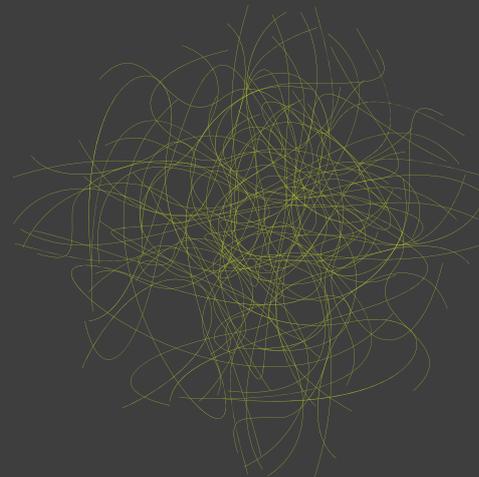


**Sources of Tension
in Afghanistan and
Pakistan: A Regional
Perspective**

**Pakistan:
Stakeholder
Perceptions &
Expectations**

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SUMMARY OF FINDINGS

1. INTRODUCTION

A series of focus group and individual discussions with representatives of civil society, security experts and analysts, former government officials, lawmakers and youth, were held in Islamabad in March 2016, facilitated by the Jinnah Institute Islamabad. With the upcoming closure of the Sources of Tension in Afghanistan & Pakistan: A Regional Perspective policy research project in autumn 2016, the aim was to provide policymakers in Europe with the feedback and inputs from Pakistan that will assist them to shape their policies towards the country, together with those towards Afghanistan, for the coming decade.

The discussions centred around three main questions:

- Expectations for addressing the sources of tension in Pakistan that also have implications for the region (governance, socio-economic issues, ethnicity and sectarianism, conflict, militancy, radicalisation)
- Expectations from Europe, the West, and the five involved regional powers (Russia, China, Iran, India, Saudi Arabia)
- Whether and how events in 2015 have influenced these sets of expectations

A summary of the main discussion points raised are presented below. Annexes 1-4 (attached) presents the perspectives shared by each set of stakeholders.

2. SUMMARY OF FINDINGS

At the beginning of 2015, key influencing factors identified by the project following in-country discussions and other analysis included the relative strength of the government and the extent of the writ of the state; the military-civilian balance; and the law and order/security situation in the country.

In early 2016, weak governance, the need for greater transparency by government, the relationship with India, the inequality-radicalisation nexus and the identity-ideology link (including its effects on the relationship with India), the impact of the youth bulge on all of these including the perceived disconnect between government and the people, and uncertainty that the China Pakistan Economic Corridor (CPEC) would be enabled to realise its full potential both for Pakistan and the region, were recurrent themes across the different sets of discussions. For the first time, the imperative of meeting the needs of the people – particularly the “have-nots” repeatedly came up in the debates.

A. ANALYSTS & SECURITY EXPERTS

SOURCES OF TENSION HIGHLIGHTED

1. Internal Challenges

- The greatest challenges for Pakistan were seen as internal. Poor governance was singled out in particular as the greatest challenge facing the country.
- Multiple disconnects were identified: between the state and the citizen’s ownership; the non-enablement by the government of the civil service’s ability to perform; between parliament and citizens including on health and education; speed of access to justice and the judiciary’s perceived “media posturing”, which were all seen as reflections of weak governance. There were initial hopes regarding the National Action Plan that addresses some of these points but the effective implementation of the NAP has proved to be slow and difficult.

2. Domestic Extremism

- Within Pakistan, continued extremism, radicalism, and militancy were seen as having created severe fissures within Pakistani society, potentially requiring more large-scale military operations in the future. However, the stronger Pakistan’s economy becomes, the greater will be the shared stake in society, and the greater the possibilities for healing these fissures. Lack of economic opportunity, combined with institutional failings, was regarded by many as fuelling terrorism, though there was a division between the latter, and those who saw it as a product of the radicalisation of society and the disconnect between the discourse of the state, and of the increasingly conservative mass of the population.

3. Sectarianism & Ethnicity

- Sectarianism was singled out as a critical source of tension. The degree of hatred between different sects was considered by some to now be so high that it should be a top priority to be addressed, including because of the potential spinoff benefits to Da’esh if it is not.
- Issues of ethnicity (particularly in Balochistan) were also seen as spiralling out of control, due to the lack of responsiveness to the wishes of the people of the province.

4. Afghanistan

- Pakistan was seen to have turned a corner on societal and political-regional tensions: there are now possible ways forward on the problems with India, though Afghanistan remains a source of mutual difficulty.
- The application of the concept of strategic depth – gradually being redressed - was viewed as having made it more complicated for both countries, combined with the absence of a stable government in Afghanistan and what was seen as a lack of cohesion within its society.

2015 GAME-CHANGERS

Two main events were identified by this group of stakeholders:

- The CPEC; and
- The military operations in North Waziristan which have positively impacted on the scale and frequency of terrorist attacks on Pakistani soil.

EXPECTATIONS FROM THE GOVERNMENT, EUROPE & THE REGION

1. Government

- **Framing the domestic security situation, its regional dimensions, and links to global security** is seen as an important challenge for Pakistan. The domestic cannot remain isolated from the regional and the global, and the country should be cognisant of those linkages.
- In addressing what was termed "*the crisis of the Pakistani state*", it will be important to **fulfil the needs of the people**, whether through CPEC, dams, highways or other.
- **Genuine, popularly-based governance reforms are urgently needed in FATA**, because ungoverned spaces give opportunities to non-state actors to fill them. Bringing back the Mahsud and Waziri tribes into the mainstream would be an important step in this regard.
- **Pakistan should "get its own house in order first", before looking to the region** – specifically with respect to governance, access to justice, and in the light of what was termed the "*population growth explosion*" in a context of lack of economic opportunity.
- **Fostering a sense of nationalism centering on the question of identity as an Islamic state**, through defining what that means in practical terms was put forward as essential in avoiding "a well-organised minority" potentially dragging Pakistan in a direction that the majority do not want it to go. "*All other sources of tension are an outcome of this (question of identity and ideology).*"

2. The Regional Powers

- **The regional players currently are positioned in a lineup that is regarded as beneficial for Pakistan.** However, the process of regional engagement is not yet inclusive. Iran needs to be at the table, because it has a direct bearing on sectarianism in Pakistan and is an important regional stakeholder – or could be a potential spoiler,

including in leveraging the Afghanistan political scene to its own advantage.

- The five key involved regional players (India, Iran, Saudi Arabia, Russia and China) thus are seen as having an important role, including in stabilising the region. Their support should be enlisted more via the **Shanghai Cooperation Organisation (SCO)**. India, Iran and Pakistan's upcoming membership of the SCO was seen as an opportunity in this regard. Regional economic cooperation and integration hold considerable appeal.
- **In Afghanistan**, the "outdated" policy of strategic depth with the Afghan Taliban as an instrument for its implementation (by Pakistan), was considered to imply that Pakistan "will only be convincing" once it de-links from the Afghan Taliban. The pace of de-linking should however be a considered one, and the elements of the Taliban who want peace should be provided with the means to do so.
- The current **quadrilateral talks between Afghanistan, Pakistan, China and the Afghan Taliban** were seen as cause for optimism, as was the nuclear deal with Iran. If Pakistan can begin to think differently about East-West connectivity and regional economic integration, the whole region could be opened up.
- **Saudi Arabia** was seen by some as now being "a fringe player", albeit with a very strong influence on the development of religion in both Afghanistan and Pakistan. None the less, Saudi influence in Pakistan may decline due to the Kingdom's multiple problems on other fronts, including internally. Iran and Saudi proxy were seen by some as part of the problem, and need to be part of the solution instead. There were fears expressed that the two countries' proxy wars will spill over into Pakistan now that sanctions have been lifted.
- Going forward, Saudi Arabia was seen as still retaining a popular appeal to certain elements of the population, though there was a division of opinion as to whether the Kingdom's importance regionally is now more marginal or not. Strong concerns were expressed over Pakistan's membership of the 34-nation Islamic alliance, and the possibility that the former will carry the burden of war for Saudi Arabia, which was seen to be against the wishes of the majority of the country.
- Relations with **Russia** have opened up and there has been what was termed "a sea change" with Iran, including on the IPI pipeline possibility.
- The relationship with **China** was seen as being about far more than just CPEC: "China favours stability" as one commentator put it. China's involvement in Afghanistan has raised expectations, including on underwriting a settlement with the Taliban. Some felt that mechanisms should be developed to include other key regional stakeholders, namely Iran, and to a lesser extent Central Asia, in the settlement process. In particular, an India-Pakistan polarisation in Afghanistan "must not be allowed to happen".
- As regards **India**, the view was expressed that, despite its long democratic tradition, the country is "in turmoil". This should be taken into account by Europe and the US including because it produces contrary answers to that of Pakistan's (negative) image abroad. The new, more subtle approach to handling Indo-Pakistan relations was lauded, and the incidence of intelligence-sharing over the Pathankot airbase attack in January 2016 was cited by several analysts as a positive step that showed a new maturity in relations between the two countries.

