

PAKISTAN ON THE EDGE





Pakistan Project Report April 2013

Pakistan on the Edge



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Cover shows Data Ganj Baksh, popularly known as Data Durbar, a Sufi shrine in Lahore. It is the tomb of Syed Abul Hassan Bin Usman Bin Ali Al-Hajweri. The shrine was attacked by radical elements in July 2010. The photograph was taken in August 2010. Courtesy: Smruti S Pattanaik.

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Preface

The Pakistan Project of IDSA has come up with a second report titled *Pakistan on the Edge*. This Report takes into account various political developments in Pakistan focusing more on the events of the last two years and analyses its impact on the nation's nascent democracy.

The earlier Report of Pakistan project titled Whither Pakistan: Growing Instability and Implications for India was well received. This report titled Pakistan on the Edge is the second report of the Pakistan project of IDSA. This report takes a broad view of the politics, emerging political alliances, economy, foreign policy, India-Pakistan relations and civil-military relations. Two chapters of this report focus on Pakistan's English and Urdu language print media and how it looks at the critical issues of domestic and foreign policy. One can note major divergence in the reportage of English and Urdu print media.

The Pakistan People's Party (PPP) is successfully going to complete its tenure in February 2013. It is the first government since the creation of Pakistan which will be completing a full five-year term. However, the challenges to democracy are many. The PPP government survived many hurdles in keeping its coalition partner together when confronted with a divergence of opinion and approach. Challenges were thrown in by the memogate episode, the secret raid in Abbottabad to hunt Osama bin Laden, anger over drone attacks and the continuing internal challenges posed by the Tehrik-i-Taliban Pakistan in the FATA region, sectarian tension, political

violence in Karachi and the ongoing insurgency in Balochistan. The Army remains an important institution in influencing Pakistan's foreign policy and its influence in the politics remains decisive. Pakistan's democratic experience will gradually determine the institutional strength of Parliament. Till democracy attains institutional stability, the Army will play an important role in politics.

Pakistan also faces numerous foreign policy challenges. Instability in Afghanistan and an uncertain security situation in post-2014 withdrawal will have several repercussions for Pakistan and the region. Its relations with the United States (US) has come under severe strain on the issue of drone attacks, intelligence cooperation and Pakistan's non-cooperation in carrying out operations in North Waziristan where the dreaded Haqqani group is believed to have taken shelter. Pakistan's economy continues to be dependant on US aid. This has constrained Pakistan in pursuing the policy of strategic depth in Afghanistan.

Pakistan will be going to election in the backdrop of a difficult domestic situation characterised by allegations of corruption and misgovernance and a faltering economy. The debt servicing cost comes to around 35 per cent of this year's budget. The revenue collection has been low and savings remain a problem.

Notwithstanding the 26/11 Mumbai terrorist attacks, India-Pakistan relations are making incremental progress. The two countries are

negotiating to expand trade after Pakistan in principle approved to confer Most Favoured Nation (MFN) status on India. The main hurdles regarding trade relate to several tariff and non-tariff barriers. For trade to expand, India is insisting that Pakistan should allow more trade via Wagah. India has already agreed to provide 500 MW of electricity to Pakistan. Both countries are working to erect transmission lines to connect their grids. India has also agreed to export petro-products and liquefied natural gas to Pakistan through pipelines or tankers. Visa liberalisation to facilitate travel of businessmen and issuance of group tourist visas are some of the recent developments. The major problem India confronts in its relations with Pakistan is related to non-cooperation on the issue of terrorism. Pakistan's delaying tactics in convicting the 26/11 accused in spite of evidence provided by India does not inspire confidence for bilateral relations. The Pakistan Army is yet to discard its fundamental assumption of India being Pakistan's number one enemy. Nor has the Pakistan Army's support to radical elements ended despite the claims that Pakistan is a victim of terrorism. In the light of these positive developments, bilateral relations are yet to attain irreversibility.

The report has been prepared by a team of experts focusing on developments in Pakistan, who have a keen interest in the subject. This is an endeavour towards understanding developments in Pakistan and their implications for India and the region. I hope this report is useful for policymakers, academia and those who have an interest on the subject.

Dr. Arvind Gupta Director General, IDSA

Abbreviations

ADB Asian Development Bank

ANP Awami National Party

ASWJ Ahle-Sunnat-wal-Jamaat

CBM Confidence Building Measures

CSF Coalition Support Funds

DPC Difa-e-Pakistan Council

ETIM East Turkistan Islamic Movement

FATA Federally Administered Tribal Area

FIF Falaah Insaniat Foundation

GHQ General Head Quarters

GST General Sales Tax

HPC High Peace Council

IDP Internally Displaced Persons

IMF International Monetary Fund

ISI Inter Service Intelligence

ISPR Inter Services Public Relations

ITPO India Trade Promotion Organisation

JAH Jamiat-e-Ahle Hadith

Jl Jamaat-i-Islami

JuD Jamaat-ud-Dawa

JUI (F) Jamiat-ul-Ulema-e-Islam (Fazlur Rahman)

JUI (S) Jamiat-ul-Ulema-e-Islam (Sami-ul-Haq)

JuP Jamaat-e-Ulema-e-Pakistan

JWG Joint Working Group

KLB Kerry Lugar Bill

LeJ Lashkar-e-Jhangvi

LeT Lashkar-e-Toiba

MFN Most Favoured Nation

MMA Muttahida Majlis-e-Amal

MQM Muttahida Quami Mahaz

NACTA National Counter Terrorism Authority

NATO North Atlantic Treaty Organisation

NICL National Insurance Company Limited

NRO National Reconciliation Ordinance

OGDCL Oil and Gas Development Company Limited

PCNS Parliament Committee on National Security

PIPS Pakistan Institute for Peace Studies

PML-F Pakistan Muslim League (Functional)

PML-N Pakistan Muslim League (Nawaz)

PML-Q Pakistan Muslim League (Quaid-i-Azam)

PNS Pakistan Naval Station

PPP Pakistan Peoples Party

PTCL Pakistan Telecommunication Company

PTI Pakistan Tehrik-i-Insaf

SAARC South Asian Association for Regional Cooperation

SAFTA South Asia Free Trade Agreement

SCBAP Supreme Court Bar Association of Pakistan

SIC Sunni Ittehad Council

TDAP Trade Development Authority of Pakistan

TTIP Tehrik-i-Taliban Islami Pakistan

TTP Tehrik-i-Taliban Pakistan

WTO World Trade Organisation

Introduction

For the first time in the political history of Pakistan, an elected civilian government has completed its term of five years in office. This has generated hope, that Pakistan's transition to democracy this time, might be sustainable. Though the relations between Pakistan's important institutions were erratic each competing and trying to encroach on the powers and functions of the other, the government managed to complete its term. The dates for elections have already been announced and Mir Hazar Khan Khosa, a retired judge has been appointed as the caretaker Prime Minister by the Election Commission. All the provinces of Pakistan now have caretaker governments. The political parties are engaged in intense negotiations to form new alliances and if necessary discard old alliance partners while preparing for the scheduled elections beginning on May 11. In the meanwhile General Musharraf, the former military dictator and president has returned to Pakistan in a Saudi brokered deal to contest the forthcoming elections. All these developments point to an interesting transition which will have major implications for Pakistan's experiment with democracy.

The present report entitled *Pakistan on the Edge* is an endeavour by the scholars associated with the Pakistan Project at IDSA to understand the dialectics and dynamics of Pakistan's domestic politics as it has unfolded over the last two years, especially since the last IDSA report on Pakistan published in June 2010. The present study is part of a continuing effort to understand the evolving political landscape in Pakistan, and its implications for the internal cohesion of a country

where democracy is slowly taking root. Over the last two years, there has been a realignment of the domestic political forces; the economic condition has worsened: the ethnic crisis in Balochistan has further intensified, and there has been a spike in sectarian attacks. Violence in Karachi continues unabated with serious economic and political consequences. The increasing international attention on the situation in Balochistan, coupled with Supreme Court's renewed focus on the missing persons' case, has focussed the spotlight on the ham-handed and brutal manner in which the military and intelligence agencies are handling this conflict. While these domestic developments pose a threat to political stability, tensions between the various institutions of state are threatening to derail the fragile democracy.

The military remains the most powerful institution, though the extent of its power and influence has declined over the last two years. Its predominance is being challenged and questioned by other stakeholders. As a result, the military is not in a position to directly intervene in the political process to effect a regime change. The Army is also finding itself hamstrung by the lack of an acceptable political alternative to replace the incumbent government. At the same time, it is trying to garner the support of the people to maintain its status as a legitimate political actor by cautioning against any effort to create a wedge between the people and the Army and undermine national interest. It has also sent a veiled warning that all institutions should uphold the rule of law and work within the well-defined bounds of the constitution.

Several crises — the Raymond Davis affair; Abbottabad raid to kill Osama; the attack on the PNS Mehran naval base; the Memogate scandal; contempt of court proceedings against Prime Minister Yusuf Raza Gilani and his subsequent conviction and disqualification; and last but not the least the scandal surrounding the son of the Chief Justice of Pakistan; and the confrontation between the judiciary and the executive, etc., have kept Pakistan on tenterhooks. The disarray in state affairs has added to the deepening economic crisis. Growth and investment are touching historic lows and a massive balance of payment crisis is looming over the country - even as domestic instability and economic bankruptcy stare Pakistan in the face. Though Pakistan reopened NATO supply lines under international pressure; its demand for an apology and a hike in transit fees remained unfulfilled. The US Secretary of State only expressed regrets for the loss of lives. Instability in Afghanistan will further destabilise the tribal areas. However, Pakistan is not ready to give up its strategic assets and desist from supporting the Haggani network.

The coalition government led by the Pakistan Peoples Party (PPP) has demonstrated a remarkable resilience in withstanding pressures on it from all sides. In crisis situations like the Abbottabad raid or contempt of court case against Gilani, it has taken the matters to the legislature and evolved a democratic response. It has handled political crises with prudence and faced all onslaughts with relative calmness and poise. However, as the country is getting closer to the next general elections, quite expectedly, the Opposition is going full steam ahead with its campaign to defame and denigrate the government, and the process is gaining momentum because of unprecedented judicial activism against the executive. The clash between judiciary and executive was averted after Prime Minister Raza Pervaiz Ashraf agreed to write a letter to the Swiss bank. The judiciary, while adjudicating on the petition filed by retired Air Marshal Asghar Khan, in a landmark judgment indicted General Mirza Aslam Beg, former Chief of Staff of the Pakistan Army and former DG ISI Asad Durrani for engineering the 1990 election and asked the government to take action against them. It also instructed the ISI to wind up its political cell. The dual office case against President Zardari has been resolved after he gave up his position as Co-Chairman of PPP in favour of Presidency.

Pakistan politics has also witnessed a realignment of forces. The Pakistan Muslim League - Quaidi-Azam (PML-Q), which has been supporting the PPP has not been able to come to an agreement on seat adjustment for the forthcoming election with the PPP, raising doubts about the continuity of this alliance. The PPP and Pakistan Muslim League - Nawaz, (PML-N), had parted ways in Punjab early last year. Though many perceived the Pakistan Tehrik-e-Insaaf (PTI) headed by Imran Khan as the third front, it enjoys the support of the Army but its show of strength has fizzled out in the recent past. It is unlikely that the PTI will be able to sustain the momentum it had gained after the successful rally in Lahore in October 2011. For now, despite claims of representing change, the PTI remains largely an urban phenomenon, and the so called PTI 'tsunami' is relying on turncoats from other parties (euphemistically described as 'electables') to cobble a winning combination for the next elections. In another interesting development, a conglomeration of sectarian and jihadist militant groups came together on the platform of the Difa-e-Pakistan Council (DPC) to forge a political force with extreme nuisance value. The front is led by the Jamiat-ul-Ulema-Islam (Shamiul Haq faction) and Jamaat-ud-Dawa led by Hafiz Saeed and enjoys the backing of the establishment. By backing both Imran Khan and mainstreaming the radical religious forces,

the establishment perhaps plans to reduce the importance of the two prominent political parties — the PPP and the PML-N — and keep the political forces fragmented, so that the next elections do not return any single political entity, which could further weaken the Army's hold on politics.

Today the PML-N, more than ever in the past, is anxious not to lose its constituency to right-wing and reactionary forces like the DPC and the PTI. It is equally wary of the PPP's political manoeuvre to create new provinces, which is likely to have an impact on PML-N's electoral prospects in Punjab, which it considers as its electoral bastion. The sense of desperation in the PML-N is obvious and that perhaps explains its quiet overtures to the military, its renewed bid to woo sectarian parties like the Sipah-e-Sahaba openly, and its support for the judiciary's (read the Chief Justice) efforts to embarrass the PPP government. These and similar other issues and developments are discussed in detail in this report. The report concludes that the state of uncertainty and instability is likely to continue and this could have a destabilising impact on Pakistan's experiment with democracy and the neighbourhood.

Chapter I deals with the emerging political matrix in the provinces and the realignment of political forces. It analyses how the composition of the ruling quartet in Pakistan has changed and how the Opposition has emerged as a new actor. The chapter examines the relations between the various constituents of the quartet and how they are likely to pan out in the future. It offers a detailed analysis of various political parties and inter- as well as intra-party dynamics that have been driving their politics in Pakistan today.

Chapter II makes a detailed analysis of political dynamics within the province and how it influences the inter-party and intra-party dimensions. The alignment and realignment of political forces have several ramifications for the politics and forthcoming general election.

Chapter III analyses in detail the militants groups in Pakistan, some of whom are aggressively mobilising public opinion and acquiring new political relevance in the country. These groups possess immense street power and in some instances are patronised by powerful sections within the military and allowed to express their extreme opinions in public. The existence and state tolerance of these groups also exposes the oft-cited military-militant nexus. Given their growing political profile, the mainstream political parties are seen to be desperately courting them for reasons of political expediency.

Chapter IV deals with the issue of the growing religious radicalism and functioning of various fundamentalist groups in Pakistan. It is argued in this chapter that these radical groups have the capability to raise the violence quotient in the country and further aggravate the internal security situation. It also dwells on the rising attacks on minorities and the inability of the Pakistani state to take effective action against the assailants, who often enjoy the backing of state officials.

Chapter V makes a detailed analysis of the Pakistan economy and the challenges it is facing. It examines the reasons for the stagnating economy and how the aid-dependent economy has performed given the global rise in petrol prices, the tensions in US-Pak relations, and lack of a favourable investment climate in the country.

Chapter VI analyses of the direction that Pakistan foreign policy has taken in the last few years. This chapter examines Pakistan's relations with India, Afghanistan, Saudi Arabia, Iran, US and China, and explores the challenges it is confronting in its bilateral ties with some of these major countries.

Chapter VII focuses on the revived India-Pakistan dialogue and the developments in bilateral relations since the July 2010 talks between the two foreign ministers. This chapter argues that while Pakistan's decision to grant Most Favoured Nation (MFN) status to India has thrown up several possibilities for extensive economic cooperation, the two countries have failed to make significant headway on the issue of terrorism and investigations related to the Mumbai attack.

Chapter VIII deals with the recent trends in civil-military relations in Pakistan. It is argued in the chapter that the transition to democracy in Pakistan had put the military on the back foot for some time. However, the Army has reasserted itself and continues to remain relevant in Pakistan politics due to several factors. Nevertheless, in spite of the constant fear of a military takeover, the PPP government has survived. In view of the multiple crises visiting Pakistan today, the military has chosen to operate from behind the scenes rather than by a direct takeover. It continues to determine the security and foreign policy of Pakistan, while the civilian government has been given some leeway in municipal affairs.

Chapter IX analyses Pakistan's counter-insurgency strategy and its effectiveness in the ongoing operation in the tribal agencies in FATA and Balochistan. This chapter concludes that the strategy of 'clear, hold and build' is not working. Even as the military expands its operations from one area to another, the militants recapture the area vacated by them. The strategy of deradicalisation, primarily by providing vocational training to ex-jihadis, has not been successful.

Chapter X makes a detailed analysis of Pakistan's English language media on selected issues pertaining to the Abbottabad raid, attack on PNS Mehran, continuing insurgency in Balochistan and

also the columnists' reaction to granting of MFN status to India, India's relations with Afghanistan and US-Pakistan relations. This chapter provides an interesting insight into the thinking of the urban elite on the above-mentioned issues. These opinion pieces are culled from editorials, opinion pieces and news reports carried in *The Nation, The News, The Dawn, The Express Tribune* and *The Daily Times*.

Chapter XI provides extracts from the Urdu language print media and their opinions on the above-mentioned issues. The news analyses therein provide interesting perspectives and show how the tone and tenor of the Urdu media is vastly different from that of the English media in Pakistan. There is a stark contrast in terms of both reporting and representation of facts and analyses. The most fascinating aspect is the dramatic differences in the opinions expressed by English and Urdu newspapers published by the same media house.

This Report has been prepared by a group of experts associated with the Pakistan Project at the IDSA. The research assistance provided by Shamshad Ahmed Khan, Babjee Pothuraju, Amit Julka and Anwesha Ray Chaudhury is greatly appreciated. This is the second report in the series that this Project has published so far. This report was first published on the IDSA website in December 2012 and includes developments till then. It is hoped that this report would be useful for policymakers, academics and other stakeholders who have a keen interest in Pakistan and the region.

Smruti S. Pattanaik Coordinator, Pakistan Project

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Political Scenario: The Emerging Trends

Amit Julka, Ashok K. Behuria and Sushant Sareen

Since the end of the military regime of General Pervez Musharraf and the return of a democratic system in 2008, politics in Pakistan has witnessed a tug of war among four different institutions. Initially, this quartet comprised of the President, the Prime Minister, the Army and the judiciary, led by the Chief Justice. But the composition of this quartet underwent a major change by 2011 (especially after the 18th amendment), with the President and Prime Minister (i.e., the federal government) coming together and the political opposition joining in as another player. The Army chief and the Chief Justice continued to retain their positions in the quartet.

There were occasions during this period (2008–11) when the government and the Opposition worked together (for example, on the issue of appointment of the Election Commissioner or over the issue of National Finance Commission Awards, cases of disappearances in Balochistan, etc.) to keep the Army from making common cause with the judiciary and taking any precipitate action that would overthrow the democratic system. On some other occasions the government and the Army worked together, (for instance, after the Abbottabad operation when the government defended the Army against the Opposition onslaught; on the issue of a judicial commission after the murder of journalist Saleem Shehzad,

etc.) preventing the Opposition and/or the judiciary from destabilising the system. There was also a time — the reference here is particularly to the so-called Memogate episode — when the Army, the judiciary and the Opposition joined hands against the federal government, leading to a phase of acute political turmoil. Such shifting alliances shook up the system at one level, and prevented the system from collapsing, at another.

The first reason for this state of unstable equilibrium was that the power of each constituent of the quartet was circumscribed by uncontrollable shifts in Pakistan politics — the exponential growth of the public media, the acute interest of the international community in political developments in the country, the dismal state of the economy, the expansion of the jihadi constituency, etc. — which reduced the appetite for any extraconstitutional takeover and, to a certain extent, counterbalanced the destabilising pressures at the political level.

There was also a lack of options for forces who would not hesitate to otherwise topple the elected government on flimsy pretexts. The fundamental question to which these forces had no clear answer was that if the present government were to be deposed, what would replace it? What would have also weighed heavily on the minds of

these forces was the bad precedent it would set if the government were to be deposed through a "judicial coup" or any other supra-constitutional or extra-constitutional intervention. Third, the conflicting interests of the various players and their mutual suspicions imposed a limit on how far they would go in cooperating with each other against any other player. Fourth, there were divisions within the ranks of each player. For instance, the Opposition was split right down the middle, with the allegedly army-backed Pakistan Tehrike-Insaaf (PTI) emerging as an important factor in Pakistan politics and muddying the political waters for the main opposition party, PML-N. The Army was divided on the one hand between those who despised the Pakistan People's Party (PPP)-led dispensation, and yet did not want to overturn the system because the alternative could be worse; and on the other hand those who could not countenance its continuation in office. Finally, the adroitness with which the government managed to outmanoeuvre its opponents – sometimes by abjectly giving in, sometimes by staring them down and digging in its heels, and at other times either by negotiating a mutually beneficial deal, or by playing one opponent against another - kept the system on the rails.

The Opposition entered the quartet with the realignment of political alliances. The PML-N, the main opposition party, fundamentally changed its behaviour. Until 2010, it was considerably restrained in its criticism of the civilian government, and engaged in what it called "friendly opposition". In 2011, however, due to the breaking up of the PPP-PML-N alliance in Punjab, it adopted a harsher stance vis-à-vis the PPP-led government, albeit always ensuring that it did not push things to a point that the system collapsed.

The Quartet in Action

The Case of an Assertive Judiciary

Apart from the inclusion of the Opposition as an important constituent of the evolving power dynamics in Pakistan, the quartet seems to have undergone several internal changes. The judiciary has become quite active, and has taken a rather antagonistic stand vis-à-vis the civilian government leading to speculation in some quarters that there was a growing convergence of interests between the Army and the judiciary, which could prove detrimental to the democratic setup. However, after the judiciary passed some very scathing remarks against the involvement of the military agencies in the Missing Persons case and followed this by holding a former Army Chief and an ISI Chief guilty of political meddling in the 1990 elections, relations between the Army and the judiciary became very tense with the Army Chief and the Chief Justice issuing statements targeted at each other, which seemed to suggest that these two institutions were on the verge of a confrontation.

There is also a dominant perception that the judiciary has been propped up by the opposition parties to corner the government, especially in the Memogate case. It would not be far-fetched, in the light of these developments, to say that the judiciary itself has become a system-shaping entity to some extent. While it has done commendable work in the disappearance cases in Balochistan by summoning the intelligence agency and the Army and also in the long pending Asghar Khan's petition, its persistence on the NRO case, etc., are seen as an attempt to become yet another dominant player in the power structure of the

country, arrogating to itself powers that are far beyond anything envisaged in the constitution for the judiciary. However, it is being felt by many in Pakistan that the judiciary has been proactive largely because of personal interest of the Chief Justice in the politics of the country rather than because of any institutional reasons. The personal dimension of the judiciary-executive tussle became quite clear after the filing of a graft case against Arsalan Iftikhar, son of the incumbent Chief Justice of Pakistan, and the latter's verdict against Yousaf Raza Gilani disqualifying him as a member of the parliament on the charge of contempt of court and also barring him from contesting the next elections. This highly personalised battle threatened to destabilise the government and gave rise to speculations that it could even lead to political turmoil and eventually to an Army take-over.

Apart from this case, what truly demonstrated the role of the judiciary and other members of the quartet vis-à-vis the government was their stance in the Memogate case. The case involved a memo allegedly sent in June 2011 (in the immediate aftermath of the Osama episode) by Husain Haqqani, the then Pakistan's ambassador to the US — allegedly under instructions from President Zardari — through Manzoor Ijaz, a Pakistani American businessman, to the then Chairman of the Joint Chiefs of Staff of the US Army to take proactive measures to stop the military from forcing the civilian government out of power.

The memo purportedly argued that a unique opportunity was available for civilian forces to gain an upper hand over the military and its intelligence forces in Pakistan and sought US indulgence. The detailed suggestions included a coordinated effort to rein in the ISI, bring Pakistani nuclear assets under "a more verifiable [and] transparent regime",

and establish a new national security team which would be dominated by the civilian forces to address the issues affecting Pakistan's security.¹

The Memogate scandal came to the fore after Mansoor Ijaz wrote an article in the *Financial Times* (London) in October 2011 leaking out information related to the memo. The ISI started its enquiry into the alleged memo and the Opposition soon joined the fray and demanded an urgent enquiry into the case. Nawaz Sharif filed a petition in the Supreme Court of Pakistan on 23 November 2011 to investigate the issue. It also brought the judiciary into the picture which established a judicial commission in December 2011 to find out the facts in the case.

The Opposition, the Army and the judiciary seemingly came together to corner the civilian government over the memo case leading Gilani, the then prime minister, to come out with a statement that his government would not tolerate a "state within the state", in an apparent reference to the ISI. During this time, President Zardari moved out of Pakistan to Dubai on a personal trip, amid rumours that he had left Pakistan for good. However, the consensus among the three forces did not last very long and matters cooled down soon after Haggani was allowed to travel to the US, following Mansoor Ijaz's refusal to come to Pakistan to provide evidence in the Memogate case. However, Memogate highlighted the possibility of the judiciary colluding with the Army to pressurise the civilian government. The reluctance of the Army to take the issue further probably indicates an internal reluctance to take centre stage in a problem-ridden country.

See the entire memo at http://www.foreignpolicy.com/files/fp_uploaded_documents/111117_ljaz%20memo%20 Foreign%20Policy.PDF, accessed on 20 September 2012.

However, the judiciary's assault on the executive continued. Even earlier, in the case of the NRO review petition, it was observed that the civilian government's failure to act upon the judiciary's decision to write a letter to the Swiss authorities to reopen graft cases against Zardari led to a judicial verdict holding Gilani guilty of contempt of court. Gilani was finally convicted for noncompliance of the apex court's order and the court symbolically held (jailed) him for few minutes. However, the prime minister did not resign because the government took the stand that the Speaker of the house, who alone had the authority to disqualify the prime minister, had found the case untenable and therefore held that Gilani could continue as prime minister. In a dramatic development, acting on a public interest litigation again - of course in the backdrop of allegations that the Gilani administration had played a role in implicating the chief justice's son Arsalan Iftikhar of taking bribe from a businessman (Malik Riaz) — the Supreme Court disqualified the prime minister for contempt of court and asked the Election Commission to disqualify Gilani as a member of the National Assembly. Though Prime Minister Gilani resigned and the PPP appointed Raza Ashraf as the new prime minister, it was clear that this time around the civilian projected itself as a victim of judicial excess to garner popular sympathy. As a compromise formula, later, the government agreed to send a letter to the Swiss authorities. The text of the letter referred obliquely to the immunity enjoyed by the president and was cleared by the judiciary in large part because disqualifying a second prime minister on charges of contempt would have imposed an unbearable strain on the political system and derailed the fledgling democratic process. But soon another front was opened up after the Lahore High Court took up the issue of holding of dual office² (President of Pakistan and co-chairman of the ruling PPP) by Asif Zardari. Zardari now faces a Hobson's choice: if he resigns as president, he will have to face all the cases that are pending in courts against him; if he resigns as the co-chairman of PPP, he will not be able to exercise control over the party. Compounding his problems is the fact that as President he has been forbidden from playing a partisan role in politics – something that will impair his ability to lead and direct the PPP's election campaign in the forthcoming general elections.

Army's Image Dented, yet Remains Dominant

The Army's image as the sole protector/defender of the Pakistani state has been seriously dented after the killing of Osama bin Laden by the US Navy Seals and also after the aerial attack on Salala check-post on the Afghanistan-Pakistan border by NATO forces killing 24 soldiers.

On 12 May 2011, the Lahore High Court, in its 33-page verdict on a petition filed by A.K. Dogar (a lawyer) in 2009 on behalf of the Pakistan Lawyers Forum (PLF) seeking its order to ask President Zardari to surrender his office of co-chairman of the PPP, held that the 'use of Presidency for political activity is inconsistent with its sanctity, dignity, neutrality and independence. Therefore, it is expected that the president of Pakistan would cease the use of the premises of Presidency for political meetings of his party (PPP).... It is expected that the President of Pakistan would abide by the foregoing declaration of law to disassociate himself from the political office at the earliest possible.' A four-judge bench headed by Chief Justice Ijaz Ahmad Chaudhury issued the order on the basis of a judgment by the Supreme Court in a case of Mian Nawaz Sharif versus President of Pakistan and others (PLD 1993 S.C 473), which ruled that duties and functions of the lofty office of the president was to be discharged by him with complete neutrality, impartiality and aloofness from any partisan political interest.

The Army has also been overstretched due to insurgency on the western border region. The debate surrounding the US raid on Osama's hideout, which went undetected by the security agencies, and later the attack on *PNS Mehran*, cast serious doubts on its capacity as well as its much-touted commitment to defend the state.

The PML-N openly questioned the Army's capability to protect Pakistan's sovereignty. Both Nawaz Sharif and Chaudhary Nisar raised questions about its accountability. Even on the ideological turf, anti-state insurgent forces like the Tehreek-e-Taliban Pakistan (TTP) openly challenged the Army's commitment to Islamic principles, which has led to an ideological conflict between moderate and conservative elements within its ranks. Many of these, especially at the lower echelons of the Army, are reported to be sympathetic to the cause of TTP. The virus of religious radicalism has also affected the officer class, as demonstrated by the arrest of Brigadier Ali, affiliated to the Hizb-ut-Tehreer, in the aftermath of the Mehran attack. However, in spite of all this, the Army continues to remain the predominant actor in Pakistani power politics.

The Opposition

The emergence of the political opposition as the third component of the quartet may be attributed to two trends. First, the changing nature of political alliances altered the equation between different parties. For instance, the PML-N after its estrangement with the PPP in Punjab was no longer a friendly opposition. The emergence of new parties like the PTI also upset the existing political equations. The PTI has taken a hard stand on the issue of corruption of the civilian government, a message that has resonated well amongst the educated and urban middle classes.

Second, the emergence of quasi-political entities like the Difa-e-Pakistan Council (DPC) has put some pressure on the government. A conglomerate of about forty religious groups,3 it has immense nuisance potential and considerable street power. By constantly harping on anti-US and anti-India propaganda, it has ensured that its views percolate down to the masses. The DPC has also given a fresh lease of life to groups like the Jamaat-ud-Dawa (JuD), Ahl-e Sunnat wal Jamaat (previously known as Sipah-e Sahaba) and many other Islamist outfits. Efforts are also underway to revive the Muttahida Mailis-e-Amal (MMA). The Jamiat-ul-Ulema-i-Islam-Fazlur faction (JUI-F) has taken a lead in this direction by roping in all constituents of the erstwhile MMA except for the Jamaat-i-Islami (JI). The JI, meanwhile, is trying to set up a religious parties' alliance of its own by tying up with Jamiat-ul-Ulema-i-Islam-Sami ul Haq faction (JUIS) and breakaway and estranged factions of Jamiat-ul-Ulema-i-Pakistan, Jamiate-Ahl-e-Hadith (JUH), etc. Clearly, the religious parties sense that the political space in Pakistan is opening up for an MMA-type alliance and it is entirely possible that closer to the elections, either one or more alliances of religious parties will emerge.

The Civilian Government

The last constituent of the quartet is the civilian government, especially comprising the offices of the president and the prime minister. It has proved to be a tenacious player and has weathered the storms of Pakistani politics with aplomb. This was no doubt a result of regular political negotiations and deals at the federal and provincial levels and tactful handling of the military. The success of

For details about Difa-e-Pakistan Council visit http://www. difaepakistan.com/, accessed on 20 September 2012.

the civilian government is also because the Army is not in a position to assume political power when the economy is in a state of crisis and the internal security situation is deteriorating. With the judiciary targeting the armed forces through numerous corruption cases, the situation clearly favours the civilian government.

The tension between the judiciary and civilian government continues as the case of President Zardari holding dual offices has come up in the meanwhile, which could seriously impact the political future of President Zardari and the credibility of the PPP government.

Party Politics at the Centre and Provinces

For the past few years, ever since the PPP-led coalition has been in power, Pakistan's politics has witnessed several tussles for power both at the provincial and the federal levels. The continual changing nature of alliances and the Byzantine intrigues in the corridors of power kept the dust flying. Since 2013 is going to be an election year, the developments of the previous years (especially 2011–12) are significant.

The ruling coalition underwent major changes during the year. The love-hate relation between PPP and the Muttahida Qaumi Movement (MQM) continued, although tempers started cooling down since July-August 2011, when ethnic violence and killings in Karachi reached their peak. The emergence of political players like the Awami National Party (ANP) as a consequence of demographic shifts in Karachi witnessed in the last ten years, emerged as a challenge to the stranglehold of MQM on the city. Furthermore, PPP's alliance with PML-Q isolated MQM and

reduced its space for manoeuvre by giving PPP a buffer in case MQM withdrew support to the government in the National Assembly.

In Punjab, PML-N found itself in a weaker position. Apart from political pressures applied by the PPP-PML-Q coalition, the emergence of PTI as a right-wing political force could have a significant impact on PML-N's traditional vote base. The PTI's ability to engineer defections and attract disgruntled veterans from various parties has been a major cause of concern for all political parties, including PML-N. Also worth noticing is PTI's appeal to the youth, a significant demographic factor in Pakistan today.

The increasing politicisation of the Barelvis, coupled with the attempted mainstreaming of radical and militant organisations like the Jamaat ud Dawa (JuD) through DPC also had their impact on the political landscape. All this posed a critical challenge for Nawaz Sharif's party both in Punjab and the rest of the country. The political mobilisation of outfits like the JuD could also act as a catalyst for further radicalisation of politics in Pakistan. However, it remains to be seen if their street power translates into electoral success in the next elections. In the meanwhile, the PML-N is desperately trying to court the radicals to outwit the PTI and also to pit them against the PPP in South Punjab.

PPP-MQM relations in Sindh

The major bone of contention between the two parties was the decision by the PPP leadership to restore the Commissionerate System in Sindh. This system proposed to divide Karachi into five administrative units and amalgamate Hyderabad as one unit. Both these outcomes would weaken

the MQM's hold over two of the biggest cities in Sindh. The MQM's response to this development was to resort to increased violence.

The strained relations between the two allies were further exacerbated by the statements of Sindh's former Home Minister, Zulfiqar Mirza.⁴ Soon after his reinstatement in the cabinet in July 2011, Mirza's inflammatory remarks against the MQM led to a wave of violence in Karachi. The MQM was particularly riled by his gestures towards Afaq Ahmad, the head of MQM's breakaway faction MQM-Hagigi. However, Zardari tried to cool tensions by dissociating himself and the party from Mirza whose diatribes against the MQM continued unabated till August 2011, when he made serious allegations against Altaf Hussain.⁵ Surprisingly, the MQM's reaction was much more restrained this time, considering the gravity of the allegations levelled against it. Instead of resorting to violence, it merely condemned Mirza's accusations as inflammatory and bogus. According to political observers, the MQM's subdued tone suggested a position of weakness in the party.

The PPP's alliance with the PML-Q gave the former a comfortable position in the Sindh legislature. This, along with the rising dominance of Sindhi and Pashtun gangs in the city, brought an end to MQM's monopoly over violence in Karachi. Despite PPP's disinclination to adopt a pro-MQM posture in Karachi, the MQM continued with its

support for PPP which can also be ascribed to the conciliatory gesture shown by Zardari towards the party. After torturous negotiations, including threats of breaking the coalition, the PPP finally agreed to a local government law that imposed a dual system of local government in Sindh. Under this new law called the Sindh Peoples Local Government Order (SPLGO), the urban areas of Sindh (namely five cities - Karachi, Hyderabad, Larkana, Sukkur and Mirpurkhas) would have a system that was closer to the Musharraf model of 2002, while the rest of the province would have a system closer to the 1979 Zia-ul-Hag model of local government. Expectedly, while the MQM was very happy with this law, it did not go down very well with the core constituency of PPP in rural Sindh where the detractors of the PPP (Sindhi nationalists and other political parties like the PML-F) portrayed it as a move to divide Sindh. Unless the PPP can dispel this impression, it could lead to serious reverses for the PPP in its bastion of rural Sindh in the coming general elections.

Besides the political troubles, the radicalisation of Karachi has become a major problem for the PPP-led civilian government. Even the Pakistan Supreme Court took note of this, asking the government to look into the issue of the Talibanisation of Karachi. Each of the political parties is engaged in a turf war for either retaining or augmenting its influence, and criminal gangs use political patronage to create mayhem in the city. The situation has deteriorated further due to the proliferation of weapons in the city. Between July 2011 and January 2012, the Home Minister of Sindh issued more than 16,000 arms licences. Added to this, the sectarian fights also made Karachi a dangerous place. Groups like LeT and JeM were found to be active in the city during 2011-12.

⁴ 'Zulfiqar Mirza's remarks spark violence in Karachi', *The Dawn*, 14 July 2011, http://www.dawn.com/2011/07/14/zulfikar-mirzas-remarks-ignite-violence-in-karachi.html

^{5 &#}x27;Zulfiqar Mirza resigns from Sindh Assembly, blasts MQM', *The Dawn*, 29 August 2011, http://www.dawn.com/2011/08/28/zulfiqar-mirza-resigns-from-sindh-assembly.html

Karachi Politics: Three's a Crowd

Karachi accounts for 62 per cent of the urban population of Sindh, 30 per cent of its total population, and 22 per cent of Pakistan's urban population. Beginning July 2011, when the controversy regarding the local government system came to the fore, the PPP and the MQM locked horns over the issue at the provincial level. Organised gangs belonging to ANP, PPP and MQM indulged in targeted killings, and it took considerable political brokering to calm things down.

The city also witnessed a spike in sectarian violence due to the presence of organisations like the TTP and Lashkar-e-Jhangvi (LeJ). Increasing assertiveness of these organisations, coupled with the growing influence of gangs supported by PPP and ANP, challenged the monopoly of the MQM on organised violence in the city.

A commission headed by Justice Zahid Qurban Alvi was set up to ascertain the exact figure of the victims of targeted killing in Karachi in 2011. Its report enumerates the following list of party workers killed⁸: MQM 135; ANP 104; MQM-Haqiqi 26; Jafaria Alliance 26; Awami Tehreek 12;

As per data provided by Arif Hasan, 'Sindh local government: The Real Issues', *The Express Tribune*, 10 January 2012, at http://tribune.com.pk/story/319333/sindh-localgovernment-the-real-issues/ Kachhi Rabta Committee 26; Jamaat-i-Islami 19; and Sunni Tehreek 41.

According to the Human Rights Commission of Pakistan (HRCP), a total of 1,257 people had beenkilled in the city during the first six months of 2012, with 972 falling prey to targeted killings, which is 77 per cent of total killings. Of this, 366 people with no political affiliation were killed while 250 killings were reported during the corresponding period last year (2011). In addition to ethnic and gang wars, the increasing presence of militant groups has worsened the situation. The lack of consensus among the three principal political parties wielding influence in Karachi — MQM, PPP and ANP — has aggravated the situation.

MQM vs ANP in Karachi

According to the 1941 Census, 73 per cent of Karachi's population spoke local provincial languages, 6.2 per cent spoke Urdu/Hindi, and 2.8 per cent had Punjabi as their mother tongue. The number of people who used Pashtu as their mother tongue was miniscule. The 1998 Census revealed, however, that only 14 per cent spoke the local (Sindhi) language, while 48.52 per cent had Urdu, 14 per cent had Punjabi and 11.42 had Pashtu as their mother tongue.

Since the start of America's so-called Global War on Terror, Karachi has witnessed a dramatic rise in its Pashtun population on account of the influx from the tribal areas. The Pashtuns have become the second-largest ethnic group in the city, and are being accused by other ethnic groups of large-scale land grabbing in

MQM to file Petition Against Commissionerate System', The Express Tribune, 10 July 2011, http://tribune. com.pk/story/206689/mqm-may-file-petition-againstcommissionerate-system/

The Nation, Karachi, 23 February 2012, http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/karachi/23-Feb-2012/400-shot-dead-in-karachi-in-2011

³ 'Karachi Violence Claims 1257 lives in last six months: HRCP', *Daily Times*, 9 July 2012

the city. With their monopoly over the transport business and increasing assertiveness in mafia operations, they have posed a grave challenge to the MQM's predominance in the port city. The MQM has in recent years constantly referred to the issue of land mafia in the city. It has alleged that these neo-Mafiosi have been supported and encouraged by the ANP.¹⁰ The ANP in turn backed the demands for the rights of the over 5 million Pashtun population, which it said "made Karachi the largest Pakhtun city" and expressed its concern about their being continuously "denied their rightful share in social, political and economic representation".¹¹

The MQM's support for a "Hazara province" to be carved out of Khyber Pakhtunkhwa has also added to the MQM-ANP tensions. The ANP believes that by supporting the Hazara cause, the MQM seeks to divide the ANP's constituency in Karachi and delegitimise its claim of being a representative of all ethnicities from Khyber Pakhtunkhwa residing in the province. According to several political commentators, there could also be a long-term strategy behind the MQM's espousal of the Hazara and Seraiki provinces.¹² In their view, this would pave the way for the creation of more linguistic/ethnic provinces, which in turn will legitimize their demand for an Urduspeaking province to be carved out of Sindh. Sindhi nationalists have vociferously opposed any division of the province.

The two parties have struck a conciliatory note. Altaf Hussain, who had previously made some serious allegations against the ANP, which consequently led to violence, eventually withdrew his claims. This truce is thought to have been engineered by the then Pakistan Minister of Interior, Rehman Malik.

PML-N in Punjab: Confused and Clueless

Following the assassination of Punjab's Governor Salman Taseer in early January 2011 and the subsequent appointment of Lateef Khosa as his successor, it seemed that the PPP and the PML-N were in a reconciliatory mood. However, a month later, there was a considerable shift in attitudes. The PML-N began courting PML-Q's breakaway faction, the "unification block", 13 and allotted it separate benches in the Provincial Assembly.

Although Nawaz Sharif himself was in favour of continuing the coalition with the PPP, the majority view within the party was against it. By persuading the breakaway faction of the PML-Q (in spite of the danger of anti-defection laws) to support it, the PML-N retained its hold over the country's biggest province. This led to the warming of ties between the PPP and PML-Q, who decided to jointly combat the dominance of the Sharifs in Punjab. However, in spite of the anti-defection laws, Zardari shied away from moving a no-confidence

^{&#}x27;MQM requisitions PA session over Karachi Violence', *The Dawn*, 10 July 2011, http://www.dawn.com/2011/07/10/mgm-requisitions-pa-session-over-karachi-violence.html

See ANP's position paper at http://awaminationalparty.org/ news/index.php?option=com_content&task=view&id=550

Ali Chishti, 'Does MQM want a Mohajir province?', Friday Times, 17-23 February 2012, http://www.thefridaytimes. com/beta2/tft/article.php?issue=20120217&page=4

^{&#}x27;PPP Ministers warn PMLN against hugging turncoats', The Dawn, 18 February 2011, at http://www.dawn. com/2011/02/19/ppp-ministers-warn-pml-n-against-hugging-turncoats.html

motion against the Punjab government, in line with his politics of reconciliation.¹⁴

The rise of the PTI as a political force, allegedly backed by the GHQ, emerged as another political irritant for the PML-N. Imran Khan's popularity, especially in Punjab, was a direct challenge to the Sharif brothers. Towards the end of 2011, many disgruntled leaders from various political parties, including some PML-N veterans like Javed Hashmi and ex-PPP foreign minister Shah Mahmood Qureshi, joined PTI. ¹⁵ After an initial show of strength in its rallies in Lahore, Islamabad and Karachi, PTI's popularity curve dipped visibly with Imran failing to make a dent in the rural areas. It remains to be seen whether it can pose a critical challenge to PML-N in the coming elections.

Against this setting, the PPP and the PML-Q were seen to be employing another strategy to isolate the PML-N further. By raising the demand for a Seraiki province¹⁶ to be carved out of Punjab, they have made an attempt to confine the PML-N to central and northern Punjab. Several PML-N leaders from southern Punjab were also in favour of such a plan. As a compromise, the PML-N conceded that it was not open to a division of Punjab on linguistic grounds, though it could consider a proposal based on administrative grounds.

The demand for a Seraiki/Southern Punjab province also gave impetus to those in favour of Bahawalpur and Potohar provinces. The PML-N leadership is quite concerned about a possible domino effect, which could result in a massive resizing of Punjab province.

PML-N and the Army: Mixed Signals

The year 2011 also witnessed an interesting dynamics between the PML-N and the Army. The party seemed to be giving mixed signals to the establishment. In the aftermath of the Osama bin Laden raid, Nawaz Sharif and Chaudhary Nisar were vociferous in their criticism of the Army. Time and again, they reiterated that the country should stop treating the Army as a holy cow and the institution should be made more transparent and accountable for its actions. The attack on *PNS Mehran* provided further fodder to Nawaz Sharif to launch his verbal diatribes.

On the other hand, Shahbaz Sharif, Nawaz's brother and chief minister of Punjab, took a more reconciliatory approach, constantly heaping praises on the armed forces. By the end of the year, even Nawaz Sharif toned down his stance, partly for fear of being politically isolated by upstarts like Imran Khan. During the Memogate scandal, he took a line that is believed to be more pro-military and tried to corner the incumbent government.

Many analysts hold the view that the alleged support given by the establishment to right-wing

^{&#}x27;PPP, PMLQ reach accord on coalition', *The Dawn*, 26 April 2011, at http://www.dawn.com/2011/04/26/ppp-pml-q-reach-accord-on-coalition.html

^{&#}x27;Javed Hashmi of PMLN joins the PTI', The Dawn, 24 December 2011, at http://www.dawn.com/2011/12/24/ javed-hashmi-of-pml-n-joins-the-pti.html

Ghumman, Khawar, 'A southern dream', *The Dawn*, 5 August 2011, at http://www.dawn.com/2011/08/05/a-southerndream-2.html

^{&#}x27;Post Osama strategy being thrashed out', *The Dawn*, 8 May 2011, at http://www.dawn.com/2011/05/08/post-osama-strategy-being-thrashed-out.html

parties like the PTI and other religious groups like the DPC is an attempt to cut into the PML-N's support base in Punjab. There is also a view that the gradual mainstreaming of extremist groups could have disastrous socio-political implications for Punjab and Pakistan. It remains to be seen how much political clout these right-wing groups enjoy; the next general elections will be a litmus test for them.

PML-Q and its Alliance with

The PML-Q, dominated by senior Guirat politicians like Chaudhary Shujaat Hussain and his cousin Chaudhary Pervez Elahi, has been a part of many interesting political developments in Punjab. At the start of 2011, the PML-Q found itself in a rather difficult position. First, Moonis Elahi (son of Pervez Elahi) was accused of complicity in the National Insurance Company Ltd (NICL) scandal. 18 Second, the party was undergoing severe internal problems, and the emergence of several breakaway factions weakened its political position. This was partly because many members were frustrated with the Chaudhary family's overwhelming dominance in the party's affairs. Apart from the breakaway factions like "unification block" and "likeminded faction", the party also faced the possibility of further fracturing due to a loss of political power. However, the PML-Q's alliance with the PPP resurrected the party politically and made it an important player in the coalition politics of Pakistan.

banking-court-indicts-moonis-elahi-in-nicl-scam.html

Since the beginning of 2011, relations between the PPP and PML-N had been strained beyond reasonable measure. Simultaneously, the PML-Q had started making implicit overtures to the PPP. Finally in February, the PML-N decided to break its fragile coalition with the PPP in Punjab and reconstituted the government by claiming support of a breakaway PML-Q faction called the "unification block". Seeing the changing political contours, Zulfiqar Mirza called Moonis Elahi to Karachi and it was decided that the PPP and PML-Q would work together in Punjab in order to isolate the PML-N.

