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**GUARDING THE STATE OR PROTECTING  
THE ECONOMY?  
THE ECONOMIC FACTORS OF PAKISTAN'S  
MILITARY COUPS**

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## Guarding the State or Protecting the Economy? The Economic Factors of Pakistan's Military Coups

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### Introduction

In this era of deliberate and increasing economic and political progress, it is fascinating that the *coups d'état*, the scourge of mid-twentieth century development, is still making its presence felt. For decades, scholars have debated the factors that cause a nation's armed forces to overstep their official role as protector of national territorial integrity and seize power. Academics have proposed and tested various theories to answer this question, and have given rise to a substantial body of literature on the causes of the *coups d'état*. One school of thought relates the risk and occurrence of *coups* to the state of the national economy and the military's stake therein. Based largely on the experiences of African and Latin American countries, such economic theories have seldom been applied to Asian countries, and never to Pakistan. Pakistan makes for a very interesting case study, as there has been no empirical analysis of a *coup* theory despite its experiencing five *coups d'état*, at least three failed *coup* attempts, and 33 years of direct military rule since independence in 1947. Pakistan's many *coups d'état* have often been attributed to political and institutional factors, but the role of the economy and economic factors has to date never been tested on the Pakistani experience.

The exclusion of economic factors as a motivation for Pakistan's military *coups* implies that academics have either overlooked the role of the economy in the context of Pakistani politics, or that economic factors really do not have any role in motivating Pakistan's *coups d'état* and were thus justly excluded. This paper will argue that poor economic conditions are indeed linked with, and may have had a motivating role in, previous Pakistani *coups*. To provide the background for this paper, a brief history of Pakistan's *coups d'état* will be provided, followed by a summary of *coup* theory, which will then be contextualised within existing theories of Pakistan's *coups d'état*. These two subsections will lay out the conceptual apparatus of *coup* theories in both the theoretical literature and the Pakistan literature. A detailed analysis of economic theories of *coups d'état* will follow, from which a workable hypothesis will be forged. This hypothesis will provide the basis for variable selection and methodology, which will be further discussed and analysed in the following sections. The paper concludes by summarising the findings and discussing their theoretical and policy implications.

### Background and theoretical framework

A brief history of Pakistan's *coups d'état* is useful and will provide the context for this paper. 1958 was the year of Pakistan's first *coup*, launched by civilian Iskandar Mirza and Field Marshal Ayub Khan against the increasingly volatile and unstable political elite led by the Prime Minister Feroz Khan Noon. Less than a month later, a second *coup* resulted in the ousting of Iskandar Mirza by Ayub Khan. For analytical reasons and data limitations,<sup>1</sup> these first two *coups* will be examined as one. Pakistan's third *coup d'état* was the ousting of Ayub Khan following Pakistan's failure in its 1965 war with India. Lieutenant General and Chief of Army Staff Yahya Khan replaced Ayub Khan and remained in power until 1971, when the bloody civil war with East Pakistan ended in the formation of Bangladesh. The military government, humiliated and de-legitimised as a result of the

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<sup>1</sup> Most of the data for the variables investigated in this paper is only available as annual figures.

conflict, handed over power to Zulfikar Bhutto. Zulfikar Bhutto, although a civilian politician, established a particularly violent dictatorship around his charismatic personality (Ziring 2004: 163), which led to the further destabilisation of an already divided country. The result was that ‘in the attempt to construct a permanent but personal power base, [Bhutto] had undermined all attempts at nation building, had ruined the economy, and had aggravated sectarian rivalries’ (Ziring 2004: 160). The political instability of Bhutto’s regime, in addition to Bhutto’s liberal and irreligious lifestyle, gave General Zia-ul Haq the legitimacy needed to mount a *coup d’état* and become Pakistan’s third military leader in 1977 (Ziring: 168). Zia ul-Haq remained in power until his death in 1987, and democracy was formally reintroduced in 1988. In the following decade, the politicians and party leaders Benazir Bhutto and Nawaz Sharif each gained power, formed a government, and were dismissed from office twice. Democracy nominally remained until 1999, when General Pervez Musharraf staged a *coup d’état* that overthrew the government of Nawaz Sharif, citing Sharif’s corruption and incompetence as justifications for the *coup* (Aziz 2008: 9).

The official and hypothesised reasons for Pakistan’s five *coups d’état* (although, as mentioned previously, the two 1958 *coups* will be examined as one) are varied and complex. Before exploring these theories, however, it is necessary to review the more general theories of *coups d’état*.

### **Coup Theories: a literature review**

There is considerable theoretical and analytical debate regarding *coups d’état* in the developing world, and it is therefore useful to define what is meant by the term. For the purposes of this paper, ‘*coup d’état*’ refers not to any takeover of the state but to a *successful* and *overt* seizure of power by the *military*.<sup>2</sup> It has been said that any ‘fool’ can attempt a *coup* at any time (O’Kane 1981: 288), so there must be an analytical distinction for the term to have any usefulness. The distinction between successful and unsuccessful *coups* must be drawn since it is often difficult to know whether an unsuccessful *coup* conspiracy ever existed. Because the *coup* attempt was put down or prevented before it picked up any momentum, a ‘conspiracy’ may refer to anything from a half-hearted discussion between a few officers to an actual plot. The qualification of the *coup* being overt is also important as it implies that the *coup* must be intended, deliberate and involve a transfer of power.<sup>3</sup> This paper uses the term *coup d’état* to refer only to *coups* launched by the military, which is consistent with much of the literature that is drawn upon in this and later sections.

As mentioned previously, the body of scholarly work on the *coup d’état* is staggering; proportionally, the amount written on why multiple *coups* occur is considerable. The significant attention bestowed upon this phenomenon is most likely a reflection of the notion that repeated *coups d’état* can permanently and negatively impact a nation’s prospects for development (see, for example, Collier 2007: 36). Many scholars have devoted their careers to explaining why some countries are more prone to military *coups d’état* than others. There is no shortage of theories, models, hypotheses and analyses, all of which are significantly different from, and often contradictory of, one another. Covering the glut of complexities and qualifications in detail is outside the scope of this paper, but a brief summary of this body of literature can be provided by Thompson (1973). Thompson argues that these many approaches to explaining the occurrences of military *coups* can be placed into four non-mutually exclusive categories: the vulnerability or loss of legitimacy of the civilian regime; the internal dynamics of the military; international trends and

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<sup>2</sup> This definition of a *coup d’état* is consistent with much of the related literature. For a detailed analysis on the defining characteristics of *coups* in the developing world and what separates *coups* from other forms of instability (i.e. internal rebellions, civil wars, revolutions) see David 1987: 7-13.