3. Europe

- Both Europe in particular, and the West in general should **continue to provide assistance to Afghanistan**, particularly to its weak economy. It was suggested that the CPEC could open doors in this regard, provided that there are on-links to Europe and the West as well.
- Europe “*needs to be patient with Pakistan*”, including over the pace and progress of the Afghan Taliban talks.
- Europe and the West should do more to **enable Pakistan to develop a genuine, functioning democracy**, a social welfare state model, and training to provide true democracy in the country.
- Expectations from the **US** were noted as extremely low.

B. THE BUSINESS COMMUNITY

SOURCES OF TENSION HIGHLIGHTED

1. Weak Governance & Inequality

- The greatest domestic challenge to the country’s economy overall was seen by many as being poor governance, particularly reflected in the energy and power generation sectors, and youth illiteracy and unemployment. The link between low literacy and weak governance was specifically commented on, as was the (poor) quality of education, which produces a workforce with qualifications, but not employability.
- The issue was raised of the need to ensuring safety for the “haves” in relation to the “have-nots” – that is, enlightened self-interest in a context where technology advances will no longer allow the holding back of large swathes of the population by feudal interests. More inclusive governance and less top-down imposition of policies were seen as important in this regard.
- Inequality and a weak economy constitute further big challenges. Much of the rest of Pakistan’s problems were seen as a reflection of these. The persistent intra-provincial inequality, lack of employment opportunities, were highlighted. Lack of solutions put forward by government, negative fallout from past policies, lack of positive change was seen as resulting in youth disaffection, and a broken social contract.

2. Youth Radicalisation

- In particular, youth radicalisation was singled out as a major challenge facing the country. The state’s failure to provide basic services was also remarked on, as was the increased levels of awareness of social injustice as accessed via social and other media, which were seen as factors influencing increased levels of radicalisation.
- Stakeholders considered that Pakistan needs first to focus on its own internal issues including the need for policy change, as well as on the (“*misplaced*”) policy of strategic depth.

3. Unresolved Problems in the SAARC Region

- These included those with India and over Afghanistan, were also highlighted, as was the security situation in Pakistan as a barrier to foreign direct investment (FDI).
- Without peace in Afghanistan, there will be negative fallout on Pakistan. Above all, non-interference in Afghanistan by Pakistan was regarded as crucial. In the meantime, controlling the movement of people across borders was regarded by some as an area where more could be done.

4. Creating a More Favourable Business Climate

- There is need to take steps to change the perceptions of the international community about Pakistan, including promotion of a positive image in the media, and sending a strong message that Pakistan is dedicated to controlling terrorists.
- The still-unresolved energy crisis, particularly gas, was highlighted as being behind the current reluctance to invest in Pakistan through FDI, and which harms small businesses in particular, due to prices and unreliability of supply.
- Need to increase the number of trade delegations sent abroad. At present there are more incoming than outgoing delegations. Procedural obstacles (including non-inclusive government policy) to exchanges of business delegations with e.g. Russia, Iran, were highlighted. Sector-specific market studies (by e.g. the Chambers of Commerce) are needed, and the view was that there is a lack of clarity on the part of measures being taken by the government of Pakistan to support the business sector.
- The immediate negative impact on trade of every successive security-related incident and downturn of relations with India. The perspective was put forward that if the ongoing conflicts with India to be resolved and if regional dialogues between both countries were held, a way forward could be found to increase the livelihoods of people in the region

2015 GAME CHANGERS

- The China-Pakistan Economic Corridor (CPEC) was seen both as an opportunity and as a challenge. On the one hand, it is seen as offering opportunities for industrial development, infrastructure, and technology transfer. On the other, unless it is structured to ultimately generate economic benefits for Pakistan – as opposed to bringing purely strategic bilateral payoffs- and unless it can be structured as an economic corridor that connects hubs of activity along a defined geography, its potential will go largely unrealised. Caveats were also raised about its potential effect on Pakistan's exports, as well as foreign exchange liabilities. A perceived lack of transparency around its content, structuring, and benefits was also highlighted.

EXPECTATIONS FROM THE GOVERNMENT, THE REGIONAL POWERS, EUROPE

1. Government

- The recommendation was made that the government should focus strongly on **improved governance**; keeping their election pledges; and **investing in the youth of the country**, as the key to its future, including to prevent the brain drain.
- **Pre-emptive action is required to avoid future socio-economic unrest**, including through the creation of youth entrepreneurs, empowerment of women entrepreneurs, startups for women, and a focus on market-relevant skills development for both youth and women. It was regarded as essential that developing markets should translate into improved livelihoods.

2. The Regional Powers

- **A trend of declining investments by Saudi Arabia** in Pakistan was noted together with their potentially negative consequences.
- In contrast, **trade initiatives between Afghanistan and Pakistan** were seen as highly promising, with strong levels of interest expressed on both sides of the border.
- However the need for a coherent road map for trade development, as well as government support to get it off the ground, were noted.

3. Europe

- **Engagement with Europe** was seen as vital for Pakistan. Measures mentioned included supporting Pakistan more, through e.g sourcing, easing of tariffs for doing business with Europe, signals from European embassies in Pakistan on how to do business there, and understanding the required time frame for implementation of increased compliance standards.

C. LAWMAKERS & CIVIL SOCIETY

SOURCES OF TENSION HIGHLIGHTED

1. Afghanistan

- The formerly high-growth robust war economy in Afghanistan has dropped to 3-4% per year, which is seen as potentially impacting on Pakistan.
- Longterm problems of explosive population growth and lack of economic opportunity in the country were seen as adding to its problems and to a likely rise in tensions with Pakistan. It was recognised that Afghans have a huge trust deficit vis a vis Pakistan, which it was felt Pakistan could do more to address, citing past missed opportunities.
- Afghanistan was regarded by some as the root cause of the problems faced by Pakistan, which have never been sufficiently well

understood. Lack of trust between the two countries (even among Afghans who have lived in, or been educated in Pakistan) was singled out as an issue, together with the need for Pakistan to show a clear intent to solve the “Afghan problem” even if “*something has to be given up in return*”.

- Overall, there was a sense expressed that Pakistan has not moved on in relation to Afghanistan’s development agenda, leaving it mired in its old binary strategy on the Taliban.

2. Inequality & Radicalisation

- A continuous rise in inequality in Pakistan and a steady increase in religiosity (as opposed to faith-based terrorism or insurgency) were singled out, with the intersect between the two phenomena resulting in exclusion. The legitimisation of violence in the name of faith has increased in the country, which was seen in turn as a consequence of the increase in religiosity.
- The “superimposition” of IMF programmes on Pakistan was regarded by some as creating social unrest.

3. Ethnicity & Sectarianism

- Insurgency and terrorism remain major problems, and there is no clear, coherent sign of how this will be addressed: (the National Action Plan was considered inadequate).
- The need to deal with the actual people of Balochistan, not just its mineral-rich territory, requiring a change of mind set, was emphasised.

2015 GAME CHANGERS

- CPEC, including as a potential regional game changer; and whose benefits could go in two directions - to China more than to Pakistan, or reciprocally.
- The focus of China and India on investment – rather than solely trade – in Afghanistan was contrasted (negatively) with the stance of Pakistan.
- The events of 2015 and thereafter (including terrorist attacks, bombings and demonstrations against the exercise of the judicial process on the Mumtaz Qadri case) indicate that a move towards counter-radicalisation is required in Pakistan, rather than solely focusing on counter-terrorism.

EXPECTATIONS FROM GOVERNMENT, THE REGIONAL POWERS, EUROPE & THE WEST

1. Government

- An observer commented that ***“if there were one month of coherent narrative on Pakistan viewing Afghanistan as a sovereign state, attitudes (towards Pakistan) would change considerably.”***

- It was considered that **Afghanistan needs to be given more credit (in the bilateral relationship) and that Pakistan should accept some of the blame.** This would lead to a greater ability to manage Afghan expectations.
- **Pakistan needs to learn how to better extract national benefits,** including in Afghanistan. In this regard, the poor management of Afghan refugees, including people whose parents have been in the country since 1979, amounting to some 5 million, was singled out as un-strategic.