The "unification block" had originally come into being as a common platform for those disgruntled by the leadership of the Chaudharys. Following its support of the PML-N and the ensuing competition for ministerial berths, the "unification block" was itself heading towards a collapse. The PML-Q too launched a petition under anti-defection laws against 9 of the 47 members of the "unification block", thus attempting to engineer a split within the group and keeping the door open for the others to return.¹⁹

The prime reason that propelled the PPP to pursue closer relations with the PML-Q was its worsening relations with the MQM both at the centre and in Sindh. By April 2011, inclusion of the PML-Q in the coalition seemed imminent, with the two parties involved in high-level negotiations over the nature of alliance and power sharing.

However, the alliance faced opposition by members of the constituent parties. Several

 ^{&#}x27;Banking Court indicts Moonis Elahi in NICL scam', *The Dawn*, 11 June 2011, at http://www.dawn.com/2011/06/11/

^{&#}x27;Legal controversy brewing over role of unification bloc', The Dawn, 27 February 2011, at http://www.dawn. com/2011/02/27/legal-controversy-brewing-over-role-ofunification-bloc.html

members of the PML-Q complained about irrelevant portfolios being given to some of their ministers. Some of these would become redundant after the 18th amendment, as they would be transferred to the state list. Especially vocal in his opposition to the alliance was Amir Muqam, a senior minister from Khyber Pakhtunkhwa. ²⁰ There was also some discontent due to the allotment of plum portfolios to the Chaudhary family. In the PPP, several leaders from Punjab were not happy with the government's decision to align with the Chaudharys. Raza Rabbani and Shah Mehmood Qureshi, who led this dissidence, left the party later in the year.

Its alliance with the PML-Q had clearly given the PPP some room for flexibility with respect to the MQM. After the MQM decided to leave the coalition in Sindh, a PPP-ANP-PML-Q-PMLF alliance was formed in the province. However, Zardari still left some room for MQM to consider rejoining the coalition. The PML-Q subsequently emerged as an interlocutor between the PPP and MQM, and tried to cool tempers between the two estranged allies.²¹

In Punjab, the two allies tried to corner the PML-N by raising the issue of bifurcation, or possibly trifurcation, of Punjab into Central (Punjab), Seraiki and Bahawalpur provinces. Such a move would possibly contain the PML-N to Central Punjab, thereby reducing its political influence at the national level. The PML-N tried to counter this campaign by associating Punjab's division

with the division of Sindh. Interestingly, even the PML-Q supported the movement for a South Punjab, as opposed to a Seraiki province.²²

PPP's alliance with the PML-Q faces a new problem now. The PML-Q has accused the PPP of engineering defection of the Shirazi group,23 an influential family from Thatta (until October 2012, associated with the PML-Q), by violating their earlier understanding that the two parties will not try to break each other's party. Though Shirazi group has not formally joined the PPP, the two parties are trying to iron out their differences ahead of the coming elections. This is likely to boost the PPP's electoral fortunes in Sindh. In Punjab, the PPP and the PML-Q are also heading for a conflict, despite Zardari's assurances that his party is not working against the interests of the PML-Q. The appointment of Manzoor Wattoo as President of PPP-Punjab has generated apprehension among the PML-Q leaders as Wattoo is known for his recruitment skills.²⁴

Wild Card Entry: Imran Khan and the PTI

Probably the most surprising development in 2011 was the meteoric rise of Imran Khan's party, PTI. Within a year, Imran Khan seemed to have captured the imagination of the disgruntled

Cracks in "Q" Widen as Muqam Quits Cabinet', *The Dawn*, 16 May 2011, at http://www.dawn.com/2011/05/16/cracks-in-q-widen-as-muqam-quits-cabinet.html

^{&#}x27;Shujaat visits 90, Urges MQM to rejoin Govt', *The Dawn*, 13 July 2011, at http://www.dawn.com/2011/07/13/shujaat-visits-90-urges-mqm-to-rejoin-govt.html

^{&#}x27;PMLQ files Resolution for New Province', *The Dawn*, 5 August 2011, at http://www.dawn.com/2011/08/05/pml-q-files-resolution-for-new-province.html

For details, see news report 'Shirazis of Thatta join PPP, Again', *The Dawn*, 20 October 2012, at http://dawn. com/2012/10/20/shirazis-of-thatta-join-ppp-again/, accessed on 16 November 2012.

See for details, Shahzad Raza, 'The Wattoo Factor', *The Friday Times*, 02-08 November 2012-Vol. XXIV, No. 38, p.2.

youth of Pakistan, especially in its urban centres, and managed to shake them out of their political apathy. His relatively clean image coupled with disenchantment of the people with the mainstream parties was primarily the reason why Imran Khan rode on a wave of popularity during the year.

Ideology, Vision

Ideologically, the PTI is right wing and believes in the concept of an "Islamic Welfare State". ²⁵ In his speeches, Imran Khan has alluded to the concept of welfare states in Europe and equated them with the erstwhile states that the first four "Righteous Caliphs" (Khilafat-e-Rashida) had established in the early days of the Muslim empire. It is worthwhile to note that this is an inherently Sunni concept, and Shias do not quite agree with this notion. Also, the PTI has been cordial towards organisations like the JuD and Jamaat-e Islami. It is also worthwhile to note that Imran Khan had personally sent his message of support at rallies like DPC, organised by Sunni organisations and political parties.

Despite its Sunni leanings, the party has generally tried to accommodate minorities, at least rhetorically. At its rallies in Lahore and Karachi, party leaders repeatedly assured to safeguard the rights of the minority communities. With regard to the ethnic groups, the party has sought to promote a pluralist agenda, with a pronounced

The party remains silent on contentious issues like blasphemy laws and their impact on minorities in the country. While it has done some breast-beating about Afia Siddiqui, it has so far chosen to remain silent on Asia Bibi, the Christian woman who has been charged with blasphemy. Also, there has been no mention of the Ahmadis, who have been one of the most persecuted minorities in Pakistan.

On foreign policy, the PTI has generally indulged in reactionary anti-US rhetoric. Imran Khan himself held a two-day-long sit-in against drone strikes in Peshawar. The party blames the current problems of the frontier provinces on "American interference" and advocates reconciliation with the Taliban. Shireen Mazari, the party's foreign policy expert, is known for her anti-US and hawkish views.

The most important agenda on the PTI's list is political corruption. It specifically targets the corruption of politicians, and the money they have stashed in their Swiss bank accounts. Interestingly, there is no mention of corruption of the armed forces, or even transparency of the defence budget. Like the Anna Hazare movement in India, PTI's anti-corruption campaign acquires

reconciliatory attitude towards the Baloch.²⁶ In his public speeches, Imran Khan has personally apologised to the Baloch for all the "mistakes of the past". His rally in Quetta on 19 April 2012 was however not well received by the Baloch people and according to media reports it was dominated by the Pashtuns.

Nadeem F. Paracha, 'A tale of two lions ... and then some more', *The Dawn*, 31 October 2011, at http://www.dawn. com/2011/10/31/a-tale-of-two-lions-and-then-some.html

Habib K, Ghori, 'Imran Khan vows to Redress Grievances of Baloch people', *The Dawn*, 26 December 2011, at http:// epaper.dawn.com/~epaper/DetailImage.php?StoryIma ge=26_12_2011_001_004

a particular resonance with the country's middle classes.

With regard to the Army, the party has maintained a very cautious attitude, shying away from criticising it directly. Many members of the party are generally perceived to be pro-establishment, and the party's stance on various political issues often reflects this bias. The party's jingoistic rhetoric and its constant attacks on the alleged pro-US attitude of the civilian government betray a certain congruence with the Army's philosophy.

Political Evolution

All through the year, there were rumours of many possible defections to PTI and they were slowly validated as the year progressed. Most of the politicians who switched to the PTI were political veterans who had been sidelined by their own political parties. This included, amongst others, Shah Mehmood Qureshi (PPP), Javed Hashmi (PML-N) and Khurshid Kasuri (PML-Q).²⁷

For the PTI, the inclusion of seasoned veterans of political parties is proving to be a double-edged sword. Their inclusion supposedly makes it easier for the PTI to make headway, electorally, and it has promoted itself as a party of change, a break from the existing political order. There is also a view that inclusion of old faces puts a question mark on the credibility of Imran Khan's commitment to his declared ideals. Third, their inclusion has irked many old members of the party, who feel sidelined and neglected. Imran Khan has tried to assuage such discontent by claiming that

The PTI's growing constituency among the youth came to the fore with its mammoth rally in Lahore in October, which was attended by many belonging to the middle-class and collegegoing youth. The choice of Lahore as the venue, traditionally considered as a PML-N bastion, was widely interpreted as a challenge to Nawaz Sharif. At the rally, Khan blamed the country's ills on corrupt political leaders and subservience of the civilian leadership to USA.

Imran Khan's rally at Karachi was even more spectacular. Organised right opposite Jinnah's mausoleum, it was attended by more than 100,000 people. In a city with a history of ethnic tensions and violence, the success of the rally was quite an achievement. Even more noteworthy was the MQM's silence over the issue; it merely said that it did not matter if the people went to an MQM rally or a PTI rally. Imran Khan too refrained from attacking the MQM and instead made the PPP-led coalition government at the centre and Nawaz Sharif the chief targets of his criticism.

Besides rallies, the PTI employed several unorthodox methods for its self-promotion. Text messages and telephone calls playing prerecorded messages by Imran Khan proved to be popular with the people.²⁸ The party also made its presence visible on social networking sites like Facebook and Twitter. It also roped in popular musicians like Ali Azmat and Abrar-ul Haq to

anyone is welcome to join the party, but tickets for electoral contests will only be given on merit.

^{&#}x27;Shah Mehmood Qureshi joins Pakistan Tehreek-e Insaaf', The Dawn, 27 November 2011, at http://www.dawn.com/2011/11/27/qureshi-addresses-rally-at-ghotki.html

Rabia Ali, 'Imran Khan telephone call in new PTI marketing ploy', *The Express Tribune*, 20 December 2011, at http:// tribune.com.pk/story/308899/karachi-goes-gaga-overimran-khan-telephone-call-in-new-pti-marketing-ploy/

perform at its rallies. PTI's rallies are, thus, a good mix of politics and entertainment.

PTI's Political fate

Although it is still too early to portray PTI as a serious challenger to mainstream parties with traditional following like the PPP, ANP and PML-N, it nevertheless can have an indirect impact on political calculations in Pakistan. Although the party lacks a pan-Pakistan presence, it can prove to be a decisive player in Punjab, where it can seriously dent PML-N's hold over the province.

There is also a possibility that the PTI can ally with the Jamaat-e Islami or other religious parties to form an MMA-type third front in Pakistan politics. The erstwhile MMA, an alliance engineered by Pervez Musharraf, had proved to be fickle and disintegrated almost as soon as the Musharraf-backed system collapsed. In such a scenario, the PTI can emerge as a party on which the smaller religious parties can ride. This will also give the PTI some support in Khyber Pakhtunkhwa, where its anti-drone, pro-Taliban campaign might have an impact.

As regards the other provinces, the PPP is very firmly entrenched in rural Sindh for PTI to make any visible impact. It is premature to estimate Imran Khan's popularity in Balochistan, despite his overt gestures for reconciliation. His perceived pro-establishment image, coupled with the region's deeply entrenched tribal loyalties, will make Balochistan a hard wall to breach for any political candidate.

In a demographically young and an increasingly urbanised Pakistan, Imran Khan's image as a youth icon might be an advantage to him. All

his rallies were attended by young, educated Pakistanis who normally abstain from mainstream politics. However, it still remains to be seen if the attendance at his rallies will translate into votes.

Pakistan's politics is in a process of churning and leading to various permutations and combinations ahead of the elections with an eye on raising a winning political combine. The PML-N, cornered by both PPP and PTI in Punjab, its traditional stronghold, is trying to endear itself to the establishment hoping that the blessings of the Army would be politically advantageous. This could at least defuse the challenge thrown by PTI. With the new provinces being announced by the government, it is likely that the politics would be divided further on ethnic lines.

2

Provinces: A Strained Federation

Sushant Sareen and Ashok K. Behuria

When the PPP-led coalition government was formed in 2008, there was a general sense that the restoration of democracy would help in strengthening the federation. Unlike the quasimilitary dispensation presided over by the former military dictator General Pervez Musharraf, the democratically elected government would not use the rough and ready drill master tactics of its predecessor and would be more sensitive to the concerns of the different nationalities that comprise Pakistan. By their very nature, political governments prefer to tackle contentious issues by consensus rather than through coercion. It was therefore hoped that by adopting a political approach to problems, the civilian government would act as a salve for the discontent, disaffection and alienation engendered among the people of the smaller provinces by the bulldozer approach of the Musharraf regime.

Initially, the civilian government did manage to live up to the expectations. The National Finance Commission (NFC) award, the 18th Amendment (which not only gave the Pakhtuns a sense of identity by changing the name of the North West Frontier Province (NWFP) to Khyber Pakhtunkhwa but also devolved substantial powers to the provinces by fulfilling the longstanding demand for abolishing the concurrent list). Other steps, including the Aaghaz-e-Huqooq-e-Balochistan

package; the creation of an elected assembly in the Gilgit Baltistan region of Pakistan occupied Kashmir (PoK); the consigning of the controversial Kalabagh dam project to the cold storage; settlement of longstanding demands regarding royalty payments for the natural resources of the provinces; were all feathers in the cap of the Pakistan People's Party (PPP)-led coalition. But partly because of the tardy implementation of these path-breaking measures, partly because of serious administrative shortcomings and political blunders (not the least of which was the free hand, almost a carte blanche, given to the military and security establishment to handle the unrest in some of the more restive regions of the country) and partly because of the political interests, compulsions and calculations of the various political players, much of the good that could have followed the implementation of the above-mentioned measures came a cropper.

In a sense, 2011 was a bit of a watershed year for the Pakistani federation. It was the year in which inter-provincial disharmony once again reared its head. And not only did old problems like ethnic nationalism – even separatism – re-emerge in a more virulent form, but new also issues cropped up – such as the demand for the creation new provinces by carving up existing provinces. In this chapter, the state of politics in the provinces

will be examined and the issues that are likely to determine both the future course of politics in the provinces as well as the future relationship between the provinces and with the Centre will be flagged.

Balochistan

The longstanding unrest in the largest (in terms of area), arguably the richest (in terms of natural resources) and unarguably the poorest (in terms of social and economic indicators) province of Pakistan worsened in 2011. The province, which can be broadly divided into the Pashtun and Baloch belts, has been wracked by twin insurgencies - a Baloch freedom struggle in the Baloch belt, and an incipient Islamist insurgency in the Pashtun areas. Alongside these twin insurgencies, Balochistan has been undergoing terrible sectarian violence in which the minority Shia Hazara community has been targeted with almost complete impunity by extremist Sunni terror outfits. Scores of Hazaras have been killed in bomb blasts (on their mosques, religious processions, congregations and even hospitals), drive-by shootings, and targeted massacres.

Far from being contained, there has been a spike in sectarian violence in Balochistan in 2011. One reason for this is the alleged free hand given to pro-Taliban and pro-Al Qaeda sectarian terrorist outfits like Lashkar-e-Jhangvi (LeJ) which function as the "strategic assets" of the Pakistani state in Afghanistan. In other words, taking advantage of the Pakistani "deep state's" use of their services in Afghanistan, these groups have been able to carry out their murderous agenda of exterminating Shias in Pakistan. Adding to the serious law and order problems created by Baloch insurgents, Taliban fighters and sectarian terrorists are

the criminal gangs – gunrunners, smuggling networks and a flourishing kidnapping industry (allegedly patronised also by some members of the provincial cabinet) – who find the disturbed conditions in Balochistan ideal for their business.

Bad as the law and order and sectarian terrorism situation is, it is Baloch separatism that has got the Pakistani state really worried. Notwithstanding the show of confidence by top officials about defeating the insurgents, the fact of the matter is that politically, the separatist sentiment has captured the imagination of most people in the Baloch areas and militarily the insurgents have managed to hold their own despite being starved of resources and the brutal crackdowns. While the Baloch have always been somewhat uneasy about their association with Punjab-controlled Pakistan, the savage methods adopted by the predominantly Punjabi Pakistan Army and the Pashtun dominated Frontier Corps (FC) to bludgeon the Baloch into submission have actually worsened matters.

The widespread and brazen violation of human rights has pushed the situation in Balochistan virtually to the point of no return. Hundreds of Baloch political activists have gone "missing" believed to have been picked up by the security forces. Over 300 political activists, many of them students and some only in their teens. have been victims of the "kill and dump" policy - bullet ridden and tortured bodies of "missing persons" thrown on roadsides or in desolate spots - of the Pakistani security forces. Actually, the phrase "kill and dump" does not reveal the true horror unleashed by the death squads run by the Pakistani security establishment. Most of the victims of the "kill and dump" strategy are first kidnapped, then brutally tortured and kept in illegal confinement for months, sometimes years, and finally shot in cold blood (invariably a signature killing with a bullet in the head and chest) and the dead bodies, mutilated and then "dumped" on the roadsides. Recently when the Supreme Court acted on a mandamus petition filed by the family members of the missing persons, some of these people were found dead and dumped and those who appeared in the court were found badly tortured and could barely stand. The Supreme Court appointed a two-member Commission of Inquiry on Enforced Disappearances in 2010 which is looking into the cases of disappearance and reporting to the court.

For its part, the Pakistani establishment has tried every trick in the book - coercion (targeted killings by death squads and illegal confinement), corruption (buying the support of local politicians), cajoling and co-option (cosmetic gestures like making the port city of Gwadar the second capital, increased recruitment of Baloch into the Army and paramilitary forces, some development work, and tons of propaganda) - to woo the Baloch or at least sow divisions in their ranks. But nothing seems to be working. If anything, even political leaders and tribal chiefs or sardars who act as toadies of the government are finding it difficult to justify the actions of the Pakistani state. In any case, the traditional political elite has been steadily losing ground to a new crop of middle-class youth leaders who, cutting across tribal lines, are forging a potent national movement. None other than the doyen of Baloch nationalists, Sardar Attaullah Mengal, admitted this to Pakistan Muslim League (Nawaz) (PML-N) chief Nawaz Sharif. According to Mengal, things were no longer in the control of the old leadership as a new generation of leaders was now calling the shots. The man who is believed to have become the icon of the Baloch freedom fighters is the Balochistan Liberation Front (BLF) chief, Dr Allah Nazar. Others like the Balochistan Republican Party (BRP) chief, Nawabzada Brahmdagh Bugti (grandson of the slain Baloch leader Nawab Akbar Bugti), Hyrbyair Marri (son of Nawab Khair Bux Marri), and Balochistan National Party (BNP) chief Sardar Akhtar Mengal (son of Sardar Attaullah Mengal) form the vanguard of the nationalist movement. But unlike Dr Allah Nazar, these three leaders are in exile and hence their effectiveness is somewhat reduced.

While there are some signs of a coalescing, albeit loose, of the pro-independence elements in Balochistan, the pro-Pakistan political players seem to be in disarray. This is hardly surprising given that ideological and party loyalties are redundant in Balochistan where almost all the members of the provincial assembly are part of the government either as ministers or advisors or even chairmen of provincial corporations. The votaries of the Pakistani federation in Balochistan are fast becoming irrelevant in the search for a solution to the crisis in Balochistan. This is due to many factors. First, the so-called "mainstream" politicians – what is "mainstream" in Balochistan today is debatable because if public sentiment was the determining factor, then the "mainstream" in Balochistan is anti-Pakistan and compete with each other at the political level. Second, they are forced by the circumstances and situation on the ground to at least pay lip service to the cause of Baloch nationalism and speak up against the injustices heaped on the hapless Baloch by the Pakistani establishment. The third factor is their effete governance record. And, finally, they are seen as the "showboys" of the Pakistani establishment who hold offices but wield practically no power. And yet, if the Pakistani establishment continues to persist with the discredited politicians, it is because it has no credible partners left.

In order to undercut support for the separatists, the Pakistani establishment has adopted a twin track political approach. On the one hand, it has sought to use the large Pashtun population (by some counts over 50 per cent) in the province to undermine Baloch nationalists and question the legitimacy of their demands. An effort is also underway to pit the Baloch against the Pashtuns - classic divide and rule tactics - by targeting Pashtuns and blaming the attacks on the Baloch separatists. So far, however, the Baloch have managed to avoid clashing with the Pashtuns by making it clear that apart from Quetta, there is little overlap in Baloch and Pashtun areas and therefore the Baloch make no claims over the Pashtun belt. On the other hand, the Pakistani security establishment has fallen back on its tried and trusted formula of unleashing Islamism to counter ethnic nationalism. By patronising Islamist politicians and also pro-Taliban Islamists, the Pakistani establishment is trying to make inroads into the Baloch areas. But while this strategy has not gained much traction as yet, the spread of the Islamists in the Baloch areas has led to a spate of attacks on the North Atlantic Treaty Organisation (NATO) convoys in Balochistan. This has served the purpose of the military establishment which has tried to tarnish the image of the Baloch freedom fighters in the international community by insinuating an alliance between the Baloch and the Taliban. The icing on the cake for the Pakistani establishment is that it has kept its Taliban allies happy by giving them a free hand to attack NATO supply lines and at the same time disrupt the US/ NATO logistics lines.

One of the biggest problems in Balochistan has been the conspiracy of silence in the much vaunted "independent" media of Pakistan. Apart from extremely the sketchy reportage of the horrors being visited on the Baloch,

the mainstream Pakistani media has paid little attention to Balochistan. This was partly because the media is now allowed free access to large parts of Balochistan by the security forces, partly because of behind-the-scenes threats and intimidation of journalists by officials, and partly because Balochistan did not make for a good copy. Quite simply, the rest of Pakistan was either not interested in what was happening there or else preferred to shut its eyes and pretend that nothing was happening there.

But the truth of the matter is that a lot happened inside Balochistan which has pushed, at least the Baloch areas, to the point of no return. The alienation of the Baloch from Pakistan is complete and there are reports that it is no longer possible to raise the Pakistani flag or sing the Pakistani national anthem in the Baloch dominated areas of the province. In September 2012, the UN Working Group on Enforced or Involuntary disappearances visited Balochistan to look into the case of missing persons.

Khyber Pakhtunkhwa

At a time when the brunt of terrorism in Pakistan is being felt in Khyber Pakhtunkhwa, the province has been in a state of political ferment and fragmentation. Over the last three decades, no single party, or even two parties, have dominated the politics of Khyber Pakhtunkhwa, and at least four major parties/groupings – the Awami National Party (ANP), PPP, PML-N and Jamiat-ul-Ulema-e-Islam (Fazlur Rahman) (JUI-F) – and a couple of smaller parties like Pakistan Peoples Party (Sherpao) (PPP-S), Jamaat-i-Islami (JI), Pakistan Muslim League (Quaid-i-Azam) [PML-Q] and Jamiat-ul-Ulema-e-Islam (Sami-ul-Haq) [JUI(S)] are competing in the province. But over the past

year or so there has been a greater fragmentation in the political support base of many of these parties/groupings. Meanwhile, a potent new political force has emerged on the political scene of Khyber Pakhtunkhwa – Imran Khan's Pakistan Tehrik-e-Insaaf (PTI). New issues like demands for carving out a new Hazara province, some areas of DI Khan is proposed to Seraiki province, renewed calls for either amalgamating FATA into the province or else giving FATA the status of a province, the creation of a new province out of the Malakand division (Swat and its surrounding areas) have emerged over and above the longstanding problems of governance, development, law and order and what have you. However, it was finally agreed for the time being to carve out a province of Southern Punjab and Bahawalpur. However, the Punjab government has not yet nominated its representative to the commission set up by the Federal government to look into the matter of creation of new provinces.

The performance of the ANP-PPP coalition government led by Amir Haider Hoti has been rather lacklustre and uninspiring. In a sense, all the tall claims of the Pashtun nationalist ANP have been exposed by the party's performance. Insinuations of rampant corruption - no substantive proof has been offered but the perception of corruption is widespread - have only sullied the image of the government further. No doubt, the Hoti government has had to contend with some rather extraordinary crises terrorism, millions of internally displaced people from various parts of the province because of the anti-terrorist operations of the Pakistan Army and security forces, along with a "super flood" in 2010. But instead of converting these monumental challenges into opportunities, the Hoti government has simply not been able to rise to the occasion. While the propaganda machinery has patted the government on the back for its handling of these crises, the fact remains that the government has been more of a bystander terrorism has been left to the Army to tackle and there is little direction or oversight exercised by the provincial government on what the Army is doing or not doing. The Internally Displaced Persons (IDP) crisis has either solved itself because conflict in some areas came to an end or else has simply fallen off the radar and hence no one talks about it. In any case, most IDPs were helped by either their relatives or local people and the provincial government's contribution to providing them relief was hardly anything to write home about. In the case of relief, rehabilitation and reconstruction after the floods, the government's performance has been less than satisfactory.

Poor governance, lacklustre political leadership and most of all the absence of any big political idea have seen the ANP and PPP steadily lose ground in Khyber Pakhtunkhwa. Apart from senior minister Bashir Bilour and Information Minister Mian Iftikhar Hussain who have stood by the victims of terror, the rest of the ruling coalition has more or less been "missing in action". To an extent this was understandable because the ANP leadership and cadre have been in the crosshairs of Islamist insurgent groups and a number of party men have been killed. But the spectacle of a ruling party that espouses Pashtun nationalism, swears by the philosophy of non-violence, professes to stand by liberal values and expresses its determination to fight against Islamist terror groups, developing a bunker mentality is not likely to endear it too much to the populace. ANP chief Asfandyar Wali Khan had practically abandoned the province after the suicide attack on him in 2008 and it was only in late 2011 that he started visiting his home province and that too, to address political meetings that became necessary in the

face of the inroads made by the PTI - the rising new force in Khyber Pakhtunkhwa politics.

Imran Khan's reactionary and somewhat radical politics gained him a lot of traction in Khyber Pakhtunkhwa in 2011. The focus of Imran Khan's PTI has been primarily corruption and the war on terror, both of which strike a chord with sections of society in Khyber Pakhtunkhwa. While the youth in the province, like in other parts of Pakistan, are seen to be gravitating towards PTI, other conservative and pro-Islamist and pro-Taliban elements are also supportive of Imran Khan's rabble-rousing politics. The strong position Imran Khan has taken on drone attacks, and the approach of the US and Pakistan war on terror has made him a major player in Khyber Pakhtunkhwa. Defections to his ranks by senior politicians of other parties - Pervez Khattak and Khwaja Mohammed Hoti, to name just two have added ballast to his politics in the province. But how much difference Imran will make on the provincial political scene remains a matter of debate, more so since his entry as a major player is likely to further fragment the politics in the province.

In South Khyber Pakhtunkhwa, the PTI does not seem to have made any major dent and the JUIF, ANP and PPP are likely to hold their own. As far as the JUIF is concerned, its prospects will improve significantly if it manages to revive the erstwhile six religious parties alliance – the Muttahida Majlis-e-Amal (MMA). Even if the JUI(F) and JI manage to come together, they will become a potent political force. But as things stand, the likelihood of this alliance remains doubtful, both because JI is demanding far more than is its due and also because JI has been flirting with a new right-wing conglomeration – Difa-e-Pakistan

Council (DPC). The PTI is expected to do well in the Peshawar Valley, which is the heartland of Khyber Pakhtunkhwa politics. But here it will face a stiff challenge from ANP, PPP, PPP-S, and to an extent, PML-N. The PML-Q has more or less atrophied and its most important leader, Amir Muqam, is weighing his options as to whether to go alone or to tie up with either PTI. In any case, Muqam's stronghold is the Malakand division where again politics is in a flux after the military operation against the local Taliban.

The situation in the Hazara division has also undergone a massive change with the demand for creation of a Hazara province completely altering the political dynamic in the five districts comprising the Hazara division. With the rise of two movements -Tehreek-e-Suba Hazara (TSH) led by Baba Haider Zaman and the other, Suba Hazara Tehreek (SHT), a breakaway faction of the TSH and comprising members of most political parties in the division – demanding the creation of a Hazara province, the PML-N has lost a lot of ground in its bastion of Khyber Pakhtunkhwa. For now, the PML-N is walking a tightrope on the issue of Hazara province, neither wholeheartedly backing it, nor openly opposing it. The PPP too has taken an ambivalent stand on the issue. In deference to the ANP, which is opposed to a Hazara province, the PPP has avoided coming out openly in support of the new province. But PPP members have been participating in SHT campaigns for a Hazara province. Muddying the waters is the MQM, which is trying to make an entry into the Hazara division by backing the creation of a new province. The MQM support for the Hazara province is also motivated by its rivalry with the ANP in Karachi and the support of the people belonging to the Hazara division living in Karachi.

All in all, politics in Khyber Pakhtunkhwa is in a state of flux and unless the PTI's 'tsunami' actually sweeps the province, chances are that the political developments of 2011 have set the stage for a very fragmented verdict emerging from the next general elections.

Punjab

The Phoenix-like rise of Imran Khan was seen as a game-changer in the politics of Punjab, which for the past almost three decades has been dominated by Nawaz Sharif and his faction of the Muslim League. Although Nawaz Sharif has long represented the right-wing, conservative vote in Punjab, this vote bank is expected to be dented by the PTI whose reactionary politics has found resonance in Punjab. Until late 2011, the PTI was not being taken seriously partly because it did not have "winnable" candidates. But all this changed after the momentous public rally in Lahore in October. The massive crowd catapulted Imran Khan into the big league and there was a sudden influx of "winnable" candidates who left their parties and joined PTI. Among the big names to enter the PTI were three former foreign ministers - Khurshid Kasuri, Shah Mehmood Qureshi and Sardar Aseef Ali - and a number of other senior politicians and local "influentials" like Javed Hashmi, Mian Mohammed Azhar, Jehangir Tareen and Awais Leghari. The tsunami seems to have fizzled out after a lot of political drama. The MMA coalition has been revived minus JI. As it appears, the right constituency has got further divided. Whether it will be able to dent the support base of the PPP that is reeling under charges of corruption and misgovernance is yet to be seen.

While there is no doubt that Imran Khan is on a roll, whether he will be able to maintain the momentum until the general elections and whether the growing

popularity of the PTI will translate into an electoral victory, remain open questions. A lot of the "big names" and "electable" politicians who are joining the PTI are people who either had no future in their own parties and were feeling completely sidelined, or are people who had a high profile but had lost elections (and therefore whose winnability was in question), or even people who were the flotsam and jetsam of Punjab politics. Another set of socalled high profile names who have joined the PTI are people with no real political base – basically retired military officers, bureaucrats, journalists, etc. How much impact this motley crew will have on the elections is still not clear. Then there is the issue of the extent to which the entry of these "traditional" politicians has upset the old PTI members who remained loyal to the party when no one gave it any chance of winning elections and who are now feeling sidelined. Questions are also being raised about whether or not the PTI has the party machinery required for handling the rough and tumble of electoral politics and elections. Finally, it is still not clear whether Imran Khan is essentially an urban phenomenon and that too in central Punjab and some pockets of north Punjab (Potohar region) and south Punjab (Multan and Bahawalpur) or will his appeal also extend to the rural areas throughout the province.

For most of 2011, the PPP seemed to be quite smug about the rise of the PTI. As per PPP calculations, Imran Khan was cutting into the PML-N's urban, middle-class, right-wing and conservative vote bank but was not really eating into the rural, poor and liberal vote bank of the PPP. If anything, the fragmentation of the PML-N vote bank could even create an opportunity for the PPP to sneak to victory in some of the urban constituencies because the PPP vote was expected to remain constant. In any case, ever since it has come into power, the policies followed

by the PPP seem to have catered only to its rural support base and have more or less ignored the urban areas where the party does not have much support. Therefore, in the worst case scenario, the PPP's margin of defeat would increase in seats where it never stood much of a chance of winning. On the other hand, by raising the support prices of agricultural produce the PPP created a boom in the rural areas. With terms of trade weighted in favour of the rural areas, the PPP effectively transferred wealth from urban to rural areas and it thus expects to reap the electoral dividends of this policy. Add to this, populist programmes like the Benazir Income Support Programme (BISP) where millions of indigent families got direct cash transfers of Rs 1,000 per month, and the PPP is justified in thinking that it would retain its core vote.

Another factor that went in favour of the PPP was its alliance with the PML-Q in 2011. While some die-hard "jiyalas" were mortified by the alliance with their Chaudhry cousins of Gujrat, the alliance not only helped the PPP get a comfortable majority in the National Assembly, but also helped it to win the support of "winnable" candidates who were part of the PML-Q. If the PPP and PML-Q can transfer their votes to each other's candidates, they could very well end up holding their own against PML-N and PTI in parts of north and central Punjab. As far as south Punjab is concerned, despite the exit of people like Shah Mehmood Qureshi, the PPP appears reasonably confident of holding on to its support base. In fact, by spearheading the demand for a separate South Punjab / Seraiki province, the PPP and PML-Q have latched on to a potential vote-winning issue in an area that it considers as its stronghold. It has now appointed Manzoor Wattoo who is supposed to be strengthening the party's base in Punjab.

The issue of the bifurcation - perhaps even the trifurcation - of Punjab acquired salience in 2011. While there are a number of proposals and demands doing the rounds and there is not a great deal of clarity as to which party is supporting what demand, the issue of splitting Punjab is now firmly on the political agenda in the province. Some of the proposals doing the rounds are: (i) carving out a South Punjab province, (ii) creating a Seraiki province comprising of the Seraikispeaking districts of south Punjab and some areas of Khyber Pakhtunkhwa, and (iii) restoring the erstwhile Bahawalpur state as a province and/or creating a south Punjab/Seraiki province. There are also some demands for the formation of a Potohar province comprising districts of north Punjab but so far these have not gained much traction.

The PPP, though it backed the creation of a Seraiki province, finally agreed for the creation of a south Punjab province to be carved out on administrative and not ethnic or linguistic grounds as would have been the case with the Seraiki province. The PML-N, though, found itself in a bit of a bind on the issue of breaking up Punjab. Since it cannot openly oppose the bifurcation of Punjab, it is paying lip service to the cause of bifurcating the province. However, it voted in favour of the creation of a southern Punjab province and also passed a resolution in favour of Bahawalpur province. Politically, the PML-N had initially tried to undercut the demand for a south Punjab province by putting its weight behind the demand for restoring the Bahawalpur province which is being spearheaded by a nascent movement led by a scion of the former ruling family of the Bahawalpur state. For the PML-N, after the setback of the Hazara province movement, the bifurcation of Punjab will essentially confine the party to just central and north Punjab and rob it of any claim it might have of being a representative party of all Pakistan. What is more, the importance of the part of Punjab where it holds the sway will also be drastically reduced in the politics of Pakistan because Senate seats will be allotted to the new province, the provincial quota for recruitment to civil services will cut into the share of central and north Punjab which now has a lion's share of the civil service and military jobs, will also see a reduction in the central transfers under the National Finance Commission awards and finally, its share of Indus River waters currently given to central and north Punjab will also be reduced. However, to appear as a champion of the cause of federalism, it called for the creation of Hazara and FATA provinces apart from southern Punjab and Bahawalpur in May 2012.

While the demand for new provinces and the rise of the PTI have gueered the political pitch for PML-N, the party has also lost a lot of ground because of the unimpressive governance record of Chief Minister Shahbaz Sharif. Claims of good governance by the PML-N government are becoming the stuff of jokes. The law and order situation in the province, levels of corruption and the inability of the provincial government to address power and gas shortages which have crippled the industry in the province, have seen an erosion in the support of the PML-N. Add to this the perception that, despite claims to the contrary, the PML-N was functioning as a "friendly opposition" to the PPP-led coalition in the centre. As a result, the PML-N is facing antiincumbency which could affect its vote bank in the next general election. What has also sullied the PML-N image, not so much among its core support base as among some fence-sitting and potential supporters, is the PML-N's flirtation with

sectarian terror groups like the LeJ and extremist Sunni groups like the Sipah-e-Sahaba Pakistan (SSP) which is now functioning in its new avatar, Ahle Sunnat wal Jamaat (ASWJ). Worse, the PML-N is seen as being "soft" on the Taliban and other terror groups like the Jamaat-ud-Dawa (JuD)/Lashkar e Toiba (LeT) which has been given a virtual free run in the province to drum up support and hold public rallies, collect funds and carry out its poisonous propaganda.

This has resulted in a spike in terror attacks on the Shias. The denial of the phenomenon of Punjabi Taliban has meant that there is no let, or hindrance to the resurgence of jihadist groups, especially in south Punjab but also in some towns of central and north Punjab. The rising religious intolerance in the province under the PML-N is also reflected in the hounding of the Ahmadiya sect. The soft policy of the PML-N government towards sectarian and jihadist groups has also led to a backlash from the Barelvi Sunni groups who have coalesced under the umbrella of Sunni Ittehad Council and are planning to enter the electoral arena against the PML-N.

Sindh

The politics of Sindh has been traditionally dominated by the PPP and MQM, with other political parties occasionally performing well as was the case in the elections held in 1997, when PML-N swept the polls in the whole of Pakistan. Sindh is the second most populous state in Pakistan and accounts for 75 seats (out of a total of 342) in the National Assembly. There has been a latent Sindhi nationalist consciousness at work mostly in rural Sindh; however, the nationalist forces have not been able to translate these sentiments into electoral capital. The

PPP, a national party, has been dominated by the family of Zulfiqar Ali Bhutto, who hailed from Sindh and its leaders have managed to harness the nationalist sentiments well and their predominance in Pakistani politics has given the people of Sindh a sense of satisfaction and fulfillment which has worked to the detriment of nationalist forces over the years.

Even if the trend of electoral politics since the last elections does not show any major change so far, over the last one year (2011–12), the developments in Karachi and introduction of the local government ordinance may have queered the pitch for an alliance among forces opposed to the on-going political cohabitation between the PPP and MQM, especially in Sindh (for details see section titled PPP-MQM relations in Sindh in Chapter 1). The reaction of the local Sindhi leadership was also indicative of their deep aversion for MQM politics which has persisted over the years despite the marriages of convenience between PPP and MQM from time to time.

The MQM on the other hand, retains its hold over the predominantly Urdu-speaking Mohajir population in the urban centres of Sindh, especially in Karachi, Hyderabad, Larkana, Sukkur and Mirpurkhas. The Sindh Peoples Local Government Ordinance (SPLGO) passed in September 2012¹ has further strengthened their hold over these areas. The decision of the PPP government in Sindh to "constitute single district Metropolitan Corporations at Divisional Headquarters comprising the areas

of the districts of Karachi, Hyderabad, Larkana, Sukkur and Mirpurkhas" and especially to treat the whole of Karachi (comprising five districts) as one unit has not gone down well with either the Sindhi nationalists or other political forces like the religious political parties and the ANP, who have found in the growing Pashtun population in Karachi and other urban centres of Sindh a new political constituency strongly opposed to Mohajir politics. This has led to a situation where a coalition among nationalist forces in Sindh, the splinter PPP and PML groups and right wing parties like PML-N, JI and other such parties appears to be a strong possibility.

Along with the anti-incumbency sentiment that is ruling supreme in the whole of Pakistan, such a realignment of forces may pose a serious challenge to the PPP in its rural strongholds. The PML-Functional (PML-F) led by Pir Pagara Sibghatuillah Shah Rashdihas, of late, has raised the issue of the PPP surrendering to the alleged blackmail by the MQM (over the dual system of local government) and also raising the issue of Kalabagh Dam² on the eve of elections, and its rally in Karachi on 1 December 2012 to mobilise the people of Sindh against the PPP government. The nationalist parties like Jiye Sindh Mahaz

The details of the ordinance are available at www.pas.gov.pk/uploads/downloads/The Sindh Peoples Local Government Ordinance 2012.pdf

The Lahore High Court held in its verdict on Kalabagh Dam on 29 November 2012 that the government was obliged to implement decisions of the Council of Common Interests (CCI) and build the dam 'unless the same is modified by parliament at the instance of the federal government under Article 154(7) of the Constitution'. See 'Build Kalabagh Dam, LHC orders govt', *The Dawn*, 30 November 2012, at http://dawn.com/2012/11/30/build-kalabagh-dam-lhc-ordersgovt/. Interestingly, the political forces opposed to the PPP regard it as a move by the government to distract popular attention from their failings at the political level, the PPP considers it a clever ploy to unsettle the government.

(JSM) and Jiye Sindh Quami Mahaz (JSQM) have also held rallies in the past against the PPP government's policies towards Sindh in particular.

This is not to deny that the support-base of the PPP remains largely intact in Sindh. The people of Sindh look upon the PPP as an insurance against domination by other political forces from the rest of Pakistan and find in it an avenue to break out of their sense of political alienation. The recent acts of judicial activism against the PPP government at the centre and its strong endorsement by the PML-N seem to reinforce the sense of alienation prevailing among the Sindhis and may lead them to back the PPP more vigorously in the coming elections, if the trend persists. The PPP leadership's recent reassurance to the people of

Sindh that it would never sacrifice the interests of the people of Sindh and the prime minister's assurances that the PPP would not build KBD without a national consensus may soothe Sindhi sentiments.

However, it would require cautious political moves by the PPP leadership to convince the people of Sindh of its commitment to their interests without taking its influence in Sindh for granted. The case of dual office which has the potential to bring about some change in PPP's top leadership and silence of Zardari as the leader of the party to steer PPP through the elections may also seriously affect the electoral fortunes of the PPP in the coming elections.

3

Militant Groups in Pakistan: New Coalition, Old Politics

Amit Julka and Shamshad Ahmad Khan

In Pakistani politics, militants groups have started playing an important role after striking an often covert, but sometimes overt, alignment with political parties. Sometimes they have been at the forefront in articulating the Islamic agenda of the political parties and have demonstrated their presence through street violence. They have also served as instruments for furthering the Pakistani Army's strategic interests. In recent years, these groups have witnessed splits leading to the emergence of breakaway factions. More interesting has been the breakdown of the old and formation of new alliances among these factions/ groups. In order to sidestep proscription by the government, some of these have even acquired new names. Because of their politics of violence and intimidation—coupled with the fact that they also function as front organisations of the military and the political parties— these militant groups have become very visible in Pakistan politics and have started determining the course of gradual radicalisation of the state. This chapter looks into the politics of some of the new coalitions of radical groups and analyses what impact it has on the politics of Pakistan.

On 12 October 2011, several religious outfits of Pakistan came together to form the Difae-Pakistan Council (DPC). The DPC claims among its members more than thirty-six religious

organisations, 1 including the Jamiat-ul Ulema-e-Islam (Sami-ul Haq) (JUI [S]), Jamaat-ud-Dawa (JuD), Jamaat-i-Islami (JI), Ahle-Sunnat-Wal Jamaat (ASWJ), Jamiat-e-Ahle Hadith (JAH) and little known groups led by Hamid Gul, Sheikh Rasheed Ahmed, Fazal-ul Rahman Khalili and Ijaz-ul-Haq. Interestingly, the DPC also comprises some minority Hindu, Sikh and Christian groups. Its official website states that the group was primarily conceived by Maulana Sami-ul-Haq and Hafiz Saeed, inspired by Hamid Gul and Sheikh Rasheed Ahmed, to counter the decision of the Pakistan government to award Most Favoured Nation (MFN) status to India. The DPC leaders have given vent to their anti-US sentiments and had vehemently opposed any move to reopen the NATO supply route through Pakistan, though without much success.

The DPC also has a twitter page to promote its message amongst the youth. In order to improve its accessibility to the urban middle and upper middle classes, the tweets issued by the DPC rely on a mixture of simple Urdu (in the Roman script) and English. Even the website's content is primarily in English, which is indicative of its target audience.

See the note at the end of the chapter. The list is available at http://www.difaepakistan.com/about-us.html

The DPC's first rally at Minar-e-Pakistan, Lahore, in December 2011 was dominated by the JuD and its cadres. Since then, DPC has held meetings in Rawalpindi, Karachi, Peshawar, Multan and Quetta. The JUI(F) is not part of the DPC, which indicates the party's differences with other Islamic groups on issues of strategy and policy as well as the competition with DPC for the same political space in the country. Even when Maulana Fazlur Rehman offered himself as interlocutor for dialogue between the Taliban and the government, he was not taken very seriously. The suicide attacks on him are also indicative of this widening chasm. The attacks were thought to be the handiwork of the Taliban, a speculation denied by the organisation. Similarly the suicide attempt on Qazi Hussain Ahmed, former Amir of JI, in Mohmand on 18 November 2012 clearly demonstrates the disconnect between the DPC and the Tehrik-i-Taliban Pakistan (TTP), with the latter looking at the DPC as a creation of the Pakistani military establishment.² The DPC has been protesting against military operations in North Waziristan. It has also protested against the opening of the NATO supply line and against the anti-Islam movie on the Prophet in the US and has offered a reward of \$200,000 for anybody who would kill the film maker. It has tried to hijack the Islamic agenda of other radical groups with the backing of the Army, but TTP claims a monopoly over the issue of Islamisation in the tribal area and does not want to surrender or dilute its dominant position in there.

The coming together of such disparate groups (some of which are in fact banned by the state) - united in their defence of the Pakistan Army and condemnation of the present government - and the prominence granted to these elements through permission to hold huge rallies throughout the country and indulge in venomous anti-India and anti-US rhetoric, suggests that the new conglomerate is supported by the establishment. By according prominence to Hafiz Saeed and Hamid Gul, and by seeking to politically mainstream such radical elements, the military might be seeking to harness the radical sentiments for its own use. It might be hoping to capitalise on the anti-US sentiments and use it as a negotiating tool with the Americans. At the same time, the Army would also build a pro-army constituency for the next elections. An attendant benefit of this strategy lies in its signalling to the extremist groups (the so-called bad Taliban or bad jihadis) that it is ready to work with them if they are ready to accept its basic position to defend Pakistan. Observers in Pakistan argue that like Imran Khan's Pakistan Tehrik-e-Insaaf (PTI), DPC is being used as yet another "bait" by the Army in the coming elections. If these two groups eat into the vote banks of the two leading political parties and reduce their numbers in the national and provincial legislatures, it would lead to hung houses and political uncertainty, and ultimately leave the Army as the only institution of relevance in Pakistan politics.

Against this backdrop it is useful to study the political approach of the JuD, which is playing a pivotal role in DPC and its consequences for Pakistani society and politics. Another important trend in the sectarian realm has been the increasing politicisation and radicalisation of the Barelvis, which is also discussed briefly in the following sections.

Moreover, the TTP accuses Qazi Hussain of being soft on Shias and his party, the JI, is part of the Milli Yekjeti Council (MYC) which has a Shia party too as a constituent member. This is also being offered as a reason for the failed attack on his life.

