



Pakistan in 2013

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2013 will be another important year for Pakistan. Federal and provincial elections will be held during the first half of the year. If, as seems increasingly likely, the Pakistan People's Party-led Government sees out its full term in office and hands over to a civilian successor, it will be the first time in Pakistan's history that this has happened. But the political and economic situation remains highly volatile and unpredictable. In addition, by the end of 2013 the coalition allies, led by the United States, are expected to have withdrawn more of their combat forces from neighbouring Afghanistan – with total withdrawal the following year. Pakistan's policies and actions will be pivotal in shaping the outcome there. Further, the run-up to elections in India in 2014 could affect the fragile peace efforts once again underway between these enduring rivals.

During 2013, the wider world will probably continue to view developments in Pakistan primarily through the prism of Islamist militancy and the actions taken (or not) to combat it by the Federal Government. This is understandable, but it is crucial not to oversimplify the country's politics by neglecting the many other factors which shape its trajectory. This paper seeks to create that wider lens on Pakistan. It begins by surveying the electoral landscape in Pakistan as 2013 draws near, before going on to assess the record in office of the Federal Government, led by the Pakistan People's Party, since 2008. The paper then looks at Pakistan's complex and often fraught relationships with other countries since 2008, focusing specifically on the US, India, Afghanistan, China, the UK and the EU. It also reviews development and humanitarian aid to Pakistan since 2008. The paper ends with a summary of recent expert views of Pakistan's 'possible futures'.

Jon Lunn
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Summary

2013 will be another important year for Pakistan. Federal and provincial elections are scheduled for the first half of the year – most likely in April or May. If, as seems increasingly likely, the Pakistan People's Party-led Government sees out its full term in office and hands over to a civilian successor, it will be the first time in Pakistan's history that this has happened. But the political and economic situation remains highly volatile and unpredictable. In addition, by the end of 2013 the coalition allies, led by the United States, are expected to have withdrawn more of their combat forces from neighbouring Afghanistan – with total withdrawal the following year. Pakistan's policies and actions will be pivotal in shaping the outcome there. Further, the run-up to elections in India in 2014 could affect the fragile peace efforts once again under way between these enduring rivals.

Following a turbulent transition from military to civilian rule, a government led by the Pakistan People's Party took office in February 2008. If the Government can survive through to the end of its term, it will be the first civilian government to have done so in Pakistan's history – a small miracle. Two parties pose the biggest threat to the PPP's re-election. The Pakistan Muslim League-Nawaz (PML-N), long the PPP's main civilian rival. It was briefly in coalition with the PPP but the two quickly fell out; it has governed in Punjab province since 2008. The other threat comes from Imran Khan's PTI (Movement for Justice), which has seen a dramatic rise in its popularity since 2011 after years in the wilderness. The PML-N has been in and out of power since its formation in the late 1980s and is a well-established player in Pakistan's political system. The PTI portrays itself as a party that will change that system. Nevertheless, their critiques of the PPP's performance in government are similar. In essence, both accuse it of weakness, incompetence and corruption. While the odds appear to be against another PPP victory in 2013, the party should not be underestimated. However, the PML-N does seem to have generated some momentum and the PTI looks likely to perform more strongly than in the past. The electoral situation is fluid and unpredictable and much will depend on which parties are able to work together in coalition once the results have come in.

What is the record of the PPP-led Government since 2008? It has some significant achievements to its name. For example, there has been genuine electoral reform, led by an unprecedentedly independent and credible Election Commission of Pakistan. There has been an effective voter registration programme. Some of these improvements to the electoral process flow from the 18th and 20th Amendments to the Constitution, which were passed in 2010 and 2012 respectively. The 18th Amendment is by far the most important act of constitutional and political reform undertaken since 2008. It involved major reductions in executive power and extensive devolution of roles and responsibilities to provincial governments, undoing many of the legacies of the Musharraf era.

The 18th Amendment complemented the 2009 seventh National Finance Commission Award, which significantly increased the share of federal resources available to Pakistan's four provincial governments. A particular beneficiary was Balochistan, which had long received a disproportionately small share, given the contribution it makes to the exchequer through its mineral resources. Some worry that this settlement may prove unsustainable, given that the central state is experiencing a deep fiscal crisis.

Others argue that the process of democratization and devolution has much further to go. For example, while there have been political reforms in the Federally Administered Tribal Areas and Gilgit-Baltistan (formerly called the Federally Administered National Areas) since 2008, both remain excluded from enjoyment of the rights and protections provided for in the Constitution and are still effectively governed from the centre and/or by the army. Nor has the new financial settlement so far stabilized Balochistan, where low-level insurgency has continued. A three-year 'Balochistan conciliation package' was introduced in 2009 by the civilian government, but Baloch nationalist leaders have called it inadequate and

implementation has been slow and incomplete. The security situation has further deteriorated since 2011 and the province was recently plunged into renewed political crisis.

Islamist militants have posed a major threat to the state at points over the last five years. Militant advances in 2008-09 eventually prompted a series of counter-offensives that weakened but did not destroy them. There have been many tensions between the military, the judiciary and the civilian government since 2008. The Government has managed to co-exist with the military but this has involved a tacit agreement that defence and security policy will remain predominantly under the control of the military. A proposed civilian-led National Counter-Terrorism Authority has so far been still-born.

The Supreme Court overthrew an amnesty introduced by former military ruler Pervez Musharraf in 2007 under which a Swiss corruption investigation against the present president, Asif Ali Zardari, was frozen. During 2012, one Prime Minister, Yousuf Raza Gilani, was forced to step down by the Court after he refused to write a letter asking the Swiss authorities to re-open investigations, arguing that the president enjoyed immunity while in office. His successor, Raja Pervez Ashraf, was also forced to go before the Court and for a while it looked like he might be disqualified from office too, perhaps triggering early elections. However, the Government and the Court eventually reached a compromise. The letter was written and it is now up to the Swiss authorities to decide whether to renew its investigation.

Over the past five years, the PPP-led Government has ratified a series of international human rights treaties and passed laws that potentially provide women with greater protection against gender-based violence. Until recently, there was a *de facto* moratorium on the death penalty. However, it has also faced ongoing criticism that is not doing enough to improve Pakistan's human rights record. The blasphemy laws remain in force and impunity remains the norm for those who carry out politically or religiously-motivated attacks. The criminal justice and prison system are in a parlous state. A series of military offensives against Islamist militants in 2009-10 took a heavy civilian toll.

When the PPP-led Government took office, it was faced with major economic challenges, many of them deep-rooted and long-established. Some question whether the Government has done enough to address those challenges. It has managed to reduce food and petroleum subsidies but it has failed to make progress on tax policy and administration. Pakistan remains reliant on official external assistance to avert fiscal crisis. Government spending since 2008 has been dominated by military expenditure and debt interest repayments. The main motif in economic policy is continuity with the past. In the sphere of development, while considerable progress has been made on a number of fronts, Pakistan is unlikely to meet the Millennium Development Goal on primary school enrolment, child mortality, maternal mortality, certain infectious diseases and water and sanitation.

Perhaps the most destructive event of the PPP-led Government's tenure in office were the 'once in a century' floods that hit the country in July 2010. The Government, state disaster management agencies and the army were heavily criticised in Pakistan and beyond for their slow response. There were further large-scale floods in the summers of 2011 and 2012, suggesting that they may become a regular feature in Pakistan. The Federal Government could pay an electoral price for real and perceived failures to deliver flood relief and support. However, the growing flood risk co-exists with poor water and land management; partly for these reasons, but also due to increased demand and more regular droughts, once abundant water supplies are becoming increasingly scarce. This scarcity is also affecting hydro-electric power supplies. Environmental crises could threaten the cohesion of the country if inadequately addressed, pitting the centre against the provinces – and, indeed, provinces against each other.

The civilian government has also faced challenges in its relationships with other countries since 2008 – above all, the US, Afghanistan and India. The US complains that Pakistan has failed to tackle Islamist militancy and has undermined coalition efforts in Afghanistan, due to its continued sponsorship of the Afghan Taliban. Relations with the US hit rock-bottom during 2011-12 following the unilateral killing of Osama bin Laden on Pakistani soil in May 2011 and a host of other disputes. Pakistan views the US as an unreliable ally. It also fears growing Indian influence in Afghanistan. There remains a strong streak of anti-Americanism in Pakistan, with US drone attacks in the border areas playing a powerful role in fuelling such negative sentiments. However flawed and ambivalent the US-Pakistan ‘strategic partnership’ is, it is doubtful that either country would want it to collapse completely. But this cannot be ruled out. For all that, the US remains by some margin the largest country aid donor to Pakistan.

Levels of mistrust between Pakistan and Afghanistan have remained high since 2008. Pakistan has not yet fully committed itself to bringing the Afghan Taliban, or parts of it, into political negotiations; Afghan president Hamid Karzai is viewed as weak and unlikely to survive long after the coalition allies leave. There were military clashes across the mutual border during the second half of 2012. The UK has been active in trying to reduce tensions. Over the last month or so, Pakistan has begun releasing senior Afghan Taliban figures in its custody that might play a part in future negotiations, leading some to hope that its role may be more constructive in future.

The relationship with India has ebbed and flowed since 2008. The ‘composite dialogue’ that began between the two countries in 2003 was dealt a heavy blow by the Mumbai terrorist attacks in November 2008, led by Lashkar-e-Taiba, and India’s conviction that Pakistan was failing to co-operate adequately in bringing those involved to justice. Following renewed mass protests in Indian Kashmir, Pakistan and India resumed talks in February 2011. However, while there has been good progress on economic, trade and people-to-people relations, there has been little or none on the main territorial dispute over Kashmir, not to mention those over the Siachen glacier and Sir Creek. There is a limit to how far the current ‘normalization’ agenda can go in the absence of a wider political breakthrough. With both countries approaching election-time, when powerful domestic constituencies opposed to compromise must be appeased, there seems little prospect of dramatic breakthroughs; indeed, the *rapprochement* could easily be thrown into reverse by another terrorist operation in India by a Pakistani armed militant group.

Over the past five years, the international community has not been particularly proactive or heavily engaged in efforts to construct a durable, stable peace between Pakistan and India. Both countries have been busy building up their nuclear weapon capabilities during that period. Pakistan reportedly doubled the amount of fissile material it possessed between 2007 and 2011. The Pakistani nuclear programme still has strong domestic support. Western concerns remain about the security of Pakistan’s nuclear installations.

Western leverage over Pakistan is still considerable, but it has been weakened, despite continuing major US financial support, by the growing role of China, a longstanding ally of Pakistan. China has continued to be a major arms supplier to the Pakistani military and supports Pakistan’s nuclear and wider energy programmes. It is now Pakistan’s leading trading partner. One of its state-owned firms is about to take over the running of Gwadar in Balochistan, a strategic deep-sea port. Pakistan’s ties with the UK are less fraught than those with the US. Aside from deep and extensive people-to-people links, the importance of Pakistan to the UK is underscored by the fact that development assistance to the country is expected to more than double between 2011 and 2015, making Pakistan the UK’s biggest aid recipient. The EU-Pakistan relationship has been significantly scaled up since 2008, but critics argue that it could and should be much stronger. Poor, fragile and insecure, Pakistan represents a daunting challenge to foreign donors.

Looking beyond 2013 to the medium- and longer-term, what are Pakistan's prospects? Three distinguished analysts of Pakistan have recently reflected on Pakistan's 'possible futures' in their published work. Stephen Cohen, writing for the Brookings Institution, argues that Pakistan is most likely to 'muddle through' over the coming five years or so. The current political and military establishments will remain in charge, but this may not be enough to avert eventual state failure. All the other scenarios he discusses are worse. Anatol Lieven of King's College, London, asserts that inertia and stasis is the most likely scenario as reform efforts founder. But state failure could happen quite suddenly as a result of environmental crisis or a US invasion that provokes a mutiny in the Punjabi-dominated army. Finally, Farzana Shaikh at Chatham House maintains that the biggest challenge faced by Pakistan in the past and in the future is not state failure but an underlying, unviable concept of nationhood that is rooted in Islam. However, she sees glimpses of a more viable, 'pluralistic' alternative that could yet stabilize the country and its relations with the world.

Map of Pakistan



Source: UN (Note – North West Frontier Province is now called Khyber-Pakhtunkhwa)

1 Elections 2013

1.1 Who will be voting and which representative bodies are involved?

Pakistan is a parliamentary republic. The voting age is 18 and the voting system in elections 2013 will be 'first past the post'. Voters in those parts of Pakistan where elections are being held (see below) will directly elect only their national and provincial representatives at constituency level.

Elections are scheduled during the first half of 2013 – most likely, April or May – for the National Assembly, which is the lower house of the federal parliament in Pakistan and the key legislative chamber. It currently has 342 seats. These seats are allocated to each of the country's four provinces, the Federally Administered Tribal Areas (FATA) and the Federal Capital Territory (FCT) on the basis of population, as set out in the 1998 census.¹ 60 seats in the National Assembly are reserved for women and 10 seats for non-Muslims. After the elections are over, the Prime Minister and President will then be elected by the members of the National Assembly.

Elections are also scheduled, again on the basis of a 'first past the post' system, for members of four unicameral provincial assemblies in Punjab, Sindh, Khyber-Pakhtunkhwa and Balochistan respectively. All of them also have reserved seats for women and non-Muslims. The Chief Minister of the province will formally be appointed by the federally-appointed Governor of the province, not by the provincial assembly, but the appointee will be the person who the assembly deems to have the confidence of a majority of its members.

However, there will be no elections for the upper house of the federal parliament, the 104-member Senate, in 2013. The role of the Senate is to promote national cohesion and harmony and to counteract the domination of any one province. Half the seats in the Senate come up for re-election every three years, with the most recent elections taking place in 2012 and the next due in 2015.

There will also be no elections in 2013 to the National Assembly in the regions of Gilgit-Baltistan and Azad Kashmir.² Neither is included in the territory of Pakistan under the Constitution, on the grounds that their status cannot be regularized because they are considered part of the protracted dispute with India over Kashmir. As a result, neither is represented in the National Assembly. In addition, there will be no provincial elections for the FCT, FATA, Gilgit-Baltistan and Azad Kashmir – although Gilgit-Baltistan and Azad Kashmir do have their own directly elected legislative assemblies operating to a different electoral cycle. Many consider that each of these areas remains effectively subject to direct federal rule.³

During the second half of 2012, there was growing debate about whether to hold local government elections at the same time as the federal and provincial polls. The previous electoral mandates of local councils have been allowed to expire without much of a political

¹ In 2011, a new census was due to be conducted, but it was postponed. As in many other countries, the census has been a politically sensitive process in Pakistan. Some have accused the present Government of delaying a new census for political advantage. See: M. Kugelman, "[Pakistan's demographic dilemma](#)", *Foreign Policy blog*, 11 June 2011 [Last accessed 29 November 2012, as were all subsequent hyperlinks unless otherwise stated]

² In 2009, the Federally Administered Northern Areas were renamed Gilgit-Baltistan. Azad (Free) Kashmir is that part of Kashmir which is administered by Pakistan.

³ See section 2.3 below for more details.

outcry. In the end, it was decided not to hold them simultaneously. They will be held afterwards at a time yet to be agreed.⁴

The number of Pakistanis registered to vote in elections in 2013 as at August 2012 was 84.4 million – this out of a population of 177 million.⁵ About half of those entitled to vote will be between 18 and 35 years old.⁶ Thumb-tracing technology will be used in order to prevent counterfeit voting. For a while it looked as if Pakistanis overseas would have a vote for the first time in the elections. The proposal was shelved for logistical reasons but the Supreme Court has said that they should be allowed to vote. However, as it currently stands, Pakistanis overseas will be able to vote only if they travel to Pakistan to do so. Neither registration nor voting is currently compulsory. Federal and provincial candidates are constitutionally prohibited from holding dual nationality.

The reservation of seats for women means that, at just over 16%, Pakistan has the highest percentage of women national and provincial parliamentarians amongst the countries of South Asia.⁷ However, as stated above, there is a major problem of relatively low female voter registration and turn-out in elections – and the rate of participation by women has actually declined significantly since the late 1980s.⁸ In the final electoral rolls for the forthcoming elections, men reportedly exceed women by almost 25%.⁹ Women are often prevented from registering to vote or voting by male family members, and, when allowed to do so, told how to vote.

1.2 The 2008 election results

The last national and provincial elections took place on 18 February 2008 and were the culmination of a turbulent transition from military to civilian rule. While they were generally considered to have been neither free nor fair, the elections produced a clear repudiation of military rule. The more strongly a political party had opposed the rule of General Pervez Musharraf since the army coup in 1999, the better it did in the elections. The electoral prospects of the Pakistan People's Party (PPP) were further strengthened by a surge of public sympathy following the assassination of its leader, Benazir Bhutto, in late December 2007.

The elections led to a coalition government headed by the two main 'anti-military' parties, the PPP and the Pakistan Muslim League-Nawaz (PML-N), at the federal level. At provincial level, several different parties came out on top and formed governments.

The coalition government did not last long after the elections, as traditional rivalries between the PPP and the PML-N resurfaced. In May 2008, the PML-N withdrew from the government, leading to the creation of a PPP-led Government that has remained in place – sometimes precariously – since then. Musharraf, who had hoped to stay on as a 'civilian president', eventually stood down in August 2008, and was replaced by Benazir's controversial widower, Asif Ali Zardari.

Below are two tables that set out the number of seats won by the main political parties in the National Assembly following the February 2008 elections and provide a list of the governments that subsequently emerged at the federal and provincial levels.

⁴ "LB polls after general elections: Siraj Durrani", *Pakistan*, 1 November 2012

⁵ "ECP unveils new and clean electoral lists", *Daily Times*, 2 August 2012

⁶ "Elections 2013: the youth factor", *Dawn*, 16 May 2012

⁷ Gulmina Ahmed, "Pakistani women in politics: swimming against the tide", *IFES slide show*, 2010; "Why are 10 million women missing from Pakistan's electoral rolls?", Asia Foundation, 4 April 2012

⁸ "The curious case of Pakistani women voters", *Dawn*, 3 April 2012

⁹ "Stage set for free, fair and transparent election", *Business Recorder*, 3 August 2012

Seats won in the 2008 National Assembly elections

Name of Party	Seats
Pakistan People's Party (PPP)	121
Pakistan Muslim League-Nawaz (PML-N)	91
Pakistan Muslim League – Qaumi (PML-Q)	54
Muttahida Qaumi Movement (MQM)	25
Awami National Party (ANP)	13
Muttahida Majlis e-Amal (MMA)/ Jamiat Ulema e-Islam (Fazlur Rehman) (JUI-F)	6
Independents	18
Others	8
Total	336

Governments formed following the 2008 elections¹

Federal Government	
a) February 2008- May 2008	PPP, PML-N
b) 2008 - present	PPP, PML-Q, ANP, JUI-F ²
Provincial governments	
Punjab	PML-N and other PML factions
Sindh	PPP, MQM
Khyber-Pakhtunkwa (formerly North West Frontier Province)	ANP, PPP
Balochistan	PPP, Like-Minded Group (ex-PML-Q), JUI-F

¹ This table features only the main parties involved in governments at the federal and provincial levels

² The MQM left the government in mid 2011

The PPP is currently the largest single party in the upper house of the federal parliament, the Senate, with 41 seats out of a total of 104. The Federal Government as a whole enjoys a comfortable majority. The PML-N is the largest opposition party, with 14 seats.

1.3 Electoral reform since 2008

It was widely accepted, following the 2008 elections, that there would need to be extensive reforms to the electoral system if the next elections were to be free and fair.

There have indeed been reforms, although they have not been as far-reaching as some observers would have liked. The 18th Amendment to the Constitution, which came into force

in April 2010, included some electoral reform measures.¹⁰ For example, the 18th Amendment gave a role to representatives of opposition political parties in the appointment of the Chief Electoral Commissioner – by requiring that the appointee must first be approved by a parliamentary committee following a confirmation hearing – and the members of the Election Commission of Pakistan (ECP). It required that the Chief Election Commissioner (CEC) is a serving or retired High Court judge and other ECP members must be serving High Court judges, and increased their tenure from three to five years.¹¹ Furthermore, it increased “due process in the context of candidacy requirements” and created greater transparency in the electoral process, including with regard to voter registration.¹² The measures flowing from the 18th Amendment were subsequently brought into law by the *Election Laws (Amendment) Act* in May 2011.¹³

Potentially no less important for the credibility and legitimacy of future elections were measures to strengthen the credibility of the neutral caretaker governments that will govern at both federal and provincial levels during the 90-day ‘election period’ that follows the dissolution of the National Assembly and provincial assemblies, which must take place by 16 March 2013 at the latest. Under the 18th Amendment, the federal president must consult the outgoing prime minister and the leader of the opposition before appointing a caretaker prime minister. Similar provisions apply to the provinces. The 20th Amendment to the Constitution, which came into force in February 2012, established a mechanism for resolving disputes over the establishment of neutral caretaker governments at both federal and provincial levels. If the political parties cannot agree who should lead such governments, the final decision will pass to the ECP. While the PPP and PML-N welcomed this provision, the PTI criticised it as a stitch-up and claimed that it politicised the ECP.¹⁴ In early December 2012, it was reported that the main political parties had agreed that Retired Justice Nasir Aslam Zahid would be offered the position of caretaker prime minister at the federal level.¹⁵ But no official announcement has yet been made.

A 2011 Democracy Reporting International (DRI) report identified a range of other issues which required attention, calling on the Pakistan Parliament to implement reforms well ahead of the scheduled 2013 elections so that there was plenty of time to engage in public sensitisation. They included:

Disallowing candidacy in more than one constituency in a given election; clarifying the identification requirements for registering and voting in an election; improving the procedures for tabulating votes and publishing election results; introducing effective remedies for electoral dispute resolution; and unifying election laws to increase transparency and understanding of the legal framework.¹⁶

¹⁰ For a fuller discussion of the 18th Amendment, see section 2.1 of this paper

¹¹ The current CEC, Justice Fakhrudin G. Ibrahim, appointed in July 2012 with the support of the all the major political parties, is a widely respected former Supreme Court judge.

¹² “Pakistan’s 2013 elections: Testing the political climate and the democratisation process”, Democracy Reporting International, Briefing Paper No. 9, January 2011, p3

¹³ The 19th Amendment, which came into force in January 2011, reinforced some of the measures introduced under the 18th Amendment. “The Election Laws (Amendment) Bill, 2011”, PILDAT Legislative Brief, February 2011. The full text of the Act is available via this [link](#)

¹⁴ “PTI terms 20th Amendment undemocratic”, *Dawn*, 22 February 2012, ICG, “[Election reform in Pakistan](#)”, Asia Briefing No. 137, 16 August 2012, p4

¹⁵ “Caretaker premier: political parties agree over Justice Nasir Aslam Zahid”, *Daily Regional Times*, 2 December 2012

¹⁶ “Pakistan’s 2013 elections: Testing the political climate and the democratisation process”, Democracy Reporting International, Briefing Paper No. 9, January 2011, p3

Based on flaws observed during by-elections held in 2010, the DRI report noted that the Free and Fair Elections Network (FAFEN) had identified continuing problems of:

fraudulent voting, interference by security officials and other unauthorised persons in the election process, inconsistent and weak administration of by-elections, inadequately trained polling officials and campaigning violations.¹⁷

In April 2012, Chief Justice Iftikhar Muhammed Chaudhry scathingly described the ECP as “useless and defunct”.¹⁸ But other commentators counter that the performance of the ECP has greatly improved since 2008.

The ECP has developed a five-year strategic plan that includes a road-map for electoral reform.¹⁹ One major achievement has been to update the electoral rolls using computerised national identity cards, which was completed somewhat behind schedule in mid-2012. However, there remains the challenge of ensuring that the electoral rolls are reliably updated every month in the run-up to the elections.²⁰

In June 2012, the ECP proposed an amendment to the electoral rules to toughen the limits on election expenditure, despite protests from many politicians, who claimed that they had been set far too low for effective campaigning. Other restrictions on campaigning were introduced at the same time.²¹ The move on election expenditure followed a ruling by the Supreme Court earlier in the month, in which it ruled that there should be effective and enforced limits on campaign expenditure. The ECP subsequently relaxed the spending limits but promised to enforce them strictly.²²

In the same ruling the Supreme Court also directed that voting should be made compulsory, the prevailing ‘first past the post’ system should be reviewed, the establishment of offices near polling stations by candidates should be prevented and candidates should not provide transportation for voters.²³ Some argued that, in making these directions, the Court had gone beyond the remit of the case.

The ECP has also disconcerted the political class by requiring elected members of the National Assembly and provincial assemblies to submit affidavits that they do not hold dual nationality. This followed a ruling by the Supreme Court that disqualified some members from office on the grounds that they were dual nationals. Failure to comply could rule out standing again in 2013. In December 2012, a number of politicians resigned rather than disclose their nationality status by the deadline set.²⁴ The ECP has also put greater pressure on elected members than in the past to declare their assets.²⁵ Numerous members were suspended if they failed to comply with these requirements, restoring membership only once they had done so.²⁶

¹⁷ “Pakistan’s 2013 elections: Testing the political climate and the democratisation process”, Democracy Reporting International, Briefing Paper No. 9, January 2011, p3

¹⁸ “Election Commission has become useless: CJP”, *Pakistan Today*, 17 April 2012

¹⁹ “Pakistan’s 2013 elections: Testing the political climate and the democratisation process”, Democracy Reporting International, Briefing Paper No. 9, January 2011, p3

²⁰ “Key reforms for general elections in Pakistan”, Democracy Reporting International, Briefing Paper No. 30, July 2012, pp2-3

²¹ ICG, “[Election reform in Pakistan](#)”, Asia Briefing No. 137, 16 August 2012, pp9-10

²² “ECP proposes to lift polls expense cap by three-fold”, *South Asian Media Network*, 4 October 2012

²³ “Historic verdict to end electoral corruption”, *The Nation*, 9 June 2012

²⁴ “ECP to move against resigning MPs as another MNA quits”, *Daily Times*, 4 December 2012

²⁵ “ECP restores membership of 12 MPAs”, *Right Vision News*, 2 November 2012

²⁶ “ECP restores membership of 33 MPAs”, *Right Vision News*, 18 October 2012

For all the progress that has been made since 2008, many acknowledge that much remains to be done to further strengthen the electoral system. There has been no progress on revising constituency boundaries, many of which are now based on out-of-date census information, although the responsibility for that does not really lie with the ECP. The ECP said in mid 2012 that the forthcoming elections would take place under existing boundaries as time has run out to do anything about this issue.²⁷ However, in November the Supreme Court controversially ruled that there should be a fresh delimitation in the violence-torn city of Karachi before the elections. Some are now arguing that a nation-wide delimitation should, after all, be done, but a credible process would require a fresh census. It is difficult to see how all this would be possible without the elections being delayed.²⁸

One issue over which the ECP has faced particular criticism has been its failure to publish a gender break-down of the new electoral rolls. Women have historically been seriously under-represented on the rolls.²⁹ In October 2012, the ECP proposed a Bill which would require re-polling at polling stations where less than 10% of registered women voters had actually voted.³⁰ The Bill is still under consideration. There has also been criticism of the ECP after it revealed in November 2012 that 4.8 million of those registered to vote (out of 84 million) were on the electoral rolls without their existence having been physically verified.³¹

The ECP has set a target for voter turn-out in the elections of 70%.³² It has also said that it intends to complete all arrangements for the coming elections by the end of 2012. With elections now on the horizon, there is still much work to do on a wide range of fronts. For example, the roles – if any – of the judiciary and army in assisting the electoral process are yet to be finally settled, as are the mechanisms for resolving disputes. Further electoral legislation is due to be passed over the coming months. In November 2012 a draft Code of Conduct for the Elections was published. One group called it “largely vague and superfluous”.³³ A final version is yet to be agreed.

1.4 The contending political parties

Below is a brief survey of the main political parties that will contest the 2013 elections in Pakistan. As in the past, some of these parties will do so as part of alliances or coalitions. The longest established alliance is a grouping of Islamist parties, the Muttahida Majlis-e-Amal. It will almost certainly still be in existence when the elections come around, although which parties will have joined it remains uncertain. Other alliances or coalitions are still taking shape.

The PPP and the PML-N

Over the last 20 years, the PPP and the PML-N have been the dominant political parties in Pakistan. It is hard to write about one of them without referring to the other.

Origins, programmes and constituencies of support

The PPP was established in 1967 and portrays itself as a secular and progressive party. This has meant that the small westernised intelligentsia has always associated itself with it,

²⁷ ICG, “[Election reform in Pakistan](#)”, Asia Briefing No. 137, 16 August 2012, pp8-9

²⁸ “Pakistan: delimitation only in Karachi opposed”, *Right Vision News*, 4 December 2012

²⁹ “A sorry day for women voters”, *Dawn*, 8 March 2012

³⁰ “Women voters”, *Pakistan Observer*, 1 October 2012

³¹ “Pakistan poll body says 4.8 million unverified voters in electoral rolls”, *BBC Monitoring South Asia*, 17 November 2012

³² “Steps under way to increase voter turnout to 70%: ECP”, *Right Vision News*, 11 October 2012

³³ [Code of Conduct for Elections](#), published draft, November 2012; “PILDAT terms ECP’s draft code of conduct largely vague and superfluous”, PILDAT press release, 8 November 2012

despite the many occasions on which it has failed to live up to this description. There are still occasional echoes of the socialist rhetoric it deployed during the first decade of its existence under its founder, Zulfikar Ali Bhutto, who was convicted of murdering a political opponent and hanged by the military government of General Zia ul-Haq in 1979 following a politically-motivated trial, but these echoes signify little today. The PPP remains very much a vehicle for the Bhutto family – although, given that Zulfikar Ali Bhutto's daughter, Benazir, was also killed when leader of the party in 2007, it has undoubtedly paid a high price for it. The founder's fate has led to the PPP characterising itself as a strongly 'anti-military' party, although during subsequent periods in office it has displayed considerable pragmatism on this count.

Established in 1988 and led since its foundation by Nawaz Sharif, the PML-N was originally a party with very strong links to the military and security agencies, who saw it as a means of preventing the PPP from regaining power under future civilian dispensations. However, these ties have weakened considerably since then. Indeed, military ruler General Pervez Musharraf (1999-2008) overthrew a PML-N led Government to take power. Ideologically, the PML-N portrays itself as a pro-business and religiously devout party, often talking in terms of an "Islamic welfare state".³⁴ But its enemies view the party as deeply opportunistic and compromised by its origins.