2. The Regional Powers

- Pakistan was seen to have become a theatre for the regional powers' proxy wars, who export their tensions there. The extent of the role of both countries in exacerbating terrorism in Pakistan has never been publicly acknowledged, according to interlocutors, and that the Saudi-Iran proxy wars were also seen as being carried out on Pakistani soil. **Saudi Arabia** in particular was singled out as having contributed to Pakistan's problems due to its support for extremist factions.
- **China:** It was considered that Pakistan has not negotiated for the maximum benefit to the country from the CPEC, the benefits of which will likely go more to China than to Pakistan. It was noted that no other country than Pakistan has opened up such a large opportunity to China without regulation of investment or labour, and there is a strong likelihood of the country being flooded with Chinese goods, services, and labour.
- **India:** The "India factor" was seen as playing a strong role in Pakistan's policy towards Afghanistan. Stability will not be possible until all three countries are on the same page. Positive developments with the relationship with India over the past 15 months were noted, which appear to have survived terrorist incidences.

3. Europe & the West

- **On Afghanistan,** different donor agendas compete and greater coordination between Europe and other donors is required, as is a greater Afghan focus in order to create future stability. Some observers suggested that the West should simply stay out of the region, though it was noted that the interests of Europe and the US in the region, and in Afghanistan in particular has declined. Others raised the issue of Afghan state sovereignty and the (overly-high) expectations of it, from the West. A sustained source of funding support for programmes on health, education, village infrastructure is required, and external powers, particularly European policymakers, were urged "*not to walk away*".
- **On Pakistan,** continued violations of human rights by the state should be engaged with by Europe, which is noticeable by its absence on the issue at present.

D. YOUTH REPRESENTATIVES

SOURCES OF TENSION HIGHLIGHTED

1. Governance

- There is a strong level of questioning on the policy of strategic depth, despite the military being high on people's trust scale.
- Lack of transparency was emphasised: the fact that people simply do not know what the government's policies are. This results in what some saw as "*the deliberate maintenance of strategic ambiguity*" by political parties, which prolongs old, out-dated narratives.

2. Competing Ideologies

- Pakistan is at a point when, if the state is defined as secular, the bulk of the population is actually radical. Actions against a state which many feel does not represent them, result in actions like targeted killings of those whose beliefs someone does not agree with.

3. Afghanistan

- Afghanistan was regarded by many as a breeding ground for militant operations in Pakistan.
- The political economies of Karachi, Peshawar and the socio-economic fabric of the country have been – and continue to be – negatively affected by the presence of Afghan refugees.

2015 GAME CHANGERS

- **Governance, security, socio-economic issues and militancy were seen to be continued key challenges.** Some saw poverty as the cause (rather than the result) of these problems, and as a breeding ground for militancy.
- **Political and social inequity** combined with rapid urbanisation (in particular, "institutionalised" social inequity around educational systems and language bands); political institutions not having kept pace with social change; lack of uniformity in the application of the rule of law; and "strategic inequity" with a disproportionate focus on counter-terrorism rather than counter-radicalisation were all singled out. Educational reform was seen as severely needed.

EXPECTATIONS FROM GOVERNMENT, THE REGIONAL POWERS, EUROPE & THE WEST

1. Government

- There are high levels of popular **support for continued engagement on both India and on Afghanistan.**
- However, the **relevance of the policy of strategic depth in Pakistan today was raised**, together with the fact that Pakistan cannot, and does not, operate in isolation, but is linked inherently both

to the region and globally. The changing economic dynamic in Pakistan and the youth bulge in the population will be important determining factors in how this plays out.

- **Lack of implementation of the National Action Plan (NAP) was singled out as a critical issue.** The problem of sectarianism and the need to engage in dialogue with religious conservatives was highlighted; as was the need to use the Council of Islamic Ideology as a forum to bring religious conservatives into the mainstream, and take responsibility for radicalism. In this regard, the state's selective promotion of militancy when it suited it, and its abandonment when it did not, was noted.
- **FATA** needs to be brought into the institutional mainstream, alongside strong efforts to win hearts and minds.
- There is a **lack of clarity on how to address socio-economic deprivation, women's rights and class-based conflicts**, including how the working class could be protected by national policies in a context of rising prices for electricity and bread, and of what was seen as false optimism due to low oil prices and low inflation. Militancy was regarded by a number of commentators as being at the heart of these questions, which needs to be stated explicitly.
- **Radicalism, governance and the economy were all seen as key domestic fault lines with regional implications.** But at the same time, the West should "not let the country get away with it" by providing F16s and military hardware whilst Pakistan is still ambivalent on Afghanistan. Delivery should be contingent on fulfilment of policy promises.
- A unifying thread across all the above was seen as being the lack of clarity on what Pakistan is willing, and able to do, regionally and in foreign policy terms.
- Finally, "*change needs to come from within, for Pakistan*". The view was expressed that **slow and gradual change is indeed taking place in Pakistan.**

2. The Regional Powers

- The **Saudi-Iran** proxy war was considered to have an impact on sectarianism in Pakistan, with Balochistan as its main theatre. Three fears arise in this regard: that of compromised sovereignty; an existential threat to the state; and sectarianism.
- **China** was seen as a key player in the region, including but not only because of the CPEC.
- **India's** increasing number of consulates in Afghanistan were seen by some as a concern for the Pakistan government, because of their potential for use for intelligence purposes. Perceived Indian involvement in Balochistan was also highlighted.
- The real fault line in the region is the India-Pakistan relationship, including as a driver of militant mindsets and a major regional conflict fault line

3. Europe & the West

- There was a perception of **a stale narrative in the West on Pakistan**, given that changes are happening there, irrespective of (anticipated) blips such as the Qadri funeral demonstrations. The concept of "Pakistan as a global problem" was seen as an outdated narrative, and the rest of the world - specifically, the **US and Europe -needs to take responsibility for the problems in Afghanistan.**

- **Europe and the US were seen as primarily looking after their own interests**, the usurpation of democracy by dictators that the West was regarded as being all too happy to deal with, should change. The democratically elected parties should isolate the military, and so should the West, to avoid legitimising dictators.
- Whilst it was noted that not much can be done in reality by outsiders, some saw the **continuation of aid as a key factor**; others saw **trade and education** (in both of which Europe could play an important role) as the way forward.

ANNEX 1. PAKISTAN: STAKEHOLDER PERCEPTIONS FINDINGS BY STAKEHOLDER GROUP

1. SECURITY EXPERTS & ANALYSTS

Sources of Tension Highlighted

Pakistan was seen as having turned a corner on societal and political-regional tensions. There are now possible ways forward on the problems with India, though Afghanistan remains a source of mutual difficulty. The infusion of militancy had impacted both Pakistan and Afghanistan badly. The arrival of the big players in the region in Afghanistan has had an adverse effect on Pakistan, and implies the need for increased engagement, post-1979 onwards. The application of the concept of strategic depth (which in the view of some was a question of the military furthering its own interests) has made it more complicated for both countries. Whilst this is gradually being redressed, the absence of a stable government in Afghanistan, lack of cohesion within its society, mean that its difficulties will continue to impact the region until – in the words of one interlocutor - the Afghan state can *“take care of itself, dialogue with its own people internally, and stop the blame game (on Pakistan)”*.

Within Pakistan, continued extremism, radicalism, and militancy mean both that more military operations of the type of Zarb e Azb will be required, and also that they have created serious fissures within Pakistani society. The stronger Pakistan’s economy becomes, the greater will be the shared stake in society, and the greater the possibilities for healing these fissures.

2015 Game-Changers

Two main events were identified: the CPEC; and the military operations in North Waziristan which have positively impacted on the scale and frequency of terrorist attacks on Pakistani soil. However, the lack of a “test case” – considered important in a transitional society like that of Pakistan, via which the government could show the supremacy of law and justice was also noted.

CPEC was seen by many as the major game changer of 2015 for Pakistan. If it is allowed to further evolve, rather than remaining solely a transit corridor, it was considered to have massive potential. Iran, Afghanistan and India all need linkages, and thus there is huge potential for impact. The Pakistani state and government should work towards this, and develop this view in order to change mindsets on its potential.

Challenges

The greatest challenges for Pakistan were seen as internal.

Once again, poor governance was singled out as the biggest challenge facing the country. The disconnect between the state and the citizen’s ownership; the non-enablement by the government of the civil service’s ability to perform; the disconnect between parliament and citizens

on topics including health, education, which have a direct impact on ordinary citizens; the perception that the judiciary have been “playing to the media” and the need for a total overhaul of the length of time it takes for civil cases to be resolved were all cited as examples of what happens when state structures are insufficiently strong. The improved civil-military relationship and the development of the political process could provide the much-needed strengthening of institutions, without which the country cannot become strong. The abdication of civilian policies to the military on issues central to the survival of Pakistan was seen as fundamentally flawed, including because it was seen as jeopardising institutionalised decision-making in a context of a lack of civilian decision-making as well. One commentator held the view that “civilian government has ignored its responsibilities”, noting that despite the weaknesses, Pakistan is in fact moving forward, slowly, on many fronts, demonstrating a new maturity on the judiciary, the media and on security – though this was seen too as insufficient. What is required, in this view, is awareness-raising through generating an enhanced understanding of their own weaknesses, by both the political and military leadership, and the convergence of political parties around the national interest.

