

Table of Contents

PAKISTAN

Pak-US Ties: A Reality Check By Dr Zafar Nawaz Jaspal.....	6
Pakistan’s Energy Dilemma By Nimra Naeem.....	8
Our Foreign Policy Challenges By Talat Masood.....	10
Climate Change & Monsoon Trends By Aymen Ijaz.....	13
Pakistan and the Building Tensions in the Middle East By Shahid Javed Burki	15
Foreign Policy — A Reset Editorial.....	17
Pakistan and its Neighbours By Anjum Altaf.....	18
Pakistan-US Relations, No Exit By Dr Huma Baqai.....	20
Unlocking Pak-Afghan Ties Editorial.....	23
IWT Consistently Violated Editorial.....	24
Nuclear Deterrent For Peace By Malik Ashraf	25
Revamping The Bureaucracy By Waqar K Kauravi and Umar Waqar	27
The Population Bomb Editorial	30
India Shifting Focus of Nuclear Strategy From Pakistan to China: Study.....	32
Strengthening SAARC Editorial.....	34
Pakistan’s Political Destiny By S Tariq.....	35
Rocky Pak-US Ties? Editorial	37
The Kashmir Imbroglio Editorial.....	39
Cold Water on Cold Start: Long-Term Implications of Short-Range Missiles By Maimuna Ashraf.....	40
India-China tensions and Pakistan Editorial.....	42
US Policy Review of the APR By Imran Malik.....	43

ECONOMY

Economy at a Tipping Point Editorial	46
Is The “Strong” Rupee Policy Benefiting Pakistani Economy? By Sakib Sherani	48
CPEC And Policy Initiatives By Durdana Najam.....	51
IMF, Pakistan fail to see eye to eye in Assessment of Economy By Shahbaz Rana	53
Economic Empowerment — A Desire or a Need? By Fizza Farhan.....	56
Currency Depreciation Editorial.....	58

State Bank Report Editorial	59
EDUCATION	
Radical Review Of FPSC Exam Pattern Proposed By Riazul Haq	60
The Ghost Of Education Editorial	62
Why Can't Pakistan Fix Education? By Naveed Iftikhar	63
The Dismal State of Education By Salman Ali	66
WORLD	
An Exit From Brexit By John Mcurmury	68
Trump Cannot Make America Govern Itself Again By Edward Luce	70
Trump-Modi Nexus & Regional Stability By Dr Muhammad Khan	72
Trump and South Asia By Zamir Akram	74
Growing Indo-Israel Nexus Editorial.....	77
Where to Go From Here By Richard N. Haass.....	78
Under Trump, U.S.-Russian Relations Hit New Low By Jenna McLaughlin & Emily Tamkin	87
The Brexit Vote, One Year Later By Stephen G. Gross.....	91
Why Globalization Stalled By Fred Hu & Michael Spence	97
Trump in Europe — Again Editorial.....	105
Trump to Hold Meeting on South Asia Policy By Anwar Iqbal.....	106
The US and Iran are Heading Toward Crisis By Ishaan Tharoor.....	108
The Gulf Conundrum Editorial	111
India's Ambitious Nuclear Modernisation Plan By Usman Ali Khan	113
Trump and Russia By Eugene B. Rumer, Richard Sokolsky, and Andrew S. Weiss	115

PAKISTAN

Pak-US Ties: A Reality Check By Dr Zafar Nawaz Jaspal

THE transformation in the global politics, cementing Indo-US strategic partnership and deteriorating situation in Afghanistan are shaping Americans perception about Pakistan's role in their strategic calculations. Whereas; many Pakistanis have failed to overcome the nostalgia of the Cold War. Instead of comprehending what is happening in the regional and global strategic environment, they are censuring Islamabad for irritating Trump Administration.

In reality, Pakistan neither desires nor is capable to act fourth time a frontline-state of the United States in the region. Simultaneously, it is not prepared to give up on its seven decades stance of sovereign equality in South Asia. The Americans endeavour to establish India's regional hegemony to guard their strategic interests in Asia severely undermines Pakistan's national security. That's why; Islamabad seems uncomfortable due to Afghanistan-India strategic partnership, which was engineered by Obama Administration. These actualities, certainly, mirrored in the forthcoming or much awaited Trump Administration strategy for South Asia.

Presently, Trump Administration is contemplating about its strategy for South Asia. The general impression is that it may not club Pakistan with Afghanistan. It may develop a new policy for the entire region. The discontinuity of Obama administration Af-Pak strategy sounds better. Nevertheless, it would not treat India and Pakistan equally. Islamabad, therefore, does not expect much from the Trump Administration and chalk out a pragmatic policy to sustain its better bilateral relationship with United States.

Trump Administration cannot completely relinquish its military engagement with Pakistan due to United States serious interest in Afghanistan in particular and Central and West Asia in general. Despite Pakistan's cementing strategic partnership with China and increasing understanding with Russian Federation and firmness to check India's regional primacy, Washington will continue exercising its carrot-and-stick approach towards Islamabad.

Washington and Islamabad have been reiterating that 'cooperation is imperative' for restoring peace in Afghanistan and devastating transnational terrorist syndicate. On July 24, 2017, General John Nicholson, commander Resolute Support Mission in Afghanistan

visited Islamabad and met Pakistan Army Chief General Qamar Bajwa. He restated the vitality of Islamabad in Pentagon's Afghanistan mission. Precisely, both sides settled to continue engagement and coordination for peace and stability in the region.

United States is openly expressing its annoyance with Pakistan. Recently, Pentagon refused to reimburse \$50 million out of the 'Coalition Support Fund'. Ironically, in the latest counterterrorism report both the State Department and Defense Department demonized Pakistan role in Afghanistan. Secretary Jim Mattis' claimed that Pakistan had not taken "sufficient action" against the Haqqani network and alleged Pakistan had not finished Taliban sanctuaries located on its territory. In addition, the report also accused Pakistani law enforcement agencies for facilitating Haqqani network operations in Afghanistan.

The continuous exercising of carrot-and-stick strategy may not serve the objectives of United States in the region. The lacuna in this strategy is Americans colossal misperception about Pakistanis. The American decision makers ought to be cognizant about Washington's limitations in bullying Islamabad in the prevalent regional and global strategic environment. Washington's inclination towards New Delhi to contain China and thereby having diminutive accommodative approach towards Pakistan necessitate Islamabad to pursue alternative options in its external affairs. The shift in both Washington and Islamabad foreign outlook, definitely, wane formal influence over latter foreign and strategic policy.

Although United States announced its forces withdrawal from Afghanistan in 2014, yet it is keeping 13300 US-NATO troops in Afghanistan to pursue numerous unstated goals. Perhaps, the primary objective is to prevent the collapse of the US-installed Kabul regime and combat the terrorist syndicate having sanctuaries in Afghanistan. The Americans needs Pakistan's sincere support in Afghanistan.

To conclude, the mistrust between Islamabad and Washington is in the advantage of anti-Pakistan lobby at the Capitol Hill. It may successfully influence the American Congressmen and Trump Administration in chalking out and executing harmful South Asian strategy. It would not only undermine Pakistan's national security but also obstruct Washington pursuits of objectives in the region. Thus, the tension between Islamabad and Washington simply obstruct counter-terrorism strategies of both states in the region.

— The writer is Associate Professor, School of Politics and International Relations, Quaid-i-Azam University, Islamabad.

Email: jaspal_99@hotmail.com

Pakistan's Energy Dilemma By Nimra Naeem

As a country deprived of energy, Pakistan has had to make some tough decisions. The energy demand is growing and energy shortage is one of the largest concerns that the present government aims to resolve in its tenure. It seemed like a daunting task some years ago, but now with huge investments in the energy sector under the China-Pakistan Economic Corridor (CPEC), the country may resolve its energy crisis in the next few years. However, this comes with high environmental costs since the leading energy projects taken up by CPEC are coal-based power plants.

Currently, the share of coal in Pakistan's energy mix is negligible (0.04%) compared to neighbouring India, but this is about to change with the setting up of coal power plants. The Sahiwal power plant is based on supercritical technology (subbituminous coal) generating 1320MW electricity. Around 4.48 million tonnes of coal is required by the plant per annum, which is imported from Indonesia. Pakistan has little choice other than taking up higher import costs for coal plants in order to incur less environmental costs. The cheapest option for Pakistan would have been to use local coal, which is in abundance in Pakistan. But now that coal is being imported, the economic justification to produce cheap electricity for a country with growing energy needs is no longer viable. Environmental degradation, albeit lessened through the new technology, would still remain.

With the world rapidly switching towards renewable energy in order to lower the carbon footprint, there is a huge chance that coal plants would have to be retired early. This would only add to the costs as the plants would not be utilised to their full capacity. This does not take into account the environmental costs which are often downplayed by players in the coal industry.

This coal power plant is based on clean coal technology which aims at reducing CO₂ emissions through carbon capture. But carbon capture and storage is a very expensive process since it requires setting up of pipelines and compressors on a massive scale. This is not viable for a country like Pakistan. Besides, clean coal can only slow down the emissions, but is not a solution to global warming. Pakistan is already dealing with large number of harmful pollutants, and is one of the countries most vulnerable to climate change, largely in part due to emissions generated by large industrialised countries. Scientists have already warned that implications for the planet would be disastrous if the temperature exceeds by more than two degrees Celsius.

According to some experts, in order to not exceed the temperature, the same amount of emissions need to be captured underground as the amount of oil extracted from

underground which doesn't seem possible in the current scenario, considering the massive costs included.

Pakistan has been on the right track by using very little coal in its energy mix and incentivising the renewables sector through net-metering and alternative energy mapping. It has set up an alternative energy development board which has also laid out the framework for power and cogeneration through Bagasse (biomass) which has a huge potential in Pakistan. Sugar mills can set up high-pressure boilers which can supply excess power to the national grid and can be an alternative answer to the country's looming energy crisis. Meanwhile, more small business owners are opting for solar power to meet their energy needs as it is proving to be less costly for them. Now with coal power plants backed by Chinese investments, Pakistan is treading on dangerous waters.

Isn't it better, if instead of incurring huge costs setting up coal power plants, Pakistan invests in the renewable sector? With the prices of renewables coming down worldwide, it is a good opportunity for Pakistan to tap into. If more incentives are provided to the sector, the prices of renewables would come down further and be market competitive. In this way, more consumers would opt for renewables, which have already helped many rural communities in Pakistan that previously did not have access to the national grid. This is the most effective way to bring down Pakistan's emission levels as pledged in the Paris Climate Treaty.

Published in The Express Tribune, July 26th, 2017.

Source: <https://tribune.com.pk/story/1466510/pakistans-energy-dilemma/>

Our Foreign Policy Challenges By Talat Masood

The latest visit of Prime Minister Narendra Modi to the US has been lauded as a great success by both the Indian and Western press. A lot of preparatory work had gone into the trip and, considering the type of relationship shared by the two countries and the congruence of their interests, this was expected. As regards what was mentioned in the communiqué and at the news conference about Pakistan is worrisome to say the least.

Over the years, there have been several ups and downs in our relationship with the US but Pakistan's civil and military establishment knew how to react and protect our national interests. One hopes this time too we will manage, but Trump's unpredictability and tight embrace of the two countries poses a serious challenge for Pakistan's foreign policy.

Compounding this is Trump's utter disdain for Muslims which is reflected in his attitude and policies toward them. Trump's prejudice against Muslims finds a similar contempt in Modi's policies towards India's Muslim population. Initially there was not a single Muslim in Modi's cabinet although they constitute about 15% of its population. Later three were included in the Council of Ministers but how effectively they will contribute in protecting and promoting their interests is to be seen.

The communiqué released after the Trump-Modi meeting is a testimony of this convergence. There is unanimity of views on China. Trump is encouraging and building India to counter balance Beijing at the regional level so that it is not able to fully focus on neutralising America's daunting policies. This from Washington's perspective would also help to maintain the desired balance of power in Asia.

The relationship is broad based with Indian counterparts interacting with all branches of the US — Congress, the State Department and the private sector. It would be fair to assume that Indian influence in the US is only second to Israel and is continuously growing.

On the issue of Pakistan, the US and India share similar concerns and accuse it of supporting the Haqqani network, Afghan Taliban, Lashkar-e-Taiba, etc, that are considered their common enemies.

Washington wants New Delhi to be a hegemonic power influencing events in Afghanistan and the region and to take the lead in countering terrorism. By doing so it ignores the geographic, cultural and political reality of the region wherein the role of Pakistan, Iran and China is critical in bringing stability to Afghanistan.

The US proximity to India has resulted in ignoring its rights violations in Kashmir. It is indeed sad that standing for human rights was at one time the hallmark of American foreign policy. And what is further distressing that the communiqué issued after the recent Modi-Trump meeting equates the Kashmiri freedom struggle as terrorism. Moreover, the US recent move to designate Syed Salahuddin head of Hizbul Mujahideen as global terrorist raises serious questions about its motive. This indicates to what extent the present US administration is prepared to compromise on principles to align its policies with India.

Instead of supporting the efforts of Beijing and Islamabad to bring peace in Kabul, Washington is encouraging India to enhance its role in the region. Moreover, Pakistan's efforts at ensuring that its territory is not used by any of the militant Afghan groups are not appreciated. The same mantra of "do more" is repeated. This policy only impedes the possibility of any political solution of Afghanistan. Increasing the US forces' strength by another 5,000 soldiers or so and intensifying military activity will only prolong the misery of the Afghans. The country desperately needs a political solution and reducing military activity should create conditions favourable for it and not the other way as is being planned.

The threat of using drones against Pakistani targets could seriously vitiate the relationship. A more sensible approach would be to share intelligence with Pakistan so that it takes action on its own. Of course, for this to occur the trust level between the militaries and intelligence services has to considerably improve. Until that happens it will be difficult to achieve peace in Afghanistan.

There are areas where current US policy is at variance with what the Indian government would like it to follow. Trump going by what he had promised during his election campaign is discouraging outsourcing of information technology and industrial production to Indian companies and would prefer indigenous development.

Modi has developed an extremely close relationship with Israel. He will be the first Indian PM to make an official visit to Israel. This shows how the alignment between the US, India and Israel has gained strength over the years.

The discriminatory policies of Washington towards Islamabad are reflected in the way it continues to oppose Pakistan's membership of the Nuclear Suppliers Group (NSG). It also has been applying pressure on Pakistan to reduce its fissile material production. On the contrary, it has been actively supporting India's entry in the NSG and turns a blind eye to its nuclear buildup at its unguarded facilities. If it were not for Chinese opposition, India would have been a NSG member long ago.

The irony is that despite these sermons the US is once again seriously looking at the option for new and better nuclear weapons.

India, along with Pakistan, has recently become a full member of the Shanghai Cooperation Organisation (SCO). It has to be seen how the US factor will play out in India's dealings with SCO countries.

Pakistan finds relations with China invaluable not only to counter the US-India pressure but also to build its economy on a long-term sustainable basis. Recent moves of strengthening ties with Russia and Central Asian states as a part of SCO and at the individual country level would provide sufficient resilience to counter outside pressures.

Chinese efforts at bringing reconciliation between Pakistan and Afghanistan provide once again an opportunity to improve their relations. China being a neutral party with no previous blemish could exercise greater leverage than others.

Published in The Express Tribune, July 5th, 2017.

Source: <https://tribune.com.pk/story/1450261/foreign-policy-challenges-4/>

Climate Change & Monsoon Trends By Aymen Ijaz

CLIMATE Change is an inevitable phenomenon which has lasting effects on the survival of mankind. Despite Pakistan's vulnerability to Climate Change, it has been given less priority by the government due to other national issues of high concern. The climate change in Pakistan has resulted in extreme weather conditions, torrential rainfalls, irregular floods, droughts, sea-level rise, glacier melting etc. Currently, Pakistan has been ranked seventh among countries that are vulnerable to the adverse effects of climate change. According to the World Bank report, Pakistan has suffered 3.86 billion losses annually due to climate change. The depletion of natural resources, water shortage and food insecurity are some of the risk factors because of rapid climate change trends in Pakistan. The climate change has grave impacts on the economy and health sector in Pakistan.

In a recent monsoon rainfall distribution analysis by the Pakistan Meteorological Department (PMD), it has been reported that over the past three decades the climate change has resulted in a 100 kilometers spatial shift towards west in the overall monsoon pattern in Pakistan. There is a spatial as well as seasonal shift in the rainfall distribution patterns. The summer monsoon has shifted towards the end of the season and similarly the winter rains have shifted towards late February and March. In the Monsoon Outlook 2017, it has been forecasted by PMD that there would be normal rainfall in July while less than normal rainfalls during the months of August and September this year. However, it has been predicted that there is a possibility of localised floods in Khyber Pahtunkhawa (KP), Azad Jammu and Kashmir (AJK) and Gilgit-Baltistan (GB) during monsoon due to heavy downpour in the upper regions of Pakistan. Some torrential rainfall in the urban cities may also lead to urban flash flooding during the monsoon.

It is important to note that a recent report: 'A Region At Risk: The Human Dimensions of Climate Change in Asia and the Pacific', jointly produced by the Asian Development Bank (ADB) and the Potsdam Institute for Climate Impact Research (PIK) claims that Pakistan lies in those regions whose geographical location makes it more prone to rise in temperature than rest of the world. It has been reported by the CNN that in the next 30 years there would be 20% increase in the rainfall events in Asia. Earlier, the Intergovernmental Panel on Climate Change (IPCC) had predicted that by 2030, the glacial ice would vanish from Pakistan due to rise in temperature but later added few more decades to it. The study carried out by the Global Change Impact Study Centre (GCISC), research wing, Pakistan's Ministry of Climate Change has pointed to an average increase in temperature in Pakistan would be at faster pace than rest of the world. All these

predictions draw a tormenting picture of Pakistan facing massive flooding, food insecurity and droughts in the future.

The rapid rise in temperature in Pakistan due to climate change has impacted the monsoon trends by changing the intensity and timing of precipitation. The temperature rise in Pakistan has the potential to trigger rapid melting of glaciers in the North and leading to “flash floods” in the country. Thus, the change in monsoon patterns due to climate change pose serious risk to life and property. The heavy flooding and power outages would create problems for the citizens in Pakistan. The monsoon patterns would adversely affect the agriculture and industrial sectors in Pakistan. The likelihood of health issues and food insecurity due to fluctuating weather and irregular monsoon cycles would add to the woes of the common people. Therefore, these unpredictable weather patterns and heavy monsoons must be dealt with appropriate water management, efficient sewage mechanisms and proper irrigation practices.

Climate Change is the new catastrophe that needs to be addressed at urgent basis. Pakistan must employ a new flood management approach and devise contemporary ways to mitigate the risks of monsoon. In order to tackle this monsoon threat, the National Disaster Management Authority (NDMA) in June last month hosted the “National Monsoon Preparedness Conference 2017” to review the efforts at the federal and provincial level regarding monsoon season to discuss the flood fighting measures, rescue techniques and post-flood rehabilitation strategies.

It is recommended that the government should improve the sewage and drainage system across the country. The authorities should ensure uninterrupted power transmission to the local population. Extensive health care facilities must be provided to people particularly during the monsoon season to avoid waterborne diseases such as dengue epidemics break out because of water stagnation in Lahore or in other cities. There must be proper chlorination of drinking water in all vicinities especially in Karachi to kill the presence of “brain-eating amoeba.” There is a need to have proper weather forecasting systems, pre-monsoon and post-monsoon strategies, followed by proper implementation of Climate Change Act 2017 to control the devastation caused by the monsoon season in Pakistan.

— The writer is Assistant Research Officer at Islamabad Policy Research Institute, a think-tank based in Islamabad.

Email:research.pak@gmail.com

Source: <http://pakobserver.net/climate-change-monsoon-trends/>

Pakistan and the Building Tensions in the Middle East By Shahid Javed Burki

A number of developments have occurred in and around the Middle East that would likely make the region even more volatile than in the past. These events will have consequences for Pakistan for reasons that need to be understood by the policymakers working in Islamabad. Some of what has happened in the last several months is the result of the policies adopted by President Donald Trump.

His approach to the Middle East is part of his ambition to unwind what he and some of his close associates call “Obamaism”, the stance adopted by Barack Obama in foreign affairs. The former president dealt with the problem-infested Middle East by choosing not to involve his country in the many disputes that had the region become volatile and unpredictable. At the same time, he made a point of sending a message to the Muslim world that he and his country had great respect for Islam while recognising that, on several occasions in the past, Islam and the West had been in conflict. In a powerful speech given at Al Azhar University in Cairo, in front of an audience made up largely of students, he promised to work with the followers of the Islamic faith to produce a more stable world which will have greater opportunities for the young. This is not the way Trump sees the Middle East.

The most significant step taken by the new president was to draw very close to the Kingdom of Saudi Arabia and the royal family that rules it. The new American president feels that his country and the Kingdom share a number of interests on which a close and lasting relationship could be built. During the Obama years, the United States had pulled back a bit from Saudi Arabia while initiating a programme to bring Iran out of isolation. Riyadh had long regarded Tehran as a rival. The Saudi Kingdom did not wish to see Iran expand its influence in the Middle East. The 1979 revolution that brought the Shia clerics to power had done so by removing the king who had ruled over the country for decades. The overthrow of the monarchy and the introduction of a more representative political system were seen as threats by the rulers of Saudi Arabia.

There was no subtlety in the way the new American administration swung Washington towards Riyadh. Trump chose Saudi Arabia as the first country to visit as president. Once there and in a public speech in front of a gathering of some 50 heads of Muslim countries that included Pakistan’s Nawaz Sharif, the American president focused on his commitment to destroy Islamist radicalism. He was advised not to use the terms “Islamic terrorism,” “Islamic radicalism,” “Islamic extremism,” since to Muslim ears it would sound as though these were the attributes of their religion. Instead he used “Islamist” as the

defining element since that referred to political Islam. In the speech, he implied that Islamist terrorism gained foothold in some areas of the Muslim world because of the support given to it by Iran. The Saudi response to these words was ecstatic.

The Saudi rulers have three interests that guide their policymaking: to preserve the House of Saud, to beat back any possible challenge from Iran for leadership in the Middle East and West Asia, and to diversify the country's economy. All three have consequences for Pakistan.

Riyadh is now engaged in the delicate task of passing the reins of power from the second generation of the Saudi dynasty to the third. Until now King Abdulaziz Ibn Saud, the founder of the Saudi state, was succeeded by six of his sons who together have governed for 64 years. King Salman who came to the throne in 2015 is now 81 years old and is not in good health. After ascending the throne, King Salman named Muhammad bin Nayef, his nephew, as the crown prince. Soon after the Trump visit to Riyadh, he appointed his 31-year-old son, Muhammad bin Sultan, commonly known as MBS, as the crown prince. MBS was appointed deputy crown prince and was given significant responsibilities, including the portfolios of defence and energy. The young prince is a favourite of Trump's son-in-law, Jared Kushner, who began cultivating the Saudi royal soon after his father-in-law moved into the White House.

Riyadh is nervous about the "Arab Spring" types of movement. In 2011, these succeeded in deposing several authoritarian governments, in particular in Egypt, Libya, Tunisia and Yemen. What made the Saudi rulers nervous was the merging of interests of the restive Arab youth and political Islam. The two forces worked together to push the long-serving Hosni Mubarak from office. In the elections that followed the Muslim Brotherhood came to power, a development of great concern for those who were wedded to the old order. The military struck in Cairo and removed the Brotherhood-led government and established an administration even more authoritarian under General Fatah al-Sisi. Egypt joined Saudi Arabia, Bahrain and the UAE to sever all relations with the tiny but oil-and-gas rich nation of Qatar. This move won the support of President Trump who boasted that it was the outcome of his visit to Riyadh.

What this means is that the hold of authoritarianism in much of the Middle East will endure with a nod of approval from the United States. The restive youth will become even more agitated and ultimately challenge the established order. The region is faced with instability.

Published in The Express Tribune, July 3rd, 2017.

Source: <https://tribune.com.pk/story/1448833/pakistan-building-tensions-middle-east/>

Foreign Policy — A Reset | Editorial

Events in the wider world have necessitated a resetting of Pakistan's foreign policy; and on Friday Prime Minister Nawaz Sharif visited the foreign affairs ministry to lay out a refreshed set of policy guidelines. Whilst this is a welcome development, it is difficult to see the latest proposals as little more than a pink-tinged wish list. There is nothing inherently wrong with what is being proposed and in an ideal world they would stand as a credible blueprint for a rosier future — but we live in a world far from ideal. A peaceful neighbourhood, the resolution of disputes through dialogue, a refurbishment of ties with Afghanistan and, most optimistically, a 'deeper engagement' with the US despite its closer meshing with India and Modi — all entirely laudable.

All attempts by this government — and to its credit it gets bonus points for trying consistently — at dialogue with India have either failed early in the process or never got off the ground at all. Afghan relations have been on-off and stop-start for most of the last two years and are currently in the freezer. As for the US this government has fumbled the play, India stole a march as it offered both profit for America and a chance to counterbalance the rise of China. Events in the Arabian Peninsula generally have not played well for Pakistan, and the best that can be said is that a masterly inactivity is being deployed against considerable pressure from any number of Arab allies. There is a clearly stated parliamentary wish to have no involvement with any of the conflicts that rage across the region, and rightly so. The rest of the world appears largely deaf to rights violations in Kashmir by India, and such sensitivities were never on the agenda in the Trump-Modi dialogues. This is unlikely to alter much in the near future.

The reset would find considerably greater favour if it was the preface to a detailed road map in terms of where foreign policy was headed and how we would be getting there. In detail. With a timetable. That at least would be an unequivocal signal to all that Pakistan knew where it was going and how it was going to get there.

Published in The Express Tribune, July 2nd, 2017.

Source: <https://tribune.com.pk/story/1448217/foreign-policy-reset/>

Pakistan and its Neighbours By Anjum Altaf

Look at the map of Pakistan. The overwhelming length of its land border — 92% of a total of 6,774kms — is shared with three countries: India (43%), Afghanistan (36%) and Iran (13%). Pakistan has poor relations with each of these three neighbours.

Has anyone seriously asked the two obvious questions: Why? And, at what cost?