The policy and ideological differences between the two parties have in practice often been less dramatic than claimed in their self-portrayals. For example, both parties have been dogged over the years by persistent allegations of corruption and complicity in human rights abuses. However, more broadly, both parties arguably reflect what Anatol Lieven has called "the basic structures of politics" in Pakistan.³⁵ He says:

With the exception of the MQM and the religious parties, all of Pakistan's 'democratic' political parties are congeries of landlords, clan chieftains and urban bosses seeking state patronage for themselves and their followers and vowing allegiance to particular national individuals.³⁶

Lieven asserts that the PPP's political heartland, Sindh province, is more dominated today by autocratic large individual landowners than the heartland of the PML-N, which is Punjab province. Breman has described the relationship between landowner and most agricultural workers in rural Sindh as akin to "serfdom".³⁷

The PPP's support in Punjab is mainly to be found in the south of the province, where these landowners are still powerful. In the hope that it can further consolidate its position in the province, it has allied itself with the PML-Q.³⁸ The PPP also has a solid political base in Balochistan, from where many Sindhi families have originated, but the provincial party is currently in disarray. Lieven describes the PPP as the most "monarchical" of Pakistan's political parties, but argues that the controversial rise of Benazir Bhutto's husband, Asif Ali Zardari, a man with corruption allegations persistently hanging over him, has weakened the Bhutto brand. Lieven also asks whether the popularity of his son and presumed successor,

³⁴ "Shahbaz aims at making Pakistan an Islamic welfare state", *Pakistan Observer*, 15 August 2012. The PPP has also used a similar phrase. See: "PM urges national to renew pledge to make Pakistan real Islamic welfare state", *Right Vision News* 10 November 2012

³⁵ A. Lieven, *Pakistan: A Hard Country* (London, 2011), pp205, 238

³⁶ A. Lieven, *Pakistan: A Hard Country* (London, 2011), p207

³⁷ J. Breman, "The undercities of Karachi", *New Left Review*, 66, July-August 2012, p58

³⁸ A. Lieven, *Pakistan: A Hard Country* (London, 2011), pp219, 240

Bilawal Bhutto-Zardari, could be harmed by his apparent inability to speak Urdu well, or Sindhi at all.³⁹

According to Lieven, the PML-N has always had strong support from the Punjabi business class and the observant lower middle classes in Punjab, Pakistan's most populous and industrially developed province. It now has a significant constituency amongst the working class there too, which in the past could turn towards the PPP. Notwithstanding its claims to be a religiously devout party, the PML-N is not heavily puritanical in practice. But some see it as overwhelmingly Sunni in its affiliation, which reduces its popularity amongst minorities such as the Shia. It is often strongly anti-American in its rhetoric, but its business supporters play an important role in holding it back from moving towards too hostile a position.⁴⁰

Tangled pasts and uncertain prospects

The default relationship between the PPP and the PML-N is one of bitter rivalry and mistrust. However, they were thrown reluctantly together in 1999 by their shared enmity towards General Musharraf, who in that year led a military coup against the PML-N led Government of the time, subsequently promoting an alternative, 'loyalist' faction called the PML-Quaid-e-Azam. In May 2006, Sharif and the then leader of the PPP, Benazir Bhutto, signed a 'Charter for Democracy', setting out a road-map for a democratic transition in Pakistan.⁴¹ Their alliance lasted only until May 2008, when the PML-N left the coalition government formed three months earlier, in protest at alleged PPP delays in restoring Chief Justice Iftikhar Muhammad Chaudhry, who had been suspended by Musharraf, to the bench of the Supreme Court. Since then, the PML-N has been the main opposition party

Relations with the PPP-led Government were extremely tense until Chief Justice Chaudhry was finally restored to his position in March 2009. Indeed, in February 2009 it briefly looked as if Pakistan might be plunged back into political chaos when President Zardari suspended the Punjab provincial assembly, in which the PML-N was the largest party, and imposed Governor's Rule. The suspension followed a ruling by the Supreme Court that Shahbaz Sharif, the brother of Nawaz, who was Chief Minister of the Punjab provincial government, should be disqualified from office in connection with convictions for corruption by courts during the Musharraf era. The Sharif brothers accused the PPP of being behind the ruling and launched national protests that were only defused by the reinstatement of Chaudhry, who then promptly reinstated Shahbaz. The Supreme Court is currently considering a petition alleging that the PPP drew on secret funds to undermine the PML-N provincial government during the 2009 crisis.⁴²

Since 2009, Zardari's mantra has been 'reconciliation'. While in part a self-serving political device, given his determination to preserve his immunity from prosecution (see section 2.4), it has not been meaningless. The two parties have co-operated uneasily on key constitutional and political reforms, including the 18th Amendment to the Constitution and the seventh National Finance Commission Award. However, over the last year, the PML-N has consistently backed the Supreme Court in its disputes with the PPP-led Government, calling for early elections, but in recent months it too has come under potentially embarrassing judicial scrutiny.⁴³ In late October 2012, the Supreme Court ruled, in response to a 1996 petition by retired Air Marshall Asghar Khan, that the 1990 elections – of which the PML-N

³⁹ A. Lieven, *Pakistan: A Hard Country* (London, 2011), p239. Bilawal has also found himself embroiled in controversy as a result of press reports alleging a romance with the foreign minister, Hina Rabbani Khar, who is married.

⁴⁰ A. Lieven, *Pakistan: A Hard Country* (London, 2011), p240-50

⁴¹ "Democracy charter for Pakistan", *BBC News Online*, 15 May 2006

⁴² "Misuse of secret funds: SC summons IB spymasters", *South Asian Media Network*, 1 December 2012

⁴³ "Make or break time for political parties", *The Nation*, 5 November 2012

was declared the victor – were fraudulently conducted, with the security establishment providing financial backing to the PML-N and its allies. The PML-N denies these allegations. The Court has called for the Federal Investigation Agency to look into the case and for legal action to be taken against the senior retired military figures implicated. The ruling also prompted an MQM petition to the Supreme Court for Nawaz Sharif to be declared ineligible for public office.⁴⁴

As might be expected, both the PPP and the PML-N are expressing great confidence in public about their prospects as the elections approach.⁴⁵ However it performs, the PPP will be able to take some comfort from the fact that its current dominance of the Senate will remain intact because the upper house is not taking part in the elections. As for the PML-N, its self-assurance may have been dented recently by apprehensions that may be damaged by fall-out from the Asghar Khan case.

A key factor in deciding the fate of the PPP and the PML-N at the ballot box will be how Pakistan's 'alliance' with the US is viewed by public opinion by the time of the elections. At the moment, it is possible that the PPP will be viewed as having been too weak in standing up for Pakistan's national interests in the context of that fraught relationship. However, the somewhat firmer stand taken during 2011 and the first half of 2012, even if it in part originated in the military and security establishment, could help to shore up its electoral position somewhat (see below). The PML-N has sought to portray itself as a party which could be trusted to act as a more forthright defender of Pakistan's national interests, but not everybody is convinced.

The PPP's record in government since 2008 (see below) will undoubtedly play a major part in deciding its fate at the 2013 elections. During 2012, legislative activity slowed as it struggled simply to survive to the end of its term of office, which virtually became an end in itself. Its fiscal and economic record stewardship has been widely criticized. The PML-N may benefit from growing public disillusionment, but it will also be defending its own political record in Punjab. Lieven claims that Shahbaz Sharif has "a good personal reputation for efficiency, hard work and personal honesty" but admits that the government he leads "did not cover itself in glory" in terms of its response to the 2010 floods either.⁴⁶

The PTI

Both the PPP and the PML-N have had to respond to the recent political rise of a 'third force' in Pakistan's national politics, the *Pakistan Tehreek-e-Insaf* (Movement for Justice, henceforth PTI), led by the former national cricket captain Imran Khan.

The PTI may be a rising 'third force' in Pakistani politics, but it is not a particularly new force. Imran Khan formed the PTI in 1997. He initially supported General Musharraf's coup in 1999, but later joined the ranks of those opposed to military rule. The PTI boycotted the February 2008 elections.

Until the end of 2011, the PTI was a marginal player. Its electoral performance was weak and it looked as if Khan's personal popularity and celebrity was not going to translate into the political arena. Then, on 30 October 2011, the party organized a rally in Lahore to which over 100,000 people came. This has prompted a rapid re-appraisal of the PTI's prospects.

⁴⁴ "Supreme Court verdict allows PPP to play realpolitik", *The Pak Banker*, 29 October 2012

⁴⁵ "General elections to show the real strength of PPP: Chandio", *Right Vision News*, 26 September 2012; "PML-N to achieve thumping success in general elections: Shahbaz", *Balochistan Times*, 2 October 2012

⁴⁶ A. Lieven, *Pakistan: A Hard Country* (London, 2011), pp243, 245

The PTI espouses a political ideology based on anti-corruption, moral regeneration and national self-reliance, based on what it calls a humane and tolerant interpretation of Islam. It calls for stronger social protection for the people of the country, increased investment in health and education and a major push to create jobs.⁴⁷ It claims to oppose all forms of feudalism and promises a new political order in Pakistan. It advocates a complete withdrawal from US-backed counter-terrorism activities, accusing the PPP-led Government of having subordinated Pakistan's national interests to those of the West.⁴⁸ This does not necessarily translate into much militant sympathy for Khan; when he announced that his party would hold a controversial 'peace march' in the border areas against US drone attacks, the Pakistan Taliban initially threatened to kill him.⁴⁹ The march eventually took place in October 2012 and attracted thousands of participants, but it was prevented from entering the border areas by the Pakistani authorities. Khan has said that he will authorise the shooting down of US drones over Pakistan if he becomes Prime Minister.⁵⁰

There is no doubt that there was a popular surge in enthusiasm for – and interest in – the PTI after the October 2011 Lahore rally. A significant number of politicians from other parties switched parties and joined the PTI, suggesting that they at least believed that this surge would be sustained. Supporting such assumptions is the genuine level of public disillusionment that exists in relation to the established political parties. Some point to the high levels of backing that the party is receiving from young people between 18 and 35. Nearly 50% of registered voters are expected to be within this age-range and the majority of them will not have voted before. Many of these new voters, it is argued, may be looking for a different, less tainted, political home to that of their parents and grandparents.⁵¹ In November 2012, Imran Khan pledged that 25% of the PTI's candidates in the elections would be young people.⁵²

Some opponents have suggested that the PTI may be receiving a certain degree of military support – this with the aim of undermining the PPP and the PML-N while simultaneously creating a new political vehicle through which to protect its interests. The PTI vehemently denies such claims and so far no concrete evidence has emerged to back them up.⁵³

The PTI hopes to make gains in Punjab and Khyber-Pakhtunkhwa. But it is unclear whether the surge in popularity of the PTI can be sustained. The deep roots put down over the past decades by the PPP and PML-N, not to mention other well-established parties, will not be easily pulled up. The influx of politicians from other parties could prove a mixed blessing. The youth vote is often volatile and, here as elsewhere, prone to a low turn-out in elections. Other political parties may be wary of forming electoral alliances with the PTI. During the last quarter of 2012 there was evidence of growing leadership tensions, with several senior resignations – including Vice-President Shireen Mazari.⁵⁴

⁴⁷ "Interview with Imran Khan", PBS, 24 April 2012; "Tough decisions imperative to create new Pakistan: PTI", *Right Vision News*, 26 August 2012

⁴⁸ "Pakistan party chief say will ask air force to shoot down US drones if elected", *The News*, 4 October 2012. Khan's views towards the US may not have been improved by his brief detention by the US immigration authorities when visiting North America in October.

⁴⁹ "Pakistani Taliban threaten to kill Imran Khan", *Headlines Today*, 9 August 2012; "Taliban offers security to PTI's peace march", *Express Tribune*, 3 October 2012

⁵⁰ "Drone strike in Pakistan kills five suspected militants", *BBC News Online*, 10 October 2012

⁵¹ "Elections 2013: the youth factor", *Dawn*, 16 May 2012

⁵² "Imran promises 25% party tickets to youth", *Right Vision News*, 6 November 2012

⁵³ "PML-N warns army, ISI to stop supporting PTI", *Express Tribune*, 13 November 2011

⁵⁴ "Shireen Mazari levels 10 charges against PTI", *Daily Times*, 3 October 2012. Such desertions and resignations are a permanent feature of life for all of Pakistan's political parties, but over the last year the movement has been largely inward for the PTI.

In May 2012, an opinion poll gave the PTI the lead over the PPP and PML-N.⁵⁵ More recent polls do suggest some loss of momentum. Nevertheless, even if its own predictions of victory in the elections turn out to be overblown, a sizeable vote for it would mean that the PML-N would have to seriously consider it as a coalition partner – although Imran Khan could decide to stay outside government and preserve his self-image as a political insurgent.⁵⁶

The Islamist parties⁵⁷

The two largest Islamist parties are the *Jamaat-e-Islami* (JI), established in 1941, and the *Jamiat-e-Ulema-e-Islami* [Fazlur Rehman group] (JUI-F), established in 1945. They have been the mainstays of a loose pro-Islamist coalition called the *Muttahida Majlis-e-Amal* (MMA), under whose banner they have contested past elections. The JI boycotted the February 2008 elections. The rest of MMA, including the JUI-F, decided to contest the elections, but performed poorly, winning only six seats. As the 2013 elections approach, the JI has signalled that it will not be part of the MMA this time around.⁵⁸

Both parties have historically been close to the army. The ‘Islamization’ programme initiated in Pakistan by General Zia in 1977 helped to give them an influence that is out of proportion to their electoral base. They operate within the existing political system but do not uphold it, seeking its replacement by a system based rigidly on the precepts of Sharia law. Nonetheless, the two parties represent very different approaches to Islamism. JI sees itself as a non-sectarian pan-Islamic party, drawing predominantly for its support on lower middle-class urban Muslims – in particular, in Punjab and Khyber-Pakhtunkhwa. It consciously eschews patronage politics and promotes the participation of women in its ranks. It is hostile to the US role in the region and has links to armed militant groups and al-Qaeda.⁵⁹

Arguably, the JI does not fit particularly closely with what Lieven has called the ‘basic structures of politics’ in Pakistan (see above). In 1947 it opposed the creation of Pakistan. But, having stayed out of government since 2008, if there has indeed been the sort of shift in sentiment that the PTI is hoping for, the JI could also be an electoral beneficiary.

The JUI-F is a predominantly ethnic Pashtun party which rigidly adheres to conservative Deobandist ideas. The Deobandi sect comprises about 15% of Pakistan’s Sunni Muslim population. Its leadership is drawn heavily from senior religious figures. The JUI-F has strong support in Balochistan and Khyber-Pakhtunkhwa. It also has links to armed militant groups and is a strong supporter of the Afghan Taliban. In the past, it has shown a proclivity for being part of the national government, regardless of which party is leading it. It has been part of the PPP-led Government since 2008. The JUI-F is one of several minor parties that enjoy a secure base in a small number of parliamentary seats. It can expect to retain those seats in the next elections and may win some new ones.⁶⁰

Other significant parties

The PML-Quaid is a faction of Muhammed Ali Jinnah’s Muslim League which was established by political supporters of General Pervez Musharraf. It was the dominant party in the coalition government that formed after the rigged 2002 elections. Predictably, its political standing deteriorated as the Musharraf era came to an end. It lost over half its National Assembly seats in the February 2008 elections. It has sought shelter over the last five years

⁵⁵ “Elections 2013: the youth factor”, *Dawn*, 16 May 2012

⁵⁶ “What to expect from Elections 2013”, *Express Tribune*, 12 November 2011; “No alliance with parties sitting in assembly”, *Right Vision News*, 19 September 2012

⁵⁷ For further detail, see ICG, “Islamic parties in Pakistan”, Asia Report No. 216, 13 December 2011

⁵⁸ “MMA revival without JI an enigma for workers”, *Right Vision News*, 26 September 2012

⁵⁹ A. Lieven, *Pakistan: A Hard Country* (London, 2011), pp149-53

⁶⁰ “What to expect from Elections 2013”, *Express Tribune*, 12 November 2011

through participation in the PPP-led Government, but both the PTI and PML-N will have it in their sights. It will do well to win as many seats as it did in 2008.⁶¹ Its cause may have been helped by its agreement with the PPP in November 2012 to field joint candidates in the elections. Several powerful Punjabi families dominate the PML-Q and the core of its support is in that province.⁶²

The Muttahida Qaumi Movement (MQM) was established in 1978. It is in some ways the secular counterpart of JI, drawing its support primarily from Urdu-speaking immigrants from India known as *Mohajirs* (Urdu for 'refugees' – the first M in MQM originally referred to *Mohajir*. It now stands for 'United'). The MQM is the dominant party in Pakistan's biggest city, Karachi, in Sindh province. Led by Altaf Hussain from long-term self-exile in the UK, it performed solidly in the 2008 elections, winning 25 seats in that city and the environs. Its relationship with the PPP, which is the most powerful party across the province as a whole, has always been uneasy.

Like the JI, the MQM has also often allied itself with the Pakistani military. But unlike the JI, it has shown a preference for being part of coalition governments at the federal level, with a view to extracting maximum benefits for its Mohajir political constituency.⁶³ The MQM has a reputation for political violence, although it denies such allegations and is hardly alone in being prepared to use coercion. The police are also well-known for their brutality. There were major disturbances in Karachi during the first half of 2011, in which well over 1000 people were killed. The MQM left the Federal Government during the crisis, accusing the PPP of taking the side of Pashtuns in Karachi in the context of the violence, but formally remained an ally in the National Assembly.⁶⁴ The violence continued in Karachi during 2012. For example, a major police operation against a gang which was challenging both the PPP and MQM took place in Lyari, in the northeast of the city, in May, in which dozens of people, mainly bystanders, were killed.⁶⁵ Two JI activists were murdered in September, provoking street protests and a strike. In December, a prominent cleric was killed. Tensions were further raised by a Supreme Court order that Karachi's constituency boundaries should be reviewed. The MQM, viewing this ruling as a threat to its political power, is vociferously opposed. One newspaper called this development "playing with a powder keg".⁶⁶ Some are now advocating introducing martial law in the city. The credibility of the voter's rolls for Karachi could also be subject to judicial criticism in the near future.⁶⁷

Lieven describes the MQM as cohesive and well-organized. He even claims that Karachi is probably "the best-run city in Pakistan". But in a country where the vast majority of voters are rural and living in semi-feudal conditions, the MQM's origins and objectives have so far frustrated its attempts to broaden its support.⁶⁸ The odds remain that it will perform similarly in the 2013 elections as it did in 2008, when it won 25 seats, and will then join whatever national coalition government is established subsequently.⁶⁹

The Awami National Party (ANP) is a long-established Pashtun party whose heartland is Khyber-Pakhtunkhwa, where it has been the biggest party in the provincial government since the 2008 elections. Traditionally the party of 'Pashtun nationalism', it shares the relatively

⁶¹ "What to expect from Elections 2013", *Express Tribune*, 12 November 2011

⁶² "PPP, PML-Q agree to field joint candidates in elections", *Right Vision News*, 4 November 2012

⁶³ J. Breman, "The undercities of Karachi", *New Left Review*, 66, July-August 2012, p51

⁶⁴ "The return (and resurgence) of Napier", www.cafepyala.blogspot.com, 6 August 2011

⁶⁵ J. Breman, "The undercities of Karachi", *New Left Review*, 66, July-August 2012, pp53-55

⁶⁶ "Playing with a powder keg", *Pakistan Today*, 2 December 2012

⁶⁷ "SC verdict on voter lists today", *Right Vision News*, 6 December 2012

⁶⁸ A. Lieven, *Pakistan: A Hard Country* (London, 2011), pp250-55

⁶⁹ "What to expect from Elections 2013", *Express Tribune*, 12 November 2011

secular mind-set of the PPP and has been part of the Federal Government since 2008. It is hostile to the armed militant groups operating in the border areas. According to Lieven, it is dominated by hereditary members of the landowning elites, with the Wali Khan family at its apex.⁷⁰

The party benefitted in the 2008 elections from the fact that the JI boycotted them, but also from the fact that it had taken a consistent stand against military rule between 1999 and 2008. The Khyber-Pakhtunkhwa provincial government has been criticized for corruption and poor governance, including in its response to the multiple security and humanitarian crises that have beset the region. The ANP leadership has good relations with the Afghan Government of President Hamid Karzai. But both it and the PPP are widely viewed as too 'collaborationist' with the US by the supporters of the Islamist parties.

It has been predicted by one commentator that the ANP will lose some of the 13 seats which it won in 2008 and may even be forced from power at the provincial level.⁷¹ Its relationship with the PPP has become increasingly frayed since 2008, so the prospects for future co-operation are uncertain.⁷² There has been speculation that it might even abandon its alliance with the PPP and join up with the PTI.⁷³ The ANP's secular reputation was damaged when in September 2012 one of its senators, Ghulam Ahmad Bilour – also the federal railways minister – offered a financial reward to anybody who killed the producer of a rabidly anti-Islamic film made in the US, which had provoked nationwide protest.⁷⁴

2 The record of the PPP-led Federal Government since 2008

2.1 The 18th Amendment to the Constitution

By far the most important constitutional and political reform undertaken by the PPP-led Federal Government has been the 18th Amendment to the Constitution of April 2010.⁷⁵ The Center for American Progress has described the 18th Amendment as “[...] one of the most dramatic deconcentrations of power in Pakistan since the drafting of its 1973 constitution”.⁷⁶

Key measures introduced through the 18th Amendment were:⁷⁷

- **Limits on presidential powers:** The power to by-pass the legislature and rule by decree was removed and the amount of time which a president has to consider bills passed by parliament was limited. The power to submit issues to parliament for a yes or no vote was also transferred from the president to the prime minister. In addition, the presidential power to dissolve parliament was removed.
- **Greater role for parliament and the prime minister:** The Amendment made the prime minister the chief executive of the Federal Government instead of the president. The obligation of the prime minister to consult with the president was

⁷⁰ A. Lieven, *Pakistan: A Hard Country* (London, 2011), pp388-89

⁷¹ “What to expect from Elections 2013”, *Express Tribune*, 12 November 2011

⁷² “Sindh Assembly passes SPLGO amid protest, PML-F, NPP, PML-Q, ANP oppose bill”, *Right Vision News*, 3 October 2012

⁷³ “PTI, ANP may form polls alliance”, *Right Vision News*, 7 October 2012

⁷⁴ “Bilour’s statement not ANP policy”, *Right Vision News*, 25 September 2012. Bilour was subsequently banned from entering the UK.

⁷⁵ [18th Amendment](#)

⁷⁶ C. Cookman, “The 18th Amendment and Pakistan’s political transitions”, Center for American Progress, 19 April 2010

⁷⁷ C. Cookman, “The 18th Amendment and Pakistan’s political transitions”, Center for American Progress, 19 April 2010

changed to a duty to keep him or her informed. The president was also required in future to accept as binding the recommendations of the prime minister with regard to the appointment of provincial governors and military service chiefs. In addition, the limit on prime ministers serving more than two terms in office was lifted.

- **Judicial composition and appointments:** The Amendment removed both the president and the prime minister from playing a direct role in judicial appointments. A Judicial Appointments Commission was given the power to propose nominees and a special parliamentary committee based on equal representation of the Federal Government and political opposition parties was given the power to confirm those nominees. The Chief Justice of the Supreme Court was made the chair of a seven-person Judicial Appointments Commission, over whose members the special parliamentary committee also has the power of veto.
- **Balance of power between the centre and the provinces:** The Amendment eliminated what was known as the Concurrent List, which was a list of nearly 50 important areas (for example, labour laws, laws on contracts) in which both federal and provincial governments had legislative powers but over which federal law would prevail if there was a conflict between them. These areas now come under the sole purview of the provinces. It also specified that future decisions by the National Finance Commission, which periodically sets the distribution of national revenues between the centre and the provinces, could not involve a reduction in the share of provinces below that set out in the previous award. In addition, the Council on Common Interests, a joint forum of representatives of the centre and the provinces, was given an enhanced role.
- **Changing the name of the North West Frontier Province:** The amendment changed the name of NWFP to Khyber-Pakhtunkhwa.

The Amendment also set out a more transparent process for appointing the ECP.

Inevitably, the political horse-trading that preceded the passing of the 18th Amendment was intense. The political parties were often at loggerheads over specific issues – perhaps most notably over the judiciary, where the PPP was reluctant to strengthen the authority of a combative Chief Justice, Iftikhar Muhammed Chaudhry, who had long been pursuing President Zardari in connection with corruption allegations, by giving him the chairmanship of the Judicial Appointments Commission. The Hazara ethnic minority in NWFP strongly protested about the name-change. But the ANP was insistent on the move. It brought the province into line with Punjab, Sindh and Balochistan, in that its name would henceforth reflect the name of the dominant ethnic group.

Nonetheless, the fact that a deal was eventually done was taken by many observers to be a positive sign that a less purely confrontational ‘civilian politics’ might be emerging.⁷⁸

Changing the name of NWFP generated a wider debate about whether a way forward for Pakistan might be through the creation of new provinces. Sceptics worry that this could lead to the further ‘Balkanisation’ of Pakistan.⁷⁹ Potentially explosively, the PPP has floated the idea of amending the Constitution to establish a new province in South Punjab, where it has significant support. The PML-N, which is the dominant political force across Punjab as a

⁷⁸ This built on initiatives such as a decision to allow opposition parties, for the first time, to chair some parliamentary committees.

⁷⁹ The PPP has floated the idea of establishing a new province in South Punjab, where it has significant support. The PML-N, which is the dominant political force across Punjab as a whole, is implacably opposed.

whole, is implacably opposed.⁸⁰ This may prove to be more of a gambit than a serious policy on the part of the PPP. How it plays out will also depend on which of the two rivals comes out on top in the elections.

Another issue to look out for in future could be local government decentralization. The 18th Amendment did not comprehensively address the issue. It is no less politically sensitive than the idea of creating new provinces. For example, the MQM wants to create local governments in Karachi and Hyderabad; the PPP is strongly opposed. General Musharraf introduced this new tier of government in part as a way of by-passing the provinces, where the main political parties were well-established. After it took office, the PPP showed little enthusiasm for this new tier of government. Indeed, the electoral mandates of existing local government structures were allowed to expire without new elections being held. There has been much discussion about when those elections should take place, with most expecting that they will not do so until after the federal and provincial elections in 2013.⁸¹ However, the Supreme Court is seized of the matter, so this could still change.⁸² But few dispute that Pakistan needs a genuine local government decentralization process that has legitimacy. One press report stated: “[...] local government is an unfinished item for Pakistani democracy”.⁸³

The situation with regard to local government decentralization illustrates that, for all its undoubted ambition, the 18th Amendment left a host of constitutional and political issues unresolved. Perhaps most tellingly, the Amendment did not fully address the question of establishing more effective civilian oversight of the military. Wider electoral reform was also not included within its ambit – although, as we have seen, there have been moves on that front since 2008. The Amendment also left further work to be done to put flesh on the bone of the new legislative and administrative relationship between the centre and the four provinces. During 2012, parliamentarians expressed concern that there was a danger that some of the powers devolved to the provinces since the passage of the 18th Amendment might be clawed back surreptitiously by the central bureaucracy, pointing to the creation since 2010 of numerous federal entities with responsibilities for subjects which have in theory been devolved.⁸⁴

2.2 The seventh National Finance Commission award

As we have seen, the 18th Amendment of April 2010 strengthened the legislative and administrative powers of the provinces: Punjab, Sindh, Balochistan and Khyber-Pakhtunkhwa. In doing so, it complemented the changes to the financial settlement between the centre and the provinces set out in the December 2009 seventh National Finance Commission award.

Negotiations between the centre and the provinces over previous awards had often been extremely difficult and produced unsatisfactory outcomes. The seventh National Finance Commission award was intended to be a fresh start after 15 years of deadlock on the issue.⁸⁵

⁸⁰ “Punjab, Karachi and decentralisation”, *The News*, 9 August 2011; “PPP striving to get 21st Amendment through next NA session”, *Right Vision News*, 4 October 2012

⁸¹ “Democracy Monitor”, Quarterly Update (May-August 2012), Pakistan Institute of Legislative Development and Transparency (PILDAT)

⁸² “SC dismisses government appeal against holding of LB polls”, 1 December 2012

⁸³ “Punjab, Karachi and decentralisation”, *The News*, 9 August 2011

⁸⁴ “Rabbani sees plot to roll back devolution process”, *Right Vision News*, 29 July 2012; “Provinces lament non-transfer of assets”, *Right Vision News*, 10 October 2012

⁸⁵ This is the seventh award since provision for such awards was incorporated into the Constitution in 1973. Bew awards are supposed to be made every five years. The sixth was awarded in 2006, but did not address many issues that had been on the agenda since its 1996 predecessor.

Nowhere was this a higher priority than with regard to Balochistan, where nationalist sentiment – often accompanied over the decades since the creation of Pakistan by rumbling rebellion – has been fuelled by a host of grievances about unfair treatment. Thinly populated Balochistan is the poorest province in Pakistan despite being rich in natural resources, including gas.⁸⁶

Whereas previous awards had been based solely on the size of the population of each province – a criterion which favoured Punjab, by far the most populous province – the seventh award brought into play a range of other criteria: low population density, poverty, role in revenue generation/collection and role in combating terrorism.

Through the award, the centre increased the percentage of resources available to the provinces by 10 percentage points from 47.5% to 57.5%. Below is a table setting out what the award meant for each of the four provinces in terms of their share of what is known as “the divisible pool” of revenues.

Percentage Share of 7th NFC Awards in the Divisible Pool and Percentage Reduction or Increase of Share and Additional Budget*

Province	% Share in Divisible		Additional budget %
	Pool under 7th NFC	% Reduction in share	
Punjab	51.74	1.27	48
Sindh	24.55	0.39	61
KPK	14.62	0.26	79
Balochistan	9.09	(+ 1.82%)	175

* The provincial share of the divisible pool would increase from 47.5% to 56% in the first year of the NFC Award and 57.5% in the remaining years of the award.

Source: U. Mustafa, “Fiscal federalism in Pakistan: The seventh National Finance Commission award and its implications”, Pakistan Institute of Development Economics, Working Paper No. 73, 2011, p7

As the table demonstrates, while all of the provinces experienced a significant increase in the size of their budgets, by far the biggest beneficiary of the new arrangements was Balochistan.

The award contained a host of other measures designed to strengthen the fiscal position of the provinces, including arrangements to repay large historic arrears owed by the centre to the provinces and a reduction in the centre’s charge to the provinces for the cost of revenue collection. The provinces also got the power to raise domestic or foreign loans, with the approval of the National Economic Council.

The award, which came into force in financial year 2010/11 and which is supposed to apply for five years to 2014/15, represents a move towards deeper fiscal federalism in Pakistan.⁸⁷ It

⁸⁶ For further background, see: “In brief: Baluchistan – Pakistan’s forgotten conflict”, House of Commons Library Standard Note SN06106, 1 November 2011

⁸⁷ During the Musharraf era, the centre had seemed more interested in promoting decentralization down to local government, partially by-passing provincial governments. By contrast, the PPP-led Government has placed the provinces at the centre of its agenda.

calls on both the centre and the provincial governments to increase their revenues so as to achieve a 15% tax to GDP ratio.⁸⁸

But the majority of provincial revenues still come from the centre. It is also worth noting that, while the overall division of resources between the centre and provinces was improved under the seventh award, it is still a far-cry from the division which prevailed under the first three awards, in 1974, 1979 and 1990, when – reflecting the way in which this issue had contributed ultimately to the traumatic secession of Bangladesh (formerly known as East Bengal or East Pakistan) – the centre was awarded 20% and the provinces 80%.⁸⁹ Whether such a distribution could ever really be sustainable within a federal framework is another matter. Indeed, with the centre currently wrestling with a chronic fiscal deficit, some have argued that even the comparatively modest split agreed under the seventh award is over-ambitious. Others assert that the federal deficit has been caused much more by other factors, including excessive defence spending.⁹⁰

Nonetheless, many have hailed the seventh award as a major step towards a more stable and equitable relationship between the centre and the provinces.⁹¹ It certainly reflects a much greater willingness than in the past on the part of the most powerful province, Punjab, to be flexible. But there continue to be arguments between the provinces over the implementation of the seventh award. For example, Punjab, Khyber-Pakhtunkhwa and Balochistan have complained that Sindh is receiving more than its fair share of General Sales Tax on goods that are coming in through its ports.⁹²

The eighth National Finance Commission, which was constituted in July 2010, will have a no less delicate path to tread than its predecessor. The fact that the 18th Amendment prohibits a reduction in the share of provinces below that set out in the previous award should provide some reassurance to the provinces as negotiations proceed. The provincial government in Balochistan has wasted little time in arguing that it will need a further boost to its revenues under the next award.⁹³

Pakistan saw street protests about the state of the economy during 2012, symbolised by unprecedented mid-summer power cuts that affected both businesses and ordinary citizens.⁹⁴ The new government will inherit a debilitating fiscal crisis at the federal level (several provincial governments – for example, Sindh – are also in a parlous state). Defence spending and interest payments on existing debts alone make up about 65% of state spending. Unless the next civilian government is prepared to confront the military on defence spending, which it may be hesitant to do, there is a risk that the improved settlement between the centre and the provinces in the 2010 Seventh National Finance Commission Award could unravel in the years ahead.

Finally, it should be noted that each province has also agreed its own Provincial Financial Commission award based on the seventh award. There is significant variation between

⁸⁸ N. Iqbal and S. Nawaz, “[Fiscal decentralization and macroeconomic stability: Theory and evidence from Pakistan](#)”, Pakistan Institute of Development Economics, December 2010

⁸⁹ U. Mustafa, “[Fiscal federalism in Pakistan: The seventh National Finance Commission award and its implications](#)”, Pakistan Institute of Development Economics, Working Paper No. 73, 2011, p9

⁹⁰ “[Assessing the National Finance Commission award – Bilquis](#)”, Changing up Pakistan blog, 18 May 2010; “[Was the seventh NFC award a disaster?](#)”, *Express Tribune*, 5 April 2012

⁹¹ “[Assessing the National Finance Commission award – Bilquis](#)”, Changing up Pakistan blog, 18 May 2010; “[Was the seventh NFC award a disaster?](#)”, *Express Tribune*, 5 April 2012

⁹² “Sales tax, FED issues remain unresolved”, *Dawn*, 21 May 2012

⁹³ “What Balochistan gets under NFC not sufficient, says official”, *Right Vision News*, 12 August 2012

⁹⁴ “Thousands of power cut rioters storm politician’s house”, *Guardian*, 20 June 2012

provinces in the weightings given to each of the factors described above in deciding how available resources are to be distributed.⁹⁵

2.3 Other developments in relations between the centre and the rest of Pakistan

The FATA and Gilgit-Baltistan

The 18th Amendment did not make any constitutional changes to the distinctive status of the Federally Administered Tribal Areas (FATA) or Gilgit-Baltistan. But there have been some political and legal changes since 2008 introduced by the PPP-led Federal Government.

