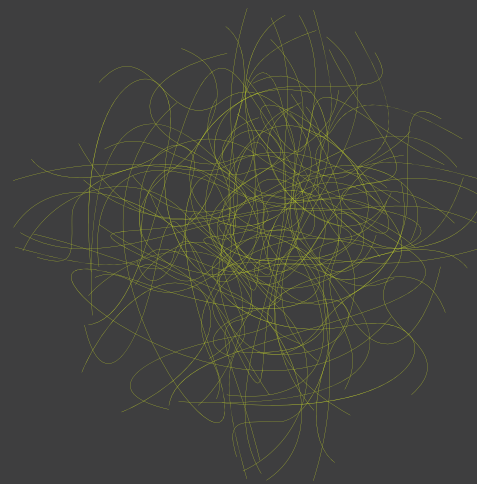


**Sources of Tension
in Afghanistan and
Pakistan: A Regional
Perspective**

**Pakistan:
Overview of
Sources of
Tension with
Regional
Implications
2014**

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PAKISTAN: OVERVIEW OF SOURCES OF TENSION WITH REGIONAL IMPLICATIONS 2014

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Having witnessed a peaceful transfer of power from one elected government to the next in 2013, Pakistan seemed poised for a period of political stability in 2014. This has not, however, been the case, with the government facing allegations of electoral fraud, and dealing with sustained street demonstrations and calls to resign from at least one opposition party, in addition to a politico-religious group with political aspirations. Similarly, the negotiation of a loan with the IMF under the Extended Fund Facility in September 2013 has not resulted in significant economic reform, and growth projections remain below potential.

The country's security situation improved, in that a major offensive against extremist groups in the tribal areas appears to have resulted in a relatively lower incidence of terrorist attacks in major cities. However, minority sects continued to be targeted by extremist groups, and incidents of persecution, discrimination and in some cases, mob violence against religious minorities, also continue unabated. The province of Balochistan remained in the grip of an insurgency, with continuing reports of excesses committed by security agencies, and indeed by separatist groups who tend to target non-Baloch communities. All of the above were key domestic sources of tension in the country in the outgoing year.

Pakistan's relations with most of its neighbours remained rocky in 2014, and the country was unable to capitalize on regime changes in both Afghanistan and India. Relations with regional powers including China and Russia remained positive or stable, although the latter continued to be concerned about the role of Pakistani militants in the spread of extremism in Central Asia. Relations with Saudi Arabia showed improvement after the change of government in 2013, with the Saudi authorities extending significant economic support to Pakistan, albeit with somewhat opaque motives. Overall, the continued instability in Afghanistan, the aggressive posture of the new regime in India, and accusations from Iran of border incursions by militants, have soured Pakistan's foreign relations in the region, and constitute the key sources of tension for the country on the external front.

This overview explores key sources of regional tension for Pakistan, but also touches on sources of domestic tension that have regional implica-

tions. The paper analyses the past year's (2014) trends,¹ to suggest how the situation may evolve over the short term.

Sources of Domestic Tension with Regional Implications

The key sources of domestic tension in Pakistan in 2014 are the ongoing militancy, and, linked to that, the continued extremist violence and sectarian conflict, some of which has had implications for the country's bilateral relations with regional powers.

Militancy and Terrorism

As of early 2014, the government indicated a willingness to hold peace talks with militant groups, and try and reach a negotiated settlement that would stem the terror attacks in the country. However, attacks continued unabated even during the phases of negotiations. In June 2014, militants laid siege to the country's largest international airport at Karachi, in an operation that lasted five hours and resulted in 55 deaths. This proved to be the turning point for the government's strategy. Later on the in same month, the government announced the launch of a military operation in North Waziristan agency (one of the seven agencies that constitute the Federally Administrated Tribal Areas or FATA) to flush out extremist groups who had been centered in the region for some time.

The military operation appeared to have had an impact on the frequency of terrorist attacks, in that, casualties from terrorist attacks in the country are slightly lower in 2014 (by about 1000 casualties) than the figure for the previous year, and significantly lower than the peak of over 11,000 casualties reported in 2010.² Nevertheless, the country experienced probably the worst attack, both in terms of number of casualties, and in terms of sheer brutality, in December 2014, when militants attacked an army-run school in Peshawar, killing 141 people, including 132 children.