<sup>3</sup> Although there is no debate on this matter, there is little agreement in the literature on whether the 1969 replacement of Field Marshal Ayub Khan by General Yahya Khan was in fact a military *coup*. While some sources speak of Ayub conceding power to Yahya (Noman 1990: 43), if this paper’s definition of a *coup d’état* is used, the events of 1969 do constitute a military *coup*. The takeover by Yahya Khan was a successful, unconstitutional military intervention that resulted in the overt ‘overthrow’ (Wasseem 1994: 222) of Ayub Khan.

demonstration effects; and the ‘push-comes-to-shove’ grievances (Thompson 1973: 5). The fourth category is made up of approaches arguing that the surrounding context and the motivations of those mounting the *coup* are strong or valid enough to risk the consequences of the failed *coup* (Thompson 1973). Most theories of *coup d’état*, according to this framework, fit in the last category of ‘push-comes-to-shove grievances’, as they tend to focus on the internal context and dynamics of a nation leading up to a *coup*, and on the motivations and grievances of the military. However, even the most prominent arguments in the field run the gamut from unmet expectations and the lack of military professionalism (Huntington 2006), to the increasing professionalism of the military (Abrahamsson 1971: 154), civil society participation and political culture (Finer 1962), and civilian and military institutional organisation and strength (Janowitz 1964).

Unlike the aforementioned scholars, who attempt to explain the causes of *coups* by examining the socioeconomic and political contexts of a given *coup d’état*, Samuel Decalo (1990: 4) opposes any attempt to understand military *coups* through the exploration of socioeconomic environments. He proposes that the examination of national political institutions and power struggles as motivating or risk factors are ‘futile [given] the empirical vacuum on the internal dynamics of little studied African armed forces’ (Decalo 1990: 11). Decalo represents those in the literature who base their explanations for military *coups* on the internal politics and dynamics of the military. However, even the military’s internal intrigues and interests do not exist in a controlled vacuum. Rather, these are impacted by factors such as national security, institutional interests and governmental competence, and are moreover inevitably set against an economic context. For this reason, the economic context of military *coups* must be taken into account.

One assumption of this paper is that military *coups* occur because of a given context; that is, the military will plan and launch a *coup* not only because of internal fissures or interests but because of a wider socioeconomic or political situation in a given country. It is this context that perhaps marks the difference between an attempted and a successful *coup*. More importantly, it suggests that certain factors, such as a weak economy, may predispose a nation to vulnerability to military *coups d’état*.

### **Theories of Pakistan’s *coups d’état***

This diversity of opinions and variables proposed in broader *coup* theory is itself reflected in the superfluity of explanations of Pakistan’s *coups*. Attempts to analyse Pakistani *coups d’état* have rarely involved the testing of any theory or the investigation of trends, particularly as scholars tend to focus on political events, personalities and institutional structure and interest. Yet given the five *coups* and (at least) three *coup* attempts that Pakistan has experienced since independence, it is an oversight that there has been little empirical investigation of the preconditions or patterns that increase the risk of *coups*.

The problem with attempting to explain *coups* or *coup* preconditions, or any other political phenomenon in the developing world, is that there is often an almost infinite number of causal factors and variables in play. The factors often listed are so diverse, controversial and wide-ranging in their impact that creating a working theory of *coup* risk in Pakistan is a difficult exercise. Some explanatory or necessary conditions put forth by authors to explain Pakistan’s *coups* are listed in Table 1.

**Table 1: Prominent Theories of Pakistani *Coups d'état***<sup>4</sup>

Theory/Explanation	Source
Benevolent modernisation	Huntingdon 2006: 203
Civil Society penetration	Hussain 2003a: 28; Kukreja 2003: 72
Combat civilian corruption	Arif 2001: 342; Ferguson 1987: 44
Communist ideology	Zaheer 1998: 29; Jalal 1990: 119
Counter-revolution against proletariat	Ali 2000: 10
Ethnicity	Gregory & Ellinwood 1981: 65; Cohen 1986: 316
External insecurity	Wilcox 1972: 35
Foreign policy	Zaheer 1998: 28
Ideology	Cohen 1984: 105; Burki 1991b: 7
Institutional interests	Aziz 2008: 59
Islamic subculture in military	Cohen 1986: 319
Loss of government legitimacy	Arif 2001: 342; Kapur 1991: 128
Military was dishonoured	Bennet Jones 2002: 34
Maintenance of power	Kukreja 2003: 33
Path dependency	Aziz 2008: 59
Personal power	Kamal 2001: 21
Politicisation of officers	Hussain 2003b: 18
Stabilisation of economic/political chaos	Wilcox 1963: 37
Undermined autonomy	Kukreja 2003: 37
Underperforming government	Zaheer 1998: 29
Unviable political mechanisms	Kukreja 2003: viii

These factors and explanations are manifold and may be grouped together into broader categories. To create a general hypothesis of Pakistan's risk of *coups*, potential variables and influences can be simplified and summarised as a function of the risk of *coups*<sup>5</sup> in Pakistan,  $R_{Coup\ Pakistan}$ :

$$R_{Coup\ Pakistan} = f(I, X, C, N)$$

Where: **I** = Institutional Interests

(e.g. military spending, autonomy, ideology, professionalism)

**X** = External Threat

(e.g. war, instability, regional insecurity, foreign relations)

**C** = Civilian Governance

(e.g. the legitimacy, incompetence, corruption, ideology and policies of the civilian government, as well as interference in military affairs)

**N** = Internal Threat

(e.g. religious, regional, language, class and ideological tensions, ethnic conflict, state survival, secessionism)<sup>6</sup>

In other words, the risk of the military launching a *coup* in Pakistan is high if the military perceives a threat to its institutional interests, a threat to the nation's external security or domestic integrity, or

<sup>4</sup> Note that this is not an exhaustive list but a list of the common factors and variables used to specifically explain the occurrence of *coups* in Pakistan.

<sup>5</sup> The format of this function is based on Collier 2007: 7. Although this paper does not calculate risk assessments, the term 'risk' is used to demonstrate the idea that these many factors have a positive impact on the incidence of *coups d'état*.

<sup>6</sup> Note that there is overlap in factors such as ideology, and that this is not an exhaustive list but rather a grouping of factors and variables commonly used to explain *coups* in Pakistan.

perceives the civilian government to be illegitimate, encroaching on military prerogatives, or governing poorly.

These variables, preconditions and causes have been widely explored, argued and sometimes debunked by scholars writing on the politics and military of Pakistan.<sup>7</sup> One branch of *coup* theory that has widely been ignored in Pakistan concerns the economic aspects of instability and *coup* risk. This is a serious oversight given that an ailing economy is often a main cause or precondition of political instability and loss of political legitimacy, a relationship that will be investigated in the next section.