Before we jump on the moral high-horse and go into paroxysms of indignant self-righteousness, we could consider the following:

When George Bush asks “Why do they hate us?” and answers “Because we are so good,” we marvel at his intelligence. When we proclaim the same, we want to be taken seriously?

Surely, some self-reflection is in order.

Point number one: When nobody likes you, the problem could very well be with you. At the very least, intellectual honesty demands one should be open to the possibility.

All right, there is a ready-to-serve narrative for the hostility with India. It is a Hindu country and Hindus are different from Muslims and want nothing better than to undo Pakistan. Ergo, we have to terrorise them from time to time lest, God forbid, they change their minds.

But what about our fellow-Muslim neighbours. Do we have semi-plausible narratives to explain our unhappiness with them?

We need to have a friendly regime in Afghanistan so we can be friends with them. Of course, this involves regime change about which we have serious qualms except when we are desperately seeking friends. And a little strategic depth won't hurt either because when we have to pole-vault over the Indian border, we can start running from much further back.

Meanwhile, as former US secretary of state Madeleine Albright said about the death of 500,000 Iraqis: “I think this is a very hard choice, but the price — we think the price is worth it.”

And Iran, don't they belong to a different sect? In any case, the enemy of our friend is our enemy, isn't it?

Okay, I am exaggerating (slightly) but could we put some more coherent narratives on the table and have a national discussion without being defensive or afraid. And, while we

are at it, could we also discuss who are the geniuses making these brilliant foreign policy decisions? Because it is certainly not the citizens.

We do seem to have a surreal notion of how to resolve our issues. Instead of trying to get along with the neighbours we have, we seem desperate to relocate ourselves to another neighbourhood. If only we could become 'Bakistan' and cuddle up to Saudi Arabia or attach ourselves to the underside of those wonderful 'stans, or be an extension of China, wouldn't everything be so wonderful?

Quite aside from the fact that moving a country is not quite the same as moving a family from quarrelsome Harbanspura to peaceful Bedian, the nice thing about counterfactuals is that they never need to be put to the test. Having made a hash of Saarc and RCD, we can boldly dream we would make a great success of CAP (Central Asia and Pakistan — seriously).

It does help to have a short memory. Didn't we have a neighbour (a little more than that, actually) about a 1,000 miles to the east and what exactly did we do to it that it could not bear our embrace?

Is everyone in this pipedream too smoked up to keep track of the contradictions? We launched a jihad in Afghanistan because godless communists were being nasty to our fellow Muslims and now our best friends are godless communists who allegedly won't allow Muslims in their country to grow beards or fast during Ramazan (sorry, Ramadan). We are sincerely upset about Kashmir but, please, could we sincerely avert our eyes from Xinjiang. Or else.

More and more this comes across as a melange of self-serving gibberish that just doesn't hold together. But who is to say and we know who there is to hear.

And what about the benefits and costs? Every situation has its winners and losers and in almost every case two truths are held: the winners are few and the losers many, and the winners convince the losers that everything is happening in the latter's interest and is exactly as the Good Lord willed. How much better the reward when it is finally conferred in the Hereafter.

There's no prize for guessing the winners and the losers. Just look for the folks whose lifestyle is immune to whatever happens on the borders and those who are laughing to the bank and onwards to the Bahamas. There go your winners. As for the losers, think of those for whom a few rupees less in the price of food would mean two meals a day instead of one.

You may not be able to do much about it but I am sure you can figure it out.

Published in The Express Tribune, July 5th, 2017.

Pakistan-US Relations, No Exit By Dr Huma Baqai

THE title of Daniel S Markey's book "No exit from Pakistan, America's tortured relationship with Islamabad", was published in 2004. It holds more true today than ever before. Pakistan in its 70 years' relations with the US has swung from being the most sanctioned ally to a non-NATO ally. Pak-US relations are hinged upon perpetual crisis management. Pakistan is now an anti-US state, convinced by how fickle the engagement is, and also that it may get scuttled at any time. The recently concluded visit by US Congressmen, led by Republican Senator John McCain also happened because of the realisation in US, that the engagement must be consolidated, because Washington is gearing up to send more troops to neighbouring Afghanistan.

Thus as per past practice, Senator McCain said all the right things including how peace in Afghanistan is not possible without Islamabad's assistance. Pakistan is an important ally of the US, and last but not the least, acknowledged Pakistan army's contribution and sacrifices in the War on Terror. To further appease public opinion in Pakistan a soft statement on Kashmir was also made, where McCain repeated words that mean nothing on the ground. Talking to the state run media, he said that US wants a solution of Kashmir issue through dialogue and that US policy on Kashmir remains unchanged, stressing the need for an end to the current unrest in disputed Himalayan region.

US itself is uncertain of its commitment to Pakistan. Trump's phone calls to PM Nawaz Sharif when he was President elect, was very different from what he had tweeted post Osama Bin Laden's episode. In that phone call, Pakistan was both amazing and fantastic. A course reversal happened in 2017, where Reuters reported that US administration is considering toughening its approach to Pakistan, which would translate into expanding drone attacks, withholding aid and withdrawing the status of non-NATO ally, in an effort to make Islamabad do more. Drone attacks are back, so far on the Afghan side. Pakistanat best is unsure of its relations with the US. There is no one view coming out. Public diplomacy to berate Pakistan is extensively used and then statements to do damage control are also seen.

The recent convergence between New Delhi and Washington has further raised Pakistan's strategic anxieties. The Indo-US alliance is promoting cold war-like dynamics in the region including arms race, pitching one state against another and working to curtail Chinese influence in the region. The recent statement by Indian Defence Minister Arun Jaitley in response to Chinese anger on intrusions by India on the Sikkim border, is self-

explanatory, where he said that India was better prepared than it was in 1962, when it suffered a defeat in a short war with its neighbour.

The attempt by the US to once again de-hyphenate Pakistan-India relations by saying, nature of US ties with India and Pakistan is different and not a zero-sum game, does not have any impact in Pakistan. Pakistan, for good reason and now in the light of tangible evidence, is convinced of India using its strategic influence in Afghanistan against Pakistan. The fact that US is mum on India's role in mitigating problems for Pakistan from Afghanistan does not help the situation.

US refusal to connect the dots between violence in Afghanistan and conflict between Pakistan and India suits both India and Afghanistan. The three conveniently blame Pakistan for regional conflict escalation. US is blinded by this view in its dealings with Pakistan. It is convinced that Pakistan is a lost cause. It's a part of the problem and not a solution and chooses to engage out of sheer compulsion. This is further endorsed by a very active Indian lobby in Washington DC, which leaves no stone unturned to endorse this view.

Pakistan can see through the need-based engagement that US seeks from Pakistan time and again, it also engages now more out of compulsion than choice and responded by looking for alternatives and options. China and Russia emerged as the obvious choice.

Pakistan is a country to reckon with, it's a pivotal state. Pakistan's geo-strategic location, emerging geo-economic significance, gives it multi-lateral significance making it a country that has direct stakes in peace. By mid-century, Pakistan will become the world's fourth largest state in terms of population and the largest Muslim country. There is a transformation that is going on in Pakistan. The transition from being a geo-political state to a geo-economic one is very real. The rising convergence between Pakistan and China is bringing about profound changes in Pakistan's foreign policy. Pakistan's commitment to CPEC is complete, the mindset of 1990 has ceased to exist. The strategic assets of the past are now viewed as a liability and a hindrance to achieving larger economic growth and connectivity.

Pakistan is actually looking for functional relations and peaceful borders with all its neighbours so that CPEC becomes operational. The doctrine of strategic depth in Afghanistan for Pakistan is dead. However, Pakistan remain anxious of the strategic vulnerability ensuing out of Afghanistan because of rising Indian influence, especially now that its proven that it is being used to mitigate trouble in Pakistan. US engagement with Pakistan can only be constructive if US chooses to play a proactive role to address Pakistan's anxieties which are real, also a balancing act with its relations with India and Pakistan, not de-hyphenate them. Peace in Afghanistan is intrinsically linked to better relations between Pakistan and India and a fair resolution of the Kashmir issue.

— The writer is Associate Professor, Dept of Social Sciences & Liberal Arts at IBA Karachi.

Email:hbaqai@iba.edu.pk

Source: <http://pakobserver.net/pakistan-us-relations-no-exit/>

Unlocking Pak-Afghan Ties | Editorial

The Pakistan-Afghanistan impasse seems to be getting further entrenched by each passing day; both governments blame terror sanctuaries in the other country as attacks continue to take place, and the bilateral conversation has regressed to accusations and denunciations. Repatriation of Afghan refugees and the proposed border fence on the Durand line are other ongoing contentious issues. With this toxic situation taking another nasty turn with the incidents between diplomatic staffs and law enforcement, real care has to be taken to prevent the Pak-Afghan relationship from crossing the point of no return.

In previous years, the United States could be expected to step in and break this deadlock, but the current administration has taken a more hands-off approach. Afghanistan is an issue buried under other priorities and decision making outsourced to other countries. The greatest US intervention in this deteriorating situation recently has been a visit by Senator John McCain to both countries. While we can expect this visit to be helpful in reducing some tension between Pakistan and Afghanistan, considering the limited mandate given to this diplomatic outreach and no real pressure from the top US administration, the onus of repairing the relationship lies closer at home.

This sentiment seems to be reflected in the recent meeting chaired by Prime Minister Nawaz Sharif and attended by top cabinet members and heads of all the armed forces, which was held a few days after the US senatorial delegation visited Islamabad. Peace and cooperation were made top priorities and ways to achieve those goals were discussed. The language of bilateral engagement remains strained by this impasse – the meeting released a statement urging Afghanistan to realise its own responsibility towards peace and take “simultaneous efforts” for restoring effective control on its territory. Undoubtedly true, but definitely not helpful when the objective is to break a bilateral deadlock.

Pakistan needs to be the one to change tracks; it must start by showing initiative and leadership by taking greater steps to resolution of outstanding issues. Nawaz has never been much of a statesman, but right now that is needed from him. With these initiatives come the “simultaneous efforts” the meeting talked about – Pakistan must address Afghan concerns first to build trust first. The key to this problem remains cross border sanctuaries – Jamat-ul-Ahrar (JuA) in Afghanistan and the Haqqani network in Pakistan. Even the US has emphasised the need to resolve this problem time and again. The mutual destruction of these two groups helps both countries, and Pakistan must connect with Afghanistan to make that happen. It must not let Afghanistan become another India. Source: <http://nation.com.pk/editorials/09-Jul-2017/unlocking-pak-afghan-ties>

IWT Consistently Violated | Editorial

According to the Indus Water Treaty, India is legally bound to inform Pakistan about the water outflow from its rivers. However, the country has failed to provide the relevant information to Pakistan since 1999. This information is crucial in preventing damage on a larger scale, taking preventive measures and alerting the local population of the area at threat. Due to this lack of information, the Pakistani population has witnessed 5 major floods in the last 15 years.

During these years, Pakistan has humbly been requesting its neighbour to provide the information while they have been conveniently ignoring the demand, despite being bound by law. Pakistan has also raised this issue on several platforms but India has not budged one inch from its position and has not felt an iota of shame in committing such inhumane acts.

This is a legal battle waiting to be fought. A treaty is legally binding on two consensual parties, and if one fails to fulfil its promise, the other has the right to sue them and bring them to court. Pakistan has, for the longest time, been acting very civilly and that is clearly not the stance one should be taking in India's case; especially if 18 years have passed by. India leaves no diplomatic channel unattended when it comes to maligning Pakistan. We should also do the same to voice our legitimate concerns.

While all that needs to be considered, another aspect has to be highlighted as well. The fact that the country has witnessed five major floods says a lot about our disaster management mechanisms. The state was clearly aware of India's tactics. That should have meant being more cautious and developing a strategy against the absence of information. What we have witnessed has been the complete opposite, with the people also failing to compromise and not willing to leave their homes.

If such lethargic policy is prolonged, India will be able to take advantage of the situation; especially when Pakistan is one of the countries that are most likely to be adversely affected by climate change. Our country cannot afford such disasters; they take up a lot of capital and resources, beyond the obvious loss to human life. At this point, we should be focused towards growth, for that purpose exploitation at the hands of India is not the solution we require. Building dams should be of utmost importance, flood prevention mechanisms should be worked upon and the climate change department should be vigilant in its policymaking. There is no excuse for our own lack of a safety net.

Source: <http://nation.com.pk/editorials/11-Jul-2017/iwt-consistently-violated>

Nuclear Deterrent For Peace By Malik Ashraf

LAST Wednesday Pakistan successfully test-fired surface-to-surface ballistic missile NASR, after undertaking a series of training launches and tests for validation of the new technical parameters of the missile with enhanced range from 60km to 70km and flight maneuverability. The COAS General Bajwa referring to the development said that it had put cold water on the Indian Cold Start doctrine. The General rightly said “Our strategic capability is a guarantee of peace against a highly militarized and increasingly belligerent neighbour.

India has been a potent threat to the territorial integrity and security of Pakistan ever since partition and the consequent Kashmir dispute. India actually never reconciled to the idea of partition and has always been on the look out to harm Pakistan. Both the countries have been involved in three conventional wars over Kashmir. But when India exploded its first nuclear device in 1974 it really raised alarm bells in Pakistan. Security and territorial integrity naturally became the top priority and Pakistan perforce had to give a matching response to India.

Had Pakistan not adopted this course India surely would have put our security at peril and established its hegemony in the region and forced Pakistan to live under her tutelage, a development which would have consigned the region to permanent instability. By going nuclear and creating a nuclear deterrent against India Pakistan actually created a balance of power, enhancing the prospects of peace. So while attaining the nuclear status by India had an aggressive motive, Pakistan’s response was defensive in nature.

Pakistan has always maintained this position at the international level that the ‘minimum nuclear deterrent’ against India was essential to safeguard its security and promoting peace in the region. However Pakistan has been a staunch supporter of nuclear non-proliferation in spite of not being a signatory to the NPT. It has resisted the pressure to sign the NPT justifiably insisting that it would sign the treaty if India also signed it simultaneously because any unilateral action on part of Pakistan could jeopardize its security. It has also acted in a very responsible manner and adopted all measures required to qualify for becoming a member of the NSG. As against this India has always adopted a hostile posture towards Pakistan. Its ‘cold start’ doctrine is Pakistan specific.

But unfortunately US and its western allies continue to maintain their pressure on Pakistan to cap its nuclear programme while helping India to expand its nuclear weapons arsenal. They have signed agreements with India for transfer of civil nuclear technology and are also pushing for India’s membership of the NSG in violation of the NPT, while they are not prepared to extend the same treatment to Pakistan. By any standards

Pakistan is a deserving candidate for the membership of NSG and Prime Minister Nawaz Sharif has repeatedly made a credible case in this regard at the UN and other international forums. Pakistan supported by China and other countries is resisting admission of India in the NSG maintaining that there should be a criteria-based approach in regards to admitting non-NPT states to the NSG.

Pakistan's fears and reservations about NSG waiver for India have been corroborated by the international nuclear monitoring agencies saying that after this waiver India has expanded its programme of nuclear arsenal. In view of the foregoing realities, Pakistan is fully justified in challenging the discriminatory treatment meted out to her on the nuclear issue. It has also adopted a principled stand on FMCT maintaining that the question of removing the existing asymmetry between India and Pakistan needs to be addressed first before the commencement of the dialogue on the issue.

But what is encouraging to note that Pakistan government led by Nawaz Sharif, the man who made Pakistan's defence invincible by conducting the nuclear tests is not wilting under the international pressure on the issue like it did not when the nuclear tests were conducted. It is alive to the developments occurring in our region and is leaving no stone unturned to strengthen security of the country.

Simultaneously it is also working with an unruffled commitment, notwithstanding the obstacle being erected by the political opponents of the government, to change the economic profile of the country. The economy has been revived and the current GDP growth rate stands at 5.1% as compared to 3% in 2013. This achievement has been repeatedly acknowledged by the international lending and rating agencies. The world Bank in its latest assessment has indicated a growth rate of 5.2 % during 2017 with the prospect of further enhancement in growth rate during 2018 and 2019. The CPEC is yet another mega-economic initiative that has the potential to change economic profile of the country and the entire region. Economists believe that the completion of projects under CPEC would add 2% to the GDP growth rate.

It is said that strong economy and strong defence are sine quo none for each other. In view of its geographical location and the security threat that it faces from India, Pakistan does need a strong economy to sustain strong defence. At the same time the strategy being pursued by the present government with regard to improving relations with neighbouring countries including India and orchestrating regional linkages is not only pragmatic but visionary in approach. No person in his right mind can take exception to this approach.

— The writer is freelance columnist based in Islamabad.

Source: <http://pakobserver.net/nuclear-deterrent-peace/>

Revamping The Bureaucracy By Waqar K Kauravi and Umar Waqar

“The civil service is the back-bone of the State. Governments are formed. Governments are defeated; Prime Ministers come and go; Ministers come and go; but you stay on, and therefore, there is a very great responsibility placed on your shoulders.”

–Quaid-e-Azam, Muhammad Ali Jinnah

The urge to reorganise or revamp the establishment is not new. Whereas it may be expeditious to reform the entire architecture and organisation of the civil services of Pakistan, nothing would bring a major change if we don't address the core problem, revamping the spirit of the civil service of Pakistan.

Although it may appear monotonous, highlighting the spirit behind the creation of the Central Superior Services (CSS) of Pakistan may give us some insight into revamping the backbone of the state of Pakistan.

In a historical review of the civil services of British India by Dewey highlights the efficiency of the cadre in these words, “In their heyday, Indian Civil Service officers, mostly run by Englishmen with a few notable sons of Hindus and even fewer Muslims were the most powerful officials in the Empire, if not the world. A tiny cadre, a little over a thousand strong, ruled more than 300 million Indians. Each Civilian had an average 300,000 subjects, and each Civilian penetrated every corner of his subjects' lives, because the Indian Civil Service directed all the activities of the Anglo-Indian state.”

The counter argument may be that the British Raj had a very different governing ethos, especially in relation to the challenges of governing colonies; however, the fact that the Indian Civil Service officer cadre of 1000 not only ran British India in good order but also developed (from scratch) its major systems including revenue, irrigation, communication, postal, railways, police, highways, finance etc should make us ponder as to why the same inherited system could not deliver in Pakistan.

The British civil services system was based on five major pillars throughout the colonies, and not limited to India. One: Meritocracy in selection, promotion and postings. Two: Directive control, where the mandate or decree by the Crown only provided the policy and general guidelines, civil servants had the power to take initiatives to achieve the policy within given time and resources. No doubt, as a consequence, some of cities in British colonies and even borders were named after civil servants (including military officers) like Durand, Campbell, Layall, Abbot, Sandeman, McMahan etc. Three: An inbuilt system of

reforms and evolution, where the civil services adopted to changing environment. Four: Lack of fear, pride and high moral values; the civil services were a trust where privilege was only earned after you had proved your mettle. Since the crown's interest was supreme, the civil servants were demi gods who worked without political interference and with a pride in their functioning. This created a sense of high morals and produced a bureaucracy which was highly efficient and uncorrupted. Five: Creativity; if we look at the physical infrastructure built by the British Raj and the creation of systems of civil services as mentioned earlier, one thing strikes the mind, creativity. A small example is the Railway system of the Subcontinent; the British civil service was able to take the railways to every nook and corner of India. Pakistan has not been able to add many miles in this system so far, rather some of the railway lines have become redundant in the Balochistan and Bahawalpur Divisions.

The Pakistan civil service has had its pluses and minuses, whereas that industrial boom in the sixties, the creation of communication infrastructure in the last two decades and adoption of governance systems in the information age is a product of efforts and organisational strength of the civil service, the apparent stagnation and inefficiency is the net result of our polity and social changes taking place in society.

The Pakistan Army is also part of the civil services and has grown and survived in the same system, no wonder it is one of the most sought out forces in the world, especially in UN Peace Support Operations, training of allies across the Middle East and Africa and as a model force for fighting fourth generation warfare. Although the Pakistan Army cannot be equated with other armies, as it remained part of the political power play and held the reins of power in Pakistan for more than three decades, its efficiency and organisational strength is a product of a very robust system run by the Military Secretary (MS) branch in grooming of the officer cadre, from a cadet to a four star.

Five factors which governed the British Civil Service and have been mentioned earlier, also govern the working of MS branch. A major addition is Pakistani nationalism, which is ingrained in the minds of all ranks right from recruitment up to one's grave; that's one major reason this Army has survived the fourth generation war and continues to be the most sought out force in the region.

Recently, the Panama case highlighted the strengths and weaknesses of our civil services. Where the system was criticised for its inability to sustain pressures, the JIT displayed that given the protection within Pakistani law and initiative, it could perform without fear or inhibition.

While revamping the civil services may be prudent, there is a need to revive the spirit of the civil services of Pakistan through a regimen of meritocracy, directive control, initiative, moral values and reformation to meet the challenges of the 21st century, encouraging

creativity and indoctrination of nationalism. There is also a need to make it compatible with the dictates of information age and giving it sails and spurs to ride the information highway.

Pakistan's cadre of civil services still forms the backbone of governance; from the tehsil up to the Constitution Avenue, it has been subjected to different experiments aimed at taming it rather than serious reforms; time has come to let it flourish as the real backbone of Pakistan. Is our political leadership ready to let it happen?

Source: <http://nation.com.pk/columns/11-Jul-2017/revamping-the-bureaucracy>

The Population Bomb | Editorial

Pakistan is the sixth largest country in the world according to population statistics.

Since day one, Pakistan has witnessed an upward population growth rate.

United Nations speculates that Pakistan will become the third most populated country in the world by the year 2050.

Considering the insufficient resources available, such a high population growth rate has serious implications on the lives of Pakistani people in all walks of life.

As a developing country, Pakistan has never seen a stable economy.

Besides education, health is another sector where the government does not spend much.

Given that government allocates not more than 2-3 % of its budget in the health sector, the issue becomes more complex with the rapid increase in population.

Half of Pakistani children suffer from stunting or wasting, or both.

According to UN's report, Pakistan's ranking is 149 among 188 countries in the first global assessment of countries' progress towards the United Nations' health-oriented Sustainable Development Goals (SDGs).

The ranking shows the government's abysmal performance in the health sector.

Along with limited allocated funds to national health, overpopulation is also the root cause of Pakistan's failure in achieving its goals in public health sector, and will continue to be a major hurdle unless something is done.

Experts are calling the rapid population increase a population bomb.

What can one do in a situation like this when resources cannot be increased? The answer is simple; the government should advocate the cause of population control.

The need to convince people to maintain small families is imperative.

Achieving the SDGs benefits Pakistan more than anyone else; human development is a key component of governance that successive regimes have been found lacking in.

Advertising and projecting the issue of overpopulation in the right direction is what the concerned departments need to do.

Taking progressive Ulema's on board, changing the perception of religious circles that dissuade people from family planning is also essential.

If necessary steps are not taken to control the rapid population growth of the country, set targets in the health sector cannot be achieved, and the people are bound to suffer a poor quality of life.

Source: <http://nation.com.pk/editorials/13-Jul-2017/the-population-bomb>

India Shifting Focus of Nuclear Strategy From Pakistan to China: Study

India is constantly modernising its nuclear arsenal in what appears to be a shift of its nuclear strategy, traditionally focused on Pakistan, to China, a study has revealed.

“India continues to modernise its nuclear arsenal, with at least four new weapon systems now under development to complement or replace existing nuclear-capable aircraft, land-based delivery systems, and sea-based systems,” said two top American nuclear experts in the July-August issue of digital journal *After Midnight*.

“India is estimated to have produced enough plutonium for 150–200 nuclear warheads but has likely produced only 120–130,” wrote Hans M Kristensen and Robert S Norris in the article *Indian nuclear forces 2017*.

The study suggests that the nuclear armed nation currently operates seven nuclear-capable systems, including two aircraft, four land-based ballistic missiles and one sea-based ballistic missile with at least four more systems in the development phase. “The development programme is in a dynamic phase, with long-range land- and sea-based missiles emerging for possible deployment within the next decade. “

The report further reveals that India is estimated to have produced approximately 600 kilogrammes of weapon-grade plutonium, however, not all the material has been converted into nuclear warheads, sufficient for 150–200 nuclear warheads. “It will need more warheads to arm the new missiles it is currently developing.”

‘Decoupling’ nuclear strategy

While India has traditionally been focused on deterring Pakistan, its nuclear modernisation indicates that it is putting increased emphasis on its future strategic relationship with China, claimed the nuclear experts. “That adjustment will result in significantly new capabilities being deployed over the next decade that may influence how India views nuclear weapons’ role against Pakistan.”

Quoting a scholar, the report said: “We may be witnessing what I call a ‘decoupling’ of Indian nuclear strategy between China and Pakistan. The force requirements India needs in order to credibly threaten assured retaliation against China may allow it to pursue more aggressive strategies – such as escalation dominance or a ‘splendid first strike’ – against Pakistan.”

Explaining the possibilities of New Delhi's use of nuclear weapons against Islamabad, the report referred to the 2016 remarks of then-Indian defence minister Manohar Parrikar in which he questioned his country's no-first-use nuclear policy.

Source: <https://tribune.com.pk/story/1456929/india-shifting-focus-nuclear-strategy-pakistan-china-study/>

Strengthening SAARC | Editorial

Nawaz Sharif can take something to his credit before he walks out the door. A day before the SC disqualified the PM, Sharif returned from Maldives after a successful diplomatic visit. In his meeting with Maldives President Abdulla Yameen Abdul Gayoom, the two leaders signed several Memorandums of Understanding (MoUs) pertaining to youth development, climate change and people to people interactions. The meeting also reaffirmed the two countries' commitment to the 'Ummah' and to Islamic brotherhood.

The true diplomatic victory for Pakistan, however, came in the form of Maldives' support for holding the South Asian Association for Regional Cooperation (SAARC) summit in Islamabad. A 2016 SAARC summit had been scheduled to be hosted in Islamabad, but it was cancelled on New Delhi's opposition to Islamabad as the venue. Back then, Maldives had criticised India's decision, and its support now shows Pakistan can begin to find a way out of its isolation through serious diplomatic efforts and regional partnerships.