Jamaat-ud-Dawa

The JuD is playing a more visible role in Pakistani politics. The organisation also operates under the innocuous sounding name of Falaah-i-Insaniyat Foundation (FIF, Foundation for Human Welfare). The FIF has been operating publicly as an alias of JuD with the blessings of the authorities since the Swat operation of May 2009. Pakistan was forced to close down JuD offices after the United Nations listed it as a terrorist group in December 2008, holding it responsible for the Mumbai attacks of 26 November 2008 (26/11). Its leader, Hafiz Mohammed Saeed, the alleged mastermind of 26/11, has also made several public appearances and given speeches advocating jihad against India and the United States. By capitalising on several politically significant issues that took place in Pakistan, the group has managed to position itself as a defender of Pakistan's ideological and territorial integrity. Of late, he is being courted by the media houses and the welfare activities of JuD are being rationalised. Scholars like Avesha Siddiga feels that the main reason behind this new façade is to have the radicals organised to help the West to negotiate with them, if required.3

Multi-pronged Approach

Relief Work

The JuD has adopted a multi-pronged approach in order to gain public approval. The most effective of these methods has been its participation in relief work. In light of the natural disasters like the floods that have afflicted Pakistan during the

past few years, and the state's inability to provide basic relief to its citizens, JuD's FIF has been at the forefront of relief activities in affected areas like Sindh and Balochistan.⁴ Its efforts have received significant acclaim from the Pakistani media, and news channels like Geo have given a lot of coverage to the FIF's efforts in Sindh.

In 2010, Pakistan's leading newspaper Dawn alleged that an official belonging to US Aid distributed aid to a camp run by the FIF in Sindh. Regardless of whether the official was ignorant of the group's background or was misled by his Pakistani escorts to tour a camp run by the JuD, the episode nevertheless demonstrates the group's prominence in relief operations in Sindh. Also, such developments point towards the civilian machinery's weakening hold over the interiors; this vacuum could be filled by fundamentalist religious organisations in the future. Such activities serve to legitimise JuD's existence and restrict the government's ability to take action against the group. It is also true that it enjoys the patronage of the Pakistani establishment and functions as the main anchor of jihad against India and the US and is provided the oxygen of publicity by the media, which ceaselessly courts the chief of the organisation.

Defender of the Faith, Defender of the Nation

The second part of the JuD's strategy hinges on its ability to capitalise on domestic political developments. Like the Army, the JuD has tried to portray itself as a saviour of both Islam and Pakistan. The conflation of Islam and nationalism has been a recurring theme in the

Ayesha Siddiqa, 'The Rebranding of Hafiz Saeed', The Express Tribune, 18 November 2012, at http://tribune.com. pk/story/467645/the-rebranding-of-hafiz-saeed/

⁴ 'Food and Faith', *The Express Tribune*, 27 October 2011, at http://tribune.com.pk/story/282677/food-and-faith/

political developments in recent years against the background of the US war on terror and the constant exhortation to Pakistan to do more. Pakistan's souring equation with the US, accelerated by a flurry of unforeseen incidents, also provided religious organisations an effective backdrop against which they carried out their propaganda.⁵

Starting with Salman Taseer's assassination in January last year over his views on the issue of the blasphemy law, the JuD held rallies in support of the erstwhile Governor's assassin Mumtaz Qadri and vociferously opposed any amendment to the blasphemy laws. 6 The pressure forced the civilian government to withdraw Sherry Rehman's bill proposing procedural amendments to the blasphemy laws. Taseer's assassination also provided organisations affiliated to different Islamic sects to join hands, if only tactically. For example, a rally organised in Lahore in support of Mumtaz Qadri attracted thousands of supporters belonging to organisations like the Jamaat-ud-Dawa (Ahl-e Hadith), Jamaat-e Ulema-e Pakistan (Barelvi) and the JI (non-affiliated but leaning towards Deoband). One of the leaders of JuD, Maulana Amir Hamza who is leading Tehrik-e-Hurmat-e-Rasool, is against any debate on the blasphemy law and even argued that the killing of Salman Taseer and refusal of clerics to lead his namaz-e-Janaza is a warning to those who support any amendment to the blasphemy law.

Anti-Americanism

The JuD's Islamic activism has been complemented by its abiding zeal to work against US and Indian interests. During 2011, several happenings fuelled public anger against the US in Pakistan, and acted as catalysts for the JuD's campaign against the US. In February, the Raymond Davis incident brought all religious organisations together on the streets.

The Salala check-post incident on 26 November 2011, in which more than twenty Pakistani soldiers lost their lives in a pre-dawn NATO airraid, generated widespread popular disapproval of the civilian government's relations with the US, prompting the government to suspend NATO's supply lines and close the Shamsi airbase. This incident made it well nigh impossible for any mainstream political party to publicly support America's war on terror.

It provided an opportunity to the religious organisations to up their ante against the US. In December, as mentioned earlier, the DPC organised a massive rally in Lahore. Hafiz Saeed addressed the rally and declared that the defence of Pakistan lies in jihad against America, Israel and India (not necessarily in that order). Much like the Army, the JuD too portrayed itself as a defender of Pakistan's territorial and ideological sovereignty. It is also interesting to note that in line with his ideological inclinations, Imran Khan sent his personal message of support to the rally and its cause. Besides, Chaudhary Ijaz from the PTI often represents the party at DPC

Tens of thousands rally against US in Lahore', *The Dawn*, 18 December 2011, at http://www.dawn.com/2011/12/18/tens-of-thousands-against-us-in-lahore.html

^{&#}x27;Thousands rally in Lahore over blasphemy law', *The Dawn*, 30 January 2011, at http://www.dawn.com/2011/01/30/ thousands-rally-in-lahore-over-blasphemy-law.html

^{&#}x27;Difa-e Pakistan Conference, 18 Dec Part2.flv', 28 December 2011, at http://www.youtube.com/watch?v=dEvilHenkCs

rallies.⁸ However, under US pressure and given the fact that Pakistan is heavily dependant on the US, Pakistan decided to climb down from the preconditions that it would levy heavy charges for reopening of NATO supply lines. The NATO supply line was reopened in spite of threats by radical Islamic parties not to allow the passage of NATO supply to Afghanistan. These threats fizzled out as the Army was on board on this decision.

Anti-India Propaganda

In 2011, the JuD carried out its anti-India propaganda on three issues, i.e., Kashmir, water and the grant of MFN status to India. The issue of water attracted considerable media and popular attention. Hafiz Saeed made several public statements criticising India for conducting "water aggression". After the cabinet's green signal for giving India MFN status, the JuD publicly ridiculed the civilian government for being generous towards a country which stole Pakistan's waters. Anti-MFN reaction is emanating from the conservative constituency, primarily the urban lower and middle classes comprising small traders and small-scale businessmen. In case normalisation of India-Pakistan trade proves beneficial for the urban bourgeoisie, the JuD (along with other religious organisations) may have to dilute its opposition to the initiative. However, since the main political plank of the JuD has been India, it will up the ante opposing any effort at normalisation of relations with India. It not only is at the forefront of anti-India propaganda but also one of the main masterminds of the Mumbai attack in November 2010.

Support from the Establishment

It seems highly implausible that an internationally tainted organisation like the JuD could have acquired such a public profile without support from the establishment. The first evidence of official acquiescence comes from the fact that the JuD was not placed on the list of the 35 organisations that were banned from collecting animal hides as Eid donations. In fact, advertisements of the FIF and the JuD continued to appear in several local newspapers and magazines across Pakistan during the year.

There appear to be two primary motives for the establishment to prop up JuD. The Army realises that it is no longer the holy cow of Pakistani politics, and although it still has a dominating influence, it faces considerable erosion of credibility. These rallies serve as an indirect route to prop the Army and its agenda amongst the mainstream. Second, the mainstreaming of such groups could dilute the opposition's (primarily Nawaz Sharif's) support base and also put pressure on the civilian government.

Consequences

A major implication of these developments could be further radicalisation of Punjab. For a long time, the centre of gravity of South Asian jihad has been shifting from the Af-Pak frontier areas to the Punjabi hinterland. This could indeed be an ominous sign for India, as Punjab-based militants have been at the forefront of anti-India activities in the past. The military establishment has, however, failed to learn from its past mistakes and is ignoring the societal impact of such developments. Such a myopic vision could indeed be detrimental to Pakistan's internal stability, and

^{6 &#}x27;About Us', Difa-e Pakistan official website, at http://www. difaepakistan.com/about-us.html

the fallout would have to be borne by its eastern and western neighbours.

There is another reason for this geographic shift. Traditionally, the Army has been more comfortable with Punjab-based militant outfits. In light of its not so pleasant experience with the TTP, co-opting the Punjabi groups could be used to isolate the Pakistani Taliban and simultaneously improve the security situation in southern Punjab.

On 2 April 2012, US declared a \$10 million bounty on Hafiz Saeed and a \$2 million on his brotherin-law Hafiz Abdul Rahman Makki. US had earlier banned the JuD but the organisation continues to operate openly. In spite of this bounty, Hafiz Saeed is courted by the media and moves around freely throughout Pakistan. In August 2012, the US further imposed sanctions on key members of Lashkar-e-Toiba; On 30 August 2012, the US. Department of Treasury added eight members of Lashkar-e-Toiba (LeT) and Harkatul-Jihad al-Islami (HuJI) to its list of Specially Designated Global Terrorists, which included the following LeT members: Sajid Mir (involved in the 26/11 Mumbai attacks) and Abdullah Mujahid (in charge of Afghan operations), Talha Saeed (son of Hafiz Saeed) and Abdullah Muntazir (founder editor of the LeT weekly magazine Ghazwa).

Jamiat-ul-Ulema Islam (Fazlur)

The year 2012 has been a very uncertain one for Jamiat-e Ulema-e Islam-Fazlur (JUI [F]). At the very beginning of 2011, JUI (F) tried to capitalise on various contentious issues like blasphemy and the Raymond Davis affair. However, it was outdone by other, more reactionary groups like JuD. The second approach it tried was to position itself as the architect of a grand opposition alliance,

but failed miserably. Though now it has revived the Muttahida Majlis-e-Amal (MMA), its political fortune seems to be falling as the party has not effectively posed itself as an ideological alternative to the radical groups. Political rejuvenation of the PTI will also create political hurdles for the JUI (F) in Khyber Pakhtukhwa.

In March 2011, there were two consecutive suicide attacks on Maulana Fazlur Rehman.9 Although the attacks were widely thought to be the work of elements within the Pakistani Taliban, the party put the blame on the "Raymond Davis network", an euphemism for foreign intelligence agencies. According to many analysts, the attacks were indicative of widening differences between JUI (F) and other Islamic fundamentalist groups operating in the country. Not to be left behind in registering its criticism of the US and opening of NATO supply lines, the JUI (F) organised an "Islam" Zindabad Conference" in Karachi on 27 January 2012. It withdrew from the Parliament Committee on National Security (PCNS) when the committee was redrafting new terms of engagement with the US, protesting against the reopening of NATO supply lines and the domestic violence bill. However, later, Maulana Fazlur re-joined the PCNS after being persuaded by the President. Maulana's flip-flop can be attributed to the fact that while he wants to regain ground he lost to the DPC, he is not left with much option but to join hands with other opposition parties.

^{&#}x27;Suicide bomber targets Maulana Fazl's convoy, 10 killed', *The Dawn*, 31 March 2011, at http://www.dawn.com/2011/03/31/suicide-bomber-targets-maulana-fazls-convoy-10-killed.html

Political Manoeuvrings

Throughout the year, JUI (F) continued its efforts to build a political alliance with several right-wing political parties and even the Muttahida Quami Movement (MQM).¹⁰ The maulana tried to revive a JUI (F)-JI-PTI alliance but failed. He also tried to bring the PML-N and MQM together, but the MQM did not warm up to the idea. The PML-N, in turn, concerned about the rapid growth of several right-wing organisations in the country and its adverse impact on its electoral prospects, itself adopted a more reactionary stance on many issues and indulged in jingoistic rhetoric and ferocious anti-Americanism. The main aim of these negotiations was to revive the MMA or a similar type of coalition. However, the JI, one of the biggest religious parties in Pakistan, showed no interest. This explains why JUI (F) went alone to revive the MMA, with JI and JUI (S) being critical of the unilateral move without taking other allies' views into account.

By May 2011, tensions between the PPP and JUI (F) came to the fore when a PPP leader in Balochistan assembly accused the JUI (F) of supporting terrorism in the province¹¹; but things settled down rather quickly after the exchange of some verbal fireworks. By June 2011, the JUI (F) and PPP came together to deny PML-N the opportunity to get its candidiate elected as the official leader of the opposition in the Senate; but a few days later, the maulana was also seen

Although the JUI (F) kept its distance from the PPP, and often indulged in verbal tirades against it, it did not wish to be party to any effort to topple the government and gave a lukewarm response to PML-N initiatives in this regard. Thus, it took over the role of a friendly opposition, very much like the PML-N during 2008–09.

In January 2012, as has been discussed earlier, the maulana organised a massive "Islam Zindabad" rally in Karachi, reportedly attended by 70,000 people. 12 At the rally, he severely criticised the PTI and called on the nation to rise to the challenge of becoming a true Islamic state. He also took on the establishment for holding his party back. The maulana's criticism of the establishment is probably indicative of the lack of the Army's support to his party as compared to other Islamist/Islamic fundamentalist organisations.

Changing Contour of Barelvi Politics

The Barelvi sect is normally associated with syncretic traditions within Islam and it has generally been viewed as a moderating influence in Pakistani society. The majority of Pakistani Sunnis subscribe to the sect and its practices. Due to its relatively unorganised nature and its

hobnobbing with the PML-N. It was also reported that he tried to act as an interlocutor between the Army and the PML-N, but Nawaz Sharif rejected all such overtures.

^{&#}x27;Fazl hails Altaf's bold decision', *The Dawn*, 29 June 2011, at http://www.dawn.com/2011/06/29/fazl-hails-altafs-bold-decision.html

^{&#}x27;JUI-F supporting terrorism in Balochistan, says PPP minister', *The Express Tribune*, 10 May 2011, at http://tribune.com.pk/story/165675/jui-f-supporting-terrorism-in-balochistan-says-ppp-minister/

Saba Imtiaz, 'We will make Pakistan an Islamic Welfare State: JUIF chief Maulana Fazlur Rehman', *The Express Tribune*, 27 January 2011, at http://tribune.com.pk/story/327994/ people-with-luxurious-lifestyles-cannot-bring-islamic-revolution/

rural following, the sect is comparatively less politicised than groups like Deobandi and Ahl-e Hadith. Although Barelvi parties like the Jamaat-e Ulema-e Pakistan (JUP) have been in existence for a long time, the majority of Barelvis have supported mainstream political parties for their representation.

However, with the assassination of Salman Taseer by Mumtaz Qadri, a Barelvi, there has been a growing concern over the creeping radicalisation of the sect. The reactionary stance taken by several Barelvi ulema on the issue of blasphemy laws has raised several eyebrows in the country. However, if historical trends are taken into account, the sensitivity shown by the Barelvis over the issue of blasphemy can be attributed to the almost divine status that they accord to the Prophet.¹³

The Barelvis' changing attitude can also be seen as a reaction to the politicisation of the Deobandi and Ahl-e Hadith groups, and their monopoly over non-state violence. The emergence of DPC might have also given an impetus to the Barelvis to organise themselves politically. Thus, by 2012, the Sunni Tehreek (renamed Pakistani Sunni Tehreek) decided to fight the next general elections as an independent political party. Mohammed Sarwat Ejaz Qadri, head of Sunni Tehreek, also hinted that the party might align itself with PTI, although no official decision has been taken in this regard.

The Barelvis' radicalisation could have many long-term implications for Pakistan. It could lead to radicalisation of the rural areas, especially in provinces like Punjab and Sindh where the sect has maximum followers. However, as has been

Barbara Metcalf, *Islamic Revival in British India: Deoband* 1860-1900, Karachi: Royal Book Company, p.300.

mentioned earlier, the Barelvis have traditionally voted for mainstream parties. Unless the Sunni Tehreek is able to offer a concrete socio-economic programme at the national level and adopt an aggressive mobilisation strategy, it seems unlikely that it will be able to muster up enough electoral support.

According a report in the Express Tribune, the US Public Diplomacy Division provided \$36,607 to the Sunni Itehad Council to hold rallies against the Taliban, violent extremism and radicalism. Interestingly, this organisation allegedly spent some of the money to rally support in favour of Mumtaz Qadri, the assassin of Punjab Governor Salman Taseer in 2011.14 This also explains how it is difficult to differentitate between the groups and reflects the ideological affinity of Pakistani Islamists. The radical groups and their political clout has increased in recent years. Many of these groups are now trying to cultivate good relations with various political parties to strengthen their political turfs. Some political parties are taking the help of radical groups to expand and consolidate their support bases, as has happened in Punjab where the PML-N is openly embracing the Sipah-e-Sahaba. Not to be left behind, the PTI is not hesitant to associate itself with the DPC. The establishment's toleration of DPC, a conglomerate of banned militant groups, indicates the complicated relations it shares with these radical groups. It is likely that the sectarian terrain in Pakistan will remain volatile, leading to intensified violence in the future that would further destabilise Pakistan.

Huma Imtiaz, 'US aid to Sunni Itehad Council Backfired', The Express Tribune, 12 January 2012, at http://tribune.com.pk/ story/320193/one-off-grant-us-aid-to-sunni-ittehad-council-backfired/

Note

The Difa-e-Pakistan Council (DPC) lists the following as its members (see www.difaepakistan.com):

- 1. JUI (S) (Maulana Sami-ul-Haq)
- 2. JUD (Prof. Hafiz Saeed and A. Rehman Makki)
- 3. JI (Liagat Baloch, Munawwar Hasan)
- 4. JUP (Dr. Sahibzada Abdul Khayr Zubair, Shah Ovais Noorani)
- 5. JUI-N (Maulana Asmatullah, Maulana A. Qadir)
- 6. Jamiat Mashaikh Ahl e Sunnah
- 7. Muslim Conference AJK (Sardar Atiq Ahmed)
- 8. Mohsinan-e-Pakistan (Mr. Abdullah Gul. Rep of A.Q. Khan)
- 9. Pakistan Water Movement (Maulana Nasr)
- 10. Tehreek e Ittehad (Gen. Hamid Gul)
- 11. Muslim League Zia (Ijaaz ul Haque)
- Awami Muslim League (Sheikh Rasheed Ahmed)
- 13. Tehreek-e-Hurmat Rasoon (Maulana Amir Hamza)
- Sec. Gen. DPC (Qari Muhammad Yaqoob Sheikh)
- 15. Ansar ul Ummah (Maulana Fazal-ur-Rehman Khalil)
- 16. AMTKN (Maulana Ismail Shujabadi)
- Pakistan Ulema Council (Allama Tahir Mehmood Ashrafi)
- 18. Tehreek-e-Insaaf (Chaudhry Ijaaz)
- 19. Jamhoori Watan Party Baluchistan

- 20. Tehreek-e-Azaadi Kashmir (Saifullah Mansoor)
- 21. Muslim League-Sher-e-Bangal (Dr. Sualeh Zahoor)
- 22. AMTKN-International (M. Ilyas Chinoti MPA)
- 23. Sunni Ulema Council (Maulana M. Ashraf Tahir)
- 24. Christian Community (Adv. Yusuf)
- 25. Sikh Community (Sardar Shaam)
- 26. Hindu Community Lahore (Manohar Chand)
- 27. Hindu Community Khi (Ramesh Laal)
- 28. Jamiat Ittehad ul Ulema Pakistan
- 29. Tanzeem-e-Islaami (Hafiz Akif Saeed)
- 30. Jamat Ahle-Hadith (A. Hafeez Ropri)
- 31. Jamiat Ahle-Hadith (Sec. Gen. Ibtisam Elahi Zaheer)
- 32. ASWJ (Ahmed Ludhianvi)
- 34. Mutahid e Jamiat Ahl-e-Hadith (Naeem Badshah)
- 35. Majlis Ahraar e Islam (Syed Kafil Shah Bukhari)
- 36. Jamiat Ashat Tauheed Sunnah (Maulana Tayyab Tahiri)

4

Continuing Religious Radicalism and Ever Widening Sectarian Divide

P. K. Upadhayay

Religious radicalism and its offshoot, the sectarian divide that were ingrained in the very idea of Pakistani nationhood, continued to cast their shadow on efforts to promote stability and the rule of law in the country. The government appeared to be indulging in mere window-dressing to convey to the world at large that it was serious in its efforts to fight the evils of radicalism when it decided (on 17 August 2011, in the meeting of the Defence Committee of the Cabinet, also attended by the top military brass) to pay "special attention" to a de-radicalisation programme "to motivate youth to engage and isolate them from militancy and terrorism and bring them back to peaceful living".1 However, in practice, hardly anything was done to address the underlying causes of religious radicalism and the associated problem of sectarian militancy.

No Coherent Strategy for Deradicalisation

According to liberal Pakistani thinkers and experts, a coherent strategy for de-radicalisation should have concentrated on action to protect

and enable religious plurality and repealing or amending laws and official procedures that reinforced sectarian identities (like mention of faith in passports, job applications, etc.); preventing use of zakat revenues to support any particular sect or creed; purging of textbooks on Pakistan and Islamic studies that promoted religious fanaticism and sectarianism; launching of a concrete action plan to regulate, reform and streamline madrassas and their education system; disbanding all armed militias and militant organisations under the relevant provisions of the Constitution; vigorously enforcing laws against hate speech and banning jihadi publications preaching international jihad; and well publicising the nexus between jihadi elements and ordinary criminals.

Needless to say, none of these measures was anywhere near implementation. The state's response to jihadi and sectarian activities remained confined to merely containing the armed threat from the protagonists of such activities. Apparently, the Pakistani state and the Army were more interested in curbing the direct armed threats to their existence from the jihadi elements, rather than waging a battle for hearts and minds to wean the country away from religious radicalism. In those areas in the Federally Administered Tribal Areas (FATA) and the Khyber-Pakhtoonkhwa

Baqir Sajjad Sayed, 'Deradicalisation Plan Under Study', *The Dawn*, 18 August 2011, at http://dawn.com/2011/08/18/de-radicalisation-plan-under-study/

where the Army did manage to wrest control from the Pakistani Taliban and their cohorts, the effort was to just maintain control without initiating any moves to bring about a change in the jihadi mindset and usher in normal social and religious behaviour.

Army Affected by the Virus: Chinks in the Armour

The Pakistan establishment, particularly the Army, remained tied to its own jihadism and continued to view various radical and jihadi elements on the Deobandi/Wahabi spectrum basically as its allies and "strategic assets". A greater penetration of the jihadis inside military ranks was also clearly discernible in incidents like the attack on PNS Mehran on 22 May 2011 (and the latest one at Pakistan Air Force base at Kamra on 16 August 2012) and the arrest of Brigadier Ali Khan shortly after the Mehran attack. According to Salim Sehzad, the Pakistani journalist who died in mysterious circumstances after the Mehran attack, the Karachi incident took place after the naval authorities refused to ease pressures on some of their personnel for harbouring jihadi tendencies.² Notwithstanding claims to the contrary, the Mehran attack appeared to be an insider's job, even if there might have been some intruders from outside.

Similarly, the arrest of Brigadier Ali Khan, who had received training in the US and was set to retire soon, was linked to Hizb-ut Tahrir, which has been reportedly making attempts to penetrate Army ranks. Ali was not alone. A lieutenant colonel

The widening Sectarian Divide

Overemphasis on religious fundamentalism inexorably leads to militant assertions in matters of faith, which in turn fuels sectarian conflicts. In Pakistan, sectarianism produced greater religious assertions, starting a new cycle of action and reactions. Barelvi Islam has been closely linked to the Pakistan movement. It has also been greatly influenced by Sufism and, hence, is more moderate and less doctrinaire in matters of Islamic practices and beliefs. It does not give as much primacy to the ulema and clergy as the other branch of South Asian Islam - Deobandism. Ziaul Haq strengthened the process further and gave primacy to a more doctrinaire version of Islam propagated by the Jamaat-i-Islami (JI), which is closer to Deobandi Islam. The Afghanistan conflict during the 1980s further strengthened Deobandism. It also allowed close linkages to be developed between the South Asian Deobandis and the Saudi Salafists/Wahabites who propagated a rigid and militant version of Islam through madrassas (set up in Pakistan with Saudi petro dollars) to indoctrinate the youth

who worked under him was also detained. These arrests had rattled the Army's top brass and they found it hard not to acknowledge the presence of jihadi tendencies in the armed forces. Speaking to *Dawn*, the then Army spokesman Major General Athar Abbas contended that although there was zero tolerance in the garrisons for religious and sectarian organisations, the ranks could not remain unaffected by what was happening in the society3 — a clear acknowledgement of rising religious extremism in the country.

Syed Saleem Shahzad, 'Al Qaeda had warned of Pakistan Strike', Asia Times Online, 27 May 2011, st http://www. atimes.com/atimes/South_Asia/ME27Df06.html

Baqir Sajjad Sayed, 'Brigadier Held for Link with Extremist', The Dawn, 22 June 2011, at http://dawn.com/2011/06/22/ brigadier-held-for-links-with-extremists/

and recruit them for the Afghan jihad. Increased Deobandi/Wahabi/Salafi activism invariably led to militant suppression of followers of other faiths, beginning with the minority communities, then the Shias, and finally the Barelvis. The Shias and the Barelvis chose to reply fire with fire and this vicious circle of sectarian hatred moved at its furious bloody pace in Pakistan since the 1980s.

Syed Ejaz Hussein, a Pakistani Deputy Inspector General of Police, opines in his doctoral thesis⁴ on criminology that the network of sectarian violence has its roots in the Deobandi sect. Of the 2.344 terrorists arrested in Pakistan between 1990 and 2009, over 90 per cent were Deobandis; 35 per cent of these were ethnic Pashtuns, who otherwise constitute just 15 per cent of the Pakistani population. According to the Pakistan Institute for Peace Studies (PIPS), 314 persons were killed in 111 sectarian-related incidents in Pakistan in 2011.⁵ Of these, there were as many as 36 incidents in Karachi alone, leading to a death toll of 58. According to some Pakistani experts, the burgeoning scale of sectarian violence in Karachi is a direct offshoot of the Pakistan Army's operation against the Tehrik-e-Taliban Pakistan (TTP) and its allies in FATA and Khyber-Pakhtoonkhwa that forced militant cadres of these groupings to leave their rural habitat and take sanctuary in the bubbling ethnic cauldron of Karachi and other urban metropolises and pursue their sectarian/religious agenda.

This sectarian-cum-ethnic violence was a triangular affair, with Deobandis, inevitably better armed and organised, attacking both Shias and Barelvis, and the latter retaliating wherever they could. While the Deobandi Sunnis targeted Shia doctors, the latter went after Sunni lawyers and leaders. The Dawn reported, on the basis of intelligence inputs available with the Karachi Police, that the sectarian killings in Karachi and other places were not a result of any planned pogrom by Islamic sects, but spontaneous acts of criminals and ethnic groups acting on their own under the garb of communal/sectarian vigilantism, targeting mostly ordinary people belonging to rival sects. According to a media survey, there have been 19 incidents of sectarian violence in Pakistan in 2012 so far, taking the death toll to 103. The sweep of this sectarian/ethnic violence covered virtually the entire country. If in Balochistan the targets of the Deobandis were Hazara Shias, in FATA, Khyber-Pakhtunkhwa, Punjab and Sindh they were both Shias and the local Barelvis. Arrested attackers revealed strong anti-Shia and anti-Barelvi indoctrination. "Barelvis and Shias are the same. They both need to be killed", they reportedly asserted during their interrogation.6

The theological dimension of this conflict becomes clear from the attacks on numerous shrines of Sufi saints on the Barelvi spectrum both in Khyber-Pakhtoonkhwa/FATA and Punjab. These include the Data Darbar in Lahore as well. The increasing Deobandi attacks on the Barelvis should have encouraged the latter's ideological/theological convictions

Syed Ejaz Hussain, 'Terrorism in Pakistan: Incident Patterns, Terrorists' Characteristics, and the impact of Terrorist Arrests on Terrorism', April 2010, unpublished doctoral thesis, at http://repository.upenn.edu/cgi/viewcontent.cgi?article=11 63&context=edissertations

PIPS figures cited in Shahzad Raza, 'Self Inflicted Wounds', *The Friday Times*, 2–8 March 2012, at http://www.thefridaytimes.com/beta2/tft/article.php?issue=20120302&page=2

⁶ Cited in Ali K. Chisti, 'The Al Qaeda connection', *The Friday Times*, 2–8 March 2012, at http://www.thefridaytimes.com/beta2/tft/article.php?issue=20120302&page=4

and they should have become even more steadfast in their acceptance of sectarian/ religious syncretism and moderation. Instead, the Deobandi threat appears to have induced militancy and competitive orthodoxy amongst the Barelvis as well. A known Shia leader, Haji Mehboob, for example, sent a large number of fighters from his Barelvi militia, Ansar-ul Islam, to attack Shias in Kurram! Barelvi militancy was also visible in the assassination of Punjab Governor Salman Taseer (January 2011) by his police quard (a Barelvi) for suggesting a relook into the country's blasphemy laws which, incidentally, were promulgated by Zia ul-Haq. Mass support for Taseer's killer came from Barelvi clergy and Pakistani lawyers, most of whom are Barelvis. The lead counsel for Qadri, Taseer's assassin, was a former High Court Judge. The judge who tried and sentenced Qadri to death had to leave the country along with his family for safety.

Barelvi orthodoxy was not only sought to be projected but nurtured and protected by the community through increased activities of Dawat-e-Islami, the Barelvi answer to the Deobandi evangelical group Tabligh Jamaat. Jamiat-ul Ulema-e-Pakistan (JuP) was a predominantly Barelvi political party, but it has waned considerably, creating a vacuum on the Barelvi political front. This was sought to be filled up by converting Sunni Tehrik into a full-fledged political outfit. Not to be left behind, the sectarian militant groups on the Deobandi/Salafi spectrum also decided to create a political platform for themselves by launching their Difa-e-Pakistan Council (Defence of Pakistan Council). Expectedly, the first demands from the new outfit included a call not to grant Most Favoured Nation (MFN) status to India and continued ban on movement of NATO trucks through Pakistan.

Neglect of Education

The Pakistani state has not done anything convincing to change the worsening socioreligious environment. Madrassa reforms and modernisation of education could have been the instruments to fight out religious obscurantism and bigotry. However, education remained shackled to pre-partition political and religious prejudices. Thus, schoolchildren in Pakistan, only 6 per cent of whom went to madrassas, continued to study textbooks that retard critique and intelligent analysis. The social studies textbook for Class VII enlightens pupils about European conspiracies against Muslim nations over the past three centuries; the textbook on Pakistan Studies for 13/14-year olds holds that one of the reasons for the downfall of Muslims in the subcontinent was the lack of a spirit of jihad, which is very important in Islam; and that those who offer their lives in it never die. There was another phenomenon of grown-up and otherwise reasonably well-educated Muslim girls from wellto-do families being sent to female madrassas for religious indoctrination. The number of such female madrassa students was estimated to be more than a quarter million and the number of such madrassas nearly 2,000. 7 Interestingly, while education in male madrassas is free, the female madrassa students have to pay Rs. 3,000-4,000

This figure has to be seen against the estimated total number of madrassas belonging to all the various sects. These estimates vary from 11,882 (by Ejaz-ul Haq, Pakistan's Minister for Religious Affairs in 2006), to 15,000 (D. Suba Chandran, *IPCS Article* 314, 25 January 2000) to 40,00, estimated by Hyat Kamila in 2008, *The News International*, 25 September 2008.

per month for their education.⁸ Most of these students are Barelvis and justified actions like the killing of Taseer, or support for his assassin. This phenomenon not only has deep-rooted socioeconomic causes, it has tremendous negative implications for the future of the society as it is converting young mothers-to-be into hard-line Islamic radicals and sectarian zealots.

A general attitude of intolerance and orthodoxy that the Pakistani nation held so close to its heart ever since its inception, became an even more all-pervasive and dominant phenomenon of the society. It was, therefore, hardly any surprise that there was a decline in the number of those Pakistanis who could think and speak rationally and logically and take a critical view of the sectarian/religious situation in the nation. While there were many Pakistanis who continued to live in Pakistan and think and speak objectively, like Ayaz Amir, Pervez Hoodbhoy, Ayesha Siddiga, etc., some other Pakistani intellectuals have felt constrained to shift base and settle abroad, or spend a very large amount of their time abroad. While a section of the Pakistani English language press retained its balance and continued to look at the sectarian/religious issues objectively and critically, the Pakistani Urdu press—whose reach and impact on the society is overwhelmingly vast—by and large continues to pander to obscurantist and fanatical traits, thereby, further fuelling sectarian and religious tensions. Anyone with a stake in protecting ethnic identity, women's rights, religious liberty and free speech is threatened by the homogenizing forces of radical Islam and the paranoid security state. These include the ranks of Pashtun poets and Karachi feminists whose syncretic culture and modern ideas are under threat from radical Islam, as well as Sindhi and Baloch politicians who resent how centralised bureaucratic and military control hollows out federalism.⁹

Minority Woes

In such a radicalised socio-religious environment, if the treatment of the minorities remains as cruel and unjust as ever, it is hardly surprising. Amnesty International accused the Pakistan Government, in a report released on 1 March 2012, of having failed to protect religious minorities from systematic campaigns of violence and vilification. There have been instances of even the microscopic Hindu and Sikh population being hounded in Khyber-Pakhtunkhwa, Balochistan and Sind. Many Sikhs in FATA and Hindus in Balochistan and Sindh have been forced to leave their ancestral homes and hearths and take refuge in other parts of the country, or even migrate abroad if they could. However, it was in Sindh where the latest wave of intimidating the Hindus and forceful conversion has been taking place. According to the latest Census figures (of 1998 vintage) of Pakistan that are available in public domain, Hindus comprised 1.6 per cent of Pakistani population.¹⁰ According to Ayesha Siddiga, a later estimate placed 4.5 million Hindus in Pakistan, most of who are concentrated in Sindh, especially Hyderabad-Karachi, Tharparkar, Mithi, Mirpur Khas, Shikarpur and Sukkur areas. The more affluent ones tend to migrate legally.

Rebecca Conway, 'Pakistan's Female Madrassas Breed Radicalism', *Reuters*, 15 June 2011, at http://www.reuters.com/article/2011/06/15/us-pakistan-women-idUSTRE75E27T20110615.

^{&#}x27;Pakistani Liberals Are No Leap of Faith', Sadanand Dhume, The Wall Street Journal, 12 July 2012.

Sonya Fatah, New Delhi based Pakistani journalist, writing in *The Times of India*, 21 August 2012

Most of the poor ones try to slip across the border under the pretext of *yatra* (journey) from which they do not return.¹¹

A lot of this discrimination is happening under the Pakistan Peoples Party (PPP) government's watch, says Siddiqa. The PPP may not be directly responsible for the radicalisation of the Sindhi society, which is rather the result of recent consolidation of the presence of military's jihadi surrogates in large areas of Sindh, but the party leadership in Sindh has done "nothing to dissuade its own powerful members from contributing to this human tragedy", she contends. 12 PPP and other parties have a share in creating conditions that led to this migration. The fear of being forced to convert, abduction of daughters or other women in the family and their conversion to Islam under duress, or kidnap for ransom are some of the many reasons that seem to have forced the local Hindus to seek asylum elsewhere. In the past couple of decades, the militant forces in partnership with religious and non-religious political parties like the PPP have managed to invade the Sindh, which is generally associated with Sufism. Some of the prominent PPP leaders in Sindh are instrumental in establishing Afghan villages or radical madrassas. Then, there is the partnership between the PPP and the Jamiat-ul Ulema-e-Islam Fazal-ur Rehman group (JUI [F]) that substantially expanded the religious party's influence in the province, which it used to provide support to a number of Deobandi militant groups

The State has also contributed its bit to this process of radicalisation of Sindh by encouraging numerous "welfare" outfits linked with the militant groups to assist the armed forces in search-andrescue missions during the floods of 2010 and 2011. This has allowed Lashkar-e-Toiba and its principal organ, the Jamaat-ul Dawa, to expand and become functional in areas inhabited by the Hindus under the pretext of conducting welfare activities. "There is the empowerment and consolidation of religious and militant forces, as also a new emerging rural and urban middle-class in the province that does not necessarily share the ethos of the traditional feudal set-up that at least ensured the protection of the comparatively affluent members of the religious minorities. This new middle and upper middle-class is obsessively authoritarian and even fascist," contends Ayesha Siddiga.13 Many Hindu girls like Maneesha Kumari, Lata Kumari and Rinkle Kumari, were abducted and forcibly married to local Muslim hoodlums.14 The new phenomenon is that whereas earlier it were the poorer Hindus who were targets of such attacks, this has now started to happen to affluent Hindu families also. This is a group of people who can afford to migrate abroad. Their tormentors, like Mian Mithu, use their power to extort greater influence and money. Mithu is politically aligned with the PPP and has tremendous political influence, a reason why the PPP and its leadership did not intervene to help the Hindu girls — Lata Kumari

such as the Lashkar-e-Jhangvi and Jaish-e-Mohammad.

Ayesha Siddiqa, 'Pakistan: The Hindu Exodus is a fruit of radicalisation, a grim reminder of horrors of Partition, Islam and Pluralism', at http://www.newageislam.com/islam-andpluralism/ayesha-siddiqa/pakistan--the-hindu-exodus-isa-fruit-of-radicalisation,-a-grim-reminder-of-horrors-ofpartition/d/8320

¹² Ibid

¹³ Ibid

For a graphic account of the travails of a Hindu girl, see 'Memoirs of a Hindu Girl', by Faiza Mirza, *The Dawn* (e-edition) 21 August 2012

and Rinkle Kumari. Mithu is one of the pirs of the shrine of Bharchundi sharif, which gives him the social clout to coordinate abduction activities that are monetarily beneficial. Most importantly, he has huge mob support behind him and does not seem to be under any pressure after the Supreme Court dispensed justice a few months ago by declaring the conversion of the Hindu girls as consensual! It did not matter to the highest court of law that these girls were not allowed to meet their families and it were the abductors who had regular access to them before being presented in the court. This migration of middle-class Hindus is also a barometer for the state of law and order in Pakistan. Some Hindus are of the opinion that they are being forced to leave because they can no longer pay to buy their safety and security. Indeed, cases of abductions for ransom have risen across the country. The tragedy is that many cases are not even reported for fear of the abductors killing the abductees. It naturally gets worse for the minorities who have to suffer a double whammy of torture and religious bias.

Various Pakistani radical groups have openly called for killing of Shias, Sufis, Ahmadiyas and Christians in numerous largely attended public rallies held in various major cities of the country. The blasphemy law has become the favoured tool for Islamic radicals of various hues to hound the minority communities, particularly the Ahmadiyas. There are instances of mob justice being handed down to victims of allegation of blasphemy despite police intervention. 15 The most significant incident of violence against the minorities took place on 28 May, when an Ahmadiya mosque was attacked in Lahore, killing 94 people. This attack

was not condemned by the political leadership. A follow-up attack on the hospital where persons injured in the attack were being treated pushed the death toll even higher. Even instances of administering mob justice to persons accused of committing blasphemy have not been rare. According to a report released by the Human Rights Commission of Pakistan for 2010, over 32 people were killed extra-judicially by mobs or individuals. Recently, a girl Rifta was arrested in a Christian slum in the capital on 16 August 2012 and remanded in custody for 14 days after a furious Muslim mob demanded she be punished for burning papers containing verses from the Quran. Rifta is suffering from Down's syndrome. This incident forced President Zardari to ask for a report on the subject from the concerned officials. The fallout of vacillating between religion and politics because of complex historical and social factors continues to make Pakistani minorities vulnerable to persecution by all concerned and there seems to be no light at the end of the tunnel for them.

Attack by a mob of 2,000 on a police station in Bahawalpur on 14 July 2012, where a supposedly insane person was being held for burning Quran. *The Dawn*, 15 July 2012

5

The Economy: Crisis Continues

Sumita Kumar

Pakistan's economy seems to be in continuous crisis. The real GDP growth averaged 7 per cent per annum during 2003-07, but declined to 5.8 per cent in 2007-08 and finally went down to 2 per cent in 2008–09. The growth rate improved a bit in 2009-10 when it went up to 4.1 per cent, but again dropped to 2.4 per cent in 2010-11.1 For the year 2011-12, the National Accounts Committee brought down its estimate from 4 per cent to 3.2 per cent.² According to estimates of the Economist Intelligence Unit, investment growth was expected to help support a real GDP growth rate of 3.5 per cent in 2011-12.3 But these estimates were dependent on certain broad-based structural changes in the economy being brought about through active government intervention. According to the Pakistan Economic

Survey, the GDP growth rate for 2011–12 stood at 3.7 per cent.⁴ The latest IMF figures project it to be between 3-3.5 per cent in 2012–13, against a target of 4.2 per cent.⁵

GDP growth has been low and, coupled with a high budgetary deficit, it has led to cut in spending on infrastructure and healthcare, which directly impacts growth and development.⁶ One of the major contributors to low growth is the manner of subsidies doled out by the incumbent government over the first four years of its rule. A report in April 2012 revealed that during 2008–12, a dole of Rs. 2 trillion was given to the public sector undertakings, of which the power sector alone received Rs. 1.2 trillion. The power sector would perhaps benefit from privatisation but no such attempt has been

^{&#}x27;Overview of the Economy', Economic Survey of Pakistan 2010-2011, Economic Adviser's Wing, Finance Division, Government of Pakistan, Islamabad, p. i, at http://www. finance.gov.pk/survey/Chapter_11/Overview%20of%20the Economy.pdf The growth rates of the previous years are also taken from the Economic Survey of Pakistan pertaining to those years.

Sajid Chaudhry, 'Country to Miss GDP Growth Target by 0.8 p c: NAC', *Daily Times*, 27 April 2012, at http://www. dailytimes.com.pk/default.asp?page=2012%5C04%5C27 %story_27-4-2012_pg5_1

Gountry Report: Pakistan', Economist Intelligence Unit, April 2012, p. 7, at http://www.eiu.com

^{&#}x27;Executive Summary', Economic Survey of Pakistan 2011-2012, Economic Adviser's Wing, Finance Division, Government of Pakistan, Islamabad, p.i, at http://www.finance.gov.pk/

Imran Ali Kundi, 'IMF Warns Pakistan Economy Deteriorating', The Nation, 5 October 2012, at http://www.nation. com.pk/pakistan-news-newspaper-daily-english-online/ editors-picks/05-Oct-2012/imf-warns-pakistan-economydeteriorating

Discussion by Paul Ross, Ashley J. Tellis, Milan Vaishnav, 'The Economic Outlook for Pakistan', 7 March, 2012, at http:// carnegieendowmentorg/2012/03/07/economic-outlook-forpakistan

made by the current government. In fact, the subsidies have grown over the years—Rs. 120 billion in 2008–09; Rs. 180 bn in 2009–10; Rs. 335 bn in 2010–11 and finally Rs. 487 bn in 2011–12. The government has done little to resolve the issue.⁷ The balance amount went towards propping up Pakistan International Airlines and Pakistan Railways (Rs. 119 bn). Rs. 110 bn was provided for agriculture subsidies and Rs. 137 bn in food subsidies, Rs. 268 bn has gone towards Peoples Work programmes and Benazir Income Support Programme (BISP).⁸ Such continued discretionary spending on subsidies and interest payments on borrowings have led to growing deficit in the economy.

A recurrent problem relates to the need to keep funding the budgetary deficit through external financing. A high enough savings rate would sustain fresh investment in the economy: to generate 6-7 per cent growth in GDP requires an investment rate of 20-25 per cent of GDP, consistently, which can only happen if the domestic savings rate goes up to 17-18 per cent, which can then be augmented by remittances and foreign borrowings.9 Pakistan's foreign inflow requirements to sustain its spending are huge and growing each year, adding considerably to its external debt. Problems could hamper external inflows, pushing Pakistan further into crisis. While inflows could be expected over a longer period of time, financing during 2011-12 has proved

Privatisation on the whole is expected to be slow and does not necessarily involve large amounts of money. Plans to auction 3G licences have been delayed; the bidding process in any case can be expected to be complex and slow down the sale of licences. Also, the lack of confidence of international lending institutions like the International Monetary Fund (IMF), the Asian Development Bank (ADB) and the World Bank make it difficult to get quick disbursement loans to support the budget and balance of payments. To add to the problems, the United States (US) decided to suspend \$700 million in aid unless assurances were forthcoming about helping to check terror-related activities in the region. Aid inflows are largely project driven, which in turn are plagued by slow implementation.

In the meanwhile, reimbursements from the Coalition Support Fund have started trickling in from August 2012 — after a slow improvement in Pakistan-US relations which had suffered a severe setback following the attack on Salala checkpost along the Pakistan-Afghanistan border in November 2011. The economy continues to benefit from remittances from abroad (as per projections by the World Bank it is likely to touch \$14 billion in 2012 and it has multiplied 14 times

problematic. The sale of Oil and Gas Development Co. Ltd. (OGDCL) convertible bonds, through which the government hoped to earn US\$ 500 million, was delayed. Even though Pakistan Telecommunications Co. Ltd. (PTCL) was sold to the Dubai-based Etisalat in 2006, \$800 million is still to be recovered from the sale.

Shahbaz Rana, 'Subsidies Worth Rs.1.4 Trillion Given in Four Years', *The Express Tribune*, 13 April, 2012, at http://tribune.com/pk/story/363928/subsidies-worth-rs1-4-trillion-given-in-four-years/

⁸ Ibid.

Muhammad Yaqub, 'Structural Imbalances', The News, 12 April 2012, at http://www.thenews.com.pk/Todays-News-9-102604-Structural-imbalances

in the last decade or so). 10 However, exports have slowed down. 11 The widening trade deficit is being financed by remittances and external borrowings, but these can be unsustainable. This will add inevitably to debt servicing liability. 12

In the sectoral break-up of GDP over the last few decades, the contribution has shifted from agriculture to a significant growth in the services sector, with the share of manufacturing remaining relatively constant. The agriculture sector has been highly dependent on the cotton crop, the output of which is adversely affected by problems like drought and flooding, unfavourable weather conditions, and insufficient water supply. While the growth of the services sector is indicative of the development of the retail sector, it highlights the inequality between the rural and urban areas, given that agriculture is in decline. While it is true that internationally reliance on agriculture has been falling, with growing emphasis on manufacturing and services, it would be important for Pakistan to attach due importance to agricultural development and productivity, it being a human resources-intensive country, till the time educational levels improve. Otherwise, the soaring population levels could lead to increased unemployment rates, thus increasing disparity. The manufacturing sector has been negatively affected by international factors as

well as domestic problems pertaining to shortage of skilled workers, poor physical infrastructure, official corruption, political instability, continuing terrorist attacks, acute energy shortages and a narrow production base.¹³

In 2010 and 2011, growth in the agriculture sector was affected by floods, which caused losses of major crops like rice and cotton. Yet, in 2011-12, Pakistan had a bumper harvest of wheat and rice leading to growth in exports. It also achieved self-sufficiency in sugar, while it has had to import cotton. The manufacturing sector suffered because of power outages and a hike in the electricity tariff which escalated costs, and the circular debt problem, as well as floods which submerged refineries. This reduced output in textiles and petroleum products.14 The weaknesses prevalent in the agriculture and manufacturing sector remain, and it would seem that not much has changed. The services sector has contributed nearly 90 per cent to the GDP growth,15 and it is expected that the growth in private consumption will remain the key driver of expansion, despite the fact that floods in Sindh and the high consumer price inflation will limit household expenditure.¹⁶ Inflation is mainly driven by the fact that the State Bank of Pakistan

Zeeshan Shah, 'Revamp tax structure and undertake faster reforms', *The Express Tribune*, 14 January 2013, at http:// tribune.com.pk/story/493464/revamp-tax-structure-andundertake-faster-reforms/

Meekal A. Ahmed, 'Diminishing External Inflows', *Tribune*, 22 December 2011, at http://tribune.com.pk/story/310549/ diminishing-external-inflows/

Muhammad Yaqub, 'Structural Imbalances', *The News*, 12 April 2012, at http://www.thenews.com.pk/Todays-News-9-102604-Structural-imbalances

^{&#}x27;The Economy of Pakistan: Structural Weaknesses', in the report titled Whither Pakistan? Growing Instability and Implications for India, (IDSA, New Delhi, June 2010), pp.78–79.

