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Pakistan's political and security challenges

2007 marks the 60th anniversary of Pakistan's independence. By contrast with the attention that the identical anniversary of its powerful neighbour, India, has received, the international response has been decidedly muted. This reflects the relative uncertainty and pessimism which many observers feel about Pakistan's future prospects.

Pakistan has had a central role as an incubator of militant Islam since the 1980s. Equally, despite the fact that there have been several periods of civilian rule, democracy has failed to put down roots in the country. The military has been a powerful player within Pakistan's polity and economy since independence. Over the next two months, the fate of President Pervez Musharraf, who came to power in a coup in 1999, will be decided. He is currently both President and Army Chief of Staff. With parliamentary elections due by mid-January 2008 at the latest, he appears willing to stand down as Army Chief of Staff but is seeking to retain the Presidency. Two civilian leaders that went into exile, Benazir Bhutto and Nawaz Sharif, are seeking to return to Pakistan. There remains talk of a possible political deal between Musharraf and Bhutto. The political endgame is in sight.

This Research Paper reviews the many threats and challenges facing Pakistan and discusses the current political crisis that is convulsing the country.

See also Research Papers 07/40, *An economic introduction to India*, and 07/41, *A political introduction to India*.

Jon Lunn, Claire Taylor and Tim Youngs

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Summary of main points

2007 marks the 60th anniversary of Pakistan's independence. By contrast with the attention that the identical anniversary of its powerful neighbour, India, has received, the international response has been decidedly muted. This reflects the relative uncertainty and pessimism which many observers feel about Pakistan's future prospects. The US Fund for Peace's *Failed States Index* for 2006 placed Pakistan as the ninth most failed state in the world, one place worse than Afghanistan.

Over the next two months, the fate of President Pervez Musharraf, who came to power in a coup in 1999, will be decided. Musharraf is currently both President and Army Chief of Staff and has been highly reluctant to relinquish either role. With parliamentary elections due by mid-January 2008 at the latest, he is seeking to retain the Presidency. Two civilian leaders in exile, Benazir Bhutto and Nawaz Sharif, are seeking to return to Pakistan. Sharif has already tried once, only to be deported. Negotiations between Musharraf and Bhutto over a deal whereby he retains the Presidency but sheds his role as Army Chief of Staff, while she is appointed Prime Minister after the elections, hang in the balance. A host of legal challenges before an increasingly independent Supreme Court could scupper these plans even if a deal is reached.

Pakistan has had a central role as an incubator of militant Islam since the 1980s, for example through its support for armed groups active in Indian Kashmir and, prior to September 11th 2001, for the Afghan Taliban. State control over the frontier areas of the country is tenuous and Pakistan has been facing armed rebellions in Waziristan and Baluchistan. Following September 11th 2001, the Pakistani military expressed its support for the US-led 'war on terror'. However, since 2006 the Government has combined military action in the Federally Administered Tribal Areas (FATA) with efforts to negotiate peace deals with local tribal leaders that will weaken the Taliban and al-Qaeda. Some view this willingness to negotiate as close to appeasement. Others point out that the unwillingness of the Pakistani military fully to break with militant Islam reflects a 'hedging of bets' in the context of fears that the US will turn against Pakistan.

The question of whether Pakistan 'can survive' has long been posed by analysts. There has been a continuous search since independence for ideas that can help to bind the country together. 'Anti-Indianness', above all in relation to Kashmir, has played an important part in doing so, fuelling high levels of military expenditure and the development of its nuclear weapons programme, but it is an essentially negative ideology. General Zia's policies of 'Islamisation' were in part an attempt to inoculate the country against the threat of ethnic nationalism following the loss of East Pakistan (now Bangladesh) in 1971. However, for some analysts, the 'Islamic cure' has turned out to be as dangerous, if not more so, to the idea of Pakistan, as the original disease. The strongly Sunni character of Pakistan's 'Islamisation' has contributed to the emergence of Sunni-Shia sectarianism. Other religious minorities have also faced persecution.

While some analysts argue that under Musharraf radical Sunni Islam has expanded its power to the point where a 'take-over' of the state is no longer out of the question, others point to the fact that in 2002 its share of the vote was still only 11%. The electoral process appears highly unlikely to deliver power to radical Islamists. Others note that there are now significant Islamist currents within the military. But most observers argue that these currents are not strong enough to warrant fears that the military might spearhead a radical Islamic 'take-over'. One goes so far as to talk about "the myth of an Islamist peril".

Despite the fact that there have been several periods of civilian rule, democracy has failed to put down roots in the country. The military has been a powerful player within Pakistan's polity and economy since independence. For critics of the military, who claim that it has distorted Pakistan's governance and retarded its development, only genuine democracy offers a way forward. But it is hard to believe that liberal-democratic politics can yet be sustained effectively in a country where, even in the cities, relationships continue to operate predominantly on patron-client principles and where conservative forms of Islam still hold strong sway.

The US and EU member Governments have been strong supporters of President Musharraf since September 11th 2001, donating billions to Pakistan in military, humanitarian and development assistance. Today, they appear to have decided that some kind of 'managed transition' of the type currently being discussed by representatives of Musharraf and Benazir Bhutto is the least-worst option available. But this carries with it the danger of further perpetuating a sterile cycle of civilian-military alternation in which radical Islam is as often accommodated as confronted within Pakistan. This would have continuing security implications in Afghanistan and more widely. Furthermore, numerous analysts also claim that a deal of the kind now envisaged could rapidly unravel, plunging Pakistan into further instability. There is no guaranteed match up between Western preferences with regard to Pakistan in the short-term and wider long-term politico-security objectives.

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I Background

A. Historical Chronology

Colonial Period	1600	East India Company is formed, operating principally in Bengal
	1700	The Company secures control of Madras (now known as Chennai), Calcutta (Kolkata) and Bombay (Mumbai)
	1756	Battle of Plassey won by Robert Clive
	1857	Indian Mutiny and subsequent transfer of control over India from the East India Company to the British Government
	1885	Indian National Congress (INC) is formed.
	1899	Lord Curzon is appointed Viceroy
	1906	Muslim League is formed
	1917	Edwin Montagu, Secretary of State for India, announces a policy of gradual introduction of home rule
	1919	Wartime measures to allow detention without trial by jury extended by the Rowlatt Acts. 1,370 peaceful protesters massacred near the Golden Temple in Amritsar, Punjab.
	1920	Gandhi initiates civil disobedience campaign against British rule
	1927	Simon Commission appointed to recommend further political reform for India. It has no Indian membership and is boycotted by all sides in India
	1930	Gandhi's civil disobedience movement gathers momentum
	1935	The Government of India Act 1935 is passed. Henceforth, central government is controlled by the British while provincial government is partially democratic
	1939	Without consultation with the Indian parties, Britain declares that India is at war with Germany. The INC demands the immediate transfer of power. After failing to get it, it resigns from all provincial governments
	1940	The Muslim League adopts a resolution demanding 'autonomous and sovereign' states in areas where Muslims are in a majority
	1947	Independence on the basis of partition into two states: India and Pakistan. The British Monarch remains head of state and Mohammed Ali Jinnah, leader of the Muslim League, becomes first Governor-General of Pakistan. Hundreds of thousands die in inter-communal violence. 12 million refugees
	Post-Independence	1948
1956		New Constitution declares Pakistan to be an Islamic Republic
1958		General Ayub Khan seizes power in a military coup
1965		Second war between India and Pakistan over Kashmir
1969		Ayub Khan stands down and hands over power to General Yahya Khan
1970		The Bengali nationalist Awami League wins elections but the military refuses to convene the National Assembly
1971		12 day war with India. East Pakistan becomes the independent state of Bangladesh. Yahya Khan steps down and Zulfikar Ali Bhutto, leader of the Pakistan Peoples Party (PPP), becomes President
1972		India and Pakistan sign the Simla Agreement
1973		Zulfikar Ali Bhutto becomes Prime Minister under a new Constitution
1973-77		The Pakistan military takes on and ultimately defeats a major insurgency in Baluchistan
1977		General Zia ul-Haq seizes power in a coup
1979		Zulfikar Ali Bhutto is hanged. The Soviet Union invades Afghanistan
1980		Mujahideen operations begin against the Soviet occupation of Afghanistan. In Pakistan, the Hudood Ordinance is passed as General Zia pursues policies of 'Islamisation'
1986		Benazir Bhutto returns from exile to campaign for the restoration of democracy
1988	General Zia dies in an air crash. The PPP wins election. Benazir Bhutto becomes Prime Minister	
1989	The Soviet Union withdraws from Afghanistan	
1990	Benazir Bhutto dismissed as Prime Minister on charges of corruption. Nawaz Sharif becomes Prime Minister after his Muslim League-led coalition wins election. Pro-independence Kashmiri separatists begin military activities against the Indian army	

Events Since 1990	1993	Nawaz Sharif forced to resign under military pressure. Benazir Bhutto becomes Prime Minister for the second time
	1996	Benazir Bhutto dismissed amid corruption allegations. In Afghanistan, the Taliban take power with Pakistan's support
	1997	Nawaz Sharif returns to power after the Muslim League wins election
	1998	India carries out a series of nuclear weapons tests; Pakistan quickly responds in kind
	1999	Further clashes with India over Kashmir (the Kargil operation). General Pervez Musharraf seizes power, overthrowing Nawaz Sharif. Sharif is subsequently sentenced to life imprisonment on hijacking and terrorism charges and sent into exile
	2001	Musharraf names himself President while remaining head of the army. After the 9/11 attacks in the US, Musharraf renounces the Taliban in Afghanistan. Gunmen attack parliament in New Delhi. India suspects Pakistani complicity. The US lifts sanctions imposed after 1998 nuclear tests
	2002	Following a rigged referendum, Musharraf's term as President is extended for five years. Pro-Musharraf faction of the Muslim League leads a new governing coalition following election. Islamic parties form a government in North West Frontier Province. Renewed tension between India and Pakistan over Kashmir.
	2003	Kashmir ceasefire agreed by India and Pakistan, ushering in a period of reduced tension
	2004	Top nuclear scientist AQ Khan admits selling nuclear technology to North Korea, Iran and Libya. He is placed under house arrest. Major military operations in Waziristan against Islamic militants. Musharraf reneges on an earlier promise to stand down as head of the army
	2005	An earthquake, with its epicentre in Pakistan-administered Kashmir, kills more than 73,000 people
2007	Pakistan is plunged into political crisis as Musharraf suspends the Chief Justice of the Supreme Court as elections approach, only to be overruled by the Supreme Court itself, leading to the Chief Justice's reinstatement. Bhutto and Sharif both announce their intention to return to Pakistan to contest the election, but their anti-Musharraf alliance appears increasingly fragile, as Bhutto and Musharraf discuss a political deal that would give her the Prime Ministership while leaving him as President	

B. Main Political Organisations¹

1. Parties

Over 70 political parties contested the 2002 parliamentary elections. The following are the main parties operating in Pakistan.

a. *Jamaat-e-Islami (JI)*

Established in 1941 by Maulana Maududi, JI is the largest Islamist party in Pakistan.² It has an estimated five million members. According to its political programme, it is a pan-Islamic party that seeks the peaceful establishment of an Islamic order. The JI opposed the creation of Pakistan in 1947. Despite this, JI has often allied itself with the Pakistani military. There is strong evidence of links between elements within the JI, armed militant groups of Pakistani origin and al-Qaeda. JI's membership has tended to come particularly from the urban middle class.

b. *Jamiat-e-Ulema-e-Islami (Fazlur Rehman group)*

The JUI-F was formed in 1945 and was a strong supporter of the establishment of Pakistan in 1947. A rigid advocate of conservative Deobandi ideas, it re-entered the

¹ Much of the information used in this section of the paper is drawn from the *Europa Regional Survey for South Asia 2006* (London, 2006), pp. 458-9

² 'Islamist', as used here, simply means a philosophy that places Islam at the heart of a political programme. There are many different expressions of this philosophy.

political sphere in the 1960s.³ It has set up more Islamic schools (madrassas) than any other group and has been a strong supporter of the Afghan Taliban. There is also strong evidence of links with armed militant groups of Pakistani origin and al-Qaeda. It has strong support in Baluchistan and North West Frontier Province (NWFP) amongst the rural Pashtun population

c. Muslim League (Quaid-e-Azam group)

The Muslim League (Quaid) is currently the largest of four existing factions of the Muslim League. It was established by political forces supportive of President Musharraf and is the dominant party in the present Coalition Government. It contains many defectors from other parties in its ranks. It won 118 seats out of a total of 342 seats in the 2002 National Assembly elections

d. Muslim League (Nawaz group)

The Muslim League-N is the second largest of the four existing factions of the Muslim League, which, headed by Mohammed Ali Jinnah, led the campaign for the creation of Pakistan during the years up to independence in 1947. It represents supporters of the former Prime Minister Nawaz Sharif, whose Muslim League Government was overthrown by the 1999 coup. It won 19 seats in the 2002 National Assembly elections. Sharif is attempting to return from exile.

e. Muttahida Qaumi Movement

The MQM was established in 1978 as the Mohajir Qaumi Movement. Although it has sought in recent years to broaden its political constituency, it is primarily a movement that represents urban Muslim, Urdu-speaking immigrants from India in Pakistan, known as Mohajirs (Urdu for refugees). The Mohajirs were initially dominant within the Pakistani political and commercial elite but came to resent their demotion as other groups, in particular the Punjabis and Sindhis, subsequently grew in influence and wealth.⁵ The MQM's political base is in Sindh Province, in particular the city of Karachi, where it currently is the dominant party within the Provincial Government. The MQM has often allied itself with the Pakistani military. President Musharraf is himself from a Mohajir family. It has a reputation for political violence, although today it denies such allegations. A small break-away group known as the Haqiqi faction has challenged the authority of the MQM's founder, Altaf Hussein, who has been granted political asylum in the UK.

³ For a brief discussion of the Deobandi school of thought and the other main traditions within Sunni Islam in Pakistan, see page 20.

⁴ For an interesting analysis of the MQM, see F. Haq, "Rise of the MQM in Pakistan: Politics of Ethnic Mobilisation", *Asian Survey*, Vol. 35, No. 11, November 1995

⁵ Reliable figures as to the size of Pakistan's main ethno-linguistic groups are hard to come by and often disputed. According to one source, Punjabis are the largest ethno-linguistic group within Pakistan, comprising about 66% of the total population. Other significant groups are the Sindhis (13%), the Pashtuns (8.5%) and Baluchis (2.5%). The Mohajirs are not recognised as an ethnic group but are estimated to comprise around 7.5%. See *Europa Regional Survey for South Asia 2006*, p. 419

f. *Pakistan People's Party*

The PPP was established in 1967 by Zulfikar Ali Bhutto. Avowedly a centre-left party, it first governed Pakistan between 1971 and 1977, following the loss of East Pakistan in the 1971 war with India. It lost power in 1977 following a military coup and two years later Bhutto was executed having been found guilty of murder in a politically-motivated trial. His daughter, Benazir Bhutto, headed PPP-led Governments twice during the 1980s and 1990s and remains the leader of the party. She is planning to return from exile. The party is currently known within Pakistan as the Pakistan People's Party's Parliamentarians (PPPP). It won 81 seats in the 2002 National Assembly elections. There are several small splinter groups of the PPP.

2. Coalitions

There are currently four main political coalitions in existence:

a. *The Alliance for the Restoration of Democracy (ARD)*

This is an anti-Musharraf coalition formed after the 2002 parliamentary elections by the two civilian parties – the Muslim League-(N) and the PPP – which governed Pakistan prior to the 1999 coup. In 2006 they agreed a 'Charter for Democracy', under which the two parties would work together to end military rule in Pakistan. However, talks between President Musharraf and the leader of the PPP, Benazir Bhutto, have placed this alliance under severe – possibly fatal – strain.

b. *The All Parties Democratic Movement (APDM)*

Formed by the Muslim League-N, the JI and the JUI-F in July 2007, this new coalition reflects the shifting sands of Pakistani politics. With the Muslim League-N anxious about a possible future political deal between President Musharraf and the leader of the PPP, Benazir Bhutto, it has hedged its bets by joining this coalition.

c. *The Muttahida Majlis-e-Amal (MMA)*

This is an alliance of Islamist parties, in which the JI and the JUI-F are the largest parties. It won 60 seats in the 2002 elections to the National Assembly. The MMA has been broadly supportive of President Musharraf until recently. It decided not to join the pro-Musharraf Coalition Government led by the Muslim League (Quaid) following the 2002 parliamentary elections, although dissident elements split away from it and did so. The MMA heads the Provincial Government in North West Frontier Province and is part of the ruling coalition in Baluchistan.

d. *The National Alliance (NA)*

This relatively marginal coalition, in which break-away groups from the PPP are strongly represented, won 17 seats in the 2002 elections to the National Assembly.

II The current Political Crisis

In July 2006 domestic anxiety about Pakistan's direction led to an intervention by a group of retired generals, former politicians and academics that might normally be relatively sympathetic to President Pervez Musharraf. They called upon him to resign either as President or Army Chief of Staff and to oversee the establishment of a neutral caretaker government that would ensure free and fair parliamentary elections in 2007. One of the signatories of a letter sent to the President stated: "We were motivated by a fear that the status quo is untenable and may be dangerous."⁶ So it has proven. As the time for elections approaches, Musharraf is struggling for political survival.

Musharraf, who overthrew the Muslim League Government of former Prime Minister Nawaz Sharif in 1999, is currently both President and Army Chief of Staff and has been highly reluctant to relinquish either role. Campaigning on the basis of a programme of 'enlightened moderation', in 2002 he secured a five-year extension of his term as President through a referendum which it is widely accepted was rigged. Flawed elections held in the same year brought a sympathetic Coalition Government into office.⁷ In late 2003 he promised to stand down from his military office, only to renege on that promise a year later, instead passing a Constitutional amendment that allowed him to hold both positions until the end of the 2007.⁸ His critics argue that, by holding onto both posts, he has proven conclusively that Pakistan's 'democratic transition' under him has been a sham. Since coming to power, he has constructed a political system that is highly presidential in character.

It has long been reported that Musharraf might try to seek re-election in September or October 2007 for another term as President from the two Houses of Parliament and the Provincial Assemblies, *before* new parliamentary elections are held, while his supporters are still in the majority. Many of his political opponents have pledged that they will resign en masse from Parliament in order to delegitimise such a move. Musharraf's term of office ends in November. The parliamentary term ends on 15 November. Normally, new elections would be held before the end of the year. They must be held by mid-January 2008 at the latest unless Musharraf postpones them. A firm electoral timetable has to be announced soon.⁹

Musharraf's apparent determination to hold onto power is the underlying cause of Pakistan's current political crisis. The catalyst for his current political troubles was Musharraf's conflict with the Chief Justice of the Supreme Court, Iftikhar Mohammad Chaudhry, whom he suspended on misconduct charges in March 2007. Some analysts claim that Chaudhry's real offences were to have investigated the cases of people who had been 'disappeared' by the security forces in the context of anti-terrorism operations, to have questioned aspects of Pakistan's privatisation programme and, most importantly, to have given grounds for concern that he might be sympathetic to legal challenges

⁶ "Generals urge Musharraf rethink", *BBC News Online*, 26 July 2006

⁷ O. Bennett-Jones, *Pakistan. Eye of the Storm* (New Haven, 2003), p. xiv

⁸ Z. Hussain, *Frontline Pakistan. The Struggle within Militant Islam* (London, 2007), p. 183

⁹ "Musharraf has timetable to quit army", *Chicago Tribune*, 1 September 2007

against Musharraf's political plans.¹⁰ Chaudhry contested his suspension and became the focal point of anti-Musharraf protests in key cities across the country, in which lawyers have been prominent.