SAARC is an important body whose true potential has not yet been fulfilled. The body can not only provide solutions to the Afghanistan conundrum, but can also improve relations between India and Pakistan. A common South Asian trading bloc, for instance, could see trade soar between Pakistan and India and lead to subsequent progress towards further regional integration and a lasting peace. Till now, this has remained a chimera. SAARC has suffered due to Pakistan and India's jostling for control, and as the cancellation of the 2016 summit highlights, the balance of power is in India's favour. Support from Maldives, thus, can help balance the odds and serves to highlight the role other SAARC members can play in defusing tensions in the region. It goes without saying that all SAARC nations must stick to the goal of peace and greater integration in the region and resist the temptation of becoming part of hostile blocs.

For Pakistani diplomacy, the Prime Minister's trip to Maldives can serve as a good template. However, SAARC will not emerge as a functioning body unless Afghanistan and India consent to a greater role for Pakistan in the organisation. And that can only happen if Pakistan is willing to make compromises in the region, for the larger interest of peace, stability and prosperity — which is where our own long-term interests lie. *

Published in Daily Times, July 31st 2017.

Source: <http://dailytimes.com.pk/editorial/31-Jul-17/strengthening-saar>

Pakistan's Political Destiny By S Tariq

The circus has returned once more to provide more conclusive evidence that politics in Pakistan stinks worse than a putrefied carcass.

The stench that pervades our political culture comes to us on a daily basis from a rostrum outside the Supreme Court, where dignified speech is tossed to the winds and conscience is trampled with impunity and shamelessness.

With the likes of the ruling party's singing quartet plus a few more additions to their nauseous chorus, the patience of Pakistan's Apex Court is being severely tested.

If one is to take into cognisance the conversation that takes place between the Bar and the Bench during the Panama case hearings on the JIT findings, one is apt to draw wrong conclusions, since this interaction means little until the announcement of the final judgement.

Panic amongst the PML-N ranks however, appears to have reached a new pitch, marked by language that no decent person can digest.

Worry and concern is writ large on the face of the Prime Minister in those rare moments when his guard is down and his brother is staying on the fringes of the tumult with good reason.

When seen in retrospect, the Sharif family and their coterie of advisors got their strategy wrong from the word go and failed to wargame various scenarios that could develop as a fallout of the Panama disclosures.

They also erred in assessing PTI's capacity to doggedly pursue the issue.

When the respondents finally came to terms with reality, they realised that their window of opportunity for a dignified exit had closed.

If Mr Nawaz Sharif had taken a decision to resign, when this window was open and available, he could have established a higher moral ground for himself and his family members, but not so anymore.

It is perhaps this realisation that has bred desperation, reflected in the 'trashy' rhetoric from the rostrum outside the court house.

As a student of human nature, I can understand the anger and vitriolic panic amongst those, who see their survival at stake.

Others, who speak out from this platform are perhaps doing so out of a misplaced sense of loyalty and a genuine (but erroneous) sentiment that they would have failed their leader if they do not do so.

These individuals lack the wisdom to understand that their fear is unfounded.

Political parties that have their roots in public (and there is no denying the fact that PML-N falls in this category) must never commit the error of believing that their survival is dependent upon individual leaders or political dynasties – these parties survive and grow because of their ideals and adherence to commitment.

This is where Pakistani politics has gone off the rails and this is the notion that we now have an opportunity to rectify.

I also find a shade of euphoria developing amongst some PTI circles, who say that with the Pakistan People's Party joining the anti-Sharif movement they can see the writing on the wall – a writing that bodes no good for PML-N leadership.

In my opinion, this euphoria is not only premature, but a little naïve for PPP is playing its hand with remarkable cunning, leaving discreet options open.

One indication of this is Mr Khurshid Shah's recent statement to the effect that while they are supportive of the PM's resignation, they want his party to complete its five year term.

Regretfully enough, Imran Khan has continued to display a lack of political 'sagacity', which in real terms could be referred to as 'political Machiavellian thought'.

It is here that his simplistic (almost black and white) approach to political peering and decision making, takes its toll.

Nonetheless, all eyes are now on the outcome of the Panama case, which is much larger in implication than many can even imagine.

This verdict will affect future generations and determine whether we can remain viable in the eyes of the world.

On a more emotive note, this will determine the road that we are destined to take, in order that we may realise our founding father's vision.

The writer is a freelance columnist.

Source: <http://nation.com.pk/columns/20-Jul-2017/pakistan-s-political-destiny>

Rocky Pak-US Ties? | Editorial

An annual report by the US State Department has yielded a familiar verdict on our counterterrorism record: while some successes have been acknowledged, Pakistan has allowed externally focused militant networks to flourish.

But the significance of the latest assessment is twofold: it is the first report to be compiled by the Trump administration and it has come ahead of the unveiling of a revised US strategy in Afghanistan. Taken together, it suggests that the US is, indeed, drifting towards taking a harder line against Pakistan on this country's alleged support for militancy.

Editorial: If the Afghan leadership remains closed to dialogue, there is little Pakistan can do

A rocky Pakistan-US relationship is not in the interest of either country, so perhaps both sides need to acknowledge the shortcomings in their respective approaches. Where the US is concerned, the almost casual disregard of Pakistan's intensive counterterrorism and counter-insurgency efforts is a continuing problem.

As Operation Khyber-IV in the Rajgal Valley of Khyber Agency has demonstrated, Pakistan is intensifying its operations against the militant Islamic State group in the region, an important goal that it has in common with Afghanistan and the current US administration. The unexpectedly fierce response by the Afghan defence ministry to Pakistan's outreach to Afghanistan over the operation in Rajgal Valley is hardly conducive to regional cooperation in the fight against militancy.

Yet, Pakistan cannot simply disregard the US description of Pakistan's efforts against militancy and terrorism. The specific language in the latest report about a number of Afghan Taliban and Haqqani network attacks inside Afghanistan being planned and launched from so-called safe havens here suggests a consensus by external intelligence agencies that Afghan-centric militants are able to operate with virtual impunity from Pakistani soil.

Whatever Pakistan's rightful strategic interests in Afghanistan may be, there is simply no space for the continuation of a good Taliban/bad Taliban policy. The very fact that no sensible Pakistani strategist can publicly defend such a policy is telling — surely, no state ought to follow a policy that it cannot defend publicly and that runs counter to other efforts being made inside the country to re-establish security and stability.

Pakistan, as the US rightly acknowledges, has made some effort to nudge the Afghan Taliban towards dialogue with Kabul. The Afghan government and its security forces,

assisted by the US, have clearly struggled to establish control over vast swathes of the country — Pakistan cannot be blamed for much of that. But neither should it be making the quest for peace and stability more difficult.

Published in Dawn, July 22nd, 2017

Source: <https://www.dawn.com/news/1346883/rocky-pak-us-ties>

The Kashmir Imbrolio | Editorial

It is appalling to see how the struggle for self-determination in Kashmir has been reduced to bitter recriminations between Pakistan and India. The Indian army recently accused Pakistan of targeting civilians in Indian-held Kashmir, a charge Pakistan termed as baseless and as 'unethical'.

The Indian army lodged the protest through the hotline recently established between the Director Generals of Military Operations of both countries. The bitter fact is that any initiative that Pakistan and India could take on Kashmir will always be plagued by political exigencies and jingoism of the two nation states where ownership of Kashmir precedes the sanctity of human lives. Little heed is paid to the toll cross border firing takes on the civilian population. Indeed, Pakistan army's rebuttal to Indian claims predicated on the fact that Pakistan would never target civilian populations in Kashmir because 'Pakistani civilians live across [the LOC].' Such statements are at variance with the political aspirations of the Kashmiri people as our official position has been strive for the right of self-determination of Kashmiris. Therefore, highlighting Pakistani nationalism and its 'right' over Kashmir serves no purpose other than fueling the Indian response.

Pakistan has also implored the United Nations to mediate in the crisis. Although this claim has now been reduced to a mere trope, it is significant because it comes at the heels of a statement by former Chief Minister of Indian-held Kashmir and president of the National Conference Farooq Abdullah which claimed that third parties such as China and the United States should mediate in the Kashmir dispute. Farooq Abdullah's statement comes as a major surprise and can perhaps initiate discourse in Indian held Kashmir over viewing the resolution of the Kashmir dispute as not simply a bilateral issue between Pakistan and India.

It is however, important to realise that the UN has utterly failed to address the plight of the Kashmiri people. If Pakistan is truly sincere in supporting the Kashmiri cause, it must not simply beseech the UN to do more, but must also shun its own designs on the region. We must view the Kashmiri people as Kashmiris, and not simply Pakistanis. That decision is only for the Kashmiris to take.

Published in Daily Times, July 24th 2017.

Source: <http://dailytimes.com.pk/editorial/24-Jul-17/the-kashmir-imbroglio>

Cold Water on Cold Start: Long-Term Implications of Short-Range Missiles By Maimuna Ashraf

“Nasr has put cold water on Cold Start” – a statement that buzzed the headlines recently after Pakistan successfully undertook a series of training launches and test/trials of its short-range surface to surface ballistic missile. This development grabbed attention of critics on Nasr’s improved technical parameters to counterweight Indian Cold Start Doctrine and rekindled debate on India’s limited or proactive war strategy.

India unveiled its offensive doctrine named “Cold Start” back in 2004, after the failure of Sundarji doctrine in Operation Parakram, which took place in 2001-2002 in wake of terrorist attack on Indian Parliament. The Sundarji doctrine failed due to dawdling Indian mobilisation that permitted Pakistan to mount its reaction and beat Indian strategic designs. The new Cold Start doctrine was resultantly aimed to mobilise quickly and to exterminate Pakistani armed forces before they could accumulate a response.

Although the complete doctrine is classified but the declassified concept is to reconstitute the existing three Indian army’s strike corps into eight integrated battle groups that could be deployed quickly to strike the narrow pieces of Pakistan’s territory through limited incursion. It is believed that the doctrine was designed on the assumption that Pakistan would not resort to the use of nuclear weapons in response to limited incursion that does not cross its nuclear threshold. Resultantly, the policy circle in Pakistan argues that CSD would provide India the space for conventional or limited conflict in a nuclearised region. Thus for an appropriate reactionary response to CSD that excludes forceful nuclear retaliation, Pakistan developed the low-yield, short range, battlefield ‘Nasr nuclear missiles’.

Thus, India’s military doctrinal transformation and rapidly maturing ballistic missile capabilities indulged Pakistan in miniaturisation of warheads in mid 2000s. The chronology of technological developments speaks volume that Pakistan has been exhibiting a reaction by building up its nuclear capabilities in response to India’s rising nuclear and conventional ambitions, to ensure the credibility of its nuclear deterrence. Nasr, the low-yield nuclear weapon, was revealed in 2011, to add deterrence value to Pakistan’s strategic weapons at short ranges, to deter India from pursuing Cold Start Doctrine and to provide a qualitative response to conventional threats and asymmetry perceived by India. The development of Nasr has also been stated as significant

contribution to 'full spectrum deterrence' that Pakistan reiterated to deter all forms of aggression.

The improved technical parameters for the Nasr system should not come as a surprise in the backdrop of 2001 official statement that mentioned 'first flight test' with an indication of more tests to validate designed parameters. The significant addition in new technical parameter is extended range from 60km to 70km. The improvement in range may not seem significant but it will certainly allow Pakistan to hit enemy's target from a far afield into its land that will provide survivability to Nasr batteries by making the penetration more challenging for adversary.

The country's official statement by ISPR also mentions 'flight maneuverability' which inflicts that maneuverability has been improved from the last tests took place in 2013 and 2014 that mentioned in-flight maneuver capability specially designed to defeat anti tactical missile defence systems. The recent Nasr test was the first since 2014 when Pakistan successfully launched four missiles from a state-of-the-art multi-tube launcher with Slavo mode. The missile was also tested first time lately since India's COAS General Bipin Rawat publically confirmed the existence of Cold Start Doctrine in an interview held last year. The missile also possesses 'shoot and scoot' attributes to target with accuracy and immediately relocate to another position to avoid counter-fire from enemy positions. The official statement also notes that this weapon system will augment credible deterrence against prevailing threat spectrum more effectively, including missile defences. Pakistan's recently tested medium range ballistic missile, Ababeel, capable of launching multiple warheads using multiple independent re-entry vehicles (MIRV) also aimed at defeating hostile radars with an aim to ensure survivability of Pakistan's ballistic missiles in the growing regional anti-ballistic missile defence environment.

Interestingly, India also conducted tests of its short range missiles recently. In start of this month, India tested Quick Reaction Surface to Air (QRSAM) short range missile with strike range of 20-30km. The first test launch of same missile was conducted in this June while Prithvi-II with range 350km was also test-fired in same month. A response from Pakistan seems evident and to ensure that Islamabad has the capability to counter the intimidating advancement. It is believed that the ballistic missile system developments of Islamabad are focused to respond Dehli's advancements which serves the purpose to ensure counter strike capability, maintains credible deterrence, readiness and robustness of Pakistan which reduces the threat of India's conventional limited war. Resultantly, while India is developing its short range ballistic missiles, inter-continental ballistic missiles and anti-missile program, Pakistan is focusing on its short-range and medium-range ballistic missiles with improved payloads, range, and reliability to consolidate Pakistan's strategic deterrence in evolving regional scenario. Source: The Nation

India-China tensions and Pakistan | Editorial

Indian politician and former defence minister Mulayam Singh's statement alleging that China has installed nuclear weapons inside Pakistan to attack India is an indication of the deteriorating relations between China and India. The politician also said that China, and not Pakistan, is India's enemy.

Such comments reflect, at the very least, some significant alarm in New Delhi over the growing collaboration between Pakistan and China. But far from an occasion for gloating and provocative behaviour, for Pakistan this should be a moment to review our diplomatic strategy. Considering that Pakistan does not have a dedicated foreign minister – with the embattled Prime Minister holding that portfolio at the moment – it might become something of a challenge to come up with a coherent and well-considered position at international forums. This would be especially true in case the confrontation between China and India worsens.

Although the apparent war of words is between China and India, Pakistan is certainly a part of it. Far from being able to address the concerns that India might raise, especially at international forums, Pakistan's foreign policy is currently vague and has faced multiple major setbacks in the past few years. Moreover, it remains unclear – especially to the foreign observer – as to who exactly is in charge of foreign policy.

The fact is that Pakistan can ill afford yet more foreign policy failures. Given the current regional situation and in light of recent developments, Pakistan might soon face a situation of some significant isolation at international forums. Of course, such an outcome could be avoided through clear thinking and effective lobbying. But perhaps for that to happen, we could begin by having a dedicated foreign minister. Few would dispute the idea that the Prime Minister has enough on his plate domestically at the moment.

Moreover, if the tensions between India and China continue to escalate, some sort of third-party intervention might be needed. Whether or not Pakistan can play any significant role in such diplomacy remains to be seen. However, what is certain is that the country will have to ramp up its diplomatic capabilities very significantly – and very soon! *

Published in Daily Times, July 21st, 2017.

Source: <http://dailytimes.com.pk/editorial/21-Jul-17/india-china-tensions-and-pakistan>

US Policy Review of the APR By Imran Malik

The US policy review of the Afghanistan Pakistan Region (APR) will have to factor in the continuously evolving geopolitical and geostrategic environment and the volatile interstate relations within the region.

The US has been the most dominant Asian power for long and is unlikely to brook any challenges to that singular position. Its formidable military straddles the Asian continent from the Mediterranean Sea in the West to the South China Sea/Pacific Ocean in the East including the Indian Ocean Region and all else in between. It has an ominous and omnipresent strategic footprint in Asia!

However, its continued occupation of Afghanistan is meant to achieve specific strategic objectives in this critical part of Asia.

The US enjoys the geostrategic advantages of the Central Position (a la Napoleon) by occupying Afghanistan. It thus sits at the confluence of West, Central and South Asia acquiring critical oversight, power projection potential and strategic reach in all three regions. By occupying Afghanistan the US virtually becomes the master of the great game unfolding in the region presently. With its ground and air forces in Afghanistan and its Naval Fleets in the Indian Ocean/Persian Gulf and the Mediterranean Sea the US will have maneuvered its self into an unassailable strategic position. It will then dominate all Sea and Ground Lines of Communications (SLOCs and GLOCs) in the region; apply naval blockades along the Mekran Coast/ports on the Arabian Sea at will and potentially choke off most if not all East-West and North-South trade corridors crisscrossing the hinterland. With the Indian navy in tow, this potential US-Indo combine could crucially challenge Russian and Chinese ambitions in the region.

This US presence in Afghanistan and the Persian Gulf/Arabian Sea/Indian Ocean region acts as a check on the fast expanding SCO – a virtual competing pole. It also blocks off the Russia-CARs complex from the Greater Middle East Region (GMER) and the Arabian Sea/Indian Ocean Region. Secondly, it brings China's OBOR and its flagship project the CPEC and its infrastructural, industrial and economic undertakings in the CARs, Pakistan, Iran etc, within reach. The US-Indo combine could also threaten the link up that China desires between its East Asian maritime trade corridors and the CPEC. (Exercise MALABAR in the Bay of Bengal). Furthermore, this position also gives the US unprecedented oversight on Iran's and Pakistan's nuclear weapons and missile programs.

Most importantly, in pursuit of its policy objectives, the US remains in position to even micro-manage the CARs, Afghanistan itself, Iran and Pakistan etc, in a controllable albeit

destabilized and chaotic state. In addition to India, there are a large number of willing militant and terrorists groups available in the region(s) for this very specific purpose!

US' policy review on the APR is bound to reflect these realities. The US is here to stay. Period.

Regardless of the contours of the reviewed US policy, it will inevitably have to take into account Pakistan and its role in it. Will the US rupture its ties with Pakistan and forgo the advantages of having it willingly on its side? (Is it even advisable?). Or will it engage it as a trusted partner and co-opt it in policy execution? Or else will it maintain the status quo? In each instance Pakistan's national interests alone must determine its response.

How will then the US engagement of Pakistan manifest itself? Will it be ruthlessly coerced in the political, diplomatic, economic and military dimensions and forced to fall in line with US diktats? In this scenario Pakistan could be subjected to a multidimensional threat with India heating up the LOC/WB in the East and US drones moving in from the West ie Afghanistan to attack targets deep inside Pakistan supported by an internal upheaval through an increased terrorist onslaught in Pakistan's major cities. Simultaneously, Pakistan's Major Non-NATO Ally status could be revoked and the IFIs energized to claim their respective pounds of flesh! Or will it be a mixture of economic and military inducements as leverages and quid pro quos to elicit a willing partnership from Pakistan? It could take the form of some relief from the IFIs and CSF and maybe some rudimentary military equipment. Or will it be a continuation of the current policy of reduced inducements and ominous threats?

This policy review will redefine the geopolitics of the entire region, determine the future of the US-Pakistan and Pakistan-Afghanistan relations and lay down India's role in Afghanistan (as desired by the US Senate Armed Services Committee).

From Pakistan's perspective, India and peace in Afghanistan are mutually exclusive!

Like all good strategists, Pakistan too should never be caught without viable options at any given time. In case the US decides to rupture ties with Pakistan, and inducts India into the Afghan conundrum then Pakistan must act decisively to secure its vital national interests. It must stay away from the fight, secure its borders and deal with any spill over (including drones) ruthlessly, decisively and promptly. It must also ensure that the Indian military stays in Afghanistan for a much longer and much more painful time than it may have bargained for. The US will have to very carefully weigh the advantages, if any, of an alienated Pakistan! If the US wants to co-opt Pakistan then it must be a quid pro quo in terms of simultaneously taking out those terrorist groups that infiltrate and attack Pakistan from Afghanistan as well. It must ensure peace on the LOC/WB and put an end to the RAW-NDS nexus in Afghanistan that employs terrorists/proxies against Pakistan. However, if the US decides to maintain the status quo, then so be it. The rider clauses for

all policy options for Pakistan would be a furtherance of ties with China, Russia, CARs and Iran and persistence with the CPEC; fencing, mining, surveillance and management of the Pak-Afghan border, immediate return of the Afghan refugees and a strict vigil on the LOC/WB.

The policy review will reflect a measure of US' determination to consolidate its domination of the region and co-opting or coercing the regional powers in the pursuit of its national interests! Pakistan, beware!

Source: <http://nation.com.pk/columns/23-Jul-2017/us-policy-review-of-the-apr>

ECONOMY

Economy at a Tipping Point | Editorial

AFTER about two years of consolidation and growth, the economy appears to have reached a tipping point and has resumed its slide downwards. All along, we have been told by the government that it inherited a dismal situation but turned it around, pointing to the resumption of growth, the rise in foreign exchange reserves and the considerable investments being made in infrastructure. The latter, we have been told, are going to lay the foundations for future growth, thereby breaking the cyclical patterns of boom and bust that have held the economy hostage for decades now and brought the country to the doorstep of the IMF on more occasions than most other countries in the world. For a couple of years, the numbers supported this claim, and the sceptics had to dig deeper to find material that could challenge the story. In 2015, Moody's rating agency upgraded Pakistan's credit rating to B3, after a downgrade in 2012, in response to the improving macroeconomic situation.

But this fiscal year, it all began to change. Even the numbers are now lining up to testify against this story one by one. Two reports released back to back in the past two days make this abundantly clear. Moody's decided on Tuesday to retain its B3 rating and outlook, but cited a long list of vulnerabilities that have opened up, particularly with the current account and fiscal deficits. Pakistan may enjoy one of the highest growth rates of all B3 rated countries, but it also has one of the biggest debt burdens amongst them. On the fiscal side, the consolidation undertaken in the past few years appears to have run its course; for the next two years the ratings agency sees the deficit climbing to 4.7pc and 5pc of GDP respectively, much higher than what the government projects. The reserves rose fourfold while the government's story was in play, the agency notes, but "are still low in relation to current account payments" and on a declining glide path. Neither of these are encouraging developments, and if they persist, the growth story will be in jeopardy.

Then two days later came the IMF Article IV report, echoing many of the same concerns. After the usual bow to the positives, the Fund notes that recently "policy implementation has weakened and macroeconomic vulnerabilities have begun to re-emerge", summing these vulnerabilities up by saying "fiscal consolidation slowed, the current account deficit widened, and foreign exchange reserves declined". The government argues that these trends are temporary while CPEC-related projects are implemented. Growth will resume on a stronger trajectory, we are told, once those projects come online and the corridor gets going in earnest. It is a hope indeed, and nobody wants to take the shine off these

words for no good reason. But hoping for the best is not a good way to manage deteriorating economic trends.

Source: <https://www.dawn.com/news/1345344/economy-at-a-tipping-point>

Is The “Strong” Rupee Policy Benefiting Pakistani Economy? By Sakib Sherani

Ever since the decision of the incumbent finance minister to adopt a ‘strong’ rupee policy in December 2013, and convert the regime into a near-fixed exchange rate one, the resulting overvaluation and the accompanying fall in exports have generated intermittent debate about the merits and demerits of the move.

Since then, the rupee has appreciated by nearly 27 per cent in real effective terms according to State Bank data, while the IMF estimates the Pakistani currency is overvalued between 10-20pc. Pakistan’s exports have declined nearly 20pc in US dollar terms, while imports have risen 18pc during this period. Excluding food, energy and capital goods, imports have surged 22pc.

To correct the large, and protracted, misalignment of the rupee in the currency markets, the State Bank finally made a move on July 5, effectively devaluing the currency by 3.1pc against the US dollar. This move was technically correct as well as brave on the part of the acting governor, but since it was politically unsustainable it proved to be disruptive for the financial markets. Predictably, it provoked an angry response from the finance minister as well as heavy doses of moral suasion and intervention in the currency markets to bring the rupee near its pre-devaluation level in the inter-bank market. In the event, it also exposed the limits of the much-touted independence of the central bank, which has not escaped the atrophy other institutions have experienced under this PML-N government.

Debate regarding the rupee is ignoring two 800-pound gorillas in the room.

The State Bank’s move and the government’s response have finally generated deeper discussion and debate that this issue deserves. Most of the arguments against a depreciation of the rupee revolve around the following ‘observations’:

- Exports have not been helped by past devaluations of the rupee.
- Any weakness of the rupee generates domestic inflation as well as a large fiscal cost.

Before responding to these arguments, it is important to point out an underlying narrative that pervades almost every aspect of Pakistan’s economic policymaking. No matter which prescription derived from ‘standard’ economic theory and models, or international best practice, is advocated for Pakistan, it is almost universally met with one response within the country: the ‘ground reality’ in Pakistan is different. The intrinsic argument is that somehow the laws of physics, economics, biology etc. do not apply to, or in, Pakistan!

In the case of exports, when evaluating the effect of past devaluations, commentators tend to focus ‘tactically’ on the change in US dollar exports from Pakistan between two points in time to determine if there was a positive correlation or not. However, in doing so, they tend to miss the elephant in the room: the exchange rate is a fundamental price that determines the relative attractiveness of two sectors in the economy — exports versus imports. Hence, a misalignment of the exchange rate over a protracted period will show up in one sure shot way — the export sector will shrink relative to the rest of the economy as resources are allocated away from it towards the more lucrative non-tradable sector (in case of an over-valuation).

This is exactly what has happened in Pakistan as the merchandise export sector has shrunk to 7pc of GDP, from around 13pc in the early 2000s (a loss of 6pc of GDP), while all its trade competitors have seen much larger increases in the size of their export sectors over the same period. I have been consistently pointing out this alarming trend but to little avail. Even tactically, it is worth considering the spate of competitive devaluations Pakistan’s trade competitors have undertaken over the past few years to keep their products competitive in international markets.

At its extreme, the centrality of a competitive exchange rate to even a large, advanced trading economy such as Japan is highlighted by the fact that despite merchandise exports of \$645 billion — out of which \$95bn are high-tech products — engineering a weakening of the yen (via looser monetary policy) is one of the three ‘arrows’ of Prime Minister Shinzo Abe’s economic revival plan since 2012.