^{&#}x27;Overview of the Economy', n. 1, pp. i, iii.

^{&#}x27;Growth and Investment', Economic Survey of Pakistan 2010-2011, Economic Adviser's Wing, Finance Division, Government of Pakistan, Islamabad, p. 8, at http://www. finance.gov.pk/survey/Chapter_11/01-Growth%20and%20 Investment.pdf

^{&#}x27;Country Report: Pakistan', n. 3.

continues to print currency to fund the losses of the public sector enterprises and its own federal and provincial deficits. Given that the domestic savings rate is only 10 per cent of GDP, all investment, however low, is financed through printing money and borrowing from banks and from abroad.¹⁷

Pakistan lacks sustainable infrastructure like water, irrigation, power and transport, which in turn has driven away investment and affected its growth. The state has been facing an energy crisis 18 for the last few years. Natural gas is the dominant source of its energy supply and, as domestic supply is inadequate, there is dependence on imports. Pakistan imports about 80 per cent of its oil; and rising international oil prices have led to a shift towards gas consumption, leading to shortages. Development of the hydropower sector has lagged far behind its potential. The country has significant reserves of coal, yet commercial exploitation is beset with technical problems. The government faces a multitude of problems which makes it difficult to optimise the use of its indigenous energy resources. At the administrative level, these relate to inadequate transmission and distribution networks, power theft, the need for regulatory tariffs to keep up with operational costs, and problems of circular debt¹⁹ in the electricity sector. Operational problems include a lack of refining capacity for crude oil, a faulty price setting mechanism, and the lack of investment to build refinery infrastructure. Political problems which hamper optimum utilisation of indigenous resources include centre-state tensions such as those persisting in Balochistan, as well as interprovincial disputes over the building of dams, such as the Kalabagh Dam in Punjab. In the power sector, the country has been suffering from a large demand-supply gap, with power cuts lasting up to twenty hours a day. According to the Annual Plan 2010–2011 of the Planning Commission of Pakistan, the electricity gap was 4,000-5,000 MW.²⁰ In the peak summer month of June 2012, the country faced a total shortfall of 8,500 MW of electricity²¹. The overall shortfall in gas supply to industry was around 400 million cubic feet (mcf) per day in June 2011 and it went up to 700 mcf by October.²² The textile industry accounts for 60 per cent of the export revenue but it was deeply affected, leading to about 800 units from among 2,000 factories in Punjab province closing down by mid-2011.23 The gap between the effective cost of power generation and payment received

Yaqub, 'Structural Imbalances', n. 5.

See The Annual Plan 2009–10 of the Planning Commission, Government of Pakistan, at http://115.186.133.3/pc portal/ annual%20 plans/2009-10/chapter%208%20Energy.pdf

Oircular debt in the power sector refers to the money owed to international suppliers by state-owned suppliers, who are in turn owed money by generators, to whom money is owed by distributors.

Government of Pakistan, Planning Commission, Annual Plan, 2010–2011, Chapter 6, 'Energy Security', p. 47, at http://www.planningcommission.gov.pk/annual%20 plans/2010-11/Energy%20security.pdf

Electricity Shortfall in the Country Reaches 8,500 MW', The Dawn, 17 June 2012, at http://dawn.com/2012/06/17/ residents-protest-prolonged-loadshedding-in-lahore/

Khaleek Kiani, 'Severe Gas Shortage Feared in Winter', The Dawn, 24 October 2011, at http://www.dawn. com/2011/10/24/three-month-supply-cut-likely-for-industries-severe-gas-shortage-feared-in-winter/

This figure was given by the Chairman of the All Pakistan Textile Mills Association, 'Energy Crisis Leaves Pakistan Textiles in Tatters', *The Dawn*, 3 July 2011, at http://dawn.com/2011/07/03/energy-crisis-leaves-pakistan-textiles-in-tatters/ According to the Economic Survey of Pakistan 2011-12, the textile industry accounts for 54 per cent of the export revenue, 'Manufacturing and Mining', n.4, p.41.

is estimated at \$12 billion during 2008—12.²⁴ After the private power producers threatened to halt production, the government bailed out by paying Rs. 12 billion as a bail-out package. As per the Pakistan Planning Commission, the circular debt attributed to power woes reached \$4.4 billion in 2011–12. ²⁵ In 2010, the industry lost nearly \$4 billion after interruptions in gas supply forced factories to close down for a hundred days. ²⁶ Power shortages are estimated to erode 3–4 per cent of the GDP. ²⁷

The internal security situation has also had a major impact on the economy. Pakistan's role as a frontline state in the war on terror has led to extensive destruction of infrastructure, internal migration, erosion of the investment climate, decrease in production and growing unemployment. The government estimates the cost of the war for Pakistan at around \$67.93 billion during the last ten years.²⁸ Floods also affected more than 20 million people in 2010 and caused losses of billions of dollars due to damages to

'Power Politics', 21 May 2012, The Economist, at http://www.economist.com/blogs/banyan/2012/05/ pakistan%E2%80%99s-energy-crisis infrastructure, housing, agriculture and livestock. The floods not only led to a reduction of about 2 percentage points from growth but also caused damage to the country's economic structure amounting to about \$10 billion.²⁹ Floods due to monsoon rains in August and September 2011 also affected the economy negatively.³⁰

Pakistan has the lowest tax-to-GDP ratio in South Asia, as less than 1 per cent of its population pays income tax.31 There have been attempts to increase this ratio, which is currently at less than 10 per cent, but it is not easy for Pakistan to carry out changes in its fiscal, monetary and exchange rate policies, as suggested by international lending agencies, due to the political sensitivity of these issues. The opposition parties, and even allies of the government, resisted moves to implement reforms, including ending electricity subsidies and broadening the tax base. For example, sources say that the unorganised economy alone can yield another 8 per cent of GDP, but it is not being tapped. Pakistan's Standby Agreement with the IMF, which was in place from November 2008, was terminated by the Fund in September 2011. Of the total approved amount of \$11.3 billion, \$7.6 billion was disbursed by May 2010. The programme was then put on hold due to Pakistan's failure to meet IMF conditions related to fiscal consolidation, tax reform and power sector

^{&#}x27;No End in Sight for Pakistan's Power Crisis', Express Tribune, 8 August 2012, at http://tribune.com.pk/story/419175/no-end-in-sight-for-pakistans-energy-crisis/

^{28 &#}x27;Pakistan Energy Crisis to Hurt Government', The Dawn, 4 November 2010, at athttp://www.dawn.com/2010/11/04/ pakistan-energy-crisis-to-hurt-government/

Pakistan's Energy Shortage – Lights Out: Another Threat to a Fragile Country's Stability', *The Economist*, 8 October 2011, at http://www.economist.com/node/21531495

^{&#}x27;Cost of War on Terror for Pakistan Economy', Economic Survey of Pakistan 2010–2011, Economic Adviser's Wing, Finance Division, Government of Pakistan, Islamabad, pp. 219–20, at http://www.finance.gov.pk/survey/Chapter_11/ Special%20Section_1.pdf

^{&#}x27;Pakistan: Flood Impact Assessment', Economic Survey of Pakistan 2010–2011, Economic Adviser's Wing, Finance Division, Government of Pakistan, Islamabad, p. 221; http://www.finance.gov.pk/survey/Chapter_11/Special%20 Section_2.pdf and "Overview of the Economy", n. 1.

Afia Salam, 'History Repeats Itself', Newsline, October 2011, pp. 50–2.

Report of the Atlantic Council of the United States, 'Needed: A Comprehensive US Policy Towards Pakistan', Washington DC, February 2009.

reforms. The government is planning to increase revenue collection by removing tax exemptions, as introducing a broad-based general sales tax became politically unviable.32 There have been some reports of Pakistan having held several rounds of negotiations with the IMF, in an attempt to start a new financial arrangement, amidst doubts about its ability to repay foreign debts without external support. 33 However, the IMF has denied that Pakistan has put in a request for a new loan.34 Pakistan has so far managed to pay back \$1.2b to IMF in the fiscal year 2011-12.35 Given the precarious situation of the economy, it is inevitable that the government will be looking towards the IMF for assistance. Yet, it will be wary of the tough conditions the IMF is likely to propose. With the general elections looming large on the horizon, the government will not be able to undertake reforms. Hence, any new arrangement would perhaps only be operationalised once the new government comes to power after the elections.

The government has had to grapple with various economic crises in the last few months. For instance, the federal government in early

'Country Report on Pakistan', n. 3, p. 6; Khaleeq Kiani,
 "Pakistan to End IMF Programme", *The Dawn*, 17 September
 2011, at http://dawn.com/2011/09/17/pakistan-to-end-imf-

programme

November 2011 took over from the banking sector the circular debt worth Pakistan Rs. 313 billion (US\$3.6 billion) in power sector loans as well as Pakistan Rs. 78 billion in commodity loans.³⁶

The grim economic prospects are exemplified in the Pakistan Economic Survey 2011-12. While cotton, rice and sugarcane production have increased, wheat production has decreased. National savings decreased from 13.2 per cent to 10.7 per cent of the GDP in 2011–12. Foreign Direct Investment decreased from \$1,292.9 million to \$666.8 million in 2010-11. In fiscal 2010-11 financial year, food inflation stood at 11.1 per cent and total public debt stood at Rs. 12,024 billion.³⁷ Once again, this is symptomatic of the deep gap between the lifestyles of the rich, who are in a minority, and the majority comprising the poor. The parallel economy and regressive tax practices all contribute to increasing the inequity between the provinces and their denizens. According to the Sustainable Development Policy Institute (SDPI), out of a total 180 million population, 58.7 million are poor and live below the poverty line while 21 per cent of households are in the category of 'extremely poor'. While Punjab is the richest province, Balochistan is the poorest where more than half of the population is extremely poor.³⁸

Anwar Iqbal, 'Pak Seeks New IMF Loan', The Dawn, 23 April 2012, at http://www.dawn.com/2012/04/23/pakistan-seeks-new-imf-loan/

^{34 &#}x27;No Request from Pak for New Loan: IMF', The Nation, 16 June 2012, at http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/national/16-Jun-2012/no-request-from-pakistan-for-new-loan-imf

^{&#}x27;Pakistan, IMF to Review Debt Repayment', The Nation, 24 September 2012, at http://tribune.com.pk/story/419175/ no-end-in-sight-for-pakistans-energy-crisis/

³⁶ Khaleeq Kiani, 'Government Takes over Circular Debt', *The Dawn*, 5 November 2011, at http://dawn.com/2011/11/05/govt-takes-over-circular- debt/

^{4 &#}x27;Highlights', Economic Survey of Pakistan 2011–2012, Economic Adviser's Wing, Finance Division, Government of Pakistan, Islamabad, pp. 1-10, at http://www.finance.gov. pk/survey/chapter_12/highlights.pdf

Press Release, SDPI, 25 September 2012, at http://www.sdpi.org/policy_outreach/news_details824.html

Despite GDP forecasts of between 4-5.7 per cent growth over the next three years or so, it is apparent that the Pakistani economy continues to perform below its potential. The undiversified nature of Pakistan's trade contributes to it not reaching, much less exceeding, its potential because nearly half of Pakistan's exports are in textiles and one-third of its imports is only petroleum products; so any change in international prices immediately affects the economy. Since tax collections are low and spending on infrastructure is constrained, it does not give Pakistan any room for manoeuvring.39 Policy changes are not likely; there is still a continued shortage of energy and water that will hamper industry growth and the investment climate; there is also the clear and present danger of security threats both internal and external (only likely to increase as the date of America's withdrawal from Afghanistan draws near); and finally, there is a low return on demographic dividend. Just like India, Pakistan is expected to have a large, young population, and is not likely to do enough for their skill training and linking it to jobs.

Discussion by Paul Ross, Ashley J. Tellis, Milan Vaishnav, 'The Economic Outlook for Pakistan', 7 March 2012, http:// carnegieendowmentorg/2012/03/07/economic-outlook-forpakistan

6

Pakistan's Foreign Policy

Sumita Kumar

The past few years have been years of shocks and introspection for Pakistan. The greatest shock was administered by the United States (US), which attacked Osama bin Laden's safe-house in Abbottabad and killed him without informing Pakistan, in May 2011. No one in Pakistan would have ever expected that the US would go so far in violating the country's sovereignty out of sheer disgust with Pakistan's duplicitous policy in fighting terrorism. Another shock came in the form of Afghanistan signing a strategic partnership agreement with India, again to drive home the point that Pakistan could not be relied upon to help and promote Afghanistan's security and stability. Pakistan continues to find it difficult to build a new framework of relationship with the US and Afghanistan. It is taking baby-steps to mend fences with India while holding on to the apron-strings of China. It continues to maintain a fine balance in its relationship with Saudi Arabia and Iran, governed by geopolitical imperatives.

India

Foreign Secretary-level talks between Pakistan and India in February 2011 in Thimpu led to a re-engagement between the two countries. Talks had remained suspended in the aftermath of the Mumbai attacks in November 2008. Secretary-level talks were held on Siachen, the Tulbul project

and Sir Creek where no visible progress was made on these issues. The two foreign secretaries met again in June 2011 to discuss security-related issues, including nuclear confidence-building measures (CBMs) and terrorism. Following this, the foreign minister-level talks were held in New Delhi in July 2011, with the hope from the Pakistani side that the talks would remain "uninterrupted" 1 in future. The commerce ministers of the two countries met in New Delhi in September 2011 to discuss expansion of trade and proposals related to removal of non-tariff barriers. Perhaps Pakistan's deteriorating relations with the US provided added impetus for improvement of Indo-Pak trade relations, given the importance of boosting the economy in an environment where the future of Pakistan-US relations looked uncertain. Pakistan announced in October 2011 that it had decided to grant Most Favoured Nation (MFN) status to India in principle by the end of 2012. Commerce secretary-level talks in mid-November 2011 discussed various trade-related issues. While the process of implementation of the trade concessions may be slow, one can expect reasonable success as the Pakistan military seems to be on board with the decision to improve

^{&#}x27;Pakistan, India Revive Search for Enduring Dialogue Process', *The Dawn*, 28 July 2011, at http://www.dawn.com/2011/07/28/indian-pakistani-foreign-ministers-meet-in-delhi.html

trade relations. In the trade negotiations between the two countries in February 2012, India agreed to dismantle Pakistan-specific non-tariff barriers, while Islamabad decided to replace the positive list of items that could be imported from India with a negative list, thus expanding the import basket. This negative list of items was expected to be phased out by the end of 2012.

The leadership in Pakistan has suggested, over the last couple of years, that internal security remains the main threat for Pakistan; however, it is unlikely that Pakistan will continue to regard India as any less a threat than it has historically. The ISI or the Pakistan Army is unlikely to stop sponsoring terrorism in India. No concrete action has been taken in bringing perpetrators of terrorism against India to book. For instance, people like Hafiz Saeed are not only permitted to roam freely but have also been allowed to acquire political space.

An avalanche in the Gayari sector of the Siachen Glacier in early April 2012 heightened the debate on the need for a resolution of the Siachen problem between India and Pakistan. General Kayani spoke about demilitarisation of Siachen. However, the Indian strategic community is not convinced that Pakistani forces will not reoccupy the areas vacated by them, even if an evenly balanced demililtarisation takes place on both sides. This mistrust on the Indian side has only heightened since the Kargil war. The recent interest in demilitarisation on the Pakistani side is thus viewed in India as being tactical in nature. This is because the leadership would like to keep peace with India at a time when they need to focus on security on Pakistan's western borders. Also, Pakistan is bogged down in managing various threats to its internal security and faces a downslide in the economy.

Besides trade, another area of progress has been the adoption of the long-delayed liberalised visa regime during the India-Pakistan foreign minister-level talks held in Islamabad in September 2012. The agreement was operationalised during the visit of Pakistan Interior Minister Rehman Malik to India in mid-December 2012, this being perhaps the only positive outcome of his visit. He in fact contributed to what could be called a setback to the warming up of relations between the two countries, as he chose to make provocative statements not palatable to the Indian side, with regard to action against culprits of 26/11 by equating the Mumbai attacks with the demolition of Babri Masjid in 1992.

The attitude of Pakistan towards India has not fundamentally changed on most issues. India's main demands for taking effective action against terrorism emanating from Pakistani soil have not been met. Its aversion to India's presence in Afghanistan still remains. Pakistan's projection of threats from India acquired a new character as emotive statements from the Pakistani side have voiced the fear that India may use water as a leverage to destabilise the Pakistan economy. The only area where a change in the Pakistani mindset can be identified is in the area of trade. Some in India believe that this too could be a tactical move. Given the need to satisfy the business community, and to boost up its sagging economy - especially when it realises that it cannot rely on China for critical economic backup - the Pakistani leadership perhaps realised that this change would serve Pakistan's own national interests. At the same time, Pakistan will have to grapple with pressures from the agricultural and pharmaceutical lobbies, which are apprehensive about opening trade with India. Even the religious parties have shown their distaste for opening

up of bilateral trade. Their ire was recently on display as the Difa-e-Pakistan Council (DPC) staged a protest march to the Wagah border on 16 December 2012.

Afghanistan

Discussions during meetings between the leadership of Pakistan and Afghanistan tried to bridge the gap in mutual perceptions. Attempts at cooperation between the two countries were highlighted by the visit of the Afghan High Peace Council, led by Burhanuddin Rabbani, to Islamabad in early January 2011. During Prime Minister Yousuf Raza Gilani's visit to Afghanistan in April 2011, the two countries agreed to establish an Afghanistan-Pakistan Joint Commission for facilitating reconciliation and peace. Gilani also emphasised the importance of an "Afghan led and Afghan owned process for reconciliation and peace".2 He also extended support for the efforts towards initiating an inclusive process of national reconciliation in Afghanistan. During President Hamid Karzai's visit to Islamabad in the first half of June 2011, in his meeting with Prime Minister Gilani, they focused on issues relating to the reconciliation process and peace and security in the region.

Yet, irritants continued to fuel the acrimonious relationship between the two countries. Crossborder attacks into the Chitral and Dir regions of Pakistan from Kunar province in Afghanistan led to tensions. Around 200 Afghans joined a protest on the streets of Kabul on 2 July 2011 against Pakistani rocket attacks along its

border with Pakistan. Tension between Pakistan and Afghanistan grew over President Karzai's accusation that Pakistan-supported militants were suspected to have been responsible for the assassination of Rabbani, responsible for brokering peace with the Taliban, in September 2011. President Karzai underscored that Taliban and the Haggani network are based in Pakistan and had been insistent that rather than talking to the Taliban, it would be more beneficial to talk to the leadership in Pakistan. An attack on a shrine in Kabul in early December 2011, which may have been intended to whip up sectarian conflict in Afghanistan, was blamed by the Afghan government on the Lashkar-e-Jhangvi, a militant outfit banned by the Pakistan government, having links to al-Qaeda and the Taliban.

The Istanbul conference in early November 2011 which was held to discuss the way forward in Afghanistan, given the expectation of Western troop withdrawal by 2014, brought together representatives from about two dozen countries and organisations like NATO, the European Union (EU) and the United Nations (UN). However, any gains achieved during this conference were perhaps undermined by Pakistan's decision to boycott the Bonn conference held in early December 2011, due to a NATO strike on the Salala check-post bordering Afghanistan in end November. While the Bonn conference also addressed the problems with continuity of international financial and technical support to Afghanistan after the NATO troops withdraw in 2014, the efficacy of the conference could be questionable given the absence of Pakistan. The trilateral summit in Islamabad in February 2012, including heads of state of Pakistan, Afghanistan and Iran, hinted at efforts towards regional cooperation but it was not free from recrimination, making any efforts towards cooperation very

^{&#}x27;Pakistan, Afghanistan Set up Joint Commission to Pursue Peace', *The Dawn*, 17 April 2011, at http://www.dawn. com/2011/04/17/pakistan-afghanistan-set-up-jointcommission-to-pursue-peace.html

challenging in the future. Pakistan was asked for access to the Quetta Shura by President Hamid Karzai. In fact, Pakistan's Foreign Minister Hina Rabbani Khar underscored the divergences existing between the two countries on the peace process, after talks between their leaders, when she stated that if Kabul had "unrealistic, almost ridiculous expectations", then there was no "common ground to begin with".3 At the Trilateral Summit held in New York in September 2012, President Karzai agreed that a Strategic Partnership Agreement be signed between Pakistan and Afghanistan, yet he asserted that certain conditions would need to be met by Pakistan for the agreement to take shape. As the conditions espoused by Karzai related to stopping terrorism, extremism, and anti-Afghan activities, the future of such a partnership is already in doubt. The Afghan leadership's perceptions about Pakistan's role in the attempted assassination of Afghan intelligence chief Asadullah Khalid in early December 2012 only underscored the existing level of suspicion.

Limiting Indian influence in Afghanistan has been a part of Pakistan's Afghanistan policy. With India's extensive involvement in infrastructure development in Afghanistan, and the training provided to various institutions there like the police, parliamentarians and diplomatic corps, Pakistan has continued to be suspicious about India's role in Afghanistan and has tried to thwart Indian efforts. Militant groups known to have linkages in Pakistan have targeted Indian interest in Afghanistan. The Indian leadership has reiterated its intention to continue working in

Given the geo-political interdependencies and historical contradictions, the relationship between Pakistan and Afghanistan is likely to remain complex, hovering between mutual suspicion, conflict, and proclamations of cooperation and friendship.

friend will not affect our brother."4

One cannot expect a strategic change in Pakistan's policy towards Afghanistan as it continues to support the Taliban in the hope of their eventual inclusion in the power structure of Afghanistan. While Pakistan's cooperation is considered to be an important element in arriving

Afghanistan even in the face of security threats, as was emphasised by India's Minister for External Affairs, S.M. Krishna, during a visit to Kabul in early January 2011. During President Karzai's visit to New Delhi in early February 2011, regional security issues and the threats to both countries by the Taliban and extremist groups based in Pakistan came under discussion. The strategic partnership agreement signed during President Karzai's visit to New Delhi in October 2011, with its emphasis on boosting trade, security and cultural links, soon after Rabbani's killing, may have given rise to insecurity within Pakistan, even as President Karzai pointed out that "the signing of the strategic partnership with India was not directed against any country". Since the problem of terrorism in Afghanistan cannot be resolved without cooperation from Pakistan, he tried to quell any insecurity that may have arisen in those quarters by his India trip, by saying that "Pakistan is a twin brother, India is a great friend. The agreement that we signed yesterday with our

^{3 &#}x27;Pakistan Cautions Kabul on Taliban Peace Hopes', The Dawn, 17 February 2012, at http://www.dawn. com/2012/02/17/pakistan-cautions-kabul-on-taliban-peacehopes.html

^{4 &#}x27;Karzai Reassures "Twin Brother" Pakistan', *The Dawn*, 5 October 2011, at http://www.dawn.com.2011/10/05/karzai-reassures-twin-brother-pakistan.html

at a peace deal with the Taliban, perhaps the fear of being left out of crucial negotiations on the future of Afghanistan, as relations with the US plummeted, made Pakistan more amenable to Afghanistan's demands. Even as Afghan President Karzai asked for Pakistani cooperation in bringing the Taliban to the negotiating table, Pakistani Prime Minister Gilani, in February 2012, asked the Taliban to engage in negotiations with the Afghan government in US-backed peace talks. Not only did General Kayani visit Kabul in November 2012, but Pakistan also received a couple of high level delegations which paved the way for further cooperation in the ongoing peace and reconciliation process in Afghanistan. After discussions with Salahuddin Rabbani in Islamabad in November 2012, the Pakistani leadership allowed the release of around eight lower-level Taliban militants from custody. In November, during the visit of Afghan Foreign Minister Zalmai Rassoul, Pakistan gave an assurance that it would release more Taliban leaders, which, it is hoped, will give an impetus to negotiating a peace deal.

Against this backdrop, the US-Afghan strategic partnership agreement signed in May 2012 which pledges continued US support for Afghanistan for another ten years post withdrawal in 2014, could not but cause unease in Pakistan, as it would deny Pakistan a free hand in the politics of Afghanistan. Yet, if events unfold according to the new roadmap for peace in Afghanistan, Pakistan has already ensured a role for itself in the future of Afghanistan. Pakistan has released a number of Taliban militants and is likely to facilitate direct talks with the Taliban in Qatar in the first half of 2013. Should the Taliban transform into a political party and become a part of the government in Kabul, Pakistan would have achieved a major

strategic objective of influencing Afghanistan's future trajectory and policies.

Saudi Arabia

Even though the relationship between Pakistan and Saudi Arabia has been multi-dimensional historically, a visible cooling of relations between the two countries became evident since the beginning of President Zardari's assumption of office. Given the Saudi leadership's disaffection with Zardari on account of his reputation for corruption and their suspicions about his attitude towards Iran, based on his Shia leanings, the Saudis have not been very fond of him and instead had a soft corner for former Prime Minister Nawaz Sharif. However, an apparent shift in the Saudi attitude towards Pakistan was again seen since 2011.5 This hinged on the Saudi reliance on the mediation efforts of President Zardari in the context of the Arab uprisings. Given its good relations with Iran, the Pakistani leadership tried to persuade it to cease what was seen as interference in Arab affairs. This was especially evident as the situation unfolded in Bahrain, leading to increased tensions between Saudi Arabia and its Arab allies on the one hand and Iran on the other.

The Pakistani leadership has had to take cognisance of shifting equations and new partnerships between its old allies and India. Interaction between Saudi Arabia and India gained momentum with the signing of a strategic partnership agreement between the two countries

Syed Rashid Husain, 'Warmth is Back in Ties with Saudi Arabia?', *The Dawn*, 24 April 2011, at http://dawn. com/2011/04/24/warmth-is-back-in-ties-with-saudi-arabia/

in 2010 and the visit of Indian Defence Minister A K Antony in February 2012. The Saudi government also extradited a number of terrorists belonging to Pakistan-based terrorist groups wanted by India⁶ in 2012. The Saudi decision could be driven by its reluctance to appear as a hub of terrorists operating in India, and an attempt to portray that it would not be a party to inimical actions against India for whom it has already become the largest supplier of oil, as India reduced imports from Iran due to US sanctions. Such actions could also signal to Pakistan the need to reduce its support for such groups, as anxiety mounts over its inability to rein in militants within its own territory.

Pakistan has been pressurised by the Saudi Arabian leadership to reconsider its decision to continue cooperating with Iran on energy. In an attempt to get Pakistan to discontinue the Iran gas pipeline and other electricity deals and oil import offers, an alternative package was offered to Pakistan to help meet its energy requirements.⁷ Even in the face of a deep and abiding relationship between the two countries, it would seem that Pakistan would continue to pursue an independent policy with regard to its relations with Iran.

Such contradictions, do not necessarily suggest major deviations in the future bilateral relationship

between Pakistan and Saudi Arabia. On the contrary, Pakistan would continue to be of major relevance to Saudi Arabia given the rising tensions between Riyadh and Tehran and with sectarian undercurrents prevalent throughout the Arab world. Also, Pakistan would probably continue to look upon Saudi Arabia as a dependable ally in times of need, as was evident in the Saudi largesse for the flood victims in Pakistan in 2010.

Iran

For Pakistan, the importance of relations with Iran has hinged on a shared border, a contiguous coastline, and a shared sense of belonging to the Muslim Ummah, the Shia-Sunni divide notwithstanding. Iran also provides Pakistan a physical link with West Asia. As far as Iran is concerned, due to its rivalry with Arab countries, it derives satisfaction from its friendship with Pakistan, another non-Arab Muslim country in the region. Such satisfaction was perhaps justified, in the light of President Zardari's pro-Iran stance on Syria, during the year-old insurgency, with regard to which he advocated "a policy of non-interference".8

Pakistan has continued to push for the Iran-Pakistan gas pipeline even though faced with continuous American opposition on that score, given its compulsions to meet its energy deficit. The Iranian leadership, on its part, has pledged \$500 million financing for the gas pipeline project, at the same time seeking affirmations from Pakistan that it would not back down from the project and would complete it within the

Tom Wright, 'Saudi Arabia Uses India to Balance Pakistan', The Wall Street Journal, 23 October 2012, at http://blogs. wsj.com/indiarealtime/2012/10/23/Saudi-arabia-uses-india-to-balance-pakistan/; Stephen Schwartz, The Weekly Standard, 25 October, 2012, at http://www.weeklystandard.com/print/blogs/pakistan-may-lose-crucial-backing-saudiarabia-turns-india-657674.html

^{&#}x27;Saudi Arabia Offers Help to Tide Over Energy Crisis', The Dawn, http://dawn.com/2012/04/11/move-to-keeppakistan-off-iran-pipeline-s-arabia-offers-

Asad Rahim Khan, 'On Pakistan and Iran Relations', The Express Tribune, 20 September 2012, at http://tribune.com. pk/story/439354/on-pakistan-and-iran-relations/

timeframe that had been decided upon. Pakistan plans to use this financing to get engineering and construction material to lay its portion of the pipeline. For additional funds, there are plans to avail of the buyer's credit facility to pay for the import of building materials, as well as to levy a tax on domestic gas consumers.9 However, difficulties would remain as levying a tax would be an unpopular and a politically unviable move given the impending general elections. Out of the \$500 million offered by Iran, while \$250 million would be provided by Iran on a government-to-government basis, the remaining \$250 million would be wired through Iranian commercial banks. This could also pose problems as transactions with banks in Iran could be jeopardised due to sanctions. 10

Even as Pakistan has stood firm against American insistence to give up the Iran pipeline option, there remain areas of dissonance in the relationship. The funds pledged by Iran at an international donors' conference in Tokyo in 2008 which were meant to support Pakistan's economy and help in the fight against terrorism are yet to materialise, as modalities for the disbursal of the \$330 million (\$10 million grant and \$320 million loan), are still being discussed. Underlying tensions or pulls and pressures which impact the relationship

negatively are factors to be taken into account, given the recent cancellations of the Iranian Vice President's visit to Islamabad and President Asif Zardari's visit to Tehran.

Sectarian tensions in Pakistan and the the west Asian region may lead to tension in Iran-Pakistan relations in future. For instance, 25 Shiite Muslims were killed in a firing incident in Mastung in September 2011, while travelling in a bus from Quetta to Taftan in Iran. Such incidents have led to the closing of the Pakistan-Iran border. The border was also closed in the aftermath of a suicide bombing at a Shia mosque in Zahedan, Sistan-Baluchistan, in 2010 by Jundullah, a Sunni militant organisation. In June 2011, Iranian authorities arrested four people who wore explosive vests as they attempted to enter Sistan-Baluchistan and who were suspected to have plotted attacks on behalf of Jundullah. Iran has accused the US and Pakistan of supporting the Jundullah. While apparent contradictions in the relationship between Pakistan and Iran remain, the deeper imperatives of a strategic engagement would ensure that simultaneous efforts to reach out to each other continue.

The US

The sentiment prevailing within Pakistan, that it has been fighting a war according to US dictates within its territory, has already fuelled enough resentment and anti-American sentiment within that country. Increasing American assertiveness towards Pakistan in 2011 added to the existing domestic distaste for such action, and created tensions between the two countries. The revelation that Raymond Davis, accused of killing Pakistani citizens in Lahore, was actually a part of the clandestine CIA network operating in

⁹ Zafar Bhutta, 'IP Gas Pipeline: Iran Wants Assurance That Pakistan Is "All In"', *The Express Tribune*, 25 November 2012, st http://tribune.com.pk/story/470696/ip-gas-pipeline-iranwants-assurance-that-pakistan-is-all-in/

Victor Mallet and Farhan Bokhari, 'Zardari Cancels Iran Gas Pipeline Talks', The Financial Times, 9 December 2012, at http://www.ft.com/cms/s/0/478eba60-41d5-11e2-bb3a-00144feabdc0.html

^{&#}x27;Tehran Visit: Zardari Likely to Take Up Unmet \$330 m Iranian Pledge', *The Express Tribune*, 6 December 2012, at http:// tribune.com.pk/story/475850/tehran-visit-zardari-likely-totake-up-unmet-330m-iranian-pledge/

Pakistan, brought home the depth of American penetration into Pakistani cities. This realisation created a volatile situation within Pakistan as the civilian government and the military grappled with assuaging domestic opinion on the one hand, and made attempts to underscore to the Americans the need for safeguarding Pakistan's rights as a sovereign country, on the other. The unilateral US action in Abbottabad, killing Osama bin Laden in May 2011, not only gave rise to anger within Pakistan over such infringement, but at the same time became a major cause of loss of confidence in the Pakistan military domestically, given the violation of Pakistan's sovereignty without being detected. While Osama's presence in Abbottabad gave rise to questions of complicity or failure of Pakistan's intelligence apparatus, the resolution passed by the joint session of Parliament on 13 May 2011 condemned the Abbottabad operation as an attack on national sovereignty. Not only was the government asked to take measures to stop drone attacks, it demanded that the terms of engagement with the US be reviewed. The military establishment managed to gain lost ground as the resolution affirmed faith in Pakistan's defence forces. Pakistan demanded a cut in the number of US military and intelligence personnel in Pakistan. The US resorted to arm-twisting tactics by cutting off \$800 million in military aid in July 2011.

The rift between Pakistan and the US widened further in the aftermath of the militant attack on the US Embassy in Kabul in September 2011, for which the Haqqani network was held responsible. The US military leadership made accusations that

the Haggani network "acts as a veritable arm" 12 of the ISI, in the face of continued Pakistani resistance to cracking down on the network, believed to be based in North Waziristan. Air strikes by NATO-led forces on the Salala checkpost in Pakistan in end November 2011, which resulted in the death of 24 Pakistani soldiers, ruptured the relations between Pakistan and the US. The US was not only asked to vacate the Shamsi airbase, but Pakistan also sealed its border with Afghanistan, refusing to allow NATO supplies into Afghanistan through the land route. The relations were further marred by a US Congressional hearing on Balochistan in January 2012, which led to protests within Pakistan accusing US of interference in its internal affairs. The issue of Balochistan again assumed centrestage in the national consciousness after the Congressional hearing. Pakistan's refusal to back down from the gas pipeline with Iran, even in the face of recent pressure by the US, is an indication of its attempts to charter an independent policy, keeping its energy needs and economic development in view. The problems between the two countries led to an extensive review by Pakistan of its policies towards the US, with the Parliamentary Committee on National Security proposing new guidelines for the relationship, which were presented before a joint sitting of the National Assembly and the Senate on 20 March 2012.

Pakistan allowed a few US military trainers back into the country, signalling a revival of low-level cooperation against terrorism. Pakistan tried to

Elisabeth Bumiller and Jane Perlez, 'Pakistan's Spy Agency Is Tied to Attack on U.S. Embassy', *The New York Times*, 22 September 2011, at http://www.nytimes.com/2011/09/23/world/asia/mullen-asserts-pakistani-role-in-attack-on-us-embassy.html?_r=1&pagewanted=print

extract better terms for allowing NATO supplies to be routed through Pakistan. In addition, it also demanded an apology from the US over the Salala check-post incident and a stop to drone strikes in the border areas of Pakistan. Only as Pakistan faced the prospect of being left out of the Chicago Summit in May 2012, did the Pakistani leadership signal its readiness to open its border with Afghanistan for NATO supplies. Despite internal pressures from opposition parties as well as religious groups to desist opening the supply route, Pakistan reopened land routes for NATO convoys in early July 2012 after US Secretary of State Hillary Clinton apologised to Pakistan for the death of Pakistani troops in the air raid. The routes were opened with the caveat that all containers would be checked to ensure that they were not carrying lethal supplies. NATO has been forced to reorient its logistics towards higher dependence on Russian and Central Asian routes, which are more expensive. Pakistan's rigidity with respect to supply routes was somewhat misplaced, because the Pakistani route is increasingly becoming irrelevant, as far as supplies to Afghanistan are concerned. This relevance will be confined to the pullout of NATO military hardware. As it becomes apparent that a situation may have arisen, wherein the US may be even more hated in Pakistan than arch-rival India, it is obvious that Pakistan's policies towards the US are going to be guided by its domestic compulsions as it goes into election mode.

In the meantime, steps taken by Pakistan to release Taliban militants have been welcomed by NATO and the US, and have perhaps signalled a continuing thaw in relations. The US would probably continue to nudge Pakistan for more such positive gestures in the coming months, while choosing to be more accommodative

with it. The prevailing mood in both Islamabad and Washington has been to repair a strained relationship. This is underscored by the meetings of American officials with Pakistan Foreign Minister Hina Rabbani Khar and Army Chief Ashfaq Kayani in Brussels in early December 2012, and the decisions taken at the Pakistan-US Defence Consultative Group in early December 2012 regarding continued US assistance to Pakistan under the Coalition Support Fund and other security assistance programmes. At the same time, the Pakistani leadership has tried to ensure that the US guarantees a role for it in Afghanistan in the future and this is implicit in the new roadmap for peace in Afghanistan, which has perhaps tried to take into account both Afghan and Pakistani perceptions and interests. While tension between Pakistan and the US is unlikely to disappear, it is difficult to visualise a complete breakdown because of Pakistan's strategic importance to the US, and the importance of the US for Pakistan, as a country of last resort for economic support.

China

The celebration of the year 2011 as marking the sixtieth anniversary of the establishment of Sino-Pak diplomatic relations underscored the diverse range of their cooperation. China has been a traditional source of military hardware for Pakistan and has invested in areas like telecommunications, ports and infrastructure. While the trade volume between the two countries reached \$8.6 billion in 2010, efforts are on to further explore trade and investment opportunities and build on economic complementarities. In May 2012, before his visit to China, the former Pakistan Prime Minister Gilani inaugurated a 330 MW nuclear power plant built with Chinese assistance at Chashma in Punjab. In the aftermath of Osama's killing, Gilani visited

China in an attempt to gain Chinese support, as Pakistan faced numerous questions from various quarters about its role in protecting Osama, and its relations with US deteriorated alarmingly. China stood by Pakistan on the occasion. Pakistan Defence Minister Ahmad Mukhtar's statement that the Chinese government had agreed to take operational control of Gwadar port once the contract with Singapore's PSA International Ltd. expired in about thirty-five years, as well as China's willingness to speed up the delivery of 50 multi-role combat JF-17 aircraft, underscore the close cooperation between the two countries.¹³ Subsequently, the Port Authority of Singapore decided to pull out of the contract signed with Pakistan for the management of the port as the government failed to transfer land which was to be developed as a free zone, as per the deal signed in 2007. This will allow China to take operational control of Gwadar. 14 That Pakistan will continue to accord importance to future interaction with China is underscored by the fact that the provincial government of Sindh, in 2011, took a decision that learning of Chinese language would be compulsory in schools from grade six from 2013.15

However, there are some areas where China is not as forthcoming as expected by Pakistan. Pakistan has been in need of economic aid, but it has become more than apparent that China is not catering for this particular need of Pakistan, given its obvious reluctance to cough up aid and budgetary assistance. Even in 2008, when Pakistan was going through a balanceof-payments crisis, China provided only \$500 million. The other aspect of their relationship that could be considered problematic relates to Chinese apprehensions about Pakistan-based militants being involved in insurgent activities in its Xinjiang province. Pakistan has been quick to respond to Chinese accusations in this regard. Lt. Gen. Ahmed Shuja Pasha, former Director-General of the ISI, visited China soon after militant attacks in Xinjiang in end July 2011, in an effort to address Chinese concerns. While local authorities in Kashgar referred to the leader of the East Turkestan Islamic Movement (ETIM) having been trained in Pakistan, the official statement of China's Foreign Ministry only focused on the "close anti-terror cooperation between Pakistan and China", making no reference to training camps in Pakistan.¹⁶ The Inter Services Public Relations (ISPR) chief, Maj. Gen. Athar Abbas, stated on 5 August 2011 that the "Pakistan Army have been and would continue operations against ETIM, and our cooperation (with China) in the field of operations and intelligence will continue against the common threat of terrorism". 17 However, this problem is unlikely to seriously mar relations between the two countries. The importance of their relationship was reiterated on the sidelines of the Shanghai Cooperation Organisation summit at Saint Petersburg in the first week of November 2011, where Prime Minister Gilani and Chinese

^{&#}x27;Taking Charge: China ready to Operate Gwadar Port', The Express Tribune, 22 May 2011, at http://tribune.com.pk/ story/173436/pakistan-looks-towards-China-for-buildingnaval-base-in-gwadar/

^{&#}x27;China Set To Take Over Reins of Strategic Gwadar Port in Pakistan', *The Indian Express*, 29 August 2012, at http:// www.indianexpress.com/news/china-set-to-take-over-reinsof-strategic-gwadar-port-in-pakistan/994810/0

^{&#}x27;Sindh to Teach Chinese Language in Schools from 2013', The Dawn, 4 September 2011, at http://dawn.com/2011/09/04/sindh-to-teach-chinese-language-in-schools-from-2013/

^{&#}x27;Kashgar Must Not Mar Ties', The Dawn, 9 August 2011, at http://www.dawn.com/2011/08/09/kashgar-must-not-marties.html

¹⁷ Ibid.

Premier Wen Jiabao agreed to further strengthen their bilateral cooperation in the defence, economic and energy sectors. In November, it was confirmed that Pakistan would buy Chinese missiles and flight systems to equip its 250 JF-17 Thunder jet fighters.

While there is consensus within Pakistan about its relationship with China, this is not so about its relationship with the US. There is no doubt about the close cooperation between Pakistan and China and the future trajectory of that relationship, given China's support for Pakistan diplomatically. Problems over extremism flowing from Pakistan, and unmet expectations for aid would remain minor irritants in that relationship.

Conclusion

Pakistan's foreign policy is very likely to traverse a chequered and tortuous path for years to come. While Pakistan cannot afford to abandon the US or earn its hostility, it may be faced with a less interested US. Likewise, Afghanistan's strategic importance can never be minimised for Pakistan. But Pakistan will have to jostle with multiple players within and outside Afghanistan. Pakistan will continue to hope that China is an allweather friend, but changes in the global balance of power, including the rise of India, might affect the geopolitical imperatives which determine China's attitude to Pakistan. Saudi Arabia and Iran, because of religious affinity and geopolitical importance, will continue to be important players on Pakistan's diplomatic chessboard, with varying strategic moves from time to time. Pakistan's relations with India will not be carefree for a considerable time to come. Influential elements in Pakistan's power structure would not want this to happen. They will continue to support anti-India rhetoric and India-specific terrorism. Without this they cannot retain their legitimacy.

7

India-Pakistan Relations: Signs of Recovery or False Restart?

Ashok K. Behuria

Background

The Thimphu meeting between the prime ministers of India and Pakistan on 29 April 2010 restarted the process of dialogue between the two neighbours, which was stalled after the terror attack in Mumbai on 26 November 2008. It showed that the Indian government had decided to move beyond the Mumbai episode and rejoin the peace process with Pakistan despite the latter's inability/unwillingness to bring the perpetrators of the Mumbai attack to justice. As the Indian foreign secretary put it, the "searchlight is on the future, not on the past".1 Earlier, referring to the foreign secretary-level meeting on 25 February 2010, India's minister for external affairs had also stated on 26 February 2010 that India's decision to engage with Pakistan would be predicated, as it had been since the Mumbai attack, "on the response of Pakistan to our core concerns on terrorism",2 and India did not dilute its position, or its resolve to defeat terrorism, by

In their discussions in Thimphu, the two prime ministers emphasised the need to build trust and confidence by discussing various issues in an open, constructive and forward-looking manner. There was speculation in the media that India and Pakistan were not prepared to go back to the "composite dialogue process" and the format of the dialogue would be different. However, the process of dialogue in the subsequent days confirmed that the earlier format was more or less retained and discussions continued on all substantive issues identified earlier, with renewed focus on the issue of terrorism.

The False Start of July 2010

In the following months, the bilateral engagements — including a telephonic conversation between the two foreign ministers on 11 May 2010 and foreign secretary-level meeting on 24 June 2010 — led to a meeting between the two foreign ministers at Islamabad on 15–16 July 2010. It was observed in this meeting that the Indian move to re-engage Pakistan was not well reciprocated by Pakistan. This was quite

talking to any country, because "communication and engagement represent the best way forward". Interestingly, on that very day, terrorists backed by the ISI carried out attacks on Indians in Kabul.

Cited in Shubhajit Roy, 'Thaw in Thimphu', *The Indian Express*, 30 April 2010, at http://www.indianexpress.com/news/thaw-in-thimphu/613358/0

Suo motu statement by Shri S.M. Krishna, Minister of External Affairs, in Parliament on 'Talks between India and Pakistan' on 25 February 2010, at www.meaindia.nic.in/ mystart.php?id=100515597

visible in the needless undiplomatic offensive from Pakistani Foreign Minister Shah Mahmood Qureshi against his Indian counterpart during the course of a joint media interaction, which queered the pitch for Indo-Pak relations. India pushed for improvement in ties in spite of it, as was noted in the government's offer of assistance³ worth US\$ 20 million to the "Pakistan Initial Floods Emergency Response Plan" launched by the UN Office for the Coordination of Humanitarian Affairs and an additional \$5 million to the World Food Programme for its relief efforts in Pakistan.

In the subsequent months, the relationship suffered a temporary setback. There were no meetings between the two foreign ministers on the sidelines of the UN General Assembly session in September 2010. However, even if both of them stuck to their positions on the issues dividing them in New York,4 they held that there was no alternative to dialogue to resolve them. The Indian Foreign Secretary, Nirupama Rao, admitted in October 2010 to the complexities in the India-Pakistan relationship and stated that "we have literally eaten bitterness for the last sixty years, and given the complexities of our ties, the task of improvement in ties is ... Sisyphean".5 She went on to argue that there was a precipitate will to take the process forward because the common

people on either side wanted the two countries to come together. She stated that the Indian efforts "to pave the way for a serious and comprehensive dialogue were thwarted by a level of overreach by Pakistan that complicated the resumption of a sustained dialogue process". However, India "did not view this as a setback in our quest for peace as both sides appear to be committed to ensuring that the spirit of Thimphu is not lost." She mentioned that India had invited the foreign minister of Pakistan to visit India in 2011 and preparations were being made for carrying the process forward in right earnest.