### **The military, the economy and *coups d'état***

In recent decades, economic theories of *coups* have gained some prominence. Although there is much disagreement among scholars on specific points, there has been some consensus that poor economic performance dramatically increases *coup* risk in a given state. These economic theories, however, have been built almost exclusively around the experience of African and Latin American countries. This academic bias has arisen since those who have built these theories and conducted hypothesis tests are often concerned with a specific region of the developing world. Paul Collier, for example, has built his theory of *coup* risk and *coup* traps around the experience of small, sub-Saharan African countries because of his assumption that Africa has been and is most susceptible to *coups d'état* (Collier 2007: 36).

Rosemary O'Kane (1981: 291) argues that the nations most at risk for *coups d'état* and *coup* attempts are those countries that are the most economically undeveloped. These countries are primary producers, dependent on exports of these primary goods, and are therefore most vulnerable to export price fluctuation and revenue instability. Economic instability yields general uncertainty and may cause a government to lose legitimacy, increasing the likelihood of political instability and therefore heightening the risk of *coups d'état*.

Paul Collier (2007: 36) also finds that the poorest, most underdeveloped states with low incomes are the most susceptible to political instability and *coups*. In his work with Anke Hoeffler, Collier argues that this is because 'low income makes it more likely that plots turn into attempts, and that attempts turn into successful *coups*' (Collier and Hoeffler 2007: 19). More importantly, Collier and Hoeffler (2007: 20) argue that a *coup trap* exists for these poor states. According to this argument, low income and poor economic performance increase the risk of *coups d'état*, which keep income and growth at low (or negative) rates and therefore increase the chances of future *coups d'état*.

Robert Bates (2008a: 279) agrees that poor states are the most likely to experience political instability. However, he locates the economic roots of political disorder in neither income levels (i.e. GDP) nor in export earnings, but rather in public revenues. 'Poorer states,' he argues, 'are more likely to experience state failure'. In addition to low state revenues, Bates argues that exogenous shocks are often the triggers of political instability (Bates 2008b: 97). These exogenous shocks can be changes in the regional or world economy, which may also have profound effects upon commodity values and export earnings.

Samuel Huntington also agrees that a weak economy has a major positive impact on the probability of a *coup d'état*. He demonstrates that Latin American *coups* were more prone to occur during years in which the state of the nation's economy worsened, rather than years when the economy prospered and per capita incomes rose (Huntington 2006: 56). This is an argument which has been strengthened by empirical work on early- and mid-twentieth century Latin American *coups* by

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<sup>7</sup> The one factor which has been almost universally contradicted is ethnicity (see for example, Aziz 2008: 9), a factor that Collier and Hoeffler (2005: 17) test and find to have little impact on the risk of *coups d'état* in Africa.

Needler (1966: 617) and Fossum (1967: 237). From there, Huntington departs from O’Kane’s theory that states with primary economies have a dramatically increased risk of political disorder and instead argues that the main cause is that a country has a *transitional* economy. Traditional, primary production-based economies are far more stable than national economies that are just beginning to modernise. Modernisation and industrialisation, he argues, lead to elevated expectations, aspirations that may be far removed from reality (Huntington 2006: 53). When the gap between aspirations and reality is apparent and converted into political grievances, political disorder ensues (Huntington 2006: 41). Fukuyama (2006: iv) agrees with Huntington and argues that historically, political instability has generally arisen in periods of economic failure or stagnation, particularly if they were preceded by growth, prosperity and/or stability.

In general, these authors all concur on one point: a poorly performing economy is more likely to create political instability and increase *coup* risk than a prosperous, or at least stable, economy. If it is accepted that economic instability can lead to political instability, the question remains *why* military officers would care enough about the economy to overthrow a civilian government. There are several important currents of thought regarding this issue.

One is represented by Huntington (2006: 201) who argues that the military officers, by virtue of their education, training, professional socialisation and exposure to new ideas, become more progressive than any other segment of society. Frustrated with an inefficient or corrupt ruling elite, the military seeks to modernise the social and economic fabric of the state (Huntington 2006: 203). The military is motivated to launch a *coup* by a desire to fix the ailing economy. Huntington therefore envisions the military more as a benevolent moderniser than as a usurper of power, and views *coups* as a natural and normal aspect of development (Huntington 1986: 99). He specifically mentions the 1958 *coups* in Pakistan as a prime example of the modern and reformist officer corps taking power in order to heal a faltering economy (Huntington 2006: 203).

Another vein of thought revolves around institutional or corporate interests. Those advocating such explanations maintain that the military is more likely to stage a *coup* if there is a real or perceived threat that the defence budget will be reduced by the government. According to Finer (1962: 47), the two main motives for launching a *coup* are: firstly, defending ‘corporate status and privileges’; and secondly, preserving military autonomy. The former involves preserving the military’s power and prestige in the political and economic system, which becomes more salient during periods of instability, including economic instability. The latter includes autonomy in budgetary decisions, as a strong military may not tolerate a shrinking budget. Decreases in defence spending are often seen as attempts to undermine the power and prestige of the military. Rizvi (2000: 13) has argued that this holds true in Pakistan, that defence expenditure is one major interest that the military will work to protect by intervention in politics or otherwise. Collier and Hoeffler have found that ‘African governments respond to a high level of *coup* risk by increasing military spending. By contrast, [in] countries with much lower *coup* risk, the normal government reaction to *coup* risk is to cut military spending’ (Collier 2007: 20). High defence spending may even further increase the risk of *coups d’état* by adversely affecting future economic growth (Cohen 1986: 325).

In addition to official government defence spending, the officer corps often has interests to protect in the national economy. This is true in Pakistan, where the military has been able to use its influence over the state to enlarge its economic power. According to Kukreja (2003: 73), ‘the military has expanded its role in the economy by active involvement in industry, commerce, and business, developing a stake in government policies and industrial and commercial strategies’. This, combined with the army’s own welfare and charity system (Rizvi 2000: 236-7) gives the Pakistani army a large stake in the economy, as well as some financial independence from the government, at least with regard to welfare, pensions and trusts. Siddiqi calls these external sources of military revenue *Milbus*, referring to extra-budgetary ‘military capital that is used for the personal benefit of

the military fraternity'. This large amount of capital and economic power makes Pakistan's military 'one of the dominant economic players in the private and public sectors of the economy' (Siddiqa 2007: 1).