The FATA are part of the territory of Pakistan, but are specifically excluded from enjoyment of the rights and protections that are provided for in the Constitution. They are administered by the Governor of Khyber-Pakhtunkhwa on behalf of the President. The National Assembly has no powers to legislate for the FATA. Its laws apply there only if authorized to do so by the President.⁹⁶

Power has been exercised in the FATA without effective parliamentary oversight. The laws in force – in particular the Frontier Crimes Regulations (FCR) – place heavy restrictions on the exercise of fundamental rights in the areas. Under the FCR, a federally-appointed Political Agent exercises unchecked extensive executive, judicial and revenue raising powers. Since 2004, when the scale of military operations there began to increase, the army has also become increasingly influential in the FATA. There are no regular police and courts in the FATA. It has often been claimed that FATA's anomalous position within Pakistan has fuelled militancy there. At the same time, growing militancy has been used by others to justify holding back from reform.⁹⁷

In August 2011, the PPP-led Government announced two important reform measures. First, it extended the operation of the Political Parties Order 2002 to the FATA, which permitted political parties to operate there for the first time. The International Crisis Group (ICG) welcomed the move, claiming that it would lead to “a surge in political mobilization, which could in turn move FATA closer to Pakistan's mainstream.”⁹⁸ Second, the FCR were amended for the first time in 110 years. The amendments were aimed, amongst other things, at strengthening the rights of detainees in custody and increasing government oversight of financial issues. A FATA Tribunal, formally equivalent to the Supreme Court, was also established to hear appeal cases. The controversial and long-established principle of “collective responsibility” entrenched in the FCR was also modified so that it would apply in future to a ‘family’, rather than to a ‘tribe’.⁹⁹

While welcomed by some, sceptics pointed out that the PPP had initially promised to repeal the FCR in its entirety and extend the Criminal Procedure Code to the FATA, but had retreated from doing so once in office. In addition, they argue that another law passed in 2011, called the *Action (in Aid of Civil Power) Regulation*, means that what the authorities have given with one hand, they have taken away with the other. The new Regulation also gives new powers to the army personnel in the context of their counter-terrorism operations,

⁹⁵ U. Mustafa, “[Fiscal federalism in Pakistan: The seventh National Finance Commission award and its implications](#)”, Pakistan Institute of Development Economics, Working Paper No. 73, 2011, p8

⁹⁶ There is also the Provincially Administered Tribal Areas (PATA). They have elected political party representatives in the provincial assembly of Khyber-Pakhtunkhwa but are otherwise in the same constitutional position as the FATA. No reforms have been introduced in the PATA by the PPP-led Government since 2008.

⁹⁷ ICG, “Pakistan: Countering militancy in FATA”, Asia Report No. 178, 21 October 2009, pp2-3

⁹⁸ S. Fazli, “A new dawn for Pakistan's tribal areas?”, *Foreign Policy*, 12 August 2011

⁹⁹ “[FCR Amendments: A way forward or hurdle for Peace and Development in FATA](#)”, Report on seminar held in March 2012 by the FATA Research Centre, 15 April 2012

including allowing them to detain terror suspects for 120 days. Its constitutionality is currently being challenged before the Supreme Court.

Implementation of the 2011 reforms has barely got under way.¹⁰⁰ Critics also assert that neither the status nor the wider problems of the FATA have been fundamentally addressed by the reforms.¹⁰¹ Then, in August 2012 the PPP-led Government announced that it would introduce a system of local government in the FATA, to be called Local Councils. However, the Governor of Khyber-Pakhtunkhwa will enjoy powers to dissolve these Councils and remove their Chairs and Vice-Chairs at any time.¹⁰² A period of consultation about the proposals has ensued.

Some of the enthusiasm within the FATA for the reforms introduced by the PPP-led Government could reflect the hope that they might lead to the FATA gaining provincial status.¹⁰³ However, there are many within Khyber-Pakhtunkhwa, led by the ANP, who instead want the FATA to be absorbed into that province.¹⁰⁴ Differences over the future of the FATA could prove a source of political conflict in the years ahead. Some have called for the people of the FATA to be given the chance in future to choose between the two options – provincial status or incorporation – in a referendum.¹⁰⁵

The PPP-led Government has also introduced some political reforms in Gilgit-Baltistan, which is not part of the territory of Pakistan under the Constitution, on the grounds that its status cannot be regularized because the area is part of the protracted dispute with India over Kashmir. In 2009 the *Gilgit-Baltistan Empowerment and Self-Governance Order* was passed. Apart from renaming what had previously been known as the Federally Administered Northern Areas, the Order provided for a measure of self-government through the creation of a Legislative Assembly. The 2009 reforms brought the situation in Gilgit-Baltistan broadly into line with that which has prevailed in neighbouring Azad Kashmir since 1970.¹⁰⁶

Elections to the Gilgit-Baltistan Legislative Assembly were held for the first time in November 2009; all of Pakistan's political parties participated. Real power in Gilgit-Baltistan continues to reside with a federally-nominated Council. However, to India's displeasure, in late 2012 the Assembly passed a resolution calling for Gilgit-Baltistan to be made Pakistan's fifth province.¹⁰⁷

Balochistan¹⁰⁸

In addition to the improved financial settlement offered as part of the seventh National Finance Commission award, the PPP-led Government launched a range of linked reforms in Balochistan to address wider grievances.¹⁰⁹

¹⁰⁰ "Govt asked to implement Fata reforms", *Right Vision News*, 15 October 2012

¹⁰¹ "[FCR Amendments: A way forward or hurdle for Peace and Development in FATA](#)", Report on seminar held in March 2012 by the FATA Research Centre, 15 April 2012

¹⁰² "Self-rule for Fata", *Hindustan Times*, 2 August 2012

¹⁰³ "Dynamics of Fata reforms", *Dawn*, 19 August 2011

¹⁰⁴ "Fata reform process", *Dawn*, 9 May 2012

¹⁰⁵ "Democracy Monitor", Quarterly Update (May-August 2012), Pakistan Institute of Legislative Development and Transparency

¹⁰⁶ "[An update on Gilgit-Baltistan elections](#)", 'The Researchers', no date

¹⁰⁷ "BJP's 'fight' against 'grant' of provincial status to Gilgit-Baltistan", *Early Times*, 24 September 2012

¹⁰⁸ Sometimes also called Baluchistan. The Pakistan Constitution uses the name Balochistan.

¹⁰⁹ For further background, see House of Commons Library Standard Note SN06106, "[In brief: Baluchistan – Pakistan's forgotten conflict](#)", 1 November 2011; "Bad times in Baluchistan", IISS Strategic Comments, Vol. 17, No. 46, December 2011

A three-year 'Balochistan conciliation package' (or *Aghaz-e-Haqooq-e-Balochistan*) was first announced in November 2009. Among the proposals it contained were:¹¹⁰

A judicial commission and a fact-finding mission to investigate the killing of Nawab Akbar Bugti

A judicial inquiry into the killing of three other Baloch nationalist leaders

A commission to aid the return of exiled Baloch

Launch of political dialogue with Baloch dissidents not involved in terrorism

Immediate tracing and release of political prisoners

Rationalisation of the natural resources royalty formula

Allocation of a percentage of the profits from natural resources to the development of the area that the resources came from

End to construction of cantonments

Withdrawal of armed forces from Sui, Kohlu

Special quota of Higher Education Commission scholarships

Provincial consent in the launch of major projects

Review of the role of the Frontier Corps in law enforcement under the chief minister's command

Check posts in non-border areas to be controlled by the provincial government

Over half of the 61 proposals in the package were designed to promote economic development.

Baloch nationalist leaders quickly rejected the package as inadequate. There were soon complaints that implementation of the package was slow and incomplete, leading Prime Minister Yousaf Raza Gilani in February 2011 to express regret about the lack of progress being made. By early 2012, the PPP in Balochistan was facing high-level resignations from its ranks over the pace of implementation.¹¹¹

In March 2012, the PPP-led Federal Government claimed that 80% of the package had been implemented.¹¹² Few took the claim seriously. But there have been some positive steps. For example, the Frontier Corps is now under the control of the provincial government; some economic measures have been introduced, including higher education scholarships for young Balochs. There has also been limited progress in tracing and releasing political prisoners. However, crucially, there has been no progress towards a broad-based political dialogue. Nor has a credible investigation yet begun into the killing by the army in 2006 of the powerful tribal leader Nawab Akbar Bugti.

¹¹⁰ Adapted from "Aghaz-e-Haqooq-e-Balochistan: Reform package stopped in its tracks", *Express Tribune*, 7 March 2011

¹¹¹ "Aghaz-e-Haqooq-e-Balochistan: Lawmakers begin to question govt's sincerity", *Express Tribune*

¹¹² "Balochistan", Pakistan Institute of Legislative Development and Transparency, March 2012, p21-22

During 2011 the security situation again deteriorated, with the number of reported 'disappearances' up from 102 in 2010 to 206.¹¹³ The unexplained death of a separatist leader and the discovery of the bodies of many missing activists led to a general strike. There were also rising Pakistan Taliban and sectarian attacks in the province. Drugs smuggling continued unabated. The IISS stated at the end of 2011: "Some of the government's fiercest critics have even compared Baluchistan today to East Pakistan in 1971 before it broke away as Bangladesh."¹¹⁴

2012 saw no improvement. A fact-finding mission to the province by the Human Rights Commission of Pakistan in May 2012 declared: "[...] the strategy that the government had pursued in the province had not worked. Maintaining the same course was about the worst thing that could be done if the objective was to improve the situation."¹¹⁵ A poll commissioned by DFID in July 2012 reportedly found that 37% of Balochs in the province favoured independence.¹¹⁶ In mid November 2012, a roadside bomb attack in Quetta killed at least three soldiers and a civilian.¹¹⁷

In late 2012, the leader of the Baloch National Party and a former Chief Minister of Balochistan, Sardar Akhtar Mengal, returned after several years of exile and made public a six-point plan for Balochistan, which included calls for an end to military operations in the province, the disbandment of death squads and an end to political interference in the province by the intelligence agencies. The plan caused considerable political controversy. Welcomed in some political quarters, its most forthright critics called it a charter for civil war.¹¹⁸

In October-November 2012, the security crisis was compounded by a sudden political crisis. The Supreme Court issued an interim ruling in a case brought by the Balochistan High Court Bar Association, stating that the provincial government had failed to fulfil its constitutional obligation to protect basic human rights in the province and calling on the Federal Government to step in to remedy the situation. The Bar Association had particularly highlighted the issue of 'disappearances' in its petition. The national PPP leadership accused its provincial counterparts of mismanagement and corruption. Civil war also broke out within the provincial PPP.¹¹⁹ In early November the district party membership of the Chief Minister, Aslam Khan Raisani, was suspended for three months.¹²⁰ There were also calls for him to resign as Chief Minister and speculation about whether the centre should take over until the elections by introducing 'Governor's Rule' in the province. The Supreme Court resumed hearings on the provincial Bar Association's petition in late November. The provincial cabinet has established a high-level committee to address the concerns raised by the Supreme Court.¹²¹

2.4 Civil-military-judicial relations

The halting progress of reform in Balochistan is symptomatic of a deeper reality in Pakistan: The return to civilian government has not ended the power of the military and security establishment in Pakistani life and politics. However, in addition to the civilian government

¹¹³ "Balochistan", Pakistan Institute of Legislative Development and Transparency, March 2012, p21-22

¹¹⁴ "Bad times in Baluchistan", IISS Strategic Comments, Vol. 17, No. 46, December 2011

¹¹⁵ "HRCP launches report of fact-finding mission to Balochistan", Human Rights Commission of Pakistan, press release, 30 August 2012

¹¹⁶ "37pc Baloch favour independence: UK survey", *Right Vision News*, 14 August 2012

¹¹⁷ "Pakistan: Quetta roadside bomb kills soldiers and a civilian", *BBC News Online*, 21 November 2012

¹¹⁸ "The Balochistan plan", *The Nation*, 3 October 2012

¹¹⁹ "Change of guard in Balochistan", *The Frontier Post*, 3 November 2012

¹²⁰ "PPP suspends Balochistan CM's party membership for 3 months", *Right Vision News*, 3 November 2012

¹²¹ "Balochistan coalition to implement SC order", *Right Vision News*, 21 November 2012

and the military and security establishment, a third institution, the judiciary, is playing an increasingly central role in shaping the destiny of Pakistan.

Since 2008 the PPP-led Federal Government, the military and security establishment and the judiciary have had an uneasy relationship, punctuated by moments of deep crisis.

Civil-military

There has never been much love lost between the army and the PPP since General Zia ul-Haq's 1977 coup and the subsequent execution of its founder, Zulfikhar Ali Bhutto, in 1979. But their respective leaderships have subsequently come to accept that the other is a permanent feature of the Pakistani landscape and that deals between them will sometimes be necessary – and can be done. One such deal allowed for the return of Zulfikhar's daughter, Benazir, from political exile, in 2007, only for her to be assassinated soon afterwards.¹²²

The public popularity of the army and its political supporters was low by the end of the Musharraf era. The new army chief, General Ashfaq Kayani, announced that the army would now keep out of politics. This paved the way for a civilian government to take centre stage, with controversial senior politicians, including Asif Ali Zardari, who succeeded his wife Benazir as leader of the PPP –and, since 2008, President of Pakistan, -- protected by an amnesty, following the passing in 2007 of the *National Reconciliation Ordinance*.¹²³

However, this did not mean that the PPP could assert civilian supremacy. Initial attempts to do so quickly foundered. In July 2008 the Prime Minister, Yousaf Raza Gilani, ordered that the powerful Inter-Services Intelligence agency (ISI) would henceforth be under the jurisdiction of the Ministry of the Interior.¹²⁴ The army forced him to withdraw the order within hours. President Zardari announced in February 2009 that the National Security Council, established by General Musharraf to entrench the role of the military in all areas of state policy, would be abolished. This plan was also soon abandoned. The defence budget remains largely beyond effective civilian oversight. The PPP leadership has acquiesced in the army's continuing veto over policy on the FATA and Gilgit-Baltistan, as well as Kashmir and Afghanistan. In addition, it has also done little to address the "huge commercial empire" which the army owns.¹²⁵ Following the killing of Osama bin Laden in Abbottabad in May 2011 by US Navy Seals, the PPP-led Government allowed the military to define Pakistan's response and appeared reluctant to ask forthright questions about the embarrassing security failures that the incident revealed. While there were certainly private recriminations, in public only an "intelligence failure" was admitted.

Western governments have often given inconsistent messages on civil-military relations since 2008, At times they have urged the PPP-led Government to assert greater control over the military and intelligence agencies, including the ISI; at others, they have taken a 'business as usual' approach that appears to accept the current balance of forces between civilians and the military in Pakistan.

¹²² O. Bennett-Jones, "[Questions concerning the murder of Benazir Bhutto](#)", *London Review of Books*, 6 December 2012

¹²³ S. Fruman, "Will the long march to democracy in Pakistan finally succeed?", US Institute for Peace, 2011, p15

¹²⁴ The ISI is the best-known intelligence agency, but there are numerous others in existence, including the Intelligence Bureau, over which the PPP-led Government does seem to have asserted a measure of control. O. Bennett-Jones, "[Questions concerning the murder of Benazir Bhutto](#)", *London Review of Books*, 6 December 2012

¹²⁵ A. Siddiq, *Military Inc. Inside Pakistan's military economy* (London, 2007), p2

The judiciary and the 2011-12 political crisis

Civil-military relations have been complicated since 2008 by the assertiveness of Pakistan's senior judiciary, led by Chief Justice Iftikhar Muhammed Chaudhry and the Supreme Court. Chaudhry was a thorn in the side of General Musharraf, who retaliated by suspending him. A vocal 'Lawyers Movement' sprung up to campaign for his reinstatement. Chaudhry has sought to challenge key aspects of the bargain struck by the PPP and the army since 2008, including the 2007 amnesty, under the *National Reconciliation Ordinance*, which provided President Zardari and others with protection from investigation for alleged corruption. Fears that the Supreme Court might strike down the amnesty led the PPP to delay his reinstatement, which was supposed to happen in May 2008.¹²⁶ In the end, it took until March 2009 for the Government to do it. The delay was the main reason why the PML-N withdrew in May 2008 from the coalition government which it and the PPP had formed immediately after the February 2008 elections. The Court eventually ruled that the amnesty was unconstitutional in December 2009.

The Supreme Court has also been prepared to challenge the army on issues which the civilian government has been reluctant to push too hard on – for example, pressurizing the intelligence agencies to reveal the fate of hundreds of people who 'disappeared' during the Musharraf era.¹²⁷ To the surprise of most observers, years of effort finally produced a result in February 2012, when the ISI brought seven prisoners before the Supreme Court who had 'disappeared' two years earlier.¹²⁸

The army has not been above seeking to use Chief Justice Chaudhry and the Supreme Court to its own advantage against the PPP-led Government, as illustrated since late 2011 by what has come to be called the 'memogate' scandal. In November 2011, an anonymous secret memorandum became public. Allegedly written by the then Pakistani Ambassador to the US, Husain Haqqani, to the US Government, the memorandum stated that the PPP-led Government feared a coup by an angry and humiliated military in the aftermath of the bin Laden killing. It appealed for American support to prevent such an outcome. Haqqani was recalled and deprived of his post, despite denying that he was the author of the memorandum. The Government claimed that it knew nothing about the memorandum. To the fury of the Government, the army made submissions to a judicial commission mandated by the Supreme Court to look into the veracity of the memorandum and whether government officials had supported it being written. Trust between the army and the Government plummeted, with both sides publicly issuing threats against the other. The political temperature was further raised by a unilateral US raid on a Pakistani army border post in late November, in which at least 24 Pakistani soldiers died.

By January 2012, 'memogate' had merged with the long-running dispute between the Government and the Court over the 2007 amnesty to produce a mounting political crisis. The Supreme Court compelled Prime Minister Yousuf Raza Gilani to appear before it on contempt of court charges for failing to comply with its judgment that the Government should write to the Swiss authorities requesting the reopening of a long-standing corruption case against President Zardari that the Musharraf amnesty had quashed. Gilani argued a president has immunity while in office and therefore no action could be taken. Supporters of the Government warned that Pakistan was in danger of experiencing another coup – this time a 'judicial' one.

Gilani potentially faced a jail sentence and being barred from office if found guilty of contempt. Equally, if it was proven that the Government was involved in some way in

¹²⁶ 50 other higher court judges were also reinstated.

¹²⁷ S. Fruman, "Will the long march to democracy in Pakistan finally succeed?", US Institute for Peace, 2011, p16

¹²⁸ "Pak's ISI forced to produce prisoners in court", *Zeenews.com*, 14 February 2012

'memogate', its resignation would be inevitable. There was speculation that early elections might be the only way of resolving the crisis. In April 2012, Gilani was found guilty but given a symbolic term of imprisonment that was over before he had even left the Supreme Court building. Government supporters treated the verdict as a victory and, for a while, it did look as if the crisis had blown itself out. The extended investigation undertaken by the 'memogate' commission also took some of the heat out of that controversy for a while.

Things hotted up again in June. On the 12th, the judicial commission concluded that Haqqani had indeed written the memorandum. Haqqani continues to assert his innocence. There were criticisms of the credibility of the commission report.¹²⁹ There were also reports that it had said that President Zardari had had no involvement with it.¹³⁰ The Supreme Court began hearings on the 'memogate' case in November, with the Chief Justice heading the bench. Haqqani has been ordered to appear before the Court in person but has so far not done so, citing security concerns.¹³¹

On 19 June the Supreme Court dropped a bombshell by declaring that, given that the Prime Minister had not appealed against its April verdict, he was disqualified from office and from parliament as from 26 April.¹³² The PPP's response was unexpectedly mild.¹³³ It accepted the ruling and sought to appoint a replacement. But the process quickly descended into near-farce when its first nominee, Makhdoom Shahabuddin, had to be withdrawn after another judge ordered his arrest in connection with alleged illegal drug imports while he was federal health minister. On 22 June, an alternative candidate, Raja Pervez Ashraf, was nominated and approved by parliament.

Pakistanis waited to see if or when the Supreme Court would request Ashraf to do what Gilani had refused to do – request the reopening by the Swiss authorities of the corruption case against President Zardari.¹³⁴ The PPP-led Government continued to try and find a way of neutralizing the threat from the Supreme Court. In July 2012, the National Assembly passed a new *Contempt of Court Act* which gave public office holders, including Prime Ministers, immunity from contempt proceedings. However, the Supreme Court quickly struck it down.¹³⁵ Ashraf, like Gilani, soon found himself being threatened with contempt of court proceedings. He eventually made a personal appearance before the Supreme Court at the end of August, at which he was given until 18 September to write the letter.

Ashraf appeared before the Court on that day and, in an apparent breakthrough, agreed that the letter would be sent. There were further adjournments as drafts went back and forth, with the Court asking for deficiencies in the drafts to be remedied. On 10 October the Court approved a final text. It then gave the Government four weeks to send the letter to the Swiss authorities and prove it had been received. The letter was finally despatched to the Swiss authorities in November, leading to the withdrawal on 14 November of the contempt case

¹²⁹ "World media says memo report 'political', Ijaz not credible", *Daily Times*, 15 June 2012

¹³⁰ "Memogate commission report exonerates 'boss' Zardari from any involvement", *Asian News International*, 17 June 2012

¹³¹ "SC orders foolproof security for Haqqani in Pakistan", *Daily Times*, 17 November 2012

¹³² "Pakistan Supreme Court bars PM Gilani from office", *BBC News Online*, 19 June 2012. This ruling came soon after the Supreme Court had authorised a corruption investigation into the son of Chief Justice Chaudhry, who had recused himself from the case.

¹³³ Gilani subsequently made it clear that he felt that the party had abandoned him to his fate. He is also disqualified from standing in the next election. His relations with Zardari are now said to be tense. "Gilani family's predicament remains unexplained", *Dawn*, 16 November 2012

¹³⁴ "Pakistan's ruinous political farce", *BBC News Online*, 22 June 2012; "Pakistan ruling party names new candidate to be PM", *BBC News Online*, 22 June 2012

¹³⁵ "Democracy Monitor", Quarterly Update (May-August 2012), Pakistan Institute of Legislative Development and Transparency

against Prime Minister Ashraf.¹³⁶ Officials said that the letter does refer to the Government's view that the president has immunity from prosecution while he remains in office.¹³⁷ The issue is now in the hands of the Swiss authorities.

The resolution of the amnesty dispute stabilised the political situation considerably and greatly improved the odds on the Government serving out its full term in office. However, this did not mean that the Court lapsed into quiescence. Since September 2012, the Supreme Court had opened up a new front by ruling that 11 sitting national or provincial MPs with dual nationality were disqualified with immediate effect. Then, in October, the Court ruled that the 1990 general election – of which the PML-N was declared the victor – had been rigged and called for the roles of three retired generals to be investigated. This provoked a verbal warning from army chief General Kayani that the Court should not over-reach itself, suggesting that the generals should be only investigated by the military authorities. For obvious reasons, the ruling was also a source of political discomfort for the PML-N.¹³⁸ The Chief Justice responded to Kayani by asserting that the Supreme Court was simply doing its job by adjudicating on cases brought before it.¹³⁹

In October 2012, the Court also issued an interim order declaring that the Balochistan provincial government was in breach of its constitutional obligations and therefore devoid of authority. In November, the Court ruled that the office of the president should, under a Constitution that now enshrines a parliamentary system, be 'above politics'.¹⁴⁰ Few view President Zardari as having played this role during his tenure. Meanwhile, the 'memogate' controversy rumbles on and at some point may well burst back into life.

There are critics of the Chief Justice and the Supreme Court, including within the legal profession in Pakistan, who claim that they are increasingly exceeding their powers and in danger of becoming politicized.¹⁴¹ Indeed, some allege that Chief Justice Chaudhry's injunction against the 2007 amnesty was partly motivated by a desire on his part for revenge against the PPP for having originally resisted his reinstatement after taking office in 2008.¹⁴²

Stephen Cohen has written of the judiciary:

Long craven and submissive, the courts – led by the Supreme Court – are attempting to restore a normal balance between them and the political community, while also maintaining good relations with the army. The courts are trying to compress two hundred years of constitutional evolution into one decade [...] What is problematic is that the natural constituency of the courts, the lawyers, are not the shining liberals that some have portrayed them to be [...] will the hard core pro-Jamaat lawyers tolerate a truly independent judiciary? The so-called Lawyers Movement was anti-dictatorship, but is it pro-democracy?¹⁴³

¹³⁶ "Pakistan's Supreme Court approves letter at the heart of institutional crisis", *IHS Global Insight*, 10 October 2012

¹³⁷ "Pak PM Ashraf gives green signal for dispatching Swiss letter", *Asian News International*, 22 October 2012

¹³⁸ "Military-judicial friction increases in Pakistan", *IHS Global Insight*, 7 November 2012

¹³⁹ Another sensitive case for the military is the investigation just ordered by the Supreme Court into the controversial 2007 military operation to clear the Red Mosque in Islamabad of militants, in which at least 173 people died. "Lal Masjid probe ordered", *Right Vision News*, 6 December 2012

¹⁴⁰ "SC ends debate on president's dual office", *Right Vision News*, 10 November 2012

¹⁴¹ "judicial supremacy or dictatorship?", *Sunday Times* (Islamabad), 5 August 2012

¹⁴² S. Fruman, "Will the long march to democracy in Pakistan finally succeed?", US Institute for Peace, 2011, pp17-18

¹⁴³ S. Cohen, "[Law, order and the future of democracy in Pakistan](#)", Brookings Paper, 21 May 2012. When he refers to "pro-Jamaat", he means lawyers that support JI.

Human Rights Watch recently questioned the liberal credentials of the judiciary after judges issued warnings to several journalists that they would be charged with contempt of court if they went ahead and published reports critical of the judiciary.¹⁴⁴ The organization was by critics condemned for blatantly interfering in Pakistan's judicial system.¹⁴⁵

2.5 Human rights and counter-terrorism

Human rights

The PPP-led Government has achievements to its name since 2008 in terms of the promotion and protection of human rights.

On the credit side of the ledger, Pakistan ratified the International Covenant on Economic, Social and Cultural Rights in 2008 and the International Covenant on Civil and Political Rights (at the same time withdrawing several of its reservations to the treaty)¹⁴⁶ and the Convention Against torture in 2010. In 2011 Pakistan ratified the Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography.¹⁴⁷

Other items on the credit side are the passage by parliament in December 2011 of the *Prevention of Anti-Women Practices (Criminal Law Amendment) Act* and the *Acid Control and Acid Crime Prevention Act*. These laws provide for greater protection for women against gender-based violence, including acid attacks. A bill establishing a National Commission for Human Rights was passed in 2012.¹⁴⁸

However, Pakistan's human rights record continues to be subject to strong criticism. A comprehensive survey is not feasible here, so what follows is a snapshot of some of the many problems that remain unresolved.

The Annual Report of the Human Rights Commission of Pakistan (HRCP) for 2011 provided a range of statistics that shed useful light on the current human rights situation in Pakistan under the PPP-led Government. According to the HRCP:¹⁴⁹

- 1,715 people killed in violence in Karachi.¹⁵⁰
- Extrajudicial killings included 517 people killed in drone attacks, 337 in "police encounters" and 173 people abducted and murdered in Balochistan.
- 389 people were killed and 601 injured in violence against non-Sunni Muslims in 2011.
- At least eight people were charged with blasphemy. Another three were sentenced to death.
- 16 journalists were killed.

¹⁴⁴ "Rights group urges Pakistan judges to stop censoring media", *Right Vision News*, 28 November 2012

¹⁴⁵ "HRW again interferes blatantly in Pak judicial matters", *Right Vision News*, 29 November 2012

¹⁴⁶ Pakistan has retained reservations to the ICCPR that prevent non-Muslims from becoming Prime Minister or President, and discriminate against women's equal right to inheritance

¹⁴⁷ Amnesty International, [Annual Report 2012](#); "National report to the UN Working Group on the UPR of Pakistan", 6 August 2012

¹⁴⁸ Amnesty International, [Annual Report 2012](#); "National report to the UN Working Group on the UPR of Pakistan", 6 August 2012

¹⁴⁹ "State of Human Rights in 2011", Human Rights Commission of Pakistan, 2012

¹⁵⁰ "Q&A: Karachi violence", *BBC News Online*, 4 August 2011

- At least 943 women were killed in ‘honour-killings’. 93 of them were minors. Seven were Christians and two were Hindus.

In a 2010 report, the ICG described the criminal justice system in Pakistan as “anarchic”, protecting the powerful “while victimising the underprivileged” and with a conviction rate of between 5 and 10%.¹⁵¹ The Supreme Court reportedly has about 20,000 cases pending and there is a backlog of about 1.4 million cases nationally.¹⁵²

In 2011, the ICG described the prison system as “corrupt and dysfunctional”. Extremely overcrowded, almost two-thirds of the 78,000 prisoners were remand prisoners waiting for trial or on trial. The military continues to detain thousands of others suspected of terrorism in “parallel, unaccountable and illegal structures”.¹⁵³ A *de facto* moratorium on the use of the death penalty was in place until November 2012, when a soldier convicted of murder was hanged. The PPP-led Government indicated that it has recently changed its mind about moving towards abolition. There are an estimated 8,000 people on death row in Pakistan.¹⁵⁴

By mid October 2012, Human Rights Watch had collected 96 reports of school attacks in Pakistan, most of them in the FATA and Khyber-Pakhtunkhwa.¹⁵⁵ There was domestic and international outrage following the assassination attempt by the Pakistan Taliban in the same month against 15-year old Malala Yousafzai, a campaigner for children’s right to education.¹⁵⁶

Impunity remains the norm in Pakistan for those who carry out politically or religiously-motivated attacks.¹⁵⁷ Sectarian attacks on Shia communities by Sunni militant groups have been on the rise over the past year, although the leader of one of the main groups, called Lashkar-e-Jhangvi, was arrested in August 2012.¹⁵⁸ The position of religious minorities in Pakistan, which comprise about 5% of the population, has long been extremely precarious. The world was shocked by the murder of the Governor of Punjab province, Salman Taseer, in January 2011, by his own bodyguard after he took up the case of a Christian woman, Aasia Bibi, sentenced to death for alleged blasphemy, and supported efforts to change the law. The shock engendered by the killing was compounded by the failure of most of the political establishment in Pakistan to publicly condemn the killing and the degree of public support which the murderer, Mumtaz Qadri, received.¹⁵⁹ Aasia Bibi remains on death row.

Then, in March 2011, Shabaz Bhatti, the Minister of Minorities, the only Christian minister in the Government and another prominent critic of the blasphemy laws, was assassinated after he had called for their repeal. Leading PPP politician Sherry Rehman was forced to withdraw a bill in parliament repealing the blasphemy laws after receiving death threats, highlighting the risks that politicians seeking to improve Pakistan’s human rights record often face. Eventually she moved to the US, where she became Pakistan’s Ambassador. Qadri was tried and sentenced to death. His appeal is currently being heard. Bhatti’s killers have not yet

¹⁵¹ ICG, “Reforming Pakistan’s criminal justice system”, Asia Report No. 196, 6 December 2010

¹⁵² “Rights group urges Pakistan judges to stop censoring media”, *Right Vision News*, 28 November 2012

¹⁵³ ICG, “Reforming Pakistan’s prison system”, Asia Report No. 212, 12 October 2011

¹⁵⁴ “Pakistan: Capital punishment almost suspended”, *Right Vision News*, 17 November 2012

¹⁵⁵ Human Rights Watch, “Pakistan: Protect students, teachers, schools from attack”, 19 October 2012

¹⁵⁶ Pakistan is widely considered to have an extremely poor record on education. According to UNESCO, it is currently spending less than 2.3% of GNP on education and has the second highest number (after Nigeria) of out-of-school children in the world. “Pakistan behind Nepal, India in girls education”, *Right Vision News*, 20 October 2012. See also section 2.7

¹⁵⁷ “Pakistan: protect Shia muslims”, Human Rights Watch press release, 3 December 2011

¹⁵⁸ “More than 320 Shias killed in Pakistan this year in wave of sectarian attacks”, *Daily Telegraph*, 6 September 2012; “Foreign Office minister shocked and saddened by multiple suicide attacks in Pakistan”, statement by Foreign Office minister Baroness Warsi, 23 November 2012

¹⁵⁹ “Can Pakistan step back from the brink?”, *BBC News Online*, 3 January 2012

been caught. In late 2012, there was further controversy after a 14-year old Christian girl with learning difficulties was detained briefly on blasphemy charges. It emerged that a local Imam had planted burnt copies of pages of the Koran in a bag she was carrying.¹⁶⁰ The charges were eventually dropped, although fears remained for her security.¹⁶¹

The Ministry of Minorities was abolished in June 2011 after responsibility for the protection of minorities passed to the provinces under the 18th Amendment to the Constitution. However, soon after, the Federal Government established a Ministry of National Harmony.¹⁶²

In August 2012, Pakistan submitted a report to the UN Human Rights Council under the Universal Periodic Review mechanism. It concluded:

Challenges that continue to persist are: poverty, illiteracy, gender disparity, social inequality and intolerance in society [...] Pakistan has demonstrated a strong commitment to human rights. Overcoming those challenges would need more resources, improved capacity and international cooperation. We are confident in overcoming these challenges through continued political commitment, increased emphasis on mainstreaming human rights in public policy, and placing people at the centre of development. It would also require further strengthening of human rights institutions. We will continue our partnership with civil society organizations and developmental partners towards that end.¹⁶³

The report was considered by the Human Rights Council during its 22 October - 5 November 2012 session. Pakistani human rights NGOs criticised the report for glossing over issues.¹⁶⁴ The Government successfully stood for election to the Council in November, which it hailed as an endorsement of its human rights record.¹⁶⁵

Counter-terrorism¹⁶⁶

Any assessment of the record of the PPP-led Government since 2008 on counter-terrorism must begin by recognizing that it has had relatively little influence over this dimension of state policy. The dominant players, notwithstanding public disavowals of involvement in politics since 2008, are the military and security agencies. The Government might prefer to chart a different course, but has not seriously challenged its own marginalization. All this means that, in this area of policy as in many others relating to defence and security, we are really assessing what has happened 'under the watch', rather than under the control, of the PPP-led Government.

