

**PAKISTAN'S  
STRATEGIC ENVIRONMENT  
POST-2014**



**Islamabad Policy Research Institute**

**Pakistan's Strategic Environment:  
Post-2014**

**President**  
Ambassador (R) Sohail Amin  
**Conference Coordinator**  
Air Cdre (R) Khalid Iqbal  
**Editor**  
Mushir Anwar  
**Assistant Conference Coordinator**  
Khalid Chandio  
**Assistant Editor**  
Saim Ijaz



**Islamabad Policy Research Institute (IPRI)**



**Hanns Seidel Foundation (HSF)**

**CONTENTS**

<b>Acknowledgements</b>	
<b>Acronyms</b>	
<b>Introduction</b>	1
<b>Welcome Address</b> Ambassador (R) Sohail Amin	10
<b>Opening Remarks</b> Kristof W. Duwaerts	12
<b>Inaugural Address</b> Ambassador (R) Syed Tariq Fatemi	15
<b>Concluding Address</b> General Ehsan ul Haq, NI (M)	23
<b>Concluding Remarks</b> Kristof W. Duwaerts	31
<b>Vote of Thanks</b> Ambassador (R) Sohail Amin	32
<b>Recommendations</b>	33
<b>CHAPTER 1</b>	
<b>Post-2014 Afghanistan: Likely Scenarios and Impact on Pakistan</b> Dr. Adnan Sarwar Khan	35
<b>CHAPTER 2</b>	
<b>The Role of Neighbours in Stabilizing Afghanistan: Focus on Iran and Pakistan</b> Didier Chaudet	45
<b>CHAPTER 3</b>	
<b>Role of Regional Organisations in Stabilizing Afghanistan</b> Dr. Bruce Koepke	62
<b>CHAPTER 4</b>	
<b>Dynamics of Trade Corridors and Energy Pipelines' Politics</b> Dr. Shabir Ahmad Khan	71
<b>CHAPTER 5</b>	

<b>Post-2014 US/NATO Engagement in the Region: Challenges and Prospects</b>	
Major General Noel Israel Khokhar	91
<b>CHAPTER 6</b>	
<b>Post-2014 Challenges in Afghanistan and India's Role</b>	
Dr. Gulshan Sachdeva	96
<b>CHAPTER 7</b>	
<b>US Trade-Aid Balance: Implications for Pakistan and the Region</b>	
Dr. Iftekhar Ahmed Chowdhury	111
<b>CHAPTER 8</b>	
<b>The European Union as a Part of Pakistan's Strategic Environment?</b>	
Dr. Markus Kaim	116
<b>CHAPTER 9</b>	
<b>Russian and Central Asian Views on Perspectives for Pakistan and Afghanistan</b>	
Yury Krupnov	125
<b>CHAPTER 10</b>	
<b>Thaw in Iran-US Relations: Opening of Chahbahar Trade Link and its Impact on Pakistan</b>	
Dr. Nazir Hussain	140
<b>CHAPTER 11</b>	
<b>China's Post-2014 Afghan and India Policies and their Respective Impact on Pakistan</b>	
Dr. Hu Shisheng	149
<b>CHAPTER 12</b>	
<b>Peace with Neighbours: Theory and Practice</b>	
Dr. Muhammad Hafeez	182
<b>CHAPTER 13</b>	
<b>Pakistan's Traditional and Non-Traditional Challenges</b>	
Air Cdre (R) Khalid Iqbal	198
<b>CHAPTER 14</b>	

<b>National Internal Security Policy of Pakistan: A Cogent Counter Terrorism Policy?</b> Khawaja Khalid Farooq	227
<b>Contributors</b>	235
<b>Index</b>	240
<b>IPRI Publications</b>	245

## **Acknowledgements**

This volume is based on papers presented at the two-day international conference on “Pakistan’s Strategic Environment: Post-2014” held on May 28-29, 2014 at Serena Hotel, Islamabad. The Conference was jointly organized by the Islamabad Policy Research Institute (IPRI) and the Hanns Seidel Foundation, (HSF) Islamabad.

The organisers of the Conference are especially thankful to Mr. Kristof Duwaerts, Resident Representative, HSF, Islamabad, for his co-operation and financial contribution to the Conference expenditure.

For the papers presented in this volume, we are grateful to all participants from Pakistan and abroad, as well as the chief guests and chairpersons of the different sessions. We are also thankful to the scholars, students and professionals, who accepted our invitation to participate in the Conference.

The successful completion of the Conference owes much to the efforts and logistical support provided by the staff of the IPRI and the HSF.

Finally, our thanks are due to all those whom it would not be possible to thank individually for their help in making the Conference a success. ■

## Acronyms

<b>ABM</b>	Anti-Ballistic Missile
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>ANA</b>	Afghan National Army
<b>ANP</b>	Afghan National Police
<b>ANSF</b>	Afghan National Security Forces
<b>ANZUS</b>	Australia, New Zealand, United States (Security Treaty)
<b>APTTA</b>	Afghan-Pakistan Transit Trade Agreement
<b>BCIM</b>	Bangladesh–China–India–Myanmar (Forum)
<b>BJP</b>	Bharatiya Janata Party
<b>BRICS</b>	Brazil-Russia-India-China-South Africa
<b>BSA</b>	Bilateral Security Agreement
<b>BTC</b>	Baku-Tbilisi-Ceyhan (Pipeline)
<b>BTI</b>	Bertelsmann Transformation Index
<b>CACI</b>	Central Asia-Caucasus Institute
<b>CAREC</b>	Central Asian Regional Economic Cooperation
<b>CBMs</b>	Confidence Building Measures
<b>CDP</b>	Combined Deterrence Plan
<b>CENTCOM</b>	United States Central Command
<b>CENTO</b>	Central Treaty Organisation
<b>CICA</b>	Conference on Interaction and Confidence Building in Asia
<b>CII</b>	Confederation of Indian Industry
<b>CNPC</b>	China National Petroleum Corporation
<b>CRP</b>	Comprehensive Response Plan
<b>ECO</b>	Economic Cooperation Organization
<b>EU</b>	European Union
<b>FATA</b>	Federally Administered Tribal Areas
<b>GDP</b>	Gross Domestic Product
<b>GOP</b>	Government of Pakistan
<b>GSP</b>	Generalized System of Preferences