At the beginning of May 2007 the Supreme Court suspended a special panel formed at the behest of the Government to hear the case against Chaudhry, arguing that it was not properly constituted. Instead, a full bench of the Supreme Court was established to hear the case. On 12 May Chaudhry was prevented from reaching a mass rally in Karachi, which he was due to address, as political violence flared. At least 41 people died in clashes between protesters and militias of the pro-Musharraf Muttahida Qaumi Movement (MQM) in Karachi during 12-13 May.

Political tensions remained high as the country awaited the verdict of the Supreme Court on Chaudhry's suspension. A Supreme Court official who was due to be a witness in the case was assassinated in mid-May. Then a bomb went off at an Islamabad rally in support of Chaudhry in mid July 2007, killing at least 18 people.

During the first half of 2007 there was also an increased willingness by Islamist militants to challenge the Musharraf Government, not just in the frontier areas but also in and around the capital, Islamabad. This was illustrated by the siege at Islamabad's Red Mosque during June-July, in which at least 108 people died (there are allegations that the authorities covered up the deaths of many more, including women and children).¹¹ Following the capture of the Red Mosque, there has been a wave of further bomb attacks by militants and a 'peace deal' in Waziristan has collapsed following a decision to move more troops into the frontier areas, leading to renewed clashes between militants and the army (see Part III B). It has been claimed that there was also an assassination attempt in mid-July, when a missile was fired at Musharraf's plane (this would be the third known attempt on his life since he seized power). On 4 September at least 24 people were killed in two bomb blasts near the Pakistani military's headquarters in Rawalpindi.¹² On 12 September, 16 people were killed in a suicide bombing in the town of Dera Ismail Khan.

Then, in mid-July 2007 the Supreme Court, in a ruling that surprised many, decided that Musharraf's suspension of Chaudhry was illegal and ordered his immediate reinstatement. Musharraf agreed to abide by the ruling. Musharraf's efforts to secure his own re-election ahead of parliamentary elections now look sure to be challenged before a Supreme Court headed by Chaudhry. The episode left Musharraf gravely weakened.¹³

Despite his many problems with militant Islamist groups, analysts argue that Musharraf's ability to hold on to power for this long has depended on an uneasy accommodation with radical Islamist parties with links to them, such as the Jamaat-e-Islami (JI) and Jamiat-e-Ulema-e-Islami (Fazlur Rehman group) (JUI-F). His ability to establish effective control over the areas of the country bordering Afghanistan has been partly limited by his

¹⁰ International Crisis Group (ICG), *Elections, Democracy and Stability in Pakistan*, Asia Report No. 137, 31 July 2007, pp. 9-12

¹¹ "Pakistan signals red", *Reuters*, 5 July 2007

¹² "Blast hit Pakistan garrison town", *BBC News Online*, 4 September 2007

¹³ ICG, *Elections, Democracy and Stability in Pakistan*, pp. 11-12

dependency on these parties. However, the MMA has for some time indicated that its support for him would end as the elections drew near, and that if he did not support a genuinely democratic transition, it too would turn to street protests. Following the outbreak of political violence in Karachi on 12 May, the MMA joined a nationwide strike in protest at continued *de facto* military rule. Since July it has formed an alliance with Nawaz Sharif's Muslim League-N.

Musharraf's most consistent critics since he came to power in a coup in 1999 have been the faction of the Muslim League loyal to Nawaz Sharif (Muslim League-N), whom Musharraf deposed, and the Pakistan People's Party (PPP), led by Benazir Bhutto. While these parties did contest the 2002 elections, both leaders have been excluded from politics and been based abroad. Unresolved charges of corruption and abuse of power hang over Benazir Bhutto, forcing her into exile, while Nawaz Sharif was convicted on hijacking and terrorism charges following his ejection from power; after a brief period of imprisonment, he was sent into exile in Saudi Arabia for ten years. Musharraf and his supporters argue that he went voluntarily. The Muslim League-N and PPP jointly formed the Alliance for the Restoration of Democracy, whose goal has been to end the role of the military in politics and to reduce its considerable hold over the economy. Both stated their intention to return to Pakistan ahead of the coming elections, regardless of the possible consequences.

For a long time, Musharraf took few substantive steps towards compromise with either of his main political opponents. He regularly asserted that neither Nawaz Sharif nor Benazir Bhutto would be allowed to return to the country ahead of the next parliamentary elections. However, he is now seeking to do a deal with Benazir Bhutto and the PPP. An indication that greater co-operation between the two might be possible came with the PPP's vote in favour of the passage of the Women's Protection Act in the National Assembly in 2006. The Act repealed significant elements of the 1979 Hudood Ordinances, including provisions placing the onus on the woman to prove assault and criminalising sex outside marriage. A Government Bill that would outlaw forced marriage was introduced in Parliament in February 2007. This also has PPP support.

Some claim that a Musharraf-Bhutto deal would involve all charges against her being dropped and her becoming Prime Minister, on the assumption that the PPP performs sufficiently strongly in the forthcoming elections. In return, the PPP would not oppose the re-election of President Musharraf by Parliament prior to the parliamentary elections. However, Bhutto is reportedly insisting that Musharraf must relinquish the post of Army Chief of Staff and that the power of the President to dismiss Parliament (and by extension the Prime Minister and Government) should be removed.

For a while, there were expectations that the May 2007 outbreak of political violence in Sindh Province, the PPP's heartland, might scupper *rapprochement* efforts between Bhutto and Musharraf. Her supporters began to talk about a 'grand governing coalition' involving all the main parties but not including Musharraf. Another sign of his vulnerability came in June, when a series of proposed curbs on the media had to be withdrawn almost as soon as they were announced. European ambassadors in Islamabad joined with Pakistani protesters in criticising the move. However, talks between their representatives resumed over the summer in Dubai and London.

The possibility that the Sharif-Bhutto alliance might fracture led to speculation that Sharif would respond by aligning himself with radical Islamic parties. He worked with them when he was Prime Minister, attempting to extend Shari'a law with their support. In July 2007, as talks between Musharraf and Bhutto resumed, the Muslim League-N, the JI and the JUI-F created the All Parties Democratic Movement.¹⁴

One of the main potential stumbling blocks to a Musharraf-Bhutto deal is the growing independence of the Supreme Court, backed by a legal profession that has remained mobilised since the Chaudhry case blew up. In August 2007 the Supreme Court gave a strong indication of its increasingly independent spirit when, seven years after he was sent into exile, it ruled that Nawaz Sharif and his brother Shahbaz, who also went into exile, were entitled to return to Pakistan. Soon after, Sharif announced that would defy Musharraf and return to Pakistan on 10 September. The authorities promptly revived cases of corruption against Nawaz and there was talk of revoking presidential pardons issued in relation to previous convictions. A court also ordered the arrest of Shahbaz in connection with five murders in the 1990s. As the day drew nearer, at least a thousand Muslim League-N activists were rounded up and detained.¹⁵ When Sharif finally flew into Islamabad, amidst street clashes between the security forces and his supporters in several cities, he was immediately taken into custody, charged with corruption and deported to Saudi Arabia, whose Government has been co-operating in this matter with Musharraf.¹⁶ It seems unlikely that Sharif and the Muslim League-N leadership will meekly accept this outcome. One Western diplomat has commented of Sharif's deportation: "Musharraf has managed to achieve the next to impossible feat of making Nawaz look good."¹⁷

Analysts expect the Supreme Court will soon have something to say about the flouting of its decision with regard to Sharif's right of return. The Muslim League-N has lodged a petition arguing that his deportation violated the ruling of the Supreme Court. This is just one of several ways in which the Supreme Court could frustrate the plans not just of Musharraf but of Benazir Bhutto too. It could rule Musharraf's re-election by the existing Parliament unconstitutional. It could also uphold the present two-year bar in the Constitution on retired senior military officers standing for public office. The MMA has launched a petition before the Supreme Court arguing that Musharraf is too old at 64 under military regulations to continue as Army Chief of Staff. Prime Ministers are currently barred from serving more than two terms in office. Bhutto has already served on two occasions, although both were cut short. The Supreme Court may decide to uphold this provision.¹⁸

The question increasingly is whether Musharraf and Bhutto, should they reach a deal, are sufficiently in control of the situation to manipulate it to their advantage. Significant elements within the Muslim League (Quaid), unhappy about Musharraf's attempt to reach a deal with Bhutto that could lead to a loss of many seats in elections, are

¹⁴ ICG, *Elections, Democracy and Stability in Pakistan*, pp. 8-9

¹⁵ "Pakistan prepares for major confrontation", *BBC News Online*, 10 September 2007

¹⁶ His brother Shahbaz did not travel with him. "Pakistan 'deports' ex-PM Sharif", *BBC News Online*, 10 September 2007

¹⁷ "President set on collision course with the judiciary", *Financial Times*, 11 September 2007

¹⁸ ICG, *Elections, Democracy and Stability in Pakistan*, p. i

threatening to vote against him should he come before the present Parliament and seek re-election. Many might defect to Sharif's Muslim League-N, which was their original political home.

For Benazir Bhutto, her political credibility could also be on the line. Many within the PPP are also unhappy at the prospect of doing a deal with Musharraf. The PPP might lose support in the coming elections should there be a deal, destroying her hopes of becoming Prime Minister.¹⁹ Sharif's announcement that he would seek to return home put pressure on her to finalise her own plans to return, which she has said she will make public on 14 September.

So a deal between Musharraf and Bhutto is not done yet and may never materialise.²⁰ Another complication is Musharraf's current insistence that a future Bhutto-led government should also include the strongly pro-Taliban JUI-F.²¹ Some fear that, should the basis for a deal between Musharraf and Bhutto collapse, Musharraf could be tempted to declare a state of emergency and re-impose untrammelled authoritarian rule. He also has the power to cancel parliamentary elections for a year under the Constitution. The final possibility, should Musharraf be deemed beyond rescue, is another army coup 'in the interests of the nation'.

III Security Issues and the 'War on Terror'²²

State control over frontier areas of the country is tenuous and Pakistan is facing armed rebellions in Waziristan, which is part of the Federally Administered Tribal Areas (FATA), and Baluchistan. In 2003 the army moved into the FATA, where the Afghan Taliban and al-Qaeda still have bases, as part of Pakistan's contribution to the fight against international terrorism. Over the past three years, the Musharraf Government has combined military action in the FATA with efforts to negotiate peace deals with local tribal leaders that will weaken the Taliban and al-Qaeda. There is no 'peace track' at all in Baluchistan. The International Crisis Group (ICG), a well-known non-governmental organisation, recently warned that there is also rising discontent in the Federally Administered Northern Areas of Gilgit and Baltistan.²³ Following the siege of the Red Mosque in Islamabad, there has been a spate of suicide bombings across the country in recent months.

Pakistan's strategic importance in the 'war on terror' means that the US and the UK have so far given the Musharraf Government the 'benefit of the doubt' in public, despite private reservations over its failure to tackle Islamic militancy effectively. The role of the AQ Khan network in promoting nuclear proliferation also undermined Western confidence in Pakistan (see Part V B).

¹⁹ Some argue that the subservience of the Election Commission of Pakistan to the Executive could protect the PPP from some of the worst electoral consequences of doing a deal with Musharraf. *Ibid.*, pp. 14-17

²⁰ "Musharraf's talks on pact with Bhutto stall", *Financial Times*, 3 September 2007

²¹ "Pakistan crisis 'hits army morale'", *BBC News Online*, 6 September 2007

²² Kashmir is discussed in Part IV A of this Paper.

²³ International Crisis Group, *Discord in Pakistan's Northern Areas*, Asia Report No. 131, 2 April 2007. The Federally Administered Northern Areas adjoin Afghanistan, China, India and Central Asia.

A. Combating Armed Militant Groups²⁴

According to one commentator, by 2002 there were 24 armed militant groups in Pakistan – that is, groups willing to engage in violent *jihad* to achieve their objectives.²⁵ A significant number emerged, often sponsored by elements linked to the Pakistani military, including its powerful Inter-Services Intelligence (ISI) agency, in response to the conflict between Pakistan and India over Kashmir. Some have also been motivated by support for the Afghan Taliban. A smaller number have been active in promoting sectarian violence across the Sunni-Shia divide.²⁶

Since September 11th 2001 the Pakistani authorities have moved to ban an increasing number of these groups, although some commentators claim that several retain the sponsorship of elements within the military. Many resurface under another name only to be banned once more. Some occasionally conduct operations under different names with a view to confusing the authorities. Most have ‘political wings’. The fighting membership of these groups is usually estimated to be in the hundreds at most. Fighters from these groups have travelled abroad to support radical Islamist insurgencies in other parts of the world. In turn, some have had a number of ‘foreign fighters’ in their ranks. Al-Qaeda reportedly has links with most of the groups and also has small Pakistani affiliates such as Jundullah.

1. Pakistani Armed Militant Groups

Below are the main active armed militant groups of Pakistani origin:²⁷

a. *Al-Badr Muhajideen*

Established in 1998, its main theatre of operation has been Kashmir. It is believed to be a small organisation but has co-operated effectively with other armed militant groups in the past. Its objective is to bring all of Kashmir into Pakistan.

b. *Harakat-ul-Mujahideen*

Harakat-ul-Mujahideen (HuM) was formed in 1985. Since the Soviet Union left Afghanistan, its main theatre of operation has been Kashmir. It has strong support amongst Kashmiris in Pakistan-administered Kashmir (known as Azad Kashmir). It has close links with the JUI-F. HuM has also displayed strong hostility towards President Musharraf. It was banned in November 2001, after which it operated under the name

²⁴ Some commentators have argued that the pan-Islamic revivalist movement Tablighi Jamaat, whose world headquarters are in Pakistan, should also be considered as an adjunct to these armed groups, on the grounds that it provides ‘cover’ for them. However, such claims are strongly disputed by others, including TJ itself. It is worth noting that none of India, the US, the UK or the European Union (EU) has added the group to their list of proscribed organisations.

²⁵ Hussain, *Frontline Pakistan*, p. 52

²⁶ Reliable figures as to the exact size of the Shia population are hard to come by, but there is widespread agreement that it is a maximum of 20%. See *Europa Regional Survey for South Asia 2006*, p. 461

²⁷ The information provided in this section is drawn from a wide range of sources, most notably Hussain, *Frontline Pakistan* and Jane’s Terrorism and Intelligence Centre.

Jamiat al-Ansar. Some believe that it may also be the organisation behind armed actions by a group calling itself 'Al-Nasirin'.

c. *Jaish-e-Mohammed*

Founded in 2000, Jaish-e-Mohammed (JeM) is a breakaway group from Harkat-ul-Mujahideen. The group led an armed attack on the Indian Parliament in December 2001. The Pakistani authorities banned the group, along with Lashkar-e-Taiba (LeT), in January 2002. It began operating under the name Jamaat-e-Furqa. However, unlike LeT, JeM has also sought to intervene in domestic politics. It was reportedly involved in an assassination attempt against Musharraf in December 2003. It was the group responsible for the murder of American journalist Daniel Pearl in 2002.

d. *Harkat-ul-Jihad-al-Islami*

Harkat-ul-Jihad-al-Islami (HuJI) was formed in 1980 and was one of the organisations that supported the struggle against the Soviet occupation of Afghanistan. In this it reportedly had strong support from the ISI. For a period it merged with HuM, but it has been a separate organisation for the past decade. Since then its activities have spread to India and Bangladesh.

e. *Hizb-ul-Mujahideen*

Founded in 1989 and closely linked to JI, the organisation's theatre of operation has been Kashmir. It has been less active in recent years.

f. *Sipah-e-Sahaba*

The Sunni Sipah-e-Sahaba (SeS) was established in 1985, at a time when Sunni-Shia sectarianism was on the rise. Its goal is to force the Pakistani authorities to declare the Shia a 'non-Muslim community'.²⁸ It has also targeted non-Deobandi Sunni groups.²⁹ It has been less active in recent years. The group was banned in January 2002. Afterwards, it changed its name to Milat-e-Islamia Pakistan.

g. *Lashkar-e-Jhangvi*

The Sunni Deobandi Lashkar-e-Jhangvi (LeJ) was established in 1996 ostensibly as a break-away group from the Sipah-e-Sahaba (see below), which it felt was failing to pursue its objectives effectively. Some commentators believe that the two are in reality still closely linked. It is reported to have links with both the Taliban and al-Qaeda. It has

²⁸ This would follow the precedent set by the declaration during the government of Zulfikar Ali Bhutto (1970-77) that the small Ahmaddiya (sometimes also known as Ahmadis) sect, whose followers do not believe that Mohammed is the only prophet, should no longer be considered Muslim. This set the stage for decades of persecution of the sect. For example, see the report by the UK All Party Parliamentary Human Rights Group, "Rabwah: A Place for Martyrs? Report into Internal Flight for Ahmadis", January 2007

²⁹ For a brief discussion of the Deobandi school of thought and the other main traditions within Sunni Islam in Pakistan, see page 20.

conducted many attacks against Shias but has also attacked the small Christian community in Pakistan. It was banned by the Pakistani authorities in August 2001.

h. Lashkar-e-Taiba

Founded in 1990, LeT's main theatres of operation have been Kashmir and India. It draws its cadres mainly from Punjab and from the Wahhabi-inspired Sunni Ahle Hadith sect. The group was banned by the Pakistani authorities in January 2002. Despite this, the LeT has apparently maintained relatively cordial relations with the ISI, keeping a low profile within Pakistan itself. It currently operates within the country through its political wing, Jamaat-ud Da'awa. Some observers believe that it has occasionally also carried out operations under the names 'Al-Mansourian' and 'Al-Nasirin'. It operates a large network of schools and hospitals. The group is reported to have close links to Saudi Arabia. It is claimed that some of its fighters have been operating in Iraq.

i. Sipah-e-Muhammad Pakistan

The Sipah-e-Muhammad Pakistan (SMP) is the main Shia armed militant group. Probably established in 1993, it is closely linked to Tehrik-Nifaz-e-Fiqh-e-Jafaria (TNFJ – Movement for the Implementation of Jafaria Religious Law), the main Shia political party. Its objective is to protect the Shia community against attacks by Sunni militant groups and to create a 'pure' Shia society in Pakistan. It was banned in August 2001.

j. 'Pakistan Taliban'³⁰

This is not a single armed group in the conventional sense but the term is increasingly used as shorthand to describe the predominantly Pashtun communities in the tribal areas – in particular, North and South Waziristan – adjoining Afghanistan which have allied themselves closely with the Afghan Taliban, often taking part in its operations across the border.³¹

2. Operations against al-Qaeda

Over a dozen al-Qaeda operatives, many of them apparently senior, have been arrested by the Pakistani authorities since 2002, with many of them handed over to the US authorities. The Pakistani authorities argue that this demonstrates their commitment to the 'war on terror'. Some have claimed that the arrests of key al-Qaeda figures have often come shortly before senior US officials were due to visit Pakistan.³²

Below is a list of some of the most notable arrests that have taken place:³³

³⁰ For further discussion, see Parts III B and C of this Paper.

³¹ For example, see G. Usher, "The Pakistan Taliban", *Middle East Report Online*, 13 February 2007. Available at: <http://www.merip.org/mero/mero021307.html>

³² O. Bennett Jones and F. Shaikh, "Pakistan's foreign policy under Musharraf: between a rock and a hard place", Chatham House Briefing Paper, ASP BP 06/01, March 2006

³³ Hussain, *Frontline Pakistan*, pp. 125-35

March 2002	Abu Zubaydah. He played a major role in the planning of the September 11 th attacks and other al-Qaeda operations. He was captured in Faisalabad and is now held at Guantanamo Bay
September 2002	Ramzi bin al-Shibh. He also played a major role in the planning of the September 11 th attacks and other al-Qaeda operations. He was captured in Karachi and is now held at Guantanamo Bay
February 2003	Khalid Sheikh Mohammed. This senior figure is believed to have been the mastermind behind the September 11 th 2001 attacks. He was captured in Quetta, where he was reportedly staying in the house of a JI leader. He is now held at Guantanamo Bay
July 2004	Naeem Noor Mohammed Khan. Captured in Lahore, he has been described as a top al-Qaeda IT specialist, acting as one of its main 'information hubs'. He was released without charge by the Pakistani authorities amidst much controversy in August 2007, leading to speculation that he had gained his freedom in exchange for co-operation or had been a double agent
May 2005	Abu Faraj al-Libbi. He was captured near Peshawar. He is now being held at Guantanamo Bay
July 2005	Ahmed Khalfan Ghailani. A participant in the 1998 US Embassy bombings, he was captured in Gujrat. He is now being held at Guantanamo Bay

A significant number of al-Qaeda operatives have also been killed in Pakistan over the past five years as a result of military operations by the security forces.

