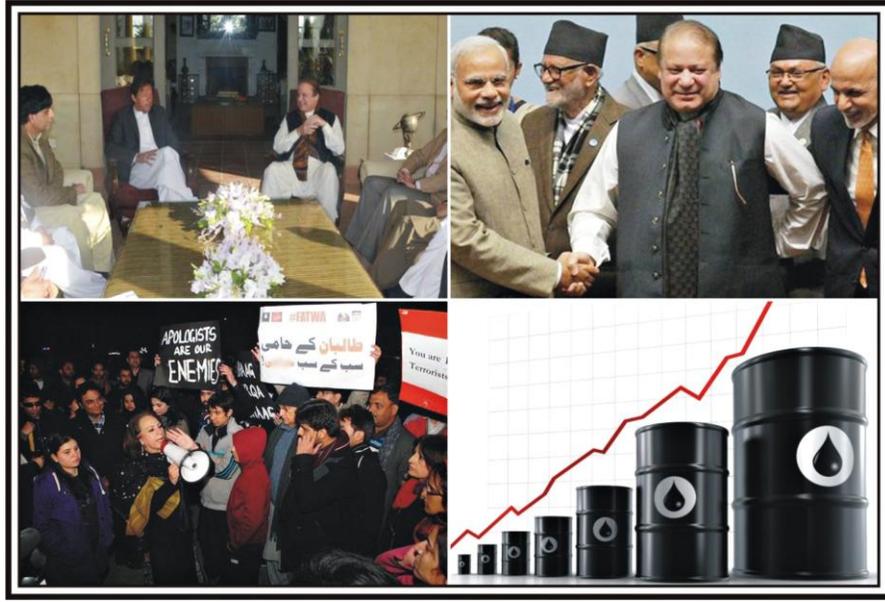


A special report by
Spearhead Research – Pakistan



Pakistan Predictions 2015

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Overview

2014 was a year of mostly low's and some highs within various policy spheres for Pakistan. Little can mitigate the fact that it was an eventful year marking a number of different key developments that would mould our state and society in the upcoming years. From the global fall in oil prices to the springing up of committees and working groups to confront terrorism, the end of the year has indeed opened up policy possibilities for the Pakistani state. Yet, it needs to be seen whether the state will pick up the torch that is waiting to be lit or whether this possibility will go unacknowledged and unutilized.

Pakistan-India Relations

The year 2014 had initially garnered momentum for a détente in India-Pakistan relations as a whole, in lieu of the Indian elections that were held in the months of April and May. It was expected afterwards, by analysts of various hues, that the change in government in New Delhi might push forward a thaw in the much-neglected non-security issues leading ultimately to an overhaul of the debilitating security relations between the two respective states. This thesis proved to be a non sequitur later on when the Hindu nationalist government in New Delhi unexpectedly dismissed bilateral talks with the Pakistani state on the pretext of direct talks held between the Pakistani delegation and Kashmiri separatist leaders. This stalling of bilateral talks took place amidst heavy confrontation between stationed Pakistani and Indian troops on the Line of Control as well as on the international border near Sialkot later on. These occasional eruptions of fire exchange between the two militaries resulted in mounting collateral damage and the loss of both civilian as well as military lives.

It is difficult for a sustainable alleviation of the volatile conundrum plaguing the border to be realized throughout 2015. Although, the new Afghan regime has opened up the possibility of accelerating regional collaboration by stressing upon the need for India and Pakistan to settle their disputes at forums other than Afghanistan, the two states will likely not pay heed to this somber advice. This is mainly due to the inability and unwillingness on the part of the policy makers in both countries to see their 'securitized' relationship outside the prism of non-negotiable and divergent interests. The trajectory of the Indo-Pakistani relationship has become apparent even after the solidarity shown by the Indian state and society with the people of Pakistan in lieu of the brutal and heinous Peshawar massacre on the 16th of December, 2014. The recent flare up of violence between the Indian Border Security Forces and the Pakistani Soldiers on the last day of 2014 as well as the developing discord between the two states on the prosecution of the alleged mastermind of the Mumbai attacks are two symptoms of the path that the relationship will likely take.

Pakistan-Iran Relations

The trajectory of the Pakistani-Iranian relationship will likely be contingent on the interplay of domestic and international politicking within Afghanistan. In the impending and gradual drawdown of NATO forces from the country scheduled in 2016, the Pakistani state is more averse to a Taliban takeover of that country than it was in the 90's. Moreover, it also remains generally more sensitive to Iranian, Russian and Central Asian interests within Afghanistan and the broader region as opposed to its outlook two decades before. This scenario will also likely be reinforced by American support for India in order to confront China in the long-term due to the fact that the above-mentioned countries remain somewhat skeptical of the American role within Asia as a whole. There is also an impracticality of TAPI and other Iran-Pakistan energy projects materializing due to the incapacity of the Pakistani state to implement them in lieu of a lack of compromise between Iran and the United States.

