before the elections without obviously risking a much-worsened law and order situation.

The Nationwide Rally for Democracy and Perceived Fault lines

The grave security problems facing Pakistan have not been helped by misconceived and politicized conceptions of Pakistani politics. This has reduced the potential for devising realistic solutions for Pakistan’s future. The militants and those opposing Musharraf have one shared interest: to redraw the fault lines of Pakistani politics from a conflict between a small minority of militants and the state, to a conflict between the state/army and the “moderate majority.” The paradox is that Benazir Bhutto and Pervez Musharraf both identified the small clique of extremists—not each other—as Pakistan’s primary enemy. But this reality has been distorted by political wrangling between various domestic actors, foreign governments, and NGOs, and is something that the militants have been able to take advantage of. In the process, the very real threat posed by the militants has often been overshadowed, misconceived, or ignored altogether. Indeed, the International Crisis Group’s report is indicative of this: “Bhutto’s death has drawn the battle lines even more clearly between Musharraf’s military-backed regime and Pakistan’s moderate majority, which is now unlikely to settle for anything less than genuine parliamentary democracy.”¹⁵

Fitting the Pakistani state into pre-conceived templates of rapid democratic consolidation through civil society and elections will not transform a state, in which the dominant mode of thinking has, hitherto, exhibited skepticism toward the idea of mass democratic politics. Democracy is still viewed by many as the “avocation of the rich and influential,” while military rule (or at

¹⁵ International Crisis Group, “After Bhutto’s Murder: A Way Forward for Pakistan,” January 2 2008.

least a large influence by the military) continues to engender a sense of security.¹⁶ There are, of course, dissenting voices to this, especially given Musharraf's growing unpopularity. However, ignoring the specific history of Pakistan and its unsuccessful democratically-elected governments is simply counterproductive. It is equally counterproductive to portray the conflict as one between the military and the people, particularly when the military is the only line of defense defending the latter against the anarchy and chaos that the militants threaten to unleash on the country.

The Roles of the U.S., EU, and China

For the international community, the following matters are at stake:

- Political unrest with religious overtones directly threatens the international effort to stabilize Afghanistan, but can also spill over into the neighboring regions of Central Asia, the Middle East, as well as into Muslim areas of India, all with global repercussions.
- Nuclear weapons are now in the hands of the military in Pakistan and should remain there; they should not become balls in a power-game between extremists.
- The West needs a rapidly improved image in Pakistan and Afghanistan, in order to avoid the thesis of a "clash of civilizations" becoming a self-fulfilling prophecy.

If support for a deal between Musharraf and civilian political parties, or between the military and the political parties, emerges, it seems appropriate for the EU to accept it and support it, unless it is seriously flawed.

However, beyond such a deal, there needs to be a strategy also for the solution of the country's long-term socio-economic problems. This will require substantial financial aid and political long-term support from the outside world to any government or regime that seems to carry enough legitimacy in the eyes of Pakistani citizens. The amounts of financial aid needed will be considerable, and just as important will be the quality and degree of moral support from abroad.

¹⁶ Stephen Cohen, "The Nation and the State of Pakistan," *Washington Quarterly* (Summer 2002), p. 120.

In the present situation, it seems that only measures initiated by the EU could carry prospects of real success. The U.S. is too discredited in the eyes of the majority of Pakistan's population, especially following its serious setbacks in the campaigns in Iraq and Afghanistan. Moreover, due to continued import surpluses and expensive military operations abroad, the financial resources immediately available at Washington's disposal are limited. The U.S. Government will necessarily play a very important role in saving Pakistan from further violence. However, any new aid package that is not of a military nature and directed at efforts to help Pakistan to fight terrorism will have to be formulated in a bill and passed by Congress, which is a time-consuming and difficult process. Only with contributions from Asian export giants like China and Japan, and the smaller "Asian tigers," is it realistic that an adequate package can be created with sufficient haste. And only through the EU taking an active role is it likely that a package will be prepared, something which nevertheless presupposes that the EU can get its own decision-making process into gear fast enough to make an impression on Pakistani voters.

The situation is such that China is unlikely to trust American leadership in any international rescue operation for Pakistan, suspecting that the U.S. will only try to enhance its own strategic position in the region. For China, Pakistan is a neighbor in a region where China feels encircled by American bilateral alliances. China also has the distinction of being the only steadfast and long-term ally of Pakistan in a world in which India has competed for favors from the developed countries and has usually won.

It is also clear that China will not help America create "law and order" in Pakistan through the use of military force. Stability is priority number one for China, but U.S. intervention on China's borders represents an unacceptable threat. If a solution to the current problem could be found in socio-economic development and partnership with Pakistan from a variety of states—not just the U.S., China would then be easier to engage. Cooperation in a financial rescue plan probably represents the limit of Chinese willingness to cooperate in any international plan for Pakistan with U.S. participation, which means that the EU will shoulder a great responsibility in making it happen.