In the aftermath of the shocking attack, which has had tremendous reverberations in the country, the government and the military have come together to formulate a 20 point plan of action to fight terrorism in Pakistan. Some of the proposed actions under the plan of action are controversial – including the establishment of military courts for a period of two years to try terrorists. Others (like the lifting of the six year moratorium on the death penalty) appear to be knee-jerk reactions, rather than well-thought-out strategies. Nevertheless, as of end 2014, the civilian government and the military are under increased pressure to show results, both in terms of a decrease in incidents of terrorism, and the capture and/or liquidation of leaders of the *Tehrik e Taliban Pakistan* (TTP) and other terrorist organizations. In an important departure from past (unofficial) policy, the government has emphasized that it will not make a distinction between different terrorist groups, and will pursue all non-state actors with militant agendas. The government's resolve will only be apparent if it makes an effort to clamp down on sectarian groups known to be active in Indian occupied Kashmir, along with terrorist groups acting against the Pakistani state.

A key fallout of the latest terrorist attack is the possibility of Pakistan cooperating more closely with Afghanistan to locate and neutralize key leaders

1. See CIDOB STAP-RP Quarterly Monitoring Briefs for the year compiled by the Pak Institute of Peace Studies, for more detail: http://www.cidob.org/en/publications/stap_rp/quarterly_monitoring_briefs_pakistan
2. See <http://www.satp.org/satporgtp/countries/pakistan/database/casualties.htm>

of the militancy. The day after the attack on the school, Pakistan's Chief of Army Staff (COAS) flew to Kabul for talks with the Afghan government and NATO officials, and, according to reports, presented proof of the presence of leaders of the TTP in southern Afghanistan. While it is still too early to assess how cooperation will proceed, the visit may have laid the basis for joint effort in counter terrorism operations.

Sectarianism and Extremism

Sectarian and ethnic violence, and attacks on minority groups continued unabated through the year. Targeted killings of the Shi'a in particular, continued throughout Pakistan, with victims including prominent Shi'a clerics and community leaders, in addition to ordinary citizens. Human Rights Watch (HRW) reported that at least 400 Shi'a were killed in a series of attacks in 2012, with a further 450 or so dying in 2013.³ There is no reason to believe that this trend has abated in 2014.

In addition, the current year has witnessed a new development in persecution of minority sects, with two attacks on the Zikri community of Balochistan in the summer, targeting a bus carrying pilgrims, and a shrine respectively. Attacks on the Ahmedi community also featured prominently in 2014, including an incident in the city of Gujranwala, where five houses were burnt down on charges of blasphemy, resulting in three casualties.

In a particularly gruesome incident in early November 2014, a Christian couple were beaten to death in a village near Lahore, on suspicion of desecration of a holy text. The outrage caused by this last incident has, however, prompted a strong response from the government, which has announced that the state will act as a plaintiff against the perpetrators. For an administration that has traditionally remained apathetic to such events, taking up such a position was a strong statement. To the extent that this means that excesses committed under the blasphemy law are finally being taken notice of, the government's stand is a very positive development.

Pakistan's sectarian violence has regional implications, insofar as the continued targeting of the Shia community resonates negatively in Iran, and is viewed as an indicator of a proxy war being carried out in the region. The current regime, the leadership of which has strong links with the Saudi royal family, has its task cut out with regard to maintaining good relations with Iran, as discussed further in the sections below.

The above points to the key sources of domestic tension in Pakistan. We now look at the sources of regional tension, in particular those related to Pakistan's relations with its neighbours.

Sources of Regional Tension

Relations with India

The elections of 2013 brought the Pakistan Muslim League (Nawaz) or PML(N) into power for the third time in Pakistan's history. For some analysts, this augured well for bilateral ties with India, given that the last PML(N)

3. Human Rights Watch. 2014. "We are the Walking Dead: Killing of Shia Hazaras in Balochistan, Pakistan." June.

government had succeeded in making some headway with the government of Atal Bihari Vajpayee in 1999, hosting a historic summit in Lahore in February that year. The resultant Lahore Declaration had reiterated a resolve to negotiate on all outstanding bilateral issues; had condemned all forms of terrorism in unequivocal terms, and talked of promoting human rights and fundamental freedoms. Although this process was derailed by the Kargil misadventure in the summer of the same year, the PML(N) has the image of being a business friendly party, which places a premium on promoting economic cooperation, even in the face of political differences. The party has a strained relationship with the armed forces, not least because its last government was ousted in a coup in October 1999, but its strong following in the army's traditional recruiting ground of Northern Punjab was believed to give it an advantage in its dealings with the military.

Indian Elections and Attempts at Normalization of Relations

The government made some important overtures to India in its first few months in office. In February 2014, the Finance Minister announced that the administration would look into normalizing trade ties with India, and hinted at granting "Non-Discriminatory Market Access," to the neighbouring country.⁴ However, this initiative was abandoned when the government failed to evolve a consensus on the issue internally – apparently facing opposition from both the army and the Foreign Office. Further efforts to normalize relations were postponed till a new government took power in India.

