

Pakistan: Future Scenarios & the Regional Context

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Pakistan is often referred to as a failed or failing state. Almost since its creation in 1947, it has repeatedly been forecast as being on the brink of disaster (the wars with India and the splitting-off of the former East Pakistan into Bangladesh, economic crises and security challenges), or of provincial fragmentation (as a consequence of inter- and intra-provincial disparities in wealth, culture, the war in Afghanistan and the periodic insurgency in Balochistan).

Certainly, in 2011, Pakistan was South Asia's slowest-growing economy, and the country faces many challenges: a balance of payment crisis, severe energy shortages, rising food prices, and internal conflicts including attacks by the "Pakistani Taliban" – quite apart from the domestic problems brought on by its position as a US ally in the "war on terror".

Yet, despite these gloomy prognostics, Pakistan continues to remain intact and alive as a country, albeit with severe economic, political and security challenges, and not – so far – "failed". What accounts for this, and what are the likely future scenarios that could be envisaged for Pakistan, as a result?

Failed State - Weak State?

Achieving a stable state, underpinned by successful economic development requires not just resources, but also state effectiveness.

One analytical framework of state fragility (Besley and Persson, 2011) suggests that three "pillars of prosperity" are necessary for a successful state:

- Peace (through avoidance of repressive government, and civil conflict) – only partially present in Pakistan;

- "Easy" taxes in the form of a tax system with widespread compliance that collects taxes at reasonable cost, from a broad base such as income – considerably underdeveloped, in Pakistan; and
- A "tolerable" administration of justice, involving an accessible legal infrastructure that can support the enforcement in accordance with the rule of law – in Pakistan, strongly correlated with socio-economic status and only partially present.

Countries tend to enjoy all three pillars only when they have evolved cohesive political institutions. In a weak state, institutions are non-cohesive and political instability is high; and those in power lack incentives to invest in creating an effective state, because the resulting benefits are likely to be appropriated by future ruling groups. This certainly resonates given Pakistan's troubled attempts at democracy, interspersed by regular military coups. Under this framework of analysis, the prognosis for the country's future does not score highly.

Weak State, Strong Society

A different analytical framework which may help understand why Pakistan repeatedly keeps pulling back successfully from the brink of disaster, is found in Migdal's (2007) theories on strong societies and weak states, whereby state effectiveness is based on ties to society. Society is thus seen as a powerful actor in its own right, in which a strong society can exist where there is a weak state. This interconnected nature of state and society is highly applicable in Pakistan, where kinship, caste, clan and ethnicity usually take precedence over institutional (state) affiliations; and where the state is in some respects, weak, and society is strong. In Pakistan, caste coexists with, and is sustained by, feudal, tribal and other socially sanctioned structures (Hooper and Hamid, 2003), including land tenure systems, and entrenched patron-client relations which mediate socio-economic issues including access to assets, labour markets, to job opportunities and upward social mobility.¹

However, Pakistan's strong social structures are also affected by a number of internal and external fault lines which have regional dimensions.

Internal Fault Lines

At the micro level, social forces in Pakistan are strong. At the macro level, competing entities vie for power, often with the state itself. Internal fault lines form a complicated overlay upon these entrenched social structures and a weak state.



Militancy

Pakistan’s future is inextricably linked with what will happen in Afghanistan. The war there has seen Pakistan turned into a battleground for home-grown militants, the so-called “Pakistani Taliban”. Continued instability in Afghanistan could have disastrous implications domestically for Pakistan (as well as regionally). Domestically, weak civilian governments, ineffectual civilian leaders and a worsening economic situation have led to growing dissent and a fertile ground for the ideologies of militancy and extremism.

Hussain (2011) categorises Pakistan’s militants in three groups: (i) the hardliners; (ii) those who feel that successive governments continue to fail them, and consequently are anti-establishment; and (iii) antisocial elements merely jumping on the militant bandwagon. The new generation of Al Qaeda in Pakistan is comprised primarily of Pakistanis (rather than foreign fighters as previously), including new recruits from the well educated urban middle classes – retired military officers, doctors, engineers and middle class disaffected youth: the “children of opportunity” – implying a continued failure on the part of the state to meet the needs and aspirations of the middle classes. However, continued high levels of poverty and related failures by the state also make the “children of deprivation” recruited from religious schools or *madrasahs* and from impoverished rural areas a ripe target, easily brainwashed into sacrificing their lives.