And while the discussion regarding the purported effects of a misaligned exchange rate tends to focus exclusively on exports, the impact on imports and on relative prices within the economy is usually ignored. Equally important, Pakistan’s policymakers need to rethink the exchange rate policy with reference to another 800-pound gorilla in the room — CPEC. The myriad concessions offered to Chinese investors, including favourable tax treatment viz the overtaxed and overburdened Pakistani competitors, means that one of the few policy handles the government has to provide a measure of protection to domestic industry (other than to reduce its tax burden) is to operate with a weaker exchange rate — especially in the context of a one-sided free trade agreement.

In conclusion, the exchange rate policy is one instrument among a cluster of policies required to boost exports. The full spectrum of policies includes fiscal, taxation, monetary as well as commercial policy. The misalignment of much of the policy framework, making it have an intrinsic anti-export bias, is very likely to have blunted the effect of exchange rate policy in the past. However, a counter-factual argument can also be presented — ie if the exchange rate had not weakened, would Pakistan’s exports have even attained the levels that they did or would they have been lower?

Whatever the answer, in the final analysis, it is fair to say that the exchange rate is a fundamental 'price' in the economy, and getting it right is essential not just for boosting the export sector but also for providing a measure of protection to domestic industry.

The writer is a former economic adviser to government, and currently heads a macroeconomic consultancy based in Islamabad.

Published in Dawn, July 21st, 2017

Source: <https://www.dawn.com/news/1346628/the-strong-rupee-policy>

CPEC And Policy Initiatives By Durdana Najam

The former Prime Minister Nawaz Sharif said in a party meeting he chaired to choose his successor, that the Chinese government initiated CPEC project in Pakistan because of him. Considering the pressure, in the wake of his unceremonious ouster, one can ignore this beguiling of self for the time being. However, since the PML-N government is still in control of the parliament with a new prime minister, the misconception about CPEC being a special favour to Nawaz Sharif needs to be addressed and possibly stripped out. The CPEC project could have begun in the Nawaz Sharif era, but its seeds were sown much earlier. The PPP too, had its share of effort in the fruition of the project. It is a typical tendency, in Pakistan, to take credit of owning the whole pie, if someone happens to make a substantial last minute contribution to complete the product. Just as Nawaz Sharif takes the credit for making Pakistan a nuclear power, only because he ordered the explosions in response to India's audacity to do so in the late 90s. Coming back to CPEC, let it be known that the Chinese government has also said that Nawaz Sharif's departure would make no difference to the project, that CPEC is a national asset with regional implications and has nothing to do with the dynastic politics of this country. The internal political dynamic of Pakistan and the threat emanating from India makes CPEC a matter of concern. The real taste of CPEC could have been better savoured had mindful and Pakistan-oriented policies been devised. Not that Pakistan will have any fewer benefits, but besides becoming a security providing country and a co-builder of the economic corridor, Pakistan's indigenous business interests could have been linked to the project as well. Such thoughtfulness could only be summoned to serve in an atmosphere of political stability. Since its creation, Pakistan is fighting an unending war against corruption. The ball of accountability had been set rolling many times before, but the latest style of taking out the elected prime minister on corruption charges has no precedent in the history of Pakistan. Only time will tell if this was genuine accountability, or just another witch-hunt to deepen ulterior motives.

In the meantime, CPEC is a reality that Pakistan needs to guard and make as useful as possible.

Pakistan-India relations have been based on mutual enmity. And because Pakistan's political structure has supported the military narrative more than the political one, India, because of its hostile regional presence towards its neighbours, became Pakistan's archrival and biggest enemy. India has had reservations on CPEC on many counts and has openly objected to the project on many occasions. CPEC passes through Gilgit-Baltistan; a region, which India claims is part of its territory. This has caused a commotion in Indian circles, and a complaint in this regard has been lodged many times in China. The unrest in Balochistan and the arrest of Kulbhushan Yadav, the Indian spy who had

openly confessed being deputed in Pakistan with the sole agenda of sabotaging CPEC, confirmed India's restlessness on seeing Pakistan making economic headways in the region. On the flip side, India is also part of the One-Belt-One-Road (OBOR) mega project of which CPEC is just one part. Therefore, whether one likes it or not, OBOR, with its inherent ability to connect, would sew in India as well in this mega regional connectivity project. The beauty of this initiative, however, lies in its potential to connect the regional states even those having an inherent bias against one another within the security paradigm. If taken up sensibly and with a mission to iron out differences, the Kashmir dispute could find a solution as well, given the economic dimension that CPEC bestows. For Pakistan, the task is especially humongous if seen through the security prism. The real challenge lies in making CPEC beneficial for Pakistan.

There have been many criticisms against CPEC, some factual, while others are in place only to create misconceptions. One area that does need attention and has been neglected so far is the deployment of the Chinese managers, skilled and technical staff throughout the project. This not only raises the unit cost of labour after taking into account other expenses such as housing, wage premium, security and so on, but it also takes away the opportunity to put to use Pakistan's talent pool in the project. Had the government been planning, these professional positions could have been transferred to Pakistanis by having them trained by Chinese trainers. Such an initiative demands coordination and above all the development of vocational and technical training institutes both in the private and public sectors.

So far, no such initiative has been taken, and the general grievance that Pakistan would in fact, be more burdened with debt and Chinese domination carry weight. Embroiled in domestic politics, with corruption at the centre of all allegations against the politicians, any policy initiative in making CPEC become more Pakistan-oriented does not seem to be the priority of the leadership in Pakistan.

Be it CPEC or any economic foray, if comprehensive benefit is to be accrued, Pakistan's internal political dynamics matter more than the external security situation. In this context, Pakistan is in dire need of a clean, responsible and dedicated leadership and bureaucracy, not only in the centre or provinces, but also in every institution. Ultimately, it is the institutional framework of a country that takes the mission forward on the back of the vision the leadership provides at the helm of the affairs.

Source: <http://nation.com.pk/columns/01-Aug-2017/cpec-and-policy-initiatives>

IMF, Pakistan fail to see eye to eye in Assessment of Economy By Shahbaz Rana

ISLAMABAD: Pakistan and International Monetary Fund (IMF) remained poles apart in their assessment of the country's economy, as Islamabad took an optimistic view of the external and fiscal sector while the global lender cautioned about emerging challenges that are posing risks to the favourable outlook.

The IMF once again sought significant devaluation of the Pakistani rupee against the US dollar to curb external sector challenges, as it said that foreign exchange reserves have already fallen "below a comfortable level".

The IMF released on Thursday the Article-IV consultation report on the state of the economy that showed that there was a disagreement between it and Pakistani authorities over a number of issues. They had divergent views on the external sector vulnerabilities, slowing fiscal consolidation and structural reforms.

The IMF staff stressed that reversing the recent decline in foreign exchange reserves and allowing for greater exchange rate flexibility are needed to rebuild external buffers, which are below adequate levels.

It said that Pakistan's real effective exchange rate is overvalued in the range of 10 to 20%, seeking "greater exchange rate flexibility, fiscal adjustment, and structural reforms" to correct the imbalance. The fund advocated that greater exchange rate flexibility would strengthen Pakistan's competitiveness, which has been affected by real effective exchange appreciation.

The IMF said that the exchange rate continued to remain stable against the US dollar, supported by the State Bank of Pakistan's (SBP) foreign exchange interventions, and further appreciated in real effective terms 6% during this fiscal year. Cumulatively, Pakistan's real effective exchange rate appreciated 18% over the past three years, according to the IMF assessment.

"Resumption of accumulation of reserves – including through allowing downward exchange rate flexibility – is needed to further strengthen buffers while also supporting competitiveness," it advised. Prudent monetary policy and greater exchange rate flexibility will be key, to preserve low inflation and re-build external buffers.

However, the IMF said that Pakistani authorities' own assessment suggested significantly lower currency overvaluation. In addition, Pakistan viewed reserves as adequate as they cover more than three months of imports.

After an end of the \$6.2 billion IMF programme in September last year, Pakistan's external account has deteriorated at a rapid pace, exposing the hollowness of reforms under the three-year programme. The current account deficit has already widened to \$10.6 billion, which is more than double the assessment of the IMF and Pakistan for the fiscal year ended on June 30. The IMF said that the structure of financial account of Pakistan showed reliance on debt issuance rather than on Foreign Direct Investment flows, which have been on a declining trend over the last decade.

"The pace of fiscal consolidation has slowed, public debt remains high, and mobilisation of tax revenue needs to be further strengthened," it added. The IMF said that external vulnerabilities have increased with a widening current account deficit and rising medium-term external repayment obligations linked to the China-Pakistan Economic Corridor (CPEC) and other large investment projects.

Foreign exchange reserves have declined to \$16.1 billion since the end of the EFF-supported programme and "remain below comfortable levels". The \$16.1 billion reserves are sufficient to finance only 3.4 months of imports. These reserves are inclusive of \$3.6 billion that the SBP obtained through derivative position. The IMF said that \$3.6 billion forward position could put additional pressure on reserves.

The IMF assessment showed that fiscal consolidation in Pakistan slowed substantially in fiscal year 2016-17. It added that the fiscal year 2017-18 budget is also subject to risks and reaching the deficit target will likely require significant additional revenue measures during the course of the year.

It advised Pakistan that gradual fiscal consolidation should continue through the medium-term to address debt-related vulnerabilities. A stronger consolidation in fiscal year 2017-18 than planned in the budget, in line with the deficit target under the revised FRDL Act, would have been preferable, it said.

The IMF said that public debt and fiscal deficit are projected to be above the ceilings set in the Fiscal Responsibility and Debt Limitation (FRDL) Act. It added that Pakistan will face increasing government and CPEC-related external repayment obligations, and external financing needs are projected to increase to nearly 7.5% of GDP over the medium-term, highlighting the need for macroeconomic and structural policies supporting competitiveness.

Domestic risks could arise from political polarisation in the pre-election period and security issues. In the staff's view, fiscal pressures could rise during the period leading up to the mid-2018 general elections, and growth-supporting reforms could slow.

On the structural front, progress in electricity sector reforms has been mixed, with a renewed build-up in circular debt; and financial losses of ailing public sector enterprises

(PSEs) have continued. The IMF staff stressed the need to strengthen DISCOs' performance and adjust end-consumer tariffs to reflect higher input costs, also in view of upcoming increases in generation capacity.

Published in The Express Tribune, July 14th, 2017.

Source: <https://tribune.com.pk/story/1457449/imf-pakistan-fail-see-eye-eye-assessment-economy/>

Economic Empowerment — A Desire or a Need? By Fizza Farhan

Women economic empowerment is a trending topic that evokes broad interest. It is of paramount importance considering that at least seven of the Sustainable Development Goals (SDGs) revolve around it which shows that gender equality is necessary for both inclusive and sustainable world economic growth. The gravity of the issue is further emphasised by the findings of the McKinsey Global Institute (MGI) report of 2015. The study states that lack of gender parity has drastic consequences, as the global economy will bear a loss of an additional \$12 trillion by 2025 — if the current trends of gender inequality persist.

Of course, these economic implications have a trickle-down effect to all the countries, including Pakistan. The report further mentions that closing gender gaps completely in the labour-force participation, ie, the 'full potential' scenario will result in an increment of 26% in the global annual GDP by 2025. Though a large number of studies have been conducted on gender parity, this particular study is quite noteworthy, because it stresses that woman empowerment does not lie on just the nexus between a humanitarian cause and a social or political cause. It is far more intricate than that as it also affects the future economic progress of the world. On the financial front, the companies which have fewer women on the board of directors and in the senior management positions, experience 23% less returns and IRR as compared to the companies which have a higher proportion of female employees. This clearly puts a crucial point on the table that women economic empowerment is going to be the next economic reality of the world.

To comprehend the concept of women economic empowerment, there is a need to first identify a few misconceptions that have developed since the idea has reached the mainstream development sector. First, women economic empowerment is not something that needs to be solved by faster economic growth. This point is supported by the UN secretary general's report which offers compelling evidence about how gender equality fuels economic progress. Additionally, if one identifies problems in the rural context, one will begin to understand that economic empowerment of women is an inevitable part of every development solution that we foresee.

Ambiguity also arises when women economic participation is mistaken for women's economic empowerment. The Guardian also mentions in its analysis that having a job of high-quality standard is 'essential' to both men and women; above 90% of the population agreed across 17 African and Middle Eastern countries. If we observe the Herzberg's two-factor theory of motivation, it is an eye-opener because both the motivators (such as

recognition, responsibility, growth) and the hygiene factors are missing from the work environment in many countries. For women, this results in dissatisfaction and lack of positive satisfaction simultaneously. Hence, in order to empower women in the workplace, favourable work environment must exist through tailored interventions.

One significant aspect of bringing about change is by making women agents of change. They have to become the real role models, contrary to the media's depiction of real women, for other women to take charge of their own situation. While effort is required from all institutions, the real solution to the fight is at the individual level. When one listens to the anecdotes of even the world's most powerful women, one realises that the reality of economic empowerment is facing everyday challenges of being an individual woman.

Economic empowerment is a complex whole embedded in political, social, legal and in fact moral empowerment of women. And the question I want to ask today is: what's your role in enabling the 50-50 nexus of women economic empowerment on a personal and professional level?

Published in The Express Tribune, July 10th, 2017.

Source: <https://tribune.com.pk/story/1454205/economic-empowerment-desire-need/>

Currency Depreciation | Editorial

It is extremely worrisome for a country if its finance czar cannot himself understand how the national currency could have depreciated against the dollar by as much as 3.10 per cent on July 5, 2017 — the single-largest drop in rupee value since 2008. What is surprising is that the currency value dipped after being stable for almost three straight years. Since then, Ishaq Dar, the finance minister, has called for an inquiry into this 'artificial' depreciation. He has also hinted at the possibility of exploitation by 'individuals, banks and entities' in the wake of political turbulence over the appearance of Maryam Nawaz before the JIT probing the Panama Papers. There have been calls from exporters and others, including the commerce minister, to revise the currency rate in line with similar adjustments made by China and Turkey. The minister, however, had rebuffed these calls and judging from his current reaction he remains averse to the move.

The State Bank of Pakistan — known for both its tacit and explicit intervention in determining the currency rate through off and on instructions to the treasurers of major banks — has claimed that the depreciation would actually strengthen the country's growth prospects and would address the emerging imbalance in the external account.

For some time now exporters have argued in favour of lowering the value of the rupee, saying this would strengthen their overall competitiveness. In the same vein the International Monetary Fund said last year that the rupee was overvalued by up to 20 per cent.

The trouble with SBP interventions is that they are at odds with the market principles of the exchange rate management. It is important, for instance, to show our creditors that our exchange rate is both stable and determined by the market. Analysts were expecting the Pakistani authorities to devalue the rupee but not quite so soon; it should have come by the year-end or by early 2018. For now the timing of the move and the identity of its author remains a mystery.

Published in The Express Tribune, July 7th, 2017.

Source: <https://tribune.com.pk/story/1451836/currency-depreciation/>

State Bank Report | Editorial

IT appears that the State Bank has been told to tone down its warnings on the economy's increasing vulnerabilities. After clearly pointing towards the growing current account deficit as a source of serious concern in the fiscal year, its third quarterly report released just after the Eid holidays omits all expressions of alarm. This is surprising because the jump in the current account deficit is most pronounced in the quarter. In fact, it is the highest quarterly deficit posted by the economy since the second quarter of 2009. One is left wondering why so little is said about this rather 'impressive' jump this time when far smaller spikes triggered expressions of concern in previous quarters. The only explanation seems to be that the State Bank has been told to paper over the concerns it has been flagging all year, because they were taking the air out of the government's claims it had turned the economy around.

But even the blandest presentation of the facts cannot obscure the troubling aspects. While the report tries to paper over the impact that the current account deficit has had on the reserves, the reality is that the State Bank's foreign exchange reserves had dropped by \$3bn by March, after hitting a peak of \$19.5bn in October 2016. These are still ample to cover imports of up to four months, but that ratio is also coming down with the passage of time. After trying to point out that official inflows to plug the gap continued, there is no option but to add that these "were not sufficient to fully offset the widening in the current account gap". On the financial account, the report tries to highlight a spike in FDI, but cannot escape the fact that 86pc of the major inflows of \$4.82bn that came in during the year were debt creating. "Pakistan's external account has come under pressure due to an unfavourable trade balance," the report notes correctly, before throwing the ball into the court of the private sector, arguing for greater "entrepreneurial spirit" and putting long-term growth before short-term profits. A brief mention of the importance of continuing reforms merely touches on the government's responsibility in the whole affair, as it only points out that a "brief window of opportunity" was provided by low oil prices and an IMF programme needs to be supplemented with continuing reforms.

Published in Dawn, July 4th, 2017

Source: <https://www.dawn.com/news/1343112/state-bank-report>

EDUCATION

Radical Review Of FPSC Exam Pattern Proposed By Riazul Haq

ISLAMABAD: After candidates appearing in the Central Superior Services (CSS) examinations last year underperformed in the worst-ever manner, securing a pass percentage of 2.06 per cent, a fact-finding body within the Federal Public Service Commission (FPSC) suggested radical changes in curriculum and examination pattern besides urging provinces to improve their standards of education.

The FPSC came under harsh criticism after only 202 (2 per cent) students could pass out of as many as 9,643 candidates who sat in the written tests of CSS.

The percentage of candidates qualifying the written test declined from 9.75 per cent in 2011 to 2.09 per cent in 2016.

Members of the FPSC panel finalised the four-page proposal after results were widely discussed in parliament and the media.

According to sources in the FPSC, these proposals will now be laid before the FPSC's board meeting in the next few weeks.

Proposals

Most of the members of the panel expressed concern about the overall decline in education and its quality across the country. They stated that it was not at par with modern demands and badly impacting the superior examinations.

They also pointed out that the so-called preparatory academies, 'guess papers' and other such material was often used by candidates as short cuts to succeed in CSS exams.

The board specifically suggested changes in the English language question papers and that it needs to be reviewed. One of the proposals is aggregating the marks for English essay and précis or composition and the candidate must pass in both.

According to the FPSC report of 2016, about 92 per cent (8,894) candidates failed in English précis and composition writing while 81 per cent (7,841) students failed in English essay.

“Many elements being asked and used in the CSS English paper are outdated and impractical in modern day,” said an official, who was privy to the report, adding that for instance idioms, phrases or classic literature was being taught and answers being expected from students “are worthless.”

There was also proposal for conducting a single exam in a day instead of the prevailing trend of asking the candidates to appear in two in a day.

“Several members agree with this proposal but some do not but the commission will have the final say (in this regard),” the senior official said.

Another important proposal is distributing question papers among more than one examiner.

“Usually if there is English paper then only one person marks about 10,000 question papers ... The rationale behind this is standardised marking,” the official said.

Another proposal suggests giving at least 25 per cent of papers to a person other than the examiner himself for rechecking.

The commission was also recommended to minimise marks for technical subjects such as mathematics, physics and chemistry from 200 to 100 as “they are not much relevant in civil services, allowing candidates to choose other subjects”.

Reformatting of question papers was another major proposal as in the past, it impacted the performance of the results and students.

“Precise, to the point and brief questions should be included in a question paper,” said the official, adding that once students were asked about the impact of terrorism on economy but about 90 per cent of the candidates did not relate it to the economy and focussed mostly on terrorism.

The official said that they have also urged the Higher Education Commission (HEC) and education ministries of all provinces to improve and upgrade their standards of education, which was not satisfactory at all.

Source: <https://tribune.com.pk/story/1454128/radical-review-fpsc-exam-pattern-proposed/>

The Ghost Of Education | Editorial

Education is the biggest agent of change in any society. The importance of education can be gauged from the fact that under the charter of United Nations it is declared a universal right. The Constitution of Pakistan, too, makes it the duty of the state to facilitate its citizens in getting education. Article 25A of the Constitution states, “The State shall provide free and compulsory education to all children of the age five to sixteen years in such manner as may be determined by law.”

Nonetheless, it is clear that the state is not doing its duty. The concerned department does not follow the rules and protocols of ensuring quality education for the people. Two separate stories in newspapers on the public sector education show a very ugly picture of corrupt practices and substandard quality in the field of education. In a joint survey carried out by the Balochistan government and UNICEF for tracking down ghost schools across the province, over 1500 schools were identified as only existing on paper. The survey also revealed that 25 schools were without buildings. There are over 2000 shelterless schools. In KP, the Awami National Party (ANP), on Monday, submitted an adjournment motion in the provincial assembly for having a debate over the poor performance of the public sector schools after the recently declared results of matriculation exams.

Governments in both the provinces have declared an emergency in the field of education once they entered office. They have made tall claims in improving the facilities and quality of education. However, the recently held survey in Balochistan and results of matriculation boards’ examination in KP expose the poor performance of the provincial governments. After considering the performance of both the governments in the field of education, it would not be wrong to assume that the claims made served the purpose of advertisement for the parties in power.

Education is a provincial subject, and it follows that the provincial governments are to blame in large part for the oversight. It is almost the fourth year that these governments are in power. Not finding the right direction is shameful.

Source: <http://nation.com.pk/editorials/19-Jul-2017/the-ghost-of-education>

Why Can't Pakistan Fix Education? By Naveed Iftikhar

Every Pakistani now believes that education is central to economic and social development. And policymakers proclaim it as a top priority. Resource allocation may have been increased but it is not optimal yet. Advocacy groups and media have enhanced awareness about the importance of the improvement in education. However, educational quality and outcome, especially in public sector schools, have not improved proportionate to resource transfer and enhanced awareness.

An industry of technocrats, advocacy experts, researchers, philanthropists, data analysts and consultants of the public sector schooling system has emerged in Pakistan. Many of them have neither attended, nor are sending their children to public sector schools. So, they are unable to diagnose the fundamental flaws in public schooling and the overall education system.

Until the early 90s, there were fewer elite schools and the rest of the children from middle-class and marginalised segments would study at the same place. The quality of education was certainly not satisfactory but the children had the opportunity for mixed interactions among their peers coming from diverse backgrounds. Moreover, as many of the local influential families would send their children to public schools, they exercised some surveillance and put forward a strong demand for better quality of education.

However, due to the mushroom growth of private schools, only children of marginalised segments of society are now left in public schools. Despite the so-called experimental research, deployment of monitoring systems and the introduction of smart technologies, the quality of education in public schools has deteriorated. Academic papers and fancy reports on public schooling interventions make routine appearances but we do not see results on the ground. Families that send their children to public schools are not able to exert local influence and are powerless to demand better quality of education. Furthermore, most of the private schools that are attended by the children from the lower middle-class and marginalised segments are imparting low quality education due to the poor quality of teachers.

The fragmented education system has negative implications for upward mobility and social cohesion. There is hardly any research or dialogue on the need to reconcile this widening gap in the education system. A class-based education system can't be a harbinger of social and economic inclusion. This has indeed led to social conflicts and tearing apart mixed interactions in the country. It is now near impossible for students of public schools to compete with those coming from elite schools and family backgrounds.

The English language continues to reinforce inequalities in educational achievements. Students from elite families enjoy studying in relatively better English-medium schools and they do gain its reward in national and international academic pursuits. But English often acts as a barrier to education and decent careers for a majority of the population.

No policymaker, politician, education consultant, bureaucrat or even a teacher of public school sends his/her children to public schools. This alienation and vote of no-confidence towards the public education system can't be compensated with digital surveillance or increments in financial resources. Because when the powerful elite doesn't have a stake in improving any public service that service remains marginalised as compared to the one where they have deep interests in.

There are a number of reasons leading to this gap. Firstly, teaching in a public school is not a profession of choice, especially amongst the male population. Many of the teachers are those who could not get a job somewhere else. Secondly, bureaucrats and clerks of education departments humiliate public school teachers — not to mention, the politicisation of transfers and postings. Thirdly, the public schooling system still focuses on testing photogenic memory of the kids in this age of high demand for teamwork, creativity, love for knowledge and problem solving abilities.

Fourthly, lack of affordable and safe public transport continues to deter enrollment of girls in high schools as they often travel far from villages and sprawling settlements of cities. We can see advocacy and concerns on girls' education nationally and internationally but little improvement in transport system for them. Due to investment in a bus fleet, for example, the University of Gujrat has attracted a high number of girls from rural areas in Gujranwala. Fifthly, public and school libraries have disappeared. Elite kids still enjoy these facilities in clubs but middle-class and poor segments are deprived. Sixthly, vocational education in schools is limited and irrelevant. The dropout rate after middle and high school is high, and these students end their education without any skill in hand. There are technical and vocational colleges but the mainstream education system does not focus on employable skill development. Seventhly, resource constraints and lack of awareness about behavioural issues have a severe negative impact on student's performance.

There is a need to challenge the fragmentation of the education system, instead of merely replicating the arguments related to enhancing allocations and monitoring with huge state machinery and smart technologies. Without addressing the fundamental flaws in the education system, the efforts will not improve efficiency of a system that is leading to chaos and inequality. A real change will only occur when NGOs for advocacy and research in education start raising finances from domestic sources instead of international aid.

Published in The Express Tribune, July 20th, 2017.

Source: <https://tribune.com.pk/story/1461829/cant-pakistan-fix-education/>

The Dismal State of Education By Salman Ali

The Convention on the Rights of the Child and many of the global education goals, including the Millennium Development Goals, aim at ensuring the right to quality education, which, unfortunately millions of children and women around the world are deprived of. Globally, some 67 million children remain out of school. According to the EFA Development Index, Pakistan ranks 106 out of 113 countries. Similarly, despite Pakistan's annual economic growth being 4.1 per cent, growth in expenditure on education is less than 2.5 per cent.

It is also mandated in the constitution of Pakistan to provide free and compulsory education to all children between the ages of 5-16 years and enhance adult literacy. But an annual report released by Human Rights Commission of Pakistan (HRCP) provides a glimpse into the performance of the education sector in the country, during the year 2016. According to the report, the year 2016 witnessed tiny improvements in a few areas of the sector, but continued to see a decline in many. The official figures showed that the number of out-of-school children decreased from 25 million to 24 million, but the adult literacy rate went down from 58% to 56.4%. There was only moderate improvement in the learning outcome score – from 2015's 52.33% to 54.78% in 2016.

The most disturbing news of the educational year was that the federal and two provincial governments – Punjab and Balochistan – cut their budgetary allocations for the sector, despite showy claims of putting education first.