The danger of fixating on the military's economic self interest as the main cause of *coups d'état* is that it may be oversimplified and trivialised into a 'greed versus grievance' debate. The main thrust of the greed debate is presented by Paul Collier, who argues that a major motive for launching a civil war is greed, or protecting and increasing one's economic interest (Collier 2003: 40-1), and that risk factors (e.g. income indicators) are the same for both civil wars and *coups d'état* (Collier 2007: 36). The grievance debate argues that violence, civil wars and *coups d'état* are motivated by valid complaints or injustice. It is overly simplistic to reduce the debate to the notions of greed or grievance. One problem lies in the categorising of variables as being a proxy for either greed or grievance. For example, a fall in national income may represent both a greed motive – as it heralds a decline in the army's income – or a grievance motive – as an economic recession may be caused by poor government policies or a corrupt civilian elite. Arguing that the military only acts to secure its interests serves to 'de-legitimise grievances,' to disregard very real problems in existing political institutions, structures and procedures (Keen 2002: 1). Ayesha Siddiqa's suggestion that the officer corps' wish to protect its investments is the main reason for military intervention essentially falls on the greed side of the debate, and the introduction of other economic variables into this study may give an impression that a poorly faring economy is the main cause of *coups d'état*. This is not the aim of this paper. Rather, the purpose of this paper is to add economic factors to the general theory of the causes of Pakistani *coups*. To contextualise it in the debate between greed and grievance, this paper argues that economic interests and instability must be regarded alongside theories of grievance. A more complete general hypothesis of Pakistani *coups* is therefore:

$$R_{Coup\ Pakistan} = f(E, I, X, C, N)$$

Where: **E** = Economic Instability or Threat

(e.g. low or declining GDP growth, declining per capita income, decreasing export prices, threat to the defence budget)

The variable **E** refers to threats to both the national economy as well as to institutional economic interests. This paper aims to examine whether economic instability or threat to the military has had any effect on Pakistan's many *coups d'état*.

## Methodology

To test the hypothesis that an economy that is failing or declining is a motivating or preconditioning factor for *coups d'état*, four economic variables are used. **GDP** data is used to measure the overall growth, decline or stability of the economy. **Per capita income** (GNP / Capita) is selected to measure the impact of the economy at the individual income level. The **defence budget** is also tracked in order to show the budgetary importance that each government placed on the military and therefore the stake that the military had in government expenditure.<sup>8</sup> A decrease in these three variables is found by Collier and Hoeffler (2007: 11) to have the greatest correlation with political instability in African states. Collier's hypothesis is used as a starting point for this paper because it

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<sup>8</sup> According to Siddiqa (2007: 1), the political economy of the military's relative power and influence, as manifested in the defence budget, has gained some analytical attention in recent years. She is careful to mention, however, that 'the defence budget is just one part of the political economy', and that the *Milbus* needs to be taken into account when discussing the military's interest or stake in the economy. Unfortunately, she admits that this internal economy of the military is 'hidden from the public' and therefore excluded from any budget or accountability mechanism (Siddiqa 2007: 5) and is therefore illegal. The lack of transparency means that the data and information on *Milbus* and the internal military economy is anecdotal and not statistically useful (Siddiqa: 8). The defence budget becomes the most useful statistical measure available for Pakistan's military interests and is therefore included in this study.



is the most recent prominent study of the economic preconditions for military *coups*. Past studies linking economic performance to increased risks of *coups* (for example, O’Kane 1981 and Hoadley 1975), however, have found a strong link between **export value** and political instability. In his study of South- East Asia, Hoadley links a drop in total value of exports in a given year with a doubled risk of military *coup* in the subsequent year (Hoadley 1975: 194) and it is useful to examine whether Pakistan did in fact experience lower export values before each *coup*. Economic instability is therefore viewed as a function of the four different variables:<sup>9</sup>

$$E = f(\downarrow\text{GDP}, \downarrow\text{Per capita income}, \downarrow\text{Defence Budget}, \downarrow\text{Export Value})$$

Because the hypothesis being tested is that relative shocks and declines in the economy increase the risks of *coups*, data was chosen or calculated to provide the growth rate in GDP, per capita income, value of exports and the defence budget for each year. GDP growth rate and per capita GNP growth rates were easily found at current market prices. To take into account the contention that public revenues are a more accurate indicator of political instability than income (Bates 2008a: 279), the defence budget was examined as a proportion of total federal revenue expenditure (see Appendix). To make the defence data more relevant for the purposes of this study, the defence expenditure growth rate was calculated for every year so that changes in federal defence spending would be immediately apparent. A similar method was used for the export values. The total value of exports was found for the required time series, but growth rates of the export values were calculated so that changes over time could be tracked.

The data sources used by previous studies of the economy’s impact on *coup* risk (for example, Collier 2007; Collier and Hoeffler 2007) were found to be insufficient in terms of time series. Stockholm International Peace Research Institute (SIPRI) databases on military expenditure (SIPRI 2008) and World Bank economic indicators (World Bank 2008) are very useful for providing standard, convenient data for a large sample of countries, but lose usefulness for a single country case study. The SIPRI database only covers military expenditure from 1988 to present, and the World Bank indicators only begin from 1960 onwards. This effectively prevents testing for the 1958 *coup*, and limits testing of the 1969 and 1977 *coups*. This paper’s main sources for the data on per capita income, GDP growth rates and defence spending are from Pakistan’s Federal Bureau of Statistics’ Statistical Division, which credits itself alternately as the Federal Bureau of Statistics (2000, 2008a, 2008b) or the Statistical Division (1998a, 1998b, 1998c). The Federal Bureau of Statistics does not, however, have analytically useful data on exports for the years 1951-1998, and therefore IMF International Financial Statistics data (Economic and Social Data Services 2008) was used to calculate export value growth rates.<sup>10</sup>

As mentioned previously, there have been five overt *coups* and at least three *coup* conspiracies since Pakistani independence. Because the first *coup* in 1958 was quickly succeeded by the second *coup* less than a month later, it is more analytically useful to say that four *coups* occurred, in 1958, 1969, 1977 and 1999. In addition, there were at least three attempts, in 1951, 1973 and 1995. The 1951 *coup* attempt, also known as the Rawalpindi Conspiracy, has received some scholarly attention but is omitted from many historical studies. Comparatively little is known about the 1973 and the 1995 *coup* attempts. As explained above, *coup* conspiracies and attempts generate deep analytical difficulties, but very little insight, and for that reason only the successful *coups* will be used in this paper. By using a specific definition of *coups*, this paper avoids using a vague definition of military intervention that can lead to invalid data and conclusions by ‘relying only on those phenomena which lend themselves to statistical measurement’ (Farcau 1994: 26).

<sup>9</sup> The arrows indicate that economic instability is the function of the *decline* or *stagnation* of these variables.