Other analysts considered that it is lack of economic opportunity that fuels terrorism, and that more could have been done in the National Action Plan (NAP) and Operation Zarb e Azb, via strong(er), immediate action while the government had the people behind it on terrorism. A number of analysts saw the NAP as insufficiently robust, and not functioning; and that despite Zarb e Azb, the state has been insufficiently muscular on militancy. Nor did they feel that the state was serious about cracking down on faith-related hate speech in madrassas. One participant suggested that what the country needs is the equivalent of the Shi’a *marjah e taqlid*¹, given the weakness of the Council of Islamic Ideology and its all-too-willingness to block any reform agenda.

Da’esh was felt to be more of an ideological threat in Pakistan than a material one, with domestic terrorist groups creating a climate of fear and jumping onto the Da’esh bandwagon to get media attention. However the potential to pass from ideology to action was felt to be a real one. Radical Islam in Pakistan has created spaces through which Da’esh has transformed the militant character and landscape, which could take a dangerous turn. Although it has been more successful to date in Afghanistan than in Pakistan, the reverse could ultimately be the case, due to what was seen as “the domestic agenda of the Afghan Taliban” vs. “the international agenda of Da’esh”, which ties in with that of some militant groups in Pakistan. None the less, some considered that the majority of the population no longer support militancy, and that the government should seize on this and build on it.

Sectarianism was also singled out. The degree of hatred between different sects was considered by some to now be so high that it should be a top priority for the whole of Pakistan to address. Again, if this remains unresolved, Da’esh will feed off it. Ethnicity issues (particularly in Balochistan) were also seen as getting out of control, due to the lack of responsiveness to the wishes of the people of the province.

1. *Marja* literally means “source to imitate/follow”. The term is usually applied to between four and eight high-ranking jurists (ayatollahs) in the Shi’a community, locally or nationally; on the world scale, it is applied to only one or two jurists. The position is informally acquired and depends on patterns of loyalty and allegiance and the perceived conduct of the jurist. Two major ayatollahs holding this status after 1970 were Ayatollah Khomeini (Iran) and Ayatollah Abu al-Qasim al-Khoei (Iraq).

Expectations from Europe & the Region

Europe

Europe needs to be patient with Pakistan, including over the Taliban talks. Many issues need to be resolved gradually prior to a final resolution. Pakistan is changing its strategy and it is important to keep supporting Pakistani liberal, well-intentioned elements, so that it can be taken further to a conclusion. How to frame the domestic security situation and its regional dimensions, with the links to global security are an important challenge for Pakistan. The domestic cannot remain isolated from the regional and the global, and it was considered important that the country should be cognisant of those linkages. In addressing the crisis of the Pakistani state, it will be important to fulfil the needs of the people, whether through CPEC, dams, highways or other.

In addition, Europe and the West should do more to enable Pakistan to develop a genuine, functioning democracy, a social welfare state model, and training to provide true democracy in the country. In this regard, the view was expressed that Pakistan should get its own house in order – specifically with respect to governance, access to justice, and in the light of what was termed the “population growth explosion” in a context of lack of economic opportunity, before looking to the region. It was suggested that a sense of nationalism should be fostered, centering on the question of identity as an Islamic state, but through defining what that means in practical terms. Without this, it was felt that a well-organised minority could potentially drag Pakistan in a direction that the majority did not want it to go. *“All other sources of tension are an outcome of this (question of identity and ideology)”* as one interlocutor put it. The challenge of the confusion over identity and nationalism is fuelled by militant organisations, to their own advantage. Europe was seen by some as “swinging left and right” over Pakistan, and it was suggested that what Pakistan needs is the generation of a sense of participation and a stake in its future for the whole of the population.

Expectations regarding the US were extremely low.

The Regional Powers

The five key involved regional players have an important role. Their support should be enlisted more via the Shanghai Cooperation Organisation (SCO), and they have the potential to play a strong stabilising role in the region. India, Iran and Pakistan will soon become members of the SCO, which could further assist this process.

The current quadrilateral talks between Afghanistan, Pakistan, China and the Afghan Taliban were seen as cause for optimism, along with the nuclear deal with Iran. Stakeholders felt that Europe and the West should continue to provide assistance to Afghanistan, particularly to its weak economy. Opportunities include minerals extraction, and the CPEC which could open doors if there are on-links to Europe and the West as well. If Pakistan can begin to think differently about East-West connectivity, and abandon its “games and leave the region alone” it could open up the whole area.

The regional players currently are positioned in a lineup that is beneficial for Pakistan. But at present, the process of regional engagement is not inclusive. Iran needs to be at the table, not least because it has a direct bearing on sectarianism in Pakistan and is an important regional stakeholder – or a potential spoiler, including in leveraging the Afghanistan political scene to its advantage. There has been a sea change on Iran, including possibilities for the IPI pipeline reopening

Relations with Russia are opening up, (though the latter appears to be engaging with the Taliban in Afghanistan including reports of provision of arms supplies and SAM missiles; and was seen as having the potential to be a spoiler including because of Syria as well as in Afghanistan). One commentator remarked that “*Russia is becoming part of the problem*”.

Saudi Arabia was seen as still retaining a popular appeal to certain elements of the population. There was a division of opinion as to whether Saudi Arabia was now more on the fringes of importance vis a vis the region - a comment was made that this may become more limited in the immediate term due to the multiplicity of problems the Kingdom is facing on multiple other fronts with those not sharing this view putting forward that Pakistan’s strong military, and the Kingdom’s investments in Pakistan will result in demands of pro-active support from the latter for its foreign policy interventions (e.g in Yemen). There were also fears expressed that its proxy war with Iran could spill over into Pakistan, post-sanctions lifting. Strong concerns were also expressed over the March 2016 visit by the Prime Minister and Chief of Army Staff to Saudi Arabia as a member of the 34-nation Islamic military alliance, including for its implications for relations with Iran. Furthermore, the majority of people in Pakistan do not want to see the country carrying the burden (of war) for Saudi Arabia.

The relationship with China was seen as being about far more than just CPEC: “China favours stability” as one commentator put it. Its involvement in Afghanistan has raised expectations, and they were seen as “the only ones” who could underwrite a settlement with the Taliban. China’s prestige in both Afghanistan and Pakistan was regarded as high – though some felt that mechanisms should be developed to include other key regional stakeholders, including Iran, in the settlement process, and to a lesser extent also Central Asia. In particular, an India-Pakistan polarisation in Afghanistan must not be allowed happen. The involvement of political players on all sides could help resolve problems.

Regarding Afghanistan, what was seen as the outdated policy of strategic depth that viewed the Afghan Taliban as an instrument to its implementation (by Pakistan), means that Pakistan “will only be convincing” once it de-links from the Afghan Taliban (which, it was noted, have no political capital within Afghanistan, being solely a fighting machine). Consequently, those elements of the Taliban who want to come to peace should be provided with the means to do so. The Pakhtoon alienation factor still remains an issue, increased by (unreported) incidences of looting in Waziristan in the wake of military operations there, and the lack of political ownership in taking forward investigations have deepened it. Whilst Afghan Pakhtoons were formerly close to their Pakistani counterparts, this is less the case now, including because the Afghan Taliban see Pakistan as responsible for their defeat, which is something that the Pakistani state needs to realise and take action on. Other analysts felt that it was critical

not to break off relations with the Taliban too suddenly, but rather, to ease out gradually because of the potential for their turning to Da'esh (as would all non-state actors, potentially).

Genuine, popularly-based governance reforms are urgently needed in FATA, because ungoverned spaces give opportunities to non-state actors to fill them. Bringing back the Mahsud and Waziri tribes into the mainstream would be an important step in this regard.

Regional economic cooperation and integration hold considerable appeal, and much is seen as possible via the SCO. If Pakistan hosts the 2016 SAARC summit, this could be turned into a historic meeting between Pakistan and India, given the prevailing glimmers of maturity on the part of the intelligence community and the consequent possibilities for practical cooperation. Europe on the other hand, should explore how to get the corporate sector more involved in East-West, North-South cooperation in Afghanistan. This would not only bring economic benefits but would open up space for mega-projects that (positively) impact mindsets (eg. TAPI).

