

# Blurred lines: Business and partying among Pakistani elite

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As we walk from the cul-de-sac clogged by Land Cruisers, Mercedes and BMWs towards a residence in one of the city's most exclusive suburbs, trickles of laughter and music drift down to greet us. Drivers emerge to open back doors, while the shalwar kameez clad workers of the construction site opposite survey the procession of suits and gowns from where they rest on tomorrow's stacked bricks. A white-suited staff member leads us through the fairy-lit and manicured gardens, and a waiter descends with a tray of glasses of red and white wine, immediately offering to make my companion something stronger. Across the lawn, men in black suits stand about smoking, drinking whiskey and water, talking politics and business, while brightly decorated, bejeweled and kohl-lined women gather uneasily on couches, eyeing one another critically whilst loudly proclaiming how pleased they are to see each other.

This is Islamabad, and being invited to this party means you've made it: to a club where the grass is green, the liquor imported, and the wealth is unimaginable.

At parties like this one the lines between social and business networks blur, as one mingles with the highest tier of Pakistan's commercial and political elite. Favor-giving and exclusive social networking are critical features of how big business gets done at the uppermost tier in Pakistan – or anywhere, really. But while these are universal characteristics of elite-level business, in the context of Pakistan's weak regulatory structure the exclusionary element of this world is both compounded and solidified – serious profit-making depends on access to decision-makers and the influential people around them, and it is an access that is extremely difficult to obtain. As a result, at its uppermost levels, the country's economic system is closed, and the elite, not legal statutes, create, control, and guard their domain, serving as gatekeepers to those outsiders who might seek to gain entry.

Most of Punjab and Khyber Pakhtunkhwa's big business owners and business families (those in the very uppermost tier of wealth) are part of closed communities consisting of family empires spanning three generations. While the social, cultural and economic capital these families inherit take various forms and flow from varied family histories, it remains rare to find first generation wealth amongst Punjabi or Pathan businessmen who are under sixty years of age. The story is different in Karachi, where social structures are less rigid and business acumen is at least as highly regarded as family background. In Karachi, the 'old money' won't just do deals with the 'new

money', they'll socialize with them too.

Broadly speaking, Pakistan's business community today can be broken down into three distinct types: the landed elite of the British era (pre-1947), colloquially known as the 'feudals'; those families who successfully capitalized on the opportunities created in the upheaval of the partition with India (whose wealth emerged in the twenty-five years following Partition); and the 'new money', who achieved major business wealth from the mid-1970s onwards. In reality however, despite their moniker, the family heads of most of this last group are already more than sixty years old. Though Pakistan's class structure was relatively fluid in the decades following Partition, it is now extremely rare, if not impossible, for an individual of lower or middle class origin to gain entry into the theaters and forums where elite business takes place, regardless of their talent, entrepreneurship or level of education.

I came to Pakistan to understand how people achieve wealth and influence in a country with huge potential, ongoing political instability, and severely deteriorating security. Over the last 15 months, I met and socialized with hundreds of Pakistan's most successful business people, as well as individuals from major political families, staff from government regulatory bodies and government ministries; prosecutorial and defense lawyers; journalists and editors; and the wives, daughters, sons and girlfriends of major business families. I ate in their homes, met with their families, talked with their friends and associates at dinners, and danced at their weddings.

## Socialization begins at home

For a child of the elite, the process of accessing these forums, building networks amongst the country's influential and powerful, and navigating cumbersome legal regulatory structures begins at home. Socialization within a family that understands business and has survived the rise and falls of the market provides an unparalleled training ground to develop one's networking mettle. The children of these families grow up observing, discussing, and conducting business. They grow up at ease with powerful family friends and acquaintances, mimicking their mannerisms and interactions, and subtly acquiring and integrating their access and privilege into their own social network. One Lahori textile mill owner described the pervasive influence of business in his family in the following way:

*"Business is the only topic we have – at weddings, at funerals, anywhere we all get together. In our family business we share information with each other – new legislations, regulations that might affect our operations, acquisitions etc – by boasting about it to one another at family gatherings. It is this way with other business families too [...] It was always assumed I would join the family business. No one ever asked me what I wanted to do. It was obvious."*

In business families like this one, wives and families are often a critical part of social networking. Wives and mothers often take up central roles in building relationships with other business families, in gathering and distributing information, and in broader social networking.