Press the Restart Button

The two foreign secretaries met in Thimphu on 6 February 2011 and agreed to resume dialogue on all issues following the spirit of the Thimphu meeting in April 2010 between the two prime ministers.⁶ They also concurred that prior to the visit of the foreign minister of Pakistan to India in July 2011, meetings at the level of respective secretaries would be convened on "Counterterrorism (including progress on Mumbai trial); Humanitarian issues; Peace and Security, including confidence-building measures (CBMs); Jammu and Kashmir; promotion of friendly exchanges; Siachen; Economic issues; Wullar Barrage/Tulbul Navigation Project; and Sir Creek (at the level of Additional Secretaries/Surveyors General)". In order to give prominence to the issue of terrorism, the first bilateral meeting on substantive issues was between the two home/ interior secretaries, who met in New Delhi on 28-29 March 2011 and set up a Joint Working Group (JWG) to examine the modalities for streamlining

Suo motu statement by Shri S.M. Krishna in Parliament on India's offer of assistance of US\$ 25 million to Pakistan for flood relief on 31 August 2010, at http://meaindia.nic.in/ mystart.php?id=100516466

^{&#}x27;India, Pakistan Show Action Replay at U.N.', 29 September 2010, at http://blogs.wsj.com/indiarealtime/2010/09/29/ india-pakistan-show-action-replay-at-un/

Keynote address by Foreign Secretary Smt. Nirupama Rao at the symposium on 'The Future of India-Pakistan Relations' on 19 October 2010, at http://meaindia.nic.in/mystart. php?id=100516574

Statement in the parliament by the External Affairs Minister on 4 August 2011, at http://meaindia.nic.in/mystart. php?id=100517966

visa procedure/modalities and for giving a final shape to revision of a bilateral visa agreement.

Prime Minister Yousaf Raza Gilani's visit to Mohali on 30 March 2011 on the invitation of the Indian Prime Minister to watch the World Cup semi-final cricket encounter between India and Pakistan, gave further fillip to the talks. The two prime ministers issued a media statement,7 which they referred to as "the message from Mohali". It emphasised that the people of India and Pakistan wanted "to live in peace and amity" and that the two Prime Ministers "committed their government to work in that direction". The subsequent three months witnessed a flurry of bilateral engagements on all outstanding issues (see annexure for details), which culminated in foreign secretary-level talks in Islamabad on 23-24 June 2011. The two secretaries held extensive discussions spread over three sessions on the issues mandated to them, i.e., Peace and Security including CBMs, Jammu and Kashmir, and promotion of friendly exchanges. They met again on 26 July 2011 in New Delhi, on the eve of the meetings between their foreign ministers and reviewed the progress in the talks on various subjects under the resumed dialogue process.

Khar's Visit: A Burst of Fresh Air?

On 12 February 2011, in a cabinet reshuffle, Foreign Minister Shah Mehmood Qureshi was offered the charge of Water and Power Ministry, which he declined. Hina Rabbani Khar, earlier the Minister of State for Finance, was asked to look

after the Foreign Office as a minister of state. On the eve of the scheduled meeting between the foreign ministers. Khar was elevated to the post of foreign minister on 18 July 2011. All this was taking place against the backdrop of three serial bomb blasts in different parts of Mumbai on 13 July, killing 21 and injuring 142. The Pakistan prime minister was quick to condemn the blasts and the Indian government ignored the blasts and went ahead with the talks. The India-Pakistan home/ interior ministers met on the sidelines of the fourth South Asian Association for Regional Cooperation (SAARC) Interior Ministers Conference at Thimphu on 22 July 2011 and discussed matters related to terrorism, maritime security, narcotics control, trafficking of women and children and crossborder crime. Three days later, on 25 July, India released eighty-seven Pakistani fishermen and sent them across the Wagah border for a goodwill boost to the peace talks.

During Khar's visit to New Delhi on 26-28 July 2011, the two foreign ministers affirmed the importance of carrying forward the dialogue process. The joint statement issued by them made a special and detailed mention of the several CBMs aimed at strengthening and streamlining trade and travel arrangements across the Line of Control (LoC). Khar met Kashmiri separatists in New Delhi, which she held as a routine affair. Her high glamour quotient as well as her affable remarks that she had brought with her "the message of a mindset change in Pakistan that wants friendship with India",8 endeared her to the Indian media. Her remarks in favour of a sustained dialogue were seen as an indication of the commitment of the civilian

Media statements by prime ministers of India and Pakistan on 30 March 2011, at http://meaindia.nic.in/mystart. php?id=100517488

Remarks made by Foreign Minister Hina Rabbani Khar in New Delhi on 27 July 2011, at http://www.mofa.gov.pk/mfa/pages/article.aspx?id=779&type=1

government towards the peace process. She tried her best to convince the Indian audience about "Pakistan's desire to open a new chapter of amity and understanding" with India, a "chapter that is supported by all political parties in Pakistan". There was scepticism, however, despite media reports that she had held discussions with the military leadership prior to her visit, about the military being on board as far the process was concerned.

In August 2011, in the National Assembly of Pakistan, Khar went to the extent of claiming that the military's veto on foreign policy was exaggerated by onlookers in India and held that Pakistan sought to open a new chapter in its relationship with India. Indian and Pakistani parliamentarians met in New Delhi for their second round of dialogue on 18 August and a seventymember delegation of Indian jurists visited Pakistan on 10 September for a three-day conference with focus on "Justice for all and impunity for none", organised by the Supreme Court Bar Association of Pakistan (SCBAP). Unlike the previous year, the two foreign ministers met on the sidelines of the UN General Assembly meeting on 27 September 2011. On the same day, as a followup to the fifth round of meeting between the two commerce secretaries, the Pakistani commerce minister visited India — the first time in thirty-five years — with a delegation of fifty businessmen to hold talks with his counterpart in Mumbai. A day later, some significant steps were taken to move the process of normalisation of trade forward. The two ministers agreed to ease restrictions on trade, hoped to raise the level of trade to \$6 billion in three years (from the existing level of about \$2 billion) and, most importantly, India decided to withdraw its objections at the World Trade Organisation (WTO) against concessions that the EU had promised Pakistan as part of an assistance package to help Pakistan recover from the effects of the devastating floods in 2010.

Business as Driver of Change

It is well known that the business lobbies on either side have been pushing for normalisation of bilateral trade and commerce. Between 2004 and 2008, when the process of dialogue suffered a setback, there were four rounds of talks between the two commerce secretaries and the volume of trade had grown sevenfold from \$300 million to about \$2 billion. The Thimphu understanding between the two prime ministers in April 2010 provided the right context for restarting the process. The business lobby in Pakistan played a proactive role since 2010 in strengthening the process of engagement. The businessmen in the two Punjabs on either side of the border were seen to be taking a deep interest in the dialogue between the two commerce ministries and advocating speedier normalisation of bilateral trade and commercial relationship.

The two foreign ministers in their July 2011 talks took note of the fact that the talks between their Commerce Ministries during the previous few months had resulted in mutual agreements to take a number of important steps to realise the full potential of bilateral trade and commerce. In fact, the fifth round of talks between the commerce secretaries, held on 27-28 April 2011, covered substantial ground in materialising bilateral trade and commerce. There was mutual recognition of the need to support business communities on either side in their efforts to promote bilateral trade, which would "build confidence, dispel misunderstandings and allay misapprehensions" and create a more business-friendly environment. A Working Group, consisting of technical experts and representatives of regulatory bodies, was set up to identify the sector-specific tariff and non-tariff barriers which acted as a dampener in bilateral trade. To coordinate activities on both sides and expedite the completion of the new integrated check-post at Wagah-Attari border, a joint technical group was set up, which was required to meet every month. Pakistan also agreed in principle to work towards granting Most Favoured Nation (MFN) status to India.

Further steps were taken to harmonise customs procedures, facilitate trade consignments, and exchange of trade data and information. It was also decided to set up a group of experts in order to suggest ways of expanding trade in all types of petroleum products by building pipelines or road/ rail communication lines, including the Munabao-Khokrapar route. The two countries covered a wide gamut of issues, such as grant of business visas, cooperation in the Information Technology (IT) sector, trade in Bt cotton seeds to boost crop yield in Pakistan, movement from a positive to a negative list, grant of MFN status, promotion of bilateral investments and opening of branches of banks. A Joint Working Group on Economic Cooperation and Trade Promotion was formed, co-chaired by joint secretaries of the Commerce Ministries to oversee the implementation of the decisions taken at the bilateral level.

After meetings at the JWG and subgroup levels between July and September 2011, the two commerce ministers met in Mumbai on 27–28 September 2011 and gave a mandate to the respective commerce secretaries to lay down specific timelines for full normalisation of trade relationship, dismantling of remaining non-tariff barriers and full implementation of legal obligations under the SAARC Agreement on South Asian Free Trade Area. On 1 November 2011, a press release from the Pakistan government said that

discussing a proposal from the Commerce Ministry of Pakistan, the Cabinet had unanimously approved of the idea of granting MFN status to India, and directed the Pakistan Ministry of Commerce to engage India for complete normalisation of trade, culminating in the grant of MFN status to India. This happened almost sixteen years after India had granted the same status to Pakistan.

Further steps were taken in this direction in the sixth round of talks between the two commerce secretaries on 14-16 November 2011, Pakistan agreed to sequence the process and begin with a transition from a positive list of trading items from India to a small negative list of non-tradable items and progressively phase out the negative list by the end of 2012. New trade initiatives in the shape of grid connectivity between the two nations for supply of electricity and trade in petroleum products were encouraged in the meetings between the two Commerce Ministries. The memorandum of understanding (MoU) between the India Trade Promotion Organization (ITPO) and Trade Development Authority of Pakistan (TDAP) for collaborative efforts to promote bilateral trade also signalled a gradual shift towards further trade normalisation. The Indian Commerce Minister visited Pakistan on 13-16 February 2012 the first ever by an Indian commerce minister - around the time a "made in India" exhibition was going on in Lahore. Soon afterwards, on 29 February 2012, the Pakistan Cabinet approved the Commerce Ministry's suggestion to move from a positive to a negative list.

The Pakistan government's recent overtures in support of trade normalisation indicate a departure from the past, especially because of its earlier propensity to hold trade hostage to the Kashmir issue. It vindicates India's approach

to create an enabling environment for effective dialogue through trade and people-to-people contact, which would lead to the resolution of more intricate issues like Kashmir.

Role of Leadership

The political leadership of the two countries at the highest levels was seen to be reinforcing the process of change, especially since the Thimphu prime ministerial-level meeting in 2010. There has been a marked desire to sustain the process of dialogue and communication and insulate it from the negative impacts of spoiler acts from time to time. The latest round of meeting between the two prime ministers at the Addu atoll in the Maldives on the sidelines of the 17th SAARC summit on 10 November 2011, impelled "a seriousness of purpose to the process of engagement", 9 and reaffirmed the commitment of the two leaderships to the pursuit of peace.

Prime Minister Manmohan Singh, while indicating all the while that re-enactment of Mumbai-like attacks would be disastrous for Indo-Pak relations, has given enough hint to Pakistan of his earnest desire for building bridges between the two "distant neighbours". He called Prime Minister Gilani a man of peace, and sought to dispel the suspicion in India regarding the Pakistan Army's intentions, by going on record to say that he had faith in his counterpart's assurance that the Army was backing the restart of the process of dialogue. President Asif Ali Zardari's pilgrimage-cum-official visit to India on 8 April 2012 has demonstrated the civilian government's interest in peace and

friendship with India. Interestingly, the mainstream political parties have endorsed the process of dialogue with India, even if some of them have expressed their consternation about the pace of progress on resolving various outstanding issues.

The Army chief of Pakistan has recently expressed his willingness to back the process on two occasions: during his visit to the Gayari sector along Siachen on 18 April 2012 to oversee the rescue operations in the aftermath of the death of Pakistan soldiers due to an avalanche, and later during the occasion of the Yum-e-Shuhada (Day of the Martyrs) on 30 April 2012. It is too early to conclude whether it signals a genuine change of heart or a tactical retreat. In the meanwhile, Siachen talks between the two defence secretaries have been held without any results. On the eve of the talks, Indian Defence Minister A.K. Antony had indicated that that no dramatic decision was possible, given the complexity of the issue. Nevertheless, the two sides have offered some recommendations which will be discussed in the next round of defence secretary-level meeting. Apart from mutual distrust, the problem has been further complicated by India's growing concerns about Chinese presence across the LoC in Pakistan occupied Kashmir (PoK). Moreover, Pakistan's lackadaisical approach to terrorism directed against India from its soil continues to pose a critical challenge to trust-building exercises being attempted at various levels.

The vernacular media's open and brazen India bashing over the issue of water, MFN status and Kashmir only adds to India's suspicion of the real intent of the military leadership, or at least a powerful section within the Pakistani establishment or "deep state", as it is being termed today.

^{&#}x27;Pakistan positively evaluates Maldives Bilateral Summit with India', Hina Rabbani Khar's statement, at http://www.mofa.gov.pk/mfa/pages/article.aspx?id=988&type=1

While the reasons for such change could be several — defiance of the Pakistani Taliban, shrinking economy, deepening US-Pak tension and ethnic assertion — it remains to be seen whether the process of dialogue can lead to visible improvement in the internal situation, especially in the economic sector, which would convince the people of Pakistan, long swayed by anti-India propaganda, that good-neighbourly relations with India will benefit Pakistan in the long term. It would reduce excessive expenditure on defence, allow Pakistan security forces to concentrate on the real enemy within — the Frankenstein's monster of jihadi terror — and bring prosperity to the people of both countries as well as the entire region.

The relations between the two countries remain difficult and complicated. Indian External Affairs Minister S. M. Krishna and Pakistan Interior Minister Rehman Malik signed a liberalised agreement on 8 September 2012 which replaces the 1974 visa regime and aims at boosting trade and improving people-to-people contact. Despite this positive development, Interior Minister Rehman Malik's visit to India November 2012 to operationalise the visa agreement was cancelled at the last moment allegedly because the dates of his visit were close to the fourth anniversary of the Mumbai attacks. Even if, according to an interview with television channel Times Now in late November 2012, Rehman Malik stated that he had requested for a change of dates because he had to be present in the parliamentary debates in Pakistan, it was quite clear that the ghosts of Mumbai were dogging India and Pakistan even four years after the attacks, primarily because of Pakistan's hesitation to bring the perpetrators of these attacks to justice.

The ball thus lies in the Pakistani court. It has to take effective action against terror groups launching attacks on India from its soil, and discover the prospects of India-Pakistan cooperation in efforts aimed at regional economic cooperation and peace building. Given the accident-prone nature of the India-Pakistan relationship and the obsessive zeal of the mullah-and-military leadership of Pakistan to define its identity in opposition to India, the most probable scenario is one of brief interludes of peace, leading inevitably to prolonged periods of hostility. Pakistan's commitment to normalisation of relationships with India will have to be followed by measured steps to rein in the mullah and jihadi brigade, bring about a wholesale transformation in the military's mindset, and stay engaged in the process of dialogue with India. One hopes that the recent trends would continue in the future and contribute to bilateral and regional peace.

8

Pakistan Army and Trends in Civil-Military Relations

Smruti S. Pattanaik

The Pakistan Army has been a dominant political actor not only in crafting the defence policy of Pakistan but also has a decisive say in the foreign policy and internal affairs of the country. Due to frequent military interventions since its creation, democracy remains fragile and institutions have remained weak often becoming a victim of manipulation and machination of the Army and the intelligence agencies. The perception that the Army is the saviour of the nation was borne out of its traumatic birth and subsequent conflicts with India. This national security narrative encouraged by vested interests also strengthened the Army's position in the polity at the cost of the politicians and institution of democracy. The constant quest to achieve parity with India resulted in the Army getting a lions share in the country's budget without such expenditure being debated in parliament. The Army ruled directly for thirty three years and indirectly through the power sharing system of troika for eight years and continues to retain tremendous influence. It has always retained the power to arbitrate between political parties and institutions, create new political parties and keep a tab on political activities through its

powerful intelligence agency, the Inter Service Intelligence (ISI).¹

The Army has remained highly professional trained in the British India military tradition. It recruits the bulk of its soldiers from Punjab and Khyber Pakhtunkwa. It is dominated by Punjabis as this has been a tradition since the British rule, which termed some races as "martial". Punjab is also the most populous province of Pakistan. In the recent past, the Army has tried to correct the ethnic imbalance by recruiting people from Balochistan. According to Globalsecurity statistics, "By 1990 the percentage representation in the Pakistan Army as a whole (officers and other ranks or

The Army was in power from 1958–71, 1977–88 and 1999–2008. In 1988 the Army had cobbled nine parties together to form the Islamic Jamhoori Ittehad to contest against Benazir Bhutto in the election. The ISI funded the anti-Benazir opposition and wired and tapped the phones of politicians, as was the case during Operation Midnight Jackal in 1990. In 1993, the Army advised Nawaz Sharif and Ghulam Ishaq Khan to resign as prime minister and president, respectively when the Supreme Court declared Sharif's dismissal unconstitutional and restored his government. During his regime, Musharraf cobbled together the PML-Q and after the 2008 elections, the Army tried to cultivate Shahbaz Sharif. It was also suspected to have had a hand behind the rise of Tehrik-e-Insaf Pakistan.

soldiers) was as follows: Punjabis 65 per cent; Pushtuns 14 per cent; Sindhis and Baluchis 15 per cent; Kashmiris 6 per cent; and Minorities 0.3 per cent. Since then, with the provision of waivers for both physical and educational qualifications, recruitment has been increased from the formerly less well represented areas. Punjab showed an overall decline in recruitment of soldiers from 63.86 per cent in 1991 to 43.33 in 2005".2 To address the under representation of Balochis, recruitment has taken place in the Frontier Corp, even though mostly the Pashtuns of Balochistan are recruited. Pakistan Army personnel enjoy a privileged position in the society and their perks and benefits are higher as compared to other equivalent positions in the bureaucracy. Control of the dreaded ISI has given the Army immense power to intimidate politicians and keep a watch on their activities.

There is widespread belief that radicalisation of the Pakistan Army cannot be seen in isolation without taking into account the radicalisation of Pakistani society. However, the Army's involvement in Afghanistan, the strategy of using terrorism as a tool against India and patronisation of radical groups and nurturing them as strategic tools have all contributed to the growing radicalism in Pakistan. These policies of nurturing strategic assets through indoctrination have affected the Army's own personnel. Some retired and serving officers who maintained close contact with the jihadists while serving in the Army continue to be supportive of militant organisations. In the process of indoctrinating the militants with jihadi activism, they personally get influenced by jihadi doctrine. They are not only involved in the organisational

Data taken from Globalsecurity.org at http://www.globalsecurity.org/military/world/pakistan/army.htm

affairs of militant organisations, but have also trained them to carry out terrorist operations.

Sympathy for the jihadists has created support for militancy. These radical elements are opposed to any major policy diversion from jihad by initiating a dialogue with India or cooperating with the United States in Afghanistan. This is one of the reasons why attempts were made on Musharraf's life (twice in December 2003 and again in 2007) by elements opposed to Pakistan's cooperation with the United States in Afghanistan. In this case, details of Musharraf's movement were passed on to the militants by elements within the armed force that were in charge of his security. Some junior-level officers and airmen were reportedly involved in one such attack in 2003.3 There have been many instances of such radicalisation where retired officers have joined the Taliban and other fighters (Mujaheedins) in Afghanistan.4 Some of them also have had links with al-Qaeda.5 More recently, attacks on the General Headquarters in Rawalpindi and PNS Mehran were attributed as insider jobs of armed forces personnel who

^{&#}x27;Musharraf's-attacks: Officers not involved: ISPR', The Daily Times, May 29, 2004, at http://www.dailytimes.com.pk/ default.asp?page=story_29-5-2004_pg1_4

Example: Haroon Ashiq linked to LeT who killed SSG Maj General Ameer Faisal Alavi, Captain Khurram who retired from Army to join Taliban, Major Ali Qudoos arrested in 2003, Lt Col Khalid Mohammad Abbasi, Lt Col Ghaffar from Army Aviation Command were sentenced for militant links, Maj Ataullah Khan Mahmood, Maj. Rohail Sarfraz, Capt Dr Usman Zafar. Maj Abdur Rehman Hashim Syed involved in Mumbai attack. As cited in Abdullah Malik, 'Radicals in Ranks', *The Friday Times*, June 3-9, 2011, vol23(16), at http://www. thefridaytimes.com/03062011/page7.shtml

^{&#}x27;Sindh asks for Transfer of al-Qaeda member Major Haroon Ashiq from Punjab', *The Express Tribune*, February 26, 2011, at http://tribune.com.pk/story/342051/sindh-asks-punjab-to-transfer-alleged-al-qaeda-member-major-haroon/

were not happy with Pakistan's collaboration with the US. Some Navy personnel were not happy and were planning to attack the visiting US delegation in 2011. As a precautionary measure, these people were arrested. It was reported that al-Qaeda's attempt to negotiate their release had failed. As an act of retribution, the attack on PNS Mehran took place.⁶ The Hizbut Tahir (HuT), a banned militant organisation in pakistan is also trying to penetrate the armed forceds. In the recent past, Brigadier Ali Khan was arrested for his close connection with HuT. He was trying to persuade his colleague for the need for the Army to cleanse itself from pro-American officers. After Osama's killing, the Hizbut Tahrir had reportedly distributed pamphlets near Army bases asking officers to overthrow the government. Officers who were sentenced to three years in jail for their links with HuT are Major Sohail Akbar, Major Jawwad Baseer, Major Inayat Aziz and Major Iftikhar. The Tabligh Jamaat also has free access to Army personnel. Several plotters of the 1995 coup were members of the Tabligh Jamaat. The radicalisation is a result of the close collaboration between the military and militants. Pakistan continues to believe in the strategic value of the militants and its jihad strategy, and the consequent radicalisation is likely to pose great danger.

The Army has expanding economic interest and entrenched political interest to keep itself relevant and enjoy unquestionable authority. Since it has enjoyed absolute power in the past, the Army is not willing to give up its privileged position. It has ruled the country for 33 years and still remains a dominant player. Civil-military relations, given the Army's dominant position, have remained skewed

and the military has been able to manipulate the balance of relations in its favour. The fragile nature of the democracy will not allow the civilian government to have a decisive say in military affairs in the near future. The fear of a military takeover remains portent.

The 2008 elections and assumption of power by the Pakistan People's Party (PPP) temporarily laid to rest any speculation on the military bouncing back again as a major actor in the Pakistan political scene. General Kayani withdrew military personnel occupying posts in the civil administration and ensured the Army's neutrality in political affairs. However, by 2010 the Army had emerged as a political arbiter between the judiciary and the government and played a role in the restoration of Iftikhar Muhammad Chaudhry as Chief Justice. The relationship between the government and the military deteriorated over the Kerry-Lugar Bill, which implanted a suspicion that the civilian government wanted to exert external pressure on the military. This suspicion snowballed into a crisis when the infamous "Memogate" episode appeared on the political scene. The people's growing disenchantment with Asif Ali Zardari's government over various facets of governance, the pressure tactics exerted by the ruling party's allies over GST (General Sales Tax), continued violence in Karachi and, finally, its antagonistic relations with the main opposition party created space for consolidation of opposition forces against the regime. Although the Army was not in a position to occupy the anti-government space created due to popular trust deficit regarding the Army's role, it nevertheless waited for an opportune moment to delegitimise the government to create a political force to fill the vacuum. However, the Tehrik-i-Insaaf Pakistan, which started with a bang with the obvious support of the establishment, turned into a whimper.

Harris Bin Munawar, 'Killed for Knowing too Much', *The Friday Times*, June 3-9, 2011, vol23(16), ibid.

The civil-military relationship has remained tense. The civilian government was cautious in its approach towards the Army and sought accommodation by supporting various efforts of the Army; that is the counter-insurgency in FATA, glorifying sacrifices made by the Army and toeing the line of the military while crafting Pakistan's relations with the US. Prime Minister Syed Iftikhar Gilani reiterated that, "We all should work together with the spirit of understanding. By remaining within one's ambit there is no danger of any clash."7 At the same time, the civil-military relations are considered as an "evolutionary process" by none other than Foreign Minister Hina Rabbani Khar. The Army's domination in affairs of the state casts a shadow on the political consolidation of the civilian government. Equally unsettling was the judiciary intervention that kept the government on its toes.

Civil-military relations were defined by three important dynamics in the recent past. First, Pakistan's relations with the US that shaped the dynamics of civil-military relations; second, Pakistan's relations with Afghanistan and India impinged on defining the PPP's relations with the military; and third is the domestic dynamics of coalition politics combined with the judicial activism that allowed the military to exert pressure on it without derailing the present civilian dispensation. The Army's limitations due to domestic constraints and the manoeuvring tactics of the civilian government helped it to stay in power. The military however has attempted to undermine the civilian government on many occasions either by providing tactical support

Pakistan's Relations With the US: The Civil-Military Dimension

It is well known that the Army exerts substantial control over Pakistan's policy towards the US. It is also the main architect in shaping US-Pakistan relations in the war on terror. However, the two allies have been falling apart in the last two years. The acrimony over anti-terror cooperation, which includes drone attacks, sharing of intelligence, and so on, has clearly created a wedge between Pakistan and the US. The latter labelled the ISI as a veritable arm of the Haqqani group when its embassy in Kabul was attacked in September 2011. This tension, which was brewing for sometime, resulted in the cutting off of aid to Pakistan under the coalition support fund.

Controversy regarding Raymond Davis's diplomatic status after he shot dead two alleged Pakistani intelligence operatives in January 2011created a diplomatic row between the two countries. Though Davis was released, it raised questions regarding US intelligence operatives functioning in Pakistan. This was followed by another incident when the identity of the CIA operative in Peshawar was given out, leading him to leave Pakistan. The differences with the government over the Davis affair were visible when Shah Mehmood Qureshi, considered close to the military, resigned over the issue of granting immunity to Davis.

The Abbottabad raid by the US Marines was a major blot on the Pakistan military, and its capability to defend the country was questioned by many. Though the Army successfully diverted

to the opposition or confronting the government directly, as happened in the case of Memogate.

^{&#}x27;PPP Strong Enough to Foil Conspiracies', *The Daily Times*, 12 July 2010, at http://dailytimes.com.pk/default.asp?page=2010\07\12\story_12-7-2010_pg1_1

the issue of its inability to detect the US Navy Seal operation in Abbottabad and made the raid appear as an infringement of its sovereignty, it used the public anger against the US that has accumulated since the war on terror and the often publicised drone-inflicted casualty in the tribal areas to divert attention towards the civilian government. The Army subtly used the anti-American sentiments against the civilian government as it felt that Zardari was very close to the US and was using his connection to pressurise the military.

The Abbottabad raid provided an opportunity to the civilian government to assert its authority over the military by pointing out its failure to detect the US intrusion and successful conduction of its operation; however, the government acted cautiously. Initially it did not give any statement on the issue; rather, it welcomed the killing of Osama and tried to portray that the raid happened with the knowledge of the government and the Army. However, statements emanated from the US which clearly mentioned that the Government of Pakistan was not in the loop for this operation. Later the government tried to assuage the anger within the Army through a parliamentary resolution that condemned the US.

Before the government could recover from the shock over the Abbottabad incident, the "Memogate" controversy again brought the civil-military contestation before the public. This memo was purportedly written by the Pakistan Ambassador to the US, Husain Haqqani, and raised the fear of an impending coup in the aftermath of the Abbottabad raid of 2 May 2011. It is not relevant who wrote the memo or its genuineness; the fact is that the Army emerged as a Damocles's sword hanging over the fate of the civilian government towards the end of 2011. It banked on the judiciary to do its bit, given the

judiciary-executive tussle over writing a letter to the Swiss bank to investigate the source of money that was deposited in President Zardari's and his family account. Army Chief General Kayani and the then ISI Chief Shuja Pasha filed affidavits in the Supreme Court recording their statement on the memo issue without prior permission. This action of General Kayani and Pasha was termed as unconstitutional and illegal by then Prime Minister Gilani in an interview to the Chinese Daily. The Army in a hard-hitting statement said that this statement of the prime minister "has very serious ramifications with potentialkly grievous consequence for the country". 8

In a hard-hitting speech questioning the presence of the al Qaeda chief, Prime Minister Gilani said, "We want to ask how he entered Pakistan." How was he staying in Pakistan territory for six years? On what type of visa was he living in Pakistan? Gilani warned the military to stop being "a state within the state". The very fact that such intense criticism has been levelled against the Army indicates that the civilian government did not leave any stone unturned to attack the Army on the issue of Osama to relieve the pressure imposed on the government.

In spite of the political support that was extended by the Army to the government, there were fears of a military coup in the aftermath of Memogate. Such fear had surfaced earlier too as the civilian government was suspected to have influenced the language in the Kerry-Lugar Bill that was perceived to have demeaned the military, which was later passed as the Kerry-Lugar-Berman

Kamran Yousuf, 'Hitting Back: Government cooped-up by army fire', *The Express Tribune*, 11 January 2012, at http://tribune.com.pk/story/319788/allegations-by-gilani-against-coas-dg-isi-very-serious-ispr/

(KLB) Bill after appropriate amendment.9 The civilian government was trying to get breathing space for itself by making civilian control over the armed forces mandatory. As the KLB required, "The President is authorized to provide assistance to Pakistan to support the consolidation of democratic institutions; to support the expansion of rule of law, build the capacity of government institutions...". The Army has been suspicious of the civilian government's complicity in prompting the US to argue for greater civilian control. The memo asked for US help to establish civilian dominance and rein in the Army. It argued that marginalisation of the Aarmy would lead to the emergence of a new political alignment within Pakistan, which would help the US to fulfil its goals in Afghanistan and allow the civilian government to write a new relationship with India. This created instant furore within the establishment. The memo was believed to have been written to deter the Army from its predatory role as, in the past, it has tried to play political parties against each other and has the capacity to prop up new political alliances against the government.

Many of Pakistan's problems with the US were seen as the doing of Ambassador Husain Haqqani, who had written an authoritative book, *Pakistan: Between the Mosque and the Military,* authenticating the military's relations with the militants. The establishment saw the US pressure as a handiwork of Haqqani, who is considered close to Zardari. Asserting the authority of the civilian government, Gilani said at the Pakistan National Council for Art, "If somebody thinks that they are not under the government, they are mistaken. They are under the government and

they remain under the government, because we are the elected representatives of the people of Pakistan." Earlier, the US had cut \$800 million in aid to Pakistan for its failure on counter-terrorism operations. To defuse the brewing tension between the civilian government and the military that could have fed into political instability, Prime Minister Gilani while speaking to *Newsweek* in December 2011, said, "Of course, the army has not always been pro-democracy, but they have been pro-democracy since I came into power." The appointment of Sherry Rehman, who replaced Husain Haqqani as Ambassador to the US, also demonstrates the military's dominant role.

This time around in its tussle with the judiciary over the memo issue, the civilian government appeared to have marginalised the military. This is for the following reasons: first, the civilian government has completed four years in office; if a military coup happened, it would make them martyrs for democracy and this would become politically advantageous to the party; second, though people are extremely unhappy with the PPP government, it does not necessarily convert into an advantage for the Army: opposition to intervention by the Army continues to remain a potent factor; third, the Army cannot find an alternative to cobble up a government: the parties themselves are not interested in taking over power with the Army's blessings; rather, they are looking for early elections. The trouble between the government and the military assumed serious

The Kerry-Lugar Bill has two parts. The first part deals with civilian assistance and speaks of strengthening democratic institutions and second part deals with security assistance.

^{&#}x27;There Cannot be a State within the State – Gilani', News International, 22 December 2011, at http://www.thenews. com.pk/NewsDetail.aspx?ID=29147

Nazar ul Islam and Fasih Ahmed, 'There Are Conspiracies Going Around: In conversation with Prime Minister Yousaf Raza Gilani', Newsweek, 30 December 2011, at .http:// newsweekpakistan.com/features/707

proportions after the impressive show of political strength by the Pakistan Tehrik Insaf (PTI), which is considered close to the military. Finally, the Army was sure that a direct military takeover may not get judicial sanction. Interestingly, the judicial commission that was constituted to investigate the Memogate affair has submitted its report declaring that Haqqani is indeed the author of the memo. How this revelation would play out in impacting civil-military relations remains to be seen.

India-Pakistan Relations and the Role of the Military

The Army has always played an important role in Pakistan's relations with India. David Headley's confession in a US court directly implicated the Pakistan Army in the terrorist attack in Mumbai in November 2008. At the same time, though India insisted on Pakistan taking action against the perpetrators of the Mumbai attack and exchanged dossiers, it decided to resume the bilateral dialogue. The initiation of dialogue with Pakistan in July 2010 was a damp squib. Many believed that the reaction of Foreign Minister Qureshi to S.M. Krishna's receiving phone calls during the Indo-Pak talks of July 2010 was prompted by the Army, which was not in favour of any such dialogue. Many believe that the India-Pakistan talks continued in a cordial atmosphere till Qureshi made a statement equating India's home secretary with Hafiz Saeed and accusing India's minister for external affairs of repeatedly taking instructions from Delhi during the dialogue. Pakistan also placed Kashmir and Siachen at the top of the agenda, which is believed to have been influenced by the Army. While the civilian government was keen to restart the dialogue, it appeared that Rawalpindi was not interested.

Getting the military on board became an important component of any meaningful Indo-Pak dialogue. This was reflected when Prime Minister Manmohan Singh remarked in November 2011, after his meeting with Gilani on the sidelines of the SAARC summit, "When I did discuss with Pakistan prime minister whether Pakistan's armed forces were on board, the feeling I got after a long time was that Pakistan's armed forces were on board."12 In the past, the PPP spokesperson had pointed out the civil-military tension over the government's policies towards India. Similarly, giving MFN status to India also raised the question whether Pakistan's decision to accord such status had been approved by the military. The military wanted Pakistan's engagement with India to be seen in the larger perspective of Pakistan's security and the evolving situation in Afghanistan where India is engaged.¹³

Though Prime Minister Gilani said that trade is not the domain of the military and it is the business people who are the stakeholders, nevertheless, Foreign Minister Hina Rabbani held a briefing for the Army and intelligence officials on the implications of giving MFN status to India. A Foreign Ministry official said, "It's the collective decision and everybody including the Army is on board. The military leadership believes that improvement in ties with India is the need of the changing situation in the region and it feels that Pakistan should have normal ties with its neighbours, especially India, when relations with

^{&#}x27;Optimistic, but Indo-Pak relations are subject to accidents: PM', NDTV Website, 12 November 2011, at http://www.ndtv.com/article/india/optimistic-but-indo-pak-relations-are-subject-to-accidents-pm-149260&cp

^{&#}x27;Pakistan army coveys reservation on MFN status to India', The News, 22 November 2011, http://www.thenews.com. pk/TodaysPrintDetail.aspx?ID=10442&Cat=13

the United States are strained and marred by tension."¹⁴ Many also believe that the Difa-e-Pakistan, which opposed both trade with India and reopening of the NATO supply, line had the blessing of the military which used this group to create anti-India and anti-US sentiment.

Internal Political Developments and Civil-Military Relations

Internally, during the lawyers' long march in March 2009 to reinstate the Chief Justice, the military had contemplated replacing Zardari with Asfandyar Wali of the Awami National Party (ANP) if the situation deteriorated and also to prevent elections that might see the Pakistan Muslim League (PML) coming to power. 15 American Ambassador Anne Patterson reportedly informed the US regarding the Army's dissatisfaction over the continuation of Zardari. According to Wikileaks, ISI Director General Lt. Gen. Shuja Pasha highlighted to the Ambassador during a flight to the US for a strategic review of his concerns about Zardari's alleged corruption. 16 These differences between the Army and the government widened during Memogate, as the government believed that the Army was knowingly playing into the hands of the judiciary to accomplish the job of overthrowing the government.

Though the National Reconciliation Ordinance (NRO) case was continuing for some time, the timing of the Supreme Court's decision to open the case created a suspicion that in its pursuit of judicial activism, the Court was becoming a handmaiden of the military. The government and the military almost reached the brink when Gilani sacked the defence secretary, and in an extraordinary meeting of the corps commanders, General Kayani appointed a new head of Brigade 111, which has been at the forefront of military coups in Pakistan. On 6 January 2012, speaking at the National Defence University, Prime Minister Gilani reportedly said, "The military should remain subservient to civilian rule. All national institutions should perform their functions in their respective domains." He also spoke of the conspiracy that was hatched to send the government packing. The Army had for quite some time been a major arbiter in Pakistan politics and an unconstitutional vehicle of transition where the political parties, rather than taking the electoral route, have found it convenient to remove the government through military intervention.

The troubled relations between the political parties have created political space for the Army. For example, the Muttahida Quami Movement (MQM) in the past had asked the Army to intervene because it felt that the Zardari government was behaving arbitrarily. The party argued in August 2010 that it expected patriotic generals to take action against corrupt politicians, raising questions regarding the MQM's relations with the PPP. The PTI also supported MQM and Imran Khan said, "Tehrik-e-Insaf will back military rule in the country for the sake of stability." In a rare show of support, Shahbaz Sharif criticised Gilani's statement in the

Shaiq Hussain, 'MFN status to India key strategic shift in army's policy', *Pakistan Today*, 3 November 2011, http:// www.pakistantoday.com.pk/2011/11/mfn-status-to-indiakey-strategic-shift-in-army-policy/

^{&#}x27;US Embassy Cables: Pakistan Army chief hints at unseating Zardari', *The Guardian*, 30 November 2010, http://www.guardian.co.uk/world/us-embassy-cablesdocuments/196412

¹⁶ Ibid.

^{&#}x27;Imran Khan backs army rule too', 23 August 2010, at http:// www.arynews.tv/english/newsdetail.asp?nid=36706

National Assembly where he referred to the Army as a state within the state, saying that the prime minister had "violated his oath and committed treason". Such rare show of support could be attributed to the meteoric rise of PTI, which the Army at one point of time had contemplated as an alternative to the PPP government. In December 2011, a newspaper report appeared that the ISI chief had visited the capitals of the Middle East countries to garner support for a coup. However, a thaw was brought about between the Army and the government by the mediation of Saudi Arabia's Ambassador in Islamabad.¹⁸

In the meanwhile, Shahbaz Sharif, chief minister of Punjab and younger brother of Nawaz Sharif, is increasingly trying to placate to the Army in his attempt to endear the Pakistan Muslim League (Nawaz) (PML-N) to Rawalpindi. Shahbaz considers Nawaz's attitude towards the Army to be detrimental to the election prospect of PML-N, especially when the establishment is keen in cultivating the PTI. There is growing convergence of interest between the military and the PML-N, and their approach to the Zardari government. The Army needs a political front to delegitimise the PPP government as it cannot openly play any such role to destabilise. The political parties also realise that blessing from Rawalpindi would be a prior necessity for their political sustenance. The Army similarly needs political alibi to keep its pressure on political parties and remain relevant to the politics in Pakistan. It can be argued,

though, that the Army continues to be the most preponderant institution in Pakistan and possesses enough strength to pressurise other institutions, it is no longer the only pole around which Pakistani politics would revolve. Thus, it has retreated tactically from active participation in the decision-making process and adopted indirect tactics to maintain its preserve by encouraging proxies like the 'Difa-e Pakistan conference' to propagate its ideology.

The Army has slowly gained ground after an initial setback due to Musharraf's long rule. It has the capability to support new political parties and turn its loss of face in the Abbottabad raid and the Mehran attack into sympathy for itself by squarely blaming the civilian government for having close relations with the US. In fact, the Army's strong stance over Pakistan's relations with the US came when the government decided, under pressure from the Army, to stop the NATO supply line to Afghanistan. It is difficult for the civilian government to exercise complete autonomy over its policies towards the US, India and Afghanistan, given that the Army continues to remain a dominant internal actor in deciding the lifespan of the civilian administration. However, in the meanwhile, the judiciary has emerged as a major spoiler. The Army will have to watch from the sidelines as the judiciary does and undoes governments until Chief Justice Iftikhar Chaudhry's retirement in 2013. The Supreme Court has asked the government to bring about changes in the Army Act of 1952 to allow the judgements of the Field General Court Martial (FGCM) to be made available to the convict to enable him to appeal against his conviction. The Supreme Court has summoned the Army in the recent cases of disappearance in Balochistan. It also passed a judgement on the Ashgar Khan

Saudi Arabia, in the past, has played a significant mediating role between the Army and the government. Saudi Arabia provided political asylum to Nawaz Sharif in 2000. See Zia Khan, 'Riyadh helped thaw the frost in Islamabad', Express Tribune, 16 January 2012, at http://tribune.com.pk/ story/322212/riyadh-helped-thaw-the-frost-in-islamabad/

case, accusing the military of engineering the 1990 election and ordered disbanding of the political cell of the ISI. It also asked the civilian government to take action against former Army chief General Mirza Aslam Beg and former ISI chief Asad Durrani for illegally distributing cash to influence the election's results. Similarly, the Army is under pressure in the National Logistic Cell scam and has recalled two of its officers for court martial. With increasing pressure, the Army warned of excessive activism when it posted an ISPR release which read, "Armed Forces draw their strength from the bedrock of the public support. National security is meaningless without it. Therefore, any effort which wittingly or unwittingly draws a wedge between the people and Armed Forces of Pakistan undermines the larger national interest. Equally important is the trust between the leaders and the led of the Armed Forces. Any effort to create a distinction between the two, undermines the very basis of this concept and is not tolerated, be it Pakistan or any other country. All systems in Pakistan appear to be in a haste to achieve something, which can have both positive and negative implications."19

It can be concluded that Pakistan Army would remain a major political force in the country. Though the Army seems to be in a backfoot and would hesitate to take a public posture against the government, it has immense ability to play one party against another. The judiciary has made it clear that it will not support any military coup, as it has done in the past. One is therefore not sure that the activism displayed by the current judiciary is sustainable. Iftikhar Chaudhry was reinstalled through a popular movement and his reinstatement had the Army's blessing. Currently

the country is facing serious economic challenges and the tribal areas remain unstable. In such a situation, the Army will try and keep itself away from politics to save its institutional integrity and remain relevant as a political actor.

http://www.ispr.gov.pk/front/main.asp?o=t-press_ release&id=2189#pr_link2189

9

Counter-insurgency Operations: An Assessment

Smruti S. Pattanaik, Sushant Sareen and Ashok K. Behuria

Pakistan armed forces remained engaged in counter-insurgency operations to flush out militants and hold the territory in Federally Administered Tribal Area (FATA). The threat of militants reoccupying the cleared areas is real. As a result, Pakistan is taking various measures to succeed in its counter-insurgency strategy. It has undertaken counter-insurgency operations, set up armed tribal vigilante groups called aman lashkars and put in place a de-radicalisation programme. This multi-prong strategy has mixed results because the Tehrik-i-Taliban Pakistan (TTP) remains a portent force. Compared to 2009-10, when the Army launched its operations Rah-e-Rast (Correct Path) in Swat and Rah-e-Nijat (Path to Deliverance) in South Waziristan, currently the number of attacks by the insurgents are more than a hundred per month; more than ten of these are against the security forces. It needs to be mentioned that Pakistan did not have a counterinsurgency strategy and its military doctrine was India centric. As a result, Pakistan confronted military reverses when the paramilitary forces started operating in 2004 in the FATA region to deal with growing militancy. The porous Pakistan-Afghanistan border and Pakistan's selective approach to militancy has led to ambiguity in its counter-insurgency strategy and contributed to its failure to address the problem. Moreover, there was desertion from the frontier corp by personnel

who either refused to fight their ethnic and tribal brethren or were forced by tribal and family pressures to desist from siding with the Pakistani state. Access to most of the tribal agencies remains restricted. The media is not allowed free and unfettered access and, as a result, the Inter Services Public Relations remains the main source of news. According to Peshawar Corp Commander Lt Gen Khalid Rabbani, between 2009 and 2010 the Army had 300 major and 700 minor operations in the tribal agencies.

Clashes with security forces in both the restive province of Balochistan and the extremely disturbed areas in FATA and Khyber Pakhtunkhwa have become a daily affair. This has resulted in a situation where the media and indeed the public has become somewhat inured to reports about an ambush, or a firefight, or an IED explosion. Increasingly, the media only focuses on high-profile attacks, that is, attacks either on the security establishment or those involving large number of casualties; regular incidents of terrorist/

Abid Hussain, 'Cloak of Secrecy', Herald, 16 October 2012, at http://herald.dawn.com/tag/north-waziristan

^{&#}x27;Tribal Militancy: 1,000 plus operations conducted in 2009– 10', *The Express Tribune*, 18 April 2012, at http://tribune.com.pk/story/366216/tribal-militancy-1000-plus-operations-conducted-in-2009-10/

militant violence are being passed off as routine. As a result, much of the militant activities is either underreported or left unreported. The law enforcement agencies have busted some terror networks in Punjab and Sindh and have been reasonably successful in restricting the ability of Islamist terror groups to strike in the areas east of Indus river. Even so, in May 2011, terrorists sneaked into the Mehran naval base in Karachi and blew up two P3C Orion aircraft. Similarly, the attack on the Kamra airbase also illustrated that the military remains a major target.

Over the period of 2011 and 2012, there have been significant changes in the methods and tactics employed by the militants. Sectarian (anti-Shia) attacks — mostly in Balochistan where the Hazaras are being subjected to a virtual turkey shoot, but also in the Kurram Agency where old sectarian rivalries have got dovetailed with the tactical requirements of pro-Pakistan terror groups like the Haggani network — have become even more brazen. In recent months, Shias are being targeted in Karachi, Gilgit-Baltistan and other parts of the country. Minority Muslim sects like the Bohras are also coming in the crosshairs of Sunni extremists with links to Taliban and al Qaeda. Counter-insurgency operations have neglected sectarian violence, especially in Balochistan, while nationalists and other Baloch insurgent groups who are more concerned with the rights of the Baloch, have been targeted indiscriminately over the last eight years. Cases of regular disappearance of people are on rise, forcing the Supreme Court to take suo moto action against forced disappearance of citizens.

Along the restive border region, a new phenomenon of cross-border raids by hundreds of Pakistan Taliban fighters has been witnessed, especially in Mohmand and Bajaur Agencies and

in Upper and Lower Dir and Chitral. Exchange of cross-border firing and shelling has also been reported from other parts straddling the Durand Line, causing tensions between the Afghan and Pakistan authorities: the former blame the latter of firing across the border at alleged militant targets; the latter blame the Afghan authorities for allowing the Pakistan Taliban to operate with impunity from their territory. Pakistan's counterinsurgency strategy is increasingly being forced to factor in these cross-border raids in their security calculus. Until recently, there was no meaningful coordination between the Pakistan and International Security Assistance Force (ISAF) forces/Afghan military that are deployed across the border. Pakistan has accused Afghanistan of sheltering militants and similar accusations have been levelled against Pakistan by the Afghans and the ISAF.