Home-grown militants have infiltrated new territory within the country, including in the Punjab province, and with sophisticated attacks on urban centres including Lahore, Islamabad and Rawalpindi (the army headquarters). A dangerous nexus has emerged among Punjab-based, outlawed Pakistani militant groups and from Al Qaeda, which

present a serious challenge to the country’s security agencies (see Table 1). The government’s seemingly ambivalent attitude to some of them has resulted in a heightened propaganda war, despite government bans on such groups. Government failures to put in place effective administrative and policing systems after clearing an area of militant groups are seen as a key factor in their ability to regenerate – and strike back. Entrenched militancy therefore presents a major internal fault line with regional implications for Pakistan’s future.

Water, Power & Food Security

Access to both water and power and to food security are critical issues in Pakistan and will influence the country’s future.

Water

Pakistan suffers severe water shortages, with per capita availability among Asia’s lowest (and lower than that of many African nations).

About 90% of the country’s water supply is allocated to agriculture, which faces the challenges of over-exploitation from the sinking of tube wells; vested interests in water distribution systems and therefore, access; and a lack of willingness by policy makers to seriously address the issue. Poor water management, inefficient irrigation and poor drainage have led to outbreaks of water-logging and soil salinity across the country, resulting in large portions of the countryside failing to produce even adequate – let alone good - harvests. In rural areas, the poor are predominantly sharecroppers, and lack of assets, productive land and access to water are strongly correlated with poverty (Zaidi, 1999). This overall situation of poor water management and depleting supplies across the country was worsened by drought conditions in late 2009/early 2010, which reduced agricultural yields by as much as 50% in some areas, though there are indications these have since recovered.

“Pakistan’s future is inextricably linked with what will happen in Afghanistan”

TABLE I: THE MILITANCY MAP

	Predominantly Foreign	Predominantly Pakistani
Anti Pakistan	Al Qaeda; assortment of foreign militants based in FATA	Tehrik-e-Taliban Pakistan; Harkatul Jihad-e-Islami; Lashkar-e-Jhangvi; assortment of splinter groups – the ‘Punjabi Taliban’
Sectarian	Jandullah (Malik Ragi group)	Sipah-e-Sahaba Pakistan; Lashkar-e-Jhangvi; Sunni Tehrik; Sipah-e-Muhammad
Anti-US/NATO	Al Qaeda; assortment of foreign militants based in FATA; Quetta ShuraTaliban; Haqqani network; Hizb-e-Islami;	Muqami Tehrik-e-Taliban; ‘Punjabi Taliban’
Anti-India	Hizb-ul-Mujahideen; Al-Baraq	Lashkar-e-Taiba; Jaish-e-Muhammad; Al-Badr; Harkatul Mujahideen al-Alami; Harkatul Jihad-e-Islami

Source: Yusuf, 2011

Power

The energy issue constitutes another threat to this fragile country's stability, largely attributable to lack of foresight and mismanagement. Pakistan suffers from a chronic energy shortage with frequent "load-shedding" (scheduled power cuts) which undermine agricultural and industrial production, and make life miserable for the large proportion of its citizens who have just about enough money and connectivity to use basic electrical goods such as a fan, but not enough to buy and run a generator. The energy deficit in both electricity and gas means that businesses have to shut for part of each week, forcing many to go bankrupt. Power shortages are estimated to cut some 3-4% from GDP and according to some, spell the doom of the Punjab province's once-flourishing textile industry. Popular anger over Pakistan's crippling electricity shortage has forced the government – already heavily in debt – to consider expensively importing power. However, politics and debt, not capacity, are at the root of the problem. In theory, when the planned Diamer-Basha Dam in the north east becomes operational by the next decade, the question of generating capacity would be addressed. But there are political dimensions, involving India, which are likely to delay or even prevent the dam's construction. Other alternatives include a gas pipeline from Iran (unlikely to be realized in the short term, given international sanctions); or importing energy from Central Asia, which would involve transiting across Afghanistan (difficult and dependent on a minimum level of internal stability there).

An equally great challenge is the vicious cycle of debt within the existing supply system, whereby power plants are owed money by the national grid, which in turn cannot get consumers (including the Pakistani government) to pay for the electricity they consume. The government also continues to subsidise the cost of electricity, using money which critics say could be better used to pay its own bills, thereby freeing up unused capacity in power plants. Future cuts in household-level subsidies could lead to even more social unrest.