The wife of a military and security equipment supplier explained the strategy used by her husband's family in cultivating relationships, and of her (reluctant) role within this system:

*"I married a very socially connected family. At my husband's family's dinner table the only permissible subject was social connections. Almost nothing else was OK. Every family member would bring their own social knowledge to share at the table. His mother through her women's network, his nieces through their school network – for instance, whose father had become a General in GHQ, whose son had been made Assistant Commissioner. The father would bring information from his business network and news from the golf club. His mother's network was very important as the wives she associated with were part of a broad network of all the major high-ranking families.*

*People who had risen in social position would be invited into my husband's family home many times before the connection would be utilized. It was seen as a future investment. They would cultivate their*

*assets and use that asset whenever a need arose. Most of the people invited to dinners or Eid-related events or to weddings were used for favors later on. The family would send them meat at Eid, or say “Do remind me to send mithai [sweets] to their house.”*

In many families, wives and mothers perform an essential role in selecting and introducing advantageous matches for marriage, carefully reviewing and vetting candidate's family backgrounds, reputations and assets to ensure a level of parity exists between prospective spouse's families, and that the match is mutually advantageous to not only the individuals, but also to their broader family network. These family-to-family relationships provide a useful way to distribute information amongst families of equivalent background, and importantly, provide a vetting process for new individuals who might be invited to engage in business, a function which is particularly critical when the transactions are high risk and involve potentially huge profits.

## **Trading social capital**

Outside of the family, the arena that blurs the boundaries between the social and business spheres most strongly are social events – dinners, gatherings and parties. The possession of money, or more accurately a history of money (even if it has since been lost) grants entry to these events. However, to be part of one of Lahore's, Karachi's or Islamabad's political, social or business scenes, one must also be vetted and invited by an insider. Indeed access to events likely to facilitate business requires that a person have not only economic capital, but also a sufficient degree of what the sociologist Pierre Bourdieu terms “social and cultural capital”. This encompasses the people one knows and is publicly recognized by; their family history and current standing; and the social assets that promote social mobility – such as their education, intellect, dress, and mannerisms. In this sense, the perceived quality of the individual and of the individuals he or she knows and has access to, becomes, like money, a resource they utilize to access those with influence or those in a position to offer them opportunities.

In gatherings like the fairy-lit soiree I walked into at the beginning of this article, individuals from Pakistan's political, business, and military elite mingle and share insider information. They speak in the casual parlance of the privileged, using the first names of the country's most powerful individuals without the suffix 'Sahib,' or even, amongst the most-connected, with the suffix 'Bhai.' Gossip is exchanged about the personal lives of politicians and businessmen, their mishaps, illicit romances, and penchant for alcohol or cocaine. Vexes and vices are circulated and dissected through the prism of “And how will this affect us?”; “Do you think his judgment is impaired?”; and “Would it be more prudent to invest in [insert commodity here] at this time given the tumult?” For those who have fallen irreparably from grace, jokes are made and traded, and individuals' long accumulated cultural and social capital are ruthlessly depleted over a few hours and several bottles of Scotch.

The performative elements of these parties enable the business elite, and the political, bureaucratic and military elite with whom they are connected to display their wealth, and their connections. But the display also has an important functional purpose in the generation and production of wealth and influence – these forums provide an opportunity for the business elite, and their broader network, to identify one another, to reinforce social hierarchy, to share information, and to facilitate the introductions that broaden political and business opportunities.

The owner of one of Pakistan's major media houses described to me his own process of cultivating powerful connections as a critical factor in his ability to retain his leading position in the national media and in securing his multiple other businesses. He lifted up his phone to show me his phone directory and proclaimed:

*“To be successful in business in Pakistan you need affluence, connections, parties, socializing [...] I keep a budget for entertaining and parties. I know everyone. I have all the powerful big boys on my speed dial: the Prime Minister, the Chief Minister, the Head of Army Operations for the whole of Punjab [...] Anyone who is big enough has access to these devils. My family is responsible for 15 percent of the parties in Lahore – for those who matter, that is. It is only a handful of*