Most big-scale military operations by Pakistan during 2011 were conducted in the Khyber, Kurram and Orakzai Agencies. There were regular reports of clashes between the military and the militants. The Army often claimed to have ousted the militants only to repeat the same claims some months later. Subsequent reports revealed that the fighting was far from over and the Pakistani state's control over these areas was rather tenuous. The constant rollover of forces in these areas has not only stretched the Army to its limits, it is also causing a high level of war fatigue in the military in addition to imposing a big burden on the finances of the State.

Pakistan, through an ordinance passed in 2010, has established a National Counter Terrorism Authority (NACTA). One of its major functions is "to receive and collate information/intelligence and coordinate between all relevant stakeholders to formulate threat assessment with

periodical reviews to be presented to the Federal Government for making adequate and timely efforts to counter terrorism and extremism". The NACTA was supposed to work like a think-tank and provide a platform for coordination of the civilian and military dimensions of the problem of terrorism and help decision-makers in evolving the right strategy to counter the menace. But it has so far proved to be a still-born initiative.

In FATA, around 147,000 troops have been deployed; but the militants continue to attack security check-posts with impunity. In the April 2011 bi-annual report on Afghanistan, US President Barack Obama highlighted Pakistan's military ineffectiveness in FATA. For example, in the Mohmand Agency, the Army conducted three operations; but once it withdrew, the militants returned and took over control of the area. According to one commentator, this is "a clear indicator of the inability of the Pakistani military and government to render cleared areas resistant to insurgent return".³

The Army's counter-insurgency operations, aimed at flushing out militants from Khyber, Orakzai and Kurram are based on the doctrine of clear, hold and build. While the Army has been successful in clearing and holding the area, its counter-insurgency policy in terms of rehabilitation, de-radicalisation and dealing with militancy has failed. Even more glaring has been the failure of the civilian authorities to take over responsibility from the Army of administering the cleared areas and initiating the "build" prong of the counter-insurgency strategy. In some cases, the Army has not been able to pull out from the cleared areas because the threat from the militants remains

strong: the Taliban have shifted base and are waiting for an opportune moment to strike back. The local population fears that once the Army withdraws, the Taliban will take revenge on them: in the past, the Taliban have killed members of the local population for accusing them of working as being informers of the armed forces.

Rehabilitation of internally displaced persons (IDPs) is also proving to be a formidable task. Houses and schools have been destroyed, and the people live in fear. The insurgents have been able to expand their presence geographically. Pakistan's western borderlands have emerged as an unmanageable frontier, given the porous border that facilitates their movement. The biannual assessment made by the US government in April 2012 clearly shows that the military has failed in its build-and-hold strategy and that the militants have come back in Swat and other areas.

The pace of operations has also been rather slow. The spokesperson for the Army, General Athar Abbas, stated in June 2011: "We are going very cautiously. We want to be very surefooted that when we establish a successful military operation's control, then the people should support that, the people should take the ownership of that, and therefore you see sort of cautious and a slow pace in the operation." The Army's efforts to clear the areas have not entirely been successful. The Inspector General of the Frontier Corps, Major General Nadir Zeb, said:

And now in 2011 there are places, like maybe a little portion in Mohmand, which God willing we will clear soon, a little portion in Khyber agency that is Tirah valley, and a little portion in Mamoonzai that is Orakzai agency and

Anwar Iqbal, 'White House finds fault with Pak fight against extremists', *The Dawn*, 7 April 2011.

central Kurram.... Very thin belt is left. The rest is all cleared.⁴

At the end of 2011, most of these areas were under virtual control of the militants again and this continues to be the case in 2012.

Pakistan's counter-insurgency strategy is limited in scope as well. It is primarily aimed at fighting and eliminating the TTP and providing counter-terrorism support to US efforts across the border. It has not received the kind of support it needs from the people of Pakistan, who realise the weakness of its clear-and-hold policy. The Army has raised local *lashkars* as part of its counter-insurgency strategy, but without much success. Developmental work is proceeding very slowly, and the Army's de-radicalisation policy is also limping.

Counter-insurgency operation in Kurram Agency

The military launched Operation Koh-e-Sufaid (white mountain) in Kurram Agency in July 2011. The militants' assertive presence there had increased the incidence of sectarian killings, kidnappings and extortion. The main goal of the operation was to clear the Tal-Parachinar highway, connecting Kurram with the outside world, which was blocked by the militants. On 18 August, the Army declared that its operation was a success, after holding the area for more than two months. The problem with the Kurram Agency is, unlike other agencies, is that it has diverse tribes living there and they have been

used by Taliban elements to gain entry to Orakzai Agency. Any attempt to secure Orakzai Agency necessitates military offensive in Kurram and Khyber to deny strategic space to the TTP. However, Kurram also shares borders with Afghanistan's Nangarhar province and provides safe passage to the Haqqani group. Though counter-insurgency offensive has stopped in Kurram, the militants continue to mount sporadic attacks on the security forces and raid the checkposts manned by security personnel in central Kurram (dominated by the Sunnis). The media is still barred from entering Kurram.

Sectarian violence has been a recurrent phenomenon in Kurram Agency, which is home to both Shias and Sunnis (Shias in upper Kurram and Sunnis in lower and central Kurram). Earlier, in February 2011, the Shias and Sunnis signed an agreement, known as the Murree Accord. This agreement was allegedly brokered by the Haggani group. It wanted a base there, because the road that runs through Kurram Valley also provides the shortest access to Afghanistan. Frequent Shia-Sunni clashes had made it difficult for the Taliban to operate on this road.⁵ However, despite the Murree Accord, on 25 March, Sunni militants ambushed a Shia convoy, making the route inoperative once again. Serious differences developed within the TTP ranks over the accord. The main TTP faction, led by Maulvi Noor Jamal alias Maulvi Toofan, advocated abandonment of the process; another group, led by Fazal Saeed Haggani⁶ and sympathising with the Haggani

⁴ Ayaz Gul, 'Pakistan Claims Progress Against Tribal Area Militants', Voice of America website, 9 June 2011 at http:// www.voanews.com/english/news/asia/Pakistan-Claims-Progress-Against-Tribal-Area-Militants-123654394.html

Jeffrey Dressler and Reza Jan, 'The Haqqani Network in Kurram', CFR Report, May 2011, pp. 9–10, at http://www. cfr.org/pakistan/isw-haqqani-network-kurram/p25105.

It is reported that Fazal Saeed adds Haqqani to his name but he is originally from the Zaimust tribe and a resident of the village of Uchat.

group, supported the accord. It split away from TTP and formed Tehrik-e-Taliban Islami Pakistan (TTIP). Fazal Saeed also refused to pay the TTP a percentage of the funds he earned from imposing taxes on Kurram traders.⁷ The subsequent factional war led to virtual closure of the Tal-Parachinar highway and made the army action inevitable.

Reportedly, about a hundred thousand people fled Kurram during the Army operation.⁸ According to one report, "the military employed a brigadestrength infantry force infused with armoured units and supplemented by gunship helicopters, artillery and fixed-wing close air support against an estimated enemy strength of 600 fighters spread out over 80 square kilometers and hiding in a mix of semi-urban and mountainous environments".⁹ Many believe that the operation was undertaken to provide sanctuary to the Haqqani group, which could not operate without peace being restored in the area. The argument was that this was done:

to secure a thoroughfare between Central Kurram and the assorted jihadist bridgeheads along the Kurram-Afghanistan border, including but not limited to the Parrot's Beak region. The key hindrance to such

Daud Khattak, 'The Significance of Fazal Saeed's Defection from the Pakistani Taliban', Combating Terrorism Centre website, 01 July 2011, at http://www.ctc.usma.edu/posts/ the-significance-of-fazal-saeed%E2%80%99s-defectionfrom-the-pakistani-taliban movement is the resistance by the Turi and Bangash tribesmen, which neither the security establishment nor its jihadist proxies have been able to neutralise, coerce or buy off. Projecting the Haqqani network and Hekmatyar's operatives into Afghanistan from Tari Mangal, Mata Sangar, Makhrani, Wacha Darra and Spina Shaga and other bases on the border is a pivotal component of the Pakistani strategy to keep the US bogged down in Afghanistan and for the post-US withdrawal phase.¹⁰

It is also possible that the establishment came to believe that the presence of the Haqqani group in this region would ensure relative peace, but ignored the fact that the pro-Haqqani Tehrik-i-Taliban Islami Pakistan (TTIP) was deeply (Sunni) sectarian in its outlook. In fact, in early 2012, Fazal Saeed proudly claimed responsibility for a suicide attack in a crowded marketplace in the Shiamajority town of Parachinar that killed 39 civilians.

Military Operation in Khyber

Military operation in Khyber is crucial as it borders Afghanistan's Tora Bora region. Khyber is also home to the militant leader Mangal Bagh who exerts influence in large parts of Khyber Agency and runs his own tax collection system. The Tirah valley, and especially the Bara tehsil, is the focus of much of the operation in 2012. These operations have led to exodus of more than two hundred thousand people and many of them

Up to 100,000 flee Kurram offensive', The Dawn, 27 July 2011, at http://www.dawn.com/2011/07/27/up-to-100000flee-kurram-offensive.html

Reza Jan, Sam Worby, 'Limited Goals, Limited Gains: The Pakistan Army's Operation in Kurram', 6 September 2011, at http://www.criticalthreats.org/pakistan/jan-worby-militaryoperation-kurram-agency-september-6-2011

Mohammad Taqi, 'Sham Operation in Kurram', The Daily Times, 7 July 2011, at http://www.dailytimes.com.pk/default. asp?page=2011%5C07%5C07%5Cstory_7-7-2011_pg3_2

are living in Jalozai refugee camps.¹¹ According to a report published in April, 207,521 refugees have reported in Jalozai camp and the estimated displacement since the beginning of the conflict is 687,550.¹² Bara, which has been a centre of military operation, is under curfew for the past two years (2011 and 2012). It was only in 2012 that the military was able to cut off Bara from Tirah valley thus cornering the militants there.

Many militant groups are active in this agency as it borders Afghanistan to its west. Groups like Lashkar Islam, Ansarul Islam and the TTP and the Abdullah Azam brigade are active here. Some of the tribes are accused of defecting to the government's side and have also been killed, making it difficult for the tribes to cooperate. The government has raised a tribal lashkar consisting of the Zakakhel tribe. Sometimes the Army is reluctant to share its plan with the tribes as it will remove the element of surprise. As a result, many tribes complain of losing their privacy and honour due to sudden search and arrest operations. Though Pakistan's operations are relatively successful in other areas of tribal agencies, in Khyber the Army has not yet succeeded; as a result refugees who fled the fighting are still staying in camps. Economic activities have come to a standstill in Bara tehsil. 13 Attempts to hold Aman jirga by political parties have failed. Khyber will remain crucial to the success of operations in Orakzai and South Waziristan. The Political Agent took the help of the tribal *jirga* headed by MNA Hamid Ulla Jan Afridi and had reached an agreement to surrender ten militants and expel Afghan-based religious scholars from Bar Qamber Khel but this effort has failed. Helicopter gunships and jet fighters are used to fight militants who are hiding in the Tirah valley. Apart from the Frontier Corp (FC), the Khyber Khasadar Force and the newly created Khyber levies are taking part in this operation.

Counter-insurgency in Mohmand and Orakzai

In April 2011, Phase II of Operation Brekhna (Light, in Pushto) started in Mohmand Agency to clear the Suran sector bordering Afghanistan. It was launched in the semi-autonomous Baizai tehsil with the help of local friendly militias, especially the Atmarkhel lashkar, and government-sponsored peace committees. Phase I was launched in January 2011. The operation was conducted by infantry battalions from the Frontier Force regiment, the Northern Light Infantry, the Punjab Regiment and the Sindh Regiment, and backed by gunship helicopters and heavy artillery. The Army action was aimed at clearing the militants from the Agency and stopping acts of violence, kidnapping for ransom and killing of tribal Maliks. In August 2011, the Army suspended the operation on the occasion of Ramadan and declared prematurely that the mission was successful.

Zia ur Rahman, 'Bye Daraghlam: Here I come', *The Friday Times*, 27 April–3 March 2012, at http://www.thefridaytimes.com/beta3/tft/article.php?issue=20120427&page=7

^{&#}x27;Save the Children, "Situation Report No. 9", April 2012, at http://reliefweb.int/sites/reliefweb.int/files/resources/ Sitrep%209%20-%20Khyber_IDP-2012.pdf

¹³ Ibrahim Shinwari, 'Bara Stone Crushers Bear Burnt of Military Action', *The Dawn*, 23 October 2012, at http:// dawn.com/2012/10/23/bara-stone-crushers-bear-brunt-ofmilitary-action/

Sudhir Ahmad Afridi, 'Targeted military action likely to begin in Bar Qamber Khel Bara', at http://frc.com.pk/news/targeted-military-action-likely-to-begin-in-bar-qamber-khel-bara/

In March 2010, the military had launched its Operation *Khwakh Ba De Sham* (Teach a lesson) and by June it had declared the Agency cleared of militants. However, the Agency continues to be a base for militants fleeing operations in other tribal agencies. In 2010, the military had decided to take on militants fleeing from its operations in the South Waziristan area. From the beginning of 2011, militant activities resurfaced in the Agency, even if the scale was much more limited. Many people, displaced during the earlier operation (about 34,000), refused to return. The militants have maintained their presence in upper Orakzai and are using the area as hideouts; they also have their training camps in Tirah Valley.

Basically, the Army lacks the personnel and capacity to conduct hold-and-build operations in the areas cleared of militants. In March 2011 there were media reports that the Army had deployed around 20,000 troops for an operation in North Waziristan; later, the government said it lacked the resources to carry out this operation.

Counter-insurgency Operation in Bajaur

In FATA, Bajaur is the most populated area. It has been under the sway of the Taliban since 2007. The Taliban controlled the border town of Loisam (also spelt Loyesam), which provided the access route to the Kunar province of Afghanistan. In 2008, the Army launched Operation Sherdil (Lionheart), involving about 8,000 soldiers from the Frontier Corps and the Army. After initial reverses, it used heavy fighter jets and Cobra helicopter attacks to destroy Taliban hideouts; and by the end of the year established some control over the border area. Loisam became a ghost town after the operation; almost all its inhabitants

(about 20,000) having fled. By February 2009, the Army claimed total victory, even though the top Taliban leaders operating in Bajaur, including the local chief, Maulana Faqir Mohammad, remained at large. The militants continued to make their presence felt, necessitating another round of Army operation in February 2010, which culminated in the capture of Damadola, the strategic village of Faqir Muhammad, in April 2010. Subsequent developments suggested that the area continued to be infested with the Taliban.¹⁵

In early 2011, the Army conducted yet another operation; by June, Pakistan claimed that it was in control of Khar, the headquarters of the Agency. However, in September 2011, the militants kidnapped 30 schoolchildren in Bajaur who had inadvertently crossed over to Afghanistan while celebrating Eid. The militants also targeted the tribal *lashkars*/militias raised by the government to fight them. The government also claimed that it had successfully repatriated many internally displaced persons from the camps to the areas that were already cleared of militants.

The Taliban had beheaded 17 soldiers in June and August 2012, and militants from the Kunar province of Pakistan attacked Batwar area of Salarzai in Bajaur Agency. With the help of the Salarzai peace militia, Pakistan was able to clear the area of militants and engaged in demining. This is going to remain a recurring feature of the counter-insurgency operation given the porous border it shares with Afghanistan. In Bajaur and

See Tayyab Ali Shah, 'Pakistan's Bajaur Agency emerges as new hub for Islamist Militancy', *Terrorism Monitor*, Volume 8, Issue 32, 12 August 2010, at http://www.jamestown.org/programs/gta/single/?tx_ttnews[tt_news]=36739&cHash=de992b83e4

Mohmand Agency, a mix of regular troops and FC formation is deployed.¹⁶

Other Accounts

The Pakistan Taliban and its associates are suspected to have killed Khwaja Khalid, a former ISI official from the Air Force in 2010 and Colonel Imam (Sultan Amir Tarar), another ISI official, in February 2011. Mullah Nazir, a Pakistan Taliban leader, considered close to the Pakistan establishment, declared that he would avenge Colonel Imam's killing. A new organisation, named Asian Tigers and led by Usman Punjabi, claimed responsibility for the killing, but said that it was done at the behest of Hakimullah Mehsud.

In 2011, the Pakistan Taliban set up a counter-intelligence unit, Lashkar-e-Khorasan, in Miramshah, to identify American and Pakistan spies who work for the CIA and provide data for drone attacks. This consisted of militants from the Haqqani group. Hafiz Gul Bahadur, leader of the Taliban in the area and leader of the group called Ittehad Mujahideen Khorasan, was under pressure to expel this group, a hardcore group consisting of hardliners including Waziris, Dawar, Punjabis and foreigners affiliated to al-Qaeda. It is believed that al-Qaeda formed Qaidat al-Jihad fi Khorasan (Base of Jihad in Khorasan) in 2010.

Apparently under pressure from the military, in a Shura convened by Bahadur in September 2011, tribal leaders loyal to him disassociated The Army has meanwhile stopped the usage of heavy artillery in counter-insurgency operations. However, many high-profile terrorists have been killed in drone attacks by the US. Some political parties and religious organisations have made drone attacks a major political issue and want them stopped. Earlier, drones were launched from Shamsi airbase, which is now being vacated by the US following the Salala incident of 26

themselves from the Khorasan group.¹⁷ This group executed many tribal leaders who, they alleged, spied for the US and Pakistan. In Datta Khel, for example, they forced some of the alleged spies to wear suicide jackets and detonated them in front of a crowd. By September 2011, Hafiz Gul Bahadur distributed pamphlets in Mir Ali and Miramshah and distanced himself from this group. This group has publicly executed around 250 'spies' – mostly from the Waziri tribe¹⁸ – and has killed around 35 car mechanics whom they suspected of planting electronics chips in cars for electronic tracking of their movements.

Editorial, 'Operation in North Waziristan', *The Express Tribune*, 11 August 2012, at http://tribune.com.pk/story/420785/operation-in-north-waziristan-4/

The members of the Shura who signed the statement included Maulvi Rahim Noor, Mufti Sadiq Noor, Abdur Rehman, Maulvi Amir Sherf, Maulvi Amir Hamza, Maulvi Saddar Hayat, Muhammad Siddiq, Ahmad Shah Jan, Maulvi Saleem Khan and Sadiqullah. See Zulfiqar Ali and Pazir Gul, 'Differences crop up among Waziristan militant outfits', *The Dawn*, 16 September 2011, at http://dawn.com/2011/09/16/differences-crop-up-among-waziristan-militant-outfits/

Aoun Shahi, 'Militancy: Spy Chase', The News on Sunday, 13 November 2011, at http://jang.com.pk/thenews/nov2011weekly/nos-13-11-2011/dia.htm#4

November 2011.¹⁹ The US is now launching its drones from Afghanistan. Though these attacks have resulted in civilian casualties and destruction, many in the tribal areas support them as the only way to get rid of militants.²⁰

Approach to Counter Militancy: Initiation of Peace Talks

At an all-party meeting held on 18 October 2011 in Islamabad, it was decided that the government would initiate peace talks with the militants and probably take advantage of the divides appearing within the fold of the TTP. Mullah Fagir Mohammad, considered as Deputy Chief of TTP, responsible for Bajaur Agency, reportedly came forward to negotiate with the government; this offer was rejected by Mullah Dadullah, who claimed that the group would not engage in peace talks unless the government imposed Sharia and reconsidered its decision to cooperate with the US. Later, Ehsanullah Ehsan, spokesperson of the TTP, said that a few groups joining the government in peace talks did not mean that the organisation was interested in talks.

The government's official line has been that it will hold talks with militants who renounce

violence. The TTP declined the offer; but as per media reports, it declared a nationwide ceasefire in an apparent bid to facilitate talks with the government. The Interior Minister went to the extent of thanking the TTP for not engaging in violence during the Ashura — a major Shia festival. The media also reported that peace talks had started with the militants of South Waziristan in November 2011.

Some TTP leaders were distinctly in favour of a truce with the government. Waliur Rehman, who emerged as a dominant figure of the TTP after Baitullah Mehsud's death, was of the view that the fight with the Pakistan Army had destroyed the Mehsud tribe in South Waziristan and they should concentrate on fighting US troops instead. The TTP later confirmed the talks and admitted that there had been three rounds of talks in October–November 2011, without any result. Its spokesman said in late November: "It is too difficult to say if there will be a breakthrough, but we are moving in the right direction."²¹

The recent ouster of Maulavi Faqir Mohammad from the TTP fold by Hakimullah Mehsud is indicative of the dilemmas faced by the TTP leadership and its internal rifts. But such divisions are unlikely to weaken the TTP in the near future; its strength lies in the strong network that it has been able to build in recent years both with internal jihadi groups as well as with al-Qaeda and Taliban. The execution of 15 Frontier Corps soldiers by the TTP indicates the tenuous state of relations between the government and the Taliban. Though some radical groups have formed an umbrella

According to Pakistan media reports, NATO fighter aircraft violated Pakistan airspace along the border area of Salala in the Baizai subdivision of Mohmand Agency, FATA, in the early hours from across the border in Afghanistan and opened fire at two border patrol check-posts in Salala, killing up to 24 Pakistani soldiers and wounding 13 others. Following this, Pakistan stopped NATO supplies through its territory. The US regretted the attack, but declined to apologise.

Interview with students of tribal areas studying in Quaid-i-Azam University in Islamabad in December 2011. Farhat Taj, a Norway-based scholar, also argues that the drone attacks work.

^{&#}x27;Pakistan Taliban holding peace talks with the government', The Telegraph, 21 November 2011, at http://www.telegraph. co.uk/news/worldnews/asia/pakistan/8904362/Pakistan-Taliban-holding-peace-talks-with-government.html

organisation, known as Shura-e-Muraqaba, to minimise civilian casualties, it remains to be seen whether they would not attack Pakistani forces.

De-radicalisation Programme

The Pakistan Army came out with its muchadvertised radical programme in July 2011 in Swat, where "military officers, trainers and moderate clerics and psychologists were chosen to run three months' course designed to erase 'radical thoughts' of those accused of aiding the Taliban".22 This programme, given wide media coverage, has not been very successful. Many people who are being introduced to the programme accuse the Army of coercion to join the programme. There are some instances of students after completing the programme rejoining the Taliban. This is because the societal environment to which the deradicalised youths returned remains the same. The conditions that led to the radicalisation of youth remain same. Therefore it is likely these youth may succumb to re-radicalisation. After the PNS Mehran attack, the Defence Committee of the cabinet met to discuss the problem of growing radicalisation. Chief of Army Staff Kayani, speaking on the occasion said, "We have taken the first step here in Swat by initiating a de-radicalisation programme, it needs support and initiative of the society, intellectuals and policy-makers to take the lead and put into effect a counter-radicalisation construct, not only to sustain the de-radicalisation effort, but also to assure a free and progressive future for Pakistan."²³

Policy of Divide and Rule

The Pakistan security forces have made some inroads into the TTP and sown the seeds of divisions within its ranks. The TTP suffered a major setback after one of its important commanders, Fazal Saeed Haggani, broke away and formed the pro-government Tehrik-e-Taliban Islami in the Kurram Agency. An even more grievous blow was struck after a division was brought about in Waziristan between Hakimullah Mehsud and Waliur Rehman, the former remaining implacably opposed to the authorities while the latter expressed willingness to engage in a dialogue with them. Supporting Rehman was the deputy chief of TTP and its commander in Bajaur, Maulvi Fagir Mohammed. There were also reports, albeit unconfirmed, that the Swat Taliban chief Mullah Fazlullah was also open to a dialogue with the authorities.

Notwithstanding the divisions sown in the ranks of insurgent groups, the security forces have continued to being stretched in the insurgency-affected areas. Despite having cleared places like Swat and large areas in South Waziristan, Bajaur and Mohmand Agencies, the Army has had to maintain its presence in these areas to prevent the insurgents from returning. It is almost like a war of attrition in the so-called cleared areas. Even as the military has had to remain deployed in these areas, new battlefields have sucked in more Army units.

²² 'Army uses bullets and classrooms to fight militancy', *The Express Tribune*, 25 April 2012.

Baqir Sajjad Syed, 'De-radicalisation' plan Under Study', The Dawn, 18 August 2011, http://dawn.com/2011/08/18/ de-radicalisation-plan-under-study/

Infighting among insurgent groups was reported from all over FATA. For instance, in the Khyber Agency, the TTP was arraigned against Mangal Bagh's Lashkar-e-Islam which was also fighting the Ansar-ul-Islam. Adding to the complexity of the problem are the state-sponsored tribal vigilante groups, the Aman Lashkars. These lashkars are turning out to be a double-edged sword; while they have added a little more bite to the efforts of the security forces against the Islamist insurgents, they are raising the spectre not only of new warlords in the region but also causing a virtual civil war among the Pashtun tribes inhabiting the region, the impact of which is likely to be felt in the years ahead. The expediency of combating the insurgency means, however, that these vigilante groups will continue to be deployed in the foreseeable future. At the same time, the authorities are likely to let some of these groups out to hang themselves if they become too powerful or independent, as is said to be the case with the Adezai Lashkar in the Matani area outside Peshawar.

Is There Any Strategy?

Pakistan has not yet clearly spelt out its strategy to tackle insurgency, which has been termed by the leadership in Pakistan, both military and civilian, as the foremost threat countenanced by the country in recent years. It is evident that (i) Pakistan has been reactive in its approach; (ii) it has made a clear distinction between the so called "good" and "bad" militants; (iii) it has sought to weaken the insurgents by dividing them; (iv) it has chosen to conduct episodic campaigns in affected areas and clearly lacks the intent to hold on to the areas cleared by the militants; (v) it has relied on the "good" Taliban to maintain peace in the cleared areas in some cases; (vi) it has

created tribal lashkars and armed them to fight the insurgents; (vii) there has been no sincere effort to fight insurgency at the ideological level and the de-radicalisation programmes have flopped as high-profile media events without any visible impact at the grassroots level; (viii) it has initiated peace talks more from the point of weakness rather than strength; (ix) there has been either a clear lack of understanding or wilful denial of the fact that jihadi/militant groups of all kinds share the same radical overview and despite their apparent tactical and operational differences, they are united in their belief that they have to bring Islamic Sharia rule in Pakistan by all means (therefore concessions to the "good" or friendly Taliban have rebounded on it from time to time), and (x) blinded by the prospect of the Taliban's return to Kabul after eventual pullout of international forces, Pakistan hopes to quarantine the wave of Islamic radicalism in the Pashtun belt straddling southern Afghanistan and its ungovernable tribal frontier.

A natural corollary of such an ad hoc strategy has been to employ its Army in the counter-insurgency operations more as a mercenary militia than as a legitimate national force pledged to the idea of securing its sovereign space from the insurgents. The fact that they get disproportionately compensated for their efforts through coalition support funds (CSF) by the US²⁴ also seems to dilute their commitment in a war which they feel they are waging on behalf of another country. Their approach towards insurgency has also been shaped by their belief that the whole problem will be immensely manageable once foreign troops leave Afghanistan, and they can either

US has stopped payment of Coalition Support Fund since December 2010 due to Pakistan's complicity in fighting militants and inflated bills they submitted for reimbursement.

successfully divert the attention of the radical elements towards Kabul, or allow them their small emirates in the tribal region as buffers along the Durand Line on the Pakistani side. The possibility of diverting the attention of these radical groups towards India and Kashmir after troop withdrawal in Afghanistan cannot also be ruled out, despite the warmth in India-Pakistan relations during the last two years. Its counter-insurgency strategy would remain mired in confusion given the strategic uncertainty and the value of the militant groups as a strategic asset to Pakistan.

10

Reflections from the English Language Press

Babjee Pothuraju and Medha Bisht

At the same time that Pakistan is fighting terrorism and insurgency at home, it is providing support to the Taliban, including sanctuaries to the dreaded Haggani network. The Abbottabad raid of May 2011, in which Osama bin Laden was killed, clearly exposed Pakistan's duplicity. The subsequent attack on PNS (Pakistan Naval Station) Mehran reflected that radicalism has also afflicted the armed forces. The tension between the civil and the military on the issue of the memo allegedly written by Pakistan's Ambassador to the US, popularly known as Memogate, and the controversy over the National Reconciliation Ordinance (NRO) nearly brought down the civilian regime. The Salala incident in October 2011 and the retaliatory step to stop the NATO supply routes to Afghanistan saw the lowest point in Pakistan's relations with the US. The decision to grant Most Favoured Nation (MFN) status to India and the India-Afghanistan Strategic Partnership Agreement also were much discussed in the media. Continuing insurgency and the international attention that Balochistan received also drew a lot of media attention. This chapter discusses the coverage in major English newspapers in Pakistan of these and other issues that are currently of major concern to the Pakistanis.

Memogate

Memogate brought into focus the civil-military and judiciary-government relations. The Dawn noted that the air of conspiracy had grown thicker after the incident¹ and that the civil-military equation in the country remained profoundly skewed. It also criticised the inability of civilians to slowly win back the space ceded to the military without outside assistance. The Dawn commented editorially that Husain Haggani's resignation cleared the way for an inquiry into one of the more bizarre episodes in Pakistan's political-diplomatic history.2 Haider Nizamani opined that Husain Haqqani was booted out for committing perjury.3 Editorially agreeing with this point of view, the daily said that Manzoor liaz's refusal to travel to Pakistan to depose before the judicial commission enquiring into this affair had proved the veracity of such accusation.4 The Dawn also commented that

Editorial, 'Memogate', *The Dawn*, 19 November 2011, at http://www.dawn.com/2011/11/19/memogate.html

^{&#}x27;Memogate Inquiry', The Dawn 24 November 2011, at http:// www.dawn.com/2011/11/24/memogate-inquiry.html

Memogate and History', *The Dawn*, 27 November 2011, at http://www.dawn.com/2011/11/27/memogate-and-history. html

^{&#}x27;Time to Move on', *The Dawn*, 25 January 2012, at http://www.dawn.com/2012/01/25/time-to-move-on.html

by wading into Memogate in a controversial manner, the Supreme Court had raised more than a few questions about the separation of powers, the supremacy of Parliament and the law itself. Baqir Sajjad Syed discussed how the case has turned into a subsumed incident. The only official narration of the events was in the form of statements filed by Chief of Army Staff General Ashfaq Parvez Kayani and ISI Director General Lt-Gen. Shuja Pasha; it also appeared that there was some understanding between General Kayani and President Zardari, which led to the Supreme Court allowing Husain Haqqani to leave the country.

Rameeza Majid Nizami, Editor of *The Nation*, pointed out to three main aspects of Memogate:⁷ the route of delivery, the authenticity and authors of the memo – in short, the logistics; the matter of inviting the United States' (US) cooperation in implementing the manifesto of the memo; and, perhaps most important, the objectives. He argued that the memo had done collateral damage to the skewed civil-military relations. In its year-end report, *The Nation* noted that Mmemogate, which had pushed apart the informal power structure between the civil and military leadership "troika", would upset the political and economic

settings of the country in 2012.8 M.A. Niazi, a columnist writing in *The Nation*, opined that the solution to this issue, under the Constitution, lay not with the military or the judiciary, but with the people: a referendum could be held focusing on the matter of the civilian government controlling the military and the judiciary.9

The Express Tribune in its editorial asked whether the views of Manzoor ljaz, who gave testimony to a judicial commission in London, could be taken seriously, since this had been denied by the former Pakistani Ambassador to the US.¹⁰ Raza Rumi, a columnist, opined that the change of leadership at ISI was an appropriate moment to reflect on what went wrong with its last adventure, i.e. the Memo affair.11 Zafar Hilaly commented that ever since Iskander Mirza and Ayub Khan started the practice in earnest, both the military and the political elite in Pakistan had been soliciting the Americans to do the other in. 12 As far as public opinion was concerned, many questioned the import of the memo. Was it signed? Was even a portion of its recommendations implemented?

^{&#}x27;Memogate and SC', The Dawn, 3 December 2011, at http:// www.dawn.com/2011/12/03/memogate-and-sc.html

^{&#}x27;How Memo Case Turned into a Damp Squib', *The Dawn*, 1 February 2012, at http://www.dawn.com/2012/02/01/ how-memo-case-turned-into-a-damp-squib.html

No Reason to Rejoice', *The Nation*, 23 November 2011, at http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/Politics/23-Nov-2011/No-reason-to-rejoice

Year of Betrayal Leaves Dark Shadows!', The Nation, 1 January 2012, at http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/national/01-Jan-2012/year-of-betrayal-leaves-dark-shadows

Handling the Twin Crises', The Nation, 27 January 2012, at http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/columns/27-Jan-2012/handling-the-twin-crises

^{&#}x27;Memogate Matters', The Express Tribune, 24 February 2012, at http://tribune.com.pk/story/340790/memogate-matters/

^{&#}x27;No Plots Anywhere (No Pun Intended)', The Express Tribune, 10 March 2012, at http://tribune.com.pk/story/348207/noplots-anywhere-no-pun-intended/

^{&#}x27;Storm in a Tea Cup', The Express Tribune, 19 February 2012, at http://tribune.com.pk/story/338717/storm-in-a-tea-cup/

Did the US pay any attention to such a silly scheme? Such questions rarely found a place in the Pakistani print media.

Attack on PNS Mehran

In May 2011, terrorists struck at PNS Mehran in the heart of Karachi. *The Dawn* editorially noted that the assault would not have been possible without the existence of a well-oiled Taliban machine in the city.¹³

Shaukat Qadir, a retired Brigadier and a former President of the Islamabad Policy Research Institute, noted in the *Express Tribune* that instead of targeting high-ranking officers or security/intelligence personnel, which had been the case in the past, this time the first rocket the attackers fired was directed at a P3-C Orion. He suggested de-linking Pakistan from the US's war in the region.¹⁴

The Nation noted, quoting some experts, that insiders might have helped militants plot the attack. ¹⁵ Imran Ayub opined that the target chosen by the terrorists showed that they were well aware of the significance of this installation, as it is 15 km away from the Jinnah International Airport and can monitor any threat to maritime

assets up to the Strait of Hormuz. It also has a role in Pakistan's counter-terrorism efforts. 16

Imtiaz Gul wrote in the *Express Tribune* that if the objective of this attack was to make the Pakistani defence setup look vulnerable, or to embarrass the security establishment or to convey a message to them, the militants had been successful. He urged the country to do a costbenefit analysis of the "strategic framework" that it has peddled, which has nurtured groups like the Haqqani network, Taliban and Lashkar-e-Toiba. The obsession with "Pakistan's geo-strategic importance and relevance" must now give way to serious consideration for international obligations and a turnaround in civil-military relations to develop synergies on issues such as counter-terrorism and counter-extremism.

Some commentators, however, saw a foreign hand in the affair. Tehrik-e-Taliban (Pakistan) claimed responsibility for the attack, but S.M. Hali writing in *The Nation* suggested that foreign agencies might be behind this attack: the destroyed P-3C Orion maritime surveillance aircrafts were India-specific, and were capable of primarily conducting maritime patrol, reconnaissance, anti-surface warfare and anti-submarine warfare. ¹⁸ These aircraft could not be targeted against the terrorists. Hali opined that

^{&#}x27;PNS Mehran Attack', The Dawn, 24 May 2011, at http://www.dawn.com/2011/05/24/pns-mehran-attack.html

^{&#}x27;PNS Mehran Attack and After', The Express Tribune, 23 May 2011, at http://tribune.com.pk/story/174401/pns-mehranattack-and-after/

^{&#}x27;Insiders helped Militants Plot PNS Mehran Naval Base Attack: Experts', *The Nation*, 23 May 2011, at http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/politics/23-May-2011/Insiders-helped-militants-plot-PNS-Mehran-naval-base-attack-Experts

^{&#}x27;Why did Terrorists Pick PNS Mehran?', The Dawn, 24 May 2011, at http://www.dawn.com/2011/05/24/why-didterrorists-pick-pns-mehran.html

Imtiaz Gul, 'PNS Mehran Attack: Vulnerable, Embarrassed and Targeted', *The Express Tribune*, 24 May 2011, at http://tribune.com.pk/story/174808/pns-mehran-attackvulnerable-embarrassed-and-targeted/

^{&#}x27;PNS Mehran Attack Whodunit?', The Nation, 25 May 2011, at http://www.nation.com.pk/pakistan-news-newspaperdaily-english-online/columns/25-May-2011/PNS-Mehranattack--whodunit

the Indian spy agency RAW had infiltrated Taliban and al-Qaeda with some other foreign intelligence agencies to destabilise Pakistan. This could have been motivated by an idea to avenge the terrorist attack on Mumbai in November 2008.

Dismissing such a view, the *Express Tribune* argued that "Whom does this all benefit?" had become the catechism of all spurious analysts and conspiracy theorists on the PNS Mehran attack. ¹⁹ No one was asking why would the Americans risk the lives of six of their own citizens, who were trainers present on the base when it was attacked, in the process? The editorial stressed the need to recognise the need for Pakistan to help the global fight against terrorism. Pakistan's sympathy for its Islamic credentials was making such terrorism invincible. The world still wanted to help Pakistan albeit with the thought that a heavily infected Pakistan could ruin the world.

The *Daily Times* editorially noted that the attack had shaken the confidence of the people of Pakistan.²⁰ The Chief of Naval Staff, Admiral Noman Bashir, dismissed this incident as a security breach. The culture of impunity of the armed forces needed to be changed and transparent investigation required to be conducted to investigate intelligence failure, which was a result of a decline in professionalism in the military due to its meddling in politics.

The Nation commented that the loss of equipment in the attack had weakened Pakistan's ability to

'Misinterpreting the PNS Mehran Attack', *The Express Tribune*,
 May 2011, at http://tribune.com.pk/story/174995/misinterpreting-the-pns-mehran-attack/

guard its coastline and participate in the West-led maritime counter-terrorism activities.²¹ Quoting retired General Talat Masood, it wrote that Pakistan's combat ability against India had also been dented by the loss.

The Daily Times noted editorially that from various news reports, it appeared that the terrorists were much better organised and informed than the military and civilian leadership who were dishing out conflicting claims, prompting international concern about Pakistan's nuclear installations.²² The problem lay with the paradigm as espoused by Pakistan's security establishment that looked on India as archenemy and Afghanistan as its own backyard. This made it put its entire stake on the "strategic assets", that is, religious extremist militants, to fight as proxies in India and Afghanistan. There were also jihadi elements or sympathisers within the armed forces who believed in overthrowing the regime to establish an "Islamic" caliphate.

Abbottabad Operation

Osama bin Laden's killing in the US raid in Abbottabad was debated at great length in the media. A section of the media even speculated that Osama was killed by one of his own guards.²³

^{&#}x27;Back to the Barracks', *Daily Times*, 25 May 2011, at http://www.dailytimes.com.pk/default.asp?page=2011\05\25\story_25-5-2011_pg3_1

^{&#}x27;Mehran hit weakens counter-terror surveillance', The Nation, 25 May 2011, at http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/politics/25-May-2011/ Mehran-hit-weakens-counterterror-surveillance

^{&#}x27;Utter Confusion', Daily Times, 26 May 2011, at http://www.dailytimes.com.pk/default.asp?page=2011\05\26\story_26-5-2011_pg3_1

Ismail Khan, 'Was Osama Killed by US Troops or His Own Guard?', The Dawn, 3 May 2011, at http://www.dawn. com/2011/05/03/was-osama-killed-by-us-troops-or-hisown-guard.html

The Daily Times was critical of the domestic debate in Pakistan which denied that Osama was killed in the 2 May attack, arguing that the claim was a ploy of the US to ensure re-election of Obama and gain control of Pakistan's nuclear assets.²⁴ Some sections of the media argued that jihadi groups might now target Pakistan to avenge Osama's death. It was also pointed out that the Army had been looking for him in the tribal areas without being aware that he was living in a crowded area.²⁵ Many editorials also argued that Osama's death was an opportunity for India to ramp up pressure on Pakistan over militant groups operating on its soil.²⁶ The Daily Times pointed out that Pakistan had been selective in targeting the militants, which had resulted in this embarrassing situation.²⁷ The Express Tribune noted the internal differences between Osama and Ayman al-Zawahiri on financial matters and remarked that Osama's death would dim the influence of al-Qaeda,28 which might now concentrate its operation on Afghanistan only.

Balochistan

The issue of Balochistan assumed considerable importance due to cases of disappearance and killing of Balochi leaders and the attention this conflict drew in the international media. Murtaza Rizwi cautioned that unless people's ethnic identities and their status as equal citizens of the state were respected, the revolting Balochs would soon join the ranks of dissenters. He exhorted the government to create a framework which would engage all major stakeholders.²⁹

Ali Dayan Hasan, Pakistan Director of Human Rights Watch, in a featured interview in The Dawn, termed the Army, intelligence agencies and paramilitaries in Pakistan as "engine[s] of abuse" in Balochistan. He argued for the necessity to have a human rights framework based on international law rather than engaging in political posturing. Peace in Balochistan would require a change of attitude of the Army, the Frontier Corps and the intelligence agencies. He rejected claims of foreign interference: no evidence had been provided by Pakistan authorities to support this claim.³⁰

Murtaza Haider argued that while the Pakistani state and its agencies were responsible for the lack of development in Balochistan that fuelled militancy, the Baloch Sardars and foreign elements were also equally responsible for the current state of affairs. Similarly, the Pakistani urbanites through land grabbing in Gwadar had also harmed the interests of the Balochis.³¹ In his view, it was the lack of willingness to work towards an honourable

^{&#}x27;Come clean on Osama's killing', Daily Times, 5 May 2011, at http://www.dailytimes.com.pk/default. asp?page=2011\05\05\story_5-5-2011_pg3_1

Baqir Sajjad Syed, 'Pak military caught in the crossfire', *The Dawn*, 3 May 2011, at http://www.dawn.com/2011/05/03/pak-military-caught-in-the-crossfire.html

^{&#}x27;No advantage for India in US-Pakistan troubles: Analysts', *The Dawn*, 9 May 2011, at http://www.dawn.com/2011/05/08/no-advantage-for-india-in-us-pakistan-troubles-analysts.html

^{&#}x27;Osama bin Laden is dead', Daily Times, 3 May 2011, at http://www.dailytimes.com.pk/default.asp?page=2011\05\03\story_3-5-2011_pg3_1 and 'After Osama', Daily Times, 4 May 2011, at http://www.dailytimes.com.pk/default.asp?page=2011\05\04\story_4-5-2011_pg3_1

^{&#}x27;Al Qaeda hits hard times after Bin Laden death: Analysts', The Express Tribune, 10 January 2012, at http://tribune.com. pk/story/319298/al-qaeda-hits-hard-times-after-bin-laden-death-analysts/

²⁹ *The Dawn*, 9 February 2012.

³⁰ Interview with Ali Dayan Hasan, *The Dawn*, 28 February 2012

Murtaza Haider, 'Resolving Balochistan's Grievances', *The Dawn*, 12 January 2012

and just resolution of Baloch grievances that had turned successive generations of Balochis against the idea of Pakistan; that Balochis had responded positively to reconciliation in the past and would do so again if an honest and earnest effort was made.

In yet another opinion piece, Murtaza Haider drew a parallel between Balochistan and Kashmir.³² Demands for greater local autonomy, use of brute force, holding foreign elements responsible for insurgencies rather than seeing these as indigenous struggles, amongst others, were some of the issues flagged off as similarities. Emphasising the differences between the two cases, the author asserted that free education up to the college and university levels and Article 370 in Jammu & Kashmir were some practices which should be adopted by the federal government in Pakistan.

India-Afghanistan Strategic Agreement

While issues such as the war on terror, talks with the Taliban and the impending US withdrawal from Afghanistan were regularly discussed by columnists in Pakistan, the issue that drew significant media attention was the signing of the India-Afghanistan Strategic Partnership agreement in October 2011. *The Dawn* editorially noted on 6 October 2011 that the provision in the agreement for India to provide training and equipment to the Afghan National Security Forces would raise eyebrows in the Pakistani establishment and possibly lead to ill-advised efforts

to ramp up Pakistani involvement in Afghanistan as well. *The Dawn* also noted on 21 October 2011 that notwithstanding the agreement, India would have limited influence in Afghanistan, as both Afghanistan and Pakistan share the same religion and enjoy cordial relations with Saudi Arabia. The editorial further pointed out that in view of the existing relations between the Taliban and Pakistan, India would do well to revisit its agreement with Afghanistan. Peace in Pakistan would lead to normality in Afghanistan and "peace in Pakistan can be possible only when India decreases its role in Afghanistan".

Two notable opinion pieces published in *The Dawn* were those by Munir Akram and Simon Tisdall. Akram pointed out that partnership with the US has had immense strategic, political and economic costs for Pakistan.33 The institutionalisation of the India-Afghanistan partnership was an extension of such costs. Pakistan needed to reassess its strategic objectives and options in Afghanistan. The central priority for Pakistan should therefore be on withdrawal of US and NATO forces from Afghanistan. Tisdall asserted that the political reality was that a lasting settlement in Afghanistan was impossible without Pakistan's agreement, or at least acquiescence.34 Ashraf Javed, writing in The Nation, accused Afghan President Hamid Karzai of laying the foundation stone of another foreign intervention. India's slow slide to fill the vacuum created by the exit of NATO and US forces from Afghanistan would put India in the driver's seat, but India realises that this development

Murtaza Haider, 'Drawing Parallel Between Balochistan and Kashmir', *The Dawn*, 4 January 2012. Also see his 'Investing in Balochistan's Human Capital', *The Dawn*, 28 December 2011.

Munir Akram, 'State without a state', The Dawn, 25 December 2011, at http://www.dawn.com/2011/12/25/ state-without-a-state.html

³⁴ Simon Tisdall, 'India may rue the day it backed Afghan regime', *The Dawn*, 7 October 2012.

might lead to an intense and dangerous proxy war with Pakistan on Afghan turf.³⁵

The Dawn also editorially gave expression to Pakistan's fears of being encircled.³⁶ It argued that a greater and more overt Indian role in boosting Afghan security preparedness, in addition to a \$2 billion civil aid effort at building highways, power transmission lines and dams, marked the intensification of a regional struggle for post-2014 influence. Acknowledging Pakistan's fear over encirclement, Farhat Taj, writing in Daily Times, 37 emphasised that Islamabad could have wielded greater influence in Kabul than Delhi if it had adopted a people-centred approach with focus on human development and trade, coupled with respect for Afghanistan's sovereign right to have an independent foreign policy. "Strategic spaces" would be created in Afghanistan, and the Pakistan government would do well to pay heed to Afghan-Pakistan border areas. The Daily Times editorially noted that Pakistan's policy of strategic depth in Afghanistan had failed,³⁸ but the Indo-Afghan Strategic Partnership might lead to proxy-cum-civil war and was likely to destabilise the region further.