As regards India, it was noted that despite its long democratic tradition, it is "in turmoil" which in the view of some analysts, raises basic questions as to the extent of radicalism there, compared with that of Pakistan. The view was therefore put forward that Europe and the US should take this into account, as it produces contrary answers to that of Pakistan's (negative) image abroad. None the less, some analysts considered that the current Indian Prime Minister Mr. Modi remains very unpredictable, despite the new, more subtle approach to handling Indo-Pakistan relations (which was lauded). The incidence of intelligence-sharing over the four days long attack of the Pathankot airbase attack on 2 January 2016² was cited by several analysts as a positive step that showed a new maturity in relations between the two countries³.

2. BUSINESS REPRESENTATIVES

Sources of Tension Highlighted

1. Unresolved SAARC Region Problems

The unresolved problems in the SAARC region, including conflict in Afghanistan and the security situation in Pakistan were seen as negatively affecting the business community and hampering business development.

The business community as a whole, particularly the private sector, would like to see exchanges of business delegations to SAARC and other countries (including Iran), to hold exhibitions in for example, China, but political events and procedural obstacles including denial of clearances have resulted in a decline in the number of trade delegations going abroad.

2. Relations with India

Relationships with India have a strong impact on business, especially on trade. In particular, whenever there is a security incident in either India or Pakistan (such as the Pathankot air force station attack in January 2016),

2. The attack in Pathankot was the most dramatic in a succession of incidents that took place that same week. On 3 January, India's consulate in Mazar-e-Sharif was besieged for over 24 hours. On 5 January, an explosion occurred near India's mission in Jalalabad.

3. See *Pakistan team in India's Pathankot to investigate attack*, BBC, 28 March 2016, <http://www.bbc.com/news/world-asia-india-3591wa753>

there is a negative impact on trade. The business community strongly wishes to do business with India, but some commentators noted the negative role played by Indian media vis a vis Pakistan (and less so vice versa). The Kashmir issue, political relationships with the PML government in Pakistan were all singled out. In particular, the government was perceived as favouring party (PML) interests rather than national ones. Were the ongoing conflicts with India to be resolved, if regional dialogues between both countries were held, there was a sense that a way forward could be found to increase the livelihoods of people in the region. Both countries could take advantage of such outreach, to achieve enhanced trade.

3. Security & Law and Order

Security was viewed as a very important issue for Pakistan, including for its image. Stakeholders commented on the need to change the perceptions of the international community about Pakistan, including promotion of a positive image in the media, and sending a strong message that Pakistan is dedicated to controlling terrorists. The strong stance taken by the army in Operation Zarb e Azb was seen as a positive step in this direction. The situation had improved following the military operation Zarb e Azb started in 2014, but every incident always negatively impacts the business community. For example, the terrorist bombing of Bacha Khan University in Charsadda on 20 January 2016⁴ lowered expectations of positive change in this regard in the short term. Overall, the view was that when the security situation in Pakistan is resolved, foreign direct investment (FDI) will return to the country. The converse expectation is that if the terrorist operations and retaliations continue, the situation will further deteriorate in terms of FDI. The comment was made that it is important to bring businesspeople from abroad to Pakistan, to see for themselves that the country is much safer, more positive and business-friendly than is portrayed in the international media.

4. Energy

A tracking exercise (scorecard.pk) monitors the pledges and actions by the PML government (elected in May 2013), and indicates that many pledges remain unfulfilled, notably in relation to overcoming the energy crisis, though there have been some improvements in the law and order situation. An indicator of these improvements is the increased inflow of business delegations from abroad, which have reportedly increased in 2015 and 2016, especially after the signing of the memorandum of understanding with China for the China Pakistan Economic Corridor (CPEC).

However, the perception was that trade does not increase because of basic issues like the energy situation remaining unresolved, despite some improvements for the industrial sector in the last year. One stakeholder attributed this to a *“lack of sufficient attention”* given to it by the government, which was viewed as serious given the likelihood of a hot 2016 and ever-increasing energy costs to consumers. Gas supply is viewed as a particular problem which intensified over the winter 2015/16 due to supply-side issues with compressed natural gas (CNG), which is causing particular problems for small businesses. A prioritisation of the development

4. The attack that cost the lives of 21 people was claimed by Umar Mansoor, commander of the Tehreek-i-Taliban Pakistan (TTP) Geedar group. However, a spokesperson from the TTP, Mohammad Khorasani, issued a conflicting statement where he condemned the attack, terming it “against Shariah”.

of the gas sector were seen as a critical factor.

5. The China-Pakistan Economic Corridor (CPEC)

CPEC was presented by stakeholders both as an opportunity, and as a challenge.

The business community sees the CPEC as offering opportunities for industrial development, infrastructure, and technology transfer. It was suggested that the government should focus more on improving access to technology transfer, and training opportunities for the business community. Stakeholders would like to see the government prioritise technical training by China to Pakistani enterprises. Some stakeholders saw a gap between policy and implementation: for instance, FTAs are signed, but they do not bring the desired results to Pakistan, because they are not properly designed to benefit the business community (or possibly because the latter is unaware of the possible benefits of technical training). Respondents commented on the lack of synchronicity between the government and the business community at times: for example, the latter received a delegation from China about business opportunities with Kashgar, but no one from the government attended the meetings. China's declining economic growth was seen as likely to impact Pakistan's exports, shifting from an international consumption model to a lower demand for goods.

From a more negative perspective, viewing CPEC as solely an investment opportunity was considered by some to be misleading and short-sighted. Other factors will influence whether or not it ultimately generates economic benefits for Pakistan (vs. strategic bilateral payoffs for both sets of concerned actors). In this regard, whether the CPEC can truly become an economic corridor that connects hubs or nodes of activity along a defined geography, or whether it will remain a series of roads and infrastructure initiatives. The former would of course generate much greater potential economic benefits. None the less, an important consideration in its planning and execution is also the effect on Pakistan's exports (which under an optimal scenario, would be boosted). But trade will be two-way, and Pakistan's exports will rise also, resulting in a likely net rise in the import bill as land connectivity with China improves. Furthermore, most of the envisioned projects will incur foreign exchange liabilities, with earnings being in rupees. Unless currency mismatches are offset by strong rises in exports, there could be a negative effect on Pakistan's balance of payments. However, if CPEC can really be structured and operationalised as a networked economic corridor, the benefits will be huge.⁵

The business community is looking with interest towards Russian markets, but are facing challenges on how to do business there and would like government support in that regard to identify opportunities, take delegations there etc. As regards Iran, the lifting of sanctions is seen as presenting opportunities but it was emphasised that government to government delegations should also include representatives of the business community as well, and should involve reciprocal exchanges of business-to-business delegations. There is a potential role for the Chambers of Commerce in producing market studies by sector that could be used by the government (something

5. For further details, see article by Sakib Sherani in Dawn newspaper, May 2 2015: <http://www.dawn.com/news/1179169>

that formerly used to be done but which has lapsed). Overall, there was a sense conveyed of a lack of clarity on the part of measures being taken by the government of Pakistan to support the business sector.

Challenges

The greatest domestic challenge to the country's economy overall was seen by many as being poor governance, particularly reflected in the energy and power generation sectors, as well as youth illiteracy and unemployment. Given Pakistan's continued high illiteracy rates, this situation is likely to continue for at least another decade: (the link between low literacy and weak governance was specifically commented on). The quality of education, too, was signalled as important: many have qualifications, but far fewer are employable, and mindsets need to be changed, being seen as an obstacle to overcome the cumulative damage of the past. None the less, it was considered that awareness is growing among both politicians and government on the need for change in this regard, as demonstrated by high attendance in the Senate on the issue.

An ageing leadership was also singled out. In Europe, leaders are young, whereas the reverse is the case in Pakistan. Hence, the (inevitable) transition to a younger leadership, and the empowerment of youth, were singled out. A new factor which is possibly influencing perceptions on youth and inequality, is the issue of ensuring safety for the "haves" in relation to the "have-nots" – enlightened self-interest in a context where technology advances will no longer allow the holding back of large swathes of the population by feudal interests. More inclusive governance and less top-down imposition of policies were seen as important. The lack of open discussion around the CPEC controversy (in relation to which provinces will benefit, among other) was signalled out as an example of non-inclusive decision-making processes. The introduction of devolved government with greater local-level accountability was seen as key, including in the gradual shift towards voters electing politicians on issues and policies – at present, they are elected not on their ideology but on their ability to solve local problems.

Inequality and a weak economy constitute further big challenges. Much of the rest of Pakistan's problems are seen as a reflection of these. Whilst consumer spending is high in cities, huge swathes of the country lag behind, with the gap between the two increasing rather than decreasing, due to the education situation and the lack of investment in both that, and in policies linked to governance. However at present the makeup of the current cabinet shows little regional or professional diversity of background, which impedes progress towards greater inter-provincial equality. For instance, in the banking sector, deposits are raised in Khyber Pakhtunkhwa which are advanced to the Punjab – that is, one of the poorest provinces exports capital to one of the richest. The National Finance Awards (population-based) are supposed to lower the disparity gap but intra-provincial inequality persists, as do lack of employment opportunities. People look to government for solutions but due to lack of change, this results in youth disaffection, and a broken social contract, due to the negative fallout from past policies.