<sup>10</sup> Export value and defence expenditure growth rates for each year  $t$  were calculated to reflect the annual growth rate from the preceding year ( $t - 1$ ) to the year  $t$ . The formula used was:  $\frac{t - (t - 1)}{(t - 1)} * 100 = \text{Growth Rate (\%)}$

The *coup* data was lagged by one year to control for endogeneity, i.e. the possibility that the *coup* itself was responsible for the worsening, stable or improving economic conditions in that year. This means that for any *coup* that occurred in the year  $t$ , the economic conditions for the year  $(t - 1)$  will be analysed. Although Pakistan's most recent *coup* occurred in 1999, the years 1999 onwards were excluded from this study as the base year for calculating economic indicators was changed during this year (Federal Bureau of Statistics 2008a and 2008b). Therefore data from 1999 to the present is not analytically useful or comparable to pre-1999 data. Fortunately, analytically useful data exists for the last  $(t - 1)$  year being tested, 1998.

The data analysis will be twofold. Firstly, this paper will investigate whether or not there was a decline in economic conditions in the years leading up to a *coup*. The hypothesis predicts that there will be a decline in GDP growth, per capita income growth, export value, and defence spending. To investigate if this has happened in past *coups*, the difference between the two years preceding the *coup*,  $(t - 1)$  and  $(t - 2)$  will be analysed to see if there was any dramatic change in the economy leading up to the *coup d'état*. Secondly, this paper will calculate whether, in general, the years preceding a *coup* fared worse economically than other years. This will involve examining whether, for the *coup* year  $t$ , if the economic performance for the years  $(t - 1)$  is lower than the average of non-*coup* years (i.e. non-  $(t - 1)$  years), and the average for all other years 1951-1998.

## Results

The data was collected and calculated, and is presented in Appendix 2, which shows the change in absolute values and in growth rates of the four selected variables over time. Three trends can be observed from the data. First, GDP and per capita income fluctuate a great deal over the years. Second, the absolute value of exports has increased substantially during this time, but as with income the growth rate of export values has varied wildly over this time period. The instability in income- and export-value growth rates is one economic factor which may help to explain the occurrence and recurrence of *coups d'état* in Pakistan. Third, defence expenditure as a proportion of total government expenditure has almost halved from 1951 to 1998, but this general decline in military spending has been punctuated by sharp rises. The most dramatic example is the defence expenditure for the year 1966, which saw a growth rate of 37.582% and most likely reflects the need to fund the military during the 1965 war with India and may represent the repairs and replacements resulting from the war.

The data collected was then further modified to provide data for analysis. Table 2 tracks the changes in the growth rates in years immediately preceding a given *coup*, particularly in the years  $(t - 2)$  to  $(t - 1)$ . As mentioned, this method was chosen to investigate whether or not there was a significant drop, change or shock to the economy in the year prior to *coups d'état* in Pakistan. This additionally shows which of the four economic variables tested in this paper experience greater changes from the  $(t - 2)$  to  $(t - 1)$  years.

**Table 2 – Changes in Growth Rates [(t - 1) – (t - 2)]**

Coup Year (t)	GDP Growth Rate (%)			Export Value Growth Rate (%)			Income / Capita Growth Rate (%)			Defence Spending Growth Rate (%)		
	(t - 1)	(t - 2)	(t - 1) - (t - 2)	(t - 1)	(t - 2)	(t - 1) - (t - 2)	(t - 1)	(t - 2)	(t - 1) - (t - 2)	(t - 1)	(t - 2)	(t - 1) - (t - 2)
<b>1958</b>	2.98	3.53	-0.55	-0.988	7.641	-8.629	0.52	0.91	-0.39	-5.992	18.206	-24.198
<b>1969</b>	5.52	4.14	1.38	-37.717	7.078	-53.424	2.65	1.24	1.41	-11.951	-4.038	-7.913
<b>1977</b>	4.61	3.23	1.29	10.909	-5.054	15.963	2.5	0.32	2.18	1.799	1.860	-0.061
<b>1999</b>	2.55	-0.36	2.91	6.526	7.058	-0.532	2.72	-3.4	6.12	-8.370	1.023	-9.393

Sources: Central Statistical Office 1959 and 1972; Federal Bureau of Statistics 2000, 2008a, 2008b; Statistics Division (1998a: 13-36) and (1998c: 1-7, 8-14, 504); IMF International Financial Statistics 1948 - (accessed from Economic and Social Data Service 2008)

The data from Table 2 shows that the only *coup* in which the results are as expected (i.e. that GDP, income per capita, export value and defence spending all experience a decline in the year preceding the *coup d'état*) was 1958, the year of Pakistan's very first *coup*. All four variables saw a decline in growth rates from the year (t - 2) to (t - 1), with export value and defence spending growth rates falling (by 8.629% and 24.198% respectively), much more than GDP and income per capita growth rates (0.55% and 0.39% respectively). Economic and social development from independence until 1958 was marked by import-substitution-industrialisation policies and was hindered by the large defence expenditure allocated to the military to protect against the security threat posed by India (Noman 1990: 15). The resulting economic stagnation was, according to Ayub Khan, a clear and legitimate motive for taking power (Ayub Khan 1967: 56). Under Ayub Khan, Pakistan's economic policies shifted from centrally - controlled to more *laissez-faire*, market-based approaches in order to promote economic growth (Kukreja 2003: 87).

The fact that successive *coups* did not see a similar decline across all four variables may be explained by the *coup-trap* hypothesis, which suggests that over time a *coup* becomes easier to mount and requires relatively less provocation, motivation and legitimisation (Collier 2007: 36) than a nation's first *coup*. Therefore, if economic variables are a factor in explaining *coups d'état*, the *coup-trap* hypothesis suggests that in comparison to the preceding *coup*, each successive *coup* can occur despite a progressively smaller economic decline.

The 1969 *coup d'état* did not experience a fall in growth rates across all four variables, but did experience a dramatic fall in export value growth rates (53.424%) and a significant fall in defence spending growth rate (7.913%). Although Ayub Khan implemented more market-based economic policies to increase economic income and boost growth rates (Noman 1990: 37), he was ultimately undone by the same economic stagnation which legitimised his ascent to power. The economic downturn began in 1965 as a consequence of the war against India in 1965 (Waseem 1994: 224) and the resulting suspension of American economic and military assistance to Pakistan (Zaman 2002: 162). As can be seen in Appendix 2, the 1960s did experience growth. Unfortunately, it was growth which entrenched class and regional inequalities, and disregarded the provision and growth of social services, leading to riots, demonstrations and the end of the Ayub era (Noman 1990: 41-43). Ayub Khan was unable to quell or contain the 'mass upsurge, which finally led to the re-imposition of Martial law [...] by General Yahya' (Waseem 1994: 222).