*people who host these type of parties. All the 'who's who' mingle at these few people's homes."*

One businessman from Islamabad described a peer who he recognized as being particularly adroit at this process of cultivating social connections for economic advantage. A major component of his business was networking through the hosting of small exclusive parties in his home, where the guest list was built around a carefully selected 'target' guest with whom he intended to enter into a business arrangement, or to seek a favor, in the medium to long-term. The invitation list is crafted with great care. My interviewee explained:

*"I have a friend who owns the best [home] bar in Islamabad. He calls himself a business consultant, and he works for a number of international companies. His house is a huge American-style mansion. He regularly hosts these garden parties, perfectly catered, with only around 20 people attending each party. These parties are attended by Generals, members of the ISI [Inter Services Intelligence agency], any kind of person who may be helpful to know at some point in the future [...] One or two of his employees will also be present at every party in case they need to follow up, or provide information. He also has an old Islamabad socialite on his payroll, just there to help bring in the right people and facilitate introductions. Usually there will be only one or two people attending each party as his target, the rest are just there to add to the atmosphere. The one target person will be someone from whom he needs a favor. This way he has government officials dining at his home before they even need to consider whether to issue him a contract. The entertaining is not the bribe, the entertainment is just to lure them in."*

Connections are vital not only in securing business opportunities, but in protecting business interests. Indeed, as elsewhere, business faces the prospect of encroachments by government regulators keen to supervise business transactions and, to tax and redistribute part of the proceeds. In Pakistan, however, it is expected that at least some of the regulators involved in business will seek to extort businessmen and make themselves a quick profit. Businesses, therefore, face the dual threat of formal state regulation and informal coercion.

Under such circumstances, even accessing government departments designed to foster the effective running of business can be highly problematic without a personal introduction to facilitate the transaction and protect the interests of the businessmen involved. During my research, a former bureaucrat at the National Accountability Bureau (NAB), the government body that monitors, investigates and prosecutes corruption cases, described the challenges business people face from within departments that are meant to be on their side:

*"Accessing people in power is one of the biggest problems in Pakistan. For instance, if someone wanted to contact one of us at NAB, they would not be able to do it. We just cannot be contacted. Many business people pay a huge amount of money to get this access [...] I have a businessman friend, who is the sole importer of a particular item, and he had an import license cancelled. We were meant to be having lunch and he kept calling me and apologizing for being late because he was sitting in a car outside while one of his staff people went inside to bribe a government official to have his import license reinstated. I asked him who he was paying, and once I knew which agency it was I realized that the head of the agency was my walking partner [the person I exercise with each evening]. I told him to call his staff person back right away and to come and see me. That evening when I was walking I explained the situation to my government friend and asked him to just meet with my friend whose license had been cancelled, to review the merits of*

*the case, and then to decide as he saw fit. So there was a meeting between them and it became apparent that a low level staff in the department had cancelled my friend's license on a pure technicality just to extract money from him. Cancelled licenses of course cause huge losses to businessmen as their items spoil at the harbor or in storage while their shipments are delayed, so they are generally willing to pay a two million rupee bribe and take that from the profits. It is part of their cost of doing business. He asked me what he could do to repay the favour, and I told him that my government friend wouldn't take money. My businessman friend was shocked that my government friend had been willing to do a favor for him without him needing to pay him any money. I told him he could take us both out for a nice dinner instead. So that is what we did."*

## **Finding friends, and favors, in government**

Favors and gifts are a fundamental part of maintaining the relationships and networks needed for elite business in Pakistan. In opposition to bribes, which are financial payments for clearly defined benefits, the ambiguity of the purpose of a gift is the very reason gifts are so useful. Research conducted by the anthropologist Alan Smart on business in China showed that gifts and bribes in business are different only because of the way the gift is given, not because of the type or value of the gift. He explained that for the giving of an item to be received as a gift,

*"the relationship must be presented as primary and the exchanges, useful though they may be, treated as only secondary. If, instead, it becomes apparent that the relationship involves only material interest and is characterized by direct and immediate payment, the exchange is classified as one of bribery"*

Consequently, in contexts where mutual trust is a requisite pre-condition for large-scale business transactions, business relationships are often conducted between individuals in relationships akin to friendship. In this sense, a veneer of friendship, when accompanied by gifts and favors, is used to legitimize what may otherwise be seen as an illegitimate, even unethical, transaction.