<b>ICAR</b>	Indian Council for Agriculture Research
<b>ICBMs</b>	Intercontinental Ballistic Missiles
<b>ICC</b>	International Criminal Court
<b>ICCR</b>	Indian Council for Cultural Relations
<b>IEA</b>	International Energy Agency
<b>IMF</b>	International Monetary Fund
<b>INSTC</b>	International North South Corridor
<b>IPI</b>	Iran-Pakistan-India (Gas Pipeline)
<b>ISAF</b>	International Security Assistance Force
<b>KKH</b>	Karakorum Highway
<b>KLB</b>	Kerry-Lugar-Berman Bill
<b>KPK</b>	Khyber Pakhtunkhwa
<b>KSA</b>	Kingdom of Saudi Arabia
<b>LEAs</b>	Law Enforcement Agencies
<b>MDGs</b>	Millennium Development Goals
<b>MFN</b>	Most Favoured Nation
<b>MIRV</b>	Multiple Independently Targetable Reentry Vehicle
<b>NAFTA</b>	North American Free Trade Agreement
<b>NATO</b>	North Atlantic Treaty Organisation
<b>NCTC</b>	National Counterterrorism Center (US)
<b>NISA</b>	National Internal Security Apparatus
<b>NISP</b>	National Internal Security Policy
<b>NWA</b>	North Waziristan Agency
<b>PLA</b>	People's Liberation Army
<b>RCEP</b>	Regional Comprehensive Economic Partnership
<b>RECCA</b>	Regional Economic Cooperation Conference on Afghanistan
<b>ROZs</b>	Reconstruction Opportunity Zones
<b>RRF</b>	Rapid Response Force
<b>RTA</b>	Radio Television Afghanistan
<b>SAFTA</b>	South Asia Free Trade Agreement
<b>SCO</b>	Shanghai Cooperation Organisation
<b>SEATO</b>	South East Asia Treaty Organization
<b>SIP</b>	Strategic Investment Projects



<b>TAPI</b>	Turkmenistan–Afghanistan–Pakistan–India (Gas Pipeline)
<b>TPP</b>	Trans-Pacific Partnership
<b>TTP</b>	Tehrik-i-Taliban Pakistan
<b>UAE</b>	United Arab Emirates
<b>UN</b>	United Nations
<b>UNGA</b>	United Nations General Assembly
<b>UNSC</b>	United Nations Security Council
<b>US</b>	United States

## Acronyms

<b>ABM</b>	Anti-Ballistic Missile
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>ANA</b>	Afghan National Army
<b>ANP</b>	Afghan National Police
<b>ANSF</b>	Afghan National Security Forces
<b>ANZUS</b>	Australia, New Zealand, United States (Security Treaty)
<b>APTTA</b>	Afghan-Pakistan Transit Trade Agreement
<b>BCIM</b>	Bangladesh–China–India–Myanmar (Forum)
<b>BJP</b>	Bharatiya Janata Party
<b>BRICS</b>	Brazil-Russia-India-China-South Africa
<b>BSA</b>	Bilateral Security Agreement
<b>BTC</b>	Baku-Tbilisi-Ceyhan (Pipeline)
<b>BTI</b>	Bertelsmann Transformation Index
<b>CACI</b>	Central Asia-Caucasus Institute
<b>CAREC</b>	Central Asian Regional Economic Cooperation
<b>CBMs</b>	Confidence Building Measures
<b>CDP</b>	Combined Deterrence Plan
<b>CENTCOM</b>	United States Central Command
<b>CENTO</b>	Central Treaty Organisation
<b>CICA</b>	Conference on Interaction and Confidence Building in Asia
<b>CII</b>	Confederation of Indian Industry
<b>CNPC</b>	China National Petroleum Corporation
<b>CRP</b>	Comprehensive Response Plan
<b>ECO</b>	Economic Cooperation Organization
<b>EU</b>	European Union
<b>FATA</b>	Federally Administered Tribal Areas
<b>GDP</b>	Gross Domestic Product
<b>GOP</b>	Government of Pakistan
<b>GSP</b>	Generalized System of Preferences

<b>ICAR</b>	Indian Council for Agriculture Research
<b>ICBMs</b>	Intercontinental Ballistic Missiles
<b>ICC</b>	International Criminal Court
<b>ICCR</b>	Indian Council for Cultural Relations
<b>IEA</b>	International Energy Agency
<b>IMF</b>	International Monetary Fund
<b>INSTC</b>	International North South Corridor
<b>IPI</b>	Iran-Pakistan-India (Gas Pipeline)
<b>ISAF</b>	International Security Assistance Force
<b>KKH</b>	Karakorum Highway
<b>KLB</b>	Kerry-Lugar-Berman Bill
<b>KPK</b>	Khyber Pakhtunkhwa
<b>KSA</b>	Kingdom of Saudi Arabia
<b>LEAs</b>	Law Enforcement Agencies
<b>MDGs</b>	Millennium Development Goals
<b>MFN</b>	Most Favoured Nation
<b>MIRV</b>	Multiple Independently Targetable Reentry Vehicle
<b>NAFTA</b>	North American Free Trade Agreement
<b>NATO</b>	North Atlantic Treaty Organisation
<b>NCTC</b>	National Counterterrorism Center (US)
<b>NISA</b>	National Internal Security Apparatus
<b>NISP</b>	National Internal Security Policy
<b>NWA</b>	North Waziristan Agency
<b>PLA</b>	People's Liberation Army
<b>RCEP</b>	Regional Comprehensive Economic Partnership
<b>RECCA</b>	Regional Economic Cooperation Conference on Afghanistan
<b>ROZs</b>	Reconstruction Opportunity Zones
<b>RRF</b>	Rapid Response Force
<b>RTA</b>	Radio Television Afghanistan
<b>SAFTA</b>	South Asia Free Trade Agreement
<b>SCO</b>	Shanghai Cooperation Organisation
<b>SEATO</b>	South East Asia Treaty Organization
<b>SIP</b>	Strategic Investment Projects

<b>TAPI</b>	Turkmenistan–Afghanistan–Pakistan–India (Gas Pipeline)
<b>TPP</b>	Trans-Pacific Partnership
<b>TTP</b>	Tehrik-i-Taliban Pakistan
<b>UAE</b>	United Arab Emirates
<b>UN</b>	United Nations
<b>UNGA</b>	United Nations General Assembly
<b>UNSC</b>	United Nations Security Council
<b>US</b>	United States

## Introduction

**Ambassador (R) Sohail Amin**  
**Air Cdre (R) Khalid Iqbal and Khalid Chandio**

This volume is based on the papers read and presentations made at the two-day International Conference on “**Pakistan's Strategic Environment: Post-2014**” jointly organised by Islamabad Policy Research Institute (IPRI) and Islamabad office of Hanns Seidel Foundation (HSF) at Serena Hotel, Islamabad, on May 28-29, 2014. Prominent scholars and academicians from China, France, Germany, India, Pakistan, Russia, Singapore and Sweden participated in the conference. The objective of the conference was to discuss and evolve practical recommendations to meet the challenges and benefit from the opportunities in the post-2014 strategic environment of Pakistan.