The BJP's victory in the Indian elections of April 2014 caused some consternation in Pakistan, given Narendra Modi's inflammatory statements during his campaign. Nevertheless, Modi's invitation to the Pakistani premier to attend his inauguration was accepted, and Nawaz Sharif was a prominent guest at the Indian Prime Minister's swearing in ceremony. For all the goodwill that this visit generated, the government was criticized for not raising vital issues on this occasion, in addition to failing to meet Kashmiri leaders (something that all Pakistani premiers visiting India have made a point to do). Nevertheless, the visit raised expectations that the Composite Dialogue process, which had been in doldrums for some years, would be resumed in the near future.⁵

Resumption of Tensions

Barely four months into the new government's tenure, however, relations took a dip when the Pakistani ambassador in Delhi held talks with Kashmiri leaders prior to the scheduling of Foreign Secretary level talks with India, which were planned for late August 2014. The Indian government's reaction was swift, and hard-hitting; comprising of a strongly worded statement of condemnation as well as a decision to cancel the talks. Previous Indian governments have expressed reservations about Pakistani officials meeting the Kashmiri political leadership, but have not gone as far as to cancel scheduled meetings on this basis.

The cancellation of talks was a serious setback, but it was followed by even more ominous developments, as the intensity of cross-border firing increased significantly in the weeks following the incident. The shell-

4. The new term was coined specifically to counter the negative propaganda generated when the grant of "Most Favored Nation" or MFN status to India was first mooted. This was based on a misunderstanding of the fact that the MFN terminology is applied, as per WTO precedent, to all countries who do not face specific restrictions on trade with each other. In Pakistan, it became controversial to talk of India as a "favored nation." This, in spite of the fact that India had granted MFN status to Pakistan in 1996.
5. The Composite Dialogue between India and Pakistan began in 1997, and provides a forum for both countries to negotiate on a number of outstanding issues simultaneously, with talks typically proceeding through eight working groups, who cover a range of issues, including Jammu and Kashmir.

ing took about half a dozen lives, and more importantly, terrorized the inhabitants of border settlements on both sides. In end September 2014, the Indian Prime Minister addressed the UN General Assembly, and said that his government was willing to hold talks with Pakistan “*without the shadow of terrorism.*” In his counter speech, the Pakistani Prime Minister asserted that Pakistan was still waiting for the UN to stand by its resolutions to hold a plebiscite in Kashmir. In November 2014, in a lead up to the SAARC Summit held in Kathmandu, the Prime Minister of Pakistan reiterated that his government would take Kashmiri leaders into confidence before holding peace talks with India.

Water Wars

While Kashmir and violations on the line of control were the key sources of tension in Indo-Pak relations, water wars also continued to play out between the two countries. With both countries experiencing monsoon-triggered floods in August 2014, they traded accusations on control of water flows in major rivers, with Pakistan accusing India of releasing excess water into the three western rivers, thus causing above average flows in Azad Jammu and Kashmir (AJK) and northern Punjab. A bilateral meeting held in Lahore in the same month to discuss Pakistan’s concerns about the design of the Kishanganga project, and four other Indian hydroelectric projects on the Jhelum and Chenab rivers ended inconclusively, although the two sides agreed to continue the dialogue.

Tension over Afghanistan

The Declaration of the recent Heart of Asia-Istanbul Process meeting held in Beijing in end October 2014 reiterated the need to respect Afghanistan’s independence and sovereignty, and curb external interference in the country’s affairs. While the Declaration was judiciously worded, the meeting itself was characterized by the bluntness of Afghan officials who expressed concerns about extremist groups operating from areas close to the border with Pakistan. These concerns were echoed by India, which was quick to use the opportunity to highlight regional, and specifically, China’s concerns about terrorist activity in its western provinces, possibly emanating from Pakistan and Afghanistan. Pakistan has denied favoring any one party or faction in Afghanistan’s political spectrum, but the country’s past support to the Taliban has rendered its stance open to question, and has made it vulnerable to India’s repeated assertions that it is encouraging extremist activity in all its near neighbours.

Pakistan’s relations with Afghanistan are improving under the new Afghan leadership, however. The Afghan President, Ashraf Ghani, made a two day state visit to Islamabad in mid November 2014, and emphasized the need for stronger security ties. That, and the possibility of increased cooperation between Pakistan and Afghanistan in the aftermath of the renewed offensive against terrorist groups at the end of 2014 could, in the longer run, have a salutary effect on relations with India as well.

As of end 2014, however, relations between the two countries remain tense, and there is little hope of resumption of the Composite Dialogue.