Farook\*, a successful industrialist from KP, narrated to me the story of his relationship with a local Superintendent of Police, illustrating this ambiguity between gifts and bribes, and the way that transactions are often presented as 'friendships'.

*"I have a friend who is an SP [Superintendent of Police] and he is very clean and known for not taking bribes. But the other night he calls me up and says 'Yaar, your village has the best kebab in KP, could you please send some to me for my party?' And of course I do it. I give him little favors, little gifts like this that are so small that they do not even seem like bribes. But over a year of giving small gifts, I could easily have given one person 20,000 dollars worth of gifts. Is that a bribe? It is a favor and of course he will have to return it to me. If I have a problem with the police, I call him and he solves it for me. He would not take any money from me, but items and gifts, as long as they are not too big at one time, he will take."*

These small gifts and favors are often used to help build a long-term relationship between individuals in a position to use their power and influence to each other's advantage. Favors are given, and then repaid, and then given again, binding the giver and receiver together, creating trust and over time a relationship that is neither fully transactional, nor one based only on affection. Most large-scale business transactions take place within these long-term relationships of mutual trust and reciprocity. The favor is most often of benefit to both the giver (patron) and the receiver (client), and a significant degree of trust is required to ensure the deal is executed as agreed.



Favor giving, of course, is a part of most friendships. What differentiates favor giving in these instances is the scale and the source of that favor – a private citizen giving their friend a favor shares their own resources (information, contacts or goods), but a government servant, (e.g. a policeman) receiving gifts from a private businessman is now indebted to provide the businessman with something of use to them. As a public servant on a government wage he is not in a position to provide goods of substantial value to his much wealthier friend, but what he does have is power and the ability to command other government employees to do his bidding, or to provide information not otherwise available to private citizens. The favor he provides comes from the government – the Pakistani people's government – and is not legitimately his to give. This is, of course, exactly what the businessman is counting on.

Favors in business take the form of an opportunity that is not available to others – this may be the sharing of insider information, the awarding of a government contract, an offer to buy military-owned land, or a special price on a vital item required for manufacturing. Many of these opportunities are presented as private deals between individuals, even when they involve government or military interests. In circumstances where regulations are being thwarted, preferential contracts awarded, or cartelistic practices implemented, trust between business parties becomes even more critical to ensure government bodies such as the Federal Bureau of Revenue (FBR), the NAB and the Competition Commission of Pakistan (CCP) are kept at bay.

Returning to the fairy-lit party of Islamabad's elite, as dinner was served I found myself seated with a senior official of the Capital Development Authority and his wife on one side, and a retired naval officer, formerly one of the senior military advisors to both the Musharraf and Zardari regimes, and now a government contractor, to the other. We each introduced ourselves and the official began engaging us in small talk regarding an upcoming gala event being organized by his wife. As the plates for the first course were cleared the official leaned towards the retired naval officer and enquired after former President 'Zardari Sahib's' health. He then asked the naval officer to share the former President's mobile phone number and arrange a meeting between them over the coming week. It was a commonplace exchange. The number to contact was entered into his mobile phone, the waiters served tea and coffee, and the conversation moved on to other issues.

There is a universality in the ways that people seek favor from those in a position to provide something they desire and do not have. The fairy-lit garden party described above is just one of the many forums in which major business is conducted between social and business-networks, small favors are given and taken, and introductions amongst the powerful are easily shared. In every country, and throughout history (at least as early as historical records and personal correspondence is available), individuals have sought to use their relationships strategically. In many parts of the world the division between personal lives and careers is blurred beyond recognition, and family members, friends, husbands, wives, and lovers, are expected to do what they can to improve the status and material assets of the people closest to them. In post-industrial Western societies, it has come to be seen as undesirable – even unseemly – to use pre-existing personal relationships, particularly family relationships, to professional or economic advantage. But there is no such compunction amongst the world's business elite, the individuals and their families who own major business conglomerates, media houses, and major brands across much of the world. For this class of people using their social and family relationships to inform and facilitate their economic activities is not just desirable – it is necessary.

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