The proceedings of the conference are now being published in the form of an IPRI Book. A brief account of the proceedings of the Conference is given below:

Pakistan has stood with the international community in the struggle against terrorism since the events of September 11. Pakistan's institutional as well as national resolve has all along been firm though the material and military support extended by the international community has been quite meager considering the enormity and complexity of the task at hand. Moreover, issues of sovereignty and collateral damage arising out of drone attacks, at times, made it difficult to carry the public opinion along.

It was important to identify the financial, logistical and ideological trails of the extremist and terrorist outfits operating in Pakistan. Security challenges, both in the traditional as well as non-traditional domains, need a concerted and comprehensive response in the form of policy reviews and structural reforms. In this regard, a National Security Policy had already been announced by the government of Pakistan.

As all regional countries were scheduled to complete electoral processes in 2014, this year could become special in the sense that now political counterparts all over the region will have the time for longer-term, political and economic planning, and the opportunity to engage constructively in order to strengthen diplomacy and employ it as first option for resolving the irritants and settling the disputes. This opportune time frame could also facilitate formulation of joint strategies amongst the regional countries for tackling current issues such as trans-border security, drug trafficking, organized crime etc. and focus on longer-term problems

like better connectivity, promotion of trade and commerce, and collectively address the challenges of climate change and disaster management.

In his welcome address, **Ambassador (R) Sohail Amin**, President IPRI, greeted the speakers, guests, audience and highlighted the importance of the topic and timing of the conference. He said that at this point of time the attention of international community had been on South Asia in view of the drawdown of NATO/ISAF forces from Afghanistan. Peace and stability in Afghanistan was crucial for the economic potential of Central Asia, South Asia, South West Asia and Asia Pacific to materialize. He said that in the struggle against terrorism, Pakistan had stood with the international community and was addressing security challenges in both traditional and non-traditional domains through policy reviews and structural reforms. In that connection, he mentioned the national security policy which government had announced. He hoped the views of the distinguished scholars would provide guidance to policy makers.

In his opening remarks, **Mr. Kristof W. Duwearts**, Resident Representative, HSF, Islamabad, said that it was a positive indicator that both Afghan presidential candidates had a pro-economy approach and hoped that regional issues would be tackled through moderate and pragmatic ways. The international presence would be graded down gradually and the next government of Afghanistan would be enabled to face the multifold challenges. He said that neighbouring countries, particularly Pakistan, would have to guard against the spillover effects if there was trouble in the wake of the drawdown. This year (2014) would be very crucial not only for the future of Pakistan but also for the whole region. He hoped that many aspects of the strategic environment would be discussed during this international conference.

In his inaugural address, **Ambassador Syed Tariq Fatemi**, Special Assistant to the Prime Minister on Foreign Affairs, said that Pakistan's regional environment over the past decade had been marked by super power rivalry, foreign interventions, intra-regional conflicts, unresolved disputes and the rising tide of extremism and terrorism. The traditional threats to security had been compounded by non-traditional threats including climate change, narcotics production and transnational crime. Nevertheless, democracy over the same period had been strengthened in Pakistan as also in the countries of the region. There was growing realization that inter-state disputes could only be resolved through peaceful means and the need today for inter-state and intra-state cooperation was greater.

Mr. Fatemi said that Prime Minister Nawaz Sharif, since assuming office in June 2013, had been trying to create a peaceful external environment so that the main national objective of economic development could be pursued. Building a peaceful neighbourhood was at the core of his

vision. A peaceful and stable Afghanistan was therefore vital for the region. Pakistan had suffered grievously over the past many decades on account of conflict and instability in Afghanistan. It was in the interest of Afghanistan and Pakistan that this multiple transitional process was completed in a peaceful and orderly manner.

Referring to President Obama's latest pronouncement on the issue of drawdown, Mr. Fatemi said that it had provided further clarity on the question of residual forces. It was in no one's interest to revisit the 1990s situation. Pakistan believed that abandoning Afghanistan or interfering in its internal affairs did not serve Pakistan's interests. Pakistan's core principles with regard to Afghanistan were mutual respect of sovereignty, territorial integrity, non-interference and policy of "no favourites" in respect of the various political forces in that country. Pakistan supported the democratic process in Afghanistan towards which it contributed by maintaining peace on the borders. Mr. Fatemi said the Afghan electoral authorities had the responsibility now of completing the electoral process in a credible manner while the security forces were to fulfil their task of providing secure environment. Pakistan was hopeful that after the completion of this electoral process, Afghan nation would emerge stronger and unified. Pakistan would work with whoever would be the democratic choice of the Afghan people.

Mr. Fatemi stressed the importance of responsible drawdown and cautioned against the possibility of a security vacuum. No one in the region should try to fill any perceived vacuum as it would result in instability, Mr. Fatemi warned adding that Pakistan had been advocating a regional consensus on non-interference in Afghanistan after the drawdown. Mr. Fatemi said that Pakistan would continue to work with the US to facilitate an orderly drawdown of ISAF/NATO troops.

Pakistan supported China's deepening interest in Afghanistan particularly in the economic realm. Pakistan was also engaged with Iran on the issue of Afghanistan. Pakistan-Iran enhanced cooperation regarding developments in Afghanistan remained vital for promoting peace and stability.

Prime Minister Nawaz Sharif was committed to building cordial relations with India. Therefore, he took the initiative on 16<sup>th</sup> May 2014 and called the newly elected Prime Minister of India to congratulate him on the impressive victory of BJP. He later visited India on Mr. Modi's invitation to attend the latter's swearing in ceremony.

Mr. Fatemi concluded that sustainable peace and development would be possible only through regional cooperation and active engagement of regional players. Pakistan had the potential to play a role as a conduit between energy rich Central Asia and energy scarce South Asia.