On the other side, the United Nations Global Education Monitoring Report 2016, released in September last year claimed that Pakistan was 50-plus years behind in its primary and 60-plus years behind in its secondary education targets. That means the country is set to miss by more than half-a-century the deadline for ensuring that all children receive primary education. The report said that Pakistan had the most absolute number of children out of school anywhere in the world, including 5.6 million out of primary schools, around 5.5 million out of secondary schools (48% of lower secondary school age children), and a staggering 10.4 million adolescents out of upper secondary school. According to the HRCP report, in 2016 there was no record of 15,000 teachers, and there were over 900 ghost schools in Balochistan with almost 300,000 fake registrations of students.

A study titled 'Pakistan's Education Crisis: The Real Story' noted that the United States, Britain and the World Bank poured money into Pakistan's stagnating public education sector, but the number of children out of school is still second only to Nigeria. The data

collected by the Wilson Centre, however, noted improvement in teacher absenteeism, which dropped from 20% to 6% in Punjab during the past five years.

Pakistan Tehreek-e-Insaf (PTI) led provincial government in Khyber Pakhtunkhwa (KP) has always claimed prioritising education and health. However, the HRCP report revealed that most of 28,000 schools in the province lacked basic facilities. Khyber Pakhtunkhwa Independent Monitoring Unit said in its May 2016 report that 26% of the government schools did not have potable water facility, and 10% had no boundary walls, despite the province facing a sensitive law and order situation. Also, 11% schools have no toilets and 34% have no electricity connections.

The most disturbing news of the educational year was that the federal and two provincial governments — Punjab and Balochistan — cut their budgetary allocations for this, despite showy claims of putting education first

Different districts' performance across the country was reported very poor. In Balochistan, according to a report, released by the Academy of Educational Planning and Management (AEPAM), a federal government institution, more than 1.8 million children are out of school. The official data show that there are 13,279 government schools in Balochistan. Of these, 84% are primary schools with only 16% schools offering middle and higher education to students. Almost 54% of the total primary schools operate with only one teacher. Almost 26% government schools in Balochistan function with only one classroom. And across Balochistan, the condition of 83% of government primary schools buildings is "unsatisfactory". Moreover, the HRCP report notes with concern that the federal as well as provincial governments' priorities seemed misplaced in the field of education.

Education at primary level particularly in public schools is somewhat satisfactory in cities but in rural or remote areas of the four provinces, the state of education is pathetic. This is because the tribal lords are still powerful and hold influence in the area where they have electoral power. They don't want the children of the poor to get quality education in the public schools, which is why they make no effort to improve the condition of these schools.

NGOs have been working to get rural areas' children registered in public or private schools but to no avail. For this to happen, well-groomed teams should be formed to give lectures to the parents so they can be convinced on the importance of education for their children. But first we need to get rid of the feudal lords otherwise the situation will remain the same.

Source: <http://dailytimes.com.pk/opinion/23-Jul-17/the-dismal-state-of-education>

WORLD

An Exit From Brexit By John Mcurtry

'Brexit' is now a house-hold word for anyone following world affairs. Yet its political, economic and cultural meaning for Britain, the US and globalization itself is tectonic, and no-one on the public stage or even the academy seems to get it– even after the huge upset loss of majority by the Tory party and PM May in the recent June 8 election.

exactly as before the election they lost, the literally poisonous dispossession of life-serving civilization and revolution backwards that Brexit still leads are unfathomed by the commentariat. Even after the Tories and May carry on with Brexit

The “Schedule of Negotiations” to leave the European Union proceeds as if nothing has happened. Even Corbyn Labour risen from the dead are so chuffed up by their spectacular rise they do not comprehend the Brexit coup d’etat still in motion. “Brexit is Brexit”. No policy change is made. PM and the Brexit forces are still in charge. May can be dumped as a brand change, but not a policy one.

Behind the scenes, there is clearly a very powerful separatist power including the press-lord media and allied bank and corporate rich with unbarred interests pulling strings – as we see ahead – but no-one talks about it, including Marxists.

voting for a policy-less separatist project funded and evidently orchestrated only by the rich with ‘nationalist’ demagoguery out front? ever Who keeps on forcing a counter-revolution that is itself not yet understood with only a decisive minority

Bribing the Northern Irish bigot rump, the Democratic Union Party (DUP), with public billions to vote for Tory Brexit in the House of Commons is the only way the Tories can get a majority. DUP is well known in the UK . It was formerly at war with the Catholic majority in Northern Ireland in virulent flag-waving aggression led by the extreme-right demagogue Ian Paislie, and is descended from Oliver Cromwell’s genocidal conquest sustained over centuries – more representative of the Brexit Tories than yet known.

the news cycle as a marketing site for mass discontent and diversion from Britain’s real problems, there is no connection of the dots. Even the progressive net sites have little interest in Brexit, which is exactly what is needed for its dominant and unnamed interests to keep on forcing the rush agenda through. Little or no common life substance, historical

bearings, or defined policy grounds analysis of what is happening. Even 30 months after Brexit suddenly dominated

US sites focus on US news and developments, not yet seeing the historic Brexit-Trump connection. Their connection is, in fact, a de-regulating nationalist-masked juggernaut reversing what good has been accomplished to protect citizens, the environment and the planetary life cycles themselves from cumulative despoliation and ruin. The European Union, despite its shocking neo-liberal financialization, has evolved such binding life-serving norms far ahead of the rest of the world over 70 years. This is not reported in the English-speaking world empire for an obvious reason.

and Frankenfoods growing into epidemics of obesity and other ills, London financial enrichment as the public sector shrinks, banks are recapitalized by public money, and – most unseen of all – mounting pollutions by multiplying carbon and waste miles built into vast unneeded commodity transportations across oceans that the Paris Agreement does not touch. farming inequality, publicly bankrupting tax cuts and subsidies to the corporate rich, cumulative dispossession of the poor by Tory “austerity”, runaway disease-causing industrial-chemical There are so many dots to join, and all of them are compounded by the unseen program of Brexit – ever rising

This article has been excerpted from: ‘Brexit Counter-Revolution Still in Motion’.

Courtesy: Counterpunch.org

Source: <https://www.thenews.com.pk/print/219233-An-exit-from-Brexit>

Trump Cannot Make America Govern Itself Again By Edward Luce

Let us give Donald Trump a pass. The last time Congress enacted a serious law was more than seven years ago, which was well before he turned up. That was Barack Obama's healthcare reform, which is turning into Mr Trump's nightmare. He just cannot get that law off the books.

Congress is a sausage factory that has forgotten how to make sausages. Now Mr Trump wants it to make the largest sausage imaginable: a big tax reform package. But what does Mr Trump know about sausages?

The answer is little. Passing serious bills requires the clarity of Ronald Reagan, the grit of Lyndon Johnson and the patience of Job. Mr Trump lacks all three qualities. In contrast to his attacks on critics, such as what he describes as the Fake News media, Mr Trump's promotional skills are limited.

It is hard to think of a memorable Trump tweet on tax reform. Mr Trump is better at tearing opponents down than building the case for change. The chances are that he will fail to pass tax reform, just as he has failed to repeal and replace Obamacare.

But the blame for this does not rest solely on the current president's shoulders. His election followed Capitol Hill's six most fallow years since the Reconstruction era after the civil war. Though it is America's first branch of government, Congress has ceased to function in a serious way since 2010. The Republican party, which saw its role as stopping Mr Obama from passing anything, even if he had gone more than halfway to meet them, bears most of the responsibility. Failed initiatives include an immigration overhaul and fiscal reform.

Congress is a sausage factory that has forgotten how to make sausages

Having acquired a habit of blocking, Republicans have forgotten how to score. But the one thing that unites Republicans of all kinds, Mr Trump included, is the strong desire to cut taxes. It does not matter much how they are cut, or which ones are targeted. The party's sole ideological glue is a desire to lower them. Other pieties, such as balancing budgets, are easily dispensed with. It ought to be a simple matter, therefore, for Mr Trump to build momentum around a big tax cut and damn the consequences. Yet his chances of success are slim. There are two reasons for this.

The first is that Mr Trump has no appetite for the intricate horse-trading required to win. This is true even at the best of times. But these are the worst. Mr Trump is increasingly

distracted by the Russia investigations, which absorb most of his bandwidth. According to aides, Mr Trump spends most of his evenings watching recordings of cable news shows just as obsessed with Russia as he is. He then calls around friends in New York, Florida and elsewhere to comment on how unfairly he is being treated. Mr Trump's obsession with "Fake News" criticism is his first, second and third priority. Anyone who doubts that should analyse his tweets and the odd hours at which he sends them. Tax reform does not feature.

The second is that Republicans are no longer a governing party. To be fair, this holds only at the federal level. There are plenty of Republican mayors and governors who do a good job of solving practical concerns at the local level. But the national party knows only how to stop things from happening. In the past six years, Republicans voted dozens of times to repeal Obamacare in the safe knowledge Mr Obama would veto their bill. Not once did Republicans sit down and work out a plan of their own. Healthcare is a dull subject to anyone who lacks interest in policy. Republicans have no interest in policy.

Instead of a party of sausage makers, Republicans have become a party of vandals. Words such as "abolish", "repeal", "smash" and "erase" trip off the party's tongue. That is what comes from a habit of shutting down government and taking the US to brink of debt default. Terms such as "build", "consult", "trade-off" and "draft" are rare indeed.

Even something as simple-sounding as cutting taxes requires coalition-building. Besides, Republicans have to increase the US debt ceiling before they can turn to tax cuts. Mr Trump, who would have most to lose from a sovereign default, is unclear how to do this. Steven Mnuchin, his Treasury secretary, wants a "clean bill" to increase the ceiling. But Mick Mulvaney, Mr Trump's budget director, wants to attach spending cuts, which would ensure no Democratic votes. Mr Trump cannot even negotiate with himself.

Students of history could tell Mr Trump that Rome was not built in a day. Yet the vandals were able to demolish Rome pretty quickly. Is Mr Trump a Roman or a vandal? Sadly that question answers itself.

Source: <https://www.ft.com/content/9fa115f0-6c59-11e7-b9c7-15af748b60d0>

Trump-Modi Nexus & Regional Stability By Dr Muhammad Khan

THE “New India” vision of Prime Minister Modi and President Trump’s vision of “making America great again” have indeed added a new dimension in the bilateral relationship of India and United States. Declaring India as a major defence partner, the joint statement, issued after the Modi-Trump meeting, “pledged to deepen defence and security cooperation”. As a proof of this cooperation, United States announced sale of 22 ‘Sea Guardian Unmanned Aerial Systems’ to India, which dawdled since 2016. This defence sale, the first ever to India by US would cost \$2 billion. Besides, US agreed to sell Boeing C-17 transport aircraft of worth \$366 million to India. It is worth mentioning that as per the arms sale purchase data of Stockholm International Peace Research Institute (SIPRI) India has attained the status of world’s largest major arms importer from 2012 to 2016 with 13% of global arms imports. From 2007 to 2016, India has increased its arms imports by 43%. Surprisingly, US has been the leading supplier of the defence equipment to India, ‘signing contracts worth more than \$15 billion since 2008. After the Modi-Trump meeting of June 26, 2017 both countries have decided to work together on ‘advanced defence equipment and technology at a level commensurate with that of the closest allies and partners’.

Understandably, U.S has to revive its defence industrial complex and create job opportunities for its nationals. Then, in order to introduce new technological developments in war munitions, the older ones have to be disposed-off and India offered itself as the end user of these weapons and equipment. Earlier, Trump visit of Saudi Arabia could fetch for US over \$400 billion which included \$110 billion for military equipment only. Qatar is purchasing is F-15 US aircraft worth 12 billion and UAE worth \$1 billion military hardware.

Whereas, these defence purchases would significantly sustain the falling US economy, the regional stability of these regions would be endangered to a greater level. The Middle Eastern region is already in turmoil and the new purchase would further destabilize it to the likes of its strategic planners. In South Asia, a region with two nuclear powers (India and Pakistan) and China in the immediate neighbourhood, the US strategic partnership with India may not augur well for the regional peace and stability. The Indo-US enhanced cooperation with major focus on defence and security related aspects may initiate a new beginning towards regional conflict.

In this regard, the US callousness towards the resolution of Kashmir dispute has indicated its preferences for India. Then, declaring Syed Salah-ud-Din, a native Kashmiri leader

and freedom fighter, as a global terrorist is total US leaning towards India. This announcement is in fact, disrespect to International Law, UN Charter, UN resolutions on the issue and many international covenants on human rights. In this regard, characters of three recent US presidents (Clinton, Obama and Trump) are questionable. They all promised a US role for the resolution of this core dispute between Pakistan and India, but surrounded to Indian wishes.

Out of many aspects of Modi-Trump Joint statement, terrorism remained another point of focus. With a commitment to be and act, "Shoulder-to-Shoulder Against Terrorism", there was a mention of Pakistan, both directly and indirectly. Whereas, as a rhetoric India has been accusing Pakistan of 'cross-border terrorism', the US leadership and particularly President Trump should have a sagacity, familiarity and needed audacity to speak truth, as who is doing terrorism against whom. Indian political leadership and military commander including NSA have been publically claiming destabilizing, bleeding and disintegrating Pakistan into parts through an organized network of terrorism.

Indeed, American President should not tell a lie and cheat the world after an open confession of terrorism inside Pakistan by Indian RAW, Jadhav being a very recent case in point. US should understand as to who is the beneficiary of Uri attack, Pathankot, Mumbai and earlier the attack on Indian parliament in 2001. Does, U.S has any justification of Indian state sponsored terrorism inside Pakistan, the massive human rights violations in IOK and negation of its own sponsored UN resolutions on Kashmir. United States must stop deceit and double standards in South Asia. The role of Pakistan against the terrorism is un-parallel, what India has done against global terrorism, except terrorising Pakistan and Kashmiris.

In fact, the new heights in Indo-US bilateral relationship with major focus on defence and security will pose a greater threat towards destabilization of South Asia in particular and Asia in general. Beijing and Islamabad are major focus of Indo-US strategic alliance; the former as a peer competitor and later as its supporter. Since US mainland is thousands of miles away from South Asian region, therefore, any conflict in this part of the world will have serious consequences towards regional and international peace and stability where India cannot remain unscathed. Therefore, India must shun its malevolent designs of destabilizing the region by massive purchases of US war munitions and threatening postures towards Pakistan and China. On its Pakistan must enhance its diplomatic clout in all major capitals to enlighten the international community about the consequences of Indo-US defence collaboration and emergence of possible conflicts in this region.

Source: <http://pakobserver.net/trump-modi-nexus-regional-stability/>

Trump and South Asia By Zamir Akram

Indian Prime Minister Modi's recent US visit indicates the direction of Trump's policy towards not only India, but South Asia as a whole. The ongoing review of the administration's Afghan policy will also complement this strategy. This will have far-reaching implications for Pakistan.

It is not surprising that Trump reaffirmed the partnership with India which has steadily grown since the Bush and Obama administrations. He has gone even further by accepting India's regional hegemonic ambitions as articulated in the Indo-US joint statement that "as responsible stewards in the Indo-Pacific region" the "close partnership" between them "is central to peace and stability in the region". The underlying purpose is to use India to contain China in the vain hope of ensuring US global supremacy. For China, whose growth every three years is the size of the Indian economy, India is merely an American stooge. But for Pakistan, the Indo-US partnership poses an existential threat.

Equally ominous for Pakistan is the emerging US policy on Afghanistan, for which the US is increasingly relying on India. Trump not only "welcomed Indian contributions to Afghan stability and security", but recognised the "importance of their respective strategic partnerships with Afghanistan" and agreed to "continue close consultations and cooperation in support of Afghanistan's future". According to The Hindu newspaper, there is also speculation that the US wants India to contribute 15,000 troops to fight in Afghanistan.

Meanwhile, American generals continue to seek a military victory against the Taliban and have asked for 4000 more troops, even though after 15 years of fighting at full strength they have failed in this endeavour. While rejecting Pakistan's advice to pursue a political solution, the American administration, Congress, media and think tanks, have used Pakistan as a scapegoat, blaming Washington's failure on Islamabad's alleged support to the Taliban. To cover up for its own failures, Kabul is happy to shift the blame on to Islamabad. The Indians, who never miss an opportunity to pillory Pakistan, have joined this chorus.

The Indo-US joint statement is consistent with earlier American allegations accusing Pakistan of supporting terrorism against India and Afghanistan, while completely ignoring the burden of terrorism on Pakistan, including the Indo-Afghan support for the TTP and Baloch terrorists. Trump referred to India as a victim of terrorism in his recent speech in Saudi Arabia. During his April visit to Pakistan, National Security Adviser McMaster asked Pakistan "not to use proxies that engage in violence". In their Congressional testimonies in May, Director for National Intelligence Coates, and Defence Intelligence Agency

Stewart repeated allegations about “Pakistan-based terrorists”. Most venomous of all has been Lisa Curtis, NSC Director for South and Central Asia. In December 2014, she wrote that “Pakistan continues to support terrorist proxies in the region under the protection of its nuclear umbrella in order to keep both Afghanistan and India off balance”. Recently, she co-authored a report recommending sanctions on Islamabad if it did not end its alleged sponsorship of terrorism.

However, such allegations will not change ground realities. In Afghanistan, the US squandered the opportunity to win hearts and minds by exclusive reliance on use of force and patronage of corrupt, inefficient and duplicitous Afghan leaders which has enabled the Taliban to regroup and recapture almost 50% of Afghan territory. Meanwhile, the rampant proliferation of drugs, weapons and terrorist groups are all contributing to the anarchy in Afghanistan.

In India, the Modi government’s Hindu extremist policies of persecuting Muslims and other minorities while brutally repressing the freedom struggle in occupied Kashmir are the real causes for mayhem, rather than Pakistan’s supposed support for terrorism. Instead of restraining India, the US is actually aiding and abetting Indian aggression and military build-up. This will inevitably breed regional instability.

Pakistan needs to adjust to this challenging environment. A stronger strategic partnership with China is crucial to jointly respond to the Indo-US threat to our shared security interests. CPEC provides an opportunity not just for economic gain but for strategic leverage. Given the growing convergence of interests between Pakistan and Russia, such as over CPEC and Afghanistan, we should also further expand our relations with Moscow. With such rebalancing, Pakistan would acquire greater flexibility in its relations with the US.

While avoiding confrontation with the Americans, we should become more opportunistic and transactional, just as they are with us. The US still needs Pakistan’s cooperation in counter-terrorism and in Afghanistan for which there must be a quid pro quo. This should not only involve adequate compensation for use of our infrastructure but active US commitment to end Indo-Afghan sponsored terrorism against Pakistan. We should also be clear that while we remain ready to facilitate a political solution in Afghanistan, we cannot be party to any elusive military option as this would undermine Pakistan’s long-term regional interests. Most importantly, we should continue with our efforts to ensure strategic stability in South Asia by maintaining credible deterrence against India.

While the Indo-US partnership against China will continue, Washington cannot ignore Pakistan’s strategic value for its interests in South, Central and West Asia. Not only does Pakistan occupy a pivotal regional location but it is also a nuclear weapon state with one of the strongest armed forces in this neighbourhood that is successfully tackling terrorism

while holding hostile Indian and Afghan forces at bay. It is, therefore, a critical factor for security and stability in this vast but volatile region. We should use these assets to our advantage.

Published in The Express Tribune, July 4th, 2017.

Source: <https://tribune.com.pk/story/1449505/trump-south-asia/>

Growing Indo-Israel Nexus | Editorial

INDIAN Prime Minister Narendra Modi recently paid a three day visit to Israel– the first by any Indian PM to the Jewish State. Whilst signing a number of agreements, the two sides while making references to terrorism agreed to combat the menace together – something that sounds odd and weird as the two countries themselves have been perpetrating an unbridled reign of terror against Muslim population for the past many decades with complete immunity. It also appears the two anti-Muslim countries have been given a full license by the world community to kill Muslims as they like.

Whilst we do not see any let up in the Indian and Israel atrocities against Kashmiris and Palestinians, we understand the growing relations between the two countries carry serious implications not only for strategic stability in South Asia but also the Arab world. We say so given the greater similarities that are between Hindu nationalism and Jewish nationalism. Israel has long been a major supplier of arms and other defence equipment to India and those deals in the past were deliberately kept secret by the two sides. However, they are now more open and publicly talking about their deepening defence cooperation worth billions of dollars. Pakistan and its people will be rightly concerned over the Indo-Israel nexus as there is a general perception based on facts that both the countries as well some other forces are involved in stoking anarchy in our motherland, we hope that the Arab world would also see the writing on the wall before courting closely with India which it has only been trying to isolate Pakistan. Situation warrants that Muslim countries shun their differences, sit together and frame a clear-cut policy that forges greater unity in their ranks as it is the only panacea to confront the anti-Islam forces. Failure to do so would mean the Muslims including the Kashmiris, Palestinians and elsewhere will continue to be hounded by the occupying forces on the pretext of terrorism.

Source: <http://pakobserver.net/growing-indo-israel-nexus/>

Where to Go From Here By Richard N. Haass

Rebooting American Foreign Policy

Every new U.S. administration takes several months to staff itself properly, master new and often unfamiliar responsibilities, and develop a comprehensive strategy for American foreign policy. The Trump administration's start has been especially rocky. But the administration has already executed a noticeable course shift on foreign policy and international affairs, exchanging some of its early outsider rhetoric and personnel for more conventional choices. If it can continue to elaborate and professionalize its new approach, it could achieve a number of successes. But for that to happen, the administration will have to act with considerably greater discipline and work to frame its policies toward regional and global issues as part of a coherent, strategic approach to international relations that benefits the United States, its allies and partners, and the world at large.

THE CHALLENGE IN ASIA

President Donald Trump has properly concluded that the greatest threat to U.S. national security is North Korea's accelerating nuclear and missile programs, which may give Pyongyang the ability to launch nuclear-tipped missiles at the continental United States in a matter of months or at most years. The president also seems to have concluded, correctly, that several decades of U.S. policy, mostly consisting of sanctions and on-again, off-again negotiations aimed at ridding North Korea of nuclear weapons, have failed. The challenge now is to choose among the three plausible alternative options for moving forward: acceptance, military intervention, or more creative diplomacy. A fourth possibility, that of regime change, does not qualify as a serious option, since it is impossible to assess its chances or consequences.

In theory, the United States and other powers could accept a North Korean nuclear capability and rely on deterrence to lower the risk of an attack and missile defenses to reduce the damage should one occur. The problem is that deterrence and defenses might not work perfectly—so the acceptance option means living with a perpetual risk of catastrophe. Moreover, even if Pyongyang were deterred from using the weapons it developed, it would still be able to transfer them to other actors for the right price. And even if its nuclear capability were never used or transferred, acquiescence to North Korea's continued possession of nuclear weapons would further dilute the nonproliferation regime and conceivably lead Japan and South Korea to rethink their nonnuclear postures.

Military intervention could be either preventive (moving deliberately to destroy a gathering threat) or preemptive (moving quickly to head off an immediate one). The problem here

is that any such strike would be a huge leap into the unknown with possibly devastating consequences. Officials could not know in advance just what a military operation would accomplish and how the North Koreans would react. Given Pyongyang's ability to destroy large parts of Seoul using conventional, nonnuclear forces, the South Korean government is understandably leery of the intervention option, and so any moves along these lines would need to be planned and coordinated with extreme care.

The unattractiveness of both acceptance and intervention is what keeps bringing policymakers back to the third option, trying to cap and reverse the North Korean nuclear threat through negotiations. But as decades of failed efforts have proved, diplomacy is no panacea. So the challenge on this front is not just getting back to the table but also figuring out how to make rapid progress once there. This could be done by breaking the issue's resolution into two stages, with an interim deal that would freeze Pyongyang's nuclear and missile programs, followed by longer-term efforts to reduce and eliminate the programs entirely.

The interim deal could best be executed as a bilateral agreement between the United States and North Korea, with other governments kept involved and informed through consultations. The negotiations should have a deadline for reaching agreement, to ensure that Pyongyang doesn't use the talks simply to buy time for further progress on its weapons programs. The North would have to agree to pause its testing of warheads and missiles while the negotiations continued, and the United States and South Korea would have to agree not to strike North Korea during the same period. In exchange for accepting a comprehensive, open-ended freeze on its nuclear and missile programs, intrusive inspections designed to ensure that the freeze was being honored, and a ban on any transfers of nuclear materials or missile technology to third parties, North Korea would get some sanctions relief and an agreement formally ending the Korean War, a form of de facto recognition. Follow-on talks would deal with denuclearization and other concerns (such as human rights) in exchange for an end to the sanctions and the normalization of ties.

An interim agreement would not solve the North Korean nuclear problem, but it would keep it from getting any worse and lower the risks of war and instability—as positive a result as one could imagine in the current circumstances. Since Chinese pressure on North Korea would be essential to achieve such a deal, this option would build logically on the administration's early investment in good relations with its counterpart in Beijing. And even if diplomacy failed again, at least the United States would have demonstrated that it tried negotiations before turning to one of the other, more controversial options.

Over time, "America First" will lead others to put themselves first.

As for the U.S. relationship with China itself, the administration's primary goal should be to emphasize cooperation over North Korea, the most urgent item on the national security agenda. The two countries' economic integration gives both Washington and Beijing a stake in keeping relations on course. China's leaders are likely to focus for the foreseeable future on domestic concerns more than foreign policy ones, and the United States should let them do so. That means leaving in place long-standing U.S. policies on bilateral issues such as Taiwan, trade, arms sales, and the South China Sea; the Trump administration should avoid adopting positions on these issues that could either trigger a distracting crisis or compromise U.S. interests. The result would be a "North Korea first," but not a "North Korea only," U.S. policy toward China.

Regarding the Asia-Pacific more generally, the administration should reassure U.S. allies about the United States' continued commitment to the region—something that has been called into question by Trump's abrupt withdrawal from the Trans-Pacific Partnership and by various statements from the president and other administration officials. It would have made more sense for Washington to work with the other signatories to amend the TPP (as it appears to be doing in regard to the North American Free Trade Agreement) and join the modified pact. This remains an option, although it may be difficult to achieve. Failing that, the administration could attempt to work out an understanding with Congress that would allow the United States to join the TPP but commit the country to certain courses of punitive action in specific circumstances (currency manipulation, intellectual property theft, large government subsidies, and so on), similar to what was done when it came to U.S.-Soviet arms control agreements. The understanding would be codified and voted on at the same time as the trade agreement itself, as a binding package, to reassure the agreement's critics.