Food Security

Food prices have risen continually in recent years, and continue to do so. Barring a series of really good harvests and a downward turn in world prices, this issue will continue to affect Pakistan in the future, also potentially affecting its social as well as economic stability.

At present, an estimated two-thirds of expenditures by small farmers in the Sindh and Punjab provinces go on food – and in some areas of Sindh, it is as much as 87% (Altaf, 2010). Rising food prices may well lead to a level of instability which may in turn become critical for the maintenance of national security. Food supply-related civil unrest has been seen in Pakistan annually from 2007 to 2010. A new class of poor has been created, who exhibit "extraordinary

behaviour" (Suleri, 2010) as a coping mechanism: selling kidneys, going into bonded labour, selling children, committing suicide or becoming a suicide bomber. The reported "going rate" of \$12,000 can allow dependents to live a decent life in a way not possible in the lifetime of the suicide. Indeed, analysis by many observers finds that a number of Pakistani Taliban are not in fact militant hardliners, but rather are impoverished young men outraged by the failure of the state and by chronic hunger, who find solace (and recruiters) in some religious institutions. While one ought to be cautious not to draw simplistic conclusions, this "mullah-Marxist nexus" was noted by analysts of poverty and the political economy, as long ago as 2003.² Those areas of Pakistan with the worst governance indicators also have the worst food insecurity indicators; and are the most violent and conflict-ridden (Malik, 2010).

Sectarianism

Almost 70% of Pakistan's Muslim population is Sunni, with the remainder Shi'a (the second largest Shi'a population of any country, and larger than the Shi'a majority in Iraq).

Sunni-Shi'a conflicts have come to assume utmost prominence, particularly since the mid 1980s.

Almost every year since the late 1970s, particularly around the time of Shi'a periods of religious significance in Muharram, Pakistan has seen the gunning down of members of its Shi'a population. Until the terrorist attacks of first decade of the 2000's, which struck more broadly, this was the main form of ideologically-motivated killing in Pakistan.³ The start of 2012 has seen this continue in rising numbers.

Although incidents of sectarian violence had taken place earlier on, this started to become a serious problem under Zia al Haq's martial law regime (1977-88). Haq's ideologically-motivated regime fostered the growth of sectarianism, creating a perception among the Shi'a community that his government was moving rapidly towards the establishment of a Sunni *Hanafi* state in which the 'Islamisation' of laws was seen to reflect the 'Islam' of this particular bent. Those who instrumentalise the debate see the origins of sectarian violence in the war against the Soviet occupation of Afghanistan. A large number of Islamist groups and *madrassahs* sprang up inside Pakistan in the name of *jihad* against the Soviets. Unfortunately, the government at that time promoted this – particularly *Deobandi* and *Wahabi* *madrassahs*.

Among those blamed are Sunni extremists groups who proudly vaunt anti-Shia violence as their principal goal, as well as outfits like *Al Qaeda*, working with local sectarian groups to kill what they perceive as Shi'a apostates, and "foreign powers trying to sow



discord “Sectarianism has also been meshed with separatist and pan-Islamist violence in parts of the country. In the restive province of Balochistan, where most of the violence is linked with an ongoing separatist insurgency (Siddique, 2011), targeted political killings appear to be overlaid with sectarian motives. For instance, the Iranian Sunni extremist group, *Jandullah* has collaborated with Punjab-based *Lashkar-e-Jhangvi* to target Shia Hazaras in Balochistan. Further south, the port city of Karachi has seen sectarian violence breaking out sporadically, for years, and at times – for instance during the 1990’s, large swathes of the city have become no-go areas. Even Karachi is now infested with an overlay of sectarian, Taliban-led extremist, criminal and gang-related violence: it is no longer easy to distinguish between the targets and *modus operandi* of these groups.

It remains to be seen whether definitively addressing the issue of the “homegrown” militancy would ensure the reduction and indeed elimination of Sunni-Shi’a violence. First, is this likely? Government responses to sectarian violence have historically been weak or intentionally absent (Riikonen, 2007). Second, sectarianism has taken on a more regional dimension in the wake of the US withdrawal from Iraq, with its majority Shi’a population, and the increased levels of sectarian violence witnessed there in late 2011 and early 2012. Regional stakeholders have a role here: external Sunni and Shi’a involvement in fomenting sectarian violence in Pakistan is likely to be a (continued) possibility unless the Pakistani state itself is able to clear its own territory of sectarian militant groups.