Finally, youth radicalisation was singled out as a major challenge facing the country. As one interlocutor put it *“the state has given them nothing, so they don’t either respect or love it”*. The state’s failure to provide basic services was remarked on. And levels of evident social injustice accompanied by technological awareness including social networking and media communications, highlights disparities which are one factor influencing levels of radicalisation.

Expectations from the Government, Europe and the Regional Powers

1. Government

The recommendation was made that the government should focus strongly on improved governance; keeping their election pledges; and investing in the youth of the country, as the key to its future, including to prevent brain drain. Pre-emptive action is required to avoid socio-economic unrest in the future, including through the creation of youth entrepreneurs, empowerment of women entrepreneurs, startups for women, and a focus on market-relevant skills development for both youth and women. It was regarded as essential that developing markets translate into improved livelihoods.

2. The Regional Powers

The level of investment by Saudi Arabia in Pakistan is seen as having declined in general in recent years, which is regarded as having potential negative consequences. However, trade initiatives between Afghanistan and Pakistan are seen as highly promising, including strong levels of interest expressed on both sides of the border. None the less, improved organisation and examination of how to connect the two nations via trade in the medium and long term are required to develop a proper road map, as well as financial support from the government of Pakistan to get it off the ground.

Without peace in Afghanistan, there will be negative fallout on Pakistan. Above all, non-interference in Afghanistan by Pakistan was regarded as crucial. In the meantime, controlling the movement of people across borders was regarded by some as an area where more could be done. Even though the Durand Line issue remains unresolved, this does not prevent its being regulated in the interim. But it was pointed out too that there is a need for Pakistan to focus on its own internal issues first, seen as a belated realisation of the need for policy change, including on the (“misplaced”) policy of strategic depth.

3. Europe & the West

Engagement with Europe was seen as vital for Pakistan. One interlocutor considered that Europe should favour Pakistan more: for instance, commercial companies could source in Pakistan, which has a large market capability for non-branded sourcing. In turn, the government

could challenge the large Pakistani companies to prove themselves in export markets as for example South Korea has done, and to compete outside Pakistan.

Europe should ease up on and lower tariffs to give space to the business community in Pakistan to do business with European countries. European embassies in Pakistan should give positive signals to the business environment, including on how their own businessmen and women can do business with Pakistan. However, until Pakistan's security situation is resolved, and whilst the country is seen as "unsafe for business", little can be done. If (eg) textile exports to Europe continue to rise, and if supply side problems such as energy are addressed, then Pakistan's market share can increase considerably. In that regard, business representatives saw allowing favourable market access for Pakistan as critical; together with allowing some leeway on, and understanding of, the time frame required for increasing compliance standards.

3. LAWMAKERS & CIVIL SOCIETY

Sources of Tension Highlighted

1. Afghanistan

On the positive side, the regional powers are now broadly aligned on a peace process in Afghanistan, and all appear to want the unity government to succeed. Among the domestic players, President Ghani has focused on the legitimisation of the state and the capacity of the Afghan National Army (ANA) has been proved as it has risen to face the various challenges posed to it by the Taliban. Social indicators have improved and in fact are slightly better than those of Pakistani Balochistan on maternal and infant mortality, in part at least due to the large amount of investments in social indicators made by the international development community over the past 10 years or so. The Sunni-Shi'a conflict has not – yet – taken root in Afghanistan. At the grassroots level, the framework of community development councils has proved itself to be robust, with coverage at 85% of villages in the country. This structure was seen as giving legitimacy to the state, and the President is reportedly talking of a Citizen's Charter. The protection of gains made was seen as critical. Other commentators felt that this picture of a cohesive state was unduly rosy, and questioned the degree of Afghan state control over territory, and indeed whether the country is a functional state. Serious tensions were therefore considered to remain.

On the negative side, the robust war economy with former high growth has dropped to 3-4% per year. Different donor agendas compete and greater coordination between Europe and other donors is required, as is a greater Afghan focus in order to create future stability. A sustained source of funding support for programmes on health, education, village infrastructure are required, and external powers, particularly European policymakers, were urged "*not to walk away*". Longterm problems of explosive population growth in Afghanistan and lack of economic opportunity in the country were seen as adding to its problems and to a likely rise in tensions between the two countries. The Afghan government was not regarded as being in a position to deliver, and nor

in all likelihood could Pakistan, even though its government appears to be trying and the potential domestic blowback has been recognised. One commentator asked the rhetorical question on whether the US could help the crackdown on domestic terrorism in Afghanistan – particularly if the Afghan government should admit that it cannot control it by itself. This would be very problematic for Pakistan.

Relations with Pakistan started well at the beginning of the unity government and President Ghani's visit to Pakistan, but following the suicide bombing of Kabul Airport on 10 August 2015, the trust deficit has deepened – with Ghani accusing Pakistan of sending "messages of war" and harbouring terrorist training camps⁶, and the prospects of peace talks with the Taliban have been repeatedly hampered, on the aftermath of the attack.

The demographic picture is of considerable concern, featuring high birth rates, the second largest refugee group in Europe (after Syria), a lack of livelihoods prompting people to turn to armed conflict. The question was posed as to whether Pakistan will once again be left to pick up the detritus of yet another war there. In this regard, the past role of Pakistan was questioned, in that it was considered the country had a great opportunities to be a "bigger brother" in the positive sense, but those have consistently been missed, and Afghans have a huge trust deficit vis a vis Pakistan. This was emphasised by a number of commentators.

Other interlocutors saw Afghanistan as the root cause of the problems faced by Pakistan, which have never been sufficiently well understood. Lack of trust between the two countries (even among Afghans who have lived in, or been educated in Pakistan) was singled out as an issue, together with the need for Pakistan to show a clear intent to solve the "Afghan problem" even if "*something has to be given up in return*".

2. Pakistan

Pakistan was seen as a theatre for the regional powers' proxy wars, who were seen as exporting their tensions there. Some observers suggested that the West should simply stay out of the region, though it was noted that the interests of Europe and the US in the latter, and in Afghanistan in particular has declined. Others raised the issue of Afghan state sovereignty and the expectations of it, from the West.

One observer commented that "*if there were one month of coherent narrative on Pakistan viewing Afghanistan as a sovereign state, attitudes would change considerably.*" Afghanistan needs to be given more credit (in this relationship) and Pakistan should accept some of the blame, in this view. This would lead to a greater ability to manage Afghan expectations. However there is a gap between rhetoric and reality, at present, and a lack of consistency in positioning.

A continuous rise in inequality in Pakistan and a steady increase in religiosity (as opposed to faith-based terrorism or insurgency) were singled out, with the intersect between the two phenomena resulting in exclusion. The legitimisation of violence in the name of faith has increased, which was seen as a consequence of the increase in

6. See *Afghanistan: Taliban suicide bomb attack near Kabul airport*, BBC World, 10 August 2015, <http://www.bbc.com/news/world-asia-33845326>

religiosity. The state was seen as being far ahead of society in terms of a progressive narrative (a reversal from previous decades), and the space has shrunk for civil society and political groups. Addressing this will require concerted work at a societal level.

The “superimposition” of IMF programmes on Pakistan was regarded by some as creating social unrest, and continued violations of human rights see Europe as entirely absent on the issue. In terms of foreign policy, Pakistan’s current stance was regarded by some as having become more balanced, with a new focus on both China and Russia (seen by one observer as “*taking a small stand against the US*”). The decision on 10 May 2015 by the government not to accede to the Saudi Arabian request for military support on Yemen was applauded, though it was also noted that covert support is likely to have been provided⁷. Overall, Pakistan’s foreign policy appeared to many to be beginning to strike a balance on the region.

On Balochistan, the view from Rawalpindi/Islamabad has not changed. Roads have been built, there has been large in-migration, but the insurgency and terrorism remain, and there is no sign of how this will be addressed. The need to deal with the actual people of Balochistan, not just its mineral-rich territory, was emphasised, which, it was considered, would require a change of mind set.

Challenges

1. Addressing radicalisation.

There needs to be a concerted effort towards counter-radicalisation in Pakistan, instead of solely focusing on counter-terrorism.

2. CPEC & China

An observer noted that Pakistan has not negotiated for the maximum benefit to the country from the CPEC, which, it was felt, would benefit China more than Pakistan. There were criticisms that the latter has a tendency to place all its eggs in one basket – first the US, and now China, in contrast to India which has managed to maintain balance in its relations with the US and with Russia.