FRIENDS AND FOES

In Europe, Washington should pursue stability. The EU is imperfect in many ways, but it remains a source of peace and prosperity on the continent. Its continued erosion or breakup would represent a major setback not just for crucial U.S. allies but also for the United States itself, both strategically and materially. The EU's next few years will already be tense thanks to the negotiations over Brexit and possible crises in Italy and elsewhere. The United States has little leverage to bring to bear on the continent's immediate future, but at the very least, Washington should voice its support for the EU and stop signaling its sympathy for its opponents.

Russia has been aggressively supporting just such anti-EU forces in order to weaken and divide what it sees as a hostile foreign actor, and Russia's interference in Western elections needs to be thoroughly investigated and aggressively countered. Washington's challenge will be figuring out how to support Europe and NATO and check Russia's political skullduggery while remaining open to cooperation with Moscow on making at

least parts of Syria safe for residents, on counterterrorism, and on other issues of mutual concern. The administration has made its point that NATO members ought to spend more on defense; going forward, it would be more useful to discuss how to get more defensive bang for the bucks being spent. And although there is no case for bringing Ukraine into NATO, there is one for doing more to support its self-defense. Consistent with this, the sanctions against Russia levied over its actions in Ukraine should continue until those actions stop or, in the case of Crimea, are reversed.

In the Middle East, the Trump administration helped itself significantly with its quick, limited air strike in April in response to the Syrian government's use of chemical weapons. The strike reinforced the international norm against the use of weapons of mass destruction and sent a reassuring signal to local partners, who, during the Obama years, had become increasingly worried about Washington's willingness to back up its threats with actions. The challenge now is to embed such actions in a broader strategy toward the Syrian conflict and the Middle East at large.

However desirable a change of regime in Syria may be, it is unlikely to come from within anytime soon, and it would be incredibly difficult and costly to accomplish from without. Nor is the United States well positioned to ensure that a successor regime will be more desirable. For the foreseeable future, therefore, Washington should concentrate its attention on attacking the Islamic State, or ISIS, and weakening the group's hold on territory in Iraq and Syria. The Iraqi army is capable enough to control liberated areas in Iraq, but there is no counterpart to it yet in Syria, so getting such a force ready, drawn primarily from local Sunni groups, should be a priority.

Turkey is a U.S. ally, but it can no longer be considered a true partner. Under Recep Tayyip Erdogan's increasingly authoritarian rule, the chief goal of Turkish foreign policy seems to be the suppression of Kurdish nationalism, even at the price of undermining the anti-ISIS effort. Washington correctly chose to increase its armed support for Syrian Kurds fighting ISIS—and because this will cause friction with Ankara, it should reduce U.S. dependence on access to Turkish military bases for these and other operations.

The Iran nuclear deal is imperfect, but the administration has been right not to tear it up and start over. Doing so would leave Washington isolated and Tehran unconstrained. What the United States should do instead is insist on full compliance with the agreement's terms, counter Iran's regional push for influence where it can, and prepare for how to constrain Iran's nuclear might after the deal expires. At the same time, Washington should resist being drawn in too deeply on the side of Saudi Arabia and the United Arab Emirates in Yemen. The conflict there is fast becoming a military disaster and a humanitarian tragedy, and the fact that the rebels are backed by Iran is insufficient justification for getting trapped in a quagmire.

The struggle against terrorism will be long, difficult, and never fully successful. The Trump administration has said various things about its intentions regarding what used to be called “the Middle East peace process.” The unfortunate fact is that neither the Israelis nor the Palestinians appear ready to move forward; the most Washington can achieve right now may be to keep the situation from deteriorating further (which is actually very important, because in the Middle East, things can always get worse). There is no reason to believe that the situation is ripe for resolution or ambitious diplomatic efforts. The administration should concentrate instead on reducing the odds of violence around Jerusalem’s holy sites (something that argues against moving the U.S. embassy to Jerusalem), strengthening the hand of Palestinian moderates, limiting settlement activity, and exploring unilateral but coordinated arrangements that would improve on the status quo and set the stage for more ambitious diplomacy should the parties decide they are prepared to make meaningful compromises for peace.

The Middle East is not the place to look for quick or easy victories. The struggle against terrorism, jihadist and otherwise, will inevitably be long, difficult, and never fully successful. Terrorism cannot be eliminated, only combated, and such an effort will continue to require a mix of intelligence sharing and cooperation with friendly governments, persistent pressure on terrorist financing and recruitment, and occasional military action. The number of U.S. forces deployed in Iraq, Syria, and the region more generally will likely need to be maintained or selectively increased.

A TIME TO LEAD

Back during the George W. Bush administration, in trying to articulate what the United States really wanted from China, Robert Zoellick, the deputy secretary of state, framed the question as one of whether Beijing was prepared to act as “a responsible stakeholder” in the international system. The concept is a useful one and applies now to the United States, the founder and dominant power within that system. So what constitutes responsible behavior for Washington in the world at large at this juncture?

One element is giving appropriate attention to both interests and ideals. The Trump administration has shown a clear preference for not involving the United States in the internal affairs of other countries. Such realism is often warranted, given Washington’s multiple priorities and limited leverage in such matters. But there is a danger in taking this approach too far, since prudent nonintervention can all too easily shade into active support for deeply problematic regimes. Careless relationships with “friendly tyrants,” as such rulers used to be called, have burned the United States often in the past, and so it is worrying to see Washington take what look like the first steps down such a path again with Egypt, the Philippines, and Turkey. Friends need to speak candidly to friends about the errors they may be making. Such communications should normally take place privately and without sanction. But they do need to occur, lest the United States tarnish

its reputation, encourage even worse behavior, and set back efforts to promote more open societies and stability around the world. The president should also understand that what he says about U.S. institutions, including the media, the judiciary, and Congress, is listened to closely around the world and has the potential to reduce respect for the United States while encouraging leaders elsewhere to weaken the checks and balances on their rule.

Another element of responsible behavior is continued support for international aid and development, which is a cost-effective way to promote American values and interests simultaneously. In recent memory, for example, Colombia was racked by civil war and served as a major source of drugs coming into the United States. Since then, the provision of hundreds of millions of dollars in U.S. aid has helped stabilize the country and secure a delicate peace—saving countless lives and dollars as a result. Similar stories play out when Washington helps foreign partners address terrorism, piracy, drug trafficking, poverty, deforestation, and epidemic disease. When it gives aid wisely and conditionally, the United States is not a soft touch but a smart investor.

The administration would do well to tone down some of its rhetoric on trade. Technological innovation has been a much more important source of domestic job losses than trade or offshoring, and embracing protectionism will only encourage others to do the same, in the process killing off more jobs. What is needed is a full-fledged national initiative to increase economic security, consisting of educational and training programs, temporary wage support for displaced workers, the repatriation of corporate profits to encourage investment at home, and infrastructure spending. The last, in particular, is a multipurpose tool that could at once create jobs, increase competitiveness, and build the country's resilience against natural disasters and terrorism.

Something similar holds for immigration, which should be treated as a practical more than a political issue. However the American body politic ultimately decides to handle legal and illegal immigration policy, the danger to the country supposedly posed by immigrants and refugees has been exaggerated and is not a major national security threat. The administration should cease gratuitously insulting its southern neighbor (and promoting anti-Americanism there) by insisting that Mexico pay for a border wall. And singling out individuals from Muslim countries for special scrutiny and differential treatment risks radicalizing significant numbers of their coreligionists at home and abroad.

The administration (and Congress) needs to be careful not to set the country on a path of rapidly increasing debt. The danger is that a combination of steep corporate and individual tax cuts, higher levels of defense spending and higher interest rates, and no reform of entitlements will do just that. Financing the debt will come to crowd out other useful forms of spending and investment (reducing American competitiveness) and leave the United

States more vulnerable to market forces and the politically motivated decisions of governments that are large holders and purchasers of U.S. Treasuries.

Russia's interference in Western elections needs to be thoroughly investigated and aggressively countered.

One last policy matter involves the climate. The intensity of the opposition in some quarters to the 2015 Paris accord and to acceptance of climate change as the result of human activity is something of a mystery. The agreement is a model of creative multilateralism, one totally consistent with sovereignty; the administration would be wise to embrace it. The targets set for U.S. greenhouse gas emissions are goals the United States set for itself; as a result, the government retains the right to change them, when and how it sees fit. The good news is that the availability of new technologies, state and local regulations, and the requirements for access to many global markets will likely mean that the United States can meet its Paris goals without sacrificing economic growth.

As for personnel and process, the administration hurt itself at first by underestimating the complexity of running the government and taking a petulant and idiosyncratic approach to appointments. As a result, most senior national security and foreign policy staff positions are being filled on a temporary basis by civil servants or have been left open entirely, hamstringing effective government operations. Any thoughts of a major bureaucratic restructuring should be postponed until the administration is filled with the requisite number of qualified officials.

Trump clearly prefers an informal decision-making process, with various voices included and many points of entry, and presidents get their way. But such an approach has downsides as well as upsides, and if the administration wants to avoid the dangers that come with excessive improvisation, it needs to ensure that the formal National Security Council policy process dominates the informal one—and that significant informal deliberations are ultimately integrated into the formal process rather than carried on separately.

The president also clearly prefers to be unpredictable. This can make sense as a tactic, but not as a strategy. Keeping foes off balance can be useful, but keeping friends and allies off balance is less so—especially friends and allies that have put their security in American hands for generations. The less steady they judge those hands to be, the more they may decide to look out for themselves, ignoring Washington's requests and considering side deals to protect their interests. Frequent policy reversals, even those that are welcome, come at a substantial cost to the United States' credibility and to its reputation for reliability.

Down that route lies the unraveling of the postwar order that the United States has worked so hard to create and maintain. It is important not to forget that the United States has

been remarkably well served by this order. Where things have gone the most wrong—in Korea, when U.S. forces marched north of the 38th parallel in what would become a costly and unsuccessful effort to reunify the peninsula by force, in Vietnam, in Iraq—it was because of overreach by U.S. policymakers rather than a requirement to act on behalf of the order.

But that order is now in decline. Many of its components need to be modernized or supplemented, and new rules and arrangements are needed to deal with the various challenges of globalization. But the international project should be a renovation, not a teardown. New challenges may have arisen, but the old challenges have not gone away, so the old solutions to them are still necessary even if they are no longer sufficient. The strategic focus for U.S. foreign policy should be preservation and adaptation, not disruption, so that the United States and those willing to work with it can better contend with the regional and, even more, the global challenges that increasingly define this era.

The EU is imperfect in many ways, but it remains a source of peace and prosperity on the continent.

In that regard, the president's campaign slogan of "America First" was and is unfortunate, because it appears to signal a narrower U.S. foreign policy, one lacking in a larger purpose or vision. It has been interpreted abroad as suggesting that friends and allies now come second, at best. Over time, "America First" will lead others to put themselves first, which in turn will make them less likely to take into account (much less give priority to) American interests and preferences.

The slogan also unfortunately reinforces the mistaken notion that there is a sharp tradeoff between money and effort spent on international affairs and those spent on domestic concerns. In a global world, Americans will inevitably be affected by what happens beyond their country's borders. The United States needs both guns and butter, and national security is determined by how well a country meets its external and internal challenges alike. The good news is that the United States, which now spends only half the percentage of its wealth on defense that it did during the Cold War, can afford both.

If the administration does decide to retain the phrase, it should at least recognize its shortcomings and counteract them. This means finding ways to make clear that although the United States does follow its own interests, it does not do so at its friends' and partners' expense. American patriotism can be defined and operationalized in ways compatible with responsible global leadership. And figuring out how to do that from here on in is the Trump administration's central challenge.

Source: <https://www.foreignaffairs.com/articles/united-states/2017-06-11/where-go-here>

Under Trump, U.S.-Russian Relations Hit New Low By Jenna McLaughlin & Emily Tamkin

President Donald Trump came into office with hopes of establishing a “fantastic relationship” with Russia, praising his counterpart in Moscow as “very smart.” Instead, after almost six months in office, his administration is mired in a growing investigation into its possible collusion with the Kremlin during the 2016 presidential election, and, ironically, U.S.-Russia relations are at an all-time low.

Now, just a day before Trump’s first in-person meeting with President Vladimir Putin at the G-20 summit in Germany, U.S. officials are keeping their distance. “There are people frozen in fear they’re going to be tarred by the ‘Red Scare,’” said Rolf Mowatt-Larssen, the former head of intelligence and counterintelligence at the U.S. Department of Energy.

Mowatt-Larssen, now the director of the intelligence and defense project at the Harvard Kennedy School’s Belfer Center, spent more than two decades working for the CIA, including in the Soviet Union during the Cold War. He argues that reporters, lawmakers, military personnel, and intelligence professionals are afraid of inadvertently appearing too “pro-Russia” simply by mentioning small areas of possible coordination. “We’re making excuses for ourselves,” he said during a phone interview.

For Russia hawks and isolationists alike, Trump’s interactions with Russia have been disappointing. “One of the casualties is the opportunity to develop constructive relationships with Russia in areas where we need a constructive relationship, like nuclear matters,” former Defense Secretary William Perry told journalists at a recent dinner in Washington, D.C., sponsored by the Hoover Institution. “Nobody dares talk with Russia today even with good reasons.”

Added to those troubles is the Trump administration has, since the early days of the transition, made almost no effort to engage with the Russia experts on the National Security Council (NSC) — or “at least take them seriously,” according to one source informed on the internal meetings. Efforts to coordinate informal policy conversations with different government agencies on very basic positions toward Russia fell on deaf ears, never reaching the level of even a principals committee meeting, the source said.

Trump political advisors on at least two occasions tried to push for rolling back sanctions on the Kremlin in an effort to “work with Russia,” blind to the policy implications and the public relations nightmare it would cause — though those proposals never made it past informal discussions, according to the source and reporting by the Daily Beast.

Now, that source says, the only people trying to make decisions on Russia are at the top levels of the State and Defense departments — ignoring both their staffs and the entire NSC along the way.

The NSC staff aren't the only ones without a compass. One former CIA official told Foreign Policy that colleagues still working in the agency are floundering, unsure of what policy is in place when it comes to Russia. "Nobody really knows what foreign policy they're supposed to be following ... because there isn't one," the former official said.

The Trump administration has recently started speaking with Russian policy experts outside of the White House, including at the Center for a New American Security, though it's unclear what influence that will have. "While we can't go into the specifics of private conversations, our experts have had discussions on Russia issues with the NSC, Department of Defense, and Department of the Treasury," a CNAS spokesman wrote.

The tension between Russia and the United States certainly didn't start under Trump. Under former President Barack Obama, the two countries in 2009 agreed on a "reset" in relations but found little common ground. Instead, Syria and President Bashar al-Assad became major points of contention. Then, in 2014, Russia invaded and annexed the Crimean Peninsula in Ukraine, followed in 2016 by a massive campaign to meddle in the U.S. presidential election. Obama continued to reach for economic sanctions in response — a decision many Republicans described as inadequate.

While President Obama's responses to Putin's misbehavior attracted criticism, there was at least an interagency process in place, led by the NSC. "In 2014 the administration realized that our relationship with Russia was fundamentally adversarial," Jeffrey Edmonds, the former acting senior director for Russia during the transition at the NSC, wrote in an email to FP.

The obvious consequences of failing to talk to Russia on issues like nuclear weapons, Syria, and counterterrorism is provoking an unintentional war. "The situation isn't good.... We should be working things out," Mowatt-Larssen said.

Some areas of U.S.-Russia cooperation continue, however. On June 20, the Russian Cultural Center — part of the Russian Embassy in D.C. — hosted an event honoring research being jointly done by Moscow and Washington on U.S. and Russian military personnel who went missing during World War II. At least one person from the Pentagon was in attendance.

The Arctic and space exploration also still offer common ground. "Despite all the kind of overdrawn and very nervous press articles that appear about resource wars and shipping wars and militarization of the Arctic — in fact, the Arctic is a pretty peaceful place today,"

Kenneth Yalowitz, a former U.S. ambassador to Belarus and Georgia who is now with the Wilson Center's Polar Initiative, told FP.

The United States has also "continued without any complications in our cooperation with Russians on the international space station," Todd Harrison of the Center for Strategic and International Studies told FP. The Russians rely on the United States for operations and control, while the Americans rely on Russia for passage to and from the space station.

Mowatt-Larssen told FP that the relationship between intelligence agencies might be fertile ground for rebuilding some sort of connection, however tenuous. While he couldn't go into detail, he said there is now preliminary work underway to try to improve relations between the two nations' intelligence agencies, at least on a limited basis.

It's not the first time. Last July, the United States and Russia announced a tentative plan for a joint command center for military and intelligence professionals to cooperate on Syria. It's a "traditionally very productive area," Mowatt-Larssen said. "It sounds difficult because of the tension, but they are practical parties, action-oriented."

Even those small areas of cooperation, however, could be threatened if the United States levies stricter sanctions, a position that has received broad support from Congress.

Edmonds, now at CNA, a nonprofit research organization, said the NSC team spent a year working on an interagency process to determine how to respond to Russia, given its aggressive behavior. "We questioned assumptions, derived Russia-related end states from the National Security Strategy, and developed a strategic framework through which principals could work out a national strategy on Russia," he said.

But now the investigation into the Trump team's connections to Moscow has overshadowed the policy issues, making any new strategy, or even normal contact with Russian government officials, suspect.

"There are things that are in our common interest," Mowatt-Larssen told FP in an interview. There are opportunities for cooperation in areas "like nuclear terrorism, terrorism in general, international disorder caused by climate change, regional conflicts that grow because of water scarcity, infectious disease," he said.

Yet cooperation on those high-level issues is precisely what's lacking, and Perry, the former defense secretary, warned that the United States is slipping into conditions "worse than the Cold War."

"I had thought up until a few months ago there may be a silver lining in what I considered the dark cloud of the Trump presidency: that we might actually have the opportunity to start talking constructively with Russia again," he said. "That's gone. For I don't know how long, but a long time I think."

Source: <http://foreignpolicy.com/2017/07/06/under-trump-u-s-russian-relations-hit-new-low/>

The Brexit Vote, One Year Later By Stephen G. Gross

The Historical Roots of the Decision to Leave the EU

On June 23, 2016, citizens in the United Kingdom voted 52 to 48 percent to leave the European Union, sending shockwaves around the world and raising concerns about a new type of populism on both sides of the Atlantic. The common explanation of Brexit presents it as a revolt by the losers of globalization. As the international movement of goods, capital, ideas, and people has intensified, this argument runs, the latter shaped the referendum results most profoundly. The intra-European flow of migrants from east to west, combined with the potential for an influx of refugees in 2015, convinced many British citizens that they stood on the losing end of a globalized, borderless Europe.

Although this story captures important dynamics, it misses crucial historical developments that influenced British leaders' decision to hold the referendum, as well as its outcome. Four trends converged to lead the United Kingdom to split with the EU: a divergence between the United Kingdom and the continent about the meaning of the European project and the nature of sovereignty; a gradual estrangement of British political parties from the public; the aftermath of the 2008 financial crisis; and Brussels' lackluster management of the EU's problems. These developments help explain why the message of Leave resonated and that of Remain proved counterproductive. They reveal, moreover, just how fragile and elite-driven the European project remains.

SOVEREIGNTY AND THE MEANING OF EUROPE

The first trend—the growing distance between the United Kingdom and other European states over integration and sovereignty—dates to the start of European integration in the 1950s. On the continent, the European project's founding fathers saw integration as a way to overcome the destructive legacies of World War II by reimagining national sovereignty. The Nazis' brutal conquest of France, the Low Countries, and Italy, together with the U.S. and Soviet occupations that followed, deconstructed the states of Western Europe. Across the continent, the Third Reich's racial policies had unleashed a kind of civil war, as the Nazis forced local populations to take sides; later, the Allied liberation of Europe led to violent reprisals by resisters against collaborators.

The continent's experience of war delegitimized not only the state but also the nation. So in the peace that followed, Western Europeans strove to rehabilitate their discredited nation-states through a federation, a political unit that has since represented the goal if not the actual course of European integration. "There will be no peace in Europe if the

States rebuild themselves on the basis of national sovereignty,” the French statesman Jean Monnet argued in 1943. “The States of Europe must therefore form a federation or a European entity.”

The United Kingdom, by contrast, experienced bombing but not occupation and civil war, and thus emerged from the conflict more confident in the legitimacy of its nation-state, particularly after the development of its social welfare programs. A federation that superseded national sovereignty was not for London. In 1946, when Winston Churchill famously called for a United States of Europe, he was referring not to the citizens of the United Kingdom but to those on the continent.

When the United Kingdom joined the European Economic Community in 1973, it did so to rehabilitate its own ailing economy, not to prevent war or forge a federation. In a time of decolonization, stagflation, and distress over the country’s balance of payments, the EEC seemed to offer economic refuge. For Edward Heath, the Conservative prime minister who led the United Kingdom into the EEC, what counted was “the effect upon the standard of living of the individual citizen.” Notably, the Conservatives downplayed the issue of sovereignty: their message to the public was about not what would change but what would stay the same. There would be “no question of any erosion of essential national sovereignty,” Heath said. Yet politically speaking, much would change, and indeed much already had: in 1963, the European Court of Justice had noted that the Treaty of Rome created a new legal order “for whose benefit the States have limited their sovereign rights.” Heath paid that fact no mind, and the campaign to join the EEC (and the 1975 referendum to remain in it) was characterized by vague language about what membership would entail. British euroskeptics could thus claim that their opponents obfuscated the real political implications of joining Europe.

Indeed, in contrast to their counterparts across the channel, both Conservative and Labour leaders saw Europe as a “business arrangement,” as Labour politician James Callaghan put it. This was most evident under Conservative Prime Minister Margaret Thatcher, who turned the EEC budget from a collective endeavor into a horse-trading scheme in which the United Kingdom tried to extract more than it put in. (The budget negotiations at the 1979 European Council in Dublin, where Thatcher famously said, “What we are asking is for a very large amount of our own money back,” epitomized this tendency.) As the political scientist Andrew Glencross has noted, this utilitarian approach persisted into the twenty-first century and helped frame the debate over Brexit as a question of material benefits rather than political ideals.

PARTY POLITICS AND THE REFERENDUM DECISION

British Prime Minister David Cameron’s 2013 decision to hold a referendum on EU membership, however, was an outcome not of this utilitarianism but of divisions within the

Conservative Party. At the time, the party had fragmented into three camps: euroskeptics, euro-advocates, and a middle group that oscillated between these positions depending on the conditions in Europe. By asking British voters to permanently settle the question of EU membership, Cameron hoped to overcome these tensions.

Yet the divisions within the Conservatives were themselves a product of the second trend—the growing estrangement of the British political elite from their parties' bases. As the political scientists Peter Mair and Henry Farrell have shown, over the last several decades, European political parties have become less connected to the voters, less entrenched in society, more elitist, and more embedded in the state. In the United Kingdom, party membership declined by roughly two-thirds between 1980 and 2010. As parties shrank, their leaders no longer had to listen to their members. Instead, they could appeal to the general population.

As party elites freed themselves from their bases, they also became more similar in outlook. Prime Minister Tony Blair turned Labour into a centrist, neoliberal party; Cameron, after becoming leader of the Conservatives in 2005, said he would take his party in a Blairite direction. This convergence of elite opinion was compounded by the division of most of the country from London, which, as the historian Peter Mandler has noted, houses “an increasingly hereditary caste of politicians,” along with lawyers, journalists, and intellectuals.

The closed political system had major implications for the United Kingdom's place in Europe. Since the 1990s, the EU had changed dramatically as Brussels increased its authority in a range of new areas, from monetary policy to product regulation. Many states put these changes to national referenda, but British leaders refused to do so, instead treating their nation's relationship with Europe as a matter for foreign-policy experts. Before the financial crisis of 2007–8, most of those experts tended to be pro-Europe.

When the financial crisis and the eurocrisis stimulated disenchantment with the EU, British voters thus lacked a political outlet through which to channel their discontent. The result was the surge of the populist United Kingdom Independence Party. In 2010, UKIP took just three percent of the vote, but in local elections in 2013, it won 22 percent, threatening to siphon euroskeptic voters from the Conservatives. It was this populist surge that Cameron hoped to fend off when he began planning for a referendum.

THE CRISES OF EUROPE

Two other trends added fuel to the populist resentment with traditional politics and the United Kingdom's relationship with Europe. First, the financial crisis of 2007–8 widened inequality and further discredited the British political establishment. As the home of the world's leading financial center, the United Kingdom had experienced lopsided economic development before 2007: growth, wealth accumulation, and booming housing prices

concentrated in London, as median wages stagnated in the rest of the country. The country responded to the meltdown with bank bailouts and automatic stabilizers that prevented the implosion of London finance. But these policies generated a large public debt, first under Labour and then in 2010 under the Conservatives. Once the height of the crisis had passed, the Conservatives pushed through strict austerity measures to ensure that London would remain a global financial center. They also used the crisis to implement neoliberal structural reforms. The ensuing cuts to public spending, housing assistance, and social programs fell disproportionately on old industrial areas and the working classes.

As a consequence, while incomes rose in London after 2010, wages in the rest of the country stagnated. In fact, real earnings fell ten percent between 2007 and 2015. This was one of the largest declines for any leading economy in this period—comparable in degree to some countries in Southern Europe. The Great Recession, in other words, left many outside of London dissatisfied and turned inequality into an issue that haunted both parties. Labour was blamed for taking Great Britain into the crisis, and the Conservatives were condemned for the pain of austerity.

Finally, developments within the EU itself fueled euroskepticism. After the Czech Republic, Hungary, Poland, Slovenia, Slovakia, and the Baltic States joined the EU in 2004 and the Schengen border agreement in 2007, their citizens were able to migrate within the bloc, taking advantage of the differences in wages between Eastern and Western Europe. Many came to the United Kingdom, where in 2004 median wages were four times as high as those in Poland. After 2004, net migration to the country jumped to roughly 200,000 a year, a fourfold increase from the late 1990s, and by 2015 the United Kingdom was home to almost 800,000 Poles—more than lived in Krakow. Although several studies suggest that immigration has had little effect on the income of British citizens—in fact, the largest impact seems to be on the wages of previous immigrants—the perception among many British was otherwise.