State policy on counter-terrorism since 2008 has shown fundamental continuity with previous civilian and military dispensations in Pakistan. It continues to be strongly shaped by enduring perceptions of Pakistan's 'national security interests' in Afghanistan and Kashmir. The common thread is suspicion of – and rivalry with – neighbouring India. A secondary thread

¹⁶⁰ "Pakistan 'Koran plot' imam remanded in blasphemy case", *BBC News Online*, 2 September 2012

¹⁶¹ "Pakistan: Rimsha blasphemy case dropped", *BBC News Online*, 20 November 2012

¹⁶² "Report on International Religious Freedom 2011", US Department of State, July 2012

¹⁶³ "Human rights ministry submits universal periodic report to UN", *Right Vision News*, 11 August 2012; "National report to the UN Working Group on the UPR of Pakistan", 6 August 2012

¹⁶⁴ "Time to act in Pakistan is now, say human rights NGOs", *Pakistan Company News*, 2 November 2012

¹⁶⁵ After the Government announced its candidacy, Amnesty International and Human Rights Watch both called on the Government to take additional steps to promote and protect human rights. See Amnesty International, "Open letter: Pakistan's candidacy for election to the UN Human Rights Council", 19 October 2012

¹⁶⁶ Developments in combating terrorism in Pakistan since 2008 have been extensively covered by other experts and commentators, so what follows is a brief overview. See also: *The 'AfPak policy' and the Pashtuns*, House of Commons Library Research Paper 10/45, 22 June 2010

running through policy is how to manage Pakistan's demanding but lucrative relationship with that the US (see below).¹⁶⁷

Once this complex balancing act is understood, then some of the apparent policy contradictions that some analysts detect become less difficult to make sense of. While it is certainly possible to posit alternative conceptions of Pakistan's national security interests – and many have done that – Pakistan's military and security establishment is yet to be persuaded.

There are, of course, dangers in talking as if the military and security establishment have a unified, conscious 'policy' at all times. Sometimes they do not. So this overview should be taken as an outline of what have been the dominant policy trends (and reflexes) since 2008 by the two most powerful institutions within Pakistan's 'deep state'.

The Pakistani military and security establishment has continued to have a close relationship with the Afghan Taliban, which it played a part in creating, even as it seeks to stay onside with the US, which remains ambivalent about any political settlement involving the Taliban. The Pakistani military and security establishment has oscillated in its stance towards Pakistani armed militant groups, tolerating them insofar as they focus on supporting the Afghan Taliban but coming down hard on them where they seek to promote an agenda hostile to the Pakistani state. Armed militant groups with a strong focus on Kashmir have continued to be tolerated – and still, from time to time, sponsored – by that establishment. In this, they have considerable support amongst some civilian political parties.

These dynamics help to explain why the PPP-led Government, despite hesitant moves in this direction, has so far failed convincingly to revamp the existing legislative framework on counter-terrorism. The 1997 *Anti-Terrorism Act* (amended in 2001 and 2004), which defines terrorism as primarily ethnic and sectarian in character, remains in force. Another Anti-Terrorism (Amendment) Bill was tabled in 2010 but then withdrawn. The Federal Cabinet finally approved a revised Anti-Terrorism Bill in September 2012 but it focuses narrowly on strengthening measures to counter the financing of terrorism and does not include an updated definition of terrorism.¹⁶⁸

On the plus side, a National Counter-Terrorism Authority has been established by the Government. It is a civilian-led body but it is yet to become fully functional due to the fact that enabling legislation has been long-delayed, with the main point of dispute being which department or agency should lead it.¹⁶⁹ An Investigation for Fair Trial Bill 2012, which will allow the law enforcement agencies to use modern techniques and devices against terrorists, is currently being considered by the National Assembly. An *Anti-Money Laundering Act* was also passed in 2010.¹⁷⁰

During 2008-09, state policy in the border areas with Afghanistan, including the FATA, was based predominantly on a combination of seeking 'peace deals' with some armed militant groups and targeted, relatively short-term, military operations against those groups which

¹⁶⁷ Many argue that the feeling is mutual. See: A. Siddiq, "[Pakistan's counterterrorism strategy: separating friends from enemies](#)", *Washington Quarterly*, Winter 2011

¹⁶⁸ "The Anti-Terrorism (Amendment) Bill 2012", PILDAT Legislative Brief No. 17, November 2012; "The need for reform in anti-terror laws", *The Friday Times*, 13-19 January 2012

¹⁶⁹ "Counter-terrorism authority dormant", *Dawn*, 25 May 2011; S. Nawaz, "Who controls Pakistan's security forces?", *USIP Special Report*, No. 297, December 2011

¹⁷⁰ "The Investigation for Fair Trial Bill 2012", PILDAT legislative brief, No. 16, October 2012

were deemed either to have violated such deals or not to be appropriate candidates for such deals.¹⁷¹

However, by mid-2009, with the Pakistan Taliban gaining a hold over more territory, the balance between the two facets of the policy shifted, with scaled-up military operations becoming the main element of policy. This shift was welcomed by Western allies who had always been uneasy about the apparent appeasement of armed militants with strong links to the Afghan Taliban. There was also a switch in public opinion away from sympathy for, or tolerance of, the militants.

Major military offensives were launched, first in the Swat Valley, and then, later in the year, in South Waziristan. These offensives were partially successful in that they reduced significantly the amount of territory held by armed militant groups. However, they did not eliminate them. The civilian cost in terms of lives and internal displacement was high.¹⁷²

Since the military push of 2009-10, the situation in the border areas has stabilized somewhat, although attacks by armed militant groups continue and conditions for civilians in the border areas remain very difficult. Attacks in major cities outside of the border areas also largely dried up, although there was an attack in Lahore in July 2012, in which nine prison guards died. According to the FATA Research Centre, Khyber Agency has seen the most armed attacks by militants during 2012. South Waziristan, by contrast, formerly a major location of attacks, has been comparatively calm.¹⁷³

However, there has been growing Western frustration since 2010 that the army's offensive in South Waziristan was not extended to North Waziristan, to which many armed militants decamped. North Waziristan is also the primary base of the Haqqani network, which has long had very close ties with the Pakistani military and security establishment, and which is loosely linked to the Afghan Taliban. In August 2012 the US claimed that the Pakistani army was now preparing to undertake an offensive in North Waziristan, but many questioned the level of public support for such a step.¹⁷⁴

There was a flurry of renewed anticipation in October 2012 following the Pakistan Taliban's attack on a 15-year old campaigner for children's education, Malala Yousafzai, which outraged domestic public opinion. But government officials responded that no operation could be conducted in North Waziristan until there was a "consensus" in favour of it and this was still lacking.¹⁷⁵ In the end, it is the military and security agencies which will decide whether or not to undertake such an operation.

There has been a limited recalibration of Pakistani state policy towards armed militant groups on active service in Kashmir over the last decade, but it has not amounted to a fundamental change. Levels of direct support to those groups have reduced over the past five years, as Pakistan has responded to tantalising glimpses of progress in bilateral negotiations with India, but ties have not yet been decisively cut.

The paradox is that the outlines of a deal with India are now well established, but neither Pakistan nor India has yet been able to call the bluff of domestic critics – some of whom are

¹⁷¹ ICG, "Pakistan: Countering Militancy in FATA", Asia Report No. 178, 21 October 2009

¹⁷² ICG, "Pakistan: Countering Militancy in FATA", Asia Report No. 178, 21 October 2009

¹⁷³ FATA Research Centre, Daily Brief, 5 November 2012

¹⁷⁴ "Pakistan army chief Ashfaq Parvez Kayani in unity plea", *BBC News Online*, 14 August 2012; "Pak asks US to keep North Waziristan operation secret to avoid 'complications'", *Asian News International*, 17 September 2012

¹⁷⁵ "Not just yet", *Friday Times*, 26 October 2012

within their respective military and security establishments – who would likely view any compromise as a ‘sell-out’.¹⁷⁶

Given this, Pakistan’s military and security agencies have kept up their ties with these armed militant groups, despite the fact that some of them have in the past undertaken large-scale violent attacks on Indian soil that have set back prospects for a negotiated settlement. This has particularly been so in the case of Lashkar-e-Taiba (LeT), which carried out the Mumbai attacks in November 2008, in which at least 170 people died.¹⁷⁷ India has, with some justice, accused Pakistan of protecting LeT’s leadership since the attacks and of failing to co-operate fully with their investigations.¹⁷⁸ The PPP-led Government might well be interested in some kind of ‘grand bargain’ with India, but it is not in the driver’s seat.

2.6 The economy¹⁷⁹










Context

When the PPP-led Government took office in 2008, it was confronted by major economic challenges, many of them deep-seated and long-standing. It is questionable whether its efforts to address these have been successful.

Pakistan inherited little industrial infrastructure on independence and the contribution of the industrial sector to its economy in 1948 was half that of India’s. Since then, economic development has been spasmodic and uneven, concentrated in urban parts of Punjab and Sindh, with severe disparity between these and more rural areas, particularly in Balochistan and Khyber-Pakhtunkhwa.

Over the past sixty years, Pakistan has been heavily reliant on financial inflows from abroad to finance its persistent trade and fiscal deficits. Aid flows have been turned on and off in response to political developments, with each suspension highlighting the country’s vulnerability and need for fiscal and structural reform, with each resumption obviating to some extent the need for the Government to make

Pakistan in 2011: fast facts

GDP, \$bn	210	
Annual average change, %, 2001-11	4.8	
GDP per capita, \$PPP	2,786	
Annual average change, %, 2001-11	4.2	
Population	175.3	
Annual average change, %, 2001-11	2.2	
Inflation, %	13.7	
Unemployment, %	6.0	
Current account balance, % GDP	0.1	
Poverty (% <\$2 per day)	60.2	
Adult literacy, %	55.5	
Under-five mortality, per thousand	78.1	
Life expectancy, years	63.9	

Note: charts show trends since 1980

¹⁷⁶ “Islamic militants threaten war on Pakistan over Kashmir”, www.telegraph.co.uk, 8 June 2012. For further discussion of the ‘composite dialogue’ between the two countries, see section 3.2.

¹⁷⁷ For further background on LeT, see: “Profile: Lashkar-e-Taiba”, *Council on Foreign Relations backgrounder*, updated 14 January 2010;

¹⁷⁸ “Lashkar-e-Taiba resumes online jihad”, *The Hindu*, 15 June 2012. Some have alleged that LeT increasingly has an international agenda and links with al-Qaeda.

¹⁷⁹ Unless otherwise referenced, analysis in this section is based on Ehtisham Ahmad’s essay on Pakistan’s economy for Europa World Plus; World Bank *Pakistan Economic Update* (June 2011); World Bank *Country partnership strategy progress report for Pakistan* (November 2011); IMF Pakistan Article IV consultation *Staff Report* (February 2012); Asian Development Bank *Asian Development Outlook 2012 – Pakistan* (February 2012). All statistics, unless otherwise referenced, are from the IMF *World Economic Outlook database* (October 2012) and data.worldbank.org

such changes. Inflows of private capital, including foreign investment, have been similarly susceptible to changing investor sentiment.

Remittances from Pakistan's diaspora, by contrast, have proved a more stable source of foreign capital, as well as an important source of economic security for many households. Total remittances are projected to reach \$14bn in 2012, up from \$4bn a decade earlier.

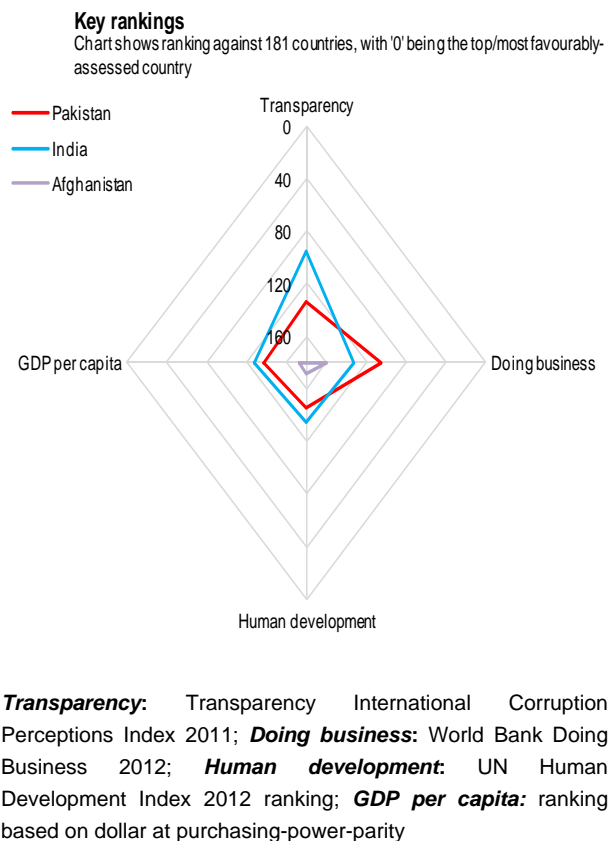
Limited tax-raising capacity, combined with commitments to military spending and debt interest, has left little money for government expenditure in areas such as health and education. The conflict with India over Kashmir has been particularly burdensome in this respect, contributing to the tensions that have fuelled costly nuclear and military proliferation. Meanwhile, natural disasters and military offensives in the FATA and Swat Valley have displaced millions and generated substantial reconstruction costs.

As a result, Pakistan's levels of development lag behind the rest of South Asia, with the exception of Afghanistan (see section 2.7).

Economic management – the Government's record

With limited tax-raising capacity, significant military and debt-related spending commitments, generally weak fiscal management, and limited access to international capital markets, Pakistan has been almost continuously reliant on official external assistance since independence, both in the form of direct budget support and loans from the IMF, World Bank and Asian Development Bank, to avert fiscal crisis. At times, the PPP-led Government's management of its international borrowing has been questionable: in a gesture towards self-reliance, it decided during the post 9/11 'boom' to pay down concessional loans from the Asian Development Bank and IMF ahead of schedule, and at the same time issue euro-denominated debt (at much higher interest) to private creditors.

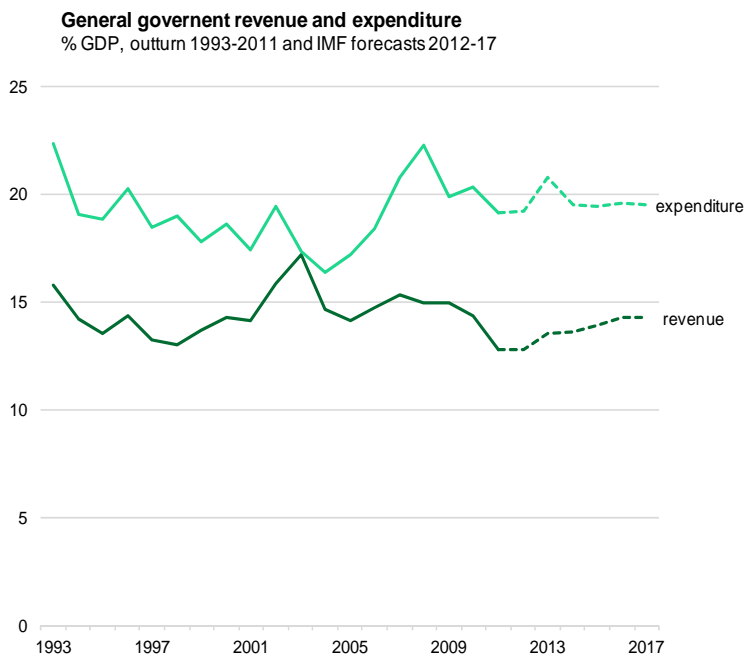
With elections looming as part of the country's transition in early 2008, the then Government of General Pervez Musharraf decided to protect domestic petroleum and food prices from sharp increases on international markets by increasing the public subsidy on these items. The result was a rapidly widening fiscal deficit, and with access to private capital drying-up in the wake of the global financial crisis, the new PPP-led Government was forced to enter into another \$7.6bn IMF stand-by arrangement in late 2008,¹⁸⁰ augmented by a further \$3.5bn in 2009.¹⁸¹ Unlike previous arrangements, there was little conditionality attached to the loans, except that Pakistan was expected to reduce food and petroleum subsidies, which it duly did, and implement long-delayed tax reforms, which it did not. The failure to make progress on tax policy and administration caused the programme to fall apart in early 2011, meaning the extra \$3.5bn was left undisbursed.



¹⁸⁰ IMF Survey, *IMF Outlines \$7.6bn loan for Pakistan*, 15 November 2008

¹⁸¹ IMF Survey *IMF to lend Pakistan \$3.2bn more to support social costs, build reserves*, 7 August 2009

Pakistan's tax-raising capacity has long been constrained by a weak and outdated tax administration; a fragmented legislative framework that hinders the co-ordination across regions of nationally-imposed taxes; and a reluctance on the part of governments to relinquish the power of statutory regulatory orders that allow it to selectively favour businesses and individuals by exempting them from tax without reference to parliament. Evasion is extremely widespread (there are fewer income tax payers than in Guatemala, with one twentieth of the population), fuelled by perceptions of corruption and inefficiency in the public sector, and enabled by a chronic lack of knowledge of individuals' financial affairs by the tax authorities.

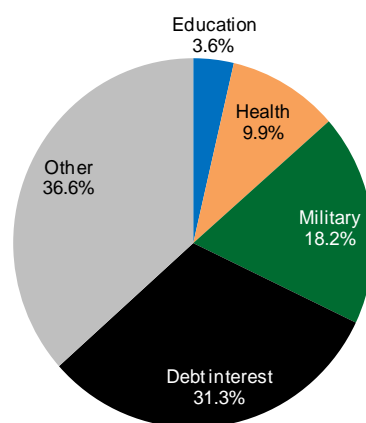


As in other countries, Pakistan's sales tax has been the cornerstone of recent reform efforts. Implementation of this type of tax can catalyse revenue raising in other areas, relying as it does on modern administrative practices such as self-assessment and auditing, and providing in its collection the information necessary to 'smoke out' income tax evaders. However, successive efforts to implement an effective sales tax and successive targets for revenue-raising have failed, and at 12.8%, Pakistan's revenue-to-GDP ratio in 2011 was lower than at any point since at least 1990. The figure is well below the 18%-20% believed to be required to finance the infrastructure and generate the growth necessary to meet the Millennium Development Goals.

The failure of tax reforms has occurred despite substantial outside assistance and pressure. The World Bank provided a \$130m loan for Pakistan's 'tax transformation project', but this quickly lost direction and was declared non-performing by the Bank in early 2008. Successive IMF programmes before the failed 2008 arrangement had set targets for increasing domestic revenues that were missed.

The necessity for tax reform in Pakistan has to some extent been obviated by the substantial aid flows it has received, particularly during periods when donor sentiment has been favourable. For instance, Pakistan's fiscal situation, and indeed the economy more generally, improved in the 1980s during the struggle against Soviet occupation of Afghanistan, and since the 9/11 terrorist attacks, when the co-operation between government and military have been of particular strategic importance. Conversely, following the end of the Soviet occupation of Afghanistan, and during periods of sanctions (notably following the military coup of General Zia ul-Haq in 1977 and after the testing of nuclear weapons in 1998), Pakistan's dependence on external funds has been exposed, leading to economic difficulties.

Public spending by function, 2010



At such times, governments have been obliged to seek less concessional forms of assistance; when official assistance was cut off in the late 1990s, Pakistan's reliance on short-term external borrowing, at very high interest rates, pushed net public debt to 88% of GDP in 2011. Since 9/11, Pakistan has also seen a significant amount of its debt, most of which is owed to governments and multilateral agencies, written-off or restructured, leading to a decline in the debt owed to foreigners from 54% of GDP in 2000 to 28% by 2006.¹⁸²

As under previous administrations, government spending since 2008 has been dominated by military expenditure and debt interest repayment, with little left over for investment in social and physical infrastructure. The conflict over India with Kashmir has been particularly costly over the years, taking into account its contribution to the tensions that have fuelled nuclear proliferation and persistently high military expenditure. More recently, military offensives in the FATA and the Swat Valley have generated large reconstruction costs. Substantial petroleum, energy and agricultural subsidies and loss-making state-owned enterprises across a range of sectors further contribute to Pakistan's weak fiscal position.

Thus, economic policy has been little different since 2008 from the period immediately preceding it, though economic growth has been markedly weaker since the 2008 global financial crisis caused a sharp slowdown in foreign investment. The two main economic achievements of the PPP-led Government since 2008 have been the agreement to give provinces a larger share of central resources, and the 18th Amendment of the Constitution in 2010, which devolved certain spending to the provinces and eliminated the role of the federal government in health and education (see section 2.1). However, as with other economic ambitions, the objectives of these changes could be thwarted by inertia on the issue of tax reform. The decision to increase the share of resources to the provinces, made in 2009, was predicated on the enactment of tax reforms, and a consequent rise in the tax-to-GDP ratio to 14% by 2013. Without these changes, the additional responsibilities devolved under the 18th Amendment, writes Ehtisham Aham, are effectively unfunded commitments that put Pakistan's already unreliable delivery of public services in even greater jeopardy:

The continuation of local services delivery is threatened by inadequate resources, with companies such as the Hyderabad Water and Sewage Authority lacking the finances to pay wages, let alone cover the arrears for electricity charges. The danger is that expectations were heightened... as the reality becomes apparent, the backlash may well ensure that these achievements encumber the current and future administrations.¹⁸³

Financial management and aid

According to the assessments of DFID and others, public financial management in Pakistan is weak, and is likely to become weaker still as a result of devolution. A lack of transparency in auditing and budgeting procedures, together with endemic corruption, is a major obstacle to effectively scaling-up aid to Pakistan. Transparency International places Pakistan 134th out of 182 in its corruption perceptions index, while an International Crisis Group report in 2010 described the country's civil service as "incapable of providing effective governance and basic public services" and urged international donors to "condition aid on measures to institute greater accountability and transparency". In a recent report, the Independent Commission for Aid Impact recommended that the planned scaling-up of UK aid to Pakistan should "be approached cautiously and with a very active risk management stance".¹⁸⁴

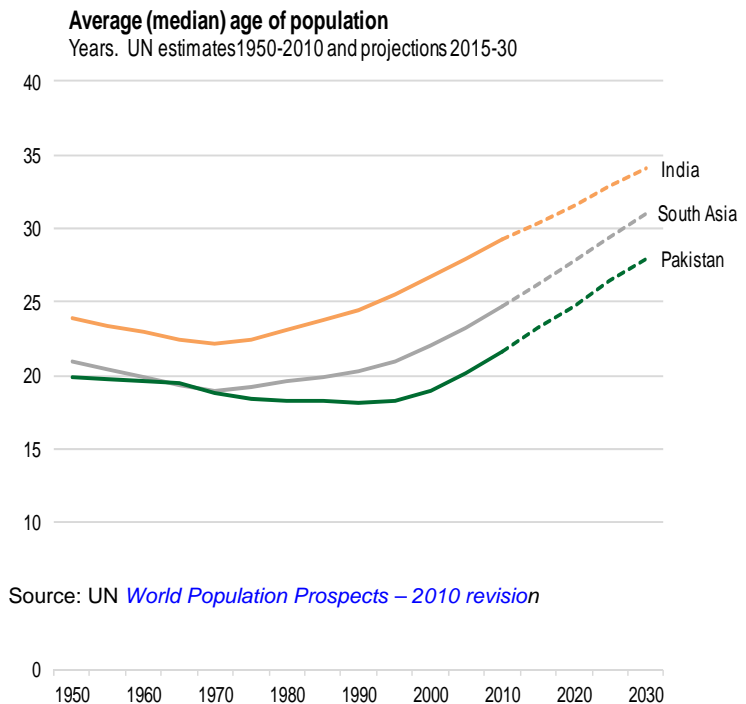
¹⁸² World Bank [Joint external debt hub](#)

¹⁸³ See [Ehtisham Ahmad's essay](#) on Pakistan's economy for Europa World Plus

¹⁸⁴ ICG, "[Reforming Pakistan's Civil Service](#)", 16 February 2010

Economic prospects

Pakistan's economy has a number of fundamental strengths, including a physical location at the intersection of trade routes, global strategic importance and a young population. There is ample scope to improve agricultural and industrial productivity. However, the preconditions for capitalising on these advantages are seen by most observers as not being met. The PPP-led Government's willingness to enact potentially politically difficult reforms, particularly to improve tax-raising capacity and reassign a greater proportion of expenditure to development-related purposes, remains questionable, as does the will of international donors to use their influence to induce it in this direction.



The Government does appear to acknowledge some of the constraints on Pakistan's economy. The New Framework for Growth Strategy, Pakistan's medium-term economic policy document launched in mid-2011, identifies low productivity associated with weak economic governance as the main constraint to growth. It is widely feared that failure to rectify these problems and achieve a more rapid rate of economic development could turn Pakistan's young population from an economic advantage into a source of instability. Just to absorb the 8,000 new entrants to the labour market every day,¹⁸⁵ the IMF estimates that Pakistan will have to grow at 7% per year; its current forecast is for growth at half that rate, implying rising youth unemployment and weak per capita income growth.¹⁸⁶

Internationally, the 2008 global financial crisis showed that Pakistan's economy was vulnerable to global developments, and proved that the post-9/11 economic 'boom' was built on shaky foundations, most notably a rapid increase of development and military aid, and volatile private capital flows. The global economic slowdown and the risk of a worsening of the eurozone crisis pose similar threats to Pakistan's economy today.

2.7 Development¹⁸⁷

Though Pakistan's rate of economic growth has been relatively rapid over the past two decades, this has not been reflected in improved development outcomes to the extent that might be expected. Although the poverty rate across the country as a whole fell during the period of particularly strong growth during 2002-06, there is also evidence that inequality between regions and individuals rose. Pakistan is unlikely to meet the Millennium Development Goal targets on primary enrolment, child mortality, maternal mortality, certain infectious diseases (Tuberculosis and malaria), and water and sanitation.¹⁸⁸

¹⁸⁵ World Bank *Country partnership strategy progress report for Pakistan*

¹⁸⁶ IMF Article IV *Staff Report* and *World Economic Outlook database*

¹⁸⁷ All statistics, unless otherwise referenced, are from the IMF *World Economic Outlook database* (October 2012) and data.worldbank.org

¹⁸⁸ UNDP *MDGs in Pakistan*

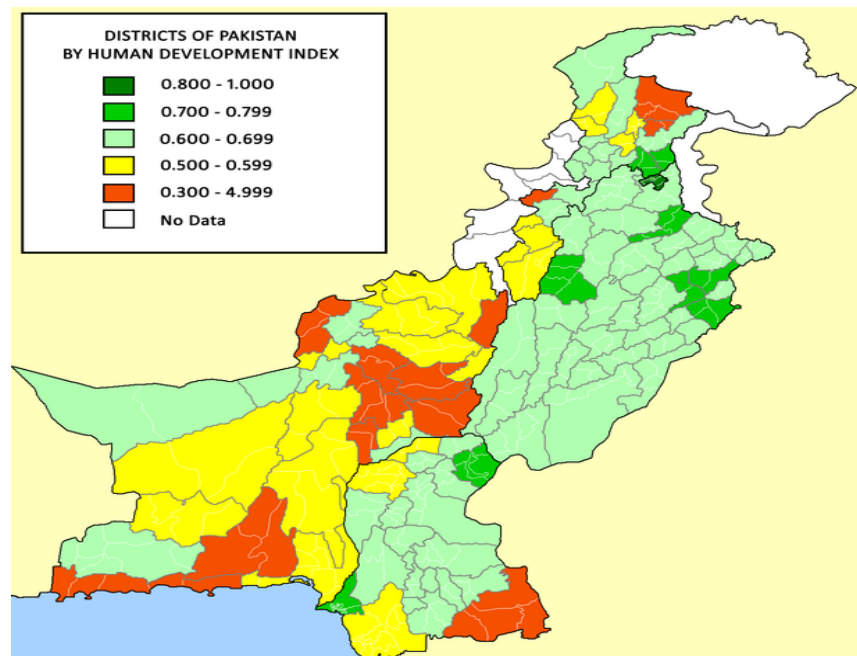
Poverty rates

The percentage of households living on less than \$1.25 per day has fallen from 48% in 1997 to 21% in 2008, with particularly large reductions occurring between 2002 and 2006 as a result of greater foreign assistance following 9/11, a rise in remittances and debt write off. Measured against Pakistan's own poverty line, poverty rates have fallen from 16% in 2008/09 to 11% in 2010/11. However, both sets of figures are subject to methodological issues, including the means by which price variance is measured between regions and over time. The Ministry of Finance's 2010/11 Economic Survey also noted that recent poverty estimates show strong clustering around the poverty line, with three-quarters of the population on incomes just below or just above the threshold. Significant year-to-year swings in the measured poverty rate corroborate this, and give an insight into the economic vulnerability of those at or near the line.

The PPP-led Government's flagship initiative for directly tackling poverty in Pakistan has been the Benazir Income Support Programme (BISP), initiated in 2008, under which families earning less than Rs.6000 (around £40) per month receive bi-monthly cash transfers paid directly to a female member. The BISP is the key part of Pakistan's National Social Protection Strategy, launched in 2007 with the technical assistance of the Asian Development Bank, World Bank and DFID, and is the first serious attempt to provide a social safety net with comprehensive coverage. The Asian Development Bank has also provided concessional loans of \$300m to support the programme directly, in return for which it has demanded reforms, including replacing the previous system of having parliamentarians identify eligible recipients with a more objective poverty scorecard approach.

However, the BISP remains tainted by its close association with a single political party, with some claiming its very name is intended to shore up the PPP vote in the forthcoming elections.¹⁸⁹

Both within and between regions, there are significant differences in living standards. Pakistan's regional human development index (see map) shows the highest standards of living, on average, in urban areas of Sindh province (reflecting development in Karachi), and the urban areas of Punjab. Lowest standards of living are observed in rural Sindh and rural Balochistan. The most significant reductions in poverty over the past decade have occurred in Khyber-Pakhtunkhwa and the FATA, something the World Bank sees as being driven by high levels of foreign and domestic remittances.¹⁹⁰



¹⁸⁹ See, for instance, ODI "[The Benazir Income Support Programme and the Zakat programme](#)", November 2010

¹⁹⁰ World Bank [Pakistan Country Partnership Strategy FY 2010-13](#)

Health

Targeted medical interventions (e.g. malaria net provision) and immunisation programmes, together with improved access to clean water in some areas, have meant that, like vast majority of the developing world, Pakistan has seen improvements in key health indicators such as child and maternal mortality, and life expectancy. However, by regional standards, this progress has been slow and maternal and child mortality rates are the second-highest in South and Central Asia, behind Afghanistan. Women's and child's health is also adversely affected by the low status of women in Pakistan, whose under-education, low levels of employment and limited independence present barriers to accessing health services. The latest household survey results indicate that women are increasingly aware of the importance of family planning, generating growing unmet demand for such services.

Current government expenditure on health, at 0.84% of GDP and 3.6% of total spending, is no higher than it was in the mid-1990s. Underinvestment has led to poor facilities, with rural areas particularly poorly served: 68% of rural women give birth at home. Weak co-ordination, meanwhile, has meant Pakistan has struggled to handle infectious diseases, and it is vulnerable to global epidemics, such as bird flu. More than half of total (public plus private) health spending in Pakistan comprises 'out-of-pocket' spending by individuals, and household surveys have shown that unexpected health bills are the most severe form of shock hitting poor households, greater than either conflict or natural disasters.¹⁹¹

Education

As do its health services, public education in Pakistan suffers from insufficient investment and inefficient use of available resources. The PPP-led Government has acknowledged that the country is in the midst of an "education emergency".¹⁹² As a proportion of GDP (2.4%), public spending is little higher than it was in the early 1970s, and well below the regional average. A shift in emphasis on the part of Pakistan's government and international donors in the 1990s to primary education (at the expense of secondary and tertiary institutions) may have helped drive rising enrolment rates, but it has also led to a shortage of qualified teachers. As with other public services, the quality of education is also affected by weak governance, management and accountability. In its 2010-13 Partnership Strategy, the World Bank commented that "the quality of education is weak at all levels... drop-out rates are high, and learning achievements are low and varied."

