

Ayesha Siddiq. *Military Inc.: Inside Pakistan's Military Economy*. Karachi: Oxford University Press, 2007. 292 pages. Paperback. Rs 450.00.

The book is about business interests of the military in Pakistan. It looks at the political economy of military's business activities and the personal economic stakes of military personnel as the driver of political ambitions of the armed forces. The author has coined the term 'Milbus' for military's business activities. She defines 'Milbus' as 'military capital used for the personal benefit of military fraternity'.

Apart from the Introduction, the book has ten chapters. Chapter 1, 'Milbus: A Theoretical Concept', argues that Milbus prevails in most militaries around the world. The extent to which Milbus prevails in a military depends upon the civil-military relations and the strength of political institutions in the country. The chapter outlines six distinct categories of civil-military relations along a continuum of the strength of civil institutions. Polity's that boast of strong civil institutions, see political forces rule over the country with military playing a subservient role. As the strength of civil institutions declines, militaries penetrate, with the role military becoming complete when the state fails. This is the state where warlords rule.

Chapter 2, 'The Pakistan Military: The Development of Praetorianism', argues that certain structural lacunae in Pakistan's political system, dating back to 1947, brought the military to fore. Governments of the day, having failed to promote socioeconomic development, promoted the national security paradigm, to retain their political legitimacy. This brought the military to the forefront. The ascent of military is owed on the one hand to the weak political leadership, that gave the military an opportunity to assert itself, and on the other hand to the authoritarian inclination of civil governments, that compelled these governments to partner with the military. Thus the seed of praetorianism were sown from the very beginning.

Chapter 3, 'Evolution of the Military Class, 1977–2005', argues that different dominant interests in Pakistan, that include political forces, entrepreneurial class, civil bureaucracy and even the media, have preferred to partner with the military. Though this cooperation has been for the mutual benefit of the partners, but this has strengthened the hands of the military at the cost of democracy. Given the country's predominantly authoritarian and pre-capitalist structure the élites are not averse to the use of military force for furthering their personal ends. This gave the military a role to perform beyond its traditionally understood mandate and has contributed to the evolution of military, from a group into a class.

Chapter 4, 'The Structure of Milbus', outlines the organisation of the Pakistan's military's economic empire, which operates in three areas: Agriculture, Manufacturing and Services and at three levels: one; through direct involvement of the military, (for example, Frontier Works Organisation), two; obtaining unfair economic advantage for its subsidiaries and three; obtaining direct favours for individual members of the military fraternity. The subsidiaries of the military include Fauji Foundation, Army Welfare Trust, Shaheen Foudation, and Bahria Foundation. These subsidiaries are headed by top serving brass of the military. Despite constraints to evaluation posed by the lack of transparency, which the author laments, she puts through her main argument that the commercial ventures of the military's subsidiaries use the influence of the military to obtain business contracts and inputs, financial as well industrial, at subsidised rates. This puts these

ventures ahead of their competitors in the private sector. The use of military resources, by the military's business ventures also generates a similar affect.

Chapter 5, 'Milbus the Formative Years, 1954–77', discusses how the Milbus took root. The author divides the 23 year period into two phases: 1954–69 and 1969–77. These periods roughly coincides with political changes in the country. The first phase reflects the period when the army established its foothold in politics and the economy, while the second period reflects largely the reign of Zulfikar Ali Bhutto, which according to the author is the only period when the Milbus did not grew enough. The author puts forward three reasons why the establishment and subsequent growth of Milbus faced little resistance. One; the dominant elite did not object to expansion of organisational interests of the military because these were embedded in the larger stakes of the ruling elite. For example, the private industrial sector that thrived on host of concessions during President Ayub's reign, did not object to the tax breaks given to the businesses operated by the Fauji Foundation. Two; political leadership lacked the capacity to check growth of financial autonomy that the armed forces sought for itself and three; because the military presented its business projects as contribution to the national socioeconomic development.

Chapter 6, 'Expansion of Milbus, 1977–2005', is about the growth of the Milbus from 1977–2005. The Milbus grew phenomenally during this period. Shaheen Foundation and Bahria Foundation, the welfare arms of the Air Force and the Navy, were born and numerous commercial ventures were initiated during this period. Out of the 28 years period under review, for 17 years military generals were at the helm of affairs. These reigns were understandably sympathetic to the growth of Milbus. But surprisingly the Milbus also registered significant growth during the 10 years of democracy from 1988–99. To explain the growth of Milbus under democracy, the author argues that the prime concern of the democratic governments of the time was to check the political strength of the armed forces. Restraining the growth of the Milbus would have meant fighting on two fronts together. Milbus, then, was considered a 'beehive' that should not be touched. The period saw the Milbus register its presence in banking, insurance, airline, fertiliser, sugar, real estate, textile, education and what not.

Chapter 7, 'The New Land Barons', argues that the systematic exploitation of national resources, especially rural and urban, land has enriched, the officer cadre of Pakistan military. Out of the 6.9 million acres rural land owned by the military, 6.8 million acres have been distributed among the officer and non-officer cadre for their personal use. The military justifies this distribution as a part of the colonial tradition of granting land to military personnel. The author also argues that military's interest in urban real estate has played the greatest role in bringing to light the military's burgeoning economic empire. Military's overtures in urban real estate occurred during the reigns General Zia and General Musharaff, with the growth during the later period being phenomenal. The urban land is primarily used by the military for developing housing schemes that are meant for retired army personnel. These housing schemes are constructed one; on state land, two; private land appropriated with or without appropriate compensation, by military subsidiaries and three; the private land acquired by the Defense Housing Authorities. The author cites the employment of all sorts of questionable means to acquire private land for housing schemes and transfer state land to

housing schemes. 'We don't build houses or other projects on state land but on military land' is the reply given by the army spokesman to a question asked in the Senate. The distinction drawn between 'state land' and 'military land' conveys the mindset.

Chapter 8 'Providing for Men: Military Welfare', discusses Pakistan's military welfare system which is the envy of many armies. The military has instituted number of welfare schemes for its retired officers, like urban housing, agricultural land, reemployment in civil service or other institutions and a system of education for the dependents and medical services for self as well for the dependants. The benefits are highly skewed in terms what the different cadres of the employees receive as well as in terms of their provincial impact. The upper echelons get far more than their lower cadre colleagues while Punjab being over-represented in the military, most of the welfare funds end up in this province. Clearly the system has sociopolitical cost. This can cause tension between Punjab and the smaller provinces. Thus the military welfare system is part of the greater distributive injustice that the country suffers from.

Chapter 9, 'The Cost of Milbus', explores the argument that military controlled commercial ventures are more efficient. The author argues that despite the fact that financial track record of the organisation like Fauji Foundation and Army Welfare Trust is not satisfactory, the military, by keeping the data under cover for most of its commercial ventures, has been able to project that its commercial ventures are more efficient. The financial inefficiency of military's business ventures has at times placed a cost on the government, in terms of guarantees for or loans to the military controlled establishments. Besides, the presence of military in the private sector creates a situation where the elite collude with the military to secure resources from the state at the cost of society at large.

Chapter 10, 'Milbus and the Future of Pakistan', the concluding chapter argues that the economic benefits and political power are related in a cyclical manner. Political power guarantees economic benefits and therefore the military fraternity sees it to their advantage to perpetuate their political power. The Milbus has motivated and enabled the military in Pakistan to nurture and sustain political ambitions.

M. Idrees Khawaja

Pakistan Institute of Development Economics,
Islamabad.