“Over the past decade, the US has overtaken India as Pakistan’s prime foreign policy concern, in a close, but troubled relationship”

External & Regional Fault Lines

Pakistan’s important geo-strategic location seems to have done it more harm than good over the years. Time and again, Pakistan has found itself at the centre of a geo-strategic tussle which has led it to become party to conflicts that remain secondary to its own interests. The Afghan war against the Soviet Union in the 1980s and the post-9/11 military campaign are the two most obvious examples, whereby Pakistan has embraced an alliance with the US in a war next door in Afghanistan. Each time, Pakistanis have seen the landscape of their own country change dramatically, in no small part due to the fallout of the regional developments. Equally problematic has been Pakistan’s own strategic myopia over the past two decades, employing militancy as a foreign policy tool, to its own detriment.

Going forward, regional developments and Pakistan’s external relations are likely to be central to the country’s future direction, both because they will determine its surrounding environment; and because they impinge directly on the country’s internal stability.

Pakistan-United States

Over the past decade, the US has overtaken India as Pakistan’s prime foreign policy concern, in a close, but troubled relationship. In the initial years after 9/11, cooperation was smooth, opaque and featured excessive concessions being granted behind the scenes. Pakistan had internalized the American campaign as a short one which would swiftly usher in a new setup in Afghanistan that, - banking on the fact that it has partnered with the US to bring this about - it hoped would recognise Pakistan’s interests in Kabul.⁴ This did not prove true. Pakistan began to face a major blowback from militancy and thus reconsidered the value of its strategy (Yusuf, 2010).

Today, there is widespread belief in Pakistan and the US that the ‘other’ has been an insincere partner and remains the cause of much of the problems in Afghanistan. The US sees the Afghan militant sanctuaries in Pakistan, and not the international campaign’s failure in Afghanistan, as the primary challenge. Pakistanis are more focused on the 40,000 or so lives they have lost to terrorism since 9/11 and believe that their services are unappreciated. They also see the last 10 years as having tilted the regional balance in their arch enemy India’s favour. The atmosphere is so poisoned that it has undermined even the non-security relationship: there is tremendous angst over aid - viewed by the US as a symbol of its long term commitment to Pakistan, but by Pakistanis as an ineffective tool to extract more counterterrorism support from Islamabad as a *quid pro quo*.

Looking ahead, the key challenge is to identify interests - apart from Afghanistan - which could hold this partnership together. 2014 will see a decreased US military presence in Afghanistan, and a consequently decreased dependence on Pakistan. Given the vitiated atmosphere in Washington, there seems to be little hope for a continued positive engagement.⁵

In Pakistan, whilst the necessity of not ending up on the wrong side of the world’s only super power is well understood, the overwhelming sentiment among a wide cross-section of society is that this partnership is a net negative, and a major impediment to peace within Pakistan’s borders. Justified or not, this is the outlook which the relationship has to confront moving into the post-2014 phase.

Few believe that either party will walk away completely. But is a minimal relationship, underpinned by acute mistrust and resentment, enough? Once the chief irritant – Afghanistan – has become less pertinent, will they be able to work together in a more



measured, realistic, and transparent manner? Or will there be a drastic downturn in ties? How will either affect Pakistan's internal stability? Will a downgraded relationship decrease pressure from the street and provide the Pakistani leadership breathing space? Will it be easier or more difficult to handle? Much will depend on how smoothly the Afghan security transition of 2014 occurs and what post-2014 policies the US, Pakistan, and other regional stakeholders adopt towards the region.

Pakistan-India

Traditionally marked solely by hostility, heightened threat perceptions, and constant global diplomatic campaigns against one another, the Pakistan-India relationship has lately acquired a problem-solving spirit. Two parallel tracks are being pursued: (i) the "traditional" - regional rivalry, a zero sum mentality on extra-regional alliances, terrorism against India from Pakistani soil, brewing proxy tussles in Afghanistan, a global information campaign against the other; and (ii) stances by both actors that are more congenial and supportive of dialogue, with serious efforts at moving ahead on disputed issues, and a belief that confrontation is counterproductive for both sides, in an increasingly integrated world that puts a premium on regionalism.