Pakistan ranks 160th out of 187 on the UNDP's 2011 Education Index.¹⁹³ 88% of children enter school on time, with half of those dropping out before finishing primary school. Nearly a quarter of 7-16 year-olds have no formal education at all, and among those who do attend, attainment is low, with two thirds of school leavers in rural areas failing to achieve basic literacy. There are significant gender gaps in primary school enrolment and literacy. These are partly due to attitudes concerning the role of women (also reflected in Pakistan's very low female labour force participation), and partly due to outright discrimination (starkly illustrated by the shooting of 15 year-old schoolgirl Malala Yousafzai by Taliban gunmen in October 2012).¹⁹⁴

¹⁹¹ Independent Commission on Aid Impact, [DFID bilateral aid to Pakistan](#)

¹⁹² "Education emergency in Pakistan", *Financial Daily*, 28 November 2012

¹⁹³ UNDP *Human Development Report 2011* [statistical tables](#)

¹⁹⁴ "[Malala Yousafzai: Pakistan girl 'standing with help'](#)", *BBC News Online*, 19 October 2012. Western observers have often expressed concern about the role of madrassas in producing students with a strong affinity with militant Islam. One particularly well-known *madrassa* in this respect is the *Darul Uloom Haqqania*, located on the road from Islamabad to Peshawar. But it is estimated that only about 6% of children are educated in religious schools. O. Bennett-Jones, "[Questions concerning the murder of Benazir Bhutto](#)", *London Review of Books*, 6 December 2012; "Education emergency in Pakistan", *Financial Daily*, 28 November 2012

Food and nutrition

Much of Pakistan's population is vulnerable to food price fluctuations, such as the spike that occurred in 2008, and to natural disasters, such as the floods of recent years. Incidents of civil unrest – 2009 saw food riots, a stampede in Karachi to access free sacks of rice in which 20 women and girls were crushed to death, and a suicide bombing at the offices of the World Food Programme – highlight this vulnerability to food shortages and price fluctuations, and throw the links between food security and political security into high relief. Although wheat flour and rice prices are currently trending slightly downwards, they remain 59% higher than their five-year average.

Wheat is the staple crop in Pakistan, accounting for more than 55% of total caloric consumption. The dominance of wheat, and the declining importance of coarse grain crops (many of which are more nutrient-dense and require less water) has been criticized as a failure of agriculture strategy in certain quarters.¹⁹⁵ In terms of food security, an emphasis on wheat production has benefitted the Punjab, which is home to 80% of total wheat production, at the expense of other regions

Corruption has affected agricultural policymaking, partly as a result of the close connection between land ownership and political influence in Pakistan's feudalistic society (see 'Land' section). The 'Benazir tractor scheme', whereby thousands of free tractors were supposed to have been awarded to small farmers (those with less than 25 acres of land) through a computerised lottery, is a classic example. Among the winners were those who own thousands of acres of land and 48 family members of a single parliamentarian.¹⁹⁶ Highly unequal land distribution, allied to the political influence that large landowners command, has also been criticized for leading to resource misallocation, diverting production priorities from meeting people's basic needs.

These problems, combined with poor public services and low living standards, are reflected in an undernourishment rate that is higher than the regional average. Detailed comparable data on malnutrition has not been published since 2001, although in the aftermath of the 2010 floods, relief workers reported unexpectedly high levels of malnutrition that could only have predated the disaster.¹⁹⁷

The impact of Pakistan's humanitarian disasters on development

Pakistan has been disproportionately affected by natural disasters in the past decade. In 2010, the largest floods in living memory directly affected 20m people, over 10% of the population. In 2011, Sindh province was hit by further flooding, affecting 9.2m and compounding the damage of the previous disaster. The damage of both floods was estimated by the World Bank and Asian Development Bank at \$14bn, with reconstruction costs put at a further \$10 billion.¹⁹⁸

There is debate about how far this phenomenon is the result of climate change and how far it is due to decades of poor resource management by the state (see below).¹⁹⁹ It is claimed that

¹⁹⁵ Woodrow Wilson Center, "[Hunger Pains: Pakistan's food insecurity](#)", 2010

¹⁹⁶ Woodrow Wilson Center, "[Hunger Pains: Pakistan's food insecurity](#)", 2010

¹⁹⁷ IRIN [Pakistan: floods uncover evidence of feudalism's impact on poor](#), 17 Feb 2011

¹⁹⁸ World Bank/Asian Development Bank, [Pakistan floods 2010: preliminary damage and needs assessment](#) and The Peninsula [Floods caused \\$3.7bn loss in Pakistan's two provinces](#), 3 March 2012

¹⁹⁹ There were also significant floods in 2009, although these received less international attention. "Pakistan floods show Asia's vulnerability to climate change", *Reuters*, 11 October 2011

an estimated 40% of agricultural water in Pakistan is currently being lost through seepage and theft by big land-owners.²⁰⁰

According to Oxfam, in early 2012 at least 2.5 million people were “still living without basics such as food, water, shelter, sanitation and healthcare” following the two consecutive years of ‘mega-floods’.²⁰¹

Much of the damage occurred to agricultural land and livestock; this, together with the destruction of infrastructure, particularly bridges, inhibited aid access and worsened food insecurity. Efforts to compensate those suffering losses have been patchy and slow. A cash disbursement scheme, whereby recipients received \$240 on prepaid cards, was broadly successful; but, because they were not owners of their land or houses, tenant farmers did not qualify for further government compensation, and much of the Government’s assistance was provided to landlords. Unable to plant crops and forced to sell livestock, many small farmers abandoned the land. As a result, large numbers of people from rural Sindh and Punjab are now “languishing at the bottom of the informal economy in the cities.”²⁰²

The immediate response to these crises was weakened by delays by the Government in requesting international assistance, restrictions on the activities of aid agencies, the threat of terrorist attacks, damage to infrastructure preventing humanitarian access, and low levels of support from international donors (relative to perceived needs – see chart below).

The Government’s failure to plan for an appropriate response to the 2010 floods was widely criticised. According to UNDP, regional authorities were more involved during the 2011 floods than in 2010. However, a July 2012 report by the Disasters Emergency Committee was strongly critical of the Government’s existing strategy for preventing and dealing with humanitarian disasters:²⁰³

[...] while the government has instituted a comprehensive DRR governance system in Pakistan on paper, in reality the system suffers from a lack of political commitment, funding, skilled human resources, and coordination and suffers from fragmentation, and overlapping and unclear mandates among government agencies horizontally and vertically. The system is especially weak the local district levels where the bulk of implementation occurs. The national DRR system also focuses mainly on response and ignores other more sustainable and durable dimensions of DRR, such as prevention and mitigation which can address the root causes of disaster risk within the country, which because of its geographical diversity is vulnerable to a large range of physical hazards, such as floods, earthquakes, tsunamis, and cyclones. Government programs and policies often end up reducing people’s resilience by increasing their exposure to physical hazards. The malpractices of local elites reduce people’s access to resources and information and increase their exposure to physical hazards.

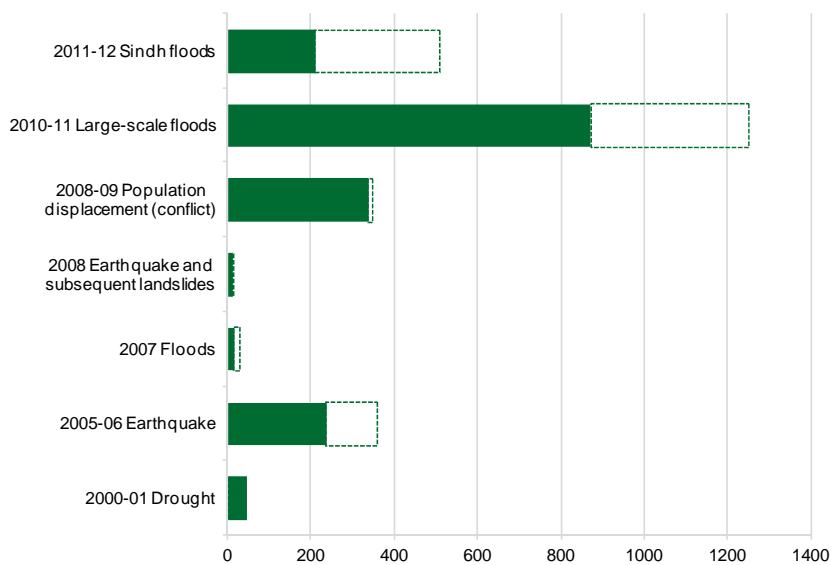
²⁰⁰ “Pakistan unlikely to meet MDGs in forest cover: expert”, *Right Vision News*, 24 November 2012

²⁰¹ “[Pakistan floods](#)”, OXFAM, last updated February 2012

²⁰² J. Breman, “[The undercities of Karachi](#)”, *New Left Review*, 66, July-August 2012, p57

²⁰³ DEC [Disaster risk reduction in Pakistan: the contribution of DEC member agencies, 2010-12](#)

Pakistan - humanitarian disaster appeal funding (solid bars) vs requests (solid bars plus dotted bars)
£m



Based on figures from Independent Commission on Aid Impact [DFID bilateral aid to Pakistan](#)

September 2012 saw further major floods, albeit not on quite the same scale as those of the previous two years.²⁰⁴ The 2012 floods killed 473 people and affected five million people, with Sindh and Balochistan hardest hit.²⁰⁵ The ICG argued in October 2012 that “by hindering international actors’ access to populations in need, the civil-military bureaucracies are undermining efforts to help citizens cope in the aftermath of humanitarian disasters”. It called for steps to be taken to strengthen the capacity of the civilian government to respond to humanitarian crises.²⁰⁶ Representatives of the Sindh provincial government were also critical of the performance of local agencies.²⁰⁷ There were continuing reports that some international appeals for funds had not produced strong responses from donors.²⁰⁸ The Pakistan Red Crescent warned that tens of thousands were at risk from disease in camps and that blankets and shelters to protect people against the coming winter were also in inadequate supply.²⁰⁹

Land

Pakistani society, at least in the rural areas where almost two-thirds of its population live, remains defined by feudal class relations. Agricultural land is disproportionately controlled by politically influential landlords who, according to Ehtisham Ahmed, have been able to circumvent land ownership ceilings implemented in the late 1950s and 1970s by fictitious transfers of possession to family members and dependents.²¹⁰ About 2% of households control more than 45% of Pakistan’s land area and, according to the World Bank, these large farms monopolise water and agricultural subsidies. 60% of rural households are landless,²¹¹

²⁰⁴ “Flooding in Pakistan kills at least 78 people in three days”, *BBC News Online*, 10 September 2012

²⁰⁵ “5 million people affected by floods, 473 died”, *Pakistan Observer*, 5 November 2012

²⁰⁶ ICG, “[Pakistan: No end to humanitarian crises](#)”, Asia Report No. 237, 9 October 2012

²⁰⁷ “Minister says federal government did not help flood survivors in Sindh”, *Pakistan Press International*, 18 October 2012

²⁰⁸ “Funding shortfall limits Pakistan flood response”, *States News Service*, 2 November 2012

²⁰⁹ “Winter poses serious challenges for flood-affected areas, PRCS”, *Pakistan Press International*, 30 October 2012

²¹⁰ [Ehtisham Ahmad’s essay](#) on Pakistan’s economy for Europa World Plus

²¹¹ Woodrow Wilson Center, “[Hunger Pains: Pakistan’s food insecurity](#)”, 2010

and though statistics are limited, the practice of tenant farmers working on land they do not own, giving half to two-thirds of their crops to landlords, is believed to be widespread. Poverty among these 'landless' farmers is particularly acute (75% of the landless live on less than \$1.25 per day) and, without collateral for loans, they have no hope of accessing credit to improve their situation.

Unreformed land ownership has also contributed to the marginalization of women, whose role in agriculture is generally restricted to animal rearing and menial labour. Some agricultural aid programmes have sought to rectify this by requiring women's involvement; however, this approach is hampered by the very limited control women are typically able to exercise over decision-making and assets.

The PPP-led Government has faced controversy for encouraging the leasing of land to large foreign state or corporate interests. For example, it has been claimed that the United Arab Emirates leased 324,000 hectares of land in Sindh, Punjab and Balochistan in 2011. Opponents view it as part of a global 'land-grab', arguing that "corporate agricultural production" encourages the dispossession of peasants, imperils livelihoods and damages the environment. Advocates counter that it is a means towards increased agricultural productivity and will promote domestic food security.²¹² There is also mounting concern about urban 'land grabs' backed by local political actors taking advantage of the absence of land records. The Supreme Court has declared that it is a major factor behind the violence in Karachi.²¹³

Energy

62% of Pakistanis have access to electricity, although those that do face chronic shortages. In the face of rising consumer demand, the problem of load-shedding (planned power cuts) has intensified in recent years and an unreliable supply remains a major obstacle to economic growth and competitiveness. In the summer of 2012, cuts of up to 20 hours per day led to street protests in Peshawar, Jhelum and Lahore.²¹⁴

Pakistan is not short of generation capacity. The problem of electricity shortages arises largely from the way distribution is subsidised and managed. Like India, Pakistan's government subsidises the cost of electricity by paying distribution companies the difference between the cost of production and the intended price. The fiscal burden of maintaining a subsidy for *all* end consumers has become substantial.²¹⁵ The PPP-led Government has struggled to keep up with its pledges to make subsidy payments, which in turn has left distributors in arrears to suppliers. The upshot has been that the complex network of government-managed and private energy suppliers, generators and distributors has become weighed down by intra-corporate debt.

The problem is compounded by theft from the grid, with the collusion of public sector distribution workers, which is believed to be widespread (some companies report line losses of 30%-40%); indeed, in certain areas – notably the FATA – distribution and revenue collection remains under the control of organised crime gangs.

A solution to the problem would be to reduce the subsidy and bring prices into line with actual costs. This is a politically sensitive issue, however, and efforts to do so in the past

²¹² PANAP and Roots for Equity, "Of collusions and collaborations: a case of land grab in Sindh, Pakistan", November 2012, p3

²¹³ "Land-grabbing' gravest crime: Court", *Gulf News*, 5 December 2012

²¹⁴ "*Pakistan power cuts prompt violent protests*", *Financial Times*, 30 July 2012

²¹⁵ Although heavier users generally receive a lower rate of subsidy, there is no system of cross-subsidisation, whereby certain types of consumer pay over the odds to subsidise the prices paid by others. A World Bank report found that the richest 20% in Pakistan benefitted most from power subsidies.

have caused protests and cost the Government political support. For instance, in June 2011, the Government was forced to abandon plans to reduce the subsidy when the MQM withdrew from the ruling coalition in response.²¹⁶

In November 2011, the Government assumed direct responsibility for \$3.4bn-worth of circular debt in the power sector as a condition of World Bank and Asian Development Bank loans; but this has not solved the underlying issues that cause such debts to accumulate in the first place, and they are once again rising at a rate of \$300m per month.

Climate change and the environment

Pakistan's carbon emissions have risen considerably over the past 25 years, although they remain far below the global per capita average. Energy efficiency is poor and there are growing problems arising from pollution and waste management, particularly in urban areas. Upwards of 40% of the rapidly expanding population now lives in urban areas.²¹⁷ Experts argue that recent floods (see above) reflect the melting of Himalayan glaciers as a result of climate change and the large-scale deforestation and degradation of natural forests. Forest cover is currently about 5% of Pakistan's land mass.²¹⁸ However, this growing flood risk co-exists with poor water and land management; partly for these reasons, but also due to increased demand and more regular droughts, once abundant water supplies are becoming increasingly scarce.²¹⁹ This scarcity is also affecting hydro-electric power supplies. In sum, there are grave and interlocking challenges of food, water and energy security.

Governments in Pakistan have only really begun to pay attention to environmental and climate change issues over the last decade or so, although their concern has often been largely rhetorical in nature. There have been some advances under the PPP-led Government but implementation has so far remained relatively limited. In 2010 a National Environmental Quality Standard for Motor Vehicle Exhaust and Noise was approved to control vehicle emissions, as was a Standard for Drinking Water Quality.²²⁰ The 2011 Framework for Economic Growth prepared by the National Planning Commission included measures on climate change.²²¹ In the same year, an *Energy Efficiency and Conservation Act* was also passed.²²² In March 2012, the Cabinet finally approved a new National Policy on Climate Change, which includes a National Plan of Action. Consultations on the Policy were first set in motion by the PPP-led Government in late 2008.²²³

At the international level, Pakistan has been a party to ongoing international climate change negotiations, endorsing the December 2010 Cancun Agreements and the December 2011 Durban Platform for Enhanced Action, in which it was agreed to begin negotiations on a new global climate change treaty, to be completed by 2015 and to come into effect from 2020, to succeed the 1997 Kyoto Protocol.

Under the PPP-led Government, Pakistan has also been a party in recent years to negotiations taking place under the UN Framework Convention on Climate Change to establish a mechanism called Reducing Emissions from Deforestation and Forest

²¹⁶ See, for instance, "[Uh-oh. Pakistan can't pay its electric bills](#)", *Foreign Policy*, 10 May 2012

²¹⁷ "The growing Pakistani carbon footprint threatening quality of life", *Pakistan Today*, 5 June 2012

²¹⁸ "Pakistan unlikely to meet MDGs in forest cover: expert", *Right Vision News*, 24 November 2012

²¹⁹ "[Security and the environment in Pakistan](#)", Congressional Research Service, August 2010

²²⁰ [Pakistan Economic Survey 2010-11](#)

²²¹ LEAD Pakistan, "[Nationally appropriate mitigation actions](#)", policy brief, November 2011

²²² [Energy Efficiency and Conservation Act 2011](#)

²²³ Dr Q. Chaudhry, "[National Climate Change Policy – draft](#)", presentation, 2011; "[A review of National Climate Change Policy](#)", Strengthening Participatory Organization, discussion paper 12, July 2012

Degradation (REDD), becoming a member of the mechanism in 2011.²²⁴ However, Pakistan is not currently one of the countries receiving direct financial support. The country's participation in REDD negotiations has extended to conservation and forest management measures, known as REDD+. Pakistan has been a member of the REDD+ Partnership since 2010.²²⁵

While the PPP-led Government cannot be held solely responsible for environmental and humanitarian calamities such as the 2010 floods, not to mention those of 2011 and 2012, it could pay an electoral price in 2013 for any real or perceived failures to deliver relief and support to the millions of Pakistanis whose lives have been devastated since then (see above). Of course, the same may apply to provincial governments seeking re-election. Many analysts have emphasized the “nexus between security and environmental concerns in Pakistan”, with environmental crises having a “multiplier effect”, in combination with other destabilizing factors. Environmental crises could threaten the cohesion of the country if inadequately addressed, pitting the centre against the provinces – and, indeed, provinces against each other.²²⁶

3 Foreign relations since 2008²²⁷

This part of the paper provides a brief survey of how Pakistan's key regional and international relationships have fared since the PPP-led Government came into office, along with key developments in the country's nuclear weapons programme. However, while its ministers are often the public face of Pakistan to the world, the Government has left leadership in most aspects of defence and security policy to the army and the Intelligence agencies. As such, the following accounts should be understood as reflecting the policies and postures of the Pakistani state, of which the military and security establishment remains the primary guarantor, rather than simply those of the civilian government.

3.1 The US

According to one commentator, many Pakistanis have long considered the US to be a “disloyal, inconstant friend” which cannot be relied upon.²²⁸ Once you add to that the implacably hostile views of the country's radical Islamists, it is less than surprising that some degree of ‘anti-Americanism’ is the majority position amongst Pakistanis today. Opinion polls confirm that levels of anti-Americanism have risen significantly since 2008. The June 2012 Pew Global Attitudes Project found that 74% of Pakistanis consider the US to be an enemy – a 10% increase on 2009.²²⁹

Bruce Riedel has claimed:

[...] we just don't trust each other [...] This trust gap is the result of decades of mutual deceit and lying. Pakistan proclaimed it was our ally against communism or Al Qaeda

²²⁴ UN-REDD Programme: [Pakistan](#)

²²⁵ Dr S. Jehangir, (Ministry of Climate Change), “[Status of implementing Cancun Agreement on REDD+ in Pakistan](#)”, slideshow, November 2012

²²⁶ “[Security and the environment in Pakistan](#)”, Congressional Research Service, August 2010. Pakistan depends heavily on the Indus river system. The Punjab and Sindh governments have long been at loggerheads over plans to build the Kalabagh dam, which is on the Indus river in Punjab. The Sindh government claims that the dam would reduce Sindh province's access to the riparian waters. The Khyber-Pakhtunkhwa government is also opposed.

²²⁷ This part of the paper does not provide a blow-by-blow account of Pakistan's most important bilateral relationships since 2008. Instead, it offers an analytical overview. Further background can be found in House of Commons Library Research Paper 07/68, [Pakistan's political and security challenges](#), 13 September 2007

²²⁸ O. Bennett-Jones, *Pakistan. Eye of the Storm* (New Haven, 2003), p. xxiv

²²⁹ “Pakistani public opinion ever more critical of US”, [Pew Global Attitudes Project](#), 27 June 2012

or whatever when what it really just wanted was arms and help to fight India. America promised to help democracy in Pakistan and instead backed four brutal military dictators. Ironically, the Army believes that we have betrayed it over the over again. We have.²³⁰

Reflecting on present day issues between the two countries, Anatol Lieven has argued that:

In the West, politicians and the media have attacked the Pakistani government and military for not doing enough to help us against the Afghan Taliban. The great majority of Pakistanis by contrast think that Islamabad is doing far too much.²³¹

In March 2009, soon after he came into office, President Barack Obama announced a new policy for Afghanistan and Pakistan that sought to combine military, civilian, political and development ‘surges’ on both sides of the border. These surges were aimed at the predominantly ethnic Pashtun population of the border areas, from which are drawn most of the membership of the Afghan and Pakistan Taliban – the two groups believed to have provided most shelter and assistance to al-Qaeda. The new policy became known by the shorthand term, ‘AfPak’.²³²

The Pakistani civilian and military elite were united in their hostility to this policy, above all because they resented Pakistan being described as the “core of the problem” – despite its official designation as a ‘non-NATO ally’ – by the then US Special Representative for Afghanistan and Pakistan, Richard Holbrooke, the main architect of AfPak.²³³ They also objected to the exclusion of India and the Kashmir dispute from what was officially characterized as a ‘regional strategy’.²³⁴ Holbrooke died in December 2010. The ‘AfPak’ label was quietly buried with him, although the important elements of the policy continued. However, events in 2011 largely eclipsed it.

During 2011 the US-Pakistan relationship suffered a series of set-backs from which it is yet fully to recover. In January 2011, an American CIA security contractor, Raymond Davis, shot and killed two Pakistani motorcyclists in Lahore. Davis was ultimately released to the US on payment of ‘blood money’ to the victims’ families. The activities of Davis on Pakistani soil suggested to some Pakistanis that the US was spying on its so-called ally. In March, a missile strike by a US drone killed 39 people. In April, the White House issued a report on terrorism which accused Pakistan of not doing enough to counter terrorist groups, including failing to consolidate control over areas taken from armed groups in the course of military operations. Then in May came the assassination of Osama bin Laden in Abbottabad, Punjab province, by US navy seals, apparently without Pakistani consent or knowledge.²³⁵ In September, the US Embassy in Kabul was attacked by the Afghan Taliban, which some claim was done with the approval of the Pakistani military.²³⁶ Last but not least, there was a border clash in November 2011 in which US forces, acting as part of the NATO-led International Security Assistance Force in Afghanistan killed at least 24 soldiers.

²³⁰ “America’s Pakistan mess gets worse with alleged NATO strike”, *The Daily Beast*, 27 November 2011

²³¹ A. Lieven, “A mutiny grows in Punjab”, *National Interest*, 23 February 2011

²³² See House of Commons Library Paper RP 10/45, *The ‘AfPak’ policy and the Pashtuns*, 22 June 2010

²³³ A. Khan, “Conceptualizing AfPak: The prospects and the perils”, Asia Programme Paper AS PP2010/01, Chatham House, January 2010, p18

²³⁴ More broadly, Pakistan has long complained that the US could do more to put pressure on India over Kashmir. It has asked, but not got, US mediation. India is implacably opposed to the idea.

²³⁵ S. Joshi, “Osam bin Laden: Pakistan faces the music”, RUSI commentary, May 2011

²³⁶ “America’s Pakistan mess gets worse with alleged NATO strike”, *The Daily Beast*, 27 November 2011

While the events up to and including the US raid on Abbottabad and the death of bin Laden caused a furore in Pakistan, they did not lead to a significant change in state policy.²³⁷ This only came in the wake of the November 2011 border clash, which, in combination with the ‘memogate scandal’ (see above) seems to have acted as a ‘tipping point’. The US carried out a rapid investigation which led to an acknowledgement of “mistakes” and expressed their “deepest regret” for the incident, but neither the PPP-led Government nor the Pakistani military were assuaged, insisting that a full apology was needed.²³⁸

Important border crossings between Pakistan and Afghanistan in the Khyber Agency and Balochistan were immediately closed following the border clash, causing significant inconvenience and additional cost to NATO efforts to re-supply ISAF in Afghanistan.²³⁹ It has been claimed that this was a decision taken unilaterally by the Pakistani military.²⁴⁰ The CIA was also asked to vacate an airbase in Balochistan from which drone flights had been launched. It did so in mid December 2011. Pakistani intelligence and military cooperation with the US and NATO was placed ‘under review’. Pakistan boycotted the December 2011 Bonn Conference on Afghanistan. Finally, disaffection in the US Congress about alleged Pakistani non-cooperation in combating the threat of improvised explosive devices (IEDs) to its forces in Afghanistan led in December 2011 to a decision to freeze \$700 million in military aid to Pakistan.²⁴¹

During the first half of 2012, US Secretary of State Hillary Clinton led efforts to repair relations with Pakistan. This took time. Critics of Pakistan in the US continued to express frustration at its priorities, for example, pointing to the way in which Pakistan seems more concerned about taking action against citizens who assisted the US in its preparations for the attack on Osama bin Laden than against militants like Hafez Saeed, the leader of LeT, on whose head the US has put a price.²⁴² In May 2012, the US Senate imposed a further cut of \$33 million in aid to Pakistan following the sentencing of Pakistani doctor Shakil Afridi to at least 30 years in prison for ‘conspiring against the state of Pakistan’. Afridi was alleged to have played a part in helping the CIA to locate bin Laden, although later it was reported he had been jailed for having links to militant groups – a claim he denied.²⁴³

At the beginning of July 2012, the border crossings between Pakistan and Afghanistan were finally reopened in return for a US ‘near-apology’ for the 26 November 2011 incident and the unfreezing of the \$700 million in US military aid to Pakistan.²⁴⁴ A formal Memorandum of Understanding on the transit of cargo for NATO’s forces in Afghanistan was subsequently signed at the end of July. The deal also paved the way for the release of up to \$1.8 billion worth of Coalition Support Funds to Pakistan, which had reportedly been held up for two years.²⁴⁵ The US Congress also unfroze aid for energy projects in Pakistan and efforts to agree a bilateral investment treaty resumed. Contacts between senior officials on both sides

²³⁷ These events also affected US public opinion, where the fact that bin Laden had lived without apparent hindrance in Pakistan for some years raised the question of Pakistani official collusion.

²³⁸ “Department of Defense statement regarding investigation results into Pakistan cross-border incident”, US Department of Defense news release No. 1036-11, 22 December 2011

²³⁹ S. Joshi, “A tough way to do business”, *The World Today*, January 2012. These border crossings had been closed to NATO convoys before, but never for such a prolonged period. For a time, Pakistan was seeking a massive hike in transit fees for NATO convoys before it reopened the crossings. In the end, this was dropped.

²⁴⁰ “Pakistan high stakes over NATO’s supply route”, *BBC News Online*, 4 July 2012

²⁴¹ “US Congress panel freezes \$700m. worth of Pakistan aid”, *BBC News Online*, 13 December 2011

²⁴² B. Riedel, “How to repair the US Pakistan relationship”, *Daily Beast*, 4 June 2012

²⁴³ “US cuts Pakistan aid over jailing of ‘Bin Laden doctor’”, *BBC News Online*, 25 May 2012; “Save the Children foreign staff ordered out of Pakistan”, *BBC News Online*, 6 September 2012

²⁴⁴ “Pakistan reopens its Afghan border to US forces after seven-month row”, *Guardian*, 4 July 2012; P.J. Crawley, “Viewpoint: US and Pakistan alliance is for good”, *BBC News Online*, 10 July 2012

²⁴⁵ “Moving beyond a thaw”, *Express Tribune*, 15 August 2012

began to increase again, although there were claims that the ISI, under its new head, Lt Gen. Zahir ul-Islam, was still treating the CIA with deep hostility, with visas for its officials being refused and its officials regularly stopped and searched.²⁴⁶ The more positive official US tone has largely persisted during the second half of 2012, although many underlying tensions remain unresolved.²⁴⁷ The US appears for now to have adopted a 'hug them close' strategy.

Pakistan's unwillingness to take action in North Waziristan has been another major running sore in relations in recent years. On a visit to Kabul in June 2012, US Secretary of Defense Leon Panetta announced that the US was "reaching the limits of our patience" over Pakistan's failure to launch military operations against the Haqqani network.²⁴⁸ However, by August his tone had become more positive, as he claimed that the Pakistani army was preparing to carry out a long-standing US request to extend its counter-insurgency operations into North Waziristan and that their main focus would be the Pakistan Taliban.²⁴⁹ But Pakistani security sources were quick to counter US press reports that a joint ISI-CIA operation was being planned against the Haqqani network.²⁵⁰

Pakistan has always denied that it has any sympathy with or links to the Haqqani network, which has reportedly become a significant economic player in the border areas, but many in the US and Afghanistan believe otherwise.²⁵¹ In September 2012, the US designated the Haqqani network as a 'terrorist organization'.²⁵² The UN added it to its sanctions list in November. But time passed and there was no sign of a North Waziristan offensive.²⁵³

Some American analysts have been openly raising the prospect of the US shifting its policy on Pakistan away from engagement towards 'containment', or some variation on that theme, on the grounds that Pakistan is now "no friend and a fading ally".²⁵⁴ This shift is often linked with calls for the US to further strengthen its co-operation with India on Afghanistan.²⁵⁵ However, others counsel that both sides have too much to lose by abandoning efforts to build a more robust partnership, not least the real counter-insurgency gains made by Pakistani forces since 2009 in the FATA, which could well go into reverse if relations collapsed.²⁵⁶

The November 2012 re-election of President Obama means a dramatic reassessment of US policy is highly unlikely, although most expected that his Republican challenger, Mitt Romney, would have followed a similar course had he been victorious. But another cycle of confrontation and recrimination between the two countries remains possible. Unexpected

²⁴⁶ "Pakistan's new spy chief visits Washington at a time of frayed relations", *New York Times*, 1 August 2012; "Pak, US to meet to focus on ways to encourage Afghan Taliban for peace talks", *Asian News International*, 24 September 2012

²⁴⁷ "US special representative appreciates Pakistan's support for Afghan political process", *Daily Balochistan Express*, 23 October 2012

²⁴⁸ "Panetta: US losing patience with Pakistan on militancy", *BBC News Online*, 7 June 2012

²⁴⁹ "Pakistan army chief Ashfaq Parvez Kayani in unity plea", *BBC News Online*, 14 August 2012

²⁵⁰ "No Pakistan-US joint military operation in tribal area – security sources", *Express Tribune*, 15 August 2012

²⁵¹ "Revival of Pak-US ties", *Pakistan Observer*, 8 August 2012; "US think tank reveals Haqqanis, Pak nexus", *Times of India*, 3 August 2012

²⁵² "US soldier captive in Afghanistan to face 'hardships', Haqqani warns", *Daily Telegraph*, 7 September 2012

²⁵³ Pak asks US to keep North Waziristan operation secret to avoid 'complications', *Asian News International*, 17 September 2012

²⁵⁴ S. Cohen, "Pakistan: No friend and a fading ally", Brookings blog, 15 December 2011. See also: B. Riedel, "A new Pakistan policy: Containment", Brookings blog, 14 October 2011; Z. Khalilzad, in a recent article, characterized Pakistan as simultaneously ally and adversary. See: "A strategy of 'engagement' toward Pakistan", *Washington Quarterly*, Spring 2012

²⁵⁵ See, for example, Bruce Riedel, "A new turn in the Great Game", *Business Recorder*, 19 November 2012

²⁵⁶ H. Mullick, "Recalibrating US-Pakistan relations", *Washington Quarterly*, Summer 2012

events could create a new crisis. The potential for this was illustrated in September 2012 when there were large-scale demonstrations across Pakistan in protest against a rabidly anti-Islamic film made in the US. They degenerated into violence and attacks on the US Embassy in Islamabad, leading to the deaths of over 20 people. The US also criticized the bounty offered by the Pakistani federal minister for railways, Ghulam Bilour, to anybody who killed the maker of the film.²⁵⁷ The Pakistani authorities disowned the bounty and took steps to defend US property on its soil.²⁵⁸

Unilateral US drone attacks against militants based in the FATA will remain a persistent source of tension, although there have long been claims that Pakistan secretly facilitates them.²⁵⁹ In the past, some senior military officials have called on the US to allow Pakistan to carry out such strikes itself. Lack of trust rules this out.²⁶⁰ Pakistan's parliament regularly passes resolutions condemning US drone attacks as illegal and a violation of the country's sovereignty, although these have little impact, underscoring to some the impotence of the country's democratic institutions.²⁶¹ A July 2012 opinion poll suggested that public opposition to the drone attacks was running at 90%.²⁶² Imran Khan's PTI organized a 'peace march' in October 2012 which was prevented by the authorities from entering the border areas.