**Dr. Adnan Sarwar Khan**, Professor and Chairman Department of International Relations, University of Peshawar, spoke on “**Post-2014 Afghanistan: Likely Scenarios and Impact on Pakistan**”. He said that it would be quite difficult to predict the post-2014 scenario in Afghanistan. There could be positive and negative scenarios from the standpoint of Pakistan and the international community. The emergence of a stable and democratic Afghanistan after the Presidential elections in the country; and sharing of power by all stakeholders including the Taliban, would be a positive scenario. The increasing inflow of US/Western/Japanese financial assistance and investment would further stabilize the development of Afghanistan. But the scenario would be a negative one if civil war erupted, or the Taliban captured power, drowning the country into chaos and mayhem. He added that in case of civil war, the influx of Afghan refugees would further overburden Pakistan's economy. He also cautioned against a possible Indo-US-Afghan nexus to undermine Pakistan.

**Mr. Didier Chaudet**, Researcher in Charge of the Iranian & South Asian Programme, Institute for Perspective and Security in Europe, Paris, France and a visiting IPRI scholar, presented his paper on “**The Role of Neighbours in Stabilizing Afghanistan: Focus on Iran and Pakistan**”. He said that the interest of international powers in Afghanistan had suffered recently due to the evolving situation in Syria, Libya and Ukraine. He asserted that more than any other regional country, Iran and Pakistan needed a stable Afghanistan to ensure the stability of their own respective countries.

**Dr. Bruce Koepke**, Senior Researcher, Armed Conflict and Conflict Management Programme, Stockholm International Peace Research Institute (SIPRI), talked on “**Role of Regional Organizations in Stabilizing Afghanistan**”. He said that Afghanistan was under three types of transitions, i.e., political, economic and security. Afghanistan's political transition would be decided in the second round of the Presidential election which would be the first peaceful transfer of power from one Afghan political leader to another. The participation of nearly seven million voters in the first round of voting despite enormous security risks could be considered a success. It had given the Afghan people confidence in the ability of their security forces for ensuring security during the electoral process. In terms of socio-economic transition during the last 12 years, Afghanistan had been dependent on international aid for its survival. After the drawdown of NATO/ISAF forces, the development and unemployment would remain serious challenges for Afghanistan. In addition, the closure of more than 100 civilian and military reconstruction projects would render almost 123,000 Afghan people unemployed. In the realm of security transition the challenges for ANSF were huge as it had already suffered



huge losses. He said that many Afghan issues had transnational implications particularly for its neighbouring countries. In conclusion, he said that trade and transit should be special priorities not only for Afghanistan but also for the regional countries.

**Dr. Shabir Ahmad Khan**, Assistant Professor, Area Study Centre, University of Peshawar, spoke on “**Dynamics of Trade Corridors and Energy Pipelines’ Politics**”. He said that the 21st century had been called a century of gas because in the primary energy mix, the share of gas was rising faster than oil and coal in the world. Access to energy had been shaping the post-Cold War geopolitical environment and relations among the major powers and regional states. The post-2014 regional scenario would provide more space to Sino-Russian dominance of Asian pipeline systems and energy distribution. Pakistan would become the energy and trade corridor as there were plans to develop oil and gas pipelines from Iran, Turkmenistan and Qatar. He was of the opinion that IPI gas pipeline should not become a victim of US sanctions and Pakistan and India should work jointly for materializing both TAPI and IPI.

**Major General Noel Israel Khokhar**, Director General, Institute for Strategic Studies, Research and Analysis (ISSRA), NDU, Islamabad, deliberated on the “**Post-2014 US/NATO Engagement in the Region: Challenges and Prospects**”. He thought that US/NATO engagement in the region was critical. The US had announced the pivot Asia or rebalancing Asia policy. He said that it was a positive development that people from Afghanistan did not vote on ethnic basis. The completion of many small US/NATO projects had provided more connectivity to the people in the country. He mentioned three basic issues which were of great concern for the international community, i.e., security, lack of viable economy and lack of ability to administer the governance issues. Pakistan's concerns were also related to these three issues, he said. In this context one saw decreasing financial commitments, depleting strength of the Afghan forces and lack of reconciliation with the Afghan Taliban. The issue of reconciliation was the core issue among all security issues in Afghanistan. He hoped that the new Afghan administration would handle these issues with the help of regional and international community.

**Professor Dr. Gulshan Sachdeva**, Chairperson, School of International Studies, Jawaharlal Nehru University, New Delhi, India, in his talk on “**Post-2014 Challenges in Afghanistan and India's Role**”, said that a peaceful Afghanistan was crucial for regional stability. India since 2002 had been engaged in economic reconstruction works in Afghanistan. As many as 1500 Afghan students were going to India each year for graduate and post graduate studies. India would also build a railway line linking Bamyar region to Chahbahar port. Direct linkage with Central Asia

would boost trade. In this context he mentioned CASA 1000, TAPI and Afghanistan-Pakistan-India transit trade route. He emphasized that linking South Asia and Central Asia with Europe for trade was profitable for all states of the region.

**Dr. Iftexhar Ahmed Chowdhury**, Principal Research Fellow, Institute of South Asian Studies (ISAS), National University of Singapore, gave a presentation on **“US Trade-Aid Balance: Implications for Pakistan and the Region”**. He said that trade in preference to aid was Pakistan's understandable policy with the US. In 2013 the two-way total goods trade was \$5.3 billion. US imports from Pakistan total \$3.7 billion that year, a 1.6 per cent increase from 2012 and 46 per cent from 2003. The US exports to Pakistan amounted to \$1.6 billion, up 7.7 per cent from 2012 and 95 per cent from 2003.

Dr. Iftexhar said that South Asia persistently remained one of the least integrated regions of the world. India would do well to provide Pakistan access to Bangladesh, Nepal and Bhutan for trade; while Pakistan could be a conduit to India to establish links with Central Asia through Afghanistan.

**Dr. Markus Kaim**, Head of Research Division, Stiftung Wissenschaft and Politik, German Institute for International and Security Affairs, Berlin, Germany, spoke on **“The European Union as a Part of Pakistan's Strategic Environment?”**. He said that EU was Pakistan's largest trading partner in 2012 with \$8.2 billion trade. GSP plus became effective at the beginning of 2014. The European Commission articulated that exports from Pakistan would increase by 574 million dollars per year as a result of GSP plus. Moreover, textile industry would benefit from GSP plus and it would provide more employment opportunities. He said that Pakistan was the most crucial country in post-2014 Afghanistan. EU would focus on three basic issues and financially support Pakistan in economic reforms, improved infrastructure and improved governance capabilities.