Relations with Iran

Pakistan's relations with Iran were strained in 2014, due to the former's reluctance to proceed with the Iran-Pakistan (IP) gas pipeline project, and also due to Iran's complaints of repeated border incursions on the part of Pakistani militant groups, into Iranian Balochistan.

The IP project was conceived in 1994, but negotiations did not commence in earnest till 2004. After a series of difficult negotiations across five countries (Iran, Pakistan, India and at one point, China and Bangladesh), and the withdrawal of key players like India; Iran and Pakistan decided to go ahead with the project in 2012, and construction work began in March 2013, on both sides of the border. By the summer of 2013, however, Pakistan had more or less abandoned further work on the pipeline in the wake of US sanctions against Iran, which threatened measures against other countries and businesses with ties to the Iranian government. Pakistan's position has been further complicated by the fact that the country is liable to pay a substantial penalty (of about \$200 million a month) to the Iranian government, if it does not adhere to the contract. As of late October 2014, the two countries are trying to look for a "middle ground," including exploring the option of Iran exporting Liquefied Natural Gas (LNG) to Pakistan.

The pipeline imbroglio has been a concern for the government of Iran, which has invested significant resources in the project. But the two countries are likely to negotiate a way to a workable settlement in the short to medium term. A more sensitive and intractable issue is the alleged repeated incursion of Pakistani militants into western Iran (specifically the province of Sistan-Balochistan), through the Pakistani province of Balochistan. In February 2014, Iran alleged that five of its border guards had been kidnapped by a militant group based in Pakistan. While Pakistan asked the Iranian authorities for proof of the claim, and resolved to act on any "actionable" intelligence, one of the guards was executed by the militants. Iran's contention that the kidnapping had indeed been carried out by extremists from Pakistani soil was proved when the remaining guards were released a month later after intense negotiations between the militant group and Pakistani officials.

Tensions escalated once more in October 2014, when Iranian border guards allegedly fired on a vehicle carrying Frontier Constabulary (FC) personnel near the border town of Mand (which lies in Pakistan). The incident, in which, one FC serviceman was killed and four injured, prompted a strong response from the Pakistani authorities, but Iran claimed that the ambush was in response to repeated border infiltrations by Pakistan based militant groups. While the two countries have pledged to check border violations, the border region remains restive.

Relations with China

Relations with China remained stable, and economic cooperation remained a major focus. The two countries have signed a number of MOUs for the implementation of energy and infrastructure projects, and Pakistan has expressed interest in buying three nuclear reactors from China for \$13 billion. In a move that has caused concern to the US,

China has agreed to lend Pakistan \$6.5 billion to build the plants, beginning with a 2200 MW plant in Karachi, the construction of which has begun as of November 2014.

Much of the Chinese infrastructure investment in Pakistan is being carried out under the umbrella of the Pak-China Economic Corridor program, an umbrella program which covers all projects to be undertaken in the process of linking an upgraded Gwadar Port to the city of Kashgar in Xinjiang. The megaproject involves work on roads and highways, a railroad, and a series of pipelines; with the first phase of implementation (on up gradation of the Karakorum Highway) beginning in November 2014. In addition, Pakistan is trying to facilitate Chinese investment of up to \$35 billion in the energy sector, not least by preparing to bypass public procurement rules, and ensuring that Chinese investors do not have to go through competitive bidding processes. The Chinese Premier was to visit Pakistan in August 2014 to discuss these and other issues, but his visit was postponed due to ongoing unrest in the capital, where opposition parties were holding sustained demonstrations against electoral fraud. Talks between the two heads of government were held in Beijing in November 2014, however, and economic cooperation was the key focus of the discussions.

China's offers of economic cooperation are not without conditions, however. The Chinese government expects Pakistan to follow up on pledges to root out any members of the East Turkistan Islamic Movement (ETIM) who may be operating from Pakistani soil, and to cooperate with Chinese counter-terrorism agencies in this regard. The Pakistani Foreign Office has gone on record to say that this is not a special request, as action against all terrorist groups is part of Pakistan's anti-terrorism policy.

Relations with Russia

Pakistan's traditionally adversarial relationship with Moscow has evolved into one where the two countries have increasingly realized the need to cooperate on counter-terrorism issues, and to work together to stabilize a post-2014 Afghanistan, and subsequently, Central Asia. The two countries have established a Joint Working Group on Terrorism which met in January 2014, and each of Russia's chiefs of services (the army, navy and air force) have paid visits to Pakistan over the last eighteen months. In an important development in December 2013, Russia nominated Pakistan to become a member of the energy group of the Shanghai Cooperation Organization (SCO), thus opening up the possibility of Pakistan getting assistance for energy sector projects from Russia and the Central Asian Republics. The Pakistani Prime Minister was scheduled to attend a meeting of the SCO in August 2014, but could not due to ongoing domestic political crises. Nevertheless, membership of the energy group of the SCO may be seen as a strong signal on the part of Russia and to the lesser extent China, that Pakistan can find support for its energy sector needs in the region, and does not always need to turn to the US for funding of energy infrastructure.