While the drone attacks have on occasions been reduced or frozen for a period, usually following a flash-point between the two countries, eventually they have always resumed because, although Pakistan asserts otherwise, the US believes that they are highly effective. Defenders point to incidents like the drone strike in August 2012 that reportedly killed a senior commander of the Haqqani network, Badroddin Haqqani. In September 2012 the New York University School of Law and Stanford Law School published a report that was highly critical of US policy on the use of drones in Pakistan's border areas.²⁶³

The IISS wrote in January 2012:

[...] recent tensions between the US and Pakistan can be seen as the drawing of lines in the sand – a process of defining the limits to which Pakistani and US interests do and do not intersect in relation to Afghanistan. Both sides have many reasons to avoid a complete rupture in relations. For the US, Pakistan is a key factor in the struggle against extremist terrorism and nuclear proliferation. For Pakistan, the US remains both an important source of international legitimation and funding, as well as being the only major power able to exercise strategic leverage on India in the event that Indo-Pakistani relations undergo another major deterioration.²⁶⁴

This remains broadly true. Flawed and ambivalent as the US-Pakistan 'strategic partnership' is, it remains doubtful whether either country would want it to collapse completely. But this scenario cannot be ruled out.

²⁵⁷ "US, EU criticise Bilour", *Right Vision News*, 26 September 2012

²⁵⁸ "Violence and rage flare across Pakistan", *International Herald Tribune*, 22 September 2012

²⁵⁹ "Drone strikes risk losing counterterrorism war, Pakistan warns US", *DPA-AFX International*, 4 October 2012; "CIA, ISI work hand in glove on drone strikes", *South Asian Media Network*, 29 September 2012

²⁶⁰ Pakistan is developing its own drone aircraft, although it is claimed officially that they would have a surveillance capability only. "Pakistan unveils domestically made drone aircrafts", *Pakistan Today*, 8 November 2012

²⁶¹ "Senior diplomat says US strikes damage democracy", *Guardian*, 3 August 2012

²⁶² "37pc Baloch favour independence: UK survey", *Right Vision News*, 14 August 2012

²⁶³ "Drones in Pakistan traumatise civilians, US report says", *BBC News Online*, 25 September 2012. The report was commissioned by the human rights organization Reprieve.

²⁶⁴ "US and Pakistan: a troubled relationship", *IISS Strategic Comments*, Vol. 18, No. 1, January 2012

Lieven, who believes that the US should realize that Pakistan is far more important to its security than Afghanistan, goes so far as to claim:

[...] it is no exaggeration to say that the tension between the Pakistani military and the United States now poses a threat to US security that dwarfs either the Taliban or the battered remnants of the old al-Qaeda. As I have found from speaking with Pakistani soldiers, and from visiting military families in the chief areas of recruitment in northern Punjab and Khyber-Pakhtunkhwa, the fury of the junior ranks against the US is reaching a dangerous pitch [...] There seems, as a result, a strong likelihood that if Pakistani soldiers encounter US soldiers on what is or what they believe to be Pakistani soil, they will fight. This is apparently what happened in the incident on November 26 [...] That encounter was bad enough; but if such clashes continue then at some point things will go the other way and Americans will be killed – possibly a lot of Americans, if for example the Pakistanis shoot down a helicopter. If on the other hand the Pakistani generals order their men not to fight, the resulting outrage could undermine discipline to the point where the unity of the army could be in question – and if they army breaks apart, not only immense munitions and expertise flow to terrorists, but the Pakistani state will collapse.²⁶⁵

Is there potential for a peace settlement in Afghanistan on which basis the US and Pakistan could revive their increasingly frail partnership? Lieven proposes an approach which he believes would meet the security interests of both countries, involving the complete withdrawal of all foreign troops from Afghanistan; the incorporation of the Afghan Taliban into the political system; adequate Pashtun representation in national government structures and extensive devolution of power to the provinces; and the exclusion of al-Qaeda and other international terrorist groups from Afghanistan. But the prospects for such a deal remain, at the moment, slight. Nonetheless, during the second half of 2012, levels of US-Pakistan co-operation on Afghanistan have improved a little, albeit from a decidedly low base.²⁶⁶

In June 2012, the ICG published a report that criticized the effectiveness of US military and civilian aid to Pakistan. It argued that, having announced a tripling of civilian assistance in October 2009, the role of the US Agency for International Development had been scaled down rather than up over the past year, in part because of a decline in Pakistani co-operation.²⁶⁷ The Center for Global Development, based in Washington, D.C., published a similarly downbeat assessment in July, entitled, “More money, more problems”.²⁶⁸ In September 2012, it was reported that the Election Commission of Pakistan (ECP) had turned down \$350 million worth of US assistance designated for the elections.²⁶⁹

3.2 India

The dominant point of contention between Pakistan and India since 1947 has been Kashmir. General Pervez Musharraf left a relatively hopeful inheritance to his successors when he stood down in 2008. Some analysts claim that the outlines of a deal on Kashmir began to emerge between 2003 and 2006, following several years of broadly constructive negotiations between the two countries. However, since 2008 the momentum has largely been lost. Over

²⁶⁵ A. Lieven, “Afghanistan: The best way to peace”, *New York Review of Books*, 9 February 2012

²⁶⁶ “Pak, US to form commission to lure Afghan Taliban towards peace talks”, *Asian News International*, 22 October 2012

²⁶⁷ ICG, “[Aid and conflict in Pakistan](#)”, Asia Report No. 227, 27 June 2012, pp. i-ii; “Pakistan officials ‘harass’ US diplomats”, *BBC News Online*, 22 June 2012

²⁶⁸ Center for Global Development, “[More money, more problems: A 2012 assessment of the US approach to development in Pakistan](#)”, 30 July 2012. The most up-to-date published survey of US foreign assistance to Pakistan is the Congressional Research Service’s report, “[US foreign assistance to Pakistan](#)”, 4 October 2012

²⁶⁹ “ECP rejects US aid under Kerry-Lugar Bill”, *Right Vision News*, 11 September 2012

the past year or so negotiations have resumed; but they have not yet produced any significant forward movement.

The conflict over Kashmir has had two interlocking dimensions. The first dimension has been inter-state rivalry between India and Pakistan over which country is entitled to sovereignty over Indian Kashmir. The two countries have gone to war twice over Kashmir (in 1947 and 1965) and have been close to it on several other occasions. In 2002 India and Pakistan again came close to war over Kashmir following the December 2001 attack on the Indian Parliament by two Pakistan-based armed militant groups.

The second dimension has been protest by political organizations on both sides of the border against 'Indian occupation', which since the late 1980s has in some cases extended to taking up arms. Most of the groups that have taken up arms have bases in Azad Kashmir, the Pakistan part of Kashmir; support Pakistan's claim to the whole of Kashmir; and have received support from Pakistan's security establishment. Many also have militant Islamist agendas. A minority of armed groups – mainly based in Indian Kashmir (now part of the state of Jammu and Kashmir) – argue for independence for the whole of Kashmir from both India and Pakistan.²⁷⁰ A 2010 public opinion survey by Chatham House suggested that the vast majority of Kashmiris in Indian Kashmir now want independence, raising questions about how far Pakistan represents their wishes or interests today.²⁷¹

India has traditionally viewed Kashmir as one of a number of issues that it wishes to resolve with Pakistan but the latter has always wanted real progress on Kashmir first before addressing other issues (such as economic co-operation, the nuclear issue and water sharing), although there have been recent signs of flexibility. India has insisted that any solution cannot involve a change in its external borders. Pakistan's customary position has been that the conflict should be resolved by the holding of a UN-sponsored plebiscite of the people of Kashmir.

Between 2003 and 2006 India and Pakistan made unprecedented joint efforts to reduce violence and re-start peace negotiations on Kashmir. Multiple rounds of talks took place at different levels of seniority as part of what became known as 'the composite dialogue'. General Musharraf floated ideas for breaking the impasse – for example, demilitarisation, self-governance or joint Pakistan-Indian control – which would not require a redrawing of borders. In March 2006 the Indian Prime Minister Manmohan Singh indicated that India was willing to consider initiatives that rendered the Line of Control irrelevant, provided attacks on India by armed militant groups ended. In December 2006, Musharraf stated that Pakistan might be willing to give up its claim over all Kashmir in return for autonomy and self-governance for the region, some form of joint India-Pakistan supervision across the Line of Control and a gradual demilitarisation on both sides of the border.

However, although India welcomed these proposals, by this time, the composite dialogue was losing momentum. Musharraf found himself fighting for his political life at home. Kashmiri-led Islamist armed groups, strongly opposed to any compromise of Pakistan's traditional position, escalated their attacks on India. During talks between the two countries in March 2007, the Indian Government expressed opposition to any ideas of joint supervision across the Line of Control and reiterated that demilitarisation could only become possible towards the end of any peace process. Talks subsequently came to a halt.

²⁷⁰ For a brief discussion of the origins of the conflict between India and Pakistan over Kashmir, see House of Commons Library Paper No. 272, 11 June 1991, *Kashmir*. For background on subsequent developments, also see Library Paper 04/28, 30 March 2004, *Kashmir*.

²⁷¹ R. Bradnock, "[Kashmir: Paths to peace](#)", Chatham House, May 2010

Some progress was also made between 2003 and 2006 on issues that are not wholly dependent on an overall resolution of the conflict over Kashmir but which are nonetheless 'Kashmir-related'. The two countries sought to address the specific border dispute between them over the 74 km Siachen glacier in the strategic heights of Kashmir. Both sides agreed to the principle of demilitarising the glacier. Pakistan gave undertakings that it would not seize the glacier if Indian troops were to withdraw. However, India demanded that Pakistan must give full details of its troop positions in the area before it would withdraw and that such details should be part of any final agreement. Pakistan was prepared to do so only if India agreed not to use such information to make a legal claim over the glacier in future. These talks also ran out of steam in 2007.

Between 2003 and 2007 negotiations also made progress in the dispute over the land and maritime boundary between India and Pakistan in Sir Creek, which is a narrow 96 kilometre strip of marshland between Sindh in Pakistan and Gujarat in India. The area is rumoured to have gas and oil deposits. Both sides agreed to a joint survey. Maps were exchanged in March 2007. These negotiations also fell victim to the deterioration in relations between the two countries during 2007.

The dust from Pakistan's messy democratic transition only began to settle during the second half of 2008. However, before the composite dialogue could be meaningfully re-started, LeT dealt it another body-blow by carrying out a series of devastating armed attacks on Mumbai in November 2008. The two years that followed were characterized by acrimonious disputes between the two countries over whether Pakistan was co-operating sufficiently with India's efforts to investigate who was behind the attacks and bring the perpetrators to justice. India has alleged that the ISI was actively involved in the attacks and criticized Pakistan's failure so far to bring LeT leaders to justice. Seven are in custody but a Pakistani anti-terrorism court has refused to accept evidence submitted by a judicial commission following a visit by it to India in March 2012.²⁷²

As a consequence of the November 2008 Mumbai attacks, the composite dialogue went into deep-freeze and only resumed tentatively in February 2011. In November 2011, Pakistan unexpectedly offered India 'Most Favoured Nation' (MFN) trading status by the end of 2012, belatedly reciprocating India's 1996 gesture. This was viewed as an important 'confidence-building' measure and a sign of greater Pakistani interest in a greater 'normalization' of relations. But while significant progress did follow during 2012 on economic, trade and people-to-people relations (including a relaxation of visa arrangements and resuming cricket matches), talks on their outstanding political differences during 2012 saw no breakthroughs, with India's stance in negotiations remaining extremely cautious.²⁷³

In April 2012, the Indian Prime Minister Manmohan Singh and President Zardari met in New Delhi. Singh accepted an invitation to visit Pakistan. However, no date for the visit has yet been set.²⁷⁴ In June, there were exchanges of fire across the Line of Control.²⁷⁵ Indian attitudes hardened again for a period after a senior LeT commander in their custody alleged

²⁷² "Jundal's arrest will push back India-Pak talks", *Times of India*, 27 June 2012; "Relief for LeT chief in Pak court", *Times of India*, 18 July 2012. Indian allegations about Pakistan's support for terrorism go beyond the conflict over Kashmir. India has also accused Pakistan's security agencies of supporting the United Liberation Front of Assam over the three decades of its existence. Pakistan counters by accusing India of providing assistance to Baloch insurgents.

²⁷³ "[Pace and progress of Pakistan-India resumed dialogue, February-July 2012](#)", Pakistan Institute of Legislative Development and Transparency, August 2012; "Indo-Pak pact just a tiny step towards peace", *Mail Online*, 8 September 2012

²⁷⁴ "Next up – lunch in Pakistan", *Mail Online*, 9 April 2012

²⁷⁵ "Line out of control hostilities at the borders must be nipped in the bud", *Kashmir Times*, 19 June 2012

that senior ISI officials had been in the “control room” during the 2008 Mumbai attacks.²⁷⁶ Relations were briefly further complicated by Indian concerns about the treatment of Hindus in Pakistan. There was no further progress in talks about the Siachen glacier.²⁷⁷ The same was the case with regard to Sir Creek.²⁷⁸

Both countries have certainly shown renewed flexibility since the beginning of 2011. Pakistan has loosened the traditional linkage between ‘normalization’ and the resolution of the Kashmir dispute while India has relaxed its prior insistence that ‘normalization’ must be preceded by serious Pakistani moves against anti-India *jihadi* groups like LeT. But there will always be a limit to how far the ‘normalization’ agenda can go in the absence of wider political progress.²⁷⁹

Arguably, many of the elements for a breakthrough on Kashmir and other disputes are in place – and have been for several years. The apparent willingness of both India and Pakistan to begin thinking in different terms about possible solutions between 2003 and 2006 offered hope. But the most important element of all – mutual trust – is still missing and remains elusive. There remains strong opposition on both sides of the border to any idea of compromise, although for now the Pakistani political and business elite seems largely united behind the current ‘normalization’ agenda.²⁸⁰ However, the top army leadership reportedly opposed the November 2011 offer by Pakistan of MFN status to India.²⁸¹ Every time progress appears to be being made, further terrorist operations in India by Kashmiri-led armed groups, many of them still with links to elements in the Pakistani security establishment, threaten to upset the apple-cart.²⁸² On both sides of the fence, the political advantages of doing a deal on Kashmir remain much more uncertain than the downsides. Elections in Pakistan in 2013 will be followed by national elections in India in 2014. Such considerations lead some analysts to predict that the latest round of dialogue will founder before too long.²⁸³ Meanwhile, there continue to be occasional exchanges of fire between Indian and Pakistani soldiers along the Line of Control.²⁸⁴

As it stands, the international community is unlikely proactively to move the Kashmir dispute to the top of its priorities. While Pakistan favours international involvement, India is opposed to it. The position of the US and the EU, including the UK, is that any resolution must be for India and Pakistan to agree – taking into account the wishes of the Kashmiri people – through dialogue.²⁸⁵ However, the emergence of India and Pakistan as nuclear weapon states means that the stakes are raised if all-out conflict between the two countries threatens. If present concerns about a nuclear ‘arms race’ between India and Pakistan increase over the coming years, this might persuade the US and other outside powers to strike a more active posture on Kashmir.²⁸⁶ On the other hand, India and Pakistan have

²⁷⁶ “Jundal to top Indo-Pak foreign secretary talks today”, *Times of India*, 4 May 2012

²⁷⁷ “Siachen, J&K non-negotiable”, *Early Times*, 1 July 2012; “Siachen is now a permanent standoff”, *Kashmir Monitor*, 21 June 2012

²⁷⁸ “Sir Creek talks fail to make headway”, *New Indian Express*, 20 June 2012

²⁷⁹ ICG, [Pakistan’s relations with India: Beyond Kashmir?](#), Asia Report No. 224, 3 May 2012, Executive Summary

²⁸⁰ “ICG, [Pakistan’s relations with India: Beyond Kashmir?](#)”, Asia Report No. 224, 3 May 2012, p4

²⁸¹ “ICG, [Pakistan’s relations with India: Beyond Kashmir?](#)”, Asia Report No. 224, 3 May 2012, p12

²⁸² India recently claimed that there are 42 terrorist training camps in Pakistan, most of them in Azad Kashmir. “42 terror training camps in Pakistan, PoK: MHA”, *New Indian Express*, 5 December 2012

²⁸³ “India-Pakistan rapprochement: How long will it last?”, *Foreign Policy blog*, 18 September 2012

²⁸⁴ “India, Pakistan exchange fire in Kashmir”, *China Daily*, 7 November 2012

²⁸⁵ For a recent British restatement of this position, see HC Deb 27 June 2012 c105-6WH

²⁸⁶ “Nuclear arms race fears grow between India and Pakistan”, *Daily Telegraph*, 6 June 2012

signed several agreements on nuclear issues to reduce the likelihood of resorting to the use of nuclear weapons.

Energy is another sensitive issue between Pakistan and India. Both have rapidly growing power needs. Pakistan has a major energy deficit, currently producing about 80% of its own energy needs.²⁸⁷ The two countries have begun a dialogue on energy co-operation as part of the current 'normalization' agenda. For several years, the two countries co-operated with Iran to agree the construction of a pipeline (known as the IPI pipeline) that would bring much needed natural gas from there to both Pakistan and India.²⁸⁸ However, the US has signalled that any non-US company that invests more than \$20 million in the oil and gas sector in Iran, including this pipeline, will be subject to sanctions. For a period, the PPP-led Government resisted pressure from the US to abandon its participation in the project and opt instead for a pipeline from Turkmenistan (known as the TAPI pipeline), which would run through Afghanistan into Pakistan and then on to India, but seems recently to have shifted to supporting both.²⁸⁹ Since 2008 India – reflecting its increasingly close relationship with the US but also rising distrust of Pakistan – has shifted towards the TAPI pipeline. Pakistan hopes that the Iranian and Pakistani stretches of the IPI pipeline can be connected up in 2014, allowing it to become operational. There remain questions over when, or whether, the security situation in Afghanistan will allow the TAPI pipeline to be built. Some feel that there is now a degree of momentum behind the project; others are less confident.²⁹⁰

There have also been multiple disputes over Indian usage of water resources in Jammu and Kashmir. In February 2007 both countries accepted the binding judgment of a neutral expert appointed by the World Bank under the 1960 Indus Waters Treaty to arbitrate between the claims of the two sides. The Treaty allocated the three eastern rivers originating in Punjab for India's exclusive consumption and the three western rivers for Pakistan's exclusive consumption. However, India was allowed to use the western rivers for hydro-electric power generation so long as this did not deplete the water supply.²⁹¹ The two countries are still in dispute about long-standing Indian plans to build the Wular Barrage and over the Kishanganga dam project, whose construction the Permanent Court of Arbitration stayed in 2011 while it considers a complaint from Pakistan that it would violate its rights under the Indus Waters Treaty.²⁹² The PCA has been holding hearings and could rule next year.²⁹³ For its part, India is unlikely to accept with equanimity Pakistani plans to build the Bhasha dam in Gilgit-Baltistan, one of several hydro-electric power projects under way in this disputed region.²⁹⁴

Both India and Pakistan regularly affirm that they are committed to resolving – or at least mitigating – the root causes of the multiple conflicts that have shaped their relationship in the past. But any *rapprochements* will, for the foreseeable future, always be fragile. India's rise to great power status is difficult for Pakistan to swallow. Pakistan has always insisted to the world that it and India should be treated as equals. While formally this will always remain the

²⁸⁷ "Iran president vows to complete Pakistan gas pipeline by 2014", *Asian News International*, 23 November 2012

²⁸⁸ "India, Pakistan discuss tri-nation gas pipeline project", *BBC Monitoring South Asia*, 22 February 2007

²⁸⁹ "Politics of Iran-Pakistan gas pipeline", *The Nation*, 6 March 2012

²⁹⁰ "TAPI gas pipeline member countries organise consortium", *ITAR-TASS*, 24 September 2012; "Few Takers for TAPI pipeline", *Domain-b*, 17 October 2012; "The Georgetown Journal's guide to the Iran-Pakistan-India 'peace pipeline'", *Georgetown Journal*, 14 March 2012

²⁹¹ "Baglihar award a finely balanced verdict", *The Statesman (India)*, 22 February 2007

²⁹² C. Bajpae, "Asia's coming water wars", *Power and Interest News Report*, 22 August 2006; "India told to stop work on Kishanganga dam", *Dawn*, 25 September 2011

²⁹³ "Pakistan, India stick to guns over Kishanganga power project", *Daily Times*, 5 September 2012

²⁹⁴ "Will US participate in \$12 billion Bhasha dam project?", *Pakistan and Gulf Economist*, 7 October 2012

case, many observers argue that in practice this is increasingly a myth. The growing power asymmetry could itself have a destabilising impact on relations between the two countries in the future.²⁹⁵

3.3 Afghanistan

Relations between Pakistan and Afghanistan have oscillated sharply since 1947. Since 2008, they have been characterized primarily by tension and mistrust.

Most analysts agree that Pakistan's main strategic goal in relation to Afghanistan has always been to use it as a source of 'strategic depth' in relation to its primary adversary, India. What this means in practice has been much debated, but those who use it often seem to be defining it as a situation in which relations with Afghanistan assist in the defence of Pakistan's national security vis-a-vis India. While this could potentially be achieved through a close alliance with a strong Afghanistan, Pakistan has more often found itself doing so by trying to keep its neighbour weak and compliant.²⁹⁶

There has always been a structural tension between Pakistan and Afghanistan over their highly porous border. Every Afghan Government has refused to recognise the Durand Line that was drawn during the colonial period to delineate the border between the two countries, and retains a territorial claim over parts of Khyber-Pakhtunkhwa, where Afghanistan sponsored a separatist movement in the 1950s. However, Afghan and Pakistan governments over the decades have shared a common interest in combating 'Pashtun nationalist' sentiment that could lead to a revived independence movement on both sides of the border.²⁹⁷ This has led Pakistan to sponsor militant Islamist groupings as an antidote to such nationalism – an endeavour that some analysts claim began before the Soviet invasion of Afghanistan in 1979. However, it is open to question just how far jihadism and nationalism have proven to be mutually exclusive.²⁹⁸

Formal relations between the two countries reached their nadir during the Soviet occupation of Afghanistan between 1979 and 1989. They were at their peak during the rule of the Pashtun-dominated Afghan Taliban, of which Pakistan was the main sponsor, until September 11th 2001, after which, following a US ultimatum, Pakistan announced that it was ending its support. But despite the official post-September 11th *volte-face*, few doubt that large elements within the military and security establishment continue to provide backing to its long-standing (if not always easily controllable) proxy, the Afghan Taliban.²⁹⁹ This, above all, ensures that the current Afghan Government cannot view Pakistan as a reliable partner for peace.

Relations between the Afghan Government of President Hamid Karzai and Pakistan during the Musharraf era were tense and mistrustful. Although neither party wanted to see a complete breakdown in relations, efforts to improve them between the two countries never got far. For example, in April 2007 there were small-scale clashes between Afghan and Pakistani soldiers across their mutual border. Four months later, at an August 2007 'peace jirga' in Kabul, Musharraf and Karzai agreed that both parties would wage a "tireless [...]"

²⁹⁵ S. Cohen, "Pakistan and the Crescent of Crisis", in I. Daalder, N. Gnesotto and P. Gordon (eds), *Crescent of Crisis. US-European Strategy for the Greater Middle East* (Washington DC, 2006), p. 186

²⁹⁶ A. Hakimi, "Af-Pak: what strategic depth?", www.opendemocracy.net, 4 February 2010

²⁹⁷ S. Cohen, "Pakistan and the Crescent of Crisis", in I. Daalder, N. Gnesotto and P. Gordon (eds), *Crescent of Crisis. US-European Strategy for the Greater Middle East* (Washington DC, 2006), p. 186. p. 30

²⁹⁸ "Why Pakistan interferes in Afghanistan", *The Indian National Interest Review*, 19 June 2012

²⁹⁹ For further background, see: *The 'AfPak policy' and the Pashtuns*, House of Commons Library Research Paper 10/45, 22 June 2010

campaign against terrorism” and would not provide sanctuary for terrorists.³⁰⁰ However, nothing much came of this pledge.

Five years on, nothing much has changed. The PPP-led Government which came to office in 2008 left control over Pakistan’s policy towards Afghanistan in the hands of the military and security establishment, which believes that Hamid Karzai is sustained in power only by the presence of NATO and that he is unlikely to last long after combat forces depart Afghanistan in 2014 (although there will still be a much smaller US/NATO footprint in the country).

In recent years, Karzai has sought at times – particularly when his relations with the US have deteriorated sharply – to engage directly with Pakistan to try and promote peace negotiations with the Afghan Taliban, or parts of it. Some claim that he does so as much to gain leverage over the US as to push ahead with such talks. On its side, Pakistan often seems reluctant to strengthen Karzai’s hand. Far from ‘delivering’ the Afghan Taliban, in 2010 the Pakistani authorities arrested and detained key leaders that might have been open to negotiations. The Taliban leadership has so far seemed more interested in negotiating directly with the US than with Karzai himself.

Meaningful dialogue between Afghanistan and Pakistan all but dried up during the first half of 2012. In June-August 2012 there were renewed Afghan and Pakistani clashes along the border. Afghanistan accused its neighbour of rocket attacks which killed civilians and forced hundreds to flee their homes. Pakistan initially accused its neighbour of launching armed incursions into the FATA and then claimed that NATO was doing little to prevent Pakistan Taliban militants from using Afghan territory as a springboard for attacks on Pakistani forces across the border. Analysts claimed that a trilateral border commission involving Pakistan, Afghanistan and the US set up to prevent such clashes, was proving ineffective.³⁰¹ There have been several more military stand-offs along the border during the second half of 2012.

During a visit to Kabul in July 2012 British Prime Minister David Cameron brought President Karzai and new Pakistani Prime Minister Raja Pervez Ashraf together for the first time in a ‘trilateral summit’, but little concrete appeared to emerge from the meeting.³⁰² However, in mid August Afghanistan and Pakistan agreed to send a joint military team to investigate the surge in cross-border clashes.³⁰³ The three men met again at the UN in late September. After the meeting, Karzai began speaking about the possibility of a ‘strategic pact’ between Afghanistan and Pakistan, but as yet details are few and far between.³⁰⁴

Pakistan continued to take part in discussions about the future of Afghanistan after the departure of NATO troops, such as the ‘Heart of Asia’ conference of regional neighbours held in Kabul in June 2012, but continued to display a reluctance to take steps that might strengthen Karzai’s position or weaken that of the Afghan Taliban.³⁰⁵ However, in mid November 2012, following bilateral talks with Afghanistan’s High Peace Council, Pakistan freed 13 senior Afghan Taliban figures that it had been detaining, including the former justice minister, Mullah Turabi. But it did not appear that one key figure, Mullah Abdul Ghani Baradar, was amongst those freed.³⁰⁶ Some Afghans saw it as little more than a

³⁰⁰ “Was the ‘peace jirga’ a success?”, *BBC News Online*, 13 August 2007

³⁰¹ “Afghanistan blames Pakistan for border violence”, *Radio Deutsche Welle*, 3 July 2012

³⁰² “UK and Pakistan PMs hold talks with Afghan president”, *BBC News Online*, 19 July 2012

³⁰³ “Karzai, Zardari to act on border security”, *Australian*, 16 August 2012

³⁰⁴ “Afghan president proposes ‘conditional’ strategic relation with Pakistan”, *BBC Monitoring South Asia*, 4 October 2012

³⁰⁵ “Afghanistan’s neighbours map strategy beyond 2014”, *Radio Deutsche Welle*, 14 June 2012

³⁰⁶ “Pakistan agrees Afghan Taliban releases in Islamabad talks”, *BBC News Online*, 14 November 2012

“manoeuvre”.³⁰⁷ But it was announced at the start of December that there would be a further round of prisoner releases in the near future.³⁰⁸

Another reason why Pakistan has hesitated to forge a partnership with Karzai arises from the growing role of India in Afghanistan. This greatly fuels its mistrust of him. In 2011, India and Afghanistan signed a strategic partnership agreement, which includes military assistance from India to the Afghan security forces. Indian civilian aid is now substantial, with an estimated value over the last decade of \$2 billion. President Karzai visited India in November 2012, where he signed four new agreements. There are currently discussions about Indian assistance in training the Afghan security forces.³⁰⁹ Pakistan suspicion of India’s intentions is one reason why it favours the IPI natural gas pipeline, which does not involve Afghanistan, over the TAPI pipeline.³¹⁰

Ahmed Rashid recently asked why Pakistan seems unwilling to do much to promote a ‘power-sharing’ deal in Afghanistan that would in many ways suit its interests – but could not really provide an answer.³¹¹ Bruce Riedel has argued, more in hope than in expectation:

If the Pakistani generals see that encouraging Taliban intransigence is creating their worst nightmare – an Afghan-Indian-American alliance – then they may finally wake up to the foolishness of their policies.³¹²

In August, the new US Ambassador to Pakistan, Richard Olson, stated that Pakistan may finally be moving away from the ‘strategic depth’ approach to Afghanistan. If this were to happen, it would be a major policy shift indeed.³¹³

There has also been tension in recent years between Pakistan and Afghanistan over the latter’s alleged lack of co-operation in relation to Baloch nationalists that are taking shelter in Afghanistan. Pakistan has claimed that the refusal to co-operate is at the request of India, which it believes is supporting Baloch armed groups. Documents released by Wikileaks in 2011 strongly suggested that Hamid Karzai had known that members of the Bugti clan had crossed into Afghanistan several years earlier but had so far taken no steps to arrest them.³¹⁴

3.4 China

China is a longstanding ally of Pakistan and this has not changed since 2008. If anything, the relationship has become more important to Pakistan as its partnership with the US has grown more fraught.

China is a major arms supplier to the Pakistani military. China has greatly assisted Pakistan in the development of its nuclear weapons and ballistic missile programmes and has generally taken its side in disputes with India.³¹⁵ This favour has been returned by Pakistan with regard to longstanding Sino-Indian border disputes.