Even more important, the various problems that the EU has faced since 2010 revealed heavy-handed, ineffective governance in Brussels. The eurocrisis revealed irreconcilable disagreements in the way EU states approach economic issues, exposed Europe's democratic deficit, and may have heralded the end of the long-standing pattern under which crises would prompt deeper EU integration. In the United Kingdom, many saw German Chancellor Angela Merkel's Fiscal Compact of 2012—which seeks to cap states' deficits and debts—as a heavy-handed decision rammed through Brussels with little support. London, in fact, did not sign onto the compact, and its implementation only added fire to euroskepticism. After 2015, the influx of over a million migrants and refugees into the EU revealed even more the massive hurdles preventing Brussels from governing effectively, as vitriolic debates erupted among EU states about providing asylum, policing borders, sharing information, and negotiating with the EU's neighbors.

FRAMING THE VOTE

These four trends shaped last year's Brexit debate, and both the Conservatives and UKIP Leave campaigns exploited them. To be sure, the latter played up the economic threat of immigration and blamed Brussels for what they believed were the economic consequences of open borders. But Leave also tapped into the thorny issue of the consequences of EU membership for British sovereignty, a question that had festered ever since Heath failed to offer clarity on it in 1973. Euroskeptics claimed that British citizens had unwittingly ceded control to technocratic elites in Brussels who were even more disengaged from local concerns than those in London. Notably, only 33 percent of Leave voters said immigration was their main concern; 49 percent said the main reason to leave Europe was that "decisions about the U.K. should be taken in the U.K."

For British euroskeptics, not only sovereignty but also money should stay in the United Kingdom. Here the Leave campaign drew on the long-standing British convention of framing Europe as an economic project. In one of their most publicized arguments, Leave argued that the United Kingdom's contribution to Europe could be spent at home after Brexit, touting an alleged 350 million pounds that would be rerouted from Brussels to the National Health System every week. The Remain campaign rightly condemned the inaccuracy of this claim. But is it surprising that such arguments resonated, given the cuts the United Kingdom has made to public funding since 2010 and the fact that, for the past 40 years, British leaders have portrayed EU membership as an exercise in haggling over budgets and subsidies?

Lastly, UKIP in particular framed the referendum as a way for outsiders to express dissatisfaction with the political insiders of both parties. When Remain tried to rally support through interventions from the business mogul Richard Branson or U.S. President Barack Obama, it backfired. Instead of lending an air of expertise to the Remain campaign, these efforts fueled the belief that the EU and British politics are affairs run by elites for elites.

The referendum, in other words, let voters express resentment about a range of issues and was, in many ways, less about Europe than about the state of British politics. Holding a successful referendum to preserve the status quo is hard to do, and it is even harder when the status quo seems to be a cause of trouble for so many people. As the political scientist Sara Hobolt has illustrated, European referenda rarely have the outcome their architects intended, and Cameron's decision to hold a referendum in the context of a weak economic recovery, rising inequality, a euro crisis, and a refugee crisis was a blunder for the history books.

Yet Cameron himself made the chance of a Remain vote even more unlikely by the way he framed the debate. He intended to use the threat of a referendum to extract

concessions from Brussels, just as Prime Minister Harold Wilson had done in 1975. In the process, Cameron, like UKIP leader Nigel Farage, reinforced the message crafted by Heath and honed by Thatcher: that voters should see the EU not as a political vision to be shared with the continent but as an organization from which to extract rents. From this perspective, why should a country remain in a polity that lacks a unifying ideal, that is portrayed even by its defenders as a utilitarian project, and that at the same time seems to be fraying from the standpoint of economics and governance?

The larger lesson is that elite attitudes toward the EU matter. Ruud Lubbers—a former prime minister of the Netherlands, one of the EU's most europhile members—once said, "If I and others went on television for a few nights, to make a case against the integration of Europe, I think the Dutch people could easily turn round." This is a disturbing thought, yet one to take seriously. For better or worse, integration has historically been driven by elites and not by a European demos. Although such a European public is a prerequisite for the EU's long-term survival, it has not yet materialized: public support for integration still depends on a nation's political leadership. In this sense, Europe remains a delicate project.

In the absence of a European demos, integration can fail when its elite advocates give up or misfire. This is what happened last year in the United Kingdom—and what European leaders must avoid if the EU is to survive long enough to reform itself.

Source: <https://www.foreignaffairs.com/articles/europe/2017-06-23/brexit-vote-one-year-later?cid=int-lea&pgtype=hpg>

Why Globalization Stalled By Fred Hu & Michael Spence

And How to Restart It

For many decades after World War II, a broad range of countries shared a fundamental economic vision. They endorsed an increasingly open system for trade in goods and services, supported by international institutions; allowed capital, corporations, and, to a lesser extent, people to flow freely across borders; and encouraged the rapid spread of data and technology. As trade expanded, global living standards improved dramatically, and hundreds of millions of people escaped from poverty.

Today, every aspect of this globalized economy is under assault. A popular backlash against free trade and unrestricted cross-border movements of capital has picked up momentum. The ideal of freely flowing information has clashed with growing calls for privacy rights, the protection of intellectual property, and increased cybersecurity. Across the developed world, sentiments have turned strongly against immigration, especially as waves of Middle Eastern refugees have flooded Europe. And after several successful rounds of multilateral trade negotiations in the postwar years, new agreements have become much rarer: the World Trade Organization (WTO) has not completed a single full round of successful negotiations since its creation in 1995.

Last June, the United Kingdom voted to leave the EU, sparking the worst political crisis in the union's history. Meanwhile, in the United States, President Donald Trump has vowed to put "America first." In his first week in office, Trump withdrew from the Trans-Pacific Partnership (TPP), the 12-nation free-trade deal orchestrated by Trump's predecessor, and he has pledged to renegotiate the North American Free Trade Agreement, which he has called "the worst trade deal maybe ever signed anywhere, but certainly ever signed in this country." The Transatlantic Trade and Investment Partnership, a deal currently being negotiated by the United States and the EU, also faces an uncertain future, bogged down in strong opposition on both sides of the Atlantic.

As the United States loses interest in nurturing the international order that it played the lead role in building, the future of globalization will depend in large part on China. So far, Beijing appears committed to preserving an open global system. But for now, China will struggle to replace the United States as the sponsor of an open, multilateral order. In an era of rapid and disruptive technological change, politicians and policymakers all over the world will need to push for reforms that can preserve the achievements of globalization—and fix its flaws—before it's too late.

PITCHFORK POLITICS

Over the past seven decades, and especially since the end of the Cold War, globalization has accelerated steadily. For much of this period, most countries accepted the open global trading system. But governments often erected barriers to manage the pace of change. Developing countries, for instance, frequently delayed opening certain sectors of their economies to foreign trade to protect so-called infant industries, and they imposed capital controls to avoid destabilizing their financial systems. Although developed countries generally accepted the costs of the open economic system, they, too, sometimes intervened to reduce the disruption caused by trade. In a largely unsuccessful attempt to help the domestic auto industry, for instance, the Reagan administration imposed restrictions on car imports and pushed Japanese automakers to build plants in the United States.

In the past two decades, however, developed countries have failed to mitigate the negative side effects of international trade and rapid technological change. Western publics have blamed free trade for the decline in manufacturing jobs and for widening income inequality, and anti-trade sentiments in middle America helped catapult Trump into the White House. Among the traditional champions of globalization—the United States, the United Kingdom, and continental Europe—support for economic openness has declined precipitously. In November 2016, a YouGov/Economist poll found that less than half of Americans, Britons, and French believed that globalization was a “force for good.”

Such attitudes are hardly limited to the grass roots; antiglobalists have come to power or have grown closer to achieving it. And they are finding common cause: on the day after the United Kingdom voted for Brexit, Steve Bannon, now Trump’s chief strategist, invited Nigel Farage, then the leader of the UK Independence Party, onto his radio show. “The European Union project has failed,” Farage announced. “It is doomed, I’m pleased to say.” “It’s a great accomplishment,” Bannon said. “Congratulations.” Ahead of France’s recent presidential election, Trump expressed support for the National Front leader Marine Le Pen and her protectionist agenda.

Although Trump’s unorthodox tenure in Washington has dominated headlines, in Europe, too, the globalized economy is facing intense challenges. The United Kingdom, home to Europe’s most important capital market, is about to exit the EU; the terms remain unclear, but there is no question that Brexit represents a victory for antiglobalization, nativism, and nationalism. Meanwhile, much of the rest of Europe is plagued by low growth and high unemployment, factors that, alongside the refugee crisis, have fueled support for populist parties across the continent. Europe is trapped in a failing economic system that has too few adjustment mechanisms. Growth and inflation remain too low to reduce high unemployment and debt levels, and debt restructuring would be almost impossible

without breaking up the eurozone. The euro's exchange rates with other major currencies are too low for Germany and some other countries in the north, driving up their trade surpluses, but too high for those in the south, which remain far less competitive.

In the current political environment, as nationalism rises across the continent, sensible economic reforms, such as increased fiscal integration, are unlikely to gain traction. But the British vote to leave the EU and Trump's election might serve as a wake-up call for European elites, triggering real reform. Nonetheless, with a new and inexperienced president in France and with elections looming in Denmark, Germany, and Italy, Europe will remain preoccupied with its internal political and economic challenges for the foreseeable future.

Brexit represents a victory for antiglobalization, nativism, and nationalism.

Multilateral institutions that have played a key role in the post–World War II order will also struggle to provide global leadership. Institutions such as the International Monetary Fund and the World Bank have had trouble adapting to the rise of the emerging economies: the United States and Europe still dominate them, eroding their credibility and influence among developing countries, especially in Asia. Yet neither the United States under Trump nor the EU, which has been embroiled in a conflict with the IMF over Greece's debt, is likely to invest many resources in these organizations in the coming years. As the multilateral institutions are marginalized, the global economic system will become more vulnerable to local and systemic financial crises.

Meanwhile, the early optimism about the Internet and the free flow of information, another central element of globalization, has faded. The disclosures by the National Security Agency leaker Edward Snowden regarding U.S. surveillance programs, Russia's alleged cyberattacks during the U.S. presidential election, the rise of "fake news," and terrorist organizations' use of digital communications to recruit followers and plan attacks have made clear that information technology can subvert the globalized liberal economic order as well as support it. The Internet faces a much more complicated, regulated, and fragmented future than the one imagined by many in the 1990s. In China, stringent regulations have built a sort of digital Great Wall that partially seals off Chinese Internet users from the rest of the world, and the EU has taken strong positions on privacy, attempting to constrain the practices of some Web-based platforms created by Facebook and Google through legal action. In the next few years, other governments are also likely to restrict the free flow of information, data, and knowledge in the name of security.

WHERE IT ALL WENT WRONG

Many of the global economy's current challenges have their roots in the years around the turn of the millennium. In 1999, the euro was launched, setting the stage for Europe's recent economic woes. Nearly three years later, in December 2001, China joined the

WTO, opening its domestic markets to imports and gaining full access to the global economy. Meanwhile, the economic impact of automation and digital technology began to accelerate.

In the United States, manufacturing jobs had been declining for two decades, but they dropped sharply in the early years of this century: between 2000 and the present, the number of U.S. manufacturing jobs fell by between six million and seven million. As the number of jobs in the so-called tradable sector, which produces goods and services that can be consumed anywhere, barely grew, the nontradable sector absorbed around 25 million new entrants to the job market, in addition to the displaced manufacturing workers. It was a buyer's market for medium- and low-skilled labor, and as a result, wages stagnated.

For many years, automation has been eliminating blue-collar jobs and some lower-paying white-collar jobs. But recent breakthroughs in sensors, machine learning, and artificial intelligence have left even more jobs vulnerable. In almost every developed economy, middle-income jobs are decreasing while lower- and higher-paying jobs are increasing.

Countries have responded in different ways. Some have acted to reduce inequality by redistributing wealth through the tax system, expanding social security programs and other safety nets, and increasing support for education and job training. These efforts have proved successful in countries such as Denmark, Germany, and Sweden, where organized labor wields strong bargaining power, businesses and unions trust each other, individual and corporate wealth have limited influence on politics, and egalitarian cultural norms prevail. In all three of these countries, inequality remains below the average for the Organization for Economic Cooperation and Development, a group of mostly rich countries.

But in countries where these factors are absent—especially the United Kingdom and the United States—disparities of income, wealth, and opportunity have widened dramatically. The absence of a meaningful policy response, and the apparent lack of concern among these countries' elites, has aroused deep anger among those who have lost out in the changes wreaked by globalization and technological progress.

The rejection of the old order was not immediate. For a while, people believed that their economic woes were a temporary result of the global financial crisis of 2008. But over time, they began to suspect that disappearing jobs and stagnant wages had become lasting features of the economic landscape. They turned against the elites they held responsible, including business leaders, academics, and the political establishment. And as they watched powerful economic and technological forces buffet their countries—forces over which policymakers at the national level appeared to exert little control—they sought to regain ownership of their destiny and reassert national sovereignty. This has

played out most dramatically in Europe, where real and perceived erosions of sovereignty, above all concerning immigration, played a major role in the British vote to leave the EU. Even privileged citizens who had thrived in an open global system voted for Brexit, believing that doing so would allow them to take greater control over their lives.

GLOBALIZATION WITH CHINESE CHARACTERISTICS

As the United States and Europe turn inward, much of the responsibility for maintaining a globalized liberal economic order will fall to China. In his address at the World Economic Forum, in Davos, in January, President Xi Jinping reaffirmed China's commitment to globalization. By sponsoring numerous economic initiatives, including the Asian Infrastructure Investment Bank (AIIB), the Belt and Road Initiative, and the New Development Bank (formerly known as the BRICS Development Bank), and by making substantial overseas investments, Beijing has signaled that it intends to support an inclusive, multilateral form of globalization.

As the world's second-largest economy, China will undoubtedly help shape the future of the global economy. But for now, it remains unclear whether China can replace the United States as the primary champion of globalization. China is in the middle of a challenging domestic structural shift, as it transitions from an economy led by exports and investment to one based more on consumption and services, and its economy faces strong headwinds, including excess capacity and high corporate debt. Should the United States withdraw from its leadership role, China would not be able to supply the world economy with a large and accessible market for other countries' exports, deep capital markets, or the kind of strong institutions, such as the Federal Reserve and the IMF, that have allowed Washington to stabilize the global financial system for decades. And China has recently tightened its capital controls in an effort to stem capital flight—backtracking, at least for now, from its attempts to internationalize the renminbi.

The early optimism about the Internet and the free flow of information has faded.

Still, Beijing's support for multilateral structures represents an important step forward. A world based on bilateral relationships might work for the most powerful countries, but multilateralism has built a big tent in which the smaller, poorer countries can participate and prosper. They will suffer if they have to fend for themselves. China's embrace of multilateralism has already enhanced its stature among countries with smaller economies. Despite strong opposition from Washington, 57 countries joined the Chinese-led AIIB, many of them long-standing U.S. allies, such as Australia, France, Germany, Israel, Saudi Arabia, South Korea, and the United Kingdom. In the first quarter of 2017, another 13 countries agreed to join, including Afghanistan, Belgium, Canada, Hungary, Ireland, and Peru.

But if Washington retreats into bilateralism and Beijing wants to fill the void, the Chinese economy must keep growing and other emerging economies must increase their access to the Chinese market. Among the members of the aborted TPP, the vast majority, including Australia, Japan, and South Korea, already depend on exports to China, by far their largest trading partner, as do emerging economies all over the world. But if the United States turns toward protectionism, the \$12 trillion Chinese economy is still not large enough to support global growth alone.

The new U.S. administration has blamed trade deals for manufacturing job losses and trade deficits and has threatened to impose sanctions on some of the United States' top trading partners, such as China, Germany, Japan, and Mexico. In the short run, the U.S. government may introduce targeted hikes in tariffs on, for instance, steel imports, as well as aggressive antidumping penalties and broader trade restrictions justified by the alleged currency manipulations of China, Germany, and Japan. The Trump administration may also try to browbeat companies, urging them to set up factories in the United States. So far, aside from tearing up the hard-won TPP agreement and sharply criticizing trade deals and trading partners alike, Trump has refrained from launching more aggressive actions. But if his domestic agenda runs aground, a frustrated Trump administration could turn toward more strongly protectionist policies and, in the worst-case outcome, ignite full-scale trade wars with other countries.

But there is a more optimistic scenario. Tax reform, public investment in infrastructure, and deregulation—all goals of the new administration—could stimulate private investment and boost U.S. growth and, with it, global growth. But to achieve this outcome, Trump must avoid becoming bogged down in unnecessary and divisive fights with the media and the courts and must firm up congressional support in his own party. In the meantime, policymakers and businesses in other countries should hope for the best but prepare for the worst.

THE AGE OF AUTOMATION

For all the focus on globalization, in the long run, the most important force shaping the labor market and income inequality will be not trade or politics but technological change. Automation has already transformed the economies of the developed world and the nature of employment there, and almost all experts believe that the scope for expanding automation is enormous. As costs fall and the pace of innovation accelerates, the impact of automation will spread to middle-income countries and, eventually, to lower-income ones, as well.

As capital-intensive technology replaces labor-intensive manufacturing, early stage developing countries across Africa and Southeast Asia will cease to enjoy the comparative advantage offered by lower wages and production costs. Overall trade in

goods will probably decline as the price of labor no longer determines where goods are produced, allowing production to move closer to consumers and cutting the costs of transportation and logistics.

Of course, no one knows with certainty how quickly such changes will occur, and every country should invest in education, technology, and infrastructure so that it can anticipate them better. For now, trade will continue to play a crucial role in allowing developing economies to grow rapidly. Although trade in physical goods may decline, trade in services will probably rise, as more and more services can be carried out remotely. As a result, developing countries should seek to grow their service sectors, especially in the tradable sector. They should also invest in innovation hubs, which can help replace lost manufacturing jobs.

As developing countries advance into middle-income status, they can no longer offer cheap labor. Such places should follow China's lead by investing heavily in the high-tech sector. Doing so has helped China transition away from traditional manufacturing and leapfrog over some of its competitors in a number of promising new industries, such as robotics, renewable energy, mobile messaging, and e-commerce.

As the history of technological change has demonstrated, technology displaces only specific kinds of jobs; it does not displace labor, at least not in the longer term. But in the short term, automation renders certain kinds of human capital redundant. This can cause difficult and sometimes lengthy transitions, both for individuals and for whole economies. In the end, however, machines raise human productivity and increase incomes and prosperity. As the economists Erik Brynjolfsson and Andrew McAfee have explained, economies shift from creating jobs for which machines are substitutes to creating those for which they are complements.

Smart investment in job training can accelerate and ease these transitions. Policymakers should learn from the Nordic countries, where governments have combined training programs with various forms of income support and redistribution. Governments should not offer training only to the unemployed. Displaced middle-income workers, who often end up in lower-paying service jobs, can benefit from retraining that will help them compete for higher-wage work.

SAVING GLOBALIZATION

Predictions that the era of globalization will soon end are too pessimistic. To be sure, the rapid expansion of trade, rising cross-border capital flows, and, above all, the spread of new technologies have transformed the global economy. They have created difficult challenges, and countries will continue to struggle to increase growth and productivity, while reducing inequality and creating good jobs. But there are also enormous

opportunities. Turning back the clock to restore the old frameworks is impossible. The challenge is to build new ones that work.

Waving the banner of protectionism and nationalism may attract popular support, at least temporarily. But history has shown that, ultimately, it may well threaten global peace and prosperity. The United States, China, and the world at large would be far better off if they could find a path to a more sustainable globalization, reforming the existing global order rather than tearing it down completely.

Source:<https://www.foreignaffairs.com/articles/world/2017-06-13/why-globalization-stalled>

Trump in Europe — Again | Editorial

Nobody on the Trump election team would have said that foreign policy was his strongest suit. He is the least well-read president for decades and has all the cultural sensitivity of a falling brick. His relations with German Chancellor Angela Merkel are best described as 'frosty' and with the British somewhat ambiguous, and any visit to the Sceptred Isle now deferred until next year. Maybe. Yet he accepted with alacrity an invitation from French President Emmanuel Macron to attend the Bastille Day celebrations and that only three days after he got home from the G-20 summit.

The two make unlikely partners, and at first sight are polar opposites but both are opportunists — after all Macron upended the entire French political system with his entry into the presidential race, a usurping not unlike that achieved by Trump. There is an opportunity to re-forge the alliance between France and America and what better opportunity to do that than the French national day? A day of pomp and ceremony and symbolism and parades attended by the great though not necessarily the good — and if there is one thing Trump likes it is to be seen looking presidential as he surveys serried ranks of marching men and women.

Ostensibly the two are to talk Syria and counter-terrorism, and with the Syrian bloodbath on the agenda of everybody and France on the wrong end of terrorism there is much to say. Indeed it may be a chance for France, once a colonial power in the Middle East, to up its game. It has sent its foreign minister to mediate in the Gulf which is generally considered to be the bailiwick of the British. The symbolism will not be lost on Trump who may indeed lack a nuanced appreciation of the subtleties of French culture but understands well the value of the application of grunt delivered by the back door. Strange — but not so strange — bedfellows.

Published in The Express Tribune, July 14th, 2017.

Source: <https://tribune.com.pk/story/1457325/trump-in-europe-again/>

Trump to Hold Meeting on South Asia Policy

By Anwar Iqbal

WASHINGTON: United States President Donald Trump is likely to meet his national security team this week to finalise his administration's strategy for Afghanistan, Pakistan and India.

In an interview to The Hindu newspaper, US Charge d'Affaires to India MaryKay L. Carlson confirmed that the Trump administration intended to unveil the new strategy in the next few weeks.

Ms Carlson said the new South Asia policy would include the US position on Pakistan, India and Afghanistan.

"The Trump administration is looking at a South Asia strategy — not a US-Pak strategy, US-India strategy," she said, adding that bilateral relations were an important part of the overall strategy. "We will definitely take a holistic view," the diplomat said.

Pakistan ties to be part of holistic view for region

At a recent news briefing, US Secretary of Defence James Mattis also confirmed that the new strategy would have "a regional context", including a Pakistan angle. He also said that since it was an inter-agency review, it was taking longer than usual to finalise the new policy.

The CNN was the first to report that President Trump was scheduled to meet his national security team this week to review the new Afghan policy.

US National Security Adviser Gen H.R. McMaster heads the policy-making team, which is working closely with both the defence and state departments.

President Trump has authorised Secretary Mattis to determine the size and nature of US military presence in Afghanistan.

Change in troops' role While Mr Mattis told a news briefing on Friday that reports about the US sending 4,000 to 5,000 additional troops to Afghanistan could be right, some media outlets reported on Monday that Washington might change its plan. Instead of changing troops, it may give those already stationed there more powers to engage the militants.

Secretary Mattis also hinted at this possibility in his news briefing when he said that the new strategy might involve “changing somewhat what the troops on the ground are doing right now”.

The report that Washington may decide against sending additional troops to Afghanistan brings the focus back on a recent New York Times report that key Trump aides were exploring the possibility of replacing US soldiers in Afghanistan with private military contractors.

Some media reports claimed that one of the men behind this idea — Erik Prince, founder of the private security firm Blackwater — had discussed the proposal with Secretary Mattis.

In a separate report, the CNN pointed out that in his first six months, President Trump had ramped up military operations in trouble spots across the globe.

The administration “is preparing to do more”, the report added.

Published in Dawn, July 18th, 2017

Source: <https://www.dawn.com/news/1346018/trump-to-hold-meeting-on-south-asia-policy>

The US and Iran are Heading Toward Crisis By Ishaan Tharoor

MONDAY was a tough day for President Donald Trump's agenda. As the Senate's bid to overturn Obamacare collapsed amid Republican infighting, the White House reluctantly certified Iran's compliance with the nuclear deal signed by the Obama administration in 2015. This was the second time the Trump administration has done so — it is required every 90 days to notify Congress whether Iran is living up to its commitments.

Trump assented to the move with profound reservations and pushed for more sanctions on Iran. "Senior administration officials made clear that the certification was grudging," my colleague Karen DeYoung wrote, "and said that President Trump intends to impose new sanctions on Iran for ongoing 'malign activities' in non-nuclear areas such as ballistic missile development and support for terrorism."

Trump reportedly fumed at having to assent to another certification of Iran's compliance, which was confirmed by international monitors and the other signatories to the agreement. Key US allies, including Britain, France and Germany, see the deal as an effective curb on Tehran's putative nuclear ambitions. They don't link its implementation to concerns about Iran's other troublesome behaviours, including its support for various militant groups in the Middle East and its unjust detentions of foreign nationals.

"The nuclear agreement helps significantly to prevent Iran from obtaining a nuclear weapon," Peter Wittig, the German ambassador in Washington, wrote this year. "But we remain very realistic about Iran's problematic role in the region."

Iran remains the president's No. 1 geopolitical bugbear. Trump, who seems determined to smash every pillar of former president Barack Obama's legacy, repeatedly cast the deal as a capitulation to the Islamic Republic. The only memorable event in the short-lived tenure of ousted national security adviser Michael T Flynn was his cryptic statement "officially putting Iran on notice". In Saudi Arabia, on his first foreign visit, Trump signed on to Riyadh's vision for the Middle East — one that is shaped first and foremost by antipathy toward Tehran.

According to Peter Baker of The New York Times, "Trump had told his security team that he would not keep [certifying Iran's compliance] indefinitely" and complained at an hour-long meeting last week about doing so this time. His top advisers, including national security adviser H.R. McMaster, Secretary of State Rex Tillerson and Secretary of Defence Jim Mattis — none of whom have much sympathy for the Iranians — had to convince him to abide by the accord.

While Candidate Trump blustered about scrapping the nuclear deal altogether, his administration has been compelled to shy away from such drastic unilateral action. Still, it seems Trump himself is eager for the deal to unravel.