MFN Status for India

Rashid Ahmad Khan argued that escalating tensions on Pakistan's western border due to deteriorating relations with the US had led to positive developments in Pakistan-India relations.³⁹ The decision to grant MFN status was "dramatic and a break with the past", as Pakistan had decided to put aside the Kashmir issue and remove the principal obstacle in the way of promoting regional trade in South Asia. He pointed out that Jamaat-i-Islami (JI) and Jamiat-ul-Ulema Islam-Fazl (JUI[F]) argued that instead of accepting US hegemony to counter the security threat from India, it was better to improve relations with the latter to avoid being a surrogate to the former.

The Dawn expressed the hope that after years of an unfruitful standoff, a relationship based on mutual economic dependency might inspire new thinking and produce hitherto unseen solutions. 40 The Pakistan commerce minister's visit to India after 35 years indicates alternative thinking. Few Pakistani businessmen opposed trade with India, though they were a little apprehensive of unbridled business that could hurt their own little interests.

Ashfak Bokhari wrote in *The Dawn* that in spite of opposition, Pakistan's Foreign Minister Hina Rabbani Khar made a break with the past by delinking the grant of MFN status from resolution of

Ashraf Javed, 'Indo-Afghan "strategic agreement" will lead to proxy war', *The Nation*, 13 October 2011.

 ^{&#}x27;India steps up Afghan role with an eye on 2014', *The Dawn*,
 November 2011, at http://www.dawn.com/2011/11/10/india-steps-up-afghan-role-with-an-eye-on-2014.html

³⁷ Farhat Taj, 'India-Afghanistan alliance: Implications for Pakistan?' *Daily Times*, 8 October 2011, at http://www.dailytimes.com.pk/default.asp?page=2011\10\08\story_8-10-2011_pg3_4

^{&#}x27;Indo-Afghan strategic partnership', Daily Times, 6 October 2011, at http://www.dailytimes.com.pk/default. asp?page=2011\10\06\story_6-10-2011_pg3_1

^{&#}x27;Conflict on the West, Peace on the East', Daily Times, 7 October 2011, at http://www.dailytimes.com.pk/default. asp?page=2011\10\07\story_7-10-2011_pg3_6

^{40 &#}x27;MFN Status for India', *The Dawn*, 14 October 2011, at http://www.dawn.com/2011/10/14/mfn-status-for-india-2.html

the Kashmir issue. ⁴¹ The trade gains of geographic contiguity could hardly be denied. A large number of non-tariff barriers restricted Pakistan's trade with India. Within Pakistan's industry, some reservations against MFN status could be deemed to be genuine. While for the traders it might be a blessing, for the industrial sector and "infant industry" it could be a nightmare.

Some articles focused on the confusion whether a decision granting MFN status had already been taken.⁴² This confusion was not cleared after a press note issued after the briefing by the Commerce Ministry, which said that the Ministry had apprised the Cabinet on the current process of trade normalisation with India.

S. Akbar Zaidi wrote that the general response and reaction to granting of MFN status to India had been extremely favourable and positive. ⁴³ In the most obvious of outcomes, it was expected that Pakistan would now treat India like the other hundred countries with which Pakistan trades. Given the history of India-Pakistan relations, this was a huge departure from the recent past. The author was hopeful that more trade would allow Pakistani businessmen to make a dent in the lucrative Indian market with a middle class that was twice the size of Pakistan's total population. Such normalisation of relationships could also lead to a peace dividend. The prospects for trade

and peace in South Asia rested critically on how Pakistan's democratic civilian government could seize the moment away from the praetorian state in Pakistan. The Indian government needed to recognise this, and distinguish between the two and continue its dialogue with the former.

Bucking the trend favouring MFN, *The Nation* editorially commented that such a decision had made even cynics jump out of their skins. ⁴⁴ The decision had been taken at the behest of the US and would do incalculable harm to Pakistan's Kashmir cause as the Kashmiris would feel let down by Pakistan. The Valley was Pakistan's jugular vein, which the commerce minister of the ruling Pakistan Peoples Party (PPP) had forgotten. Maulana Fazlur Rahman accused the government of not consulting him and Pakistan Tehrik Insaf (PTI) chief Imran Khan demanded rescinding of the government's decision, taking into account New Delhi's activities in Afghanistan.

Ashfak Bokhari wrote in *The Dawn* that the cabinet decision caused confusion in both India and Pakistan but conveyed one clear message: it was too early to grant MFN status to India.⁴⁵ But the whole exercise left an initial impression, particularly among some Indians, of "backtracking" by Pakistan on the MFN decision. A sizeable section in Pakistan was not willing to accept trade unless the Kashmir issue was resolved as per the UN resolution. But the Pakistan Business Council, which represents the 35 largest companies in the country, strongly

^{41 &#}x27;Looking beyond MFN Status', *The Dawn*, 24 October 2011, at http://www.dawn.com/2011/10/24/looking-beyond-mfnstatus.html

^{42 &#}x27;Confusion over MFN status for India', *The Dawn*, 3 November 2011, at http://www.dawn.com/2011/11/03/ confusion-over-mfn-status-for-india.html

^{43 &#}x27;Much More Than Just Trade', The Dawn, 5 November 2011, at http://www.dawn.com/2011/11/05/much-more-than-justtrade.html

^{44 &#}x27;MFN for India', *The Nation*, 5 November 2011, at http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/editorials/05-Nov-2011/MFN-for-India

^{45 &#}x27;MFN Status and its "True Spirit" The Dawn, 14 November 2011, at http://www.dawn.com/2011/11/14/mfn-status-and-its-true-spirit.html

favoured unrestricted trade with India. The flawed policies of successive governments had kept sectors such as the textiles, pharmaceuticals and automotive industries non-competitive and still in "infant industry" mode. Bokhari quoted Munir Akram as saying that Pakistan must wait for the moment when the parameters of India's ambitions became more benign towards Pakistan.

Putting the issue in perspective, Rustam Shah Mohmand commented in the Express Tribune that the capacity of nations to bolster economic ties even though they remained sharply divided on many vital issues had emerged as a major tool in bilateral relations. A notable exception was India and Pakistan. 46 Two eminent Pakistani economists-Shahid Javed Burki, a former Finance Minister and World Bank officer, and Dr Ishrat Husain, a former State Bank Governorargued strongly in favour of normalisation of trade with India as Pakistan would be the net gainer. They provided statistical data to justify their claim. Those who proposed resolution of the Kashmir issue before trade, wanted to make 1.38 billion people of the subcontinent hostage to their paranoid concept of nationhood. Sadly, their position remained unchallenged because espousing a different viewpoint was considered by many to be risky in terms of "political survival".47

Sakib Sherani opined that while the economic logic of trade amongst neighbours was irrefutable in the long run, Pakistan should follow its own interests rather than the dictates of externally

Farhan Zaheer said that after a delay of 15 years, Pakistan finally took the decision.⁴⁹ The opening up of an economic front on Pakistan's eastern border would boost its economy. It would help in cutting down the cost of production of various goods and reduce smuggling, among other benefits. The way forward for the two countries was to focus on economic growth without dragging politics into every issue.

US-Pakistan Relations

The US and Pakistan were embroiled in a major diplomatic row over the immunity of Raymond Davis after he was arrested for killing two Pakistanis in Lahore. Murtaza Haider argued

driven policies.48 He suggested that Pakistan should draw out the process to final MFN status well beyond February 2012 so as to prepare the domestic industry and to extract greater facilitation for its exports to India. In spite of Pakistan not giving MFN status to India, India's exports to Pakistan had risen to \$1.5 billion. Pakistan needed to insist on opening of land routes between the two countries; provision of transport infrastructure on the Indian side, such as railways wagons, etc.; and opening of more Pakistan-specific standards testing laboratories to ease the constraint facing Pakistan's exporters. Other than bilateral relations, this trade might invigorate the moribund South Asian Free Trade Agreement (SAFTA).

^{46 &#}x27;MFN Status and Beyond', The Express Tribune, 16 November 2011, at http://tribune.com.pk/story/292733/ mfn-status-and-beyond/

⁴⁷ Ibid.

^{48 &#}x27;Revisiting MFN Status', *The Dawn*, 30 December 2011, at http://www.dawn.com/2011/12/30/revisiting-mfn-status. html

^{49 &}quot;Traders' Paradise" or Political Nightmare?', The Express Tribune, 6 March 2012, at http://blogs.tribune.com.pk/ story/10512/traders-paradise-or-political-nightmare/

in *The Dawn* that while the US had always, by default, demanded immunity from prosecution of its diplomats serving in foreign countries, whether Davis enjoyed such immunity or was engaged in diplomatic business when he shot two men, should be decided by the judiciary.⁵⁰ Cyril Almeida commented that American pressure was expected to be put on Pakistan to further US counter-terrorism and counter-insurgency goals in Pakistan and across the border in Afghanistan. The security establishment's response to this incident was discreetly and indirectly encouraging anti-American sentiment in the country as a bulwark against American pressure.⁵¹

Robert Grenier noted that Osama's capture had not told anything new about the dysfunctional US-Pakistan relationship. ⁵² Speaking in Islamabad, Senator John Kerry tried to explain the seemingly high-handed and distrustful treatment of Pakistan by the US in this case as being driven simply by the need for operational security, the same reason why he himself was only informed of the operation after it took place. A deeper look into the likely details of the Americans' risk-vs-gain analysis in Abbottabad, however, reveals that the contradictions in US-Pakistan relations have reached a point where they can no longer be

managed as before, and must be addressed head-on.

Harris Bin Munawar raised the question "What has America done for Pakistan?" and questioned the general Pakistani expectation as to "Why should America do anything for Pakistan?" The US had supported Pakistan in strengthening its defence forces, provided military aid and equipment, sold a nuclear reactor for civilian purpose, provided aid to build canals after the signing of the Indus Water Treaty, provided generous funds, and rescheduled its loan after Pakistan agreed to cooperate in the war on terror. What had Pakistan done for the US if reliability, trust and selflessness are the benchmarks?

Faris Islam commented in *The Dawn* that another blow had been dealt to those seeking a friendly, long-lasting relationship between the two countries, following the news that the US government had suspended \$800 million in security aid to Pakistan.54 The crack in the relationship had developed due to mistrust and suspicion and the US's combination of carrot aid – and stick – suspending aid. To protect their interests, the two countries were compelled to cooperate. Stability could not be established in Afghanistan if militants were allowed sanctuary across the border and Pakistan did not allow NATO supplies to reach Afghanistan through its territory. Pakistan cannot survive without aid. Moreover, Pakistan cannot be secured if the violent ideology spawned by the Taliban and

Murtaza Haider, 'Balancing parking tickets against murders', *The Dawn*, 10 February 2011, at http://dawn. com/2011/02/10/balancing-parking-tickets-againstmurders/

Oyril Almeida, 'The myopia continues', The Dawn, 18 February 2011, at http://dawn.com/2011/02/18/the-myopiacontinues/

Robert Grenier, 'US-Pakistan relations and Osama's demise', *The Nation*, 25 May 2011, at http://www.nation. com.pk/pakistan-news-newspaper-daily-english-online/ international/25-May-2011/USPakistan-relations-and-Osamas-demise

Harris Bin Munawar, 'What has America done for Pakistan?', The Dawn, 13 July 2011, at http://dawn.com/2011/07/13/ what-has-america-done-for-pakistan/

Faris Islam, 'Reevaluating Carrot and Stick Diplomacy', The Dawn, 21 July 2011, at http://dawn.com/2011/07/21/ reevaluating-carrot-and-stick-diplomacy/

al-Qaeda corroded the country internally. There was a need for the two countries to acknowledge their mutual dependency to keep the relations on an even keel. Transparency in the matter of bilateral relations would help address the issue of anti-American and anti-Pakistani constituencies in the two countries.

Dr Manzur Ejaz commented in *The Dawn* that the arrest of Dr Ghulam Nabi Fai, executive director of the Kashmiri American Council, and the arrest warrant of a Pakistani national, Zaheer Ahmad, suggested just the beginning of the US retribution against Pakistani actions.⁵⁵ The allegation of Dr Fai's links with the ISI would not be perceived as completely unfounded by Pakistani expatriates. The arrest of Dr Shakil Afridi for helping the US find Osama only added to the downslide of the relationship between the two.

Commenting on the alleged ISI links to the Haqqani network in the US Embassy attack in Kabul, the *Daily Times* noted: "We are crafting the tools of our own destruction unthinkingly." Such an attack exposed the vulnerability of Kabul and the preparedness of the Afghan Security Force to take up combat operations. Though the Western forces were in a withdrawal mode and Pakistan was fuming over its marginalisation in USA's talks with the Taliban, the withdrawal of foreign troops might lead to civil war in Afghanistan and quick running over of the anti-Taliban force which, either way, would spell trouble for Pakistan in the shape

The Salala incident, in which 24 Pakistani soldiers were killed, could not have come at a worse time for US-Pakistan relations. Pakistan not only suspended the NATO supply route but also asked the US to vacate the Shamsi airbase while demanding unconditional apology, making it an issue of nationalism and violation of sovereignty. Murtaza Razvi argued that the reaction was irrational, putting at stake Pakistan's relations with the US, which is crucial for Pakistan. When patriotism ruled the minds, thinking faculties took the backseat. In Pakistan, patriotism is an organised affair, managed and overseen by state institutions through their beneficiaries, lackeys and the right-wing lobby as and when the need arose.58 Razvi asked why were suicide attacks on mosques, shrines, schools and bazaars by home-grown militants on innocent civilians not condemned equally vehemently. Such incidents did not even take place in the war zone, where bloody accidents could be expected. Was this a well-thought-out stance, especially when an

July 2011, at http://dawn.com/2011/07/22/on-the-course-

of-retributions/

of Pakistani Taliban.⁵⁶ Fahd Hussain writing in the *Daily Times* cautioned Pakistan against the futility of challenging the US, given the myriad problems that Pakistan was facing. Rather than engaging in rhetorically challenging the US, Pakistan needed to have a re-look at its own policy towards the Haqqani network and the Taliban.⁵⁷

<sup>2011.

55</sup> Manzur Ejaz, 'On the course of retributions', *The Dawn*, 22

68 Murtaza

Editorial, 'Sleeping with the enemy', Daily Times, 25 September 2011. Also see another Editorial on the US-Pakistan tension, 'Chiken Coming Home to Roost', Daily Times, 27 September 2011.

Fahd Husain, 'Unleash Hell', *The Daily Times*, 27 September 2011.

Murtaza Razvi, 'Conducting foreign policy on martyrdom', *The Dawn*, 2 December 2011, at http://dawn.com/2011/12/02/conducting-foreign-policy-on-martyrdom/

inquiry into the air strikes was underway across the border? The soldiers died in the line of duty in a war zone defending their country; they did their duty and had been duly and rightfully honoured. It would be wrong to conduct foreign policy on their martyrdom.

The English language print media took a critical view of the government's policies and many of the commentators writing in these newspapers questioned government action, especially on the issue of corruption and misgovernance. The print media was also critical of excessive judicial activism of Supreme Court Chief Justice Iftikhar Muhammad Chaudhry and many columnists felt that some of its decisions were politically motivated aimed at destabilising the government. At the same time, columnists welcomed suo motto intervention of the judiciary to look into the cases of disappearances in Balochistan and hearing of a long-pending petition of Ashgar Khan on the Inter Service Intelligence (ISI) funding of elections in the 1990s. Another issue that featured prominently was the role of the Army. Many perceived that the Army had a hand in fuelling the Memogate controversy and attempting to destabilise the government while failing to detect the presence of Osama bin Laden. The opinions expressed in the English language media are liberal and are supportive of the nascent democracy as compared to the Urdu press. Many of the commentators are critical of the Army and the growing militant activities. The English language print media is supportive of India-Pakistan trade and rejects the old mindset that wants enmity with India. Compared to the Urdu media, the English language press has limited circulation and its readership is confined to the English-speaking Pakistani elite. Nevetheless, it is plays an important part in dissimating views

and thinking which are progressive in nature and influences public opinion and is read by Pakistan's decision-making elite.

11

Reflections from the Urdu Press

Shamshad Ahmad Khan

Pakistan's Urdu press, which has a circulation higher than the English language press, reflects the views mainly of conservative elements. Its readership constitutes mostly the lower middle class, both urban and rural. It may be noted that even in cases where a media house publishes newspapers both in English and Urdu, the editorial stance on several issues varies from each other. This chapter discusses the opinion editorial pieces as well as news reports as reported in Jang, Nawa-e-Wagt, Ausaf, Millat, Jasarat, Ummat and Express Urdu on issues such as Pakistan's decision to grant Most Favoured Nation (MFN) status to India, India-Afghanistan strategic partnership agreement, Pakistan's relations with the United States (US), the attack on PNS Mehran, the raid by the US Navy Seals on Osama bin Laden's hideout in Abbottabad, problems in Balochistan and the Memogate episode.

MFN Status to India

While the English language media supported the government's decision to grant MFN status to India, there was visible division within the Urdu media on this issue. The Urdu press traditionally portrays India as an existential threat with which no compromise is possible until all outstanding disputes, prominently Kashmir, are resolved. This time too, many editorials opined that trade

relations should not be pursued until India resolves the Kashmir issue. Jang and Express – the two largest circulated dailies – as well as the Peshawar-based Mashriq, however, took a stance that differed considerably from the other newspapers. The Express editorially opined that "this decision is a proof of the fact that our leadership not only realizes the changing realities but also is taking practical steps to reflect the change". Jang argued the same day that Pakistan had no option but to choose "trade over aid", that "pursuing deeper trade relations will create a congenial atmosphere for resolution of more serious disputes". 2

A week later, on 12 November 2011, *Jang* changed its stance to some extent and advised India to "reciprocate this positive attitude by shunning its policy of claiming Kashmir as its integral part".³ It added:

Pakistan is ready to move far ahead for peace and stability of the region. For this, India has to come forward to resolve the problems in the region and fundamental issues pertaining to these problems. It should act in accordance

¹ The Express Urdu Daily, Editorial, 4 November 2011.

² The Jang, Editorial, 4 November 2011.

The Jang, Editorial, 12 November 2011.

with the UN resolutions, should respect the manifesto of this international body and demonstrate a constructive approach to this problem. Without this, neither can the goals of "Aman ki Asha" be achieved, nor would the steps to provide MFN status to India lead to any progress.⁴

A section of the Urdu press reacted negatively to the government's decision. The anti-India rhetoric was formulated on two planks. Many editorials argued that increased trade with India would dilute Pakistan's stand on the Kashmir issue. These arguments coincided with the line taken by Jamaat-i-Islami (JI) chief Syed Munawar Hassan, who termed the granting of MFN status to India as "stabbing in the backs of Kashmiris" by the Pakistani authorities. Many others viewed a liberal trade regime as being inherently disadvantageous to Pakistan and were concerned about the possibility of Indian goods flooding the Pakistani markets.

Newspapers like *Nawa-e-Waqt* were generally suspicious of India's intentions and took a promilitary line. The daily on 4 November 2011 equated the government's decision with the "Fall of Dhaka" and criticised the civilian regime for following a policy which was antithetical to Pakistan's national interest. It opined that "granting India more opportunities of bilateral trade is tantamount to providing them a chance to occupy the foundations of the country in the garb of access to the markets". It added: "The decision to harm the country's security was taken by a party whose founder chairman Zulfiqar Ali Bhutto had vowed to fight with India for a thousand

years."⁵ On 12 November 2011, *Nawa-e-Waqt* commented:

Our rulers are thinking of granting India MFN status. It is like nurturing a poisonous cobra which has already bitten us in the past and would continue to do so in the future.... By playing the role of a frontline ally of the US, we have already caused irreparable loss to the country and its people. Now we are ready to sacrifice the struggle of the Kashmiri people and are ready to forge a relationship with India on its own terms and conditions. If we do so, we would be working on India's agenda, which is ready to wipe Pakistan off the map of the world.⁶

Ausaf the same day noted: "We call upon Army Chief General Ashfaq Pervez Kayani, President Zardari, ISI Chief Shuja Pasha and all the patriots to save Pakistan from this kind of agreement." Khabrein, which enjoys considerable circulation in Punjab, noted on 4 November 2011:

Though the trade between the two countries would open new avenues for development, the two sensitive issues of Kashmir and the water dispute should have been taken into account before reaching this decision. It is necessary for Pakistan to have a talk with India over these two issues because it is in the nature of Hindu *baniyas* to renege on their promises.⁷

⁵ Nawa-e Waqt, Editorial, 4 November 2011.

⁶ Nawa-e Waqt, Editorial, 12 November 2011.

Khabrein, Editorial, 4 November 2011.

lbid.

Ummat, which is generally viewed as conservative and pro-military, opined the same day:

Separating Kashmir and trade is a dangerous attitude. Until the issue of Kashmir is resolved as per the wishes of the Kashmiri people, there can be no lasting peace in the region nor any justice to the Kashmiri people.... Can we offer India a hand of friendship even if the Indian forces continue to kill the Kashmiri people?⁸

In contrast, on the same day the Peshawar-based *Mashriq* opined that providing MFN status to India would help rectify past mistakes. It noted:

Quaid-e-Azam Muhammad Ali Jinnah also had provided India MFN status, which was approved by national leader Liaquat Ali Khan. This agreement was nullified in 1961. After half a century, both are only reviving that treaty. Whatever mistakes were made in the past cannot be compensated but providing MFN status to India would help correct the past mistakes.⁹

The Express Urdu like its English counterpart (Express Tribune) also batted for granting India MFN status. It noted:

This decision should be welcomed because it will strengthen Pakistan's trade relations with the neighbour. This would provide them a further opportunity to come closer not only in the field of trade but also on a societal level. This will open new avenues of trade across the border and will help generate new

In yet another editorial on the issue on 12 November 2011, the *Express Urdu* wrote that the two countries should corner their anti-friendship lobbies, It noted:

The fact cannot be ignored that as in Pakistan, a group of people in India do not want improvement in relations with Pakistan and a proof of this fact is that opposition parties lambasted Manmohan Singh when he termed Gilani as the "flag-bearer of peace". If both the governments succeed in countering this kind of lobbies in their countries, the bold step to provide MFN status to India would lead to peace and cooperation in the region and would open new trade opportunities in the region.¹¹

These were the opinions expressed when the Cabinet was mulling over the decision. When Pakistan finally accorded the status officially, the opinions were on predictable lines. *Nawa-e-Waqt* on 29 February 2012 once again described India as a "poisonous snake" and asked Pakistan leaders to "smash its head rather than have trade with it". It asked why Pakistan's leaders were "granting MFN status to a country that divided Pakistan and now wants to disintegrate Balochistan", and cautioned the leadership not to get "trapped in the ploy of talks and dialogues." 12

employment opportunities and ultimately would lead to the eradication of poverty.¹⁰

⁸ *Ummat*, Editorial, 4 November 2011.

⁹ *Mashriq*, Editorial, 4 November 2011.

¹⁰ The Express Urdu Daily, Editorial, 4 November 2011.

¹¹ The Express Urdu Daily, Editorial, 12 November 2012.

Nawa-e Wagt, Editorial, 29 February 2012.

Ummat, on 5 March 2012, opined that the goods imported from India "would be made from *haram* ingredients (forbidden under Islamic law)" and "this work to pollute Pakistan is being done under the garb of MFN and promotion of trade". India had already "endangered our faith by flooding Pakistan with its obscene films and now it is further destroying our religion and faith by sending *haram* edible items".¹³

Ausaf slightly toned down its rhetoric, from opposition to improving trade ties with India. The daily argued that "... trade with India is fine, but according MFN status to it is contrary to Pakistan's national interests", that "trade relations should be strengthened with India only on an equal footing".¹⁴

India-Afghanistan Strategic Partnership

Almost all the leading dailies expressed unease over the strategic partnership agreement between India and Afghanistan, the central argument being that the agreement would allow Indian forces direct access to Afghanistan and Pakistan would be "sandwiched" by its "two enemies". They argued that by signing this agreement, India had entered into a "great game" in Afghanistan at the behest of the US. The main objective of the agreement was to besiege both Pakistan and China to safeguard their security interests.

The Urdu media in Pakistan has for some time been arguing for the establishment of a bloc consisting of Afghanistan, Iran, Pakistan and Turkey to counter India's economic prominence. Pakistani Urdu press columnists have been at pains to drive home the point that India's new economic status has given it additional political clout on the international stage. Since the major economies of the world have a deep interest in the Indian market, no one wants to antagonise India by paying heed to Pakistan's concerns regarding Kashmir and the human rights violations there. They suggest that Pakistan should look at alternatives to challenge India's growing supremacy at the regional and international levels. Ausaf, Nawa-e-Wagt and Jang have given substantial space to such debates in the recent past. Columnists such as Col. (Retd) Ghulam Rasool, Agha Masood Hussein, Saleem Yazdani and Professor Mohiuddin have even been arguing for inclusion of China in the "Islamic alliance", since China and the Muslim world have a common goal to counter US hegemony in the region. The Urdu media was sceptical about Afghanistan's worthiness to be included in an Islamic coalition. Several columnists expressed the view that Afghanistan was slipping out of Pakistan's "strategic orbit" and argued that China could play the role of "balancer" in the region. Agha Masood Hussein wrote in Jang in a column titled 'Bharat Afghanistan Security Muaheda' (India-Afghanistan security agreement): "This agreement is against the interests of Pakistan". Now "Pakistan, China, Iran and Arab countries would be compelled to realign their defence and security cooperation and it is likely that they will reach a secret agreement"

Ausaf, commenting on the India-Afghanistan strategic partnership agreement, concluded:

to counter the impact of this agreement.

Pakistan has been besieged by two enemies from the two sides.... Since the US has sandwiched Pakistan with the help of India

¹³ Ummat, Editorial, 5 March 2012.

¹⁴ Ausaf Daily, Editorial, 3 March 2012.

and Afghanistan, the time has come to openly talk to China to thwart this design.¹⁵

Nawa-e-Waqt the same day opined that "following the agreement we should consider Afghanistan as our enemy at par with India.... We should not have a cooperation and friendship agreement with an enemy and should nullify the Pakistan-Afghanistan trade transit agreement". 16 Jang noted that "the US has been working on a strategy of imposing India's supremacy in the region by isolating Pakistan (from the international community) and the recent strategic partnership with India is part of that strategy". The daily suggested that Pakistan needed to "review its foreign policy" in the changed scenario. 17

Balochistan

The Pakistani Urdu dailies gave extensive coverage to discussions on the Balochistan issue, especially after the US Congressional hearing. They viewed the resolution presented in the US House of Representatives demanding Baloch's right of self-determination as an intervention in the country's internal affairs. *Nawa-e-Waqt* wrote on 19 February 2012: "The resolution that has been presented in the US Senate is not only against Pakistan but also a conspiracy to break Iran and Afghanistan." It suggested that the three countries needed "to unite to save themselves from disintegration". ¹⁸ It also suggested that Pakistan needed to accede to Baloch's demand to prosecute Akbar Buqti's killer.

Ummat expressed the view that the US resolution on Balochistan was part of the US strategy to prolong its presence in the region. It noted:

The US by raking up Balochistan issue wants to achieve two things. First, to increase pressure on Pakistan and Iran; and secondly, it wants to continue its presence to plunder the resources of Balochistan. America has been salivating over Balochistan ever since the completion of Gwadar port.¹⁹

In an editorial on this issue a week earlier, the daily had opined that, "The US and India by providing weapons and money to the Balochistan liberation army and other armed groups want to separate Balochistan from Pakistan." It acknowledged the sense of deprivation in Balochistan but blamed Baloch Sardars for that.²⁰

Ausafalso perceived the US resolution as a move to bifurcate Pakistan and urged the government to address the Baloch problem. It wrote on 10 February 2012: "If the Pakistani rulers realise that the US by intervening in Balochistan wants to create a situation like East Pakistan, then it is their national responsibility to address the situation, which America can utilise to its advantage."²¹

The Express Urdu, commenting on the US Congressional Committee's remarks on Balochistan, termed it "a matter of serious concern" and urged the government to convey to the US that Balochistan was "not a US colony which should be discussed in America". It also urged Pakistan to lay special emphasis on

¹⁵ Ausaf, Editorial, 6 October 2011.

Nawa-e-Wagt Urdu Daily, Editorial, 6 October 2011.

Jang Urdu Daily, Editorial, 11 October 2011.

Nawa-e-Wagt, Editorial, 19 February 2012.

¹⁹ *Ummat*, Editorial, 19 February 2012.

²⁰ *Ummat*, Editorial, 12 February 2012.

²¹ Ausaf, Editorial, 10 February 2012.

addressing the Balochistan issue so that "no external power including the US gets a chance to interfere in our internal affairs".²²

Commenting on the issue, *Jang* wrote that "Balochistan is our internal matter but to eliminate people's despair is the collective responsibility of the Pakistani leadership". It argued that the issue of Balochistan could not be resolved until all the political parties and Baloch leaders sat together and analysed the ground realities in Balochistan. It urged the government to discuss Balochistan in Parliament and give an effective response to those who were interfering in Pakistan's internal affairs.²³

Ausaf and Nawa-e-Waqt suggested to the government to bring Baloch nationalists to the negotiating table. Ummat, however, cautioned that the idea of consultation and pardoning them would not work since they have a different agenda. Rather, the government should project a new Baloch leadership loyal to the Pakistani federation and should establish direct contacts with Baloch people.

Ausaf wrote that "the Baloch people could not have felt such a sense of depravation had they been given royalty on resources extracted from Balochistan and a proper share in education and employment". It added: "We ourselves are responsible for the deteriorating situation of Balochistan" and suggested that Pakistan needed to "take the Balochistan issue very seriously and secure Baloch people's rights".²⁴ When Interior Minister Rehman Malik announced clemency for Baloch nationalists, several Urdu

dailies welcomed the move. "We think that in the national conference over the Balochistan issue government should also invite the dissatisfied Baloch living inside and outside Pakistan to participate". Further, *Nawa-e-Waqt* opined that "no party should attach any precondition to participate in a national conference so that the conspiracies of anti-Pakistan forces are foiled".²⁵

Ummat, however, wrote that Baloch nationalists could not be convinced by an all-party meeting or through verbal announcements.

Since they are tools of external powers, they would not listen to anything which goes beyond their goals and interests. [It was preferable] to hold direct contact with common Balochis and address their basic issues.... Pakistan should identify a loyal Baloch leader who could get common Balochis off the clutches of Nawabs, Sardars and Khans who incite them to rebel against Pakistan. Secondly, Pakistan should recognize the right of the local population over the mineral resources and should distribute the revenues to the common people instead of giving them to a handful of Sardars and Nawabs.²⁶

Osama bin Laden's killing

The editorials of most Pakistani dailies questioned the veracity of reports of Osama bin Laden's killing in Abbottabad. Some Urdu dailies were quick to suggest to the US to end the war on terrorism and leave the region. Commenting on this, *Ausaf* wrote, "It would be premature to confirm whether this was a real incident or part of a plan. But there

²² The Express, Editorial, 10 February 2012.

²³ The Jang, Editorial, 11 February 2012.

²⁴ Ausaf, Editorial, 25 February 2012.

²⁵ Nawai-e-Waqt, Editorial, 26 February 2012.

²⁶ *Ummat*, Editorial, 25 February 2012.

is no doubt that the Americans are experts in executing their tasks at the right time and at the right venue. They are good at turning a lie into a truth and a truth into a lie." With one hit, the US had achieved many targets, including the reason to pull out from Afghanistan: "as per the claim of the US, Osama bin Laden is no more, and the role of the US and its allies in the region is over." Accordingly, the US and its allies could "pack their bags and leave the region".27

Jang, in an editorial written after this event, also questioned the veracity of Osama's killing, that the person killed in the Abbottabad operation "may not necessarily be Osama bin Laden". It could be a part of the US strategy "to implicate Pakistan" and further pressurise the country to "do more". 28

Ausaf and Nawa-e-Waqt also speculated that taking a cue from the US operation, India might also execute similar surgical strikes on terrorists involved in the 2008 attacks on Mumbai. Ausaf wrote:

It is likely that India may make this mistake (of operating inside Pakistan). But it should remember that its helicopter or fighter jets would not be able to return safely to its airspace.... For a moment if we suppose that India's ambitions reach a successful conclusion, then a weak Pakistan would become a danger to the world's security.²⁹

Nawa-e-Waqt urged Pakistan to respond to reports in the media about India's intention to strike inside Pakistan. The prime minister and the

Jasarat wrote that "the US operation in Abbottabad still remained shrouded in mystery. The details released by the US Administration, its intelligence agencies and statements from the US President made it clear that it was a well-scripted drama". Jasarat further questioned the competence of the Pakistani military leadership in not being able to stop the US operation deep inside the country's territory.³⁰

Attack on PNS Mehran

The Pakistani Urdu dailies were unequivocal in condemning terrorist attacks on Karachi's Mehran naval base, but blamed external elements for the attack. *Jang* wrote: "The May 22 incident has changed the thinking of those who had been attributing the destructive activities in Pakistan to some unhappy elements in the country." The expertise of those who attacked the naval base, the exact information they had about it, their targets and successfully sneaking out of the base raised many questions and revealed that those abetting and planning the terrorist attacks had come out openly against Pakistan.

The situation suggests that the nation confronts challenges from many fronts. One enemy is in front of us but there are some other elements whose shadows can be perceived. We should remain alert to all those

Army chief needed to take notice of statements emanating from India and make it clear that "Pakistan has not made nuclear bombs to only showcase them" and "the aggressor would be given a bloodbath by pressing the nuclear button".

²⁷ The Ausaf, Editorial, 3 May 2011.

²⁸ The Jang, Editorial, 4 May 2011.

²⁹ The Ausaf, Editorial, 5 May 2011.

³⁰ The Jasarat, Editorial, 6 May 2011.

The Jang, Editorial, 24 May 2011.

elements and should meet the demands of our national security.³²

Ummat on the same day blamed external "intelligence agencies" for the attack. "This was a coordinated attack which can only be executed by some country's intelligence agency." In Pakistan "a section of the people term the US and its allies as enemy number one; while some others term India as number one enemy and a group of people blame extremists and terrorists" for these acts. The time had come "to identify the real enemy of the nation and no relaxation be given to them". On 26 May 2011, Ummat directly blamed the Indian intelligence agency RAW for the Mehran attack. It noted:

Military experts believe that al-Qaeda and Taliban were not behind the attack, as Rehman Malik has claimed, rather they were terrorists trained by the US, Israel or India. Another report suggests that this attack was a joint operation conducted by the CIA and Indian intelligence agency RAW.³⁴

The daily added that the attack was aimed at destroying Pakistan's naval capability and thereby providing India regional supremacy. The daily opined that "we should not forget the fact that all the enemies of Pakistan are uniting under the US leadership and are hell bent on snatching its nuclear power".

Earlier on 23 May 2011, *Nawa-e-Waqt* indicated that the Mehran attack was the culmination of incidents to test the preparedness of all the

three wings of the Pakistan Army by "elements who want to harm Pakistan's integrity". "These elements attacked GHQ in Rawalpindi in 2009. Later on 2 May, the American helicopters tested our Air Force's capabilities by conducting the Abbottabad operation. During the May 22 attack, they tested the Navy's preparedness." The attack on GHQ and now a coordinated attack on a naval base suggested that "these attacks were not executed by religious or extremist groups but Indian agency RAW and the CIA may be behind it". Though Rahman Malik was saying that this attack was a response to Osama's killing, Indian or American involvement could not be ruled out since rocket launchers could only be provided to these people by a country's ordnance department.35 In yet another editorial the following day, Nawa-e-Waqt stated that "because of P-3 and N fighter planes, Pakistan has the upper hand over Indian naval capability". India executed this attack "to test our defence preparedness and to end this supremacy".36

Memogate Scandal

The issue in which a memo, purportedly drafted by Pakistan's ambassador to the US, Husain Haqqani, was passed on to US Military Chief Admiral Mike Mullen by Manzoor Ijaz, an American businessman, opened up a Pandora's box in Pakistani politics. This issue brought the tussle between the government and the military to the fore: the former saw no truth in the memo while the latter viewed it a conspiracy to weaken the military. The Urdu media wrote back-to-back editorials urging the government to establish the veracity of the memo. Jang wrote that

³² Ibid.

³³ Ummat, Editorial, 24 May 2011.

³⁴ *Ummat*, Editorial, 26 May 2011.

Nawa-e-Waqt, Editorial, 23 May 2011.

Nawa-e-Waqt, Editorial, 24 May 2011.

there is no doubt that the Memo scandal is an extraordinary case and it is important to know who was behind it. If there is an iota of truth then there is a clear indication that it was used in order to surrender national security, independence, and autonomy to the supremacy of India and the US.³⁷

The daily opined that "in some cases, the Memo talks about appointing chiefs of sensitive institutions as per the wishes of external powers. These issues pertaining to national security should not be brushed aside". The daily criticised the government for not referring the issue to the Supreme Court. "Instead of handing over the issue to a parliamentary committee, the government should have constituted a judicial commission on its own. Presenting this serious issue to a parliamentary committee created doubts in the minds of the people."38 Nawa-e-Waqt expressed its appreciation that Nawaz Sharif had taken this issue to the apex court and opined that "only the Supreme Court can give an unbiased verdict on this issue".39 In yet another editorial on 23 December 2011, the daily sided with the military leadership and stated that "those who are conspiring to weaken the military have no basis to rule the country". 40 Ummat criticized the government for not registering its response to the Supreme Court despite its repeated notices. The Daily asked: "If the Army Chief and ISI Chief, relying on the Supreme Court, can give their responses to the apex court, why has the political leadership no confidence in the higher judiciary?"

It suggested to the government to "reach a conclusion as soon as possible."41

Pakistan-US Relations

Amidst the growing tensions between the US and Pakistan on various counts, *Nawa-e-Waqt* suggested that Pakistan should "forcibly evacuate the Shamsi airbase from the US and also dismantle the United States' spying networks on Pakistani soil". 42 *Ausaf* stated that "it is clear that the Shamsi airbase is being used by US troops. Since the US has rejected Pakistan's demand to vacate it, this should be construed as an occupation". 43

The US's approach to make aid conditional with progress in the war on terror elicited sharp reactions from the Pakistani Urdu media. *Nawae-Waqt* which noted:

This is not the first time that we have heard that US aid would be given to Pakistan with some riders attached. But the special report by the *Wall Street Journal* indicates that "it is not a notional demand" and now all the aid to Pakistan would be given after ensuring that Pakistan meets the US objective.⁴⁴

It suggested that Pakistan "say goodbye to the US and search a new path for self-reliance." *Jang* suggested that the government needed to look at "alternatives". "Our government should think

³⁷ The Jang, Editorial, 3 December 2011

The Jang, Editorial, 3 December 2011.

³⁹ Nawa-e-Waqt, Editorial, 17 December 2011.

⁴⁰ Nawa-e-Waqt, Editorial, 23 December 2011.

⁴¹ Ummat, Editorial, 17 December 2011.

⁴² Nawa-e-Waqt, Editorial, 1 July 2011.

The Ausaf, Editorial, 2 July 2011.

Nawa-e-Waqt, Editorial, 16 August 2011.

of alternatives \dots and should resist all pressure from the US and safeguard our national interest." 45

The US accusation that the ISI has close links with the Haggani terror network was another occasion when the Pakistani Urdu media stood up against the US and criticised it for the allegation. Ausaf wrote that the allegation was "absurd". 46 Abbas Mahkari in an opinion column in Jang also termed the charge as "illogical", that "the US is working on an agenda to malign Pakistan and its armed forces"47 He opined that the statements about the presence of the Haggani network, Quetta Shura, Lashkar-e-Toiba and other extremist groups and their "internal and external links" are hypotheses only. "Pakistan has the right to reject the dictations of the US and its allies," Mahkari asserted. 48 Ayaz Amir in the same issue of Jang, however, took a different view. He opined that if it was just an allegation and it had no merit, "ISI's media cell should have tried to eliminate that perception. But we let the issue linger. As of now, it has become the biggest problem between GHQ and the Pentagon." He further asserted that "we need to analyse the issue in fairness and ask ourselves whether North Waziristan is a shelter for the Taliban and whether the Hagganis use the place as their safe haven".49

The NATO air strike of 26 November on a Pakistani check-post at Salala, which killed 26 soldiers, generated a lot of debate in the Pakistani media.

Almost all the leading Urdu dailies condemned this attack, terming it as an assault on Pakistani sovereignty. Jang urged the government to "reconsider Pakistan's role in the so called war on terrorism", adding that "if a similar incident takes place again, our armed forces should give a befitting reply". It opined that "merely stopping the NATO supply lines and issuing orders to vacate an airbase would not be enough". 50 Nawae-Waqt the same day wrote that "if we do not give America a strong message today and do not follow up with it, then the US would leave no stone unturned to implement its sinister designs (against Pakistan)". The daily suggested a similar response against the drone attacks, opining that "we should consider the life of every civilian to be equal to the life of every soldier and we should adopt a similar stance against the United States' drone attacks".51 Ummat the same day urged the government to cut all relations with the US. It noted:

We should note that by adopting a series of aggressive actions, the US has declared a war on Pakistan. Therefore, Pakistan should stop all relations with the US and should tell the US that it is dependent on Pakistan and Pakistan is not dependent on it. By attacking Pakistani sovereignty, the US has hurt its own interests and it should be ready to bear the consequences.⁵²

The five major issues that are discussed above reflect how opinion is mobilised in the vernacular media which is read by the "not so elite" people of Pakistan, but has wider circulation. However,

⁴⁶ The Ausaf, Editorial, 24 September 2011.

⁴⁷ Abbas Mahkari , *The Jang*, Opinion column, 25 September 2011

⁴⁸ Abbas Mahkari, Ibid.

⁴⁹ Ayaz Amir, *The Jang*, Opinion column, 25 September 2011.

 $^{^{50}}$ $\,$ The Jang , Editorial, 28 November 2011.

⁵¹ Nawa-e-Wagt, Editorial, 28 November 2011.

Ummat, Editorial, 28 November 2011.

with the emergence of organisations like Difa-e-Pakistan Council, which articulates such hardline views, these opinions can now have political weightage and influence Pakistan's domestic and foreign policy.

Conclusion

Political instability has been an endemic feature of Pakistan's politics. The restoration of democracy in 2008 has not in any way, changed the situation. The Pakistani Army's role as a political force continues in spite of uninterrupted democracy over the last five years. Some of the political parties have not changed their habit of looking to the Army for engineering political change, even though most of them are shy of having any truck with the Army in public. Others are taking care not to offend/provoke the Army unnecessarily. The Army, in its own way, is happy with the power it wields behind the scene, and would not like to take direct control of the situation, especially when Pakistan is facing multiple crises. In this context, it is useful to ask: where is Pakistan headed? And what should be India's approach to Pakistan?

The politics of coalition has been marked by opportunism and political expediency. Ever since the breaking up of the consensus between the Pakistan Peoples Party (PPP) and Pakistan Muslim League (Nawaz) (PML-N), the two parties have become sworn enemies. After PPP's withdrawal from the PML-N-led coalition in Punjab, Nawaz Sharif has opposed the PPP government at the centre with a vengeance. He has joined ranks with the Chief Justice of Pakistan to further his attempts to pull down the government and engineer early elections. Thus,

the rivalry between the PPP and the PML-N is intensifying day by day, and this will be a marked feature of the coming parliamentary elections. It remains to be seen whether with the retirement of Chief Justice Iftikhar Muhammad Chaudhry in 2013, judicial activism will come to an end. In this context, with the main political forces at loggerheads and with no consensual agenda to take the process of democracy forward, the Army is most likely to strengthen its position in the evolving power dynamics in Pakistan.

The Pakistan Tehrik-e-Insaaf (PTI), a comparatively new player in Pakistan politics threatens to eat into the electoral bases of both PPP and PML-N. It may have lost its sheen after the initial display of strength in Lahore. It is supposedly backed by sections within the Army and hopes to reap a good electoral harvest by capitalising on the twin anti-incumbency factor at work in Pakistan today - vis-à-vis the PPP at the centre and the PML-N in Punjab. However, it is true that instead of being a party with a difference, the PTI is banking on political defectors from other parties who do not have a clean record. It remains to be seen whether this party—which empathises with the Taliban and is deeply anti-US—will be the new face of Pakistani politics. The PTI's ascendance could give a boost to anti-US and anti-India forces. As a right wing party, it is likely that PTI,

if voted to power, would grant political space to radical forces and provide a breeding ground to militant organisations to strengthen its electoral support base. At this moment, however, it seems unlikely that the PTI would be able to form a government on its own.

It is likely that the ethnic faultlines would widen further and lead to increased violence, especially in Balochistan and Sindh. The sectarian divide would continue to threaten internal peace as revenge attacks become a routine feature in Pakistan. The Shia minority, especially the Hazaras, have remained particularly vulnerable to attacks by Sunni militants, who have made their presence felt all over Pakistan. There has been targetted killing of Shia doctors and professionals across the country. Attacks on them have increased and till September 2012 more than 300 Shias had fallen victim to sectarian violence. Minority groups like the Ahmadiyas, the Hindus and the Christians are likely to bear the brunt of creeping radicalisation. Some Ahmadiya graves were vandalised in the city of Lahore as recently as 3 December 2012. The refusal of political parties to condemn attacks on minorities reflects the state of affairs in Pakistan where even politicians do not want to antagonise fundamentalist groups because they fear for their lives and do not want to risk losing their support base. Showering of rose petals by lawyers on the killer of Salman Taseer, the former governor of Punjab, as well as the killing of Shahbaz Bhatti, the federal minister for minority affairs, in broad daylight indicates the extent to which Pakistani society has been radicalised. At the root of all this is the blasphemy law which has been misused by people to persecute the minorities who constitute 3.6 per cent of Pakistan's population and are being pushed into a state of silence.

This sorry state of affairs is likely to continue as democracy and democratic institutions have remained fragile and fundamentalists have captured the mindspace of the people and mobilised them to demonstrate their nuisance potential and street power. Recent trends suggest that fundamentalism will continue to be on the rise. The TTP has also joined hands with sectarian organisations to expand its base. It is also likely that sections of the Army may get Talibanised and pose a critical challenge for the Pakistan state as a whole. The arrest of Brigadier Ali and the involvement of insiders in the PNS Mehran attack demonstrate this reality.

Continued insurgency in Balochistan has remained a major problem for Pakistan. The military solution has backfired and the exiled Balochi leaders have succeeded in focussing international attention on Balochistan leading to a US Congressional hearing on 8 February 2012. Despite assurances from all sides — the all-party meet on Balochistan, Nawaz Sharif and Imran Khan's high-profile visits to Balochistan, and even Chief Justice Iftikhar M Chaudhry's suo motu notice on the issue of missing persons wherein he summoned the intelligence agencies and asked them to furnish the whereabouts of those who have gone missing — there is no sign of any let-up in the level of insurgency in the province. Regular kidnappings and disappearances of Baloch rebels and their sympathisers, allegedly by intelligence agencies, remain a major problem. The Supreme Court even went to the extent of declaring the Balochistan government as unconstitution for failing in its duties to maintain law and order and ensure that the government's writ prevails.