**Mr. Yury Krupnov**, Chairman Supervisory Board, Institute of Demography, Migration and Regional Development, Moscow, Russia, gave a presentation on **“Russian and Central Asian Views on Perspectives for Pakistan and Afghanistan”**. The presentation viewed a stable Afghanistan and Central Asia as key to 'Eurasian Union'. According to the Russian perspective, Pakistan as part of South Asia and also as part of Central Asia could play a pivotal role in promoting stability in Afghanistan. Pakistan's improved relations with India, Afghanistan and Iran could open up avenues for regional cooperation. He reiterated that Pakistan in cooperation with these regional states along with Russia could contribute towards the economic empowerment of Afghanistan. A stable Afghanistan could serve as a bridge through which infrastructures of Pakistan could be linked to

infrastructures of Central Asia and further to infrastructures of Russian Siberia.

**Dr. Nazir Hussain**, Associate Professor, School of Politics and International Relations, Quaid-i-Azam University, Islamabad, delivered a talk on “**Thaw in Iran-US Relations: Opening of Chahbahar Trade Link and its Impact on Pakistan**”. He said the Iran-US nuclear rapprochement was in place, but would the rapprochement be transformed into a strategic deal? Or would the pressure groups compel the governments to step back? This was yet to be seen. Dr. Nazir referred to the domestic as well as regional opposition to the deal. On the domestic front, the US Congress and Jewish lobby and hardliners in Iran had shown resentment to the deal. Regionally, Israel and Saudi Arabia had expressed opposition to it.

Dr. Nazir said that the deal could yield positive results. In this regard, Iran-Pakistan (IP) gas pipeline and trade links were referred. He stated that the Pak-Iran economic ties could prove useful in enhancing trust between the two neighbours. The apprehension about the use of Pakistani soil by non-state actors against Iran was likely to be pacified. In addition, Iranian perception of seeing Pakistan as an ally of Saudi Arabia in the Middle Eastern Security dynamics was also likely to change.

While commenting on Chahbahar port and its likely impact on Pakistan, Dr. Nazir said that the port was seen as a preferred option by the US for its activities in Afghanistan. Meanwhile, regional states, particularly India also saw Chahbahar as a preferred option for trade. Many roads leading from the port to Central Afghanistan were built by India. In this context, the regional uplift of Chahbahar could undermine Gwadar's significance.

**Dr. Hu Shisheng**, Director, Institute of South and Southeast Asian and Oceanic Studies, CICIR, Beijing, China talked about “**China's Post-2014 Afghan and India Policies and their Respective Impact on Pakistan**”. Referring to China's policy towards the region, he speculated that in post-2014, China would strengthen its ties with Afghanistan, India and Pakistan due to energy and security concerns. He expressed China's interest in Afghan peace and the ongoing economic projects in the country, like the Aynak copper mine. He added that China's Afghan policy would focus on the economic and social indicators and developmental projects; the prime aim would be to transform Afghanistan into a self-reliant country. Besides, to help build the country's defence, China was planning to offer training to Afghan National Security Force (ANSF).

Dr. Hu said that with India, economic cooperation would be a priority; in addition, political exchanges would be reinforced. However, in terms of military interactions, India would be kept at a distance, due to the existing mistrust between the two countries.

He added that Sino-Pakistan relations would cover political, military and economic cooperation. On the counter terrorism front, China would not seek assistance from countries other than Pakistan, nor would Sino-India anti-terror exercises be Pakistan specific. Besides, Pakistan should not get the impression that China's proximity with Afghanistan and India might diminish the warmth in Pakistan-China ties. What China wanted through the politico-economic ties with these countries was to stabilize the region which was to the advantage of both Pakistan and China. A stable Afghanistan was conducive for the Sino-Pakistan economic corridor project.

**Dr. Muhammad Hafeez**, Dean, Behavioural and Social Sciences, University of the Punjab, Lahore, presented a paper on "**Peace with Neighbours: Theory and Practice**". He argued that a state should live up to the changing regional/global challenges failing which it was likely to become a victim of the change. The current international environment was heavily dependent on geo-economics, and peace was a pre-condition of growth and development. A country with strong economic credentials had more say in the comity of nations. Likewise, a region's strength in the international arena was also determined by its economic prowess.

Dr. Hafeez emphasized that it was in the interest of both India and Pakistan to stop fighting, engage in political dialogue and find innovative solutions to their problems.

He called the US war on terror as a battle of perceptions. To defeat terrorism once and for all, it was essential to win over the hearts and minds of the people. Contrarily, the use of military force to curb terrorism would only give short term results.

**Air Cdre (R) Khalid Iqbal**, Consultant, Policy and Strategic Response, IPRI, gave a talk on "**Pakistan's Traditional and Non-Traditional Challenges**". Referring to Pakistan-India disputes, he said that Pakistan had to maintain a defence force to counter the burgeoning military build-up of India. He charged that Afghanistan was being used by foreign actors to destabilize Pakistan. In this campaign, India was on the forefront. It was abetting sub-nationalist tendencies in Balochistan and terrorist outfits in FATA from its perch in Afghanistan. Pakistan's security environment coupled with its fight against terrorism had badly hampered the country's economy, thus aggravating problems of poverty, unemployment, energy crisis, etc. To counter traditional and non-traditional security threats, the foremost emphasis should be on having a peaceful neighbourhood, a robust economy and eradication of terrorism. Where there would be peace, economy would grow and non-traditional security issues could be addressed accordingly.

**Mr. Khawaja Khalid Farooq**, former Chairman, National Counter Terrorism Authority (NACTA), delivered a talk on “**National Internal Security Policy of Pakistan: A Cogent Counter Terrorism Policy**”. He said that to counter the menace of terrorism, the politico-military leadership of Pakistan had adopted a joint approach. The creation of NACTA was one such endeavour. Government has adopted a 3-D policy (Dialogue, Development and Deterrence) to defeat terrorism. Police was being trained in ground intelligence. Besides, special counter terrorism tactical wings were also formed. It was aimed to collect intelligence under one roof and further disseminate that to concerned quarters.