First, the negative strand has manifested itself through a number of incidents in the past few years. There have been three major crises triggered by deliberate Pakistani incursions into Indian Kashmir (1999) or by Pakistan-based militant groups who attacked Indian metropolis (2001-02 and 2008) since overt nuclearisation of South Asia in 1998. While India alleges that anti-India militant groups in Pakistan are still supported by its intelligence agency, the ISI, Pakistan pledges disassociation but a lack of capacity for decisive action. There is also a proxy battle brewing between both sides in Afghanistan, where Pakistan alleges that India has used Afghan and Iranian territory to fan separatism in Pakistani Balochistan (Fisher, 2011).

Second, regionally, the two states continue to be fierce competitors. Pakistan's quest to keep Indian presence in Afghanistan limited and deny India access to Central Asia is being countered by massive Indian economic investment in Afghanistan, support to the government in Kabul, and active outreach to Iran. The signature of the 2005 controversial US and India nuclear deal left Pakistan seething, with some viewing the India-US duo as the next principal alliance in the region.⁶ The result for now has been an even more aggressive nuclear build up by Pakistan and growing numbers on the Indian side as well (SIPRI, 2011).

The positive strand saw a concerted peace bid initiated after the 2001-02 crisis. The *Composite Dialogue* exceeded most expectations and prior to its unravelling in 2007-08, it had made remarkable progress even

on Kashmir (Coll, 2009), the most contentious of issues; a joint framework for terrorism; limited progress on Siachen and Sir Creek, and concluded a number of military confidence building measures (especially in the nuclear field). The dialogue resumed in 2011, with a major positive announcement by Pakistan liberalizing trade with India; granting India Most Favoured Nation status; and trade ministries discussing removal of impediments to trade flows (The Hindu, 2011). The latter signals a paradigm shift from Pakistan's "Kashmir before anything else" approach, but also increased trade could lead to interdependence, and in turn, sustainable peace between the countries.

However, peace is not a certainty by any means, nor is continued dialogue. Another terrorist strike in India by Pakistan-based militants could generate a conflict; Pakistan and India are likely to fight an active proxy war in Afghanistan post-2014; and regional alliances could set Pakistan/China against US/India. Further into the future, lack of cooperation on new emerging issues even risks resource wars (e.g. over water). However, there are signs that both countries realise the cost of conflict, and the potential gains from cooperation. This is crucial, since without mending fences with India, it cannot be envisioned that Pakistan can benefit from regional trade, rid itself of anti-India militants, and refocus energies on the economy and social uplift.

Pakistan-China

Pakistanis like to refer to the Chinese as the "all-weather friends" (as opposed to the "fair-weather friendship" with the US). China's "hands off" approach to internal politics, human rights, and accountability and transparency presents Beijing as Pakistan's most dependable ally, in a security-driven relationship underscored by substantial economic collaboration.

China's support to Pakistan's defence sector has been critical, including to its nuclear programme. For China, efforts have been aimed at underpinning Pakistan as a challenger to India's South Asian role.

In terms of economic collaboration, China and Pakistan have a free trade agreement with current trade standing at over \$8.5 billion (mainly from Chinese exports into Pakistan). Beijing has invested heavily in infrastructure in Pakistan (more recently in road networks to connect Pakistan's new deep sea port of Gwadar, partly financed by China, to Xinjiang province) (Niazi, undated). The present government has signed Memorandums of Understanding establishing cooperation in key areas such as agriculture, transportation and trade. Chinese support for a one-gigawatt nuclear power is also in the works (Zubeiri, 2010).

Pakistan has always accorded China a preferential foreign relations status, and is responsive to China's concerns, for instance, worries over the spread of Islamist extremism from Pakistan into Xinjiang (Spegele, 2012). Pakistani action against Uighur separatists accessing militant training camps in northwest Paki-

stan has been uncharacteristically swift. Many Pakistani decision makers would like to see the Sino-Pakistan relationship grow stronger to offset India's rise and to substitute the need for the US as an ally, seeing the potential for Pakistan to become a major energy transit hub for China, a factory floor for cheap production for the Chinese, a partner in Chinese investments in Afghanistan, and a buffer against what it perceives to be a western diplomatic onslaught against it. However, this is likely just wishful thinking, since China has frequently signalled that despite their reservations about US ingress into the region, it does not want discomfort in its relationship with Washington, over Pakistan. None the less, China is likely to remain Pakistan's principal benefactor in terms of keeping Islamabad's international leverage alive.