The 1999 *coup d'état* saw a significant reduction in growth rates only for defence spending (a change of -9.393%) and a smaller reduction in the export value growth rate (0.532%). Although there was no economic shock between the years 1997 ( $t - 2$ ) and 1998 ( $t - 1$ ), an examination of the 1996 data in Appendix 2 shows a significant drop in per capita GNP, GDP and export value growth rate from 1996 (which would be the year ( $t - 3$ )) and 1997. So although there was no dramatic or significant fall in the independent variables in the year immediately preceding the *coup*, the ( $t - 2$ ) year experienced a shock in three variables. This indicates that the economy was already in poor shape two years before the *coup* took place.

The year 1977 also seems to be an anomalous year as the data shows no significant decrease in the four variables. There is a 0.061% decline in the defence spending growth rate, but this is negligible considering the defence spending data for the other *coup* years. With this exception, the other three variables testing the state of the economy show that the economy was in fact prospering in the years preceding the 1977 *coup*. Alternative explanations must therefore be sought for this *coup*. Collier et. al. (2008: 401) have argued that the risk of a *coup* is much higher in states 'ruled by fear' where the state uses force against the civilian population. As mentioned above, Zulfikar Bhutto's rule over Pakistan was relatively brutal for a civilian regime (Ziring 2004: 163), and this may have increased the likelihood of a military *coup* to overthrow him. For example, Bhutto's party, the Peoples' Party of Pakistan (PPP), originally created the Federal Security Force to prevent military praetorian intervention, but it quickly became a 'coercive force [...] through which the PPP intimidated parliamentary opposition' (Noman 1990: 59). The Federal Security Force and the use of violence against politicians undermined the strength of the civilian institutions and delegitimised the PPP, thus creating an environment of political insecurity (Noman 1990: 111), and opening up an avenue whereby military intervention could be justified. Another explanation, more rooted in the economy, is that Bhutto introduced a series of socialist economic policies that threatened the military's economic power and liberal economic ideology. These policies included nationalisation of large industry and land reform (Noman 1990: xiv), both of which ultimately failed and left a legacy of inefficient industry (Noman 1990: 80) and a well-publicised but poorly implemented land reform (Noman: 94) respectively. Zia ul- Haq's seizure of power therefore replaced Bhutto's 'Islamic socialism' with the military's 'Islamic capitalism' (Zaman 2003: 163).

Table 2 also seems to suggest that decreases in export value (which declined preceding three out of the four *coups* used in this study) and defence-spending growth rates (which declined preceding all four *coups*) are more associated with *coups* than GDP and GNP per capita growth rates, both of which only declined preceding the 1958 *coup*. Table 2, however, only measures shocks to the economy or to the army's budget that may have occurred in the years preceding a given *coup*. A *coup d'état* may be motivated not only by a sudden drop in the economy or in defence spending but also by a general downward trend in the economy. Table 3 examines whether there is an overall difference between the years preceding *coups* and other years.

**Table 3 – Economic Trends in Coup Years**

	<b>GDP Growth Rate (%)</b>	<b>Export Value Growth Rate (%)</b>	<b>Income / Capita Growth Rate(%)</b>	<b>Defence Spending Growth Rate (%)</b>
<b>Average of Sample (1951 - 1998)</b>	5.208	14.953	2.236	- 0.750
<b>Average of Sample less (t - 1) Coup Years</b>	5.497	15.778	2.248	- 0.250
<b>Average of (t - 1) Coup Years</b>	3.915	5.881	2.098	- 6.189

Sources: Central Statistical Office 1959 and 1972; Federal Bureau of Statistics 2000, 2008a, 2008b; Statistics Division (1998a: 13-36) and (1998c: 1-7, 8-14, 504); Rizvi 2000: 63; IMF International Financial Statistics 1948 (accessed from Economic and Social Data Service 2008)

Table 3 demonstrates that for all four factors observed in this study, the average growth rate of the year preceding *coup d'état* is lower than the growth rates of non-(*t - 1*) years, and indeed even the whole sample of the years 1951-1998. It also confirms what was suggested by Table 2, that low export-value growth rates and lower defence spending are much lower in (*t - 1*) *coup* years in Pakistan than the growth rates of GDP and income per capita. The export-value growth rate for (*t - 1*) years is 62.727% lower than non-*coup* years, and defence-spending growth is 2375.6% lower. GDP growth rates for (*t - 1*) are still comparatively lower than non-*coup* years when compared to per capita income growth rates for *coup* and non-*coup* years. The growth rate of per capita income for (*t - 1*) *coups* years is just 6.673% lower than the non-*coup* years, and the GDP growth rate for (*t - 1*) years is 28.779% lower in non-*coup* years.

When the data from Tables 2 and 3 are examined together, it can be observed that in general, *coups d'état* occurred in years with poorer than average economic conditions. If the sample for all years from 1951 to 1998 is used, the only exceptions to this are GDP and per capita GDP growth rates for 1969, and defence-spending growth rates for the year 1977. There is no exception in export-value growth rate, as it fell below the sample average for each (*t - 1*) year.

It must be stressed, however, that this relationship does not imply causation. The data was lagged by one year to control for endogeneity, but it is quite possible that the correlation between weak economic indicators and the risk of *coups* was caused by another factor external to this study, or even that the correlation was coincidental. This latter risk is particularly salient when it is considered that only four *coups* have been spread out over almost fifty years of turbulent economic performance.

It is possible that the differences observed in Table 3 were the result of chance and that the lower economic performance of (*t - 1*) years was the result of arbitrary factors or randomness. T-tests were conducted to test whether the differences between *coup*-preceding years and other years were statistically significant and hence of theoretical interest. All tests were one-tailed t-tests, which used the research hypothesis that economic factors were lower in *coup*-preceding years. A 90% confidence level was selected as consistent with this paper's goal of exploratory research.

**Table 4 – Statistical Significance of Economic Trends**

	<b>GDP Growth Rate</b>	<b>Export Value Growth Rate</b>	<b>Income / Capita Growth Rate</b>	<b>Defence Spending Growth Rate</b>
<b>p - value</b>	0.067	0.068	0.41	0.083
<b>Probability of Random Chance</b>	~7%	~7%	~40%	~8%
<b>Significance?</b>	At the 90% confidence level	At the 90% confidence level	Not significant	At the 90% confidence level

The results of the test confirm that GDP growth, military expenditure and export value were all lower in ( $t - 1$ ) years than in non-*coup* years. These differences had p-values of 0.067, 0.083 and 0.068 respectively, all of which were significant at the 90% confidence level. The test of per capita income growth rates, however, was inconclusive, with a p-value of 0.41, which is statistically insignificant and suggests that there is no strong relationship between *coups d'état* and per capita income growth rates in Pakistan.