3. The Role of Madrassas

The dramatic expansion in the number of madrassas over the past 30 years has provided a fertile recruiting ground for militant Islamic groups. There are now an estimated 13,000 madrassas in Pakistan, with up to 1.7 million enrolled in them.³⁴ The ICG has argued that even those madrassas that do not have direct links to violence "promote an ideology that provides religious justification for such attacks."³⁵ However, one analyst has claimed that no more than 10-15% of madrassas are linked to terrorism.³⁶

Those linked to terrorism are largely (but not exclusively) drawn from Sunni madrassas which espouse a highly rigid Deobandist ideology closely related to the Wahhabism that originates in the Gulf and which underpins the al-Qaeda view of the world.

The main fracture within Sunni Islam in Pakistan is between the Deobandis and Barelvis. The Deobandi sect comprises about 15% of Pakistan's Sunni Muslim population.³⁷ 60% of Sunni Muslims in Pakistan are Barelvi, whose interpretation of Islam, while also culturally conservative, is on the whole comparatively tolerant and moderate on political matters. Deobandis believe that Barelvi traditions of worshipping at shrines to holy men

³⁴ Hussain, *Frontline Pakistan*, p. 79

³⁵ ICG, *Pakistan: Karachi's Madrasas and Violent Extremism*, Asia Report No. 130, 29 March 2007, p. i

³⁶ Hussain, *Frontline Pakistan*, p. 79

³⁷ Bennett-Jones, *Pakistan*, pp. 10-11

(pirs) are pagan and un-Islamic. The two groups have often clashed – for example, over the control of Sunni mosques.

The Bareilvi also have an extensive network of madrassas, as does the JI and the small but significant Ahle Hadith sect, which broadly shares the radical world-view of the Deobandis.

Since 2001, both the US and the UK have put significant pressure on the Musharraf Government to embark upon a reform programme of the madrassas. In January 2002, in the aftermath of the September 11th attacks on the US by al-Qaeda, President Musharraf announced plans for reform. However, according to the ICG, this programme is now “in shambles.”³⁸

President Musharraf’s reform programme has involved a push by the state to register all madrassas as part of a wider system of regulation and the introduction of a programme to modify their curricula. The ICG, calling for the establishment of a single regulatory authority, claims that no coherent system of regulation has in fact been instituted and that official claims that over 12,000 have now been registered are “misleading”. Equally, efforts so far to modernise the curriculum have not, it believes, had much impact. Furthermore, it argues that there has been backtracking on moves to expel all foreign students from Pakistan’s madrassas, as announced in July 2005 following the 7/7 bombings in London, and that official claims in this regard that the process is complete are not credible. Finally, the ICG asserts that little has been done to improve the financial transparency of madrassas, pointing out that Pakistan has not yet signed the International Convention for the Suppression of the Financing of Terrorism. The Government has argued that it does not need to do so and that a Bill currently before the National Assembly, the Anti-Money Laundering Bill, will adequately address the issue. The ICG claims that the Bill “fails to comply with the standards established by the Financial Action Task Force on Money Laundering.”³⁹

Analysts also point out that the madrassas would not be so influential if Pakistan’s system of public schools had not been neglected for decades. The ICG and others have called on donors to focus their support much more on reinvigorating that system. The Pakistan Government argues that expenditure on its public schools is now moving significantly upwards.⁴⁰

While President Musharraf received plaudits from many quarters following his firm action to end the stand-off between the authorities and the Red Mosque in Islamabad during June-July 2007, the crisis there confirmed to others that the madrassas remain a serious problem. This was the first time that such a frontal challenge had been mounted in the capital, signalling to more pessimistic observers that Islamist militants are now prepared to challenge the political and moral legitimacy of the authorities beyond North West Frontier Province and the tribal areas.

³⁸ ICG, *Pakistan: Karachi’s Madrassas and Violent Extremism*, Asia Report No. 130, 29 March 2007

³⁹ The FATF is an inter-governmental body established by the ‘Group of 7’ countries in 1989. *Ibid.*, pp. 17-22

⁴⁰ “Madrassas shut amid fears of a new crackdown”, *Financial Times*, 13 July 2007

B. North West Frontier Province and the Federally Administered Tribal Areas

While North West Frontier Province (NWFP) has its own Provincial Government, seven areas adjoining the frontier with Afghanistan are Federally Administered Tribal Areas (FATA).⁴¹ They are Bajaur, Khyber Agency, Kurram Agency, Mohmand Agency, Orakzai, North Waziristan and South Waziristan. In formal terms, this means that they are administered by the Governor of NWFP on behalf of the President. In practice, the writ of central government barely runs in the tribal areas. The ICG argues this is because central governments have preferred to govern through unelected local proxies, trading control for acquiescence, rather than because the tribal areas are inherently somehow ungovernable. Colonial era laws remain in force, the regular court system does not function and the inhabitants of the tribal areas effectively do not enjoy the civil and political rights set out in the Constitution. President Musharraf has pledged to reform these arrangements but the ICG calls the measures taken to date “cosmetic”.⁴²

During the 1950s and 1960s there was a significant Pashtun nationalist movement and many Pashtuns in the FATA favoured the creation of ‘Pashtunistan’. However, Pashtuns have generally been well represented within the Pakistani state and key institutions such as the army. Nationalism has in recent decades been largely supplanted as a force for political mobilisation among Pashtuns by Islamism, although it remains there beneath the surface.⁴³ Tribal leaders in the FATA played a major role in Pakistani assistance to the Afghan Mujahideen in the struggle against Soviet occupation and, later, to the Taliban. Such links remain strong today as the Taliban seek to regain power in Afghanistan. Al-Qaeda bases have also been established in the tribal areas since 2002.

Between 2003 and late 2006 the Pakistani army conducted military operations, often suffering significant casualties, to try and flush out Taliban and al-Qaeda militants in Waziristan.⁴⁴ However, in early September 2006 the Government signed a peace agreement with pro-Taliban tribal leaders and militants in North Waziristan. Under the deal the tribal leaders agreed to stop crossing the border to fight in Afghanistan in return for a withdrawal of army troops from the area, the freeing of prisoners and compensation for losses experienced. The army also undertook not to make arrests without first consulting tribal leaders. The issue of foreign fighters was left formally undefined. However, tribal leaders agreed not to give foreign militants ‘safe haven’.

Initially, there was a mixed response to the peace agreement internationally. However, attitudes quickly soured. By early 2007 some Allied Commanders in Afghanistan, along with the Afghan Government, were declaring that, by agreeing to such a deal, Pakistan had virtually capitulated to the militants, strengthening the hand of the Taliban on both sides of the porous border. Militants were also said to be moving from Waziristan into the

⁴¹ There are also Provincially Administered Tribal Areas (PATA) that are represented in the provincial structures of the NWFP.

⁴² ICG, *Pakistan's Tribal Areas: Appeasing the Militants*, Asia Report No. 125, December 2006, pp. 2-5

⁴³ C. Jaffrelot (ed), *Pakistan. Nationalism without a Nation?* (New Delhi, 2002), p. 25

⁴⁴ One source claims that the army lost 500-700 men between 2004 and mid-2007. P. Brookes, “Peril in Pakistan”, *Armed Forces Journal*, June 2007

main towns and cities of NWFP and challenging the authority of the local administration.⁴⁵ There have been a series of explosions in Peshawar, the capital, over the past year or so. In late April 2007 Pakistan's Interior Minister, Aftab Khan Sherpao – a leading figure in the country's 'war on terror' – narrowly survived an assassination attempt while visiting Peshawar, the capital of NWFP. Over 30 people were killed by the suicide bomber, including several MPs.

Supporters of the deal argued that there can be no purely military solution to the problem of Islamic militancy in the frontier areas of Pakistan and that there are differences between more 'moderate' pro-Taliban groups and al-Qaeda – which has bases in Mir Ali and Wana in Waziristan – that should be exploited.⁴⁶ Anti-foreigner feeling has led to some fighting between tribal militias and al-Qaeda during the first half of 2007 – most notably in March, when at least 160 foreign fighters were reportedly killed.⁴⁷

Following the North Waziristan deal, during October 2006 there were also negotiations aimed at ending fighting between the army and pro-Taliban militants in the tribal area of Bajaur. However, at the end of that month the Pakistani military launched a helicopter-led strike against a madrassa in the area, killing up to 80 people. The authorities claimed that it was being used as a military training camp by militants. This set back peace talks.⁴⁸ Within days a Taliban suicide bomber had killed at least 41 Pakistani soldiers undertaking exercises in NWFP as retaliation for the attack in Bajaur.⁴⁹

The US and others have suspected for some time that al-Qaeda's most senior leaders, Osama Bin Laden and Ayman al-Zawahiri, are hiding somewhere in the Bajaur area. In January 2006 a US drone aircraft had bombed a house where al-Zawahiri was believed to be staying. In the event, he was not there. 18 other people were killed. Some claim that the October 2006 attack was also aimed at al-Zawahiri and was based on US intelligence.⁵⁰ In late March 2007 the Pakistan Government finally concluded a deal with Taliban-supporting militants in Bajaur. While similar in many respects to the Waziristan deal, it has been reported that this time the army did not agree to pull its troops out of the area.⁵¹

Critics of Musharraf's relatively 'softly-softly' approach to Islamic militancy also cited the challenge posed to his authority by the Red Mosque in Islamabad during the first half of 2007. Although the Red Mosque was ultimately successfully captured by military force in July, the showdown triggered a new wave of militant violence, not just in NWFP and the FATA, but in other parts of the country too, with militant leaders calling for suicide attacks and holy war in retribution for those 'martyred' by the authorities.

The crisis at the Red Mosque and its aftermath seems to have prompted Musharraf to demonstrate more widely that the state cannot be bullied into submission. With the US

⁴⁵ "Enough murder, enough mayhem. Tribes vow to fight Talibanisation", *Guardian*, 21 June 2007

⁴⁶ "Fractious militants united by one thing", *BBC News Online*, 7 March 2007

⁴⁷ "New Musharraf deal with militants", *Australian*, 28 March 2007

⁴⁸ "Pakistan madrassa raid 'kills 80'", *BBC News Online*, 30 October 2006

⁴⁹ "Blast kills dozens at Pakistan base", *Chicago Tribune*, 9 November 2006

⁵⁰ "Tribal fury as Pakistan military kills 80 in religious school", *Guardian*, 31 October 2006

⁵¹ "New Musharraf deal with militants", *Australian*, 28 March 2007

and UK supporting the move, in mid-July an additional 20,000 soldiers were sent into North Waziristan. They quickly became involved in fighting. Local leaders declared the 2006 peace deal was now redundant.⁵² Cynics claimed that the operation was ‘for show’, rather than representing a serious or sustained change of policy. Nonetheless, there were further clashes in the area in August and September 2007. Tribal militants have taken over 300 soldiers’ hostage in recent weeks, many of whom gave up without a fight. One experienced observer has declared that army morale is low.⁵³

In July 2007 a US intelligence estimate asserted that the Taliban and al-Qaeda are stronger than ever in North Waziristan. It also reported that Osama Bin Laden remains alive and based in the tribal areas.⁵⁴ Recent suggestions by elements within the US Administration that the time may have come for US forces to launch new attacks into Pakistani territory have been met with hostility on the Pakistan side. In late August 2007 it was reported that US-led forces had launched attacks on Taliban positions on the Pakistan side of the border, killing more than a dozen. The US quickly apologised for not requesting prior permission from the Pakistan Government for the attacks.⁵⁵ Musharraf is currently under great pressure from the US on the issue. This may lead him to continue with military operations in the tribal areas for a while yet.⁵⁶

Following the flawed 2002 elections, the MMA formed the Provincial Government in NWFP. However, it is possible that the Alliance will struggle to hold on to the gains it made then in the forthcoming elections. The proximity of the MMA to Musharraf has damaged its credibility and its administration has been plagued by corruption. The Muslim League-N is likely to be the main beneficiary of any reduction in support for the MMA in the non-Pashtun areas of NWFP.⁵⁷

C. Baluchistan

In the relatively thinly populated Province of Baluchistan (also sometimes called Balochistan), there has been a rumbling rebellion against the central government for decades. The dominant sentiment amongst Baluchis at the time of the creation of Pakistan was against incorporation. However, these wishes were overridden. The poorest Province in Pakistan, it is nonetheless rich in mineral resources. It is a major supplier of natural gas to the country, accounting for 36% of its total production.⁵⁸ Baluchi nationalists have long complained that its 6 million people do not benefit from the revenues that its economic assets have generated. One analyst claims that Baluchistan receives only 12.4% of the royalties due to it for supplying gas.⁵⁹ A new port is being built at Gwadar, with Chinese assistance, despite local opposition. The Iran-Pakistan-India gas pipeline currently under discussion would probably have to go through Baluchistan if

⁵² “Taliban end Pakistan ceasefire as bomb attacks kill up to 38”, *Associated Press*, 16 July 2007

⁵³ “Pakistan crisis ‘hits army morale’”, *BBC News Online*, 6 September 2007

⁵⁴ That he is alive was apparently confirmed by his appearance in a video marking the sixth anniversary of September 11th 2001. “Pakistan militants step up bomb attacks”, *Daily Telegraph*, 20 July 2007

⁵⁵ “Pakistan raid was ‘not approved’”, *BBC News Online*, 28 August 2007

⁵⁶ “Death toll in Pakistan skirmishes at 101”, *St Paul Pioneer Press*, 19 July 2007

⁵⁷ ICG, *Elections, Democracy and Stability in Pakistan*, Asia Report No. 137, 31 July 2007, p. 8

⁵⁸ F. Grare, “Pakistan: The resurgence of Baluch nationalism”, *Carnegie Papers*, No. 65, January 2006, p. 4

⁵⁹ *Ibid.*, p. 5

built. The military has a heavy presence in the Province. There are a range of important bases in Baluchistan, including nuclear weapons testing facilities.

The Pakistan Government claims that foreign interests – India and Afghanistan – have provided support to the Baluchi resistance. The accusation against India is, in part, retaliation for longstanding Indian claims that Pakistan arms and finances Islamist extremists in Kashmir. Most commentators argue that the problems of the Province are essentially local in origin and require a political solution.⁶⁰

Following outbreaks of armed conflict in 1948 and 1958, between 1973 and 1977 discontent exploded into a full-blown nationalist insurgency in which thousands died. It was defeated only after a major army operation in the Province. Subsequently, the Baluchistan Liberation Army, which has since been banned by both Pakistan and the UK, was established in the 1980s by the chief of the largest tribe in the east of the Province, Khair Bux Marri, to carry on the struggle. In recent years, another tribal leader, Akbar Bugti, has joined the fight at the head of a group of tribal insurgents. Other Baluchi nationalists today are less convinced of the merits of armed struggle, preferring peaceful political action. Many of them are grouped in the Baluch National Party (BNP). Another similar grouping is the Baluch National Movement. One of the primary strategies deployed by the centre to defeat nationalist sentiment has been to support the strengthening of Islamist parties in the Province. This strategy has had some success, assisted by considerable mistrust between the different Baluchi nationalist factions.⁶¹

Since early 2005 there has been a resurgence of unrest in the Province. There have been several attacks against Chinese workers in the Province. However, in August 2006 the 79 year-old Bugti was killed by an army attack. This seriously weakened the effectiveness of the insurgency that he had led. An analyst concludes:

In the absence of foreign support, which does not appear imminent, the Baluch movement cannot prevail over a determined central government with obviously superior military strength. Still it can have a considerable nuisance value.⁶²

The Taliban are also present in Baluchistan. The Afghan Government suspects that Mullah Omar and other Taliban leaders are currently operating out of Quetta, the capital of the region. Pakistan denies this while claiming that the Taliban is assisting the Baluchi insurgency. Much Afghan opium is smuggled through western Baluchistan.⁶³ There are over 800,000 Afghan refugees still in Baluchistan, most of them Pashtun.

After flawed elections in 2002, Musharraf's faction of the Muslim League (Quaid) formed a Coalition Government in Baluchistan with the MMA. However, were there to be free and fair elections in the Province, it is possible that Baluchi nationalist parties, with the

⁶⁰ "Pakistan's battle over Balochistan", *BBC News Online*, 26 August 2006

⁶¹ Grare, "Pakistan: The resurgence of Baluch nationalism", pp. 7-9

⁶² *Ibid.*, p. 13

⁶³ "Baluchistan an 'administrative nightmare'", *Toronto Star*, 22 February 2007. For more information about Afghan opium, see Library Standard Note SN/IA/3831.

BNP to the fore, might well garner the most votes and seek to form a government with either the PPP or the Muslim League-N.⁶⁴

D. The Federally Administered Northern Areas⁶⁵

Before independence in 1947, the Northern Areas, which comprise Gilgit and Baltistan, were part of the princely state of Jammu and Kashmir. In 1947 the leaders of the Northern Areas sided with Pakistan. Because Pakistan asserts that the Northern Areas are part of the unresolved Kashmir dispute, successive governments have refused to finalise the constitutional status of the region and have stated that they will do so only once there is a solution to the dispute. Like the FATA, the Northern Areas are not covered by the Pakistan Constitution. However, in contrast to the FATA, they are also unrepresented in the national Parliament. In contrast to neighbouring Azad Kashmir, which enjoys some political autonomy (however notional in practice), the Northern Areas are subject to untrammelled direct rule from Islamabad through the Ministry of Kashmir Affairs and Northern Areas. A 1999 Supreme Court ruling which stated that the people of the Northern Areas should enjoy the full range of civil rights available to citizens of Pakistan and should be granted genuine political autonomy, including provincial status, has so far been ignored.

Some observers believe that Islamabad's preference for unlimited direct rule partly reflects the fact that the Northern Areas are the only part of Pakistan where the Shia are in a majority. The Pakistani military has long promoted the region as a base for Sunni militant Islamic groups active in Kashmir. There have been problems with sectarianism in the region since the 1980s, with significant incidents of Sunni-Shia violence in recent years, particularly in and around Gilgit, the main city. The authorities have been accused of failing to take effective action to bring the perpetrators of such violence to justice. As elsewhere in the country, the PPP and other opposition political parties have been politically marginalised, leaving the religious parties with considerable room for manoeuvre.