**General (R) Ehsan ul Haq**, former Chairman, Joint Chiefs of Staff Committee, in his concluding address said that the 21<sup>st</sup> Century had witnessed uncertainties, volatility and rapid transformation. The market access to oil, gas and increasing demand for food resulted in friction among neighbouring and regional powers. There was increasing support for humanitarian intervention and application of smart and soft power through indirect strategies. No nation could survive through isolationist policy in current world politics. Moreover, the third world countries like Pakistan had to guard against offering exploitable vulnerabilities. Discussing regional developments, he said that the emergence of China as a global power had unfolded a new paradigm. The hegemonic designs of India and the unresolved dispute of Kashmir had led to destabilize the region. The transition process in Afghanistan had offered opportunities and, at the same time, some challenges. No country had suffered more, due to strike over Afghanistan, than Pakistan. He hoped that a smooth transition would take place in Afghanistan. Moreover, he said that possible US-Iranian deal would be a geopolitical shift in the region. Iranian resumption in international arena would have significant impact on the regional dynamics.

General Ehsan suggested that the government should focus on normalizing its relations with its neighbours. However, Pakistan should be pragmatic in its assessments and projections. Pakistan could facilitate the Afghan reconciliation process and it must take initiative to contribute in this process. Although Pakistan had shown neutrality in Afghanistan but other regional and international forces did not do the same. The situation in FATA and Balochistan was the consequence of continuous instability in Afghanistan. It was time that Pakistan resolved the issue of Pak-Afghan border by controlling and regulating it. ■

## Welcome Address

**Ambassador (R) Sohail Amin**

President, Islamabad Policy Research Institute (IPRI)

Honourable Ambassador (R) Syed Tariq Fatemi, Special Assistant to the Prime Minister on Foreign Affairs,  
Mr. Kristof Duwaerts, Resident Representative, Hanns Seidel Foundation,  
Excellencies,  
Distinguished Scholars,  
Ladies and Gentlemen,  
Good Morning.

I welcome Ambassador Syed Tariq Fatemi, Special Assistant to the Prime Minister on Foreign Affairs who has kindly accepted our invitation to be the Chief Guest at this conference. I also warmly welcome distinguished scholars from China, Germany, France, India, Russia, Singapore, Sweden and from Pakistan. I hope our guests from abroad will enjoy the scenic beauty of Islamabad during their stay in the capital city

It is a matter of pride for the Islamabad Policy Research Institute for having been able to arrange such a brilliant gathering of scholars, statemen, intellectuals and experts in collaboration with the Hans Seidel Foundation. The timing of this Conference is also most appropriate. At this point and time, attention of the international community is focused on South Asia with regard to the drawdown of ISAF/NATO troops from Afghanistan. This is so because the situation in Afghanistan after 2014 will not only have an impact on the future of the region but also on the extended neighbourhood.

Pakistan's post 2014 strategic environment is very closely linked to the way Afghanistan shapes up after the draw-down of the US-led presence. Peace and stability in Afghanistan is crucial for the economic potential of Central Asia, South Asia, South West Asia and Asia Pacific to realise itself at its optimal capacity.

Another important factor is the struggle against terrorism on which Pakistan has stood with the international community. In this regard, Pakistan's institutional as well as national resolve has all along been firm. Security challenges, both in the traditional as well as non-traditional domains, are being addressed through policy reviews and structural reforms. A National Security Policy has already been announced by the government of Pakistan.

It is important to note that all the regional countries will be completing their electoral processes in 2014. Due to a longer term availability of political counterparts all over the region, the horizons of political and economic planning are expected to widen, and the opportunity to engage constructively to strengthen diplomacy and employ it as first option for resolving irritants and settling outstanding disputes is likely to be brighter. This could also facilitate formulation of joint strategies by the regional countries for tackling common issues including drug trafficking and organized crime etc. Moreover, regional players may be able to focus on improving connectivity, trade and commerce, and also collectively address the challenges of climate change and disaster management.

Ladies and Gentlemen,

I thank the Chairpersons who will be presiding over the four sessions of the Conference spread over two days. I am sure that all the participants will benefit from the expert views of the distinguished scholars who will be presenting their papers at this conference. Papers read here will later be compiled in the form of a book which Islamabad Policy Research Institute together with Hans Seidel Foundation will publish soon after the Conference.

I thank you. ■

## Opening Remarks

### **Kristof W. Duwaerts**

Resident Representative, Hanns Seidel Foundation (HSF), Islamabad

Honourable Ambassador (R) Syed Tariq Fatemi, Special Assistant to the Prime Minister on Foreign Affairs,  
Dear Ambassador (R) Sohail Amin, President IPRI,  
Knowledgeable speakers from near and far,  
Respected friends,  
Ladies and gentlemen,  
Good morning and Asalam-o-Aleikum!

**T**oday's date marks a long-time high, but somehow also an all-time low in the relationship between the two major powers on the South Asian subcontinent. With the advent of Narendra Modi as the 15th Prime Minister of India, and the attendance of his swearing-in ceremony by a high ranking delegation from Pakistan, headed by Prime Minister Nawaz Sharif, just two days ago, poles seem to be set for a thawing of the relationship between the two countries. This might lead to a reversion of a frosty environment to Pakistan's eastern neighbour. This relationship had one of its visible culmination points exactly 16 years ago with the subsequent testing of nuclear weapons by India and Pakistan. On 28<sup>th</sup> May 1998, Pakistan tested the Chagai-I.

Turning to the West, presidential elections are currently taking place. The new Afghan leadership is due to be taking the driver's seat by end of June. With Abdullah Abdullah or Ashraf Ghani making the race, we will also there experience a pro-economy approach. Numerous regional issues are likely to be tackled in a much more moderate and pragmatic way. Still, with the international presence slowly being graded down in Afghanistan, the new government in Kabul will see itself before a multitude of challenges. These might result in some spill-over effects to neighbouring Pakistan, both negatively and positively.

Ever since May 2013 the regional and political environment of Pakistan has undergone major changes. 2014 is in so many regards an important, not to say critical milestone for the further development of the whole region. As such there could be no better date to assess, or rather reassess the current and future situation of Pakistan from a strategic point of view.



But before getting into the actual details, one should be clear of what such "strategic point of view" should include. When entering the major book-stores here in Islamabad, or browsing through the invitation cards I receive to attend very interesting seminars, it seems to be quite clear what strategic means here in Pakistan. It has to be something which deals with military questions, most importantly nuclear issues, and, in more recent times, the notion of terrorism. Literature by and large deals with solutions of how to effectively contain those two perceived threats. And, I must admit, this notion is very much backed by the original meaning of the term strategic, which derives from the greek word "strategos", being the equivalent for "military leader". Thus "strategic" means what the military leader does or is supposed to be doing.