The Trump administration has “deliberately created an environment of uncertainty by consistently questioning the validity” of the deal, said Trita Parsi, the president of the National Iranian American Council, which seeks better ties between Washington and Tehran, “hinting that the US might quit the agreement, and by suggesting that it might pursue regime change in Iran”.

Parsi said in an email that rather “than pursuing dialogue with Tehran to resolve remaining disputes, as every one of our European allies have done, the Trump administration has chosen to escalate tensions and eschew opportunities to come to a mutual understanding”.

At a Nato summit in May, Trump tried to convince European partners to stop making trade and business deals with Iran — a move that could in itself constitute a violation of the deal, which stipulates that its parties will “refrain from any policy” that would damage Iran’s economic dealings while it complies with the accord.

But officials from other governments that are signatories to the deal show little willingness to renegotiate its terms. Just last month, German Foreign Minister Sigmar Gabriel hailed the pact as “a great sign of hope” and a “historic window” for a rekindling of ties. Numerous European companies are plunging into the Iranian market. This month, French energy giant Total signed a landmark gas deal with Iran worth close to \$5 billion.

“There is a clear division between where the Europeans are going and where the Americans are going on Iran,” Ellie Geranmayeh, a senior policy fellow at the European Council on Foreign Relations, said to my colleague Erin Cunningham. “The Europeans have embarked on a path of rapprochement. The US is looking at a policy of isolationism and containment.”

That was not lost on Iranian Foreign Minister Javad Zarif, who was in New York this week. At the Council on Foreign Relations, Zarif said the White House was sending “contradictory signals”. In an interview with *The National Interest*, Zarif scolded Trump’s supposed “violation” of the spirit of the deal.

“If it comes to a major violation, or what in the terms of the nuclear deal is called significant non-performance, then Iran has other options available, including withdrawing from the deal,” he said.

Although the White House would love to coax an Iranian withdrawal, that is unlikely to happen. Zarif also used his platform to chide Trump over the unravelling of his anti-Iran

agenda, including the crisis among the Gulf states that flared up after Trump's visit to Saudi Arabia.

"We need to be more careful about the signalling, because we've seen that wrong signalling in the past few weeks in our region, particularly after the Riyadh summit, has caused a rather serious backlash in the region — not between US allies and Iran, but among US allies," Zarif said, referring to the impasse over Qatar. "So I believe it would be important to keep that in consideration, to understand the complexities of the situation."

"It is a devastating sign ... that an American president is being outflanked so easily by an Iranian foreign minister," Slate's Fred Kaplan wrote. "It's a sorrier sign still that the Iranian foreign minister is in the right."

By arrangement with The Washington Post

Published in Dawn, July 20th, 2017

Source: <https://www.dawn.com/news/1346354/the-us-and-iran-are-heading-toward-crisis>

The Gulf Conundrum | Editorial

Since the British drew lines in the sand to create different nations in the Middle East, the region has hardly experienced a prolonged period of peace. Till today, the ruling Arab elite have continued to fight each other. Either geopolitics or sectarianism or support for rival political groups has undermined the ties between the neighbouring Arab countries. The recent Saudi-Qatar crisis contains all these aspects as the causes.

Some observers see this new rift in the Gulf as the biggest diplomatic crisis in the region since the Gulf War in 1991. The steps taken by Saudi Arabia and its allies are an effort to isolate Qatar in the international society.

However, Doha is engaged in a proactive diplomatic strategy to counter the isolation. Qatar's Foreign Minister, Sheikh Muhammad Bin Abdul Rahman Al-Thani, met Prime Minister of Pakistan, Mian Nawaz Sharif, on Tuesday, and briefed him on the current situation in the Persian Gulf. The visiting Foreign Minister wants Pakistan's help to end regional tension.

Though Saudi Arabia has asked Pakistan to support Saudi-led alliance against Qatar, Pakistan has chosen not to do so. In the recent past, Pakistan has taken some bold and intelligent steps as far as the situation in the Middle East is concerned. Since Pakistan enjoys warm relations with both countries, it is not wise to take sides. Therefore, Islamabad has chosen to remain neutral in the ongoing hostilities between neighbouring Arab countries.

Given the nature of Pakistan's relations with both countries, keeping the principle of non-alignment supreme is a reasonable move but Pakistan also needs to engage in proactive diplomatic efforts to ease the tensions.

All experts and those who have an eye on the region are advising both sides to the conflict not to lose their cool. They are requesting the parties to come to a dialogue table.

Pakistani Prime Minister, too, has requested both countries to engage in proactive diplomacy so that a solution can be carved out. With the former COAS as the head of the Saudi-led Muslim NATO and the (Nawaz) Sharif family's own close ties with the ruling family of Saudi Arabia, perhaps these positions of influence can be used to make the Saudi alliance come to the negotiation table at the very least.

The Saudi alliance should not forget that its move to isolate Qatar would not affect Qatar only.

In fact, it will have a disastrous effect on the entire region at a time when it is already in shambles.

Source: <http://nation.com.pk/editorials/20-Jul-2017/the-gulf-conundrum>

India's Ambitious Nuclear Modernisation Plan

By Usman Ali Khan

The nuclear race in South Asia is intensifying due to New Delhi's fear that its military is lagging behind China or Pakistan. However, there arises a question that merits further scrutiny: is the true purpose of nuclear weapons for India merely deterrence?

Over the past decade, South Asia has been alarmed by India's increase in nuclear weapons and its ability to wage conventional war. India's massive military expenditure has taken an asymmetric approach in building up its nuclear arsenal.

In September 2009, Financial Times published an article titled 'India Raises Nuclear Stakes', in which it argued that India can now build nuclear weapons with the same destructive power as those in the arsenals of the world's major nuclear powers. A recent report shows India's heavy reliance on nuclear weapons with an increased estimation programme in the near future.

Brigadier Naeem Salik in his book titled *The Genesis of South Asian Nuclear Deterrence: Pakistan's Perspective*, traces the origin of India's nuclear programme and its nuclear double standards. He provides a comparative study of the dynamics of South Asian nuclearisation, which concludes that former prime minister Jawaharlal Nehru, and, father of the Indian bomb, Dr Homi Bhabha, recognised the dual nature of nuclear technology, and believed it could be beneficial for India.

India's nuclear programme is moving forward steadily. It secretly pursued nuclear weapons, as declared in the late 1990s. Yet the international community is still engaged with Delhi, constantly extending a hand of friendship, exemplified by different diplomatic measures such as the Indo-US nuclear deal.

In order to mainstream Fast Breeder Reactor (FBTR), the department of atomic energy in India is gearing up to commission a nuclear reactor at Kalpakkam. But the safety inadequacies of India's FBTR still need to be questioned. This oscillatory approach of India guarding its vested nuclear interests is something that the international community must be wary of, shaking hands with India through nuclear diplomacy, probably does not know everything India has done to protect its obsessive nuclear secrecy.

New Delhi continues to sign nuclear deals, 16 in number until present, without being hindered by any of the nuclear non-proliferation purists. Despite not signing the Non-Proliferation Treaty, India has signed a uranium deal with Australia which has raised various important questions regarding the use of Australian uranium in India. As of 2016,

India has signed civil nuclear agreements with 16 countries. Has India succeeded enough to bury its proliferation record over decades and shove it under the carpet?

Under these circumstances, it's also astonishing how India is seeking membership in the Nuclear Suppliers Group (NSG), which is a creation of its own disconcerting pursuit of nuclear weapons. Interestingly, India has been building its case for international recognition as a (normal) nuclear weapon state for years, seeking admission to the group, wherein the permission of an NPT-outlier like India would ostensibly to create a domino effect — it would become a compulsion for states like Pakistan to opt for strategies commanded by their security concerns. On the other hand, it was also revealed that India has been busy developing a secret nuclear city. As a result, it is important for the NSG to abide by its criteria and remember that its decision would affect strategic stability in South Asia.

Delhi's decision to rely on nuclear weapons as a means of warding off potential attacks from a more powerful neighbour has increased the chance of nuclear warfare breaking out in South Asia. Indian pursuit for increased nuclear deterrence is hardly startling; it is an obvious example of an alarming pattern that nuclear powers in the region demonstrate, the consequence of a long and volatile history of hostility towards one another. Thus, the threat of a potentially more aggressive Indian nuclear posture has put an additional strain on an already rocky situation in South Asia.

Published in The Express Tribune, July 31st, 2017.

Source: <https://tribune.com.pk/story/1470350/indias-ambitious-nuclear-modernisation-plan/>

Trump and Russia By Eugene B. Rumer, Richard Sokolsky, and Andrew S. Weiss

The Right Way to Manage Relations

Relations between the United States and Russia are broken, and each side has a vastly different assessment of what went wrong. U.S. officials point to the Kremlin's annexation of Crimea and the bloody covert war Russian forces are waging in eastern Ukraine. They note the Kremlin's suppression of civil society at home, its reckless brandishing of nuclear weapons, and its military provocations toward U.S. allies and partners in Europe. They highlight Russia's military intervention in Syria aimed at propping up Bashar al-Assad's brutal dictatorship. And they call attention to an unprecedented attempt through a Kremlin-backed hacking and disinformation campaign to interfere with the U.S. presidential election last November.

Russian President Vladimir Putin and his circle view things differently. In Ukraine, Moscow sees itself as merely pushing back against the relentless geopolitical expansion of the United States, NATO, and the EU. They point out that Washington and its allies have deployed troops right up to the Russian border. They claim that the United States has repeatedly intervened in Russian domestic politics and contend, falsely, that former U.S. Secretary of State Hillary Clinton even incited antigovernment protests in Moscow in December 2011. And they maintain that the United States is meddling in Syria to overthrow a legitimate government, in just the latest example of its unilateral attempts to topple regimes it doesn't like.

The gap between these two narratives is dangerous. Not only do heightened tensions raise the risk of a military accident or confrontation in Europe and beyond; they are also largely a reflection of deeply entrenched resentments within the Russian national security establishment that are likely to persist well beyond the Putin era. The differences between the United States and Russia run deep, and they are not amenable to easy solutions.

The challenge facing the Trump administration is to skillfully manage, rather than permanently resolve, these tensions with Moscow. Trying to appease Putin, perhaps by making unilateral concessions, would only convince him that he is winning and encourage him to continue wrong-footing the United States and the West. But a more confrontational approach would risk generating a provocative and dangerous response from Russia. So Washington will need to chart a middle path. That means both seeking ways to cooperate with Moscow and pushing back against it without sleepwalking into a collision.

Of course, that advice presupposes a U.S. administration that views Russia the same way previous ones have: as a problematic yet important partner on discrete issues that also poses a significant national security threat. U.S. President Donald Trump, however, appears eager to jettison established bipartisan approaches to dealing with Moscow. As he wrote on Twitter in January, “Having a good relationship with Russia is a good thing, not a bad thing. Only ‘stupid’ people, or fools, would think that it is bad!” And for months, he mocked the U.S. intelligence community’s warnings about Russian cyberattacks aimed at interfering with the U.S. democratic process and repeatedly praised Putin’s leadership.

Such antics suggest that Trump may attempt an abrupt reconciliation with Russia that would dramatically reverse the policies of President Barack Obama. It is hard to overstate the lasting damage that such a move would do to the U.S. relationship with Europe, to the security of the continent, and to an already fraying international order.

Trying to appease Putin, perhaps by making unilateral concessions, would only convince him that he is winning.

PUTIN’S GAME

Any consideration of U.S. policy toward Russia must start with a recognition of that country’s manifold weaknesses. The Russian economy may not be “in tatters,” as Obama once remarked, but the boom that allowed Putin, during his first two terms in office, to deliver steady increases in prosperity in exchange for political passivity is a distant memory. Absent major structural reforms, which Putin has refused to undertake for fear of losing control, the economy is doomed to “eternal stagnation,” as Ksenia Yudaeva, a senior Russian central bank official, put it last year.

Following Putin’s return to the presidency in 2012, the regime has retooled the sources of its legitimacy. It has fostered a fortress mentality, mobilizing the public to defend Russia against foreign adversaries and mounting an unrelenting search for Western-backed fifth columnists. The apparent spur-of-the-moment decision to annex Crimea transformed the Russian domestic political landscape overnight, propelling Putin to unprecedented levels of popularity. And in Syria, the Kremlin has capitalized on its intervention to highlight Russia’s return to global prominence.

Unfortunately, tighter economic constraints are not likely to dissuade Putin from engaging in future foreign policy adventures. The collapse of oil prices that began in 2014 hit the Russian economy hard, as did the sanctions the West applied in response to Russian aggression in Ukraine that same year. Yet Putin has shown little restraint in the international arena since. His defiant approach appears to have strong support from the Russian elite, which faithfully rallies to the cause of standing up to the United States and reasserting Russia’s great-power status.

Indeed, Russia has always been much more than a mere “regional power,” as Obama once dismissed it; the country figures prominently in important issues across the globe, from the Iran nuclear program to the security of the entire transatlantic community. That will not change. But even if one accepts that Russia is a declining power, history shows that such states can cause considerable damage on their way down. And if there is one thing that can be said for certain about Putin, it is that he is a skilled and opportunistic risk taker capable of forcing others to deal with him on his own terms.

The United States must also reckon with another fundamental characteristic of Russia’s foreign policy: its desire for de facto control over its neighbors’ security, economic, and political orientation. Both Democratic and Republican administrations have long considered this unacceptable. Yet it constitutes one of the Russian regime’s core requirements for security.

Russia has always been much more than a mere “regional power.” Absent an abrupt change in these fundamental realities, it will be hard to significantly improve U.S. relations with Russia. The country’s intervention in Ukraine has demolished much of the post–Cold War security order and, along with it, any semblance of trust on either side. And it would be irresponsible for Washington to turn a blind eye to the Kremlin’s reliance on hacking, disinformation, and Cold War–style subversion in its efforts to undermine the United States’ international reputation and to meddle in democratic processes in Europe and beyond. The best course of action is for the United States to stand firm when its vital interests are threatened, to expose and counter Moscow’s penchant for irregular tactics, and to carefully manage the rivalry that lies at the heart of the bilateral relationship.

THE BIG PICTURE

In recent years, Russia and the West have been heading toward something that looks a lot like a second Cold War. This confrontation may lack the geo-political and ideological scope of the first, but it still carries a high risk of actual conflict. The close encounters that NATO aircraft and warships have had with Russian jets are no accident; they are part of a deliberate Kremlin strategy to intimidate Moscow’s adversaries.

For now, the Kremlin is likely to try to downplay sources of tension, setting the stage for friendly initial encounters with the new U.S. president and his team. Assuming Moscow follows that course, Washington will have to proceed with caution as Putin, the consummate deal-maker, seeks to shape the terms of a new relationship. In negotiating those terms, the Trump administration should adhere to five overarching principles.

First, it must make clear that the United States’ commitment to defend its NATO allies is absolute and unconditional. To do so, the United States should bolster deterrence through an ongoing series of defense improvements and increased military deployments on the

alliance's eastern flank. It should also ramp up the pressure on fellow NATO members to spend more on defense.

Second, the United States needs to steadfastly uphold the principles enshrined in the 1975 Helsinki Final Act and the 1990 Charter of Paris for a New Europe—both of which commit Moscow to recognize existing borders and the right of all countries to choose their own allies. It may be hard to imagine a feasible scenario for returning Crimea to Ukraine, but the annexation remains a flagrant violation of international law that no country should recognize or reward. That means keeping in place the U.S. and EU sanctions that ban transactions and economic cooperation with Russian-occupied Crimea.

Third, as Washington reengages with Moscow, it must not run roughshod over Russia's neighbors. Appeasing Russia on Ukraine or caving in to its demand for a sphere of influence in its neighborhood would set a terrible precedent and undermine U.S. standing in the world. The inherent fragility of Russia's neighbors will create many openings for future Russian meddling, so the United States and its allies will need to remain vigilant and become more deeply engaged in such a complex region.

Fourth, Washington and its partners in the EU should commit themselves to supporting Ukrainian political and economic reform through skillful diplomacy and a generous flow of resources. It will probably take a generation or longer to turn this pivotal country into a prosperous, European-style state, not least because of Russia's undisguised desire for Ukraine's reformist experiment to fail. If Ukraine receives steady Western support based on clear and achievable conditions, its success will have a lasting positive impact on Russia's trajectory by demonstrating a viable alternative to the Kremlin's top-down approach to governance.

Fifth, as the United States attempts to support democracy in Russia and other former Soviet states, it should make a sober-minded assessment of local demand for it and the best use of limited resources. Russia's democratic deficit will hinder better relations with the West for as long as it persists. The same problem will continue to complicate U.S. ties with many of Russia's neighbors. But too often, Washington has overestimated its ability to transform these societies into functioning democracies.

In applying these principles, the United States needs to remain mindful of the risks of overreaching. That will mean making sharp distinctions between what is essential, what is desirable, and what is realistic.

NEEDS AND WANTS

Improved communication belongs in the first category. In response to Russia's moves in Ukraine, the Obama administration suspended most routine channels of communication and cooperation with the Russian government and encouraged U.S. allies to follow suit.

As the crisis has dragged on, it has become harder to address differences, avoid misunderstandings, and identify points of cooperation in the absence of regular interactions at various levels. The Trump administration should entertain the possibility of resuming a wide-ranging dialogue, even though the Russians may well prove as unwilling to engage in a serious give-and-take as they did during the George W. Bush and Obama administrations, or may choose to use the talks solely to score political points. But even if the Kremlin isn't ready to engage forthrightly, the Trump administration should put four essential priorities above all else in its early discussions with the Russian government.

First, the Trump administration should respond to Russian meddling in the U.S. presidential election in ways that get the Russians' attention. As a parting shot, Obama imposed sanctions on Russian entities involved in the hacking and ejected 35 Russian diplomats from the United States. Yet much more needs to be done. A carefully calibrated covert response in cyberspace would send the message that the United States is prepared to pay back the Kremlin and its proxies for their unacceptable actions. Trump should also work to protect the large swaths of government and private-sector networks and infrastructure in the United States that remain highly vulnerable to cyberattacks. The lack of a concerted response to Russia's meddling would send precisely the wrong signal, inviting further Kremlin exploits in France and Germany, which are holding their own elections this year. In the meantime, the U.S. government should explore whether it can work with major actors in the cyber-realm, such as China and Russia, to develop new rules of the road that might limit some of the most destabilizing kinds of offensive operations.

In recent years, Russia and the West have been heading toward something that looks a lot like a second Cold War.

Second, the Trump administration should ensure that military-to-military channels are open and productive. Russia's provocations carry the very real risk of a military confrontation arising from a miscalculation. Washington should prioritize getting Russia to respect previously agreed-on codes of conduct for peacetime military operations, however difficult that might be. The situation is especially dangerous in the skies over Syria, where Russian pilots frequently flout a set of procedures agreed to in 2015 to avoid in-air collisions with U.S. and other jets.

Third, in Ukraine, Trump should focus on using diplomatic tools to de-escalate the military side of the conflict and breathe new life into the Minsk accords, a loose framework of security and political steps that both sides have refused to fully embrace. The existing package of U.S. and EU sanctions represents an important source of leverage over Moscow, and so it should not be reversed or scaled back in the absence of a major change in Russian behavior in Ukraine. At the same time, the United States and its EU allies must work to keep Ukraine on a reformist path by imposing strict conditions on

future aid disbursements to encourage its government to fight high-level corruption and respond to the needs of the Ukrainian people.

The fourth and final priority for the Trump administration is to remain realistic about the prospects of promoting transformational change in Russia. As the last 25 years have shown again and again, Russia resists outside efforts at modernization. In other words, the United States should not treat Russia as a project for political, social, or economic engineering.

Then there are goals that, although not essential, remain desirable. In this category should go issues on which Washington and Moscow have a good track record of cooperation thanks to overlapping, if not identical, interests. These include cooperation on preventing nuclear proliferation, reducing the threat of nuclear terrorism, and protecting the fragile environment in the Arctic. Because these issues are largely technical in nature, they do not require the time and attention of senior officials. A great deal of progress can be made at lower levels.

On more ambitious arms control efforts, however, progress will require high-level decisions that neither side is eager to make. Such is the case with resolving the impasse over the Intermediate-Range Nuclear Forces Treaty, which the United States claims Russia has violated, and securing further reductions in the size of both countries' strategic and tactical nuclear arsenals.

Even so, the Trump administration should keep the door open to further progress on arms control. The U.S.-Russian arms control edifice is in danger of collapsing: the Anti-Ballistic Missile Treaty and the Treaty on Conventional Armed Forces in Europe are no longer in force, the Intermediate-Range Nuclear Forces Treaty may soon fall apart, and the New START treaty is due to expire in 2021. Neither Russia nor the United States is ready for a new arms control agreement, primarily because of conflicting agendas. Moscow wants to constrain U.S. deployments of missile defense systems and high-tech conventional weapons, while Washington wants to further reduce the number of Russian strategic and tactical nuclear weapons. But neither would be served by abandoning arms control completely. At a minimum, both would benefit from more conversations about their force structures and nuclear doctrines, with an eye toward ensuring stability, especially in crises.

FACT AND FANTASY

Of course, Washington's ability to achieve what is essential and what is desirable will be limited by what is realistic. In a perfect world, Trump would focus on keeping relations from deteriorating further. Instead, he and his team appear to be fanning expectations of a big breakthrough and a grand bargain.

Indeed, much of what Trump says he believes about Russia appears unrealistic, to put it mildly. For starters, he has made the mystifying choice to ridicule the U.S. intelligence community's finding that it was Russia that was behind the hacking of e-mails from the Democratic National Committee and the Clinton campaign. If Trump's and his advisers' statements are to be believed, even a brazen attempt originating at the highest levels of the Russian government to undermine Americans' confidence in their country's democratic process is less important than the poor cyber-security practices of the Democratic National Committee and Clinton's inner circle.

Trump appears to hold an equally unrealistic view of the Ukrainian crisis, saying of Putin during the campaign, "He's not going to go into Ukraine, all right?"—even as thousands of Russian troops were already there. When asked by The New York Times on the eve of the election about Putin's behavior in Ukraine and Syria and the ongoing crackdown against Putin's political opponents, Michael Flynn, Trump's pick for national security adviser, called these issues "besides the point." He added, "We can't do what we want to do unless we work with Russia, period."

But as Trump will likely discover, reality has a way of interfering with attempts to transform relations with Moscow. Every U.S. president from Bill Clinton on has entered office attempting to do precisely that, and each has seen his effort fail. Clinton's endeavor to ease tensions fell apart over NATO expansion, the Balkan wars, and Russian intervention in Chechnya; George W. Bush's collapsed after the 2008 Russian-Georgian war; and Obama's ran aground in Ukraine. Each administration encountered the same obstacles: Russia's transactional approach to foreign policy, its claim to a sphere of influence, its deep insecurities about a yawning power gap between it and the United States, and its opposition to what it saw as Western encroachment. Finding common ground on these issues will be difficult.

It appears that at the core of Trump's vision for improved relations is a coalition with Russia against the Islamic State—to, in his words, "knock the hell out of ISIS." Yet such cooperation is unlikely to materialize. The Russians have shown no interest in beating back ISIS in Syria, choosing instead to attack the main opposition forces arrayed against the Assad regime. Russia's and Iran's support for Assad may have fundamentally changed the course of the civil war in Syria, but their crude methods and disregard for civilian casualties have probably only emboldened the radical jihadists. Help from the Russian military would be a mixed blessing, at best, for the U.S.-led coalition against ISIS, given the pervasive lack of trust on both sides and the very real risk that sensitive intelligence and targeting information would find its way into the hands of Moscow's allies in Damascus and Tehran.

As Trump will likely discover, reality has a way of interfering with attempts to transform relations with Moscow.

Trump has also expressed interest in developing stronger economic ties with Russia as a foundation for improved diplomatic relations, at least according to the Kremlin's summary of Putin's congratulatory call to Trump after the election. Here, too, he is likely to be disappointed. Clinton, Bush, and Obama all placed high hopes on trade as an engine of better relations with Russia. All were frustrated by the fact that the two countries are, for the most part, not natural trading partners, to say nothing of the effects of Russia's crony capitalism, weak rule of law, and predatory investment climate.

PROCEED WITH CAUTION

Trump inherited a ruptured U.S.-Russian relationship, the culmination of more than 25 years of alternating hopes and disappointments. As both a candidate and president-elect, he repeatedly called for a new approach. "Why not get along with Russia?" he has asked. The answer is that at the heart of the breakdown lie disagreements over issues that each country views as fundamental to its interests. They cannot be easily overcome with the passage of time or a summit meeting or two. Thus, the challenge for the new administration is to manage this relationship skillfully and to keep it from getting worse.

Should Trump instead attempt to cozy up to Moscow, the most likely outcome would be that Putin would pocket Washington's unilateral concessions and pursue new adventures or make demands in other areas. The resulting damage to U.S. influence and credibility in Europe and beyond would prove considerable. Already, the rules-based international order that the United States has upheld since the end of World War II is in danger of unraveling, and there is mounting concern throughout Europe, Asia, and beyond that Trump does not consider it worth preserving. What's more, there's no telling how Trump will respond if and when he has his first showdown with Putin, although his behavior toward those who cross him suggests that things would not end well.

Reduced tensions with Russia would no doubt help further many of the United States' political and security priorities. But policymakers must keep in mind that the abiding goal should be to advance U.S. interests, support U.S. allies across the world, and uphold U.S. principles—not to improve relations with Russia for their own sake. Indeed, it's possible to stand up for American interests and principles while pursuing a less volatile relationship with Russia. The Nixon administration sowed mines in a harbor in North Vietnam, a Soviet ally, while seeking détente with Moscow. The Reagan administration aggressively challenged Soviet-backed regimes and groups in Eastern Europe, Asia, Africa, and Latin America at the same time as it signed arms control agreements with Moscow.

Likewise, the Trump administration can, for example, counter Russian aggression in Ukraine while looking for ways to cooperate on efforts to keep weapons of mass destruction out of the wrong hands. Such an approach has a far greater chance of success than pure confrontation or pure concession. Russian leaders have long

expressed their preference for realpolitik; they will respect a country that stays true to its principles, knows its interests, and understands power.

Source: <https://www.foreignaffairs.com/articles/russian-federation/2017-02-13/trump-and-russia>