According to the ICG, most of the local population – which is linguistically and culturally distinct from Kashmir – today rejects the idea that their fate should be tied to a resolution of the Kashmir dispute; discontented with the region's ambiguous status within Pakistan, there are stirrings of nationalism. Since 1999 a number of organisations have been formed around more-or-less explicit nationalist agendas: the Balawaristan National Front, the Karakoram National Movement and the Gilgit-Baltistan United Alliance. How much popular support such organisations have is impossible to say. The ICG concludes:

While the nationalists are still relatively weak, their challenge to Pakistan's control should not be dismissed lightly. The longer Pakistan denies the region political freedoms, the more the nationalists stand to gain.⁶⁶

⁶⁴ ICG, *Elections, Democracy and Stability in Pakistan*, Asia Report No. 137, 31 July 2007, p. 18

⁶⁵ This section draws heavily on the ICG's report, *Discord in Pakistan's Northern Areas*, Asia Report No. 131, 2 April 2007

⁶⁶ *Ibid.*, p. 20

IV Bilateral Relations

A. India

The dominant bone of contention between Pakistan and India since 1947 has been Kashmir. The conflict has two interlocking dimensions. The first dimension has been inter-state rivalry between India and Pakistan over which country is entitled to sovereignty over Indian Kashmir. The two countries have gone to war twice over Kashmir (in 1947 and 1965) and have been close to it on several other occasions. The second dimension has been protest by political organisations on both sides of the border against 'Indian occupation', which since the late 1980s has in some cases extended to taking up arms. Most of the groups that have taken up arms have bases in Azad Kashmir, the Pakistan part of Kashmir, support Pakistan's claim to the whole of Kashmir, and have received support from Pakistan's security establishment. Many also have militant Islamist agendas (see Part III A.1). A minority of armed groups – mainly based in Indian Kashmir (now part of the state of Jammu and Kashmir) – argue for independence for the whole of Kashmir from both India and Pakistan.⁶⁷

In 2002 India and Pakistan again came close to war over Kashmir following the December 2001 attack on the Indian Parliament by two armed militant groups, Lashkar-e-Taiba and Jaish-e-Mohammad. However, since April 2003 there have been renewed efforts by both India and Pakistan to reduce violence and re-start peace negotiations on Kashmir. Full diplomatic relations have been restored and a range of confidence-building measures introduced. In November 2003 a ceasefire was agreed along the current *de facto* border, known as the Line of Control, by Pakistan and India. Since then there have been several rounds of talks at different levels of seniority, which are formally known as 'the composite dialogue'. Since January 2004 India has also held talks with more moderate Kashmiri groups that have been willing to engage bilaterally, following a split within the ranks of the coalition known as the All Party Hurriyat Conference. Pakistan's endorsement of these talks represented a shift in its position as previously it had insisted on it (or the UN) also being involved. But there are parts of the security establishment that remain ambivalent about such shifts. This dialogue has periodically come under strain because Kashmiri groups involved have accused India of failing to rein in its security forces and prevent human rights abuses against civilians, but so far it has not collapsed.⁶⁸

While the talks between India and Pakistan have assisted in promoting significant confidence-building measures and certainly helped to facilitate mutual co-operation following the devastating earthquake in Kashmir in 2005, which killed an estimated 73,000 people in Pakistan, progress on substantive issues has so far been harder to achieve. India sees Kashmir as one of a number of issues that it wishes to resolve with Pakistan but the latter wants real progress on Kashmir first before addressing other issues (such as economic co-operation, the nuclear issue and water sharing). India

⁶⁷ For a brief discussion of the origins of the conflict between India and Pakistan over Kashmir, see House of Commons Library Paper No. 272, 11 June 1991, *Kashmir*. For background on subsequent developments, also see Library Paper 04/28, 30 March 2004, *Kashmir*.

⁶⁸ "NC pulls out of working groups", *The Hindu*, 26 October 2006

continues to state that any solution cannot involve a change in its external borders. Pakistan's traditional position has been that the conflict should be resolved by the holding of a UN-sponsored plebiscite of the people of Kashmir. President Musharraf has engaged in periodic exploratory 'thinking aloud', in which he has floated ideas for breaking the impasse – for example, demilitarisation, self-governance or joint Pakistan-Indian control – which would not require a redrawing of borders. In March 2006 the Indian Prime Minister Manmohan Singh indicated that India was willing to consider initiatives that rendered the Line of Control irrelevant. Pakistan welcomed this announcement.

Periodic outbreaks of violence by Kashmiri-led armed groups continue to occur and appear designed to prevent 'new thinking' from gaining momentum. The most notable pro-independence armed group, the Jammu and Kashmir Liberation Front, has been gravely weakened by the counter-insurgency strategies of the Indian security forces. However, pro-independence sentiment remains strong in the Kashmir Valley. The Kashmiri-led Islamist armed groups have remained active. There were attacks in April 2006 and, most notably, in June 2006, when at least 200 people died in bombings in Mumbai. The bombings were widely attributed to Lashkar-e-Taiba.⁶⁹ The April and June 2006 attacks inevitably froze the gradual *rapprochement* between Pakistan and India for a period. Foreign Secretary-level talks were suspended and in August 2006 there was a tit-for-tat expulsion of diplomats for alleged spying.

The militant Islamist armed groups want talks that simultaneously include India, Pakistan and Kashmiri representatives under the auspices of the UN, leading to a plebiscite on the future of Kashmir. They calculate that if levels of violence are raised, bilateral peace efforts of the kind pursued since 2003 will not advance far. This has been the case in the past. For example, Prime Minister Manmohan Singh was due to visit Pakistan in 2006, but he indicated that a date could not be set for the visit while levels of violence were high.

Despite regular setbacks over the past three years, neither side has abandoned the peace track. A brief meeting between Musharraf and Manmohan Singh in September 2006 at the Non-Aligned Movement's summit reactivated it. Known as the 'Havana handshake' in the Indian media, the two men agreed to establish a joint mechanism to address terrorism. The foreign secretaries of the two countries met in mid-November 2006 to put some flesh on the bones of this proposal. In December 2006, Musharraf stated that Pakistan might be willing to give up its claim over all Kashmir in return for autonomy and self-governance for the region, some form of joint India-Pakistan supervision across the Line of Control and a gradual demilitarisation on both sides of the border.⁷⁰

Known as the 'four-point formula', it has provoked an angry reaction in some quarters within Pakistan and from Kashmiri-led armed groups. The Indian Government initially responded warmly to this indication of willingness to compromise, offering Pakistan the

⁶⁹ The same group was reportedly involved in an attack in 2001 on the Indian Parliament, which nearly led to war between the two countries.

⁷⁰ "Musharraf gives a hint of progress on Kashmir", *International Herald Tribune*, 6 December 2006

possibility of a comprehensive treaty of peace, security and friendship. However, in recent months there have been signs of a cooling in Indian attitudes to the proposals. During talks between the two countries in March 2007, the Indian Government expressed opposition to any ideas of joint supervision across the Line of Control and reiterated that demilitarisation could only become possible towards the end of any peace process.⁷¹ There has been talk of Manmohan Singh travelling to Pakistan during 2007, but the growing political crisis there looks likely to rule such an initiative.⁷²

Some Kashmiri political forces do accept that the armed struggle for independence has failed and that new strategies are required. But this does not mean that all of them are willing to go as far as Musharraf has now proposed. There have been reports that Pakistan's military intelligence is currently seriously clamping down on the movement of armed groups into Indian Kashmir.⁷³ Both sides have reiterated their commitment to the idea of a joint mechanism to counter terrorism, although its first formal meeting in March 2007 produced no appreciable result, raising doubts about what it will amount to in practice.⁷⁴

If there has been a Pakistani clamp-down on armed groups, it has some way to go. During the night of 18-19 February 2007, bomb blasts 50 miles west of New Delhi hit the 'Friendship Express' that travels directly between India and Pakistan, killing at least 66 people – mostly Pakistan nationals. Although there is still no certainty about which organisation was behind the attack (for many analysts, the most likely candidate is Lashkar-e-Taiba and its affiliates), it was clearly designed to disrupt the peace process. The 'Friendship Express' is itself a product of that process, symbolising the cautious *rapprochement* between the two countries since 2003. The Indian and Pakistan Governments have both been very measured in their response, in contrast to previous such incidents. No official accusations of culpability have been exchanged, although other commentators have not been as restrained. It has been reported that at least five people have been arrested by the Indian authorities in connection with the bombing. There have been further clashes between militants and the Indian security forces in recent months.

Human Rights Watch published a report in late 2006 on Azad Kashmir which was highly critical of the performance of the Pakistani authorities following the 2005 earthquake.⁷⁵ Human Rights Watch accuses the authorities of being more preoccupied with maintaining their control over the region than with assisting reconstruction. Indeed, they allegedly encouraged radical Islamic groups to take a lead role in reconstruction efforts, thus bolstering their legitimacy.⁷⁶

There have been some hopeful signs that the Indian authorities may be prepared to adopt a less heavy-handed approach to security issues. In early February 2007, responding to a general strike on the Indian side of the border in protest against extra-

⁷¹ "Musharraf's plan gets a thumbs down", *Times of India*, 10 March 2007

⁷² "PM offers Pak treaty of peace and friendship", *Times of India*, 21 December 2006

⁷³ "Kashmir militants feel the squeeze", *BBC News Online*, 7 February 2007

⁷⁴ "India-Pak terror pact sinking fast", *Times of India*, 12 March 2007

⁷⁵ As discussed in Part VI of this Paper.

⁷⁶ "Emperor's new clothes", *Guardian*, 31 October 2006

judicial killings and other human rights abuses by the security forces, the Jammu and Kashmir State Government acknowledged for the first time that there is evidence to support such allegations.⁷⁷ In late February seven policemen were charged with killing a Kashmiri carpenter who they falsely claimed had been an Islamic militant.⁷⁸

Neither the US nor the EU considers Kashmir to be the lodestone of its policies towards India and Pakistan. Both are encouraging peace efforts and the apparent flexibility currently being shown by both sides. Pakistan would like to see greater international engagement but is more pragmatic about this than in the past. India is happy for the issue to be addressed through bilateral channels.

As we approach the 60th anniversary of the birth of the dispute over Kashmir, expectations have been rising of a dramatic breakthrough. This may be over-optimistic. There is strong opposition on both sides of the border to any idea of compromise. Further terrorist operations in India by Kashmiri-led armed groups could change the dynamics again. On issues of substance, the two countries remain far apart. But the apparent willingness of both India and Pakistan to begin thinking in different terms about possible solutions does offer growing hope.

Despite some signs of potential progress, Kashmir continues to cast the largest shadow over relations between India and Pakistan. A successful resolution of the conflict over Kashmir is integral to achieving a real sea-change in relations between the two countries. As stated earlier, India is dangling the possibility of a comprehensive treaty of peace, security and friendship between India and Pakistan should the Kashmir issue be resolved. However, the seeming intractability of the conflict over Kashmir has recently prompted greater efforts on both sides to build mutual confidence by addressing other important disputes between them – partly in the hope that an improved atmosphere will ultimately lead to a breakthrough over Kashmir itself.

There have been efforts to make progress on issues that are not wholly dependent on an overall resolution of the conflict over Kashmir but which are nonetheless ‘Kashmir-related’. The two countries have sought to address the specific border dispute between them over the 74 kilometre Siachen glacier in the strategic heights of Kashmir. The status of the Siachen glacier as part of the Line of Control has never been resolved. In 1984 Indian troops took control of the previously unoccupied glacier, fearing moves by Pakistan to seize it. Pakistan then moved its own troops and claimed to have seized part of the glacier too. India disputes that there are any Pakistani forces on the glacier. Indian and Pakistani forces have clashed in the area on several occasions, most notably in 1999 (known as the Kargil operation). India has accused Pakistan of seeking to push their troops off the glacier.

There appears to have been some progress on the issue in recent years, although a resolution still seems some way off. Both sides have agreed to the principle of demilitarising the glacier. Pakistan has given undertakings that it would not seize the glacier if Indian troops were to withdraw. India is reported to be removing detritus from

⁷⁷ “Restoring faith”, *Times of India*, 7 February 2007

⁷⁸ “Kashmir: police charged in civilian killing”, *New York Times*, 1 March 2007

the glacier. However, India has demanded that Pakistan must give full details of its troop positions in the area before it begins to withdraw and that such details should be part of any final agreement. Pakistan is prepared to do so only if India agrees not to use such information to make a legal claim over the glacier in future.⁷⁹

Both countries' arrival as nuclear weapon states has greatly raised the stakes for the world whenever conflict between them is threatened, usually over Kashmir. However, the two countries have signed two agreements on nuclear issues to reduce the likelihood of resorting to the use of nuclear weapons. The most recent agreement was signed in February 2007. Neither is in the public domain.

In late July 2006 there were reports that Pakistan was intensifying its nuclear collaboration with China. This was viewed as in part a response to increased US-India co-operation on nuclear power.⁸⁰ India indicated that it did not view this development with any great alarm.⁸¹ When Pakistan tested a new version of one of its nuclear-capable missiles in February 2007, the response of the Indian authorities was extremely muted by previous standards.⁸²

One incentive for improved relations with Pakistan is India's growing energy needs. It has been discussing the building of an oil pipeline between it and Iran since the 1990s. This would need to travel through Pakistan. However, this proposal currently remains on paper only.⁸³ The two countries are working together in discussions with Iran about a proposed pipeline that will bring natural gas from there to India, again via Pakistan. The prospects in this regard appear more favourable.⁸⁴

Kashmir is not the only area where there are border disputes between India and Pakistan. Negotiations have advanced in the dispute over the land and maritime boundary between India and Pakistan in Sir Creek, which is a narrow 96 kilometre strip of marshland between Sindh in Pakistan and Gujarat in India. Both sides have agreed to a joint survey. Maps were exchanged in March 2007.⁸⁵ An incentive for co-operation is the fact that if the two countries have not resolved their disagreement over Sir Creek by 2009, the maritime area would be open to exploitation by any party under the UN Convention on the Law of the Sea. The area is rumoured to have gas and oil deposits.⁸⁶

Control over natural resources has also been a key issue in relations between India and Pakistan. Water is a good example. There has been a long-running dispute about the proposed Baglihar dam on the river Chenab in Jammu and Kashmir. However, in February 2007 both countries accepted the binding judgment of a neutral expert appointed by the World Bank under the 1960 Indus Waters Treaty to arbitrate between

⁷⁹ "India doesn't buy Pak 'promise' on Siachen", *Times of India*, 12 February 2007

⁸⁰ "As India debates N-deal, China and Pak move close to rival pact", *Indian Express*, 17 August 2006

⁸¹ "India OK with China-Pak N-deal", *Times of India*, 28 November 2006

⁸² "Pakistan stages new missile test", *BBC News Online*, 23 February 2007

⁸³ Oral Evidence of Matthew Nelson, School of Oriental and African Studies, to the Foreign Affairs Select Committee Enquiry on *South Asia*, 31 January 2007, HC 55-iv, Q209

Available at: <http://www.publications.parliament.uk/pa/cm/cmfaaff.htm#uncorr>

⁸⁴ "India, Pakistan discuss tri-nation gas pipeline project", *BBC Monitoring South Asia*, 22 February 2007

⁸⁵ "Sir Creek maps exchanged", *The Hindu*, 24 March 2007

⁸⁶ "Sir Creek model for Siachen?", *Hindustan Times*, 5 January 2007

the claims of the two sides. The Treaty allocated the three eastern rivers originating in Punjab for India's exclusive consumption and the three western rivers for Pakistan's exclusive consumption. However, India was allowed to use the western rivers for hydro-electric power generation so long as this did not deplete the water supply. Pakistan had alleged that the dam, with which India planned to supply electricity to Indian Kashmir, would do so. The project will now go ahead on a modified basis.⁸⁷ The two countries are still in dispute about the Wular Barrage.⁸⁸

Indian allegations about Pakistan's support for terrorism go beyond the conflict over Kashmir. India has also accused Pakistan's security agencies of supporting the United Liberation Front of Assam over the three decades of its existence.⁸⁹ Pakistan counters by accusing India of providing assistance to Baluchistan insurgents in its North-West Frontier Province, an accusation India denies.⁹⁰

Both India and Pakistan currently appear more willing to resolve – or at least mitigate – the areas of conflict that have shaped their relationship in the past. But their *rapprochement* remains fragile. India's rise to great power status will be difficult for Pakistan to swallow. Pakistan has always insisted to the world that it and India should be treated as equals. While formally this will always remain the case, many observers argue that in practice this is increasingly a myth. The growing power asymmetry could itself have a destabilising impact on relations between the two countries in the future.⁹¹

B. Afghanistan

Relations between Pakistan and Afghanistan have oscillated sharply over the past 60 years. Some analysts argue that Pakistan's main strategic goal throughout the period has been to create a pliant neighbour which will ensure that it has 'strategic depth' in relation to its primary adversary, India.⁹²

Regardless of who has been in power in Afghanistan, there has always been a structural tension between the two countries over their highly porous border. Every Afghan Government has refused to recognise the Durand Line drawn during the colonial period, which still delineates the border between the two countries, and retains a territorial claim over parts of NWFP, where it sponsored a separatist movement in the 1950s. However, Afghan and Pakistan Governments over the decades have shared a common interest in combating Pashtun nationalist sentiment. However, support for 'Pashtunistan' appears to have declined since the 1970s.⁹³

⁸⁷ "Baglihar award a finely balanced verdict", *The Statesman* (India), 22 February 2007

⁸⁸ C. Bajpae, "Asia's coming water wars", *Power and Interest News Report*, 22 August 2006

⁸⁹ "Trouble brews in India's northeast", *Gulf News*, 3 February 2007

⁹⁰ "India denies role in Balochistan insurgency", *Times of India*, 8 March 2007

⁹¹ S. Cohen, "Pakistan and the Crescent of Crisis", in I. Daalder, N. Gnesotto and P. Gordon (eds), *Crescent of Crisis. US-European Strategy for the Greater Middle East* (Washington DC, 2006), p. 186. For further discussion of how Pakistan's relationship with India shapes its idea of itself and its future, see Part VII.

⁹² Hussain, *Frontline Pakistan*, p. 29

⁹³ *Ibid.*, p. 30

Formal relations between the two countries reached their nadir during the Soviet occupation of Afghanistan between 1979 and 1989. They were at their peak during the rule of the Pashtun-dominated Taliban, of which Pakistan was the main sponsor, until September 11th 2001, after which, following a US ultimatum, Pakistan announced that it was ending its support. One commentator has argued that, under the Taliban, it was Afghanistan which enjoyed the greater 'strategic depth' in its relations with Pakistan, preparing the ground for Pakistan's progressive 'Talibanisation'.⁹⁴ Despite its post-September 11th *volte-face*, doubts remain over whether elements within the Pakistani military, including a number of prominent retired Generals, have completely ended their backing.⁹⁵

Over the past 18 months, there have been serious tensions between Islamabad and Kabul over how best to tackle the Taliban's renewed insurgency. The Pakistan Government has called on its Afghan counterpart to initiate peace talks with the Taliban, or at least those factions which are open to negotiation. This has reflected its own strategy on the Pakistan side of the border, which has involved attempts to secure peace deals interspersed with bursts of military action. The Afghan Government has so far rejected these calls, accusing Pakistan of failing to take effective action against Taliban and al-Qaeda bases on its side of the border. The Pakistan Government occasionally retaliates by claiming that Afghanistan is supporting Baluchi nationalists.

In April 2007 there were small-scale clashes between the armed forces of Pakistan and Afghanistan along the border.⁹⁶ The US and UK took steps to mediate between the two countries to ensure that tensions did not escalate further. Such efforts helped to calm relations, at least on the surface.

In August 2007 Presidents Karzai and Musharraf attended a 'peace jirga' in Kabul which brought hundreds of delegates from both countries together.⁹⁷ Although there were disagreements on a range of issues, the jirga was widely judged to have assisted in reducing tensions between Afghanistan and Pakistan. A Declaration was issued, which stated that both parties would wage a "tireless... campaign against terrorism" and would not provide sanctuary for terrorists. There was also a renewed commitment to combating drug cultivation and trafficking. It was agreed to set up a smaller, regular jirga to take co-operation forward, including promoting dialogue with "opposition". It was not stated to whom this referred. There were no representatives at the jirga of the Taliban or of their sympathisers in Pakistan's border areas, leading some to question what the meeting could in practice deliver.⁹⁸

⁹⁴ Hussain, *Frontline Pakistan*, p. 30

⁹⁵ For relations between Afghanistan and Pakistan post-September 11th, see also House of Commons Library Research Paper RP 01/72, *11 September 2001: The Response* and RP 05/72, *Afghanistan and the Culmination of the Bonn Process*.

⁹⁶ "Many killed in Pakistan bombing", *BBC News Online*, 15 May 2007

⁹⁷ A jirga is a gathering of political and tribal leaders.