Still, words' meanings undergo evolutions, and so do people, governments, or, to put in short: politics and political systems. Today, linguistically the adjective "strategic" is defined as relating to the identification of long-term or overall aims and interests and the means of achieving them. This includes, to quote the German dictionary, Duden, civilian, economic, as well as of course (and still) military means. Unfortunately, the extension of the very notion of "strategic" has so far skipped the attention of many so-called strategic thinkers worldwide.

One of the advantages of broadening the strategic notion, is that one can focus on unifying rather than parting elements forming the very tissue of societies in South Asia. But what should be included in a strategic debate worthwhile the globalized 21<sup>st</sup> Century? Which topics should be addressed when talking strategy in 21st Century's Pakistan? I will leave it to the learnt audience of finding their own answers because there is not the answer.

I'd just like to highlight a few points: Strategic thinking should include the youth, so much is for sure, as strategies always deal with the future. It should take into account the so-called non-traditional security threats and aspects, like for example water, climate, energy and a plethora of other aspects. But, what is even more important in Pakistan, I think, is to be looking at social interactions, both within the country, and between nations. The economy obviously plays a very important role. And, to forge the bridge: Education, be it primary, secondary or higher education, should stand at the core of strategic thinking, thinking ahead, instead of being stuck in the past.

Many of these points, if not all - or more - will be raised during the next two days, but to keep it very generalized and maybe theoretical: There is a wide range of approaches to the study of international or regional relations which go far beyond the books which we find in Islamabad. The study of traditional stratagems is and stays important, but it would be

grossly negligent to be looking at them in a vacuum or in complete isolation.

We as Hanns Seidel Foundation, being a political foundation from Germany, are trying to support this widening of perspectives. Having been active in Pakistan since 1983, we have always tried to broaden approaches and perspectives and help our friends finding solutions and go beyond traditional approaches.

I would once again like to thank our dear partner institute IPRI for bringing together such an exclusive field of experts. I am grateful to the speakers from Germany, Sweden, India, China, Russia, Bangladesh, France and of course all parts of Pakistan for having joined us today, and taking time out of their busy schedules. I am once again hopeful, that this conference will not only be to the advantage of the participants who are taking part today, but that the results brought forward might eventually be used as a toolbox for an even more in-depth understanding of the current issues in the region.

I would like to wish us all and the conference the success it deserves, and am very much looking forward to listening to your valuable inputs. They will certainly be serving a better future.

Thank you. ■

## Inaugural Address

**Ambassador (R) Syed Tariq Fatemi**

Special Assistant to the Prime Minister on Foreign Affairs

Ambassador (R) Sohail Amin, President, IPRI  
Eminent Scholars,  
Distinguished Guests,  
Ladies and Gentlemen!

Assalam-o-Alaikum and Good Morning,

**I**t is a great pleasure to speak to this august gathering. The Islamabad Policy Research Institute has acquired a well-deserved reputation of a recognized platform for generating good ideas, producing quality research, and contributing to the policy process.

I deem it a distinct privilege to share my thoughts on “Pakistan’s Strategic Environment: Post 2014.” In view of the developments taking place in our neighbourhood and the broader region, IPRI’s initiative to hold this conference is timely.

Distinguished Participants,

Owing to its geo-strategic location, Pakistan has historically played a pivotal role at the regional and international level. Given the far-reaching transformation taking place in the region, such a role is likely to increase in the future and assume greater significance.

Over the past several decades, Pakistan’s regional environment has been marked *inter alia* by super-power rivalry, foreign interventions, intra-regional conflict, unresolved disputes, and a rising tide of extremism and terrorism. The traditional threats to security have been compounded by non-traditional threats including climate change, narcotics production and trafficking, and transnational organized crime.

At the same time, demographic pressures in many countries have intensified, the challenges of extreme poverty and underdevelopment accentuated, and efforts to realize the real social and economic potential of the region, have yielded only modest results.

But all is not negative. There is some good news too. Democracy has been deepening across the region. There is a growing realization that inter-state disputes can be resolved through peaceful means alone. Globalization and increasing economic interdependence are creating new impulses for

collaboration. The indispensability of regional cooperation for development is becoming obvious with each passing day.

The current year, i.e., 2014, is a water-shed in terms of sustaining some of these positive trends. Elections in several countries and the likely emergence of new policy elites are but one manifestation of the change sweeping the region. We can also clearly see that the shifting political landscape is accompanied by a growing recognition of the economic imperatives. A pronounced focus on improved governance and people-centred policies is also evident.

Distinguished Participants,

It is in this strategic milieu that Prime Minister Nawaz Sharif has articulated his vision of "peace for development." In fact, this is an outcome shaped by the confluence of internal needs and external imperatives. Hence, the conscious decision to re-balance the country's geo-strategic and geo-economic priorities.

Since assuming office in June 2013, the Prime Minister has made unstinting efforts to create a peaceful external environment, so that the core national objective of economic development is robustly advanced. Building a "peaceful neighbourhood" is central to the realization of this vision.

Ladies and Gentlemen,

A peaceful and stable Afghanistan is of vital importance in this context. Pakistan has suffered grievously from conflict and instability in that country, for decades now. Unless this cycle is decisively reversed, we would continue to bear the brunt. Uncertainty could not only further complicate the challenges on our borders, but also result in refugee influx, enhanced narcotics trafficking, and proliferation of arms.

Afghanistan is at a consequential moment in its history, as it is simultaneously going through security, political and economic transitions. It is in the interest of Afghanistan and the region that these multiple transitions are completed in a peaceful and orderly manner.

The drawdown of NATO/ISAF forces in Afghanistan is slated for completion by December 2014, while President Obama's latest statement has provided further clarity about the "residual" presence post-2014. He has indicated a troop figure of 9,800 for 2015 and a smaller number till the end of 2016.

It is in no one's interest to see a return of the 1990s. Therefore, we believe, neither the abandonment of Afghanistan, nor interference in its affairs, is the answer.

The core principles of our own policy towards Afghanistan include mutual respect for sovereignty and territorial integrity. While building

friendly and good-neighbourly relations with Afghanistan, we place an equal emphasis on non-interference and 'no favourites.'

At the same time, Pakistan has stressed the importance of a responsible draw-down and cautioned against the creation of a security vacuum. No one in the region should seek to fill any perceived vacuum, as it would conceivably result in further instability. This is why a regional consensus on non-interference, espoused by Pakistan, is so essential.

In the context of political transition, the largely peaceful first round of Afghan Presidential elections on April 5, 2014 was a landmark. It demonstrated growing maturity of the democratic process. Pakistan has supported the deepening of democracy and a peaceful democratic transition in Afghanistan. We also made our contribution to the efforts for a free and fair elections process, including through enhanced security along the Pakistan-Afghanistan border.