Against the backdrop of such chronic instability, the moves for creation of new provinces would deepen ethnic cleavages unless the basic grievances of the people are addressed and their political empowerment ensured. The Sindhis have already started opposing the idea of carving a Mohajir province out of Sindh. In May 2012, the Punjab Assembly passed a resolution to create the province of South Punjab and restore the provincial status of Bahawalpur, which was abolished in 1950s. The PPP and the PML-N have agreed to the creation of South Punjab instead of Seraiki as the Seraiki-speaking population is scattered. A 14-member Commission was formed to look into the issue of the carving of new provinces out of Punjab. However, the Punjab Assembly is yet to nominate members to this Commission. Earlier, the renaming of NWFP as Khyber Pakhtunkwa had created a sense of unease among the Hazaras who want a separate province for themselves. However, the fulfilment of the political aspirations of these groups will finally depend on the degree of devolution and fiscal autonomy that the central government in Islamabad is ready to concede to them. The proposal for the creation of separate provinces has unfortunately been made with the sole purpose of weakening the political bases of the opposition rather than the genuine desire to fulfil the political desires of various ethnic groups.

According to the latest report of the State Bank of Pakistan, the risk of micro-economic instability has increased. Capital inflows have fallen and an acute energy shortage has plagued industrial production. Government borrowing from the State Bank of Pakistan has increased since November 2011. Liquidity injections by State Bank of Pakistan went up to Rs. 611.5 billion by the end of quarter one of 2012 due to weak financial inflows. Growth is pegged at 3.7 per cent due to energy shortages.

As the end game in Afghanistan draws nearer, it is likely that Pakistan, out of desperation, would attempt to destabilise Afghanistan to facilitate a Taliban takeover. It is unlikely that Pakistan will take action against the Quetta Shura. It may try to influence the end game in Afghanistan in its favour. Pakistan is extremely unhappy about its political marginalisation and exclusion from the stalled talks between the US and the Taliban. An unstable Afghanistan would have several implications for Pakistan's internal security. However, the Pakistan Army's confidence that it would be able to control the situation in FATA, if there is a friendly government in Afghanistan, may be misplaced.

Democracy has, nevertheless, yielded certain dividends. Pakistan now boasts of a free media and has a number of TV channels that discuss political issues quite openly. The English language media has been a vocal critic of the government and has also openly expressed its opposition to any interference by the military. This has been possible due to the media explosion and partly because of the judicial activism exhibited by the Supreme Court. Though there are doubts about the impartiality of the courts pursuing political matters, nevertheless, the Supreme Court has remained an important player and guarantor of individual freedom. In spite of the alleged killing of journalists by state agencies, the media has displayed exemplary courage in exposing various political scandals and the nexus between the Army and the militants.

Pakistan's instability would affect the transition in Afghanistan. As it remains internally mired with economic problems, its enthusiasm to fight terrorism in FATA, be an effective ally in the stabilisation effort in Afghanistan, improve relations with India and stabilise Balochistan are far from being realised. The divergence of opinion between the civilian government and the military in Pakistan over their approach to the war on terror has led to a policy paralysis. The destabilisation of Afghanistan by Pakistan-based elements remains a reality. This will affect India's investment and presence in Afghanistan. It is likely that many of them would target Indian interests in Afghanistan and derail any rapprochement between the two countries. The same groups could also target India. The overall direction of India-Pakistan relations remains uncertain. What should be India's strategy in relation to Pakistan when it is showing increasing signs of instability?

Though there is a broader political consensus in Pakistan regarding its relations with India, the military's approach remains tentative. There is a perception in Pakistan that due to tensions between the US and Pakistan, the latter is showing an increasing interest in normalising its relationship with India. The statement by Pakistan Army Chief Ashfaq Parvez Kayani that the two countries need to demilitarise Siachen and make peace with each other was tactical at best, as Pakistan has not taken any steps to address the issue of terrorism against India. The question that now needs to be asked is: how would India-Pakistan relations shape up in the future, given Pakistan's interest in normalising its trade and commercial relationship with India through grant of MFN status, (though conferring such status is yet to materialise)? It is hoped that increased bilateral trade would open up new vistas of cooperation and, this would build and strengthen the constituencies of peace in both countries. For example, India's offer to supply 500 MW of power to Pakistan to meet its energy crisis has the potential to change mindsets. However, there still remain areas of concern. Pakistan is yet to take any conclusive action against the perpetrators of the Mumbai attack (26/11). Pakistan has not taken any action against Hafiz Saeed, the head of Jamaat ud Dawa/Lashkare-Taiba and mastermind of the Mumbai attacks, who is relentlessly spreading venom against India that adds to the spread of anti-Indian sentiments among the people.

The two countries signed a liberalised visa regime in September 2012. For the first time, group tourist and pilgrim visas are included in the new visa regime that has come into force. Pakistan is committed to complete the process of granting MFN status to India and is moving from trading in a positive list to a negative list. India has now also allowed foreign direct investment (FDI) from Pakistan. A high level business delegation consisting of top Indian industrialists visited Pakistan to explore business opportunities. However, the two countries continue to be suspicious of each other's intentions in Afghanistan. The inability to cooperate in Afghanistan is likely to affect the overall state of India-Pakistan bilateral relations in the coming days.

What should be India's strategy? India needs to continue to engage Pakistan at various levels. A multi-pronged approach would help India to optimise its Pakistan policy. While it is important to persuade Pakistan to act against the terrorism that is emanating from its soil and is directed against India, it also needs to make positive moves to provide further boost to people-to-people contact. It must explore all possible avenues for cooperation with Pakistan – being firm in some and soft in others. A sustained engagement with Pakistan is most likely to bear fruit. At this point of time there is a consensus among the major political parties to engage with India, and these parties have publicly spoken

about such a need. An ongoing dialogue would help in removing suspicions which, in the long run, would help India and Pakistan to appreciate each other's positions on different issues.

The following broad conclusion can be deduced from the study:

- Political instability would remain endemic.
 Political polarisation is likely to worsen. Hopes of economic recovery would remain dim.
 Major political transformation is unlikely.
- Creation of new provinces is unlikely to address the issue of political marginalisation.
 It may worsen the ethnic situation in Pakistan.
- Violence in Balochistan would continue.
 The Pakistan Army would remain the main architect of Pakistan's Balochistan policy. This will not facilitate a political solution.
- FATA would continue to threaten the internal security situation. Armed groups and tribal lashkars would further militarise the situation in FATA. The TTP will remain a major threat to peace in FATA.
- The persecution of minorities is likely to continue. Minorities will continue to migrate to India and are likely to overstay their visa permits.
- The Army would continue to hold sway in domestic politics. It is likely that they would use the political polarisation to strengthen themselves.
- The judiciary would remain relevant in domestic politics. However, it is unlikely

that this activism would continue after the completion of the tenure of Iftikhar M Chaudhry, who was restored to his position as Chief Justice of Pakistan through a popular movement. Moreover, the people of Pakistan are beginning to get disillusioned with judicial activism, especially when it engaged in a tussle with the executive over writing a letter to the Swiss authorities that resulted in the sacking of an elected prime minister.

- Given the rivalry between the political parties and lack of political consensus, the Army would continue to remain the main arbiter in Pakistani politics.
- The economic situation would remain precarious and external support for its economy is unlikely.
- Pakistan's relations with the US would remain tense.
- Unless Pakistan changes tack and behaves responsibly, it is likely that it may get marginalised in Afghan affairs. At the moment, Pakistan seems to be working against international efforts to bring peace and stability to Afghanistan. Given the terror infrastructure that is intact in the tribal areas, Pakistan will remain a major player in Afghan affairs and could use this to influence to monopolise the political outcome in Afghanistan.
- In spite of changes in the atmospherics, India-Pakistan relations would remain hostage to Pakistan military's approach to the issue of terrorism, which it has used as an instrument of policy with regard to India.

It has been two years since the earlier report by IDSA titled Whither Pakistan? Growing Instability and Implications for India was published. The developments in Pakistan have largely followed the trends captured in this report. The political, economic and security situations in Pakistan have worsened and the threat of radicalisation has become acute. The political situation holds no promise of the consolidation of the democratic process. The Army's ability to ensure internal peace is doubtful, even if it has retained its

predominant place in Pakistani power structure. The possibility of the radicalisation of the Army, or at least a section of the Army, remains quite strong. In view of the above, the worsening economic and security situation may have a devastating impact on the integrity of the state. The study identifies these broad trends and alerts analysts and policy-makers regarding the implications an unstable Pakistan, under the influence of radical elements, may have for India and other countries in the region.

Appendices

English Language Press

The Dawn

It is the first newspaper published in Pakistan and the most widely circulated English language daily newspaper. It is the flagship publication of the Dawn Group of Newspapers published by Pakistan Herald Publications (Pvt.) Limited (PHPL). It was founded on 26 October 1941 by Mohammad Ali Jinnah as the official mouthpiece for the Muslim League in Delhi. It was originally a weekly publication, but became a daily newspaper in October 1942 under its first editor, Pothan Joseph. In 1944, Altaf Husain took over as the editor and brought nationwide awareness of its daily circulation. It is headquartered in Karachi and has offices in Lahore and Islamabad. It has a weekday circulation of over 138,000 and a total readership base of 759,000. The Internet edition of the newspaper is accessed by an average of 75,000 visitors daily. Nearly 88 per cent of these visitors are male. Around 28 per cent of visitors are in the age group of 18-25 years, 47 per cent between 25-35 years and 16 per cent in 35-50 years. In terms of educational qualifications of visitors, 13 per cent have below university-level education, 37 per cent have university degrees, 15 per cent are MBAs or equivalent and 35

per cent have other postgraduate qualification. Professionally, 19.6 per cent are students, 14 per cent belong to the IT industry, 18.5 per cent are engineers, 10 per cent are in business, and 8 per cent are doctors. In terms of nationality of visitors, 12 per cent live in Pakistan, 47 per cent in USA, 10 per cent in the UK, 12 per cent in Canada and 10 per cent in UAE. The CEO of the group is Hameed Haroon, the publisher of *Dawn* is Khawaja Kaleem Ahmed and the current editor is Zaffar Abbas. Its official website is www.dawn.com.

The Daily Times

It is an English language daily newspaper that was launched on 9 April 2002. The paper was owned by the late Governor of Punjab and Pakistan Peoples Party stalwart Salmaan Taseer. Now, it is owned by Media Times Ltd. and is simultaneously published from Lahore, Islamabad and Karachi. The publisher of the newspaper is Shehryar Taseer and its editor since November 2009 is Rashed Rahman, who has previously worked as Executive Editor for English dailies *The Post* and *The Nation*. It is recognised as a newspaper that advocates liberal and secular ideas. Its official website is www.dailytimes.com.pk

The Nation

It is Lahore-based English language daily newspaper, published by Majid Nizami and edited by Saleem Bukhari. Its roots are traced back to 1940 when Nawa-i-Waqt was founded by Hamid Nizami. However, the English paper was launched in 1986 by Arif Nizami, who was later succeeded by his uncle and the editor-in-chief-cum-publisher of the Waqt Media Group, Majid Nizami. Shireen Mazari has also been the editor of the daily. With five editions published daily from Karachi, Islamabad and Multan, it is the market leader in Punjab and Islamabad, and has established a strong presence in Karachi since its inception in 2000. It is the most quoted Pakistani newspaper internationally. It is read by not only those who make decisions, formulate policy, shape opinions or are in leadership roles but also by youngsters who will be the future leaders. Its official website is www.nation.com.pk

The Express Tribune

It is the first internationally affiliated daily newspaper in Pakistan as it partners with The International Herald Tribune, the global edition of The New York Times. It was founded on 12 April 2010 under the banner of Century Publications Private Limited, owned by The Lakson Group of companies. It is headquartered in Karachi, with offices in Islamabad and Lahore. Its political alignment is centre-left liberalism and its readership is generally on the mainstream left of Pakistani political and social opinion. It caters to the modern face of Pakistan by defending liberal values and egalitarian traditions. The newspaper covers a variety of topics ranging from politics to the economy, foreign policy to investment and sports to culture. The publisher is Bilal Ali Lakhani, the

editor is Kamal Siddiqi (previously associated with *The News*) and its managing editor is Muhammad Ziauddin (previously associated with *Dawn*). Its official website is www.tribune.com.pk

The News International

It is the second largest English language newspaper with a circulation of 140,000 and is published from Karachi, Lahore and Islamabad.

Urdu Dailies

Jang is the top daily newspaper with a circulation of 850,000. Nawa-e-Waqt holds second place with 500,000, followed by Pakistan (279,000), Khabrain (232,000), The News (120,000), Dawn (109,000), and Business Recorder (22,000).¹ Political parties own two major newspapers: the Jasarat, controlled by the conservative Jannat-e-Islami, and Mussawat, controlled by the Pakistan People's Party.

Lahore-based *Nawa-e-Waqt* Urdu daily with a circulation of around 1,25,000 copies takes a clear hard-line approach against India, presents the government's "soft" policy towards Kashmir and remains vocal against establishing ties with India, to which it refers with synonyms as "Hindu Baniya", "Moozi sanp" (poisonous snake), and "Azli Dushman" (eternal enemy) in editorials. The daily takes hard-line stance against US as well, whom it considers the root cause of all ills facing Pakistan and the Muslim world. Interestingly, it started in 1940 with a pro-American and anti-Soviet stance. But it has changed course with

The Jang Urdu daily, headquartered in Karachi, was established in 1939. It has multiple editions in all the four provinces of Pakistan. According to estimates of the All-Pakistani Newspaper Society (APNS), it has emerged as the largest circulated daily with a circulation of 850,000 copies. It espouses a liberal view vis-à-vis India and advocates for deepening economic interdependence through its editorials. It has tied up with India's Times of India group for creating a congenial atmosphere for peace through the "Aman Ki Asha" (desire for peace) campaign. However, as regards India's involvement in Afghanistan, it has been expressing similar anxieties which have been expressed by its "hawkish" counterparts.

Express Urdu Daily is relatively new on Pakistani media scene and was established in 1998. It is published by Century Publication. It has multiple editions in various cities in Pakistan. It also espouses liberal views and has been an advocate of better India-Pakistan relations and has welcomed growing trade ties between the two countries.

the passage of time and caters to conservative thoughts.

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 television, circulation, stations, papers, number, print,
 freedom, at http://www.pressreference.com/No-Sa/Pakistan.
 html#ixzz262WT9cRE

Khabrein Urdu daily is published by Liberty Papers Limited since 2000. It is headquartered in Lahore but brings out simultaneous editions from almost all provinces of Pakistan. It claims that it has a circulation of 232,000 per day. Like Nawa-e-Waqt, it also espouses anti-India sentiments but of late it has tweaked its position and has been advocating for greater trade relations with India with a rider attached that the Kashmir issue be addressed simultaneously through talks.

Mashriq is a Peshawar-based Urdu daily and gives extensive coverage to developments in Khyber Pakhtoonkhwa. It has been advocating better relations with India and has welcomed greater economic ties with India in its editorials. It also espouses liberal views on the issue of national importance to Pakistan.

Ausaf Urdu daily is yet another right leaning media group and was established in 1997. It is headquartered in Islamabad and publishes simultaneous editions from Lahore, Multan and Muzaffarabad (POK). This is the only daily which brings out editions from Frankfurt and London to cater the needs of Urdu-speaking overseas Pakistanis. The daily gives extensive coverage to the Kashmir issue and developments taking place in the region. Like Nawa-e-Waqt, it also takes a hawkish line on Kashmir and editorialises the Kashmir issue at regular intervals. However, unlike Nawa-e-Waqt, which is opposed to developing ties with India, Ausaf has been taking position that relations with India should be developed on an "equal footing".

Ummat is a Sindh-based Urdu daily. It publishes simultaneous editions from Hyderabad and Karachi and toes conservative lines. Within Pakistan, it is famous for publishing biased reports to cater to its conservative readers. It

takes extremely hard-line positions vis-à-vis India and has brought out a series of editorial against Pakistan's decision to promote ties with India.

Pakistan's Economic Outlook

Sushant Sareen

The Pakistani economy is in dire straits and without massive reform and restructuring (a very painful proposition, both economically as well as politically), the economy is unlikely to emerge out of the difficult state in which it finds itself. Over the last few years, growth has plummeted and has averaged around 2.5 per cent in the last three years, and in the current fiscal, the IMF has estimated a similar performance. Fiscal deficit has been consistently been above 6 per cent and in 2011-12 it was around 8.5 per cent, and in the current year it is expected to remain at the same level. Per capita income has been static (according to optimistic calculation) or has actually fallen given that population has been growing by 2.1 per cent, which is the highest in Asia; some estimates put the rate of growth of population at around 2.6 per cent p.a.).

Pakistan's public debt has skyrocketed in the last few years and has now crossed the Rs. 14 trillion mark. This includes a foreign debt of around \$65 billion. As a result, debt service payments take almost 45 per cent of the budget and this figure is only going to increase in the coming years. In 2011–12, debt servicing of about Rs. 1 trillion and total security expenditure of Rs. 850 billion (which

includes defence spending of Rs. 718 billion – defence expenditure of Rs. 495 billion, defence pensions which are paid out of the civilian budget of Rs. 73 billion, annual development plan of Rs. 110 billion, coalition support funds Rs. 50 billion and UN peacekeeping operations Rs. 20 billion) will consume almost the entire federal government revenue of around Rs. 1.9 trillion.

Adding to the problem is the extremely low tax-GDP ratio which is under 9 per cent (around 8.5 per cent). Raising taxes and broadening the tax base is easier said than done, both for economic and political reasons. The manufacturing sector is already over-taxed and there is very little buoyancy that can be expected from this sector. The two sectors which can cough up more taxes (this again is a somewhat controversial proposition) are agriculture and services (traders). Given that almost 97 per cent of farms are less than 12.5 acres, and only around 50,000 odd farm owners own more than 12.5 acres of land, the tax that can be earned from the agriculture sector is limited. What also prevents agriculture from being taxed is the fact that big landowners are also important politicians and are likely to block any measure to impose agriculture taxes. As far as the services sector is concerned, taxing the traders once again is likely to meet strong political resistance from parties like the PML-N and MQM, which depend on urban votes and are loath to any documentation of the economy which will allow the government to tax the traders. The example of the furore over the imposition of the Reformed Goods and Services Tax (a sort of VAT) bears out this point.

The other big problem facing the economy is high inflation. In fact, some economists say that Pakistan is in the throes of stagflation, i.e. low growth-high inflation. While the inflation rate has come down from around 25 per cent in 2008-09 to around 8.5 per cent in 2011-12, rising food prices have impoverished many people - the poverty rate is estimated at being between 33 and 40 per cent. Food inflation, according to the Pakistan Economic Survey of 2012, is 11.1 per cent and non-food inflation is 10.7 percent. Food insecurity is affecting more than half the population. Even the fall in inflation rates is regarded by some economists as an outcome of some imaginative figure fudging, including the change in the base year for calculating inflation and changing the weights attached to some items. Public debt as a percentage of GDP stood at 58.2 per cent at the end of March 2012.

The growth of the economy is also being severely impaired by the crippling gas and power shortages and high energy prices that are not just affecting industrial growth and but also the economic viability of industry. According to some estimates, thousands of small and medium textile units have shut down because of loadshedding, rendering thousands of people unemployed. Power shortage has at times touched 50 per cent (or 8,000 MW) of demand (around 16,000 MW), leading to 20-hour-long outages. Part of the

problem is the energy mix in which expensive gas and fuel oil-based power plants generate nearly 70 per cent and hydel power only around 30 per cent. Despite power tariffs being constantly revised upwards, they have fallen short of the cost of power thereby forcing the government to subsidise power. Power subsidies have led to the creation of the circular debt crisis (total outstanding crossing the Rs. 40,000 crore mark before the government issued bonds to bring down this figure).

Along with power crunch, a huge gas shortage has started manifesting itself. According to one estimate, Pakistan is already facing a gas shortage of around 33 per cent — it needs around 6 bcf while the supply is around 4 bcf. Plans to import gas from Iran and Turkmenistan are on the drawing board but there isn't much optimism of these projects ever seeing light of day in the near future, the former because international sanctions will make funding of the Iran pipeline impossible, and the latter because unless Afghanistan stabilises, there is little or no chance of the pipeline coming up. What is more important is Pakistan will have to find the money to pay for the gas off-take. Until recently, Pakistan was more or less self sufficient in gas production and hence could under-price it for home consumption. But now it will have to pay in foreign exchange at international prices. There are some plans to build new mega hydropower plants, most of them in POK, namely Diamer-Bhasha, Neelum-Jhelum and Kohala, but once again there are questions about where the funding will come from.

Alongside the general downturn in the economy, there is also the problem of the public sector. Behemoths like Pakistan International Airlines, Pakistan Railways and Pakistan Steel Mills are on the verge of economic collapse. All

three undertakings are making huge losses and the Pakistan Railways and Pakistan Steel Mill are practically in their death throes. These undertakings require massive infusion of funds which the bankrupt government simply does not have. The dismal economic climate has been made worse by the fact that there is no worthwhile investment taking place. The rate of investment has fallen to around 13 per cent. Foreign investment has all but dried up. Foreign Direct Investment stood at \$666.8 million during July-April 2011-12 as against \$1,292.9 million last year. Domestic savings have also plummeted. The saving-investment gap has been compounded by the dismal current account situation. With Pakistan starting to pay off its loans, an impending Balance of Payments crisis is staring the country in the face. Its foreign exchange reserves stands at US\$ 13 billion at the end of November 2012.

Foreign exchange reserves with the State Bank of Pakistan have fallen below the \$9 billion mark and with Pakistan having to repay the next few instalments of the International Monetary Fund (IMF) loan in 2013, economists are certain that sooner rather than later Pakistan will once again have to go to the IMF for another bailout. Only this time the conditionalities are likely to be frontloaded, which will not only be difficult for any political government to implement, as it will also impose more burden on an already economically distressed populace. What is more, the balance of payments crisis is already started having an impact on the Pakistani rupee which is now trading at Rs, 97–98 to a dollar (US) and is likely to breach the Rs. 100 mark in the next few months. The only silver lining is that remittances remain robust and are expected to touch the \$15bn mark this fiscal.

Such a situation necessitates having a re-look at the tax structure to increase revenues. An international bailout programme will impose restructuring of the economy. The deteriorating law and order situation has seen a flight of capital from Pakistan. Coupled with this, misgovernance, corruption and growing violence in the economic hub of Pakistan does not provide comfort to investors. Unemployment remains yet another major issue. Agriculture continues to dominate the employment scenario with 45 per cent share in the job market. There is a need to expand gainful employment of people in other sectors in order to attain economic stability.

Economic Data

Pakistan's Debt and Liabilities, Summary (Provisional, in billion Rs.)

	FY10 ^R	FY11 ^R	FY12 ^R	Q1 FY12	Q1 FY13
I. Government Domestic Debt	4,650.8	6,012.2	7,638.3	6,219.8	8,120.1
II. Government External Debt	3,667.1	3,987.7	4,364.5	4,057.7	4,444.9
III. Debt from IMF	690.3	768.7	694.3	758.6	664.5
IV. External Liabilities*	220.9	222.1	227.3	222.7	230.2
V. Private Sector External Debt	386.2	470.4	600.6	511.0	598.0
VI. PSEs External Debt ^{\$}	131.2	116.6	144.2	125.3	150.4
VII. PSEs Domestic Debt	375.0	411.5	281.1	436.8	296.7
VIII. Commodity Operations**	414.6	399.5	438.1	396.7	447.1
IX. Inter-company Debt	166.1	141.2	198.7	142.6	196.1
A. Total Debt and Liabilities (sum I to IX)	10,702.2	12,530.0	14,587.0	12,871.3	15,148.1
B. Total Public Debt (sum I to IV)	9,229.1	10,990.7	12,924.3	11,258.9	13,459.7
C. Total External Debt & Liabilities (sum II to VI+IX)	5,261.7	5,706.8	6,229.6	5,818.0	6,284.1
D. Commodity Operation and PSEs Debt (sum VI to VIII)	920.8	927.6	863.4	958.8	894.3
Guaranteed Debt & Liabilities	428.2	406.7	459.5	413.0	468.0
Non-guaranteed Debt & Liabilities	492.6	520.9	403.9	545.8	426.3
As per cent of GDP					
Total Debt and Liabilities	72.3	69.5	70.6	62.3	68.4
Total Public Debt	62.3	60.9	62.6	54.5	60.8
Total External Debt & Liabilities	35.5	31.6	30.2	28.2	28.4
PSEs Debt & Liabilities	6.2	5.1	4.2	4.6	4.0
Guaranteed Debt & Liabilities	2.9	2.3	2.2	2.0	2.1
Non-guaranteed Debt & Liabilities	3.3	2.9	2.0	2.6	1.9
Government Domestic Debt	31.4	33.3	37.0	30.1	36.7
Memorandum Items	FY10	FY11	FY12		Average [#]
GDP (mp)	14,803.7	18,032.9	20,653.9		22,154.4
* Includes Allocation of SDR	124.9	136.0	141.9	135.1	144.6

Pakistan on the Edge

** Includes borrowings from banks by provincial governments and PSEs for commodity operations.

Average of Planning Commission, Government of Pakistan GDP(mp) Target for FY13 and PBS (Base

FY00) GDP(mp) FY12 has been used to calculate Debt/GDP ratio for July 2012 onward.

\$ Corresponds to Item B of Outstanding Pakistan's External Debt and Liabilities Stock at:

http://www.sbp.org.pk/ecodata/pakdebt.pdf which excludes debt of public sector banks.

P: Provisional, R: Revised

Notes:

1. Debt and Liabilities show end-period outstanding positions.

2. For conversion into Pakistan rupee from US dollar, last day average exchange rates prepared by

Domestic Markets & Monetary Management Department have been used for stocks and during-the-

period average exchange rates for debt servicing.

3. SBP has enhanced coverage & quality of external debt statistics. Therefore as on 31 March 2012,

the impact is the rise of external debt by US\$ 5.5 billion, which is almost completely in the non-official

sectors. For revision study see link: http://www.sbp.org.pk/ecodata/Revision-EDS.pdf

Source: State Bank of Pakistan at http://www.sbp.org.pk/ecodata/summary.xls

Summary of Net Inflow of Foreign Investment in Pakistan (in million US\$)

						December	er	July-December	mber	Change over July-December FY12	December FY12
	FY08	FY09	FY10	FY11	FY12	FY12	FY13 ^(P)	FY12	FY13 ^(P)	Absolute	%age
Foreign Private Investment	5,454.4	3,209.5	2,738.7	1,999.3	7.097	83.0	236.9	421.3	690.5	269.2	63.9
Direct Investment	5,410.2	3,719.9	2,150.8	1,634.7	820.7	111.8	254.0	531.1	562.8	31.6	0.9
Inflow	5,645.3	4,479.4	3,184.3	2,269.6	2,099.0	209.7	318.0	1,145.3	1,110.7	(34.7)	(3.0)
Outflow of which Privalisation Proceeds	235.1	759.5	1,033.5	634.8	1,278.3	97.9	64.0	614.2	547.9	(66.3)	(10.8)
Portfolio Investment	44.3	(510.4)	6.785	364.6	(0.09)	(28.8)	(17.1)	(109.8)	127.8	237.6	216.4
Equity Securities	19.3	(409.8)	6.009	364.6	(0.09)	(28.8)	(17.1)	(109.8)	127.8	237.6	216.4
of which GDRs of MCB Bank GDRs of UBL Bank GDRs of Lucky Cem	90.5 106.5										
Debt Securities	25.0	(100.6)	(13.0)								
Convertible Bonds of Pace Pakista TFCs of PIMCL International bonds of PIMCL	25.0	(100.6)	(13.0)								
Foreign Public Investment	20.8	(544.1)	(652.4)	(20.13)	(52.24)	(0.3)	0.2	(52.7)	(6.4)	46.2	87.8
Portfolio Investment	20.8	(544.1)	(652.4)	(20.13)	(52.24)	(0.3)	0.2	(52.7)	(6.4)	46.2	87.8
Equity Securities of which GDRs of OGDC Debt Securities *	20.8	(544.1)	(652.4)	(20.13)	(52.2)	(0.3)	0.2	(52.7)	(6.4)	46.2	87.8
Total	5,475.2	2,665.4	2,086.3	1,979.2	708.4	82.7	237.1	368.7	684.1	315.4	85.6

Source: State Bank of Pakistan.
(P): Provisional

Net sale/Purchase of Special US\$ bonds, Eurobonds, FEBC, DBC, Tbilts and PIBs

¹⁵¹

Foreign Direct Investment In Pakistan by Sector (in million US\$)

Food Inflow Outflow Net FDI Inflow Outflow Net FDI Inflow PDI PD	ŷ	ACTORS		October FY13 ^(P)	(a)	July-	July-October FY13 ^(P)	3(P)	Jul	July-October FY12	12
Food 1.2 - 1.2 - 4.7 - 4.7 Food Packaging - - - - - - Beverages - - - - - - Tobacco & Cigarettes - - - - - - Bagar - - - - - - - Textiles 1.9 0.2 -	i,	NO. 755	Inflow	Outflow	Net FDI	Inflow	Outflow	Net	MoljuI	Outflow	Net FDI
Food Packaging -	1	Food	1.2	1	1.2	4.7		4.7	10.2	0.2	10.0
Beverages -	2	Food Packaging		1	1			1	8.0	1	8.0
Tobacco & Cigarettes - - 0.1 - 0.1 Sugar - - - - - - Paper & Pulp - 0.0 - 0.0 0.2 - 0.0 Rubber & Leather Products 0.0 - 0.0 0.2 - 0.2 Rubber & Rubber Products 0.0 - 0.0 0.2 - 0.2 Chemicals 2.1 - - 1.4 - 1.4 Chemicals 1.0 - 0.0 0.2 - 0.2 Petroleum Refining 0.1 - 1.0 1.6 - 1.6 Minning & Quarrying 0.1 - 0.1 0.8 6.6 -5.7 Minning & Casa Explorations 20.3 1.36.6 2.0 1.3 - - Of which Privatication proceeds - - - - - 1.0 Cosmetics - - - - <th>3</th> <td>Beverages</td> <td></td> <td>1</td> <td>1</td> <td></td> <td></td> <td>1</td> <td>35.0</td> <td>2.4</td> <td>32.6</td>	3	Beverages		1	1			1	35.0	2.4	32.6
Sugar - 0.0 - 0.0 - 0.0 - 0.0 - 0.0 - 0.0 - 0.0 - 0.0 0.0 - 0.0 0.0 - 0.0 </td <th>4</th> <td>-</td> <td></td> <td>1</td> <td>1</td> <td>0.1</td> <td></td> <td>0.1</td> <td>1.4</td> <td>2.4</td> <td>- 1.1</td>	4	-		1	1	0.1		0.1	1.4	2.4	- 1.1
Textiles 1.9 0.2 1.7 5.1 0.5 4.6 Paper & Pulp 0.0 - 0.0 - 0.0 Rubber & Leather Products 0.0 - 0.0 - 0.2 Rubber & Rubber Products 0.0 - 0.0 0.2 - 0.2 Chemicals 2.1 - - 1.4 - 1.4 Chemicals 2.1 - - 1.4 - 1.4 Petro Chemicals 1.0 - 1.0 1.6 - 1.6 Minning & Quarrying 0.1 - 0.1 0.8 6.6 -5.7 Minning & Quarrying 0.1 - 0.1 0.8 6.6 -5.7 Minning & Casa Explorations 0.2 - 0.1 0.8 6.6 -5.7 Of which Privatisation proceeds - - - 0.2 4.3 - - Cosmetics - - - -	rv	Sugar		1	ı		1	ı	0.2	1	0.2
Paper & Pulp 0.0 - 0.0 0.2 - 0.0 Leather & Leather Products 0.0 - 0.0 0.2 - 0.0 Rubber & Rubber Products 0.0 - 1.4 - 1.4 Chemicals 2.1 - - 1.4 - 1.4 Petroleum Refinings 1.0 - 1.0 - 1.0 - 1.6 Minning & Charrying 0.1 - 0.1 0.1 0.1 0.6 - 1.0 Minning & Charrying 0.1 - 0.1 0.1 0.0 0.0 1.0 1.0 Oil & Gas Explorations 20.3 - 0.0 0.0 0.0 1.0 0.0 1.0 0.0 1.0 0.0	9	Textiles	1.9	0.2	1.7	5.1	0.5	4.6	11.9	0.5	11.4
Leather & Leather Products 0.0 - 0.0 0.2 - 0.0 Rubber & Rubber Products - - - 1.4 - 1.4 Chemicals - - - - 1.4 - 1.4 Petro Chemicals 2.1 - - - 1.4 - 1.4 Petro Chemicals 1.0 - 1.0 - 1.0 - 1.6 - 1.6 Minning & Quarrying 0.1 - 0.1 0.8 6.6 -5.7 1.0	7	Paper & Pulp	0.0	1	0.0	0.2	1	0.2		1	1
Rubber & Rubber Products - - 1.4 - 1.4 Chemicals 2.1 - 1.0 - 1.4 - 1.4 Petro Chemicals 2.1 - 1.0 - 1.0 - 1.6 Petro Chemicals 0.1 - 1.0 - 1.0 - 1.0 Minning & Quarrying 0.1 - - 1.0 - 1.0 - 1.0 Oil & Cas Explorations 20.3 - 20.3 136.6 2.0 134.6 Of which Privatisation proceeds -	8	Leather & Leather Products	0.0	1	0.0	0.2		0.2	3.7		3.7
Chemicals 2.1 - 2.1 5.1 0.4 4.7 Petro Chemicals 1.0 - 1.0 1.6 - 1.6 Petroleum Refining 0.1 - 0.1 0.8 6.6 -5.7 Minning & Quarrying 0.1 - - 1.0 - 1.0 Oil & Gas Explorations 20.3 - - 1.0 - 1.0 Oil & Gas Explorations 20.3 - - - 1.0 - 1.0 Pharmaceuticals & OTC Products 0.2 - - - - - - - Cosmetics 0.1 - 0.1 0.1 0.1 - <th>6</th> <td>Rubber & Rubber Products</td> <td></td> <td>1</td> <td>ı</td> <td>1.4</td> <td>1</td> <td>1.4</td> <td>8.0</td> <td>1</td> <td>8.0</td>	6	Rubber & Rubber Products		1	ı	1.4	1	1.4	8.0	1	8.0
Petro Chemicals 1.0 - 1.0 1.6 - 1.6 Petroleum Refining 0.1 - 0.1 0.8 6.6 -5.7 Minning & Quarrying 0.1 - - 1.0 - 1.0 Oil & Gas Explorations 20.3 - - 1.0 - 1.0 Off which Privatisation proceeds 0.2 - - - - 1.0 Pharmaceuticals & OTC Products 0.2 - 0.2 4.3 - - Cosmetics - - - - - - - Cenent 0.0 0.1 0.1 0.1 - 0.0 - 0.0 Cenamics - - 0.0 0.0 - 0.0 - 0.0 Metal Products - - - - 0.3 - - - Machinery other than Electrical Machinery 0.4 - 0.4 1.0 -<	10	Chemicals	2.1	1	2.1	5.1	0.4	4.7	37.0	8.6	27.2
Petroleum Refining 0.1 - 0.1 0.8 6.6 -5.7 Minning & Quarrying - - - 1.0 - 1.0 Oil & Cas Explorations 20.3 - - - 1.0 - 1.0 Of which Privatisation proceeds -	11	Petro Chemicals	1.0	1	1.0	1.6	1	1.6	0.2	1.9	- 1.6
Minning & Quarrying - - - 1.0 - 1.0 Oil & Gas Explorations 20.3 - 20.3 136.6 2.0 134.6 Of which Privatisation proceeds - - - - - - Pharmaceuticals & OTC Products 0.2 - 0.2 4.3 - 4.3 Cosmetics - - - - - 4.3 Cometics - - - - - - - Cement - 0.0 - 0.0 - 0.0 - 0.0 Ceramics - - - - - - - - - - - 0.0 - 0.0 - 0.0 -	12	-	0.1	1	0.1	8.0	9.9	- 5.7	6.7	6.4	3.3
Oil & Gas Explorations 20.3 - 20.3 136.6 2.0 134.6 Of which Privatisation proceeds - - - - - - Pharmaceuticals & OTC Products 0.2 - 0.2 4.3 - 4.3 Cosmetics - - - - - - - Fertilizers 0.1 - 0.1 0.1 - 0.1 - - Cement Cement - 0.0 0.0 - 0.0 - 0.0 Ceramics - - - - - - - - Metal Products - - - - 0.3 - 0.3 Machinery other than Electrical 0.4 - 0.4 1.3 - 1.3 Electrical Machinery 12.4 - 12.4 15.9 0.5 15.4	13	Minning & Quarrying		1	ı	1.0		1.0	3.6	1	3.6
Of which Privatisation proceeds - <t< td=""><th>14</th><td>Oil & Gas Explorations</td><td>20.3</td><td>1</td><td>20.3</td><td>136.6</td><td>2.0</td><td>134.6</td><td>223.0</td><td>0.7</td><td>222.4</td></t<>	14	Oil & Gas Explorations	20.3	1	20.3	136.6	2.0	134.6	223.0	0.7	222.4
Pharmaceuticals & OTC Products 0.2 - 4.3 - 4.3 Cosmetics - - - - - - Fertilizers 0.1 - 0.1 - 0.1 Cement 0.0 - 0.0 - 0.0 Ceramics - - - 0.0 Basic Metals - - 0.3 - 0.3 Metal Products - - 1.0 - 1.0 Machinery other than Electrical 0.4 1.3 - 1.3 Electrical Machinery 12.4 15.9 0.5 15.4		Of which Privatisation proceeds		1	ı		1	ı		ı	ı
Cosmetics - 0.0 - 0.0 <	15		0.2	1	0.2	4.3	1	4.3	2.9	2.1	8.0
Fertilizers 0.1 - 0.1 - 0.1 - 0.1 Cement 0.0 - 0.0 - 0.0 - 0.0 Ceramics - - - - - - - Basic Metals - - 0.3 - 0.3 - 0.3 Metal Products - - 1.0 - 1.0 Machinery other than Electrical 0.4 1.3 - 1.3 Electrical Machinery 12.4 - 12.4 15.9 0.5 15.4	16			1	ı		1	ı	0.0	ı	0.0
Cement 0.0 - 0.0 - 0.0 - 0.0 Ceramics - - - - - - - Basic Metals - - 0.3 - 0.3 - 0.3 Metal Products - - 1.0 - 1.0 - 1.0 Machinery other than Electrical 0.4 - 0.4 1.3 - 1.3 Electrical Machinery 12.4 - 12.4 15.9 0.5 15.4	17	Fertilizers	0.1	1	0.1	0.1	1	0.1	0.2	1	0.2
Ceramics - - - - - - - - - - - - - - 0.3 - 0.3 - 0.3 - 0.3 - 0.3 - 0.3 - 0.3 - 0.3 - 0.3 - 0.3 - 1.0 - 1.0 - 1.0 - 1.0 - 1.0 - 1.0 - 1.0 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - - 1.3 - 1.3 - 1.3 - 1.3 - - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3 - 1.3	18	Cement	0.0	1	0.0	0.0	1	0.0	8.0	4.4	- 3.6
Basic Metals - - - 0.3 - 0.3 Metal Products - - 1.0 - 1.0 Machinery other than Electrical 0.4 - 0.4 1.3 - 1.3 Electrical Machinery 12.4 - 12.4 15.9 0.5 15.4	19	_		1	ı		1	ı	0.1	0.0	0.1
Metal Products - - - 1.0 - 1.0 Machinery other than Electrical Machinery 0.4 - 0.4 1.3 - 1.3 Electrical Machinery 12.4 - 12.4 15.9 0.5 15.4	20	Basic Metals			ı	0.3		0.3		ı	ı
Machinery other than Electrical 0.4 - 0.4 1.3 - 1.3 Electrical Machinery 12.4 - 12.4 15.9 0.5 15.4	21	Metal Products			ı	1.0		1.0	1.1	ı	1.1
Electrical Machinery 12.4 - 12.4 15.9 0.5 15.4	22	Machinery other than Electrical	0.4		0.4	1.3		1.3	0.1	2.4	- 2.3
	23	\vdash	12.4	1	12.4	15.9	0.5	15.4	6.0	0.0	6.0

24	Electronics	<u>г</u>	1	<u>г</u>	63		9.3	12.3	8.0	6.5
	I) Consumer/Household	9.0	ı	9.0	7.0	1	7.0	6.2	5.8	0.4
	II) Industrial	6.0	1	6:0	2.2	1	2.2	6.1	1	6.1
25	Transport Equipment(Automobiles)	1	ı	ı	0.0	0.1	- 0.1	11.4	1.0	10.4
	I) Motorcycles		ı	ı		1	1		ı	1
	II) Cars		1	ı	0.0	0.1	- 0.1	7.9	6:0	7.1
	III) Buses, Trucks, Vans & Trail		1	ı	0.0	1	0.0	3.5	0.2	3.3
26	Power	9.0	4.5	- 3.9	5.6	8.8	- 3.2	72.9	111.9	- 39.0
	I) Thermal	9.0	4.5	- 3.9	5.2	8.8	- 3.6	6.69	111.9	- 42.0
	Of which Privatisation proceeds		1	1		1	1		1	1
	II) Hydel		ı	ı	0.4	1	0.4	3.1	0.0	3.1
	III) Coal		1	1	0.0	1	0.0		1	1
27	Construction	2.8	ı	2.8	15.3	8.0	14.6	35.9	3.1	32.9
28	Trade	14.5	1.2	13.3	22.5	4.5	18.0	19.5	8.7	10.8
29	Transport	60.4	ı	60.4	60.7	1	60.7	9.1	0.2	8.9
30	Tourism		1	ı		1	1		1	ı
31	Storage Facilities		1	1		1	1	0.1	1	0.1
32	Communications	5.2	5.0	0.2	91.8	186.3	- 94.5	89.4	185.8	- 96.3
	1) Telecommunications	3.6	5.0	- 1.4	81.9	184.2	102.3	73.4	185.5	- 112.1
	Of which Privatisation proceeds		ı	ı		1	1		ı	1
	2) Information Technology	1.6	ı	1.6	6.6	2.1	7.8	16.0	0.2	15.8
	I) Software Development	0.5	1	0.5	5.8	2.1	3.7	3.6	0.1	3.5
	II) Hardware Development		ı	ı	0.4	1	0.4	9.0	1	9.0
	III) I.T.Service	1.0	ı	1.0	3.8	,	3.8	11.8	0.1	11.7
	3) Postal & Courier Services		ı	ı			1		ı	ı
33	Financial Business	0.0	6.4	- 6.4	4.5	6.4	- 1.8	118.8	90.5	28.3
	Of which Privatisation proceeds		1	ı		1	1		1	ı
34	Social Services	1.0	ι	1.0	4.8	1	4.8	0.4	0.0	0.4
35	Personal Services	9.0	0.0	9.0	4.9	0.2	4.7	12.4	2.2	10.2
36	Others	60.7	44.3	16.4	239.3	177.2	62.1	40.7	1.7	39.0
TOTAL		187.1	61.7	125.4	638.5	394.1	244.4	766.6	444.0	322.7
TOTAL without Privatisation	Privatisation	187.1	61.7	125.4	638.5	394.1	244.4	2.992	444.0	322.7

Others include estimates of reinvested earnings for FY13. The data will be revised after sector-wise bifurcation in next month's dissemination.

Pakistan on the Edge

P: Provisional

Foreign Direct Investment Inflows/Outflows include cash received for investment in equity, Intercompany Loan and Capital Equipment brought in/out and reinvested earnings. New format adopted from July 2012.

'0' means amount less than US\$ 50,000

-' means NIL

Source: State Bank of Pakistan at http://www.sbp.org.pk/ecodata/Netinflow.xls

Liquid Foreign Exchange Reserves (Million US\$)

END PERIOD	NET RESERVES WITH	NET RESERVES WITH	TOTAL LIQUID
END PERIOD	SBP	BANKS	FX RESERVES
2004-05	9,804.7	2,792.9	12,597.6
2005-06	10,765.2	2,357.2	13,122.4
2006-07	13,345.4	2,301.8	15,647.2
2007-08	8,577.0	2,821.7	11,398.7
2008-09	9,117.9	3,307.3	12,425.2
2009-10	12,958.2	3,792.2	16,750.4
2010-11	14,783.6	3,460.2	18,243.8
	14015115115	1515104	
	MONTH-END	LEVELS*	
IIII V 11	14,775.7	3,519.1	18,294.8
JULY,11		, , , , , , , , , , , , , , , , , , , ,	_ , _ , _ ,
AUGUST,11	14,603.1	3,462.9 3.680.3	18,066.0
SEPTEMBER,11 OCTOBER, 11	13,651.0 13,322.3	3,680.3	17,331.3
NOVEMBER, 11	13,322.3	3,743.9	17,066.2 16,728.2
	12,911.1	4.150.9	_ , ,
DECEMBER, 11		-,	17,026.1
JANUARY, 12	12,471.2	4,372.1	16,843.3
FERUARY, 12	11,961.4	4,449.7	16,411.1
MARCH, 12	11,834.7	4,715.9	16,550.6
APRIL, 12	12,040.5	4,446.0	16,486.5
MAY,12	11,264.7	4,310.5	15,575.2
JUNE, 12	10,799.3	4,485.3	15,284.6
JULY, 12	10,153.9	4,455.3	14,609.2
AUGUST, 12	10,392.0	4,463.9	14,855.9
SEPTEMBER, 12	10,358.4	4,564.4	14,922.8
OCTOBER, 12	9,733.3	4,591.8	14,325.1
	WEEK-END	LEVELS*	
2-Nov-12	9,547.4	4,553.1	14,100.5
9-Nov-12	9,242.6	4,602.9	13,845.5
16-Nov-12	9,124.6	4,689.6	13,814.2
23-Nov-12	8,860.3	4,715.4	13,575.7

^{*} Provisional

Source: State Bank of Pakistan (http://www.sbp.org.pk/ecodata/forex.pdf)

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For the first time in the political history of Pakistan, an elected civilian government has completed its term of five years in office. This has generated hope, that Pakistan's transition to democracy this time, might be sustainable. Though the relations between Pakistan's important institutions were erratic – each competing and trying to encroach on the powers and functions of the other, the government managed to complete its term. The dates for elections have already been announced and Mir Hazar Khan Khosa, a retired judge has been appointed as the caretaker Prime Minister by the Election Commission. All the provinces of Pakistan now have caretaker governments. The political parties are engaged in intense negotiations to form new alliances and if necessary discard old alliance partners while preparing for the scheduled elections beginning on May 11. In the meanwhile General Musharraf, the former military dictator and president has returned to Pakistan in a Saudi brokered deal to contest the forthcoming elections. All these developments point to an interesting transition which will have major implications for Pakistan's experiment with democracy.

The present report entitled *Pakistan on the Edge* is an endeavour by the scholars associated with the Pakistan Project at IDSA to understand the dialectics and dynamics of Pakistan's domestic politics as it has unfolded over the last two years, especially since the last IDSA report on Pakistan published in June 2010.

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