⁹⁸ "Was the 'peace jirga' a success?", *BBC News Online*, 13 August 2007

C. The US

Pakistan was viewed as a crucial ally by the US during the Cold War. Its anti-communist credentials were strong and contrasted with India's policy of non-alignment. Close economic and military ties developed during this period, reaching their most intense while Pakistan was sponsoring the Afghan Mujahideen during its struggle against Soviet occupation. The alliance continued afterwards, driven in part by the need of the US to counter the influence of Shia Iran within the Muslim world and the belief that Chinese support to Pakistan required a response. However, the relationship progressively became more ambivalent, as Pakistan's role as an alleged 'incubator' of militant Sunni Islam rose up the list of US foreign policy concerns. Some arms sales were cut and Pakistani officers were no longer offered training opportunities in the US. Pakistan's nuclear programme also became a point of dispute, provoking US economic sanctions. Pakistan's nuclear tests in 1998 (held after India had undertaken its own tests) led to further economic sanctions by the US, which also pushed successfully for the World Bank, IMF and other donors to suspend their programmes of assistance.

September 11th 2001 provoked a 'moment of truth' between the two countries. Despite considerable reluctance within parts of the Pakistani military, President Musharraf pushed through an agreement to abandon the Afghan Taliban and ally itself unambiguously with the US in the 'war on terror'. One analyst concluded that this proved that, when forced to choose, the Pakistani military values access to the advanced military hardware that the US offers more highly than its relationships with radical Islamist groupings.⁹⁹ Had Pakistan not taken this path, it could itself have become the location of major US military action against the Afghan Taliban and al-Qaeda. Musharraf also feared that a refusal would trigger a shift on the part of the US towards India as its main ally in South Asia.

This remains an anxiety on the part of the Pakistan Government today. In recent years, the US and India have undertaken a *rapprochement* that may extend to civil nuclear co-operation in future years. However, it has not yet led to US moves to align itself with India over Kashmir; it retains an even-handed position on the issue. Musharraf's decision after September 11th has opened the way for a massive programme of US economic and military assistance. This has included a US\$1 billion loan write-off, \$600 million in budgetary support and \$12.5 million debt rescheduling, which has helped to rescue Pakistan's ailing economy. All economic sanctions were also lifted. A recent estimate of the total value of US assistance since 9/11 put the figure at over \$10 billion.¹⁰⁰

The US has also engaged in military sales that have helped Pakistan to refurbish its fleet of F-16 aircraft and upgrade its counter-insurgency capabilities.¹⁰¹ In August 2007 it was announced that the US planned to sell up to 36 F-16 aircraft to Pakistan.¹⁰² Despite this largesse, the Pakistan Government has retained some 'red lines' in terms of US

⁹⁹ S. Cohen, "Pakistan and the Crescent of Crisis", in I. Daalder, N. Gnesotto and P. Gordon (eds), *Crescent of Crisis. US-European Strategy for the Greater Middle East* (Washington DC, 2006), p. 186

¹⁰⁰ D. Markey, "False choice in Pakistan", *Foreign Affairs*, July/August 2007, p. 88

¹⁰¹ O. Bennett Jones and F. Shaikh, "Pakistan's foreign policy under Musharraf: between a rock and a hard place", Chatham House Briefing Paper, ASP BP 06/01, March 2006

¹⁰² Markey, "False choice", p. 89

prerogatives. While it did open up its territory to US military forces during the period leading up to the overthrow of the Taliban, since then it has repeatedly rejected requests by the US to allow its combat troops to operate in the tribal areas on the Pakistan side of the border. It has also refused to allow US personnel to deal directly with local tribal leaders.¹⁰³ There are growing voices in the US suggesting that Pakistan has not done enough to combat Islamic militancy, whether home-grown, Afghan or al-Qaeda related. Mistrust of Pakistan in the US has been further increased by revelations up to 2004 about the AQ Khan network, which has been shown to have played a major role in fuelling nuclear proliferation around the world, most notably in relation to North Korea and Iran (see Part V B.2). Some fear that the network may still be partially intact.¹⁰⁴

According to one commentator, many Pakistanis – particularly those opposed to military rule – view the US as a “disloyal, inconstant friend” which cannot be relied upon.¹⁰⁵ Predictably, radical Islamists view the US with unalloyed hostility, blaming Musharraf personally for the post-September 11th *volte-face*. As for the military itself, it too is cautious about US support. It fears being abandoned. Some analysts believe that Pakistan’s security services have maintained their links with radical Islamists as a “hedge against abandonment”. If this is so, they argue, abandoning the military could be counter-productive.¹⁰⁶

Despite mounting domestic challenges to his power and authority during 2007, US backing for Musharraf remains strong – at least in public. But it is becoming increasingly difficult for the Bush administration to ignore those in Congress who are questioning whether the US has been wise to downgrade the importance of restoring democracy in Pakistan, while pinning its hopes entirely on Musharraf and the military to deliver on security.¹⁰⁷ There are calls to block the planned sale of F-16 aircraft to Pakistan. Behind the scenes, the US is seeking to encourage Musharraf and the leaders of the main civilian political parties which he has sought to marginalise, the PPP and the Muslim League-N, to find some form of compromise way forward (see above).

D. China

China is a longstanding ally of Pakistan. It has greatly assisted Pakistan in the development of its nuclear weapons and ballistic missile programmes and has generally taken its side in disputes with India.¹⁰⁸ Some believe that China tested nuclear devices for Pakistan in the 1990s. This favour has been returned by Pakistan with regard to Sino-Indian border disputes. Defence and wider economic cooperation continues. For example, China is assisting in the building of a major naval base and deep-sea port at Gwadar. In return it will be allowed berthing rights there for its ships and submarines. Gwadar will also afford China a sea-land alternative passage for energy imports should

¹⁰³ On occasions, the US has nonetheless gone ahead and covertly done both. Hussein, *Frontline Pakistan*, pp. 49-50, 120-22

¹⁰⁴ S. Cohen, “Pakistan and the Crescent of Crisis”, in I. Daalder, N. Gnesotto and P. Gordon (eds), *Crescent of Crisis. US-European Strategy for the Greater Middle East* (Washington DC, 2006), p. 187

¹⁰⁵ Bennett-Jones, *Pakistan*, p. xxiv

¹⁰⁶ Markey, “False choices”, p. 92

¹⁰⁷ Cohen, “Pakistan and the Crescent of Crisis”, p. 192

¹⁰⁸ Bennett-Jones, *Pakistan*, p. 217

its access to the Arabian sea or the Strait of Malacca be disrupted in the future.¹⁰⁹ But China has concerns about the security of Chinese workers in Pakistan following attacks by Islamic militants angry about its treatment of the Uighur Muslim population in Xinjiang Province. It is unclear whether China is still providing much support to Pakistan in terms of its nuclear weapons and ballistic missile programmes, but in recent years there have been discussions between the two countries about the purchase of as many as six nuclear reactors.¹¹⁰

Despite such close relations, Pakistan is nervous – as it is with regard to the US – about the implications of a gradual *rapprochement* between China and India as those countries advance towards great power status. But China is likely to avoid being forced to choose between India and Pakistan.

E. The UK

The overarching framework for relations between the two countries was formally set out in a December 2004 Joint Statement by the then Prime Minister Tony Blair and President Musharraf. The full text is set out below:¹¹¹

UK—PAKISTAN A PARTNERSHIP FOR PEACE AND PROSPERITY JOINT STATEMENT

The Rt Hon Tony Blair MP & President Pervez Musharraf: 6 December 2004

His Excellency General Pervez Musharraf, President of the Islamic Republic of Pakistan, paid an official visit to the United Kingdom on 5–7 December 2004 at the invitation of the Rt Hon Tony Blair, Prime Minister of the United Kingdom. At the conclusion of their talks, they issued this joint statement.

1. Pakistan and the UK are bound together by strategic ties. The two countries already enjoy close and fruitful cooperation in diverse areas within several institutional frameworks. President Pervez Musharraf and Prime Minister Tony Blair agreed to broaden the relationship between their countries into a reenergised partnership for peace and prosperity in the 21st century.
2. Pakistan and the United Kingdom are close allies in countering terrorism in all its forms and manifestations. The Prime Minister thanked the President for his courage in standing firm against terrorism, which is a serious threat to international stability. The President and the Prime Minister agreed that no terrorism is acceptable, whatever the cause, and agreed to seek further ways to enhance bilateral cooperation in combatting terrorism, especially terrorist networks spanning the UK and Pakistan.
3. The President shared with the Prime Minister his vision for Enlightened Moderation in the Islamic World. He also detailed the far-reaching measures taken by Pakistan to eliminate extremism and militancy in the country. They agreed on the need for a concerted international effort to tackle the root causes of terrorism and extremism, including through addressing poverty and injustice, and by providing people with a greater stake in the democracy and development of their own societies. They agreed

¹⁰⁹ “Gwadar port – a Pakistani ‘pearl’ but a Chinese Gibraltar”, *Indo-Asian News Service*, 26 March 2006

¹¹⁰ O. Bennett Jones and F. Shaikh, “Pakistan’s foreign policy under Musharraf: between a rock and a hard place”, Chatham House Briefing Paper, ASP BP 06/01, March 2006

¹¹¹ Foreign Affairs Select Committee, *South Asia*, Fourth Report, Session 2006-7, HC 55, Ev 56-7. Available at: <http://www.publications.parliament.uk/pa/cm200607/cmselect/cmfaff/55/55.pdf>.

Annex 6 (Ev 57-62) of the Committee’s report provides information about visa/consular operations in Pakistan and a summary (Ev 133-4) of UK-Pakistan economic ties. See also Part VI B.1 of this Paper for a survey of the aid relationship and Part VI C.1.a for UK humanitarian support to Pakistan following the 2005 earthquake.

on the need for judicious resolution of conflict, including in the Middle East and South Asia.

4. The Prime Minister welcomed President Musharraf's commitment to continuing the process of democratisation in Pakistan, and Pakistan's readmission to the Councils of the Commonwealth. They both affirmed their commitment to the Commonwealth Harare principles.

5. The President and the Prime Minister welcomed the political cooperation which both countries have enjoyed in the United Nations over the last two years while Pakistan has been a member of the UN Security Council, and looked forward to continuing to work together in the United Nations and other multilateral forums.

6. The two leaders also agreed to work towards the objective of non-proliferation of weapons of mass destruction and their means of delivery. They agreed to initiate a bilateral strategic dialogue on these issues.

7. The President and the Prime Minister agreed on the need for a fairer international trading regime, providing, inter alia, for greater market access in a way which allows developing countries to reap the substantial benefits of an increasingly open world economy. They pledged to work closely for a successful conclusion of the WTO Doha Development Agenda.

8. The President and the Prime Minister discussed the situation in Iraq and agreed on the need for continued UN and multinational efforts to bring lasting peace and stability to the country. They welcomed the communique issued at the end of the conference in Sharm el-Sheikh which underlined the continued commitment of the international community to support the political process in Iraq.

9. The President and the Prime Minister reaffirmed their commitment to support Afghanistan's democratic process and its development. They welcomed President Karzai's election and recognised that a stable, peaceful and prosperous Afghanistan will have benefits for the whole region. The Prime Minister commended Pakistan for its constructive role in the elections, especially the arrangements for refugee voting in Pakistan.

10. The Prime Minister emphasised the UK's long-term commitment to Afghanistan. The President reaffirmed his commitment to cooperation with Afghanistan and its neighbours in the context of the Good Neighbourly Relations Declaration of December 2002, including the counter narcotics declaration and action plan agreed this year. Both agreed to intensify their efforts to clamp down on the growth, processing, trafficking and abuse of opiates in the region which have such serious effects on our societies and economies.

11. The Prime Minister praised President Musharraf's statesmanship in seeking to resolve Pakistan's outstanding issues with India, and welcomed the progress made by both sides since January 2004 in the ongoing Composite Dialogue process. The Prime Minister encouraged further efforts to find a lasting resolution to these issues, including over Jammu and Kashmir, taking into account the wishes of the Kashmiris. They agreed that resolution of the Kashmir issue would help to establish durable peace in the region.

12. The Prime Minister and the President agreed to work closely towards achieving the Millennium Development Goals. The President warmly welcomed the United Kingdom's commitment of up to £144 million over two years in development assistance to help support Pakistan's long-term development and poverty reduction initiatives. The Prime Minister acknowledged the turnaround in Pakistan's economy, making it one of the fastest growing economies in the world with an annual growth rate of over 6.5%.

13. The President and the Prime Minister praised the ongoing work of the Pakistan-Britain Trade and Investment Forum and the Pakistan-Britain Business Advisory Group in helping to promote the already close trading links between their countries. The UK is the second largest foreign investor in Pakistan. They welcomed the success of the two trade missions which visited Pakistan in September and October 2004 and the plans for further trade missions in February 2005.

14. The President and the Prime Minister welcomed the deepening defence relationship between their countries, including through the success of the annual

meetings of the Defence Cooperation Forum. They agreed on the importance of further evolving the Forum into a wide-ranging dialogue, including discussions of global and regional security, and defence equipment. They also agreed to enhance cooperation through both countries' continued involvement in UN Peacekeeping Operations, to which Pakistan currently contributes more troops than any other country in the world, and actively to explore opportunities to learn from each other's experiences, such as through dialogue, training and peacekeeping exercises between the two countries.

15. They also reviewed the constructive work of the Pakistan Britain Joint Judicial Cooperation Working Group in helping to improve the operations of law enforcement agencies affecting both countries.

16. The Prime Minister expressed his appreciation of the ongoing links between Pakistan and the approximately one million people of Pakistani heritage living in the UK, and both welcomed the reopening of the visa issuing service in the British High Commission in Islamabad and the British Deputy High Commission in Karachi. They agreed on the need to encourage bona-fide travel between their countries as a means of fostering strong people-to-people links, but to clamp down on those who try to cheat the system.

To this end the leaders agreed to conclude as soon as possible a Memorandum of Understanding on immigration issues, re-documentation and resolution of cases.

17. The President and the Prime Minister agreed to hold an annual summit-level meeting between their countries and to explore new areas of bilateral cooperation.

The importance of Pakistan to the security of the UK has been underscored by the role of British citizens of Pakistani origin in the 7/7 and 21/7 bombing attacks in London in 2005 and by other terrorist plots that have been uncovered subsequently. While there has been considerable media attention on the training that some of those involved received in Pakistan, President Musharraf has argued that Pakistan cannot be held responsible for their actions. According to one recent source, the security services are currently tracking "more than 20 plots, involving as many as 200 terrorist cells, and watching more than 1,500 people associated with them in the United Kingdom – most of whom are of Pakistani origin."¹¹² The two countries have concluded a prisoner transfer agreement with regard to nationals held in each other's prisons. It will come into force once both countries have ratified it.¹¹³

While the fact that Musharraf combines the positions of Head of State and Army Chief of Staff means that the UK does not yet consider the process of democratisation in Pakistan to be "irreversible", the public stance of the UK Government remains one of strong support for Musharraf as a key ally in the 'war on terror'.¹¹⁴ However, behind the scenes there has been considerable concern about his strategy in the border areas and about whether he can survive the wider political challenges facing him during 2007. The UK Government has been maintaining its contacts with Benazir Bhutto and Nawaz Sharif with a view to being in a position to support moves towards orderly political change in Pakistan. The Department for International Development (DFID) has allocated £3.5

¹¹² P. Brookes, "Peril in Pakistan", *Armed Forces Journal*, June 2007

¹¹³ There are more than 800,000 British citizens of Pakistani origin in the UK and at least 80,000 residents in Pakistan of British nationality. HC Deb 11 June 2007 c632; HC Deb 17 July 2007 c270W

¹¹⁴ The concept of "irreversibility" comes from the 2005 Commonwealth Heads of State/Government Declaration in Malta. Pakistan was suspended from the Commonwealth between 1999 and 2003. See HC Deb 11 June 2007 c632

million in support of the coming electoral process.¹¹⁵ The then Prime Minister, Tony Blair, visited Pakistan in late 2006.¹¹⁶ During his visit he described relations between the two countries as “at their highest point, I think, than they have been for many, many years.”¹¹⁷

The Foreign Secretary, David Miliband, made his first foreign visit in the post to Pakistan in July 2007. After a meeting with President Musharraf, he said:

Britain has a strong interest in the stability of Pakistan, in defeating extremism and in the development of tribal areas. Our approach... is that the right way forward is one based on partnership between different countries. The abiding theme is that economic, social, and political development has to go together.¹¹⁸

A resolution was passed in Pakistan’s National Assembly in June 2007 demanding the withdrawal of the knighthood conferred upon the writer, Salman Rushdie. There were also street protests. The UK Government has stressed that the award was not intended as an insult to Islam or the Prophet Muhammed.¹¹⁹

The UK Government has also been active, along with the US, in trying to improve relations between Musharraf and President Karzai of Afghanistan (see Part IV B).

F. The EU

Despite being by far the largest trading partner and provider of aid to Pakistan, the EU and its Member States are less important to the country than its alliance with the US. Accordingly, the US takes the lead in the politico-military and security spheres. This does not mean that the EU’s ‘soft power’ is without influence, although concerns have been expressed by some that it does not make full enough use of the leverage that it has over Pakistan to promote human rights and democracy.

Issues of human rights and democracy have had to compete with serious concerns over security and terrorism since September 11th 2001.¹²⁰ But they have not disappeared from the EU agenda. The EU delegation to Pakistan, EU missions and the European Council have all regularly expressed public concern about human rights and democracy issues, including President Musharraf’s insistence on combining the roles of both Head of State and Army Chief of Staff. In July 2007 the European Council publicly welcomed the decision of the Supreme Court to reinstate the Chief Justice:

The Presidency, on behalf of the EU, welcomes the decision of the Government of Pakistan to respect the ruling of the Supreme Court of Justice to reinstate Chief of Justice Iftikar Chaudhry. Independence of the judiciary and the rule of law are key elements of democracy. The EU hopes Pakistan will continue to

¹¹⁵ HC Deb 5 June 2007 c446W

¹¹⁶ For details of some of the outcomes of the visit, see HC Deb 23 November 2006 c73-4WS

¹¹⁷ “Press Conference with the Pakistani President”, No. 10 Press Release, 19 November 2006. Available at: <http://pm.gov.uk/output/Page10443.asp>

¹¹⁸ “Miliband support for Musharraf”, *BBC News Online*, 26 July 2007

¹¹⁹ HC Deb 25 June 2007 c215W

¹²⁰ For the EU’s own description of EU-Pakistan relations see: http://ec.europa.eu/external_relations/pakistan/intro/index.htm

abide by these principles, on the path towards enhanced legitimacy of political institutions and democratic consolidation, in particular in the view of the forthcoming elections.¹²¹

The EU has also called for Nawaz Sharif to be allowed to return to Pakistan and be given the opportunity to defend himself against any charges that might be laid against him.¹²²

A Third Generation Co-operation Agreement was signed by the EU and Pakistan in November 2001. The Agreement contains a clause calling for respect for human rights and democratic principles as its basis. The Agreement entered into force in September 2004. However, concerns about democracy and human rights have held up its implementation. A Joint Commission, set up under the Agreement to meet annually to oversee the Agreement's implementation, did not meet for the first time until May 2007.

The decision to allow the Joint Commission to meet was taken at an EU-Pakistan meeting of ministers in February 2007. The Joint Statement following the meeting went on to say:

Beyond this, the EU and Pakistan express their resolution to develop relations in areas not covered by their 2004 Cooperation Agreement. In particular, the two sides undertake to develop a broad, formalised political dialogue, aimed at improving mutual understanding through regular contacts, exchanges and consultations. This shall particularly take the following forms:

- Regular ministerial level dialogue to discuss strategic and other issues.
- In between the ministerial meetings, senior officials from both sides (Political and Regional Directors, as appropriate) will meet to ensure follow-up.
- Expert level meetings in a variety of policy areas, including:
 - interfaith dialogue;
 - counter-terrorism;
 - counter-narcotics;
 - non-proliferation;
 - human rights and good governance.
- Encouraging development of contacts at parliamentary level.