The Afghan electoral authorities now have the responsibility of completing the electoral process in a credible manner, while the security forces would have to fulfil their task of providing a secure environment. We are hoping that, at the culmination of this process, the Afghan nation would emerge stronger and more unified.

Pakistan has affirmed that it would work with whoever would be the democratic choice of the Afghan people. It is gratifying that the leading contenders have expressed their desire to forge a cooperative relationship with Pakistan.

Of late, there has been a spate of allegations and provocative statements from the other side. While maintaining our policy of restraint and responsibility, we believe that blame game does not serve the purpose of either country.

Progress in the Afghan peace and reconciliation process is a fundamental part of the ongoing transition. There is no military solution to the situation in Afghanistan. All Afghan stakeholders must, therefore, come together and work purposefully to find a political settlement. Pakistan would continue to support and facilitate all efforts for an inclusive, Afghan-led and Afghan-owned process.

The economic transition in Afghanistan is of no less significance. In our view, every effort must be made to ensure that there is no economic vacuum — as it would yield unexpected and destabilizing consequences.

Deeper engagement of the international community is essential to help Afghanistan in reconstruction, enhance economic opportunities, generate employment, and create conducive conditions for the return of millions of Afghan refugees to their homeland.

The focus of Pakistan's efforts on the bilateral plane is to build a comprehensive and multi-faceted relationship with Afghanistan. Besides

intensifying political dialogue and promoting enhanced trade and economic cooperation, we are emphasizing effective border controls and management, counter-narcotics cooperation, and return and sustainable reintegration of refugees in Afghanistan.

Pakistan also supports broader regional and international endeavours for peace, stability and progress in Afghanistan. We have welcomed the US policy goal of a “responsible end” to this long war. Pakistan would continue to work with the US to facilitate an orderly draw-down and encourage an Afghan-led reconciliation process.

Pakistan also supports China's deepening engagement with Afghanistan, particularly in the economic realm and regional cooperation. China would be hosting the next Heart of Asia/Istanbul Process Ministerial Conference in Tianjin on August 29, 2014. We are committed to working with China for a successful outcome.

Pakistan is also engaged with Iran and deepening its dialogue on regional issues. Our enhanced engagement on the developments in Afghanistan remains vital for promoting the shared objectives of peace and stability -- particularly in the wake of 2014 drawdown and beyond.

Ladies and Gentlemen,

Prime Minister Nawaz Sharif is committed to building cooperative ties with India. In our interactions with the Indian leadership since June 2013, we have consistently emphasized the importance of working together to address common challenges, build sustainable peace, and promote the idea of shared prosperity.

Welcoming the successful elections in India, Prime Minister Nawaz Sharif telephoned Mr. Narendra Modi on May 16 to congratulate him on the electoral victory of the BJP. The Prime Minister emphasized that the main dynamic in South Asia should be cooperation, not confrontation. Consequently, the Prime Minister responded positively to Mr. Modi's invitation and participated in his swearing-in ceremony in New Delhi on May 26. This was a ‘first’ in the history of Pakistan-India relations. The two leaders held a bilateral meeting, which was fruitful in beginning the process of charting a future course for the relationship. The two sides agreed that the Foreign Secretaries would meet soon to review and carry forward the bilateral agenda.

Pakistan remains committed to engaging with the new Indian government through a constructive, meaningful and result-oriented dialogue on all issues. As the Prime Minister emphasized in New Delhi, we are ready to pick up the thread from where it was interrupted in October 1999. We also remain committed to moving towards normalizing the trade

relationship, through a deliberate and well-considered process, that ensures mutual benefits.

Meanwhile, we will continue to work for tangible progress towards resolution of all outstanding issues. A just and peaceful solution of the Kashmir issue, in accordance with the UN Security Council Resolutions and the aspirations of the Kashmiri people, is essential for durable peace in South Asia.

Distinguished Participants,

Our relations with China continue to be marked by a high degree of trust and commonality of interests. The time-tested relationship between the two nations has transformed into a comprehensive strategic partnership.

Over the past one year, the two countries have achieved a broad consensus on major infrastructure and energy projects.

The first major step in this direction has been taken through the multi-billion dollar China-Pakistan Economic Corridor. This mega project will serve as a “game-changer” in ushering in a new era of peace, cooperation and development in the region and beyond.

Pakistan is en route the three-pronged economic corridor between China, Central Asia and the Middle East. The government's effort is to realize the full potential of Pakistan's strategic location, in establishing mutually-beneficial linkages at the bilateral and regional levels, and serving as an intra-regional and inter-regional commercial and economic hub.

This ambitious project envisages building an advanced infrastructure, energy and communication network, linking western regions of China with Pakistan. It would revolutionize trade and investment in the adjoining regions of the two countries, and integrate the whole region in the years to come.

It would also be relevant here to mention the CICA Summit in Shanghai, in which the President of Pakistan, along with the leaders of the region, participated. In his policy statement, President Xi Jinping articulated a new vision of security architecture — with focus on comprehensive, cooperative and sustained security based on mutual trust, mutual benefit and equality. In a powerful illustration of the shifting focus to geo-economics, the Summit also occasioned the signing of a major energy deal between China and Russia, in the presence of President Xi Jinping and President Vladimir Putin.

Ladies and Gentlemen,

Iran plays a pivotal part in our vision of a peaceful neighbourhood and realization of the region's immense potential for progress and prosperity.

As part of his outreach efforts, the Prime Minister recently concluded a successful visit to Iran, where he had wide-ranging consultations with the Iranian leadership. A number of MoUs/Agreements were signed with a view to deepening and institutionalizing mutually-beneficial cooperation in diverse fields.

We have welcomed recent moves for a negotiated solution of the nuclear issue through the 5+1 process and hope that a final agreement would be concluded soon, as it would contribute to peace and stability in the region.

Pakistan also continues to work on deepening its special relationships with the fraternal countries including Turkey, Saudi Arabia and other Gulf States, with a primary focus on trade, investments and energy cooperation.

Ladies and Gentlemen,

The United States is an important part of our strategic environment and a key element in Pakistan's foreign policy considerations. The US continues to stress its interest in advancing regional stability and development.

The Pakistan-US relationship, spanning over more than six decades, has been marked by periods of engagement and estrangement. Since June 2013, relations between the two countries have continued to improve--including through a series