Pakistan-Afghanistan relations

Since the departure of the Karzai government, things have taken a turn for the better with regards to Pak-Afghan relations, at least on the surface. The new afghan regime seems to have an amicable approach when it comes to Pakistan, as it realizes that security in the region can only be achieved through collaboration and cooperation. The initial few months were characterized by frequent visits by the leaders of the two countries, where each assured the other of their resolve and determination when it came to fighting terrorism. Furthermore, with the withdrawal of NATO troops approaching, the Afghan Taliban started to step up the ante, as the attacks became more frequent. There was consensus on the fact that the new Afghan government would need continuous international support after the NATO withdrawal, as its forces and institutions weren't equipped well enough to counter the Afghan Taliban's efforts to topple the newly formed government. However, the time for lip service was over as the TTP carried out its deadliest attack to date in Peshawar, on Dec 16th. The following day, General Raheel Sharif took matters in his hands as he decided to visit Afghanistan to demand Ashraf Ghani's cooperation in capturing Mullah Fazalullah.

Being termed as Pakistan's 9/11, it is expected that in the year to come, the Pakistan Army and ISAF will be working in tandem to root out terrorism from the region. Now is the time to act on all the good will and trust building exercises of the past couple of months, as each country will be dependent on the other to eliminate its enemy. It is expected that the policies of the past will be shunned and terrorists shall not be sheltered in any of the two countries as a strategic depth tool. Furthermore, intelligence regarding the Peshawar attack was shared with General Raheel Sharif last week; so a crackdown on the TTP's hideouts in Afghanistan is expected soon. Moreover, we can expect to see a further escalation in attacks from the Afghan Taliban, where the ISAF and left behind NATO troops shall be embroiled in a battle to prevent the newly formed government from collapsing. The year ahead is an extremely crucial one with regards to the security situation in the region.

Pakistan-China Relations

For Pakistan, China is a valued friend in a hostile region. Therefore, it is keen to prove that it is determined to fight and weed out the separatist elements that are a threat to China. Though China and Afghanistan are linked only by a tiny and barely passable mountain corridor, its main security concern is that the Uighur militants will seek to exploit the security vacuum left after most of the NATO forces leave the country. This explains why China has been increasing its presence and involvement in Afghanistan, as a lot of its interests in the region will be at serious risk if the security situation does not improve.

In the year 2015, we can expect to see China playing a more integral role in the peace process in the region. Moreover, it will use its tremendous amount of clout over Pakistan to bring about a shift in its foreign policy with regards to the Afghan Taliban and other militant groups that could pose a threat. Understandably so, as China has invested billions of dollars in the two countries and would not want any of its interests in the region to be harmed. China is eager to exploit the mineral deposits of Afghanistan and is prepared to build a railway from Kabul to Xinjiang in China, while similar major schemes are in the pipeline for Pakistan. Both, Afghanistan and Pakistan should see these investments as a major incentive to achieve peace in the region, because this could be a rare opportunity for the two countries to kick-start their economies.

Internal Security

The brutal massacre of schoolchildren in Peshawar jolted the Pakistani state and society to partially realize the magnitude of the militant menace and its ideological hold over society that has been gaining current since decades. The lack of an effective and implementable security policy as well as the topsy-turvy strategic culture that enabled it came to the fore under national as well as international scrutiny again. The positive policy implications of such an awakening have been the development of a united political front at the centre to combat insurgency as well as terrorism. Although, the military had been already undertaking counter-insurgency measures including military operations such as Operation Zarb-e-Azb and Operation Khyber 1, never before has the state witnessed such a momentum building at the level of the public and the civil society when it comes to counter-terrorism measures as was seen in the aftermath of the massacre. The 20 point action plan drawn by different political parties through a committee and a working group does seem to be a much-awaited step despite the shortcomings of part of the content. However, what one should not expect in 2015 is a rigorous implementation and effectiveness of the plan