It was noted that no other country than Pakistan has opened up such a large opportunity to China without regulation of investment or labour. The likelihood of the country being flooded with Chinese goods and services, and labour, was highlighted.

3. India

What was termed “the India factor” was seen as playing a key role in Pakistan’s policy towards Afghanistan, which plays on the minds of policymakers in Pakistan, especially the Tehrik e Taliban e Pakistan (TTP). Speculation over support from India for anti-government elements, the extent of refugees from Afghanistan entering Pakistan (approximately 3 million) combine to create considerable concerns over the effects of local-level terrorism out of Afghan refugee camps on Khyber Pakhtunkhwa and Balochistan.

7. Expressing “unequivocal support for the Kingdom of Saudi Arabia”, the resolution stated that “in case of any violation of its territorial integrity or any threat to Haramain Sharifain, Pakistan will stand shoulder to shoulder with Saudi Arabia and its people”. Full text of the resolution: <http://www.dawn.com/news/1175696>

India and Pakistan continue to contain and neutralise one another everywhere. Stability in Afghanistan will be impossible without all three countries being on the same page. Yet, some felt a corner has been turned in Indo-Pak relations over the past fifteen months, yet despite this, the attack on the Pathankot airbase still occurred despite the potentially transformational meeting between the two countries' prime ministers in Lahore. Once again, Pakistan was seen as having been "*held hostage*" over the Pathankot terrorist attack.

Both India and China were seen by some observers as having positioned themselves cleverly on Afghanistan, in particular its economic scenario, bringing the infrastructure, community and state development which Pakistan failed to join in on, due to its narrowing the conversation on Afghanistan solely to terrorism. It was suggested that the international community is aware of this, and due to their own foreign policy shifts, it has de-emphasised Afghanistan to focus on western problems, rights, democracy etc. None the less, it was considered that support would still be forthcoming for defence and to bankroll the Afghan government, a situation correctly read by India and China, but not as yet by Pakistan. Overall, there was a sense expressed that Pakistan has not moved on in relation to Afghanistan's development agenda, leaving it mired in Its old binary strategy on the Taliban.

4. Saudi Arabia & Iran

One commentator noted that the extent of the role of both countries in exacerbating terrorism in Pakistan has never been publicly acknowledged, and that the Saudi-Iran proxy wars are also being carried out on Pakistani soil. Saudi Arabia in particular was singled out as having contributed to Pakistan's problems due to its support for extremist factions.

2015 Game Changers

The formal economies of Pakistan are very integrated, and the informal economy is even more so, according to one commentator. Pakistan is Afghanistan's largest trading partner at present, and is the latter's second-largest for Pakistan. China's behaviour in both countries is likely to strengthen the Afghanistan transit trade, lost to Pakistan.

However, the view was expressed that there is a need to be wary of the CPEC agreement. The investment amounts involved are huge – representing 20% of Pakistan's GDP over five years, and China has geopolitical ambitions irrespective of Pakistan. There is a danger that Pakistan will be exploited, despite some benefits accruing. None the less, CPEC could be a regional game-changer. In this regard, Pakistan has taken some short-sighted decisions on infrastructure such as the India-Pakistan Waga road, which is an important issue for Afghanistan.

The perception that Afghanistan is "*asking on behalf of India*" displays what was termed "*a weak chauvinism*" in response to a bilateral request, without thinking through the possible benefits, nor what could be asked for in reciprocity, because Pakistan does not want to accord facilities to India to trade back across Pakistan via empty trucks going to Afghanistan. One commentator remarked that "*India and China are*

not carrying out traditional trade with Afghanistan, they are investing, and Pakistan is not." Another observed that Pakistan needs to learn how to extract national benefits, including in Afghanistan. In this regard, the poor management of Afghan refugees, including people whose parents have been in the country since 1979, amounting to some 5 million, was singled out as un-strategic. They are not allowed to become naturalised Pakistani citizens, despite being born and brought up in the country. Neither is there a system of issuing identity cards as refugees, nor is there any integration with Pakistan at either the community or the economic levels.

4. YOUTH

Sources of Tension Highlighted

1. Continued Strategic Ambiguity

A public opinion researcher highlighted that there are high levels of support among the population for continued engagement on both India and on Afghanistan. There is also a strong level of questioning on the policy of strategic depth, despite the military being high on people's trust scale. A recurring comment (see also below) was on lack of transparency: that people simply do not know what the government's policies are. This results in what some saw as "*the deliberate maintenance of strategic ambiguity*" by political parties, which creates the space for the continuance of old narratives. The lack of development of counter-narratives for strategic communications by any (government) group was noted. A clear conflict fault line thus emerges, whereby Pakistan is at a point when, if the state is defined as secular, the bulk of the population are actually radical. Actions against a state which many feel does not represent them, result in actions like targeted killings of those whose beliefs someone does not agree with. If on the other hand Pakistan is an Islamic state, it is not acting in the interests of the majority either.

2. The Regional Powers Themselves As a Source of Tension

Afghanistan was regarded by many as a breeding ground for militant operations in Pakistan. Furthermore, it was considered that the political economies of Karachi, Peshawar and the socio-economic fabric of the country have been – and continue to be – negatively affected by the presence of Afghan refugees.

The Saudi-Iran proxy wars were considered to have an impact on sectarianism in Pakistan. Three fears arise in this regard: that of compromised sovereignty; an existential threat to the state; and sectarianism.

China was seen as a key player in the region, including because of the CPEC.

India's increasing number of consulates in Afghanistan were seen by some as a concern for the Pakistan government, because of their potential for use for intelligence purposes. Perceived Indian involvement in Balochistan was also highlighted.

It was put forward that there is already an Iran-Saudi proxy war going on in Pakistan, with Balochistan as its main theatre.

Some observers considered that the focus on Afghanistan-Pakistan is over-emphasised, given that – in this view – the real fault line is the India-Pakistan relationship, including as a driver of militant mindsets and a major regional conflict fault line. The comment was made that “*people over-estimate Pakistan’s ability to bring people to the table – too much burden is being placed on Pakistan’s weak shoulders*”: a comment echoed by some in the business community.

The question of exactly what the policy of strategic depth means in Pakistan today, and whether it is indeed still the country’s policy were raised, together with the fact that Pakistan cannot, and does not, operate in isolation, but is linked inherently both to the region and globally. In this regard, the changing economic dynamic in Pakistan and the youth bulge in the population will be important determining factors in how this plays out.

Challenges

Governance, security, socio-economic issues and militancy were seen to be continued key challenges. Some saw poverty as the cause (rather than the result) of these problems, and as a breeding ground for militancy. A number of types of inequity were commented on as relevant for the country and for the region: (i) political and social inequity; rapid urbanisation as a source of tension that changes both political engagement and society, in a context where political institutions have not kept up with those changes; (ii) what was termed “institutionalised social inequity” embodied by different educational systems, language bands, class-based conflict, and a vibrant – but inadequate – discourse on the issues; (iii) lack of uniformity in the application of the rule of law, as a driver of conflict: the narrative of militant groups on the rights due from the state feeds this, and until Pakistan guarantees all its citizens equal rights under the law, the militant narrative will resonate; (iv) strategic inequity, with a disproportionate concentration on counter-terrorism rather than combatting mindsets of hatred, in which the default setting is to kill those whose ideas are not liked. In this regard, the very low staffing levels for the implementation of the NAP were noted (3 people) as an indication of weak governance.

Educational reform was regarded as key for the country’s future, particularly in government schools, where one interlocutor noted that hate speech was taught as part of the history, geography and Islamiyyat curricula. Little – if any – progress has been made on the process of nationalisation of *madrassas* and a 2013 Memorandum of Understanding from the government for *madrassas* not to teach radical *jihad*. Although laws have been passed against militancy, such as the Protection of Pakistan Act⁸ (which is about to lapse), the first case under it was only brought to trial in March 2016. The government’s reluctance to file cases or to use existing legislation were questioned; and the apparent lack of a uniform policy and lack of accountability for past killings was also highlighted.

The need to “win hearts and minds” in FATA, and to move beyond

the area being governed under the Frontier Crimes Regulations (FCR) towards inclusion in the mainstream was also highlighted. The government needs to take ownership of FATA, accord voting rights to the people of Gilgit-Baltistan, and address the weak writ of the state in Balochistan beyond the confines of Quetta. Little change in addressing radicalism has been observed since the introduction of the NAP in 2014, with some jihadist groups being detained for (incitement via) leafletting but others (selectively) are not. The perceived lack of uniformity in the application of laws and policies was highlighted by some commentators. One stakeholder noted that the country's political weakness and a strong military persist: what is required is for the government to overcome its fear of the latter and seek a point of convergence to eradicate militancy.