Pakistan's Western Neighbors

Pakistan has long been obsessed with avoiding a "two-front situation" – an enemy to its east (India) and trouble from the western border at the same time. Keeping ties cordial with Iran and Afghanistan has therefore been an important, though not always successful,

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objective. Relations with Afghanistan have been schizophrenic and troubled; and oscillatory with Iran, marked by periodic tensions over the sectarian issue.

Geography, the ethnic bond and shared culture between Pakistani and Afghan Pashtuns, and a porous border that allows regular movement across the Durand Line all underscore Pakistan's importance for, and influence over, Afghanistan. In addition, since 9/11, Pakistan has committed \$330 million in Afghanistan (which is also a major trade partner) for reconstruction and civilian assistance and large numbers of citizens from both states reside and work in the other country (The Express Tribune, 2011). However, for almost two decades, Islamabad's partnership in Afghanistan has been limited to the Afghan Taliban and its affiliates.

It is difficult to predict Islamabad's relationship with Afghanistan after the impending security transition, which will depend on what kind of Afghanistan is left behind. Regression towards a civil war would see Pakistan fall back on its traditional partnerships (the hard line Pashtun groupings). A somewhat stable and inclusive Kabul may receive Islamabad's backing. Either way, Pakistan faces the prospect of the anti-Pakistan militants using Afghan territory as safe havens for attacks against Pakistani state interests; and of a re-strengthened Afghan Taliban emboldening Pakistan's ideologically-motivated extremist groups. Under such circumstances, a transformation to a landscape dominated by bilateral and regional economic collaboration is hard to imagine,

even though initiatives such as the TAPI pipeline, transit trade from Central Asia, and initiatives like the “New Silk Road” present the best hope over the long run. These however depend on a high degree of stability in Afghanistan and improved regional relationships. With Iran, Pakistan's warm relations have deteriorated swiftly over the past three decades. Yet, Pakistan opposes Iran's international isolation and looks to Tehran for satisfying some of its energy demands. Since 2005, Pakistan has looked to Iran as an energy supplier. In 2009, Iran and Pakistan signed a controversial Iran-Pakistan (originally involving India) gas pipeline deal, which would guarantee gas supply for the next 25 years (Haider, 2009). But Pakistan is caught between satisfying some of its energy needs, promoting regional diplomacy, and avoiding yet another international conflict on its border, and facing condemnation from the West.

Moreover, all is not well in the bilateral relationship between Islamabad and Tehran either. Iran and Pakistan continue to disagree over the strategic approach to Afghanistan and Central Asia. Iran has traditionally supported non-Pashtun, northern groupings in Afghanistan in opposition to the Taliban. Pakistan is also a benefactor of Saudi patronage, which continues to pose an obstacle to Iran's regional influence, in addition to indirectly fuelling a sectarian conflict in Pakistan between Shia and Sunni groups. More recently, Iran has accused Pakistan of harboring the anti-Iran Sunni militant group, *Jandullah* (Bokhari, 2009). From Pakistan's perspective, Iran has facilitated Indian efforts to ‘bypass’ Pakistan by allowing access to Afghanistan and Central Asia through its territory. India is also investing in Iran's Chabahar port, a major competitor to Pakistan's Gwadar.

For now, one can expect Pakistan to continue playing a balancing act, reaching out to Iran to satisfy its energy needs, while pushing against but not crossing any red lines set by the U.S. and other western powers. Overplaying its hand on the sectarian issue could cause an internal backlash while defying the West beyond a point could cost it international isolation.

Future Scenario 1 – Trade Triumphs & “All Boats Rise”

India and Pakistan resolve the Kashmir issue, and come to common agreement on their respective policies towards Afghanistan. Trade flourishes as countries allow transit rights to each other and begin to lay the infrastructure for energy cooperation. Economic interdependence brings domestic and regional prosperity, stability and a reduction in violence. Pakistan's economic and social health begins to rise swiftly in this new environment and you find oomph in the step of the average Pakistani.

The end to the Afghan campaign also brings respite to Pakistan, allowing it to successfully focus on addressing internal militancy challenges. US support to Pakistan's long term stability is augmented by a significant improvement in the India-Pakistan relationship and a virtuous China-India-Pakistan "trade triangle" whereby Pakistan picks up low-end production no longer of interest to its two larger neighbours. A cordial Pakistan-Afghanistan relationship allows Pakistan to operate as a Central Asia-India transit hub. US and Indian concerns over Pakistan-Iran energy collaboration and Gwadar port's use by China continue, but do not come in the way of Pakistan's remarkable economic turnaround, underpinned by a paradigm shift in its regional security calculus. There is still strategic competition in South Asia but it no longer nullifies all prospects of cooperation.