The EU and Pakistan have agreed to exchange experience in the fields of political and economic governance, as well as human rights and the rule of law. Furthermore, both sides have agreed to cooperate in the promotion of regional peace, stability and security. To this end, the EU and Pakistan reaffirm their commitment to the settlement of disputes by peaceful means, in accordance with international law, bilateral agreements and the principles of the UN Charter. Both sides are also committed to the elimination of poverty in Pakistan, in accordance with the Millennium Development Goals.¹²³

The EU observed the October 2002 elections to Provincial and National Assemblies with an 88-person strong Election Observation Mission (EOM). The mission declared that the polling day itself had gone relatively smoothly but described the electoral process as seriously flawed, referring to restrictions on political parties and their candidates and

¹²¹ See: <http://www.delpak.cec.eu.int/WHATSNEW/Council-Supremecourt.pdf>

¹²² "EU appeals for Sharif return", *Irish Examiner*, 10 September 2007

¹²³ EU-Pakistan Joint Declaration, Berlin, 8 February 2007. Available at: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/er/92681.pdf

misuse of state resources. The EOM recommended support to strengthen the electoral process in preparation for the forthcoming parliamentary elections.¹²⁴

A recent report by the Foreign Affairs Committee of the European Parliament, sponsored by Baroness Nicholson of Winterbourne, caused some controversy in Pakistan due to its opposition to the longstanding idea of holding a plebiscite to decide Kashmir's future and by its focus on the continuing lack of democracy in Azad Kashmir.¹²⁵

G. Other Countries

In 2005 President Musharraf initiated diplomatic talks with Israel. After nearly 20 years of informal contacts, this was the first time that the Pakistani authorities had held talks with Israel in the glare of the public eye. While it provoked anger amongst Pakistan's radical Islamists, Musharraf's main aim, according to one analyst, was to broaden support in the US for future arms sales.¹²⁶

Relations with Shia-dominated Iran have been cool since the 1979 revolution – with the exception of the period 1989-95, when the AQ Khan network shared nuclear weapons technology with the country at a time when the US had imposed sanctions on Pakistan for pursuing a weapons programme.¹²⁷ Iran's hostility towards the Afghan Taliban and its pursuit of closer relations with India led to a renewed deterioration in diplomatic relations. Since the fall of the Taliban, relations have improved but Pakistan is careful not to step out of line with the US again with regard to Iran's nuclear programme. Pakistan has also accused Iran, which has its own population of Baluchis, of promoting unrest in Baluchistan.

Relations with Bangladesh – formerly East Pakistan – have gradually improved since the 1971 war between Pakistan and India that led to its creation. Diplomatic relations between Pakistan and Bangladesh were established in 1976. This improvement has been made possible by the relative loosening since then of the ties between India and Bangladesh, which is wary of its powerful neighbour. Although there remain scars on both sides due to the circumstances of Bangladesh's birth, Pakistan is keen to ensure that Bangladesh does not become too close an ally of India again in the future.

V Military and Nuclear Capabilities

A. Military Capabilities

Primarily regional concerns, including Pakistan's relationship with India and issues arising from shared borders with Afghanistan and China, shape the country's military posture, from both a conventional and a nuclear perspective. Yet internal security issues

¹²⁴ EU-Pakistan Joint Declaration, Berlin, 8 February 2007

¹²⁵ "Europe snubs Pak over Kashmir", *Hindustan Times*, 24 May 2007

¹²⁶ O. Bennett Jones and F. Shaikh, "Pakistan's foreign policy under Musharraf: between a rock and a hard place", Chatham House Briefing Paper, ASP BP 06/01, March 2006

¹²⁷ *Ibid*

such as religious extremism and sectarian violence have also been a significant factor in the development of Pakistan's defence and security policies and the subsequent configuration of its armed forces.

1. Military Expenditure

In 2005 Pakistan achieved its highest level of economic growth in over a decade due largely to robust growth in the agricultural and manufacturing sectors coupled with the supportive macroeconomic policies of the Pakistan's Government. In 2006 economic growth remained at over 6%. As a result, military expenditure has risen over the last few years. In 2006-07 the Government allocated Pakistani Rupees (PKR) 250bn to the defence budget, a rise of 3.7% on the previous year; whilst in 2007-08 the defence budget is expected to increase by a further 10% to PKR 275bn, approximately 15% of the overall national budget.¹²⁸ For comparison, Pakistan's defence expenditure equates to approximately one fifth of India's overall defence budget, although defence spending does represent a higher percentage of Pakistan's GDP.

However, it is widely acknowledged that Pakistan's official defence budget is not a true reflection of its military spending as it excludes some major areas of expenditure, including military pensions, foreign military aid, foreign credit assistance for military procurement and income generated by the military's own business interests. For example, in 2003 the US agreed a five-year military and economic assistance package to Pakistan worth US\$3bn, with approximately half of that package earmarked for military procurement under the US Foreign Military Sales programme.¹²⁹ As a result of this lack of transparency, prominent analysts have failed to agree on the exact nature of Pakistan's defence spending. The International Institute for Strategic Studies has estimated the Pakistan's defence budget as follows:

Military expenditure - Pakistan: 2000 to 2006

	2000	2001	2002	2003	2004	2005	2006 (est)
Pakistani rupees (billion) (cash terms)	Rs 131	Rs 152	Rs 160	Rs 180	Rs 193	Rs 241	Rs 250
US dollars (billion) (cash terms)	\$2.5	\$2.5	\$2.7	\$3.1	\$3.3	\$4.0	\$4.1
% gross domestic product	4.0	4.1	4.4	4.5	3.5	3.6	3.5

Source: International Institute for Strategic Studies *Military Balance*

The Stockholm International Peace Research Institute (SIPRI) on the other hand has provided the following expenditure figures:

¹²⁸ Figures taken from the International Institute for Strategic Studies (IISS), *Military Balance 2007*, and "Pakistan bids to boost defence budget for FY07", *Jane's Defence Weekly*, 20 June 2007

¹²⁹ That aid began in 2005 with annual instalments of \$600 million. \$300 million per annum is directed toward military assistance.

Military expenditure - Pakistan: 2000 to 2006

	2000	2001	2002	2003	2004	2005	2006
Pakistani rupees (billion) (current prices)	Rs 154	Rs 170	Rs 188	Rs 210	Rs 240	Rs 270	Rs 290 (est)
US dollars (million) (2005 prices)	\$3,320	\$3,553	\$3,819	\$4,138	\$4,399	\$4,534	\$4,572 (est)
% gross domestic product	3.7	3.9	3.9	3.7	3.6	3.5	...

Source: SIPRI Yearbook 2007; see also http://www.sipri.org/contents/milap/milex/mex_data_index.html

Despite the disparity, both sets of figures show a clear upwards trend in defence expenditure. However, this significant rise has prompted criticism within Pakistan's legislature. In response to the government's most recent budget request opposition politicians within the Upper House, the Senate, called for a cap to be placed on the defence budget, citing concerns over other domestic spending priorities and the potential for an "arms spending race" with India to develop.¹³⁰

2. Conventional Capabilities

Given Pakistan's defence and security priorities, its conventional forces are sizeable.¹³¹ They are configured with an emphasis on territorial defence and power projection against its main regional adversary – India. This is reflected in the balance between each of the respective Services. From a total active manpower strength of 619,000 personnel, approximately 550,000 (88.9%) of those are army personnel.¹³² In addition, the army reportedly has approximately 200,000 reserve personnel.¹³³ A further 302,000 active paramilitary forces have responsibility for internal and border security. Of those paramilitary forces, the National Guard form the majority at approximately 185,000 personnel, followed by the forces of the Frontier Corps (65,000) and the Pakistan Rangers (40,000), which are at the disposal of the Ministry of the Interior. By contrast, the Pakistan Navy, whose main role is to protect Pakistan's maritime interests and maintain the security of its sea lanes,¹³⁴ has a manpower strength of 24,000 active personnel, including 1,400 marines and a further 3,200 reserves. The Air Force consists of 45,000 active personnel and approximately 10,000 reserve personnel.¹³⁵

Since independence in 1947 Pakistan's military capabilities have largely developed as a result of considerable military assistance from foreign governments. In contrast to many countries during the Cold War period which aligned themselves with either the West or the Soviet Union and China, Pakistan's preoccupation with the perceived threat from India prompted the country to seek military assistance from both the US, China and to a lesser degree from France and the UK at differing points during that period. In the 1950s and early 1960s the US, which was keen to counter the possibility of Soviet

¹³⁰ "Pakistan bids to boost defence budget for FY07", *Jane's Defence Weekly*, 20 June 2007

¹³¹ Pakistan has the second largest conventional force in the Central and Southern Asia region and the fifth largest in Asia as a whole behind China, India, North Korea and South Korea.

¹³² See the *Military Balance 2007* for a breakdown of forces by role.

¹³³ Some sources have suggested that the reserve contingent of the Pakistani Army could be significantly higher at approximately 500,000 personnel.

¹³⁴ Due to Pakistan's topography almost 95% of Pakistan's trade is transported by sea. *Jane's Defence Weekly*, 2 May 2007

¹³⁵ Figures are taken from the IISS, *Military Balance 2007*, and *Military Technology: World Defence Almanac 2007*

expansionism into South Asia, was the main donor of military assistance to Pakistan.¹³⁶ However, that assistance was suspended at the start of the Indo-Pakistan war in 1965 and only periodically reinstated during the next twenty five years until 1990 when assistance was suspended entirely in protest at Pakistan's development of a nuclear weapons programme.¹³⁷ In 2001 US military assistance was once again reinstated in response to Pakistan's key role in the fight against terrorism.¹³⁸

Due to the inconsistency of relations with the US from the mid-1960s onwards Pakistan subsequently turned to China as the main supplier of both arms and other types of military aid. Over the last few decades China has played an important role in developing Pakistan's indigenous defence manufacturing capability through collaborative programmes and licensed production agreements and in modernising its armed forces with the supply of complete weapons systems at discounted prices.¹³⁹ That relationship was strengthened after the imposition of US sanctions on Pakistan in 1990. More recently, Beijing and Islamabad have signed a number of defence accords designed to boost bilateral co-operation. Yet it has been acknowledged that China's relationship with Pakistan has always been one of mutual benefit. Whilst China has been, and continues to be, the main supplier of conventional weapons systems to Pakistan, that assistance has been attributed to China's desire to maintain a strategic regional ally and prevent India from establishing a position of overwhelming conventional military superiority in the South Asia region.

Despite some efforts to achieve a degree of self sufficiency in defence manufacturing, Pakistan remains heavily dependent on external assistance. Therefore, since 2001 Pakistan has maintained relations with both the US and China, and to a lesser extent other arms exporting countries such as Sweden, France, the UK, Ukraine and Russia. According to SIPRI, between 2002 and 2006 Pakistan imported US\$2bn worth of military equipment, making it the 14th largest recipient of major conventional arms in the world during this period.

Pakistan's current military equipment inventory is a subsequent reflection of these historical ties.¹⁴⁰ Its 313 combat capable fixed-wing fighter aircraft are a mixture of French Mirage III and Mirage V jets, US F-16s and Chinese F-7PG and F-7MG's equipped with requisite missiles. Its helicopter fleet consists mainly of French Alouette III and American Bell utility helicopters, American AH-1F Cobra and Russian Mi-24 Hind attack helicopters, and French Puma and Russian Mi-8 support helicopters. Pakistan's naval fleet is relatively small and consists of five French designed tactical submarines,¹⁴¹ six ex-UK Type 21 frigates, three French mine countermeasures vessels and several

¹³⁶ Between 1953 and 1961 Pakistan received nearly \$2bn in US assistance, one quarter of which was military aid. See Congressional Research Service, *Pakistan-US Relations*, 23 July 2007. Available at: <http://italy.usembassy.gov/pdf/other/RL33498.pdf>

¹³⁷ Most notably, the suspension of aid resulted in the non-delivery of F-16 fighter aircraft that had been purchased by Pakistan in 1989.

¹³⁸ See also Part IV C of this Paper.

¹³⁹ China is also believed to have assisted in the development of Pakistan's nuclear weapons programme (see also Part IV D of this Paper).

¹⁴⁰ A comprehensive breakdown of Pakistani military equipment, by Service, is available in the IISS's *Military Balance 2007*.

¹⁴¹ The majority of which were built under licence in Karachi.

domestically built patrol vessels. The Army's 2,461 combat capable main battle tanks are largely of, or based on, Soviet (T-80, T-54, T-55), Chinese (T-85, T-69, T-59) and US (M-48) design, although an increasing number are of the MBT2000 Al-Khalid design which has been produced domestically in collaboration with China. In addition, the Pakistan Army's armoured infantry fighting vehicles are a mixture of domestically produced vehicles along with US-designed and manufactured M-113's and the Soviet BTR-70.

Regardless of the extent of foreign military assistance provided to Pakistan and the size of its conventional forces, particularly its land forces, it is worth noting that with 1.3 million personnel in active service¹⁴² and significantly more military assets, India retains considerable conventional military superiority over Pakistan.¹⁴³ As a result Pakistan has consistently relied on the deterrent effect of its nuclear capabilities as a means of offsetting that advantage.

3. Military Modernisation Programme

Motivated by India's extensive modernisation programme of its own conventional forces, in the last few years Pakistan has embarked upon an ambitious acquisition programme in an attempt to upgrade its own military forces.¹⁴⁴ Military and foreign credit assistance from overseas, particularly from China and the US, is central to that agenda, although in keeping with the trend of the last few years Pakistan has continued to maintain diversity in its supplier base.

The main recipients of modernisation thus far have been the Pakistan Air Force and Navy. In 2005 the US announced that it would resume the sale of F-16 aircraft to Pakistan, which had previously been halted in 1990. Under the deal, the Pakistan Air Force will acquire 18 new F-16C/D fighter aircraft equipped with AMRAAM missiles (with an option to acquire 18 more) and 26 used F16-A/B aircraft by 2008-2009. Pakistan is also understood to be planning the acquisition of 36 J-10 fighter aircraft from China in a deal worth US\$1.2bn. In addition, 150 JF-17 fighter aircraft are being manufactured domestically under a collaborative Pakistani-Chinese programme. In November 2006 China and Pakistan were also reported to have signed an agreement to jointly develop an AWACS aircraft.¹⁴⁵

The Pakistan Navy is also set to acquire four F-22 light frigates from China, one of which is expected to be manufactured domestically under licence, in order to replace its ageing Type-21 fleet. The deal signed in 2005 is worth approximately US\$600m, with the first vessel expected to be commissioned in 2009 and the remainder by 2013. At present, negotiations are also underway to acquire at least four new corvettes and to pursue a next-generation submarine capability following the recent decommissioning of the navy's four Daphne-class vessels. The vessels are expected to be produced domestically under licence and based on either French or German designs.

¹⁴² India also has 1.2 million reserves, 1.3 million paramilitary forces and a further 1 million paramilitary reserves.

¹⁴³ Further information on India's military capabilities is available in House of Commons Library Research Paper RP07/41, *A Political Introduction to India*

¹⁴⁴ *ibid*

¹⁴⁵ IISS, *Military Balance 2007*, p. 306

The development of a second generation of the Al Khalid main battle tank is also underway and is expected to become the backbone of the Army's fleet from 2012.

Since 2001 Pakistan has also received under the US military assistance programme six C-130 military transport aircraft, tactical radios, an air traffic control system, Harpoon anti-ship missiles, eight excess P-3C Orion maritime patrol aircraft and eight AH-1F Cobra attack helicopters.¹⁴⁶

B. Nuclear Capabilities

Pakistan has been a self-declared nuclear weapon state since it, along with India, conducted a publicised series of nuclear tests in May 1998. The country's nuclear weapons programme began in the early 1970s following the 1971 war with India that led to East Pakistan becoming Bangladesh, although it was not until the late 1980s that the US concluded that Pakistan had acquired the capability to build a primitive nuclear device. US officials believe the Pakistani programme received material and technical assistance from China, although key information on uranium enrichment was also obtained by a leading Pakistani scientist working in the Netherlands during the mid-1970s.¹⁴⁷

Nuclear weapons play a crucial role in Pakistan's military doctrine, being viewed as an essential safeguard to offset India's conventional superiority. Pakistan's comparatively small territory and 'lack of strategic depth' would give its military little defensive room for manoeuvre in the event of a major Indian attack. Possession of nuclear weapons is also a source of great national pride, not least because Pakistan was the first, and thus far only, Muslim nation to acquire such a capability.

Despite its self-declared nuclear status, Pakistan is not recognised as a nuclear weapon state under the 1968 nuclear Non-Proliferation Treaty (NPT) and has consistently declined to join the treaty as a non-nuclear weapon state.¹⁴⁸ In its view, the NPT represents an attempt by the five recognised nuclear weapon states to cement in place an unfair advantage over the non-nuclear weapon states.¹⁴⁹

Pakistan is generally assumed to have sufficient stocks of highly enriched uranium to build between 30 and 50 fission bombs.¹⁵⁰ By way of comparison, India is believed to

¹⁴⁶ Further detail is available in Congressional Research Service Report, *Pakistan-US Relations*

¹⁴⁷ '[Pakistan Profile: Nuclear Overview](#)', *Nuclear Threat Initiative* (NTI) website, last updated February 2006

¹⁴⁸ The NPT defines a nuclear weapon state as one that manufactured and exploded a nuclear weapon or other nuclear explosive device prior to 1 January 1967. India's first nuclear test, which it characterised as "a peaceful nuclear explosion experiment", was in 1974.

¹⁴⁹ The five nuclear weapon states recognised under the NPT are China, France, the Russian Federation, the United States and the United Kingdom. The other states parties – referred to as non-nuclear weapon states – are allowed to access peaceful nuclear technology but must forego nuclear weapons. A safeguards system under the auspices of the International Atomic Energy Agency (IAEA) is used to verify compliance and to prevent the diversion of fissile material for use in weapons.

¹⁵⁰ There are two main types of nuclear weapon: those that rely on nuclear fission (colloquially known as atomic bombs) and those more powerful devices that use nuclear fission and fusion (commonly referred to as thermonuclear or hydrogen bombs).

have sufficient weapons-grade plutonium to produce between 40 and 90 weapons, depending on the sophistication of the warhead design.¹⁵¹

1. Ballistic Missile Development Programme

Pakistan's nuclear posture is predicated on two methods of delivery: by offensive strike aircraft such as the F-16 or Mirage and/or by land-based ballistic missiles.

Like its nuclear programme, Pakistan's ballistic missile development programme (BMDP) is driven by regional security imperatives and the fact that its conventional air forces are quantitatively inferior to those of the Indian Air Force. Pakistan has therefore focused on its BMDP as the most effective means of establishing a minimum deterrent against Indian conventional superiority. As Brigadier Naeem Ahmad Salik observed in an article in 2002:

As is the case with nuclear weapons, Pakistan does not need to match India missile for missile. As long as it can field a modest missile force and can ensure its survivability against a surprise pre-emptive strike it has no cause for concern.¹⁵²

In tandem with the nuclear programme, Pakistan embarked upon its BMDP in the 1980s and, like its nuclear programme, is widely believed to have benefited from extensive technical assistance from China. Co-operation with North Korea has also been highlighted.

Initial capabilities focused on the development of the short-range Hatf-1 and Hatf-2/Abdali missile, believed to have been based on the Chinese Mseries of missile.¹⁵³ Each has a range and payload of 80-100km/ 500kg and 190km/500kg respectively. However, it was the test firing of the Ghauri-I missile, developed in co-operation with North Korea, in April 1998 that was considered a major breakthrough.¹⁵⁴ With a range of 1,500km and a payload of 700kg, the nuclear-capable Ghauri-I essentially provided Pakistan with a real deterrent capability, matching the abilities of the Indian Agni missile and giving Pakistan the ability to strike strategic targets throughout a substantial part of India.