In sum, the data demonstrates a great deal of fluctuation in growth rates of the four variables GDP, per capita income, export value and defence spending over the years 1951 to 1998. The data shows that large drops or shocks in growth rates were not necessarily seen across all variables for all *coups*. *Coups d'état* may be a product of long declining or stagnating economies, however, as GDP, export value and defence-spending growth rates were substantially lower in the ( $t - 1$ ) years preceding each *coup* than in all years 1951-1998 and in non-( $t - 1$ ) years. The data shows that there is in fact a relationship between *coups* and several economic variables, and this link may have policy implications to reduce the risk of further military *coups d'état* in Pakistan.

### **Conclusions and Implications**

Theories of why *coups d'état* occur, and why they occur repeatedly in Pakistan, are many, complex and multivariate. Existing theories of *coups* in Pakistan were summarised as a function of institutional interests (**I**), external threat (**X**), civilian governance (**C**) and internal threat (**N**). These theories have for the most part disregarded economic pressures or motivations. This paper has shown that economic threats and interests (**E**) are in fact associated with the incidence of *coups d'état*. More specifically, Pakistan's growth rates of GDP, export values and defence spending were found to be significantly lower in years immediately preceding *coups* than they were in all other years 1951-1998. Pakistan's per capita income growth rates were hypothesised to follow the same pattern, but the data showed that there is no strong link between per capita income and the incidences of *coups*. The data also indicates that a long-stagnating, or declining, economy may be more linked to the incidence of *coups d'état* than a shock to the economy. Poor economic performance may therefore have a role to play in increasing the risk of *coups d'état* in Pakistan.

This paper is by no means attempting to produce a working economic theory of Pakistani *coups*. Rather, it has sought to add economic variables to the plethora of explanations for Pakistan's recurrent *coups*. The state of the economy and economic interests are variables that may *contribute* to the risk of a *coup*. A conclusive causal relationship or predictive model between poor economic performance and the incidence of *coups d'état* is not offered. Instead, this paper demonstrates that some economic variables, in particular the growth rates of GDP, export values, and defence spending are related to the four incidences of *coups d'état* in Pakistan. It is important to distinguish

between a correlation of economic factors and the incidence of *coups d'état* and the claim that *coups d'état* are definitively caused by these economic factors. If the latter was true, then a *coup d'état* would be expected to occur after every year that experienced an economic shock or sudden setback. Appendix 2 demonstrates that there were several years that experienced significant falls in growth rates but were not followed by military interventions. An example of this is 1952, which experienced a fall in the growth rates for both GDP and per capita income and a drastic reduction (-30.218%) in export-value growth rates, but was not followed by a *coup d'état*.

The results of this paper lend some weight to the economic theories of *coups d'état*, which have thus far only been tested in Latin American and in African contexts. Global tests of these economic theories have not used all four variables tested by this essay together. For example, Collier cites and agrees with O'Kane (1981) that economic variables have explanatory power with regards to understanding *coup* plots, attempts, and successes (Collier & Hoeffler 2005: 13). However, Collier does not test the main explanatory variables which O'Kane finds most robust, namely export values and export earnings. This paper has demonstrated that, at least with regards to Pakistan, export values cannot be disregarded when *coups d'état* are tested for economic variables. Although she tests her theory on a global level, O'Kane's methodology is designed specifically with primary-commodity producing, export-dependent developing nations (O'Kane 1981: 291), many of which are the same countries that Collier is interested in testing. O'Kane, on the other hand, disregards the role of defence spending and income.

Yet the military does indeed seem to have quite an interest and a stake in the economy. A future study of *coup* motivations in Pakistan, or indeed elsewhere, may find it useful to statistically examine the validity of the *coup* hypothesis created for Pakistan. This hypothesis stated that the risk of *coups* in Pakistan ( $R_{Coup\ Pakistan}$ ) was a function of several variables. An ambitious study with access to better and more complete data may be able to test the variables X, E, I, C and N in relation to each other. It would be useful to discover which of these factors have a greater degree of correlation and causation with regard to the incidence of *coups d'état*, and which are statistically insignificant. Additionally, this paper was only able to examine the military's economic interests by examining the relative changes in the annual defence budget. Ideally, the military's real economic capital and stake, what Siddiqua terms *Milbus*, would have been measured for inclusion in this study. However, the constraints and lack of data on military organisations and investments prevented an examination of non-budgetary military capital. If this data does become available in subsequent years, it would be fruitful to examine whether the military did react to the depreciation of its investments by launching a *coup d'état*.

What can save Pakistan from further praetorianism? Political reform is needed, of course, to strengthen civilian leadership and institutions in relation to those of the armed forces. To maintain their hold over power, however, civilian institutions must maintain their legitimacy, as poor economic performance may be a de-legitimising factor for any government in command. To secure and maintain power, a civilian government should focus on improving or stabilising national GDP and export-value growth rates. The policy implications for defence spending are more problematic. As outlined before, Pakistan's armed forces do have a large stake and interest in the economy, and the defence budget is an indicator of the military's economic relationship with the government in power. A reduction in defence spending was found to be highly correlated with the occurrence of *coups d'état* in Pakistan. The solution to reduce the risk of *coups* should not, however, be to increase military spending as this would strengthen the power of the military and may adversely effect the economy.

Ultimately, the risk of *coups d'état* will be much lower if the armed forces reassess their role in the national economy. The military's primary and official role is to serve as the protector of Pakistan's national and territorial sovereignty. At present, Pakistan's armed forces are the final political arbiter

and the guardian of its own economic interests. A governing civilian regime must work to establish an unquestioned dominance over the armed forces, and therefore reduce the military's political and economic power. This cannot be done under the aegis of the civilian government alone, and must be agreed to (or perhaps even initiated) by the military elite, as previous attempts to suddenly and drastically check the power of the military, for example by Nawaz Sharif in 1999, ended in a *coup d'état*. Efforts to disconnect the military from its relationship with the economy must therefore be a conscious and conscientious collaborative effort between the military and civilian elites, and may in time reduce Pakistan's risk of *coups d'état*.