In the longer run, Pakistan's ties with Russia will improve only if it is seen to be taking decisive action against militant groups active in Central Asia, who may be using Pakistan as a base. The Pakistan Army has apparently taken action against Chechen and Uzbek fighters in the

ongoing *Zarb-e-Azb* military operation in the Federally Administrated Tribal Areas (FATA), which, if confirmed could further reassure the Russian government. There are some indications of increased military cooperation between the two countries. In November 2014, the two countries' defense ministers signed a pact wherein, amongst other forms of cooperation, Russia agreed to supply helicopters to Pakistan's armed forces for use in the offensive in FATA. The visit of the Russian Defense Minister to Pakistan was significant as it was the first high level visit by a Russian official to Islamabad in more than two decades.

Relations with Saudi Arabia

The leaders of the ruling PML(N) have a special relationship with Saudi Arabia, which further strengthened during their period of exile in the kingdom in the early 2000s. The return of the PML(N) to power in 2013, was thus expected to usher in a new period of cooperation with Saudi Arabia, and this has indeed been the case.

Pakistan has benefitted from Saudi largesse during tough economic phases in the past, most notably after the nuclear tests of 1998, when the Saudi oil facility, a system of deferred payments for fuel imports, was a life-saver for the country. A similar grant in March 2014 once again provided crucial support. About a month after Pakistan and Saudi Arabia issued a joint statement demanding the institution of a transitional governing body in Syria, the latter country "donated" an amount of \$1.5 billion to Pakistan. The Pakistani Finance Minister, while clarifying that this was not a loan, did not say much else about the grounds for the donation, nor its potential use, beyond vaguely stating that the money would be placed in a special fund, the Pakistan Development Fund, and used for infrastructure projects.

The PML(N) has also turned to Saudi Arabia for public support during domestic crises. The Prime Minister, Mr. Nawaz Sharif, spent the last ten days of the month of Ramzan in Saudi Arabia in June 2014, at a time when two major opposition groups were announcing plans to hold a series of demonstrations against the government. The visit, and the much-publicized meetings with Saudi officials, were interpreted as signs that the government was seeking reassurance of support from the kingdom in case domestic politics prompted a wave of insecurity, or more precisely, triggered fears of military intervention.

Pakistan has repeatedly denied any plans to supply arms to Syrian rebel forces, as well as news of sending troops to Saudi Arabia to bolster defenses on the latter's border with Iraq. Nevertheless, Pakistan's growing ties with Saudi Arabia, particularly the official joint statement calling for regime change in Syria, have contributed towards the apparent unease in Pakistan's relations with Iran.

Conclusion

Pakistan's political and security crises continued in 2014, and the year closed with a particularly repugnant terrorist attack. To the extent that this latest incident is a watershed in the country's long experience of ter-

rorism, it may have an unintended positive outcome in that it may bring the country's policymakers and its military on the same page, and result in an all-out effort against a multiple of non-state actors. If, on the other hand, this opportunity is missed, 2015 may bring even more horrific incidents, which will ultimately threaten the very basis of the state.

The country's relations with regional powers have been characterized by variability. Relations with India have deteriorated, and show little sign of improvement in the short term. Relations with Iran have been under strain, and can only improve substantially if Pakistan shows commitment in its fight against sectarian terrorist groups. Relations with China have traditionally been good, based as they are on economic cooperation. These ties will remain strong in the short to medium term, given the Pakistan government's policy of allowing China preferential access to infrastructure projects in the country. Relations with Saudi Arabia are particularly strong under the current regime, but the Saudi government will have to be convinced to review its charitable funding flows into Pakistan, and to crack down on flows to extremist organizations. This may not be easy to negotiate, and will be an important test of the Pakistani government's resolve to go after terrorists of all stripes. Pakistan's relations with Russia appear to be on the mend, and this is an important development. Once again, as in the case of Iran, this positive trend will only gain traction if Pakistan takes decisive action against militants.

As 2015 dawns, therefore, the key domestic policy to watch for in Pakistan is the implementation of the proposed action plan to combat terrorism. If the plan is truly operationalized, it can have not only positive impacts on the domestic security situation, but can translate into better relations with most of the key regional powers.

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