Since 1998 Pakistan and India have embarked upon a tit-for-tat testing programme of their ballistic missile capabilities. In response to Indian testing of its intermediate-range Agni-II in 1999, Pakistan immediately conducted tests of an improved, longer-range version of the Ghauri-I (Ghauri-II)¹⁵⁵ and its newly developed Shaheen-I missile, believed

¹⁵¹ Sources: '[India Profile](#)', updated September 2006, and '[Pakistan Profile](#)', updated April 2007, *Nuclear Threat Initiative* website

¹⁵² Brigadier Naeem Ahmad Salik, "Pakistan's ballistic Missile Development Program – Security Imperatives, Rationale and Objectives", *Strategic Studies*, Spring 2001

¹⁵³ On this basis, ongoing technical assistance from China has been considered likely. See Center for Defense Information, *Nuclear Weapons Database: Pakistan*.

Available at: <http://www.cdi.org/issues/nukerf&f/database/panukes.html>

¹⁵⁴ The Ghauri-I is believed to be based on the Nodong-1 missile.

See: <http://www.globalsecurity.org/wmd/world/pakistan/hatf-5.htm>

¹⁵⁵ The Ghauri-II is believed to have a range of 2,300km and a payload of 700kg.

to have been 'reverse engineered' with Chinese technical assistance from either the Chinese M-9 or M-11 missile.¹⁵⁶

Subsequent tests of both the Ghauri-I and Ghauri-II took place in 2000, 2002, 2004, 2006 and more recently in February 2007. Testing of the Shaheen-II began in March 2005, with the most recent tests conducted in early 2007. Tests of the Hatf-2/Abdali missile were also conducted in March 2007.¹⁵⁷

More recently, Pakistan has been reported to be developing a third generation Ghauri missile which has a range of 3,000km and an unspecified payload. Some analysts have suggested that the Ghauri-III is based on the North Korean Taepodong missile.¹⁵⁸ To date, it is understood that the missile has yet to be tested.¹⁵⁹ Further developments in Pakistan's ballistic missile inventory are also considered likely given the current emphasis by India on acquiring conventional military technologies that will enhance both its nuclear weapons delivery capabilities (next generation strike aircraft and unmanned aerial vehicles) and anti-ballistic missile defence systems. Such acquisitions could go some way to neutralising Pakistan's minimum deterrent. Some Pakistani analysts consequently believe that:

The most cost effective means to counter New Delhi's strategic advantage and saturate its missile defenses is to improve Pakistan's missile arsenal, qualitatively and quantitatively.¹⁶⁰

Indeed, in the last few years Pakistan's attempts to develop nuclear-capable cruise missile capabilities in addition to its ballistic missile inventory have been noted. Since 2005 Pakistan has been testing a short-range missile, codenamed 'Babur', which is capable of carrying either conventional or nuclear warheads. More recently in August 2007 Pakistan began initial testing on its latest Raad cruise missile. Although limited to a range of approximately 350km, the missile is capable of being launched from an airborne platform such as the Mirage.

2. Proliferation Concerns and the AQ Khan Network

Pakistan set up an extensive and covert international supply network during the 1970s and 1980s to support its nuclear weapons programme.¹⁶¹ The public face of the nuclear programme was Dr. Abdul Qadeer (AQ) Khan, a scientist who had obtained centrifuge designs for uranium enrichment while working in Europe during the 1970s. By the early

¹⁵⁶ *SIPRI Yearbook 2006*

¹⁵⁷ In November 2005 India and Pakistan finalised an agreement to notify each other in advance of any ballistic missile tests in an attempt to reduce tension between the two countries.

¹⁵⁸ *SIPRI Yearbook 2006*

¹⁵⁹ Centre for Nonproliferation Studies, *Pakistan's missile tests highlight growing South Asia nuclear arms race*, April 2007

¹⁶⁰ *ibid*

¹⁶¹ This section draws on information from the [Review of Intelligence on Weapons of Mass Destruction](#), HC 898, 14 July 2004 (commonly known as the Butler Review), Chapter 2.2, paras 64-75; Wyn Q. Bowen, *Libya and Nuclear Proliferation: Stepping back from the brink*, IISS Adelphi Paper, Vol. 46, 380, 2006; and the IISS Strategic Dossier *Nuclear Black Markets: Pakistan, A.Q. Khan and the Rise of Proliferation Networks, A Net Assessment*, 2 May 2007

1990s the black market supply network was increasingly working in reverse, with Khan engaging in the illicit transfer of nuclear enrichment and weapons technology to other countries. He is known to have sold technology to Iran, Libya and North Korea and to have offered it to Iraq and possibly to other, as yet unknown, countries.

Western intelligence agencies had become increasingly aware of those activities during the 1990s, although it was not until 2000 that it became clear the activities were not isolated incidents, but part of a concerted programme of proliferation. Attention increasingly focused on Libya, as Western concern grew about the potential spread of not only enrichment technology, but also the capability to build nuclear warheads for missiles. Intelligence gathering continued during 2001 and 2002 as Western Governments sought to uncover the full extent of the network and to identify the various financial and transportation links in the supply chain. Investigations revealed that Khan's network had transferred weapons-related technology, centrifuge parts and blueprints, with little or no oversight from the Pakistani authorities.

By mid-2003 Western Governments had concluded that the risks of inaction were too great and steps were taken to intercept the transfer of centrifuge materials to Libya and to halt Khan's activities in Pakistan. AQ Khan, who is revered in Pakistan as a national hero, was arrested on 31 January 2004. He subsequently confessed on television in Pakistan to having undertaken the illicit transfer of nuclear weapons technology to a number of states, and was reported to have received millions of dollars from the transfers. Pakistani officials said Khan had claimed he had been motivated by a desire to enhance the security of other Muslim countries.¹⁶² In return for cooperation with the investigation, AQ Khan received a presidential pardon but was placed under house arrest. Over two dozen of his associates were detained, although few appear to have received significant punishment for their role.¹⁶³ Pakistan says it has taken all the required steps to tighten its export control legislation and to prevent such incidents from happening again.

The AQ Khan network represented the first known case of a private enterprise offering a complete range of services to enable a customer to acquire highly enriched uranium for nuclear weapons. The revelations damaged Pakistan's international reputation and raised doubts about its ability to secure its own nuclear arsenal and to prevent further proliferation in the future. Some fear that the network may still be partially intact.¹⁶⁴ By contrast, India has come to be seen as a "responsible" state that has shown a strong commitment to combating nuclear proliferation. That reputation has earned India a pledge from the United States that civilian nuclear cooperation will resume after a hiatus of three decades.¹⁶⁵

¹⁶² 'AQ Khan confesses to leaking nuclear secrets to Iran, Libya', *Agence France-Presse*, 2 February 2004

¹⁶³ IISS Strategic Dossier *Nuclear Black Markets: Pakistan, A.Q. Khan and the rise of proliferation networks*, p. 8

¹⁶⁴ S. Cohen, "Pakistan and the Crescent of Crisis", in I. Daalder, N. Gnesotto and P. Gordon (eds), *Crescent of Crisis. US-European Strategy for the Greater Middle East* (Washington DC, 2006), p. 187

¹⁶⁵ For a fuller discussion of the US-India nuclear deal, see Library Standard Note SN/IA/4127, *US-India Nuclear Co-operation*

VI Development and Humanitarian Aid to Pakistan

Donors are aware that Pakistan's political and security challenges cannot be understood in isolation from those it simultaneously faces in the humanitarian and development spheres. Pakistan is one of the poorest countries in the world. In 2005 its per capita income was \$670 and 24% of the population lived below the national poverty line in 2004/05.¹⁶⁶ Furthermore, in 2004 only 52% of the population aged 15-64 was classed as economically active while unemployment stood at 7.7%.¹⁶⁷

Some additional headline statistical indicators for Pakistan are shown in table 1 below:

Table 1

Selected Indicators: Pakistan

	2002	2003	2004	2005	2006	2007	2008
IMF data (a)							
Gross Domestic Product, current prices (\$ million)	71,854	82,592	98,094	110,970	128,996	141,378	154,677
Gross Domestic Product, constant prices (annual % change)	3.2%	4.9%	7.4%	8.0%	6.2%	6.5%	6.5%
Inflation, consumer prices (annual % change)	2.5%	3.1%	4.6%	9.3%	7.9%	6.5%	6.0%
Current account balance (\$ million)	2,833	4,061	1,811	-1,534	-4,996	-5,637	-5,600
Population (million)	143	147	150	153	155	158	161
World Bank data							
Gross National Income per capita, current prices (\$)	490	520	600	670			
Exports of goods and services (annual % growth)	10.3%	32.9%	0.9%	-0.3%	0.9%		
Imports of goods and services (annual % growth)	4.5%	13.9%	16.3%	6.5%	4.5%		
External debt, total (current \$ million)	33,672	36,345					

Note: (a) IMF data for 2006 onwards are estimates except inflation for which 2007 and 2008 data are estimates only.

Sources: World Bank, World Development Indicators Database; IMF, World Economic Outlook Database

The World Bank's Country Assistance Strategy for Pakistan highlights the following key development challenges for the period to 2009:¹⁶⁸

- Sustaining recent growth performance in order to generate significant poverty reduction
- Investing in infrastructure in order to support Pakistan's growth and service delivery goals
- Accelerating human development to ensure the poor participate in and benefit from Pakistan's growth
- Addressing Pakistan's poor social indicators compared with other countries at similar levels of per capita income and development
- Addressing governance challenges and combating corruption in order to improve the investment climate and strengthening the delivery of public services

¹⁶⁶ Sources: [World Development Indicators Database](#); DFID, [Pakistan Factsheet](#), July 2007

¹⁶⁷ ILO, LABORSTA database: <http://laborsta.ilo.org/>. Unemployment rate is for all economically active aged 10 and over.

¹⁶⁸ World Bank, [Country Assistance Strategy for the Islamic Republic of Pakistan for the Period FY06-09](#), April 2006, pp2-7

A. Performance against the Millennium Development Goals

The Millennium Declaration, agreed at the UN Millennium Summit in September 2000, includes targets aimed at reducing world poverty and improving lives by 2015. These aims were subsequently translated into a set of eight goals (the Millennium Development Goals, or MDGs) with over 40 indicators used to assess progress; July 2007 marked the half-way point of progress towards the MDGs.

Pakistan has made steady progress towards most of the MDGs since 2000. However, DFID reported in a 2006 progress update that due to a low starting point and slow progress during the 1990s, many of the targets will be difficult to reach by 2015.¹⁶⁹

Similarly, a 2006 report on progress towards the MDGs in Asia expressed concern that there was a “lack of effort” by Pakistan in key areas, which meant that the country was falling behind on some of the targets.¹⁷⁰ A particular problem highlighted was the fact that public expenditure on health and education as a proportion of GDP is low compared with other countries in the region and, in both cases, had fallen over the period since the late 1990s. Low expenditure in these areas was linked directly to the fact that the country’s primary enrolment rate is the lowest in the region (68.1% in 2005) and its girls to boys ratio at the primary and secondary level are also among the region’s lowest (around 0.75 in 2005); similarly, Pakistan has among the highest under-5 and infant mortality rates in the region (99 and 79 deaths per 1,000 live births respectively in 2005).¹⁷¹

Table 2 below displays progress made towards some of the MDG indicator targets by Pakistan. As a result of data limitations, the table does not cover all the MDGs or all indicators towards the MDGs.¹⁷²

¹⁶⁹ DFID, [Pakistan and the MDGs](#), August 2006, p. 1

¹⁷⁰ UNDP, [The Millennium Development Goals: Progress in Asia and the Pacific 2006](#), 2006, p. 11

¹⁷¹ *ibid.* Data taken from MDGs database available at: <http://mdgs.un.org/unsd/mdg/Default.aspx>

¹⁷² It should be noted that MDG targets apply irrespective of starting points and that some targets, in particular those under goals 1, 4, 5 and 7 are formulated in relative terms. Therefore, while Pakistan has by far the lowest primary enrolment rate in the region, it is classified as on track for this indicator because of its even lower enrolment numbers in the early 1990s.

Table 2

Progress towards the Millennium Development Goals in Pakistan

GOAL 1: Eradicate extreme poverty and hunger	
Proportion of population below \$1 per day	Early achiever
Prevalence of underweight children under five years of age	Slow progress
GOAL 2: Achieve universal primary education	
Net enrolment ratio in primary education	On target
GOAL 3: Promote gender equality and empower women	
Ratio of girls to boys in primary education	Slow progress
Ratio of girls to boys in secondary education	On target
Ratio of girls to boys in tertiary education	Regressing
GOAL 4: Reduce child mortality	
Under-five mortality rate	Slow progress
Infant mortality rate	Slow progress
GOAL 6: Combat HIV/AIDS, malaria and other diseases	
HIV prevalence	On target
Prevalence and death rates associated with malaria	Early achiever
Prevalence and death rates associated with tuberculosis	Early achiever
GOAL 7: Ensure environmental sustainability	
Proportion of land covered by forest	Regressing
Ratio of area protected to maintain biological diversity to surface area	Early achiever
Carbon dioxide emissions per capita and	Regressing
Consumption of ozone depleting CFCs (OPD tons)	Regressing
Proportion of population with access to an improved water source, urban	Early achiever
Proportion of population with access to an improved water source, rural	Early achiever
Proportion of population with access to an improved sanitation, urban	Early achiever
Proportion of population with access to an improved sanitation, rural	On target

Source: UNDP, Millennium Development Goals: Progress in Asia and the Pacific 2006
http://www.mdgasiapacific.org/files/shared_folder/documents/MDG-Progress2006.pdf

Early achiever - Has already met the target

On target - Target is expected to be met by 2015 if prevailing trends continue

Slow progress - Target is expected to be met, but after 2015

Regressing - Slipping backwards or stagnating

B. International Development Aid

1. UK Assistance

Total UK aid disbursements to Pakistan since 2002/03 are displayed in table 1 below. Notably, in 2004/05 Pakistan received £23.1 million in debt relief from the UK, while the large increases in humanitarian assistance since 2005/06 are accounted for by the UK response to the earthquake in Pakistan in October 2005 (further details of which are provided in section 3 below). In 2005/06, Pakistan was the sixth largest recipient of UK bilateral aid, accounting for 2.2% of the total.

Table 3

UK bilateral aid to Pakistan

£000s

	Financial aid			Grants and other aid in kind			Total DFID bilateral programme	Aid from other UK official sources (a)	Total bilateral gross public expenditure
	General poverty reduction budget support	Sector poverty reduction budget support	Other financial aid	Technical cooperation	Humanitarian assistance				
2002/03	20,000	0	11	8,579	9,498	226	38,314	8,538	46,852
2003/04	35,000	15,000	6	6,589	9,337	308	66,240	59	66,299
2004/05	0	7,500	5	9,680	14,051	140	31,377	23,901	55,277
2005/06	20,000	22,500	6	6,228	9,830	38,849	97,413	275	97,688
2006/07	20,000	15,000	25,471	11,943	13,006	15,699	101,118

Notes (a) Includes CDC investments, non-DFID debt relief, contributions from Other Government Departments to CSOs, British Council and Global Conflict Pool, and small amounts of drug related assistance funded by the Home Office and FCO.

.. Denotes data not yet available.

Sources: DFID, Statistics on International Development 2005/06; DFID, Provisional Total DFID Bilateral Aid Expenditure 2006/07, 12 July 2007

In December 2006, the UK Government signed a long-term Development Partnership Agreement with the Government of Pakistan.¹⁷³ Alongside this, the then Prime Minister Tony Blair announced a doubling of UK aid to Pakistan, from £236 million for the period 2005 to 2008, up to £480 million for the period 2008 to 2011. This assistance is in addition to humanitarian assistance provided for post-earthquake reconstruction (see Part VI C.1 below). The priorities for the increased aid to Pakistan will be set out in a new DFID Country Assistance Plan for Pakistan which is currently being consulted on.¹⁷⁴

2. International Assistance

Total Official Development Assistance (ODA) to Pakistan is shown in table 4 below:

Table 4

Total ODA to Pakistan

Current prices

	Level (\$ million)	Ranking (1 = largest recipient of ODA)	% of total ODA to Asia	% of total ODA to developing countries	UK as a % of total ODA to Pakistan
2000	692	14	4.3%	1.4%	3.4%
2001	1,942	1	11.6%	3.8%	1.4%
2002	2,128	2	11.2%	3.5%	3.1%
2003	1,062	13	5.3%	1.5%	10.6%
2004	1,424	10	6.2%	1.8%	6.4%
2005	1,666	11	3.7%	1.6%	3.8%

Source: OECD, DAC database, table 2a

¹⁷³ See: <http://www.dfid.gov.uk/countries/asia/pakistan/pakistan-dpa%20.pdf>

¹⁷⁴ The current DFID Country Assistance Plan for Pakistan which runs for the period 2005 to 2007 is available at: <http://www.dfid.gov.uk/pubs/files/cappakistan.pdf>

Pakistan was the 11th largest recipient of ODA in 2005, receiving \$1.7 billion (1.6% of total ODA to developing countries and 3.7% of total ODA to Asia). In 2005, the US was the largest country donor to Pakistan accounting for 21.7% of total ODA to the country, while the UK was the fifth largest country donor (accounting for 3.8% of total disbursements). The largest overall donor was the World Bank (31.0% of total disbursements).

C. Humanitarian Aid

1. Response to 2005 Earthquake

On 8 October 2005 an earthquake measuring 7.6 on the Richter scale struck with the epicentre close to Muzaffarabad, Pakistan. There was severe damage in North West Frontier Province and Pakistan-administered (Azad) Kashmir and some damage in Indian-administered Kashmir and Afghanistan. Some 3.5 million people and 500,000 families have been affected, with nearly 2.5 million people losing their houses and 2.3 million at risk of not being able to meet their own food needs. The estimated death toll in Pakistan was around 73,000 people, with 70,000 injured.

a. UK Response

The UK Government pledged an initial £58 million to assist with the humanitarian relief effort and a further £70 million over three years to help with the rebuilding as part of a total of \$5.8 billion in aid from the international community.