Future Scenario 2 – The Nationalist Vote & Traditional Outcomes

The stability of the Pakistani state remains at threat from multiple insurgencies (the Pakistani Taliban, the insurgency in Balochistan). Notwithstanding, the people, fed up with the corruption and successive failures of what are perceived as westernised democratic governments, vote for change – even a potentially socially repressive one – through the election of right wing parties at provincial and federal level. 2012 sees President Zardari indicted for corruption; the military engineers a "constitutional coup", transitioning to an "assisted" election of a "clean" alternative (right wing, not necessarily inclusive) party such as Imran Khan's *Tehrik e Insaaf*.

Externally, the US exits from Afghanistan and works closely with India as its principal regional ally, coordinating with it its counterterrorism efforts against Pakistan-based militant groups. A proxy war continues in Afghanistan between India and Pakistan, with disastrous results for Pakistan as its security apparatus is forced to back extremist groups, which fuel rear-guard militant action within Pakistan. This keeps law and order weak and the state looks to defend an Islamized narrative as a means of warding off outright victory of extremist elements. The China-Pakistan relationship strengthens further as does the Islamabad-Tehran partnership, where the IPI gas pipeline project goes ahead despite US opposition. The region is forced into a traditional power balance: India-US versus Pakistan-China.

Future Scenario 3 – Militants Fill the Vacuum: Disintegration & Descent into Chaos

Strikes by militants increase; their hold on the main cities of Pakistan strengthens; US drone strikes continue to alienate the people of Pakistan, fuelling rather than

suppressing insurgency; civilian government continues to prove incompetent and unable to address the severity of the economic problems. Pakistan descends into chaos and the vacuum is filled by militant Sunni Islamist groups, in an Iranian-style revolution. Sunni-Shi'a violence increases.

Pakistan's implosion is swifter than expected. The Pashtun issue in Afghanistan sees the "Pashtunistan" slogan being re-raised; and Pakistan's tribal areas and KPK province only remain nominally part of Pakistan. An emboldening of Pakistani Taliban in the wake of a "Taliban victory" in Afghanistan collapses the state's writ in large swaths of settled Pakistan as well. Secessionist movements in Balochistan and nationalist movements elsewhere gain momentum and the state is forced to compromise on its writ. Fears of an Islamist takeover of a nuclear-armed Pakistan brings the entire world together to try and prop up the state and hold it together. The Pakistani government agrees to shed sovereignty concerns and allow a small number of foreign troops and law enforcement officials to assist it. But this provides more impetus to the militants to join hands against the foreigner. The US, China, the Gulf states, and even India provide financial and security assistance. Despite this, a much-weakened, troubled Pakistan is bent upon holding on to its nuclear capability and the world cannot seem to find a way to convince or compel its leaders otherwise. The world's worst fears are realized.

Notes

1. For an excellent overview of the patronage networks and how they affect politics in Pakistan, see GAZDAR, Haris. *Drivers of Rural Poverty*, TA4319-PAK: Determinants & Drivers of Poverty Reduction and ADB's Contribution in Rural Pakistan, Asian Development Bank 2005.

2. See for example HOOPER and HAMID (2003) which inter alia discusses the mullah-military-market nexus; and Suleri, A.Q, in Kugelman op cit 2010.

3. For a fuller discussion of the history of sectarian violence in Pakistan, see RASHID, Abbas. "The Politics & Dynamics of Violent Sectarianism" in MIAN, Zia and AHMED, Iftikhar, *Making Enemies, Creating Conflict: Pakistan's Crisis of State and Society*. Lahore: Mashal, 1997, pp.36-37.

4. Moeed Yusuf's interviews with several Pakistani civilian and military decision makers in the Musharraf regime.



5. Prominent voices in Washington are now calling for a 'containment' strategy towards Pakistan, which foresees closer collaboration with other regional countries like India to curtail spread of extremism from Pakistan. For one exposition of this idea, see RIEDEL, Bruce., "A New Pakistan Policy: Containment". *New York Times*, October 14, 2011.

6. For basics of the deal, see "The U.S.-India Nuclear Deal". Backgrounder, *Council on Foreign Relations*, November 5, 2010
<http://www.cfr.org/india/us-india-nuclear-deal/p9663>.

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