A unifying thread across all the above was seen as being the lack of clarity on what Pakistan is willing, able, and wants to do, regionally and in foreign policy terms. For example, what exactly is Pakistan's Afghanistan policy? Is there a clear policy to address the Balochistan insurgency beyond talk of "engaging in dialogue"? There is a need to go beyond vague generalisations to engage in transparent communication of policy stances. This also applies to lack of clarity on types of religious conservatism. Some considered that there is no harm in overtly recognising the religiously conservative nature of Pakistan, so long as the right to life, and civil and human rights are not infringed as at present. It should be expected that the state should provide a context where people are not killed with impunity or shot for pleading civil rights – noted as being an extremely low common denominator. The recent execution (February 2016) of Mumtaz Qadri⁹ drew thousands to the streets in protest, and the point was made that these are the people who need to be engaged with, to comprehend what is meant by "mainstreaming" them and what they would be offered. Street power remains a powerful tool, in the view of some, more so than Parliament. Indeed, one commentator asked rhetorically whether the funeral (popular demonstrations of support) for Qadri actually define what Pakistan is today.

The youth of Pakistan were portrayed as waiting for delivery on unfulfilled expectations and promises (including on the NAP).

The border region of Chaman in Balochistan was regarded as a hub of Taliban activity in the province, with the government or the Frontier Constabulary (FC) doing little to prevent it, despite the province "*being totally controlled by the FC*" as one interlocutor put it.

2015 Game Changers

Lack of implementation of the National Action Plan (NAP)¹⁰ was singled out as a critical issue. The problem of sectarianism and the need to engage in dialogue with religious conservatives was highlighted; as was the need to use the Council of Islamic Ideology as a forum to bring religious conservatives into the mainstream, and take responsibility for radicalism. In the view of some, the body should not exist under the Constitution of Pakistan, but given that it does, the question arises of how to use it – the country's leadership should decide on what type of Islam it wants to promote, but that there is a lack of recognition that the narrative needs to be changed.

8. See full text here: http://www.na.gov.pk/uploads/documents/1383819468_951.pdf

In this regard, the state's promotion of militancy when it suited it, and its abandonment when it did not, was noted. Another commented that *"religious leaders are the mainstream now"* but it was suggested that leaders of non-banned religious groups could be used to promote dialogue on more moderate grounds, which the government does not appear to be engaging on. There needs to be an evolving narrative on Islam and Muslim culture being compatible with democracy, rights and equality.

The question was raised of why no open condemnation by name of banned religious outfits has been made, which in the view of some commentators, indicates a lack of engagement by the government. Furthermore, the domination of the narrative by selected religious groups is inverse proportion to their strength and indeed street power. Some commentators attributed this reluctance on the part of the government to the domination of the country by the military since its inception, which prevents the following of the Constitutional rule of law.

After the Peshawar bombing of 16 December 2014 that claimed the lives of 141 people, including 132 schoolchildren, the introduction of the NAP led to the hope of a different approach to militancy. However it was commented not only has this not happened, but the differentiation between "good" and "bad" militants appears to be part of military strategy and there has been little or no dismantling of either Afghan or Kashmiri militant networks operating from Pakistani soil. What was seen as an "exaggerated" threat from the establishment of so many Indian consulates in Afghanistan, the "obsession" with India and India-centric security policies were viewed as furthering the military's own interests rather than that of the country as a whole. Under this view, they justify the radicalisation of policies and a continued flow of *jihadis* being created. Whilst the youth of Pakistan were seen as a critical factor going forward, it was also noted that politically they tend to support Imran Khan's Pakistan Tehrik Insaaf, not the incumbent PMLN-Q government, which has strong military links.

There is also a lack of clarity on how to address socio-economic deprivation, women's rights and class-based conflicts, including how the working class could be protected by national policies in a context of rising prices for electricity and bread, and of what was seen as false optimism due to low oil prices and low inflation). Militancy was regarded by a number of commentators as being at the heart of these questions, which needs to be stated explicitly.

Expectations from Government, the Region, Europe & the West

1. Government

Interlocutors focused more from the inside out, rather than discussing the individual regional powers per se. The comment was made that *"change needs to come from within, in Pakistan"*.

Radicalism, governance and the economy were all seen as key domestic fault lines with regional implications. But at the same time, the West should "not let the country get away with it" by providing F16s and

9. Convicted for the murder of the Punjab Governor Salman Taseer over his support for a woman accused under blasphemy laws.
10. See *20 Points to Pakistan?* Zeeshan Salahuddin, Foreign Policy, 29 June 2015 <http://foreignpolicy.com/2015/06/29/20-points-to-pakistan/> . For the contents of the NAP see <https://www.washingtonpost.com/news/worldviews/wp/2014/12/24/pakistan-announces-a-national-plan-to-fight-terrorism-says-terrorists-days-are-numbered/> and <https://www.facebook.com/ahsanigbal.pk/posts/10152492466851078>

military hardware whilst Pakistan is still ambivalent on Afghanistan. Delivery should be contingent on fulfillment of policy promises.

2. Europe & the West

Whilst Europe and the US were seen as primarily looking after their own interests, the usurpation of democracy by dictators that the West was seen as being all too happy to deal with, should change. The democratically elected parties should isolate the military, as should the West, to avoid legitimising dictators (with obvious implicit references to General Musharraf's period of rule). There was a perception of a stale narrative in the West on Pakistan, given that changes are happening there, irrespective of (anticipated) blips such as the Qadri funeral demonstrations.¹¹ In this regard, the fact that the decision to execute him was actually taken was viewed as ground-breaking. The view was expressed that slow and gradual change is indeed taking place in Pakistan, "despite the stale, duplicitous narrative". The concept of "Pakistan as a global problem" was seen as an outdated narrative, and the rest of the world - specifically, the US and Europe -needs to take responsibility for the problems in Afghanistan. Whilst not much can be done in reality by outsiders, some saw the continuation of aid as a key factor; others saw trade and education (in both of which Europe could play an important role) as the way forward.

¹¹. In this regard, some religious groups such as Barelvis and Ahle-Sunnat went to the funeral, but did not protest Qadri's execution: an important distinction which in the view of some, opens the possibility for a narrative that could be exploited by government.

PEOPLE INTERVIEWED

Jan Achakzai, former spokesperson for the JUI-F party
Mirwaise Achakzai, politician Balochistan
Safiya Aftab, analyst, economist and public administration expert
Hassan Akbar, Jinnah Institute Islamabad
Farzana Bari, human rights activist and professor at the Quaid e Azam University
Salman Bashir, former Foreign Secretary and former High Commissioner to India
Air Vice Marshal Shahzad Chaudhry, former ambassador, security and political analyst
Azeema Cheema, visiting lecturer in Public Policy at the National Defence University's Faculty of Contemporary Studies
Ammara Durrani, management consultant
Brigadier Feroze, university professor
Yasser Latif Hamdani, lawyer
Asad Hashim, Reuters Pakistan Correspondent
Fahd Humayun, Jinnah Institute Islamabad
Zahid Hussain, journalist and analyst
Rifaat Hussain, Professor of International Relations, NUST University
Qazi Azmat Isa, economist, Chief Executive Pakistan Poverty Alleviation Fund
Wazir Jogezeai, former Deputy Speaker of the National Assembly Sauleha Kamal, Jinnah Institute Islamabad
Harris Khalique, team leader AAWAZ Voice and Accountability programme; civil society and human rights activist
Senator Afrasyab Khan Khattak, Awami National Party
Shafqat Mahmood (Pakistan Tehrik Insaaf), politician, columnist, retired civil servant, Member of Parliament Lahore
Salma Malik, professor in the Dept of Defence and Strategic Studies, Quaid e Azam University
General Talat Masood, senior defence analyst
Saifullah Mehsud, FATA Research Centre
Jibran Nasir, lawyer, civil rights activist, blogger and independent politician
Ibrahim Qazi, Director Foreign Relations at the University of Management and Technology; member of the Jamaat e Islaami
Amir Rana, security analyst
Senator Sherry Rehman, former Ambassador of Pakistan to the US; Vice President of the Pakistan People's Party; founding Chair of the Jinnah Institute Islamabad
Senator Osman Saifullah Khan, Saif Group of Companies
Majid Shabbir, Secretary-General, Islamabad Chamber of Commerce and Industry
Sakib Sherani, macro economist, former adviser to the government of Pakistan
Taha Siddiqui, journalist, correspondent for the Christian Science Monitor
Marvi Sirmed, political commentator
Sehar Tariq, Pakistan Country Representative for the US Institute for Peace
Mosharraf Zaidi, analyst, commentator, leader of Alif Ailaan campaign to address Pakistan's education crisis; formerly principal advisor to the Foreign Minister of Pakistan (till 2013)
Kashif Zulfiqar, PML-N party activist

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