After the 18th Amendment and the insertion of Article 142-B, the maintenance of law and order entailing criminal law, criminal procedure and evidence is a joint federal and provincial responsibility. Although, laws such as the Anti-Terrorism Act and Pakistan Protection Ordinance have been passed at the federal level and the onus is on the provincial governments not to implement laws in conflict with federal laws, it seems unlikely that the latter will give way to the federal government and military's joint effort to put up a nation-wide fight against terrorism. This is mainly due to the fusion of political and militant forces on the ground and this scenario is most aptly exemplified in the province of Punjab. Moreover, large-scale fear pervades various institutions of the state with regards to disturbing the militant networks spread throughout the province in lieu of inviting back blowback. This apart from the lack of genuine capacity building efforts such as the strengthening of the present judicial system and the introduction of witness protection programs among others seem to be some of the most seminal roadblocks against efforts to wipe out terrorism within the country. Nevertheless, one is likely to see search operations within cities such as Karachi and to a lesser extent within Punjab, as well as the elimination of key TTP militants through military courts and otherwise. As far as the military offensive in the north-west is concerned, one will likely see an extension of

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Operation Khyber 1 to Operation Khyber 2 in order to clear militants all the way from the outskirts of the city of Peshawar to Tirah Valley.

Baluchistan

Balochistan continues to be the most volatile province in the country, though many believe that the situation has been marginally improved, there is still a lot that needs to be done in the coming year. It is hard to pinpoint the main cause of unrest in the province as there are a number of forces at work; tribal infighting, sectarianism, foreign interference and most importantly provincial negligence. According to reports, 21,000 Baluch youths are missing at the moment and around 6,000 mutilated bodies have been received. In addition, there have been a number of attacks in the last month, such as the blowing of a railway track in Bolan, or the explosion that killed 27 in Quetta. Therefore, Baluchistan remains susceptible as ever in 2015, and the onus is upon the centre to take charge and build provincial capacity in order to improve the situation. There is no denying that the grievances of the Baluch nationalists are legitimate to a certain degree, and political negotiations seem to be the only practical step forward. While foreign forces may be exploiting the situation in order to further their own agendas, it is the provincial government's responsibility to get its house in order before blaming external forces for the prevailing situation.

Domestic Politics

In the aftermath of the Peshawar massacre in mid-December of 2014, the Pakistan Tehreek-I-Insaf left its agitational street politics aside for the sake of a united political front against terrorism. This came as a sigh of relief to many who believed that the party's unconstitutional demands and the extra-legal steps they had taken to achieve them could have proved detrimental to the institutional equilibrium of the state. However, PTI leaders have suggested that the government should not mistake the PTI's withdrawal from the streets as complacency, and, the party has still been floating the idea of a Judicial Commission publically. As far as the upper-middle and middle class imagination within the country is concerned, it is more likely than not that many of them would still have an inclination for the PTI's politics aimed at the government's ouster. Although, the middle-class was horror-struck by the brutal nature of the Peshawar massacre, the lack of a tangible effort to change the narrative at the state level despite attempts by the civil society to force the state to do so means that there is little possibility for this class to sacrifice petty politicking for greater and more important issues.

Economy

What needs to be most analyzed is whether the present ruling government will utilize the global fall in oil prices for reducing inflation or not. The drop in oil prices has been caused, among other reasons, due to the current worldwide economic slump and the increase in a large number of countries using sources other than oil for energy production. However, the energy sector within Pakistan remains heavily skewed in favor of oil. The government will likely not utilize this drop in oil prices for reducing inflation since the lack of oil prices means a lack of tax revenue. Hence, an increase in tax revenue through an increase in indirect taxation is a measure that the government will most likely take. This also brings to the fore a lack of a tangible tax policy and how IMF strictures somewhat make it difficult to have one.

Pakistan's heavy reliance on oil as a source of energy production brings us to another facet of the government's prospective focus in 2015. The coal powered mega-energy projects with the help of China is something that the Pakistani state is banking on for long-term energy reliance since a while now. However, what this policy misses is the gradual replacement of oil as a source of energy across the world. If Pakistan is to build such a large coal-powered infrastructure for energy production, how would it replace it if the coal found in Balochistan that is rumored to be of not that good a quality, proves to be less effective?

The STPF 2012-2015 was a document that left much to be desired. While it brought our attention to a number of pertinent areas of trade, it failed to provide any concrete and practical solutions to resolve Pakistan's trade woes. However, with the new trade policy coming in the year 2015, we expect to see a document that sets attainable goals and provides a comprehensive roadmap for achieving them. Furthermore, it is imperative that the document takes into account the changes in the policy environment. For instance, the current document has no mention of the GSP plus status that was awarded to Pakistan by the EU. Changes such as these have to be accounted for while formulating the policy so that we can capitalize on such opportunities. Lastly, the policy needs to incorporate external factors, since the security, foreign and trade policy need to be in sync so that it comes off as an all-inclusive and indigenous document.