³⁰⁷ “Afghan paper says Pakistan’s release of Taleban prisoners political manoeuvre”, *BBC Monitoring South Asia*, 19 November 2012

³⁰⁸ “Pakistan: Islamabad to help bridge Kabul-militant gap”, *Right Vision News*, 2 December 2012

³⁰⁹ “India, Afghanistan to sign four pacts during Karzai’s visit”, *PTI* (Indian news agency), 6 November 2012

³¹⁰ “India’s growing stake in Afghanistan”, *BBC News Online*, 28 June 2012

³¹¹ A. Rashid, “Pakistan, Afghanistan and the US withdrawal”, transcript of talk given at Chatham House on 20 April 2012, pp6-7

³¹² B. Riedel, “How to repair the US Pakistan relationship”, *Daily Beast*, 4 June 2012

³¹³ “US recognises change in Pakistan’s ‘strategic depth’ policy”, *Right Vision News*, 3 August 2012

³¹⁴ “Bad times in Baluchistan”, *IISS Strategic Comments*, Vol. 17, No. 46, December 2011

³¹⁵ Bennett-Jones, *Pakistan*, p. 217

China has assisted in the building of a major deep-sea port at Gwadar, in Balochistan. A Chinese state-owned company recently took over the management of the port.³¹⁶ Gwadar affords China a sea-land passage for energy imports which could be crucial should its access to the Arabian Sea or the Strait of Malacca be disrupted in the future.³¹⁷ Pakistan has urged China to consider it as an “energy corridor” for northwest China.³¹⁸

Commentators claim that China may in future ask for berthing rights at Gwadar for its naval ships and submarines. However, China is aware that this would raise hackles amongst those countries that are worried about its growing military capabilities. When, in 2011 Pakistan offered it control of the port and an opportunity to establish a naval base there, it declined.³¹⁹

China was the only major power to express support for Pakistan in the aftermath of the assassination of Osama bin Laden in May 2011, accepting Islamabad’s claims that it had no idea that bin Laden was in Abbottabad.³²⁰ In the aftermath of the assassination, China announced that it would sell 50 new JF-17 Thunder multi-role fighter jets to Pakistan.³²¹ It is unclear how far China is still providing much support to Pakistan in terms of its nuclear weapons and ballistic missile programmes, but it was the only permanent member of the UN Security Council to oppose the 2005 US-India civil nuclear deal and there were reports at the time that, in response, China was willing to consider selling Pakistan as many as six nuclear reactors.³²² According to Harsh Pant: “It was a not so subtle message to the United States that if Washington decides to play favourites, China retains the same right.”³²³ In 2010, a deal was signed for the sale of two nuclear reactors.³²⁴

Pakistan calls China an “all-weather friend”, contrasting it with the ‘fair-weather’ US.³²⁵ At the same time, the close relationship allows Pakistan to use China as leverage in its dealings with the US, which would not want Pakistan to shift completely into China’s camp.³²⁶

With US-Pakistan relations in such a fragile state, some commentators expect that in ten years time, China will constitute by far the most important bilateral relationship for Pakistan. However, as David Pilling has written:

Oddly enough, that may not suit Beijing, which remains wary of getting sucked too much into world affairs. Pakistan could turn out to be a closer friend than China had bargained for.³²⁷

During a visit to Islamabad in June 2012 the Chinese Foreign Minister Yang Jiechi re-emphasized China’s consistently held view that the world should recognize Pakistan’s major

³¹⁶ “Chinese state firm takes control of Pakistani port”, *Vancouver Sun*, 1 October 2012

³¹⁷ “Gwadar port – a Pakistani ‘pearl’ but a Chinese Gibraltar”, *Indo-Asian News Service*, 26 March 2006

³¹⁸ “Pakistan’s dwindling energy supplies and economy”, www.politact.com, 19 April 2012

³¹⁹ H. Pant, “The Pakistan thorn in China-India-US relations”, *Washington Quarterly*, Winter 2012, p84

³²⁰ H. Pant, “The Pakistan thorn in China-India-US relations”, *Washington Quarterly*, Winter 2012, p83

³²¹ “China’s masterclass in schmoozing Pakistan”, *Financial Times*, 26 May 2011

³²² O. Bennett Jones and F. Shaikh, “Pakistan’s foreign policy under Musharraf: between a rock and a hard place”, Chatham House Briefing Paper, ASP BP 06/01, March 2006

³²³ H. Pant, “The Pakistan thorn in China-India-US relations”, *Washington Quarterly*, Winter 2012, p91

³²⁴ H. Pant, “The Pakistan thorn in China-India-US relations”, *Washington Quarterly*, Winter 2012, p92

³²⁵ “China’s masterclass in schmoozing Pakistan”, *Financial Times*, 26 May 2011

³²⁶ “China’s masterclass in schmoozing Pakistan”, *Financial Times*, 26 May 2011

³²⁷ “China’s masterclass in schmoozing Pakistan”, *Financial Times*, 26 May 2011

sacrifices in combating terrorism and its sincere intentions; but he also urged Pakistan not to break with the US and to play a constructive role in Afghanistan.³²⁸

Perhaps the largest cloud on the horizon for China is Pakistan's inability, or unwillingness, to take forceful steps against armed Islamist groups which China fears could have a destabilizing impact on China's Muslim minority in Xinjiang Province.³²⁹ This could have a negative impact on bilateral relations in future. China claims that some Uighur militants have received training in camps in the FATA. On the Pakistani side, there is growing concern about the smuggling of Chinese goods into Pakistan.³³⁰

Some analysts also speculate that, as China becomes more preoccupied with the security of its global foreign investments, it could in time review the unconditional character of its relationship with a chronically unstable Pakistan in which Chinese workers have experienced attacks.³³¹ Pakistan's trade with China is much bigger today than with the US. China is also a major investor, not least in desperately needed long-term energy projects, to which \$15 billion has been pledged.³³² But, China has so far not responded to requests to help bail out Pakistan's struggling economy by lending money directly to the Government, forcing it to deal with the Western donors and the IMF.³³³ Rosheen Kabraji has argued:

The 'sweeter than honey' rhetoric that continues to bolster the veneer of a deep friendship based on common goals and strategic convergence glosses over serious challenges and risks.³³⁴

Despite its close relations with China, Pakistan also remains nervous – as it is with regard to the US – about the possibility of a gradual *rapprochement* between China and India as they both advance towards great power status. There is no real sign of that yet. But, just as China probably hopes it never has to choose between the US and Pakistan, so too it will want to avoid being forced to choose between India and Pakistan.

3.5 The UK

The website of the UK Foreign and Commonwealth Office (FCO) provides this account of the state of UK-Pakistan relations today:

Relations between the UK and the people of Pakistan are warm and close, made even more so by the substantial number of Pakistani origin British citizens (some 1 million) who live in the UK. We are uniquely connected:

- Over a £1billion (120billion Rupees) worth of trade flow between our two countries each year
- Almost 10,000 Pakistanis studying in the UK
- 1.4 million journeys between Pakistan and the UK each year
- The UK is the second largest investor in Pakistan

³²⁸ "Russia and China eye role in Afghanistan and Pakistan", *BBC News Online*, 6 June 2012

³²⁹ H. Pant, "The Pakistan thorn in China-India-US relations", *Washington Quarterly*, Winter 2012, p93

³³⁰ "Smuggling of Chinese goods", *Pakistan Observer*, 13 August 2012

³³¹ E. Feigenbaum, "China's Pakistan conundrum", www.foreignaffairs.com, 4 December 2011

³³² "China and Pakistan building bridges", *Enterprise*, 31 July 2012

³³³ "Russia and China eye role in Afghanistan and Pakistan", *BBC News Online*, 6 June 2012

³³⁴ R. Kabraji, "All weather friendship?", *The World Today*, January 2012, pp7-8

Prime Minister Cameron and President Zardari agreed to strengthen UK-Pakistan relationship in London on 6 August 2010 through an enhanced UK-Pakistan Strategic Dialogue. This will lead to strengthened co-operation between the two countries in areas of global and regional peace and stability, people-to-people links, trade and investment, education, culture, and parliamentary.³³⁵

After the August 2010 London meeting, David Cameron said:

Above all, what we have been talking about is our strategic partnership and how we can deepen and enhance that partnership to make sure that we deal with all the issues where we want to see progress – whether that is in trade, whether it is in education – and also in the absolutely vital area of combating terrorism. We want to work together to combat terrorism; whether it is keeping troops safe in Afghanistan or keeping people safe on the streets of Britain, that is a real priority for my government and somewhere where, with Pakistan, we are going to work together in this enhanced strategic partnership.³³⁶

The enhanced UK-Pakistan Strategic Dialogue, which was signed in April 2011, builds upon the framework for relations agreed by the previous Labour Government and the then President Musharraf in December 2004, known as the ‘Partnership for Peace and Prosperity’.

The importance of a more stable and prosperous Pakistan to the security of the UK was underscored by the role of British citizens of Pakistani origins in the 7/7 and 21/7 bombing attacks in London in 2005 and by other terrorist plots uncovered subsequently. This has strongly shaped British policy since 2005, alongside encouraging constructive Pakistani engagement on nuclear security and proliferation.

As the Musharraf era came to an end during 2007-08, the previous Labour Government sought to promote an orderly transition to civilian government in Pakistan. But some critics argued that it continued to give too much weight to the concerns of the Pakistani military and security establishment as a consequence of its role as a key ally in the ‘war on terror’. Owen Bennett-Jones has argued that the UK favoured a transition which left Musharraf in the presidency.³³⁷

Since 2008 the UK has supported efforts to consolidate democracy in Pakistan. Although it has been relatively circumspect in public on particularly sensitive issues such as civil-military relations, it has supported efforts to promote dialogue between the two.³³⁸ During a visit to the country in June 2012, the Foreign Secretary, William Hague, described the forthcoming elections in Pakistan as a “crucial milestone in Pakistan’s democratic history: the first time one civilian government will succeed another at an election.”³³⁹ The UK is funding electoral

³³⁵ Pakistan Country Profile, [FCO website](#) [last updated February 2012]

³³⁶ A full transcript of the statements made by Prime Minister Cameron and President Zardari is available on the [Number 10 website](#).

³³⁷ O. Bennett-Jones, “[Questions concerning the murder of Benazir Bhutto](#)”, *London Review of Books*, 6 December 2012

³³⁸ For example, see: HL Deb 20 June 2012 c303WA. Public circumspection also characterizes the UK position on the Kashmir dispute (see section 3.2). For more on UK efforts to consolidate democracy in Pakistan and prevent conflict both within Pakistan and across the wider region, see the Independent Commission for Aid Impact (ICAI)’s report, “[Evaluation of the Inter-Departmental Conflict Pool](#)”, July 2012, which includes a Pakistan case-study. See also the British Government’s [response](#) to ICAI’s July 2012 report.

³³⁹ “Forthcoming elections will be a crucial milestone in Pakistan’s democratic history”, [FCO press release](#), 12 June 2012

reform in Pakistan during 2012-14 to the tune of £5,280,000.³⁴⁰ It has also reportedly played a part in wider EU efforts to promote political and legal reforms in the FATA and has been a strong supporter of efforts to win trade concessions for Pakistan from the EU.³⁴¹ There have been many UK ministerial visits to Pakistan since May 2010. For example, David Cameron visited Pakistan in April 2011. There have also been numerous visits by senior Pakistani politicians to the UK. For example, the Chief Minister of Punjab Province, Shahbaz Sharif held a series of meetings with several ministers in London in October 2012.³⁴² It has been announced that the UK is to cooperate with the Punjab provincial government on counter-terrorism.³⁴³ FCO Minister Baroness Warsi visited Pakistan in early November, visiting leaders of the main political parties and the ECP. She called for “elections that are free from violence and fraud”.³⁴⁴

The UK joined with the US in publicly announcing a “comprehensive strategy” for Afghanistan and Pakistan during 2009-10.³⁴⁵ The current British Government certainly shares the frustration felt by the Obama Administration and President Karzai about Pakistan’s apparent reluctance to put much pressure on the Afghan Taliban to take part in peace negotiations. Indeed, it may even be that its frustration is greater, given that the UK arguably committed itself earlier than either of them to the idea of ‘talking to the Taliban’. However, after David Cameron caused controversy early in his premiership when he said during a visit to India that Pakistan should not be allowed to “promote the export of terror”, the British Government has tended to be more restrained in its criticisms of Pakistan’s stance towards the Afghan Taliban than the US or Afghanistan.³⁴⁶ Perhaps as a result, UK-Pakistan relations have generally been set on a more even keel.³⁴⁷

Another contributing factor may be the fact that, unlike the US, the British Government does not have a policy of carrying out drone attacks on Pakistani territory.³⁴⁸ But there have been claims that GCHQ, the British Government’s listening station, is providing information to the US which is used in carrying out drone attacks on Pakistani territory.³⁴⁹ In October 2012, a request for judicial review of the issue was made in the High Court on behalf of the family of a man who died in a US drone strike in March 2011. The British Government has neither confirmed nor denied these claims on grounds of national security but is contesting the request.³⁵⁰

During 2012, the UK has stepped up its efforts to improve the relationship between Pakistan and Afghanistan. During a visit to Kabul in July 2012, amidst growing clashes across the mutual border, the Durand Line, Prime Minister Cameron brought President Karzai and new

³⁴⁰ “Supporting electoral reform in Pakistan”, www.tendersinfo.com, 17 May 2012

³⁴¹ “Dynamics of Fata reforms”, *Dawn*, 19 August 2011

³⁴² “Pakistan province to adopt UK financial transparency procedure”, *Pakistan Observer*, 5 October 2012

³⁴³ “Foreign Secretary meets Chief Minister of the Punjab”, www.tendersinfo.com, 3 October 2012

³⁴⁴ “Upcoming elections crucial for Pakistan: Warsi”, *Pak Banker*, 9 November 2012

³⁴⁵ This was set out in detail in a April 2009 document, “UK policy in Afghanistan and Pakistan: the way forward”, Cabinet Office, April 2009

³⁴⁶ For example, see HC Deb 19 March 2012 c470W

³⁴⁷ “Pakistani and Indian papers divided on Cameron comments”, *BBC News Online*, 3 August 2010

³⁴⁸ HC Deb 11 July 2011 c52W

³⁴⁹ “British Government must come clean over alleged help for US drone attacks”, *Daily Telegraph*, 18 September 2012

³⁵⁰ “Family that lost father in Waziristan missile strike launches claim in the High Court”, *Independent*, 24 October 2012

Pakistani Prime Minister Raja Pervez Ashraf together for the first time in a 'trilateral summit'.³⁵¹ The three men then met again at the UN in late September.

Throughout late 2011 to mid 2012, there were press reports that the British Government had been asked by Pakistan to mediate between it and the US as their relationship came close to collapse. During his June 2012 visit, William Hague denied that the UK was seeking to "adjudicate" or "mediate".³⁵² However, he sought to provide public reassurance that the friendship between the UK and Pakistan "will endure", adding: "[...] I want to urge a greater understanding of Pakistan and the challenges your country faces, including the fact that Pakistan has suffered more than any other country from terrorism."³⁵³

The UK seeks to exert 'soft power' in a variety of ways in Pakistan, not least through the work of the British Council and BBC World Service. Chevening Scholarships are another important means of strengthening the bilateral relationship, with Pakistan one of the biggest recipients.³⁵⁴ But this certainly does not mean that there are never moments of tension. For example, in July, the British High Commissioner, Adam Thomson, briefly caused controversy when he described Pakistan as a leading country for visa and passport forgery.³⁵⁵ On a more positive note, 15-year old Malala Yousafzai, the campaigner for children's education, was transported to the UK for medical treatment following the Pakistan's Taliban's assassination attempt in October 2012.

The importance to the UK of promoting a more stable, prosperous and democratic Pakistan is underscored by the fact that the UK's development assistance to Pakistan is expected to more than double between 2011 and 2015, making Pakistan the UK's biggest aid recipient.³⁵⁶

3.6 The EU

The EU seeks to exert influence in Pakistan primarily through the exercise of 'soft power'. While the US still takes the lead in the politico-military and security spheres, the EU is seeking to play a more active role in promoting a stable, democratic and prosperous Pakistan. In doing so, the aim is to better reflect the fact that the EU has for some time been by far the biggest trading partner and provider of aid to Pakistan.

The basis for today's relationship lies in the Third Generation Co-operation Agreement that was signed by the EU and Pakistan in November 2001 and entered into force in September 2004. While strongly focused on trade and economic issues, the Agreement made respect for human rights and democratic principles a key principle of co-operation. Differences over these issues with then President Pervez Musharraf held up implementation of the Agreement until 2007, when the two sides agreed to push ahead while at the same time developing a broader political dialogue.³⁵⁷

Since the PPP-led Government took office in 2008, the EU-Pakistan relationship has moved up several gears. Regular EU-Pakistan summits have been instituted, with the first one taking place in June 2009. It elevated the relationship to a strategic partnership. At the

³⁵¹ "UK and Pakistan PMs hold talks with Afghan president", *BBC News Online*, 19 July 2012

³⁵² "William Hague: UK is unswerving supporter of Pakistan", *BBC News Online*, 12 June 2012

³⁵³ "Forthcoming elections will be a crucial milestone in Pakistan's democratic history", [FCO press release](#), 12 June 2012

³⁵⁴ "UK Chevening scholarships awarded to Pakistan's next generation of leaders", *Pakistan Press International*, 6 August 2012

³⁵⁵ "British ambassador says Pakistan is 'world leader' in visa application fraud", *Daily Telegraph*, 27 July 2012. There are regular flights deporting Pakistanis illegally in the UK back to Pakistan

³⁵⁶ See part 4 of this paper.

³⁵⁷ [EU-Pakistan Joint Declaration](#)

second summit in June 2010, the two sides agreed to develop a five-year Strategic Engagement Plan. The plan was agreed in 2011.³⁵⁸

However, there was considerable ‘blowback’ from the crisis in the US-Pakistan relationship triggered by the assassination by US Navy Seals of Osama bin Laden in May 2011. It was only during the second half of 2012 that EU-Pakistan relations settled down again.³⁵⁹ This was symbolized by the visit to Pakistan in June 2012 of the EU High Representative, Baroness Ashton, at which the first ever EU-Pakistan Strategic Dialogue was held.³⁶⁰

Following the 2010 floods, the EU offered limited and temporary EU trade concessions that would primarily benefit Pakistan’s textile industry. However, progress towards implementing the offer was prevented by objections lodged by India, Bangladesh and other countries. These countries eventually dropped their objections and the concessions were finally agreed in September 2012, coming into force on 14 November. They will remain in force until the end of 2013.³⁶¹

Despite recent moves to strengthen the EU-Pakistan relationship, some commentators argue that it still flatters to deceive. According to Shada Islam, writing in August 2011:

In terms of rhetoric, the advancement of relations between Pakistan and the European Union appears impressive [...] But for all the wordy communiqués and press statements issued after EU-Pakistan meetings, referring to common values and the wide range of areas where the two sides intend on cooperating, the EU’s relationship with Pakistan remains lackluster and uninspiring. With the exception of Britain, EU member states have yet to fully acknowledge Pakistan’s strategic importance and seek approaches to its complex mix of security, governance, and economic challenges.

Most EU governments still view Pakistan as a sideshow to their military involvement in Afghanistan, an approach that naturally disappoints Islamabad. European policymakers betray a poor understanding of Pakistan’s regional significance and the intricacies of the battles within Islam being played out in Pakistan on a regular basis between Wahhabism and Sufism, Shias and Sunnis, modernists and conservatives, with important repercussions across the Muslim world. The absence of significant European military support could be offset by strong economic ties the EU is Pakistan’s largest trading partner – but that has not yet translated into significant political influence.

As a result, the EU continues to punch below its weight in Pakistan, remaining a marginal political player in the country with little leverage vis-à-vis Pakistan’s civilian leadership or its powerful military and security establishment.

Pakistan’s outlook toward Europe also needs a shake-up. Focused on its volatile relationship with the United States, Pakistan has yet to concentrate its attention on the EU, which is seen as little more than a lucrative market for Pakistani exports. Europe’s emergency aid efforts following the 2010 floods were certainly welcomed, but Pakistani

³⁵⁸ Pakistan Country Profile, [FCO website](#) [last updated, February 2012]; “EU-Pakistan 5-Year Engagement Plan”, February 2012

³⁵⁹ “Brussels to boost Pakistan with trade concessions”, *Financial Times*, 31 January 2012. The UK views itself as “Pakistan’s strongest friend in those councils in the European Union”. “Forthcoming elections will be a crucial milestone in Pakistan’s democratic history”, FCO press release, 12 June 2012

³⁶⁰ “EU-Pakistan Strategic Dialogue”, European Commission press release, 5 June 2012; HC Deb 3 July 2012 c50-51WS

³⁶¹ “Moth-eaten deal: EU trade concessions to transfer little benefit”, *South Asian Media Network*, 21 July 2012; “The EU concession”, *Business Recorder*, 19 September 2012

policymakers appear too focused on Washington to fully appreciate what Europe can offer in order to advance economic and political reform. Ironically, although Islamabad is envious of the much wider scope and content of EU-India relations, Pakistan and India broadly share the view of Europe as an economic superpower but a political dwarf.³⁶²

3.7 The nuclear weapons programme

International concerns about Pakistan's nuclear weapons programme come a close second to its alleged failure adequately to combat terrorism. There have been three main concerns over the past decade:

- *Proliferation* – whether Pakistan's nuclear know-how might, following the AQ Khan affair, again be passed on to state or non-state actors
- *Security* – whether its nuclear arsenal is vulnerable to an armed attack by armed extremists and whether, in the event of 'state failure', it could even fall into extremist hands
- *Conflict* – whether a nuclear 'arms race' between Pakistan and India might, in combination with other events, trigger another war between the two rivals

Since the return to civilian rule in 2008 these concerns have intensified, rather than diminished. The advent of the PPP-led Government did not lead to greater civilian control over Pakistan's 'strategic assets'. While a future civilian administration may cavil at massive levels of expenditure on the nuclear weapons programme, the present PPP-led Government has not done so. For some outsiders, worried that 'civilian control' could heighten risk, rather than reduce it, continued military control has provided a degree of reassurance. However, others have pointed out, accurately enough, that the concerns identified above have all arisen under the army's watch.

There have been no new allegations of nuclear secrets being sold by Pakistani officials since the 'AQ Khan network' was broken up in 2003. For over 20 years, this network had offered a complete range of services to customers (most notably, Iran, Libya and North Korea) that wished to acquire highly enriched uranium for nuclear weapons. General Musharraf claimed that Khan had been operating without government knowledge. Khan initially endorsed this view but later retracted it, claiming he had done so under duress. However, the lenient way in which Khan and his associates have been treated by the authorities, along with his continued status as a hero to many Pakistanis, leaves some commentators questioning whether the threat of proliferation really has ended. Indeed, there are fears that the network may still be partially intact, although there is no hard evidence.³⁶³ Whatever the truth is, the PPP-led Government, which brought to an end his house arrest in 2009, has been unwilling and unable to challenge the dominant narrative within the country about AQ Khan.³⁶⁴

In terms of security, the IISS has stated that:

³⁶² S. Islam, "[Moving EU-Pakistan relations beyond words](#)", *German Marshall Fund of the United States*, 26 August 2011

³⁶³ S. Cohen, "Pakistan and the crescent of crisis", in I. Daalder, N. Gnesotto and P. Gordon (eds), *Crescent of Crisis. US-European Strategy for the Greater Middle East* (Washington, D.C., 2006), p187

³⁶⁴ However, AQ Khan may have alienated mainstream politicians recently by calling them all "robbers" and deciding to enter politics. "Disgraced Pak nuclear scientist earns PPP's ire", *Asian News International*, 30 August 2012

The nuclear weapons are believed to be well secured against terrorist attack, but the prospect of widespread disorder or adverse regime change in the country nonetheless alarms Western governments.³⁶⁵

In May 2011, the Pakistan Taliban briefly seized control of the Mehran Air Base in Karachi, only 15 miles away from a suspected nuclear weapons facility. This prompted Admiral Mike Mullen, then Chairman of the US Joint Chiefs of Staff, to openly express worries about proliferation and the security arrangements at Pakistan's nuclear installations.³⁶⁶ In August 2012, militants attacked Minhas Air Base near Islamabad, which some have speculated has connections with Pakistan's nuclear weapons programme.³⁶⁷

Pakistan is rapidly expanding its nuclear weapons arsenal. In recent years, it has been the world's fastest growing programme. One analyst estimated in 2011 that it now possessed enough fissile material for more than 100 warheads, more than double the figure that was said to be on the stocks in 2007.³⁶⁸ Both Pakistan and India are expected to significantly increase their arsenals over the next decade and some analysts claim that Pakistan will possess more nuclear weapons than the UK by 2021. Its ballistic missile programme is also expanding quickly.³⁶⁹ Pakistani officials argue that the country is just responding to India's own breakneck military build-up – it has always enjoyed conventional superiority – and that anxiety about the 2005 US-India civil nuclear power deal has also provoked Pakistan into rapidly expanding its own nuclear arsenal.

It can be argued that the growth of Pakistan's nuclear weapons programme also has a value for Pakistan in sustaining its leverage in its relationships with the US and other Western countries. This is because the risks posed by the programme may restrain them from reducing support to Pakistan. Andrew Bast has written:

In a sense, the nuclear arsenal – and the significant dangers of its being compromised in any way by jihadist factions, of which there are many in Pakistan – makes the country too dangerous to fail.³⁷⁰

Such considerations may also partly account for why Pakistan has got off so lightly over the years despite having refused (along with India) to sign the 1968 Nuclear Non-Proliferation Treaty.

Pakistan's nuclear weapons programme is extremely popular with the public. Psychologically, it provides 'parity of esteem' with India at a time when in other respects India is pulling ahead. The fact that a significant number of Pakistanis are convinced that the US wants to destroy their nuclear arsenal has helped to create a siege mentality.³⁷¹ For all of

³⁶⁵ IISS, *The Military Balance 2012* (London, March 2012), p272

³⁶⁶ A. Bast, "Pakistan's nuclear calculus", *Washington Quarterly*, Fall 2011, pp73-4

³⁶⁷ "Gunmen storm military air base in Pakistan", *BBC News Online*, 16 August 2012

³⁶⁸ A. Bast, "Pakistan's nuclear calculus", *Washington Quarterly*, Fall 2011, p75; House of Commons Library Research Paper 07/68, *Pakistan's political and security challenges*, 13 September 2007, p47. The Federation of American Scientists' 'Status of World Nuclear Forces 2012' webpage gives an estimate of 90-110, as compared with 80-100 for India.

³⁶⁹ A. Bast, "Pakistan's nuclear calculus", *Washington Quarterly*, Fall 2011, p75

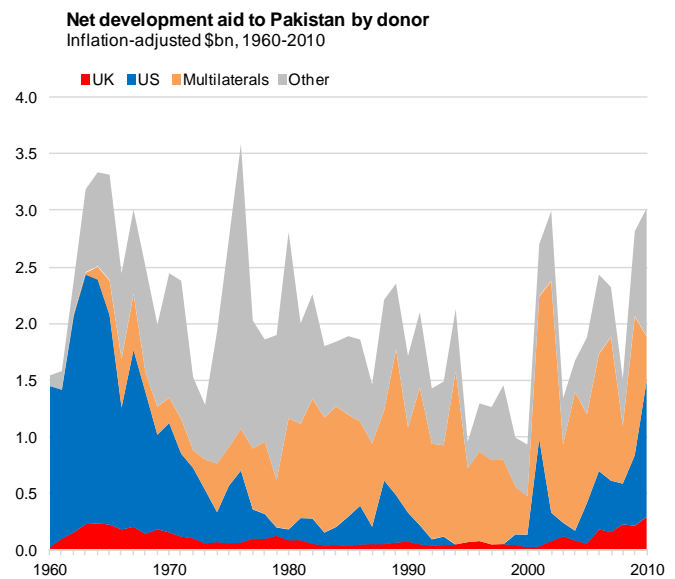
³⁷⁰ A. Bast, "Pakistan's nuclear calculus", *Washington Quarterly*, Fall 2011, p79

³⁷¹ Bast (pp82-4) argues that Pakistan's programme is "irreconcilable" with the Obama Administration's non-proliferation agenda but that it has calculated that any attempt to raise the issue publicly would simply backfire. He advocates 'publicly talking tough', sweetened by the offer of a US-Pakistan civil nuclear deal that would parallel the 2005 US-India deal.

these reasons, the nuclear weapons programme has continued to bind the nation together since 2008, during a period when many other forces seemed to be pulling it apart.³⁷²

4 Development and humanitarian aid to Pakistan³⁷³

Poor, fragile and insecure, Pakistan represents a daunting challenge to foreign donors. Though it has long been one of the largest recipients of official development assistance, aid flows have fluctuated considerably over the past fifty years, as donors have suspended and resumed programmes in light of political developments; most recently, US military aid was suspended when Islamabad closed ground lines of communication used by NATO forces to access Afghanistan, in response to the killing of 24 Pakistani soldiers in November 2011. Following their reopening in July 2012, aid has since resumed.



Top ten development aid donors to Pakistan, selected time periods, current US dollar basis, 1960-2010

1961-70	1971-80	1981-90	1991-2000	2001-10
United States	United States	United States	AsDB	World Bank
Germany	World Bank	Japan	Japan	United States
World Bank	Japan	AsDB	World Bank	AsDB
United Kingdom	Canada	World Bank	United Arab Emirates	Japan
Canada	United Arab Emirates	UNHCR	United Kingdom	United Kingdom
Japan	Germany	WFP	Germany	EU Institutions
Sweden	United Kingdom	Germany	France	Germany
UNDP	Netherlands	Canada	WFP	Turkey
Netherlands	France	United Kingdom	IMF	Canada
Australia	WFP	Netherlands	EU Institutions	United Arab Emirates

Notes: AsDB - Asian Development Bank; WFP - World Food Programme; UNDP - UN Development Programme; WFP - World Food Programme; UNHCR - UN High Commissioner for Refugees

4.1 US

By some margin, the US is the largest country donor to Pakistan, having contributed a quarter of all development aid since 1960. US military and development aid to Pakistan increased rapidly following the 9/11 terrorist attacks, as the government sought to enlist it as an ally in counterterrorism efforts. Currently US assistance is guided by the *Enhanced Partnership with Pakistan Act 2009*, which authorizes \$1.5bn in annual non-military assistance to Pakistan for financial years 2010 to 2014, and “such sums as may be necessary” for military assistance.³⁷⁴ In practice, levels of support have fallen short of this in each year since 2011 by \$400-500 million. Under the Act, in order to receive military aid, Pakistan is expected to demonstrate progress and co-operation with the US on

³⁷² A. Bast, “Pakistan’s nuclear calculus”, *Washington Quarterly*, Fall 2011, pp80-81

³⁷³ All statistics, unless otherwise referenced, are based on data in the OECD [DAC and CRS databases](#)

³⁷⁴ Over the period 2002-12, military assistance provided by the US has been twice the amount of development assistance provided. Military assistance includes funds provided from the Coalition Support Fund, intended to reimburse Pakistan and other nations for their operational and logistical support of US-led counterterrorism operations.

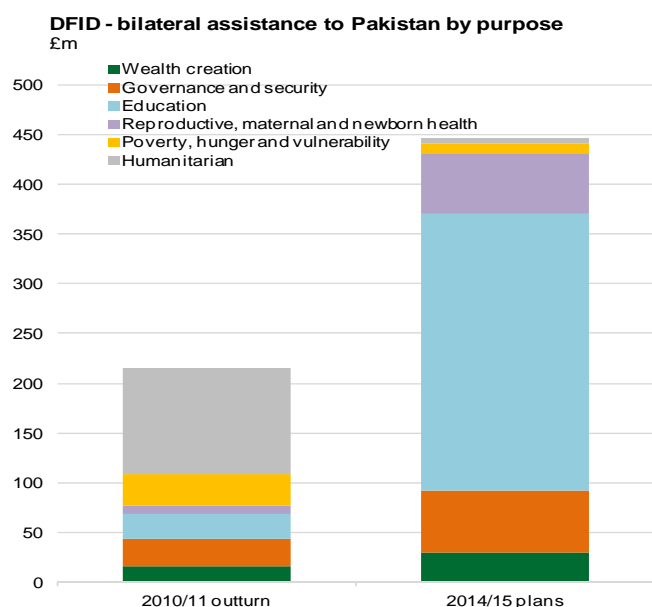
counterterrorism, non-proliferation and democracy, although the requirements for the State Department to verify compliance in certain areas was waived in September 2012; the government cited “national security interests” as the reason for the waivers.³⁷⁵

US development aid in recent years has focussed on helping Pakistan establish political parties and conduct elections; on vaccination and other health programmes; and on primary and tertiary education. The US has also supported Pakistan in pursuing economic reforms, such as improving tax collection, strengthening border management and building infrastructure.

4.2 UK

The UK has had an aid relationship with Pakistan since independence in 1947. Total development aid since 1960, in inflation-adjusted dollars, has been \$5.9 billion. DFID’s Operational Programme for the 2011-15 period aims to build stability, particularly in the border regions; to improve the functioning of Pakistan’s democracy and electoral process; to promote economic development and reform, particularly through skill training and increasing access to microfinance; and to improve the delivery of public services, particularly health and education.

As a result of the March 2011 bilateral aid review, relative to the previous four-year period, aid to Pakistan is planned to increase by 148% over 2011/12 to 2014/15. By 2013/14, it will be the UK’s largest aid partner, receiving more than £400m per year. Humanitarian disasters may result in total aid flows being higher still. Education programmes will be expanded dramatically, and will come to account for over half of total aid spending in Pakistan (see chart). They will include some of the largest individual programmes in DFID’s history, including a £203.5m programme in Khyber-Pakhtunkhwa (recently commenced) and a £260m programme in Punjab (planned). Regionally, aid will be focussed on Punjab and Khyber-Pakhtunkhwa. As in the past, a large proportion of aid is expected to be channelled through government, although, as a result of the moves towards greater devolution by the PPP-led Government since 2010, this will take place predominantly at the provincial rather than the federal level. As the Operational Plan puts it:³⁷⁶



If we are to support the GoP [government of Pakistan] in demonstrating that it can deliver to its people, we must continue to channel resources through their systems and strengthen their capacity. However, where GoP leadership is weak or where we are not confident in fiduciary safeguards, we will look for alternative delivery mechanisms.

In its assessment of DFID’s work in Pakistan, published in October 2012, the Independent Commission for Aid Impact expressed confidence in its education programmes, on the basis

³⁷⁵ More details on US aid to Pakistan can be found in the Congressional Research Briefing [Pakistan: US foreign assistance](#), 4 Oct 2012

³⁷⁶ DFID [Pakistan Operational Plan 2011-15](#)

of a detailed examination of four existing projects, together worth £107 million.³⁷⁷ There is also cause for optimism in the experience of the World Bank, whose support for the education sector has been among the most successful elements of its partnership strategy. On health, the ICAI expressed concern that the process of devolution in Pakistan had affected the results achieved for certain programmes, while the DFID's humanitarian response was commended for its design and attention to value for money.

In addition to corruption and Pakistan's tangled bureaucracy, aid efforts are hampered by rising levels of violence, driven by the conflict between the Pakistan military and rebel groups in the FATA and a sharp increase in sectarian violence and terrorist attacks. Security constraints prevent DFID staff (and those of many other development agencies) from travelling freely to Balochistan, Khyber Pakhtunkhwa and the FATA. Further decentralization of staff from two existing offices, in Islamabad and Lahore, is planned only if security conditions permit.³⁷⁸

4.3 World Bank

World Bank assistance to Pakistan for the period 2010-14 is guided by the Country Partnership Strategy (updated in 2011). Support is organised around four pillars: economic governance; improving human development and social protection; infrastructure; and security. The aim is to help maintain economic stability by tackling constraints on growth, including power supply, vulnerability of the poor and education (particularly rural-urban disparities).