Support included grants to UN agencies, the Red Cross Movement and non-governmental organisations. Also, RAF Chinook helicopters were deployed and other military support, including Royal Engineers, was provided.¹⁷⁵ Assistance included:

- UK Search and Rescue teams - 84 experts with 4 dogs – who rescued 13 of the total 24 survivors pulled from the rubble
- relief supplies including 9,000 winter tents, 165,000 tarpaulins, 40,000 sleeping mats and 204,000 blankets
- more than £10 million to support essential United Nations (UN) helicopter operations in areas with limited road access, including a cash grant, staff support, three Chinook helicopters for immediate airlift assistance and four Mi-8 helicopters that will operate until the end of April
- £13 million to non-governmental organisations such as Christian Aid, Islamic Relief, Merlin, World Vision, Oxfam and Save the Children for shelters, stoves, blankets, safe water, latrines and healthcare
- more than £4 million for 73 flights to help these organisations and the British Red Cross to fly relief items out to Pakistan
- £19.5 million to UN agencies for activities ranging from food distribution and shelter to helicopter and plane logistics and co-ordination activities
- £6.5 million to the Red Cross for a wide range of assistance; and
- a team of 89 Royal Engineer Commandos worked with Pakistani guides to reach remote mountain villages and build winter shelters¹⁷⁶

¹⁷⁵ [HC Deb 24 November 2005 c138-9WS; HC Deb 17 March 2006 c2578-80W](#)

¹⁷⁶ [Investing in the future: Pakistan earthquake 6 months on](#), DFID Press Release, 7 April 2006; <http://www.dfid.gov.uk/news/files/emergencies/pakistan/pakistan-earthquake-sitrep44.pdf>

On reconstruction, the UK's pledge of £70 million over three years includes:

- £5 million which has already been disbursed to reconstruct critical bridges, train teachers and administrators so as to get the education sector running effectively, detect and treat TB, and provide mental health support services
- £9 million which has already been disbursed to improve the Government's capacity to deal with the reconstruction effort, and to support the World Health Organisation in establishing an effective early-warning system for disease
- The remaining £56 million will be disbursed to the Government of Pakistan's Earthquake Reconstruction and Rehabilitation Authority in three parts. The first £17.5 million was released on 30 March 2007 for reconstructing housing, health, education and other facilities¹⁷⁷

On 14 August 2006, the UK Government received the Sitara-i-Eisaar (Star of Sacrifice) award from Pakistan for its contribution to the relief effort.¹⁷⁸

The Disasters Emergency Committee Asia Quake Appeal received pledges of more than £60 million from the UK public for the relief operation.¹⁷⁹

b. International Response

To 14 August 2007, the United Nations Flash Appeal for the earthquake had received \$367 million, 65.5% of the \$561 million required, while a further \$7.3 million has been pledged.¹⁸⁰ The UK is the third largest country donor to this appeal, behind the US and Norway. Donations from private individuals and organisations were more than any country except Norway.¹⁸¹

During the period immediately following the earthquake relief agencies commented that the international funding target had not been reached and that the response was slow. Oxfam said that the relief operation had been "hampered" by a lack of funds.¹⁸² In November 2005, the then UN Secretary General, Kofi Annan, criticised the speed of the response:

"I think there is no doubt that donors' response has been weak and tardy," he said ahead of today's donors conference in Islamabad. Mr Annan, who returned to Islamabad from a day-long trip to areas in Kashmir under Pakistan's control and parts of the northern region, said: "When the tsunami struck, at the 10-day

¹⁷⁷ [Pakistan Earthquake – Budget Support Begins](#), DFID Press Release, 30 March 2007

¹⁷⁸ [On Pakistan independence day UK receives award for Pakistan Earthquake relief effort](#), DFID Press Release, 14 August 2006; [Pakistan Earthquake: What the UK did and what we're doing now](#), DFID Press Release, 14 August 2006

¹⁷⁹ [DEC Press Release 6 October 2006](#)

¹⁸⁰ ReliefWeb, [SOUTH ASIA - Earthquake - October 2005. Financial Tracking System](#)

¹⁸¹ ReliefWeb, [Flash Appeal: South Asia Earthquake 2005, Table G: Total Funding per Donor](#), 14 August 2007

¹⁸² http://www.oxfam.org.uk/press/releases/asian_quake_160106.htm

point we have 80 per cent of the money we needed. In the case of Pakistan, at the 10-day point we had 12 per cent. Today, we have 30 per cent."¹⁸³

Both the World Bank and Asian Development Bank have made over \$1 billion available for reconstruction and rehabilitation, most of it as loans. In total, more than \$6.5 billion has been pledged while \$5.1 billion has been committed, of which around half as loans on concessional terms. In addition to the US and UK, Saudi Arabia, China, Japan, Iran and the United Arab Emirates are among the countries providing the most assistance.¹⁸⁴

2. Response to 2007 Floods

Severe storms and cyclones in South Asia in June and July 2007 led to extensive flooding in Pakistan, where DFID estimate that 296 people have died, 377,000 have been made homeless, and 2.5 million affected in total. The UK Government has committed up to £2.2 million to help with flood relief in Pakistan.¹⁸⁵ This has been allocated as follows:¹⁸⁶

- £250,000 to the (Pakistani) Rural Support Programme Network
- £500,000 to the UN Food and Agriculture Organisation
- £250,000 to the UN, for them to allocate to urgent priorities
- £500,000 through the IFRC
- £600,000 to Oxfam, Mercy Corps and Islamic Relief (£200,000 each)
- £100,000 spent on key UN and Red Cross field experts

DFID has also provided human resources to assist the Pakistan Government and NGOs in responding to the floods.¹⁸⁷

Internationally, the UN launched the Pakistan Cyclone and Floods Flash Appeal 2007 which, to August 14 2007, had received \$7.7 million of the \$38 million requested, with a further \$3 million having been pledged.¹⁸⁸ The UK is the largest country donor to this appeal.¹⁸⁹

Overall, total humanitarian assistance in response to the Pakistan floods currently stands at

\$16.6 million while a further \$7.2 million has been pledged. The UK is again the largest country donor followed by Australia and then Canada, while donations from private individuals and organisations total \$1.6 million.¹⁹⁰

¹⁸³ "Annan chides earthquake response", *Financial Times*, 19 November 2005, p. 7

¹⁸⁴ DAD Pakistan, [Earthquake-related Pledges and Commitments by Funding Source](#), accessed on 14 August 2007

¹⁸⁵ [South Asia Floods: UK offers help](#), DFID Press Release, 25 July 2007

¹⁸⁶ *ibid*

¹⁸⁷ *ibid*

¹⁸⁸ ReliefWeb, [PAKISTAN - Floods/Cyclone - July 2007. Financial Tracking System](#)

¹⁸⁹ ReliefWeb, *Flash Appeal: Pakistan Cyclone and Floods Flash Appeal 2007*, [Table G: Total Funding per Donor](#), 14 August 2007

¹⁹⁰ ReliefWeb, *PAKISTAN - Floods/Cyclone - July 2007*, [Table B: Total Humanitarian Assistance per Donor](#), 14 August 2007

VII Conclusion: Future Prospects

The US Fund for Peace's *Failed States Index* for 2006 placed Pakistan as the ninth most failed state in the world, one place worse than Afghanistan.¹⁹¹ The question of whether Pakistan 'can survive' has long been posed by analysts.¹⁹² However, previous reports of its 'death' have proven premature.

Pakistan has been described as a case-study of "nationalism without a nation". An 'anti-India' ideology helped bring it into being in 1947. Some have argued that since then Pakistan has been bound together by what it is not, rather than by a positive vision of what it is. Many of its future citizens, particularly those who did not live in states where Muslims were in a minority, were lukewarm about or hostile to the idea of Pakistan during the 1940s. The fragility of Pakistan was underscored by the loss of East Pakistan in the 1971 war with India. Some Pashtuns have hankered for an independent Pashtunistan composed of territory on both sides of the Afghan-Pakistan border. In Sindh, some Sindhis have flirted with the idea of their own state. In Baluchistan, the authorities have faced armed rebellions since 1947; there was a full-blown insurgency during the mid-1970s. Each of these ethnic nationalisms gained momentum from perceptions that Pakistan was becoming increasingly 'Punjabised' during the 1950s and 1960s.¹⁹³ These perceptions also contributed to the rise of 'Mohajir' (refugee) as an oppressed category during the 1980s.

Pakistan's civilian and military elites have been highly preoccupied since 1947 with maintaining equality and parity with India. This has become increasingly hard to sustain in recent decades as India's economy has expanded rapidly. If one issue has shaped the fragile ideology of 'anti-Indianness' that has sustained Pakistan, it is Kashmir.¹⁹⁴ Despite the many economic incentives that exist today to defuse if not resolve the conflict over Kashmir, some wonder how Pakistan would cope with the loss of this unifying cause.¹⁹⁵ This may partly help to explain why both civilian and military elites have often appeared reluctant in the past to engage in fresh thinking on the issue. For the military, Kashmir has also been the alibi it needed to justify high levels of defence spending year after year. For radical Islamists, Kashmir has become their most potent recruiting sergeant. President Musharraf has gone further than his predecessors towards trying to reframe Pakistan's relationship with India, but there is still a long way to go.¹⁹⁶

¹⁹¹ Available at: <http://www.fundforpeace.org/programs/fsi/fsindex2006.php>

¹⁹² For example, see Tariq Ali's *Can Pakistan Survive?* (Harmondsworth, 1983)

¹⁹³ Scholars have argued that the domination of Punjab is virtually unavoidable during periods of democratic rule in Pakistan, given that over half the constituencies in the National Assembly are located there. They also point out that Punjab itself is divided by linguistic group and along socio-economic lines. C. Jaffrelot (ed), *Pakistan. Nationalism without a Nation?* (New Delhi, 2002), pp. 31-2

¹⁹⁴ *Ibid.*, p. 38

¹⁹⁵ K. Shamsie, "How Pakistanis see India", *Guardian*, 14 August 2007

¹⁹⁶ *Ibid.* To a significant extent, Pakistan has played a similar ideological role with regard to India until recently. However, the existence of other unifying narratives – for example, 60 years of democratic government – has meant that India's national identity has been less wholly dependent on the threat of the 'other' next door.

By the 1970s, it looked as if the greatest threat to the survival of Pakistan was ethnic nationalism. However, while ethnic nationalist sentiments have far from wholly vanished, the threat does appear less acute today. Scholars point to the waning appeal of 'Pashtunistan' as confirmation that Pakistan

[...] can defuse separatist movements, like India, even though it does not have the same culture of democracy and federalism: access to power – socio-economic as well as political – are powerful factors of integration.¹⁹⁷

However, Pakistan, despite some successes in this regard, remains less effective overall than India in defusing separatist threats. The case of Baluchistan demonstrates this – as does recent evidence of growing discontent in the Federally Administered Northern Areas. The army, unsurprisingly, has tended to prefer military solutions to political ones. Its excesses have often reinforced separatist currents rather than diminished them.¹⁹⁸ The threat of ethnic nationalism is far from extinguished in Pakistan.

General Zia's policies of 'Islamisation', which ran deep both within the military and across significant sections of Pakistani society, were in part an attempt to inoculate the country against the disease of ethnic nationalism. While he did not invent the strategy of appealing to Islam as a force for order and unity when faced by nationalist threats, he took matters to a new level. Subsequent leaders, including Benazir Bhutto and Nawaz Sharif, were able or inclined to do little to counter his legacy.¹⁹⁹ Here too, Musharraf has arguably done more than they did when in power. For some analysts, the 'Islamic cure' has turned out to be as dangerous to the idea of Pakistan as the original disease.

While the idea of Pakistan still has resonance for many Pakistani radical Islamists, it is often as the means to an end – the spread of Islamic law, values and beliefs – rather than as the end in itself. When Pakistan ceases to be viewed as a reliable means to these ends, radical Islamists are prepared to turn against its present rulers. However, there are few signs yet that concepts of going 'beyond Pakistan', such as those espoused by some 'transnational jihadis', are gaining much appeal.

A further limitation upon the deployment of an ideology of 'Islamisation' as a unifying force in Pakistan has been its overwhelmingly Sunni character. While to an extent this simply reflects the fact that the Sunnis are in the majority in Pakistan, it has opened the way for growing Sunni-Shia sectarianism, not to mention the persecution of those minorities that profess non-Islamic religious beliefs.²⁰⁰ Cynics might claim that this was not entirely accidental. History is full of examples where internal enemies have been 'manufactured' in the context of efforts to bind majority communities more strongly together. Sunni-Shia sectarianism has also been fuelled by "socio-economic rivalries between the Sunni urban middle class and the Shia landed elite."²⁰¹

¹⁹⁷ C. Jaffrelot (ed), *Pakistan. Nationalism without a Nation?* (New Delhi, 2002), p. 25

¹⁹⁸ Grare, *Pakistan: The resurgence of Baluch nationalism*, p. 3

¹⁹⁹ Bennett-Jones, *Pakistan*, p. 17

²⁰⁰ For a good report on this issue, see Amnesty International, *Pakistan: Insufficient Protection of Religious Minorities*, May 2001.

Available at: <http://web.amnesty.org/library/index/engASA330082001?OpenDocument>

For a 2002 report by the Minority Rights Group, see: <http://www.minorityrights.org/?lid=1034>

²⁰¹ Bennett-Jones, *Pakistan*, p. 34

While religious sectarianism is a major problem in Pakistan today, it does not currently pose a threat to the survival of the state itself. Nevertheless, some analysts see it as potentially the greatest threat of all to the idea of Pakistan:

It puts the very notion of Pakistan into question since it demonstrates that Islam cannot be the only cementing ideological force behind the nation. This development is more challenging than ethnic separatist movements because it takes place in the heartland of Pakistan – the NWFP and Punjab – and amounts to a kind of ethnicisation of Islam.²⁰²

So while the question, ‘can Pakistan survive?’ is a valid one, an equally important question is: if Pakistan does survive, what are its likely prospects? It is certain, in the short- to medium-term, to remain a ‘weak state’, given the factors outlined above. Paradoxically, it is this structural weakness that has provided the rationale since independence for supporters of a strong role for the military in the country’s politics and economy. Pakistan has been ruled by a series of civilian-military alliances since its birth. Sometimes these have taken the form of periods of direct military rule. However, these have alternated with periods of civilian rule. It is possible that today Pakistan is heading for what some have called “indirect rule” by the military through an alliance with part of the civilian elite. This could involve the PPP if negotiations between Musharraf and its leader, Benazir Bhutto, bear fruit.²⁰³

It is possible that the cycle will be broken this time around. However, neither Nawaz Sharif, the other opposition civilian leader who has been in exile, nor the Islamic political parties are likely candidates to lead such a break with the past; both have previously been closely allied with the military when it suited them. The present strains in the long-established alliance between the ‘mullahs and the military’ centre mainly on the person of Musharraf rather than on the military as an institution. While some analysts argue that under Musharraf radical Islam has expanded its power to the point where a ‘take-over’ of the state is no longer out of the question, others point to the fact that in 2002 its share of the vote, while increased, was still only 11%. The electoral process appears highly unlikely to deliver power to radical Islam. Others note that there are now significant Islamist currents within the military. These have been increased by the changing social composition of the army, which has drawn more heavily upon the lower middle class in recent decades. But most observers argue that these currents are not strong enough to warrant fears that the military might spearhead a radical Islamic ‘take-over’.²⁰⁴ One goes so far as to talk about “the myth of an Islamist peril”, stating:

No Islamic organisation has ever been in a position to politically or militarily challenge the role of the one and only centre of power in Pakistan: the army... Although the military remains opaque, there is so far no evidence that it has been widely infiltrated, much less controlled, by the Islamists... Although Islamists are

²⁰² Bennett-Jones, *Pakistan*, p. 36

²⁰³ Hussain, *Frontline Pakistan*, p. 23

²⁰⁴ Although Bennett-Jones questions whether the army would fire on civilians in the event of an ‘Islamic revolution’. *Pakistan*, pp. 257-61

undoubtedly present, there is no reason to believe that their numbers are significantly greater than in the rest of Pakistani society.²⁰⁵

For the military, one important reason for supporting the radical Islamic parties has been to keep the pressure on more secular opposition parties which potentially pose a much greater political threat to its power and legitimacy. Some go so far as to allege that the spectre of an 'Islamic threat' also helps to keep Western support coming in – above all, arms sales – and persuades both Pakistanis and international donors that only the military can contain it.²⁰⁶

Increasing numbers of Pakistanis appear to be questioning whether the military's image of itself as the sole guarantor of the country's security and stability really holds up under scrutiny.²⁰⁷ One analyst has anatomised the stranglehold that the military has over the economy and the way in which this has promoted rampant corruption and retarded development. She has written:

Pakistan's military today runs a huge commercial empire. Although it is not possible to give a definitive value of the military's internal economy because of lack of transparency, the estimated worth runs into billions of dollars. Moreover, the military's two business groups – the Fauji Foundation and the Army Welfare Trust – are the two largest business conglomerates in the country. Besides these, there are multiple channels through which the military acquires opportunities to monopolize national resources.²⁰⁸

She argues that the extent of the military's interests in the economy reflects the fact that it is a "predatory institution". These interests also strengthen its determination to retain political control over Pakistan. She adds that civilian elites have in general acquiesced in, and often benefited from, their links to the military's 'internal economy'.²⁰⁹

In the political sphere, there are currently two main symbols of the entrenched role of the military. First, there is the National Security Council, the creation of which the military has long campaigned for. Finally established under Musharraf, it is chaired by the Head of State. Aside from the Prime Minister and the Chief Ministers of Pakistan's four Provinces, its members also include the heads of the army, airforce and navy. Second, there is the constitutional power of the Head of State to dismiss Parliament – and by extension, an elected government. Overall, Musharraf has established, through a series of political and constitutional manoeuvres, a presidential system of government during his period in power. The support of the radical Islamist parties has been crucial to this endeavour.

For critics of the military, only genuine democracy offers a way forward for Pakistan. In the light of the 'faustian bargains' that civilian elites have been willing to strike with the military over the decades, some analysts have begun to talk recently of a possible 'democratic revolution from below'. The mass protests that followed the suspension of

²⁰⁵ F. Grare, "Pakistan: The Myth of an Islamist Peril", *Carnegie Policy Brief No. 45*, February 2006, pp. 1-3

²⁰⁶ *Ibid.*, pp. 4-5

²⁰⁷ T. Ali, "The General in his labyrinth", *London Review of Books*, 4 January 2007

²⁰⁸ A. Siddiq, *Military Inc. Inside Pakistan's Military Economy* (London, 2007), p. 2

²⁰⁹ *Ibid.*, pp. 2, 29 and 107

Chief Justice Chaudhry in mid-2007 are seen as a possible portent. There are certainly developments that provide hope for supporters of this idea. The senior judiciary and legal profession are increasingly independent and assertive and Pakistan's media is now remarkably diverse; the last five years has seen the emergence of a vibrant private broadcasting sector. Civil society groups could yet have a major role to play in ending Musharraf's hopes of remaining President. But liberal-democratic forms of politics are still a long way from being dominant in a country where political relationships continue to operate predominantly on patron-client principles and where conservative forms of Islam remain powerful. One commentator has argued that "the educated middle class – which in India gained control in 1947 – is in Pakistan largely excluded from the political process."²¹⁰

An important constraining factor in terms of the likelihood of a 'thoroughgoing democratic transition', although it is sometimes overlooked, is the enduring political and economic power of Pakistan's feudal landlords in Sindh and Punjab. Not only are these landlords usually very wealthy, they effectively are the law at local level, responsible for functions that in most other countries would be carried out by the state – for example, meting out punishments for alleged crimes and conducting divorce proceedings. Past attempts at limiting their power, including through redistributive land reform, have been ineffective – perhaps not least because they have always been strongly represented within Pakistan's political elite.²¹¹ The Bhutto family is a major landowner in Sindh Province. There are few signs yet of the emergence of social movements that might be able significantly to reduce the power of the feudal landlords while potentially offering a stronger base for genuine pro-democratic currents in society.

A 2006 report by the Carnegie Endowment for Peace predicted that neither the US nor EU Governments would seriously protest if Musharraf successfully bent the rules to ensure his re-election.²¹² The US and EU member Governments, preoccupied above all with Pakistan's security role, appear to have decided that some kind of 'managed transition' of the type that has been discussed by representatives of Musharraf and Benazir Bhutto over recent months is the least-worst option available. But this carries with it the danger of perpetuating a sterile cycle of civilian-military alternation in which radical Islam is as often accommodated as confronted within Pakistan.²¹³ Numerous analysts also claim that a 'stitch up' between them could rapidly unravel, plunging Pakistan even further into instability.²¹⁴ In short, there is no guaranteed match-up between Western preferences with regard to Pakistan in the short-term and wider long-term politico-security objectives.

²¹⁰ William Dalrymple goes so far as to call Pakistan's democracy a "form of elective feudalism". "A friend of feudalism", *Guardian*, 1 September 2007

²¹¹ President Musharraf promised land reform after seizing power in 1999 but, like his military predecessors, has not really been able to deliver. Bennett-Jones, *Pakistan*, pp. 242-9

²¹² "Emperor's new clothes", *Guardian*, 31 October 2006. For the report, see F. Grare, "Islam, the Military and the 2007 elections" (July 2006). Available at:

<http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=18553&prog=zgp&proj=zsa>

²¹³ Frederic Grare proposes an alternative approach in "Rethinking Western Strategies toward Pakistan: An Action Agenda for the United States and Europe", *Carnegie Endowment for International Peace*, 2007

²¹⁴ Tariq Ali, "The lifeline thrown to Musharraf could sink him", *Guardian*, 31 August 2007; "The scramble for power in Pakistan", *Financial Times*, 31 August 2007

A. Appendix Map of Pakistan

Please note: Map intended for briefing purposes only and should not be taken as necessarily representing a particular view on boundaries or political status.



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