## Appendix 1: Defence Expenditure Calculations

Fiscal Year (ending)	Total Expenditure met from Revenue (Million Rs)	Defence Expenditure (Million Rs)	Defence Expenditure as % of Total Expenditure
1951	1266.2	649.9	51.327%
1952	1442.3	779.1	54.018%
1953	1320.1	783.4	59.344%
1954	1108.7	653.2	58.916%
1955	1172.6	635.1	54.162%
1956	1433.4	917.7	64.023%
1957	1330.7	800.9	60.186%
1958	1521.8	854.2	56.131%
1959	1956.5	996.6	50.938%
1960	1846.5	1043.5	56.512%
1961	1894.2	1112.4	58.727%
1962	1986.8	1108.6	55.798%
1963	1795.3	954.3	53.155%
1964	2337.2	1156.5	49.482%
1965	2736.2	1262.3	46.133%
1966	4498.1	2855	63.471%
1967	3765.5	2293.5	60.908%
1968	4077.1	2186.5	53.629%
1969	4371	2426.8	55.520%
1970	5099.5	2749.2	53.911%
1971	6002.6	3200	53.310%
1972	6304.3	3725.5	59.095%
1973	7481.2	4439.6	59.343%
1974	11724.6	4948.6	42.207%
1975	16082.5	6914.2	42.992%
1976	17153.2	7507.2	43.766%
1977	18545.2	7987	43.068%
1978	22515.7	9647.5	42.848%
1979	29686.2	10167.6	34.250%
1980	34434.4	12654.8	36.750%
1981	39215.7	15300.1	39.015%
1982	43344.3	19592.9	45.203%
1983	56183.4	24565.7	43.724%
1984	68948.5	26797.5	38.866%
1985	82533.2	31866.3	38.610%
1986	96600.8	35606.4	36.859%
1987	120662.2	38899.2	32.238%
1988	147541.9	45015.1	30.510%
1989	167094.2	51053.4	30.554%
1990	165240.5	58707.9	35.529%
1991	184027.1	63595.8	34.558%
1992	211690.4	75751.2	35.784%
1993	248535.8	87461.2	35.191%
1994	268025	91775.8	34.242%
1995	317227.8	100220.8	31.593%
1996	379660.7	115254	30.357%
1997	415558.2	127440.9	30.667%
1998	476928.8	134019.6	28.101%

Sources: Statistics Division (1998c: 1-7, 8-14); Rizvi 2000: 63 was used to calculate the Defence Expenditure Growth Rate value for the year 1951

## Appendix 2 - Data

Fiscal Year (ending)	Coup Year	Per Capita GNP at Current Market prices (Rs) Growth Rate (%)	Real GDP Growth Rate at Current Market Prices Growth Rate (%)	Defence Expenditure as Percentage of Total Expenditure (%)	Defence Expenditure as Percentage of Total Expenditure Growth Rate (%)	Value of Exports (Millions of Rs)	Growth Rate of Value of Exports (%)
1951		1.4	3.9	51.327	- 21.73	2525.0	56.153
1952		- 4.12	- 1.82	54.018	5.243	1762.0	- 30.218
1953		- 0.73	1.72	59.344	9.860	1453.0	- 17.537
1954		7.49	10.22	58.916	- 0.721	1188.0	- 18.2381
1955		- 0.26	2.03	54.162	- 8.069	1505.0	26.684
1956	<i>t - 2</i>	0.91	3.53	64.023	18.206	1620.0	7.641
<b>1957</b>	<i>t - 1</i>	<b>0.52</b>	<b>2.98</b>	<b>60.186</b>	<b>- 5.992</b>	<b>1604.0</b>	<b>- 0.988</b>
1958	<i>t</i>	0.16	2.54	56.131	- 6.738	1419.1	- 11.527
1959		2.91	5.47	50.938	- 9.252	1527.0	7.603
1960		4.4	7.04	56.512	10.944	1874.0	22.724
1961		2.98	5.66	58.727	3.918	1906.0	1.708
1962		3.39	6.37	55.798	- 4.986	1891.0	- 0.787
1963		4.47	7.58	53.155	- 4.736	1985.0	4.971
1964		3.96	6.87	49.482	- 6.910	2035.0	2.519
1965		5.97	9.13	46.133	- 6.768	2516.0	23.636
1966		4.68	7.64	63.471	37.582	2868.0	13.990
1967	<i>t - 2</i>	1.24	4.14	60.908	- 4.038	3071.0	7.078
<b>1968</b>	<i>t - 1</i>	<b>2.65</b>	<b>5.52</b>	<b>53.629</b>	<b>- 11.951</b>	<b>1912.7</b>	<b>- 37.717</b>
1969	<i>t</i>	4.63	7.67	55.520	3.527	1670.7	- 12.652
1970		8.18	11.24	53.911	- 2.899	1892.0	13.246
1971		- 1.61	1.55	53.310	- 1.115	2224.7	17.585
1972		- 1.12	1.45	59.095	10.850	5775.7	159.617
1973		2.7	6.55	59.343	0.421	9532.8	65.050
1974		2.19	5.32	42.207	- 28.877	10970.1	15.077
1975	<i>t - 2</i>	0.32	3.23	42.992	1.860	10415.7	- 5.054
<b>1976</b>	<i>t - 1</i>	<b>2.5</b>	<b>4.61</b>	<b>43.766</b>	<b>1.799</b>	<b>11552.0</b>	<b>10.909</b>
1977	<i>t</i>	1.91	3.8	43.068	- 1.595	11765.9	1.852
1978		7.41	8	42.848	- 0.511	14605.3	24.132
1979		2.18	4.81	34.250	- 20.065	20355.1	39.368
1980		5.15	8.7	36.750	7.300	25922.5	27.351
1981		2.87	6.93	39.015	6.163	28538.1	10.090
1982		2.92	6.54	45.203	15.860	28275.0	- 0.922
1983		6.17	6.78	43.724	- 3.272	40320.1	42.600
1984		1.06	5.07	38.866	- 11.111	35993.7	- 10.730
1985		2.97	7.59	38.610	- 0.658	43645.0	21.257
1986		2.55	5.5	36.859	- 4.535	56335.8	29.077
1987		1.65	6.45	32.238	- 12.537	72582.6	28.839
1988		1.79	7.63	30.510	- 5.360	81348.3	12.077
1989		1.15	4.96	30.554	0.143	96646.2	18.805
1990		1.64	4.46	35.529	16.283	121345.0	25.556
1991		0.58	5.45	34.558	- 2.733	155398.0	28.063
1992		3.59	7.83	35.784	3.548	183599.0	18.148
1993		- 1.29	1.91	35.191	- 1.658	187786.0	2.281
1994		0.42	3.9	34.242	- 2.697	225200.0	19.924
1995		2.63	4.8	31.593	- 7.736	252714.0	12.218
1996		0.83	4.68	30.357	- 3.911	335313.0	32.685
1997	<i>t - 2</i>	- 3.4	- 0.36	30.667	1.023	359046.0	7.078
<b>1998</b>	<i>t - 1</i>	<b>2.72</b>	<b>2.55</b>	<b>28.101</b>	<b>- 8.370</b>	<b>382477.0</b>	<b>6.526</b>

Sources: Central Statistical Office 1959 and 1972; Federal Bureau of Statistics 2000, 2008a, 2008b; Statistics Division (1998a: 13-36) and (1998c: 1-7, 8-14, 504); Rizvi 2000: 63 was used to calculate the Defence Expenditure Growth Rate value for the year 1951; IMF International Financial statistics 1948 – (accessed from Economic & Social Data Service 2008) was used for Value of Export values and growth rate calculations (including for the year 1951).

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