Up to \$5.9bn is to be provided to Pakistan over this period, \$4.9bn of which will be in the form of concessional loans from the International Development Association, with the remainder coming in the form of loans from the International Bank for Reconstruction and Development on market-based terms.³⁷⁹ The World Bank International Finance Corporation will make up to a further \$2.7bn of investments in private sector companies in Pakistan over the same period.

Major projects currently underway include a project to increase hydropower capacity at the Tarbela dam (total cost \$914m; World Bank commitment \$840m); a programme to increase school participation and achievement in Punjab (total cost \$4.4bn; World Bank commitment \$350m); and a project to improve access to, quality and relevance of tertiary education (total cost \$2bn; World Bank commitment \$300m)

In a review of its existing lending portfolio in Pakistan, and of progress towards the desired outcomes of the Country Partnership Strategy, the Bank described the performance as:

mixed, with considerable achievements in education and social protection but with little or no progress on the transformational outcomes of increasing revenue mobilization and expanding power provision and improving system efficiency

Over the remaining two years of its strategy, the Bank intends to cut back its policy support and technical assistance 'given the weak conditions for macroeconomic reform', but will speed up projects to develop hydropower, irrigation and urban infrastructure. It also intends to expand its work agricultural productivity disaster risk management.

³⁷⁷ Independent Commission on Aid Impact, [DFID bilateral aid to Pakistan](#)

³⁷⁸ Independent Commission on Aid Impact, [DFID bilateral aid to Pakistan](#)

³⁷⁹ Pakistan is eligible for IDA assistance on 'blend' terms. These are currently loans with a maturity of 25 years, a grace period of 5 years, and an interest rate charge of 1.25%.

5 Pakistan's possible futures

The outcome of the 2013 elections hangs in the balance. As this paper has already demonstrated, whichever coalition of parties ultimately forms a government will inherit enormous and interlocking challenges in the spheres of constitutional and political reform, security and counter-terrorism, the economy and the environment and, last but not least, in foreign policy.

Rather than rehearse once again the exact nature of all these challenges over the years ahead, the aim in the final part of this paper is to place them in a broader context by linking them to the oft-asked question, "can Pakistan survive"?.³⁸⁰ The perennial nature of this discussion is enough to suggest that predictions of Pakistan's 'death' should be viewed with caution. Indeed, one journalist has recently described Pakistan as "the state that has refused to fail."³⁸¹ Nonetheless, intelligent and knowledgeable people persist in viewing failure as eminently possible in future, so the question must be taken seriously.

In the following survey, we take a glimpse at Pakistan's possible futures through the different lenses provided by three well-known analysts of Pakistan, all of whom have published books in recent years: **Stephen Cohen**, **Anatol Lieven** and **Farzana Shaikh**.³⁸² These authors each offer distinctive and interesting perspectives, but their arguments will not appeal equally to everybody.³⁸³ This paper restricts itself to setting out these perspectives. It does not adjudicate upon them.

In January 2011 **Stephen Cohen** published a report for the Brookings Institution entitled "The future of Pakistan".³⁸⁴ Drawing on research work by other scholars, he produced what he called a "capstone essay".³⁸⁵ In a strikingly apocalyptic interview that accompanied the launch of the report, he said:

Stephen Cohen: *Pakistan is most likely to 'muddle through' over the coming five years or so. The current political and military establishments will remain in charge, but this may not be enough to avert eventual state failure. All the other scenarios are worse.*

There is not going to be any good news from Pakistan for some time, if ever, because the fundamentals of the state are either failing or questionable. This applies to both the idea of Pakistan, the ideology of the state, the purpose of the state, and also the coherence of the state [...] I wouldn't predict a comprehensive failure soon but clearly that's the direction in which Pakistan is moving.

[...] Someone in the State Department was quoted in a Wikileaks document [as saying] that if it weren't for nuclear weapons, Pakistan would be the Congo. I would compare it to Nigeria without oil. It wouldn't be a serious state. But the nuclear weapons and the country's organized terrorist machinery do make it quite serious [...]

³⁸⁰ The question posed starkly by Tariq Ali in the title of his 1983 classic, *Can Pakistan Survive?*

³⁸¹ David Pilling, "Pakistan, the state that has refused to fail", *Financial Times*, 21 October 2010

³⁸² For an earlier overview of Pakistan's possible futures, see part VII ("Future Prospects") of House of Commons Library Research Paper 07/68, *Pakistan's political and security challenges*, 13 September 2007.

³⁸³ In April 2011 Shaikh reviewed Lieven's book quite critically on the [Times Higher Education](#) website. There is also a very interesting review of Lieven and Cohen's books, "[Contesting notions of Pakistan](#)", by S. Akbar Zaidi in the Indian periodical *Economic and Political Weekly*, 10 November 2012

³⁸⁴ S. Cohen, "[The future of Pakistan](#)", Brookings, Washington D.C., January 2011. A book with the same title was subsequently published in November 2011. We have used the January 2011 report because it is available free via the above link.

³⁸⁵ S. Cohen, "[The future of Pakistan](#)", Brookings, Washington D.C., January 2011, p6

Except for its territory, which is strategically important, there is not much in Pakistan that is of benefit to anyone. They failed to take advantage of globalization. They use terrorism as an aspect of globalization, which is the negative side of globalization. Go down the list of factors, they are almost all negative.

[...] We have to do what we can do and prepare for the failure of Pakistan, which could happen in four or five or six years.³⁸⁶

In the main body of the report, Cohen argues that there are six key factors to consider when Pakistan's future:

It is a nuclear weapons state with a very bad record of proliferation.

Pakistan has, as a matter of state policy, actively supported jihadist and militants in its neighbors and has either turned a blind eye or professes incapacity when it comes to opposing militants active in Europe and even in friendly China.

The identity-based dispute with India continues, and it is likely that new crises between the two will take place sometime in next several years.

Pakistan's economy is stagnating, complicated by the massive damage due to the recent earthquake in 2005 and floods in 2010.

Its demographic indicators look bad and are worsened by a poor economy – long gone are the days when Pakistan was knocking on the door of middle income status.

Pakistan could be a major disruptive force in South, Southwest and Central Asia, ruining India's peaceful rise and destabilizing the Persian Gulf and Central Asian regions.³⁸⁷

Cohen devotes considerable effort to countering “the middle class myth”: that the emergence of the middle class in Pakistan has the potential to transform the country for the better. He argues that a growing middle class might be a necessary condition, but it is not a sufficient one for Pakistan's democratization.³⁸⁸ He adds that “the economic base for a large middle class does not yet exist” and concludes that:

Above all, hopes for a new and rising middle class must be tempered by the economic facts of life: rampant inflation in Pakistan over the last few years threatens a large number of citizens, making their lives economically insecure just as the physical dangers increase because of rising terror attacks, and for many, the floods of 2010.³⁸⁹

On the role of independent media, he is similarly cautious:

[...] Pakistan's private media appear vibrant and diverse, with networks such as Geo TV being world-class, but on issues of national security and contentious domestic affairs, they are heavily self-censored and influenced by commentators with ties to the military and intelligence agencies [...] It is evident that new social media and communication methods such as SMS services are disseminating information quickly

³⁸⁶ Interview with Stephen Cohen, “[Pakistan's road to disintegration](#)”, Council for Foreign Relations, 6 January 2011. It could be argued that Cohen comes across as more pessimistic in this interview than he does in the report.

³⁸⁷ S. Cohen, “[The future of Pakistan](#)”, Brookings, Washington D.C., January 2011, p7

³⁸⁸ S. Cohen, “[The future of Pakistan](#)”, Brookings, Washington D.C., January 2011, p23

³⁸⁹ S. Cohen, “[The future of Pakistan](#)”, Brookings, Washington D.C., January 2011, pp23-24. Xenia Dormandy recently advocated making supporting the country's middle class a key plank of US policy. See: “Reversing Pakistan's descent: Empowering its Middle Class”, *Washington Quarterly*, Spring 2012

and help mobilize civil society beyond the grasp of the state, something that senior generals view with frustration and concern. Yet this mobilization strengthens not only liberal forces – radical and Islamist groups have also used the neutral technology very successfully.³⁹⁰

Cohen ends his report by directly addressing Pakistan's 'possible futures'. He concludes that

[...] the most likely future for Pakistan over the next five to seven years, but less likely than it would have been five years ago, is some form of what has been called 'muddling through', and what I termed as an establishment-dominated Pakistan. The military will play a key although not always and not always and not necessarily central role in state and political decisions [...] In this scenario, the political system would be bound by certain parameters: the military might take over, but only for a temporary fix; it will neither encourage nor tolerate deep reform; and civilians will be content with a limited political role [...] The state will always be in transition, but will never *arrive*, frustrating supporters and critics alike.³⁹¹

However, another possible scenario is what he calls "parallel Pakistans", in which centrifugal forces intensify and "some of the provinces and regions [...] go their different ways". He identifies this as the worst-case scenario but does not see it as necessarily leading to a full-scale break-up of the state. Another possible scenario identified by him is "civil or military authoritarianism". The least likely possible scenarios identified by him for the period 2011 and 2015 are "democratic consolidation", "breakaway and breakup" or "an army-led revolution".³⁹²

In 2011, the former *Times* journalist and academic **Anatol Lieven** published a book called *Pakistan: A Hard Country*. While his stance could hardly be called optimistic, he does seek to avoid what he sees as excessive pessimism.

Anatol Lieven *Inertia and stasis is the most likely outcome as reform efforts founder. But state failure in Pakistan could result quite suddenly as a result of environmental crisis – or a US invasion that could provoke a mutiny in the Punjabi-dominated army.*

In a review of Lieven's book, Pankaj Mishra wrote:

[...] Lieven is more interested in why Pakistan is also "in many ways surprisingly tough and resilient as a state and a society" and how the country, like India, has for decades mocked its obituaries which have been written obsessively by the west.

Briskly, Lieven identifies Pakistan's many centrifugal and centripetal forces: "Much of Pakistan is a highly conservative, archaic, even sometimes inert and somnolent mass of different societies." He describes its regional variations: the restive Pashtuns in the west, the tensions between Sindhis and migrants from India in Sindh, the layered power structures of Punjab, and the tribal complexities of Balochistan. He discusses at length the varieties of South Asian Islam, and their political and social roles in Pakistani society.

[...] Approaching his subject as a trained anthropologist would, Lieven describes how Pakistan, though nominally a modern nation state, is still largely governed by the "traditions of overriding loyalty to family, clan and religion". There is hardly an institution in Pakistan that is immune to "the rules of behavior that these loyalties enjoin". These persisting ties of patronage and kinship, which are reminiscent of pre-modern Europe,

³⁹⁰ S. Cohen, "The future of Pakistan", Brookings, Washington D.C., January 2011, p37

³⁹¹ S. Cohen, "The future of Pakistan", Brookings, Washington D.C., January 2011, pp47-48

³⁹² S. Cohen, "The future of Pakistan", Brookings, Washington D.C., January 2011, pp48-52

indicate that the work of creating impersonal modern institutions and turning Pakistanis into citizens of a nation state – a long and brutal process in Europe, as Eugen Weber and others have shown – has barely begun.[...] ³⁹³

Lieven argues that the important role played by kinship in creating networks of reciprocity and obligation softens the impact of class domination and inequality just enough to avert revolution, whether of the religious or the secular variety, in Pakistan. ³⁹⁴ It also creates a basis for “collective defence” in a “violent society in which none of the institutions of the state can be relied on [...]”. ³⁹⁵ However, the irony is that it simultaneously presents a powerful obstacle to internally generated reform too. ³⁹⁶

Furthermore, while “Westernizers and Islamists” have diametrically opposing visions of the country’s future, Lieven views them both as frustrated modernizers. He warns that “there is a fair chance that Pakistan will in effect shrug both of them off, roll over, and go back to sleep.” ³⁹⁷

Even if the PPP and the various factions of the PML are too much part of the system to be effective vehicles of social change, could other parties or social forces like the PTI take on that role? He is not hopeful. Lieven suspects that the party and its leaders will be “ingested by the elites that they had hoped to displace.” ³⁹⁸

Lieven describes the army as the “only Pakistani institution which actually works as it is officially meant to”, as the embodiment of national unity and pride. However, elsewhere he calls it “a kind of giant clan”, in which Punjabis are particularly strongly represented. ³⁹⁹ Some have alleged that Lieven is too starry-eyed about the army. ⁴⁰⁰

Lieven goes on to identify two existential threats to Pakistan: rapidly increasing environmental risk; and US actions that could split the army asunder.

The devastating floods of the past few years demonstrate the mounting environmental risk. Lieven argues that, with Pakistan’s population rapidly growing and expected to reach 335 million by 2050, the country’s water resources are increasingly thinly stretched and increasingly dependent upon the River Indus. Natural streams have dried up and the water table is dropping. The situation is compounded by poor storage and distribution infrastructure and high levels of deforestation, which has played a major role in facilitating the devastating floods of 2010-11. Lieven fears that unless there is urgent and effective public action there could soon be escalating conflict over water resources between Pakistan’s provinces, which could reach a pitch that “will be incompatible with the country’s survival.” ⁴⁰¹ Others have also

³⁹³ P. Mishra, “Pakistan: A Hard Country – review”, *Guardian*, 30 April 2011

³⁹⁴ Lieven, *Pakistan: A Hard Country*, pp 14-15, 23-24.

³⁹⁵ Lieven, *Pakistan: A Hard Country*, pp18

³⁹⁶ Lieven, *Pakistan: A Hard Country*, pp 14-15, 23-24. The social scientist Jan Breman appears less persuaded that networks of reciprocity and obligation play much of a mitigating role, arguing: “It is not so much that the Pakistani state has failed, but that it is run by a bunch of powermongers as their personal fief and criminal holding. It is a regime that could not care less for the dire predicament of the people.” J. Breman, “[The undercities of Karachi](#)”, *New Left Review*, 66, July-August 2012, p63

³⁹⁷ Lieven, *Pakistan: A Hard Country*, pp29

³⁹⁸ Lieven, *Pakistan: A Hard Country*, pp23

³⁹⁹ Lieven, *Pakistan: A Hard Country*, pp15, 21

⁴⁰⁰ P. Swami, “Pakistan: A Hard Country”, *Literary Review*, June 2011.

⁴⁰¹ Lieven, *Pakistan: A Hard Country*, pp30-33

looked at interlinked problems of declining agricultural production and food insecurity and their role in acting as a “threat multiplier to security in Pakistan.”⁴⁰²

Lieven’s other great fear is that “actions by the United States will provoke a mutiny of parts of the military” that could lead to the collapse of the state. For this reason, he argues passionately that there should be “no open intervention of US ground forces in FATA”.⁴⁰³ With the army still being mainly Punjabi, he argues that it is the soldiers from this province which would most likely underpin such a mutiny. He goes on to claim: “If Pakistan is to be broken as a state, it will be on the streets of Lahore and other great Punjabi cities, not in the Pashtun mountains”. For Lieven, LeT – which has a strong support base in Punjab – is a more serious terrorist threat to the West than the Pakistan Taliban.⁴⁰⁴

Lieven has expressed concern that the US and its allies still do not fully grasp that “preserving the Pakistani state and containing the terrorist threat to the West from Pakistan is a permanent vital interest” of much greater importance than Afghanistan.⁴⁰⁵ Lieven might perhaps take some comfort from the fact that the deep crisis in the relationship between the US and Pakistan that followed the assassination of Osama bin Laden in May 2011 failed to fracture the Pakistani military. However, he would presumably anticipate that future crises are likely to test its resilience again.

Last but not least, **Farzana Shaikh’s** 2009 book, *Making Sense of Pakistan*, offers a different prism through which to refract Pakistan’s future prospects.⁴⁰⁶ She goes back to the circumstances of Pakistan’s birth, which has left it with an “uncertain national identity” based on Islam.⁴⁰⁷ She summarizes her argument as follows:

Farzana Shaikh: *The main challenge faced by Pakistan is not state failure, but an underlying, unviable concept of ‘nationhood’ rooted in Islam. However, there are glimpses of a more viable, ‘pluralistic’ alternative that could stabilize the country and its relations with the world.*

More than six decades after being carved out of British India, Pakistan remains an enigma. Born in 1947 as the first self-professed Muslim state, it rejected theocracy; vulnerable to the appeal of political Islam, it aspired to Western constitutionalism; prone to military dictatorship, it hankered after democracy; unsure of what it stood for, Pakistan has been left clutching at an identity beset by an ambiguous relation to Islam

[...] Such uncertainty has had profound and far-reaching consequences; it has deepened the country’s divisions and discouraged plural definitions of the Pakistani. It has blighted good governance and tempted political elites to use the language of Islam as a substitute for democratic legitimacy. It has distorted social and economic development and fuelled a moral discourse that has sought to gauge progress against supposed Islamic standards. It has intensified the struggle between rival conceptions of Pakistan and set the country’s claim to be a Muslim homeland against its obligation to act as a guarantor of Islam. More ominously still, it has driven this nuclear-armed

⁴⁰² Also see: “Security and the environment in Pakistan”, Congressional Research Service, August 2010

⁴⁰³ Lieven, *Pakistan: A Hard Country*, p479

⁴⁰⁴ Another author who takes this view is N. Padukone, “[The next Al-Qaeda? Lashkar-e-Taiba and the future of terrorism in South Asia](#)”, *World Affairs*, November/December 2011. S. Tankel, in *Storming the World Stage: The Story of Lashkar-e-Taiba* (New York, 2011), views LeT as an organization that currently primarily facilitates global *jihād*.

⁴⁰⁵ A. Lieven, “A mutiny grows in Punjab”, *The National Interest*, 23 February 2011

⁴⁰⁶ Although there are overlaps with Cohen’s earlier work, such as his 2004 book, *The Idea of Pakistan*.

⁴⁰⁷ F. Shaikh, *Making Sense of Pakistan* (London, 2009), p1

state to look beyond its frontiers in search of validation, thus encouraging policies that pose a threat to its survival and to the security of the international community.⁴⁰⁸

Shaikh argues that Islam has been deployed as an ideological resource to bind together a nation that at independence “was largely bereft of the prerequisites of viable nationhood”. However, Islam has proved inadequate to that task. Crucially for Shaikh, the existential uncertainty over national identity is the main *cause* of the ‘dysfunctionality’ of the Pakistani state, not a symptom. She diagnoses poor governance, conflict between the centre and the provinces, sectarianism, terrorism and social deprivation as among the symptoms of this dysfunctionality.

Shaikh asserts that the unresolved dilemma of ‘which Islam?’ has had major implications for Pakistan’s social and economic development. One example that she gives is corruption, where the country’s religious establishment and Pakistan’s ‘modernising elite’ have found unexpected common ground in opposition to the “low, regional expressions of Islam” that tend to govern relations between landowners, local religious authorities and ordinary Pakistanis in many parts of the country – and which co-exist comfortably with “habits of patronage”.⁴⁰⁹

She claims that the framing of the debate over corruption in terms of Islam has meant that the failure of the state to deliver basic services has come to be conceived predominantly in moral rather than in political terms. This has arguably played into the hands of Islamist groups which often have track records of delivering services more honestly and fairly than state agencies. Indeed, Shaikh takes the view that the state has often been its own worst enemy on this issue, by promoting Islamic religious education whose values and standards it has then glaringly failed to meet.⁴¹⁰

The military, which has been the main institutional vehicle for navigating the deep uncertainty over national identity, has also failed singularly to create a coherent consensus based on Islam, she complains. Indeed, it has inconsistently promoted “two conflicting discourses of Islam”, both of which have negatively shaped Pakistan’s relations with the rest of the world:

The first, with which the military has more commonly been associated, was a Muslim ‘communal’ narrative that emphasised Pakistan’s identity in opposition to India. The second reflected a discourse more closely modelled on Islamist lines, which projected Pakistan as the focus of a utopian Islamic vision underpinned by military expansion predicated on jihad (holy war).⁴¹¹

Shaikh goes on to suggest that this is why Pakistan has struggled to articulate a clear idea of its national interests, which realists argue are usually central to the actions of states in the world. It has been driven by a “need for validation” and a “desire to win recognition of its special status”. She adds that:

Although the consequences of these foreign policy ambitions have often been devastating to Pakistan and the strategic costs immense, no price is yet seen to be too high to validate Pakistan’s claim to nationhood.⁴¹²

With regard to the US, she asserts that it has been a relationship based on “mutual dependence rather than mutual respect”. The alliance has not brought with it the “special

⁴⁰⁸ F. Shaikh, *Making Sense of Pakistan* (London, 2009), p1

⁴⁰⁹ F. Shaikh, *Making Sense of Pakistan* (London, 2009), p117

⁴¹⁰ F. Shaikh, *Making Sense of Pakistan* (London, 2009), pp146-7

⁴¹¹ F. Shaikh, *Making Sense of Pakistan* (London, 2009), pp7-8

⁴¹² F. Shaikh, *Making Sense of Pakistan* (London, 2009), p181

status of the kind craved” by Pakistan, which would have satisfied its need for parity with India.⁴¹³ The result has been what she calls “the illusion of common purpose”.⁴¹⁴ She asserts that Pakistan’s Afghanistan policy is also “best understood as an extension of its historical claim to parity with India.”⁴¹⁵ These dynamics are deeply entrenched and the odds against their transformation over the coming period must be high.

In one sense, Shaikh’s analysis can be viewed as the most pessimistic of all three of the authors surveyed here. Resolving an ‘uncertain national identity’ is a daunting task and may prove difficult to translate into coherent policy interventions. But Shaikh has not abandoned all hope for Pakistan – far from it. She has a clear vision of the more viable and constructive consensus around national identity that she hopes may emerge over time:

One possibility is that a consensus will emerge regarding the value of pluralism itself. Such a consensus – around, say, the nature of ethnic, religious or linguistic pluralism – would be conducive to greater national stability. Another possibility, however, is that Pakistan will pursue a strict consensus underpinned by an exclusive definition of the citizen and a one-and-only-one approach to Islam.⁴¹⁶

Without denying the scale of the challenges being faced by Pakistan, she remains hopeful – certainly more so than either Cohen or Lieven – that a ‘pluralistic consensus’ is possible, seeing the germ of it in:

an emancipated media, a newly galvanised legal fraternity, an astonishingly vibrant artistic community, a clutch of combative historians and human rights activists [...] although their voices are far from being dominant, they seek nothing less than to restore to Pakistan its identity as an integral, rather than an exclusive part of the South Asian region.⁴¹⁷

⁴¹³ F. Shaikh, *Making Sense of Pakistan* (London, 2009), p190-1

⁴¹⁴ F. Shaikh, *Making Sense of Pakistan* (London, 2009), p193

⁴¹⁵ F. Shaikh, *Making Sense of Pakistan* (London, 2009), p200

⁴¹⁶ F. Shaikh, *Making Sense of Pakistan* (London, 2009), p13. She, along with many others, identifies LeT as one of the most important groups that could promote this ‘strict consensus’. See her review of S. Tankel, *Storming the World Stage: the Story of Lashkar-e-Taiba* (London, 2011) in *International Affairs*, 88:4, 2012

⁴¹⁷ F. Shaikh, *Making Sense of Pakistan* (London, 2009), p209-10

Appendix 1 – Further reading

Books

- T. Ali, *The Duel: Pakistan on the Flight Path of American Power* (London, 2009)
- O. Bennett-Jones, *Pakistan: Eye of the Storm* (New Haven, 2009)
- S. Cohen (ed.), *The Future of Pakistan* (Washington D.C., 2011)
- C. Jaffrelot (ed.), *Pakistan: Nationalism without a Nation?* (London, 2002)
- A. Lieven, *Pakistan: A Hard Country* (London, 2011)
- S. Nawaz, *Crossed Swords: Pakistan, its Army and the Wars Within* (Karachi, 2008)
- A. Rashid, *Pakistan on the Brink: The Future of Pakistan, Afghanistan and the West* (London, 2012)
- F. Shaikh, *Making Sense of Pakistan* (London, 2009)
- A. Siddiq, *Military Inc. Inside Pakistan's Military Economy* (London, 2007)
- I. Talbot, *Pakistan: A New History* (London, 2012)
- S. Tankel, *Storming the World Stage: The Story of Lashkar-e-Taiba* (New York, 2011)
- S. A. Zaidi, *Issues in Pakistan's Economy* (Karachi, 2005)

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- A. Bast, "[Pakistan's nuclear calculus](#)", *Washington Quarterly*, Fall 2011
- O. Bennett-Jones, "[Questions concerning the murder of Benazir Bhutto](#)", *London Review of Books*, 6 December 2012
- J. Breman, "[The undercities of Karachi](#)", *New Left Review*, 66, July-August 2012
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- S. Cohen, "[Law, order and the future of democracy in Pakistan](#)", *Brookings Paper*, 21 May 2012
- S. Cohen and others, "[The future of Pakistan](#)", *Brookings*, Washington D.C., January 2011
- Congressional Research Service, "[US foreign assistance to Pakistan](#)", 4 October 2012
- C. Cookman, "[The 18th Amendment and Pakistan's political transitions](#)", *Center for American Progress*, 19 April 2010
- FATA Research Centre, "[FCR Amendments: A way forward or hurdle for Peace and Development in FATA](#)", Report on seminar held in March 2012, 15 April 2012

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ICG, "[Election reform in Pakistan](#)", Asia Briefing No. 137, 16 August 2012

ICG, "[Aid and conflict in Pakistan](#)", Asia Report No. 227, 27 June 2012

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S. Joshi, "[A tough way to do business](#)", *The World Today*, January 2012

H. Mullick, "[Recalibrating US-Pakistan relations](#)", *Washington Quarterly*, Summer 2012

U. Mustafa, "[Fiscal federalism in Pakistan: The seventh National Finance Commission award and its implications](#)", Pakistan Institute of Development Economics, Working Paper No. 73, 2011

S. Nawaz, "[Who controls Pakistan's security forces?](#)", *USIP Special Report*, No. 297, December 2011

National School of Public Policy, "[Strategic appraisal of 18th Amendment, Federal/Provincial roles and impact on service delivery](#)", Report prepared by Senior Management Wing, National Management College, February 2012

Pakistan Institute of Legislative Development and Transparency, "[Pace and progress of Pakistan-India resumed dialogue, February-July 2012](#)", August 2012

N. Padukone, "[The next Al-Qaeda? Lashkar-e-Taiba and the future of terrorism in South Asia](#)", *World Affairs*, November/December 2011

H. Pant, "[The Pakistan thorn in China-India-US relations](#)", *Washington Quarterly*, Winter 2012

A. Rashid, "[Pakistan, Afghanistan and the US withdrawal](#)", transcript of talk given at Chatham House on 20 April 2012

Social Policy and Development Centre, "[Social Development in Pakistan: Devolution and social Development](#)", Annual Review 2011/12

US State Department, "[Report on International Religious Freedom 2011](#)", July 2012

Strengthening Participatory Organization, "[A review of National Climate Change Policy](#)", discussion paper 12, July 2012

A. Siddiq, “Pakistan’s counterterrorism strategy: separating friends from enemies”, *Washington Quarterly*, Winter 2011

UNESCO, “Macro trends in Financing of Education in Pakistan: An analysis of public sector allocations and expenditures”, 2011

Web sources

Official sources

Asian Development Bank: [Asian Development Outlook](#)

Asian Development Bank: [Pakistan country page](#)

[EU-Pakistan 5-Year Engagement Plan](#) [February 2012]

IMF: [Pakistan country page](#)

UK Department for International Development: [Pakistan country page](#)

World Bank: [Pakistan country page](#)

Statistics and economic indicators

IMF: [World Economic Outlook database](#)

World Bank: [Pakistan data](#)

[UNCTADstat](#) (foreign direct investment and trade)

[UN COMTRADE](#) (trade)

Other sources

Europa World Plus (available to Members and their staff at www.intranet.parliament.uk)

[CIA World Factbook](#)

[Amnesty International](#)

[Human Rights Watch](#)

[International Crisis Group](#)

[Transparency International Pakistan](#)

[Pakistan Institute of Legislative Development and Transparency](#)

[Pakistan Education Task Force](#)

[Human Rights Commission of Pakistan](#)

Appendix 2 – Statistical tables

Economic statistics and forecasts: Pakistan

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GDP																	
<i>\$bn</i>	72.3	72.7	83.5	98.1	109.6	127.5	143.2	163.9	161.8	176.5	210.2	230.5	236.6	243.8	252.7	263.4	274.8
<i>rank</i>	45	46	45	47	48	46	48	50	49	48	48	45	44	45	45	46	46
<i>% growth</i>	2.0	3.1	4.7	7.5	9.0	5.8	6.8	3.7	1.7	3.1	3.0	3.7	3.3	3.5	3.5	3.5	3.5
GDP per capita																	
<i>\$</i>	515	508	569	655	719	821	905	1,018	962	1,028	1,199	1,288	1,296	1,309	1,330	1,360	1,392
<i>\$ PPP^a</i>	1,819	1,868	1,949	2,083	2,231	2,393	2,583	2,690	2,642	2,702	2,786	2,876	2,949	3,034	3,130	3,236	3,355
Inflation																	
<i>%</i>	4.4	2.4	3.2	4.0	9.3	8.0	7.8	10.8	17.6	10.1	13.7	11.0	10.4	11.0	12.0	13.0	13.0
Unemployment																	
<i>%</i>	7.8	8.3	8.3	7.7	7.7	6.2	5.3	5.2	5.5	5.6	6.0	7.7	9.2	10.7	12.0	13.1	14.2
Current account balance																	
<i>\$bn</i>	0.3	2.8	4.1	1.8	-1.5	-5.0	-6.9	-13.9	-9.3	-3.9	0.2	-4.5	-4.0	-6.2	-7.2	-8.4	-9.6
<i>% GDP</i>	0.5	3.9	4.9	1.8	-1.4	-3.9	-4.8	-8.5	-5.7	-2.2	0.1	-2.0	-1.7	-2.5	-2.9	-3.2	-3.5
Public sector balance																	
<i>% GDP</i>	-3.3	-3.6	-0.2	-1.7	-3.0	-3.7	-5.5	-7.3	-5.0	-5.9	-6.4	-6.4	-7.2	-5.8	-5.5	-5.3	-5.2
Public sector debt																	
<i>% GDP</i>	87.9	78.9	72.6	64.4	59.9	54.5	51.0	55.6	57.7	58.1	56.9	59.1	59.7	58.3	56.2	54.6	53.3
Population																	
<i>millions</i>	140.4	143.2	146.8	149.7	152.5	155.4	158.2	161.0	168.2	171.7	175.3	178.9	182.6	186.3	190.0	193.7	197.5
<i>rank</i>	7	7	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6

Note: shaded grey figures represent October 2012 IMF staff forecasts

Source: IMF World Economic Outlook database

Development indicators: Pakistan

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Poverty												
<\$1.25 per day (%)		35.9			22.6	22.6		21.0				
<\$2 per day (%)		73.9			60.3	61.0		60.2				
Health												
Child mortality (per 1,000)	93.0	90.6	88.6	86.2	83.9	82.0	80.0	78.1	75.7	73.7	72.0	
Maternal mortality ratio (per 100,000 births)					310.0					260.0		
Malnutrition prevalence (%)	24.0							25.0				
Life expectancy	62.6	62.8	63.0	63.2	63.3	63.5	63.7	63.9	64.1	64.3		
HIV prevalence (% ages 15-49)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		
TB incidence (per 100,000)	231.0	231.0	231.0	231.0	231.0	231.0	231.0	231.0	231.0	231.0	231.0	
Notified malaria incidence (per 100,000)								881.0				
Water and sanitation												
Improved water source access (%)	89.0	89.0	89.0	89.0	90.0	90.0	90.0	91.0	91.0	92.0		
Improved sanitation access (%)	39.0	39.0	40.0	42.0	43.0	43.0	45.0	45.0	46.0	48.0		
Education												
Primary school enrollment (%)	57.9		58.1	63.3	65.3	63.1	68.0	69.3	71.6	74.1		
Primary completion rate (%)					61.3	60.5	60.7	60.8	62.6	67.1		
Literacy age 15-24 (%)					65.1	69.2		71.1				
Literacy 15+ (%)					49.9	54.2		55.5				
Infrastructure and business												
Telephone lines (per 100)	2.2	2.4	2.6	2.9	3.3	3.2	2.9	2.6	3.6	3.5	3.2	
Cellular subscriptions (per 100)	0.5	1.1	1.6	3.2	8.1	21.4	38.2	52.6	55.3	57.1	61.6	
Internet users (per 100)	1.3	2.6	5.0	6.2	6.3	6.5	6.8	7.0	7.5	8.0	9.0	
Motor vehicles (per 1,000)				11.0	11.0	12.0	12.0	12.0	13.0			
Ease of doing business (ranking)										96	105	104

Source: World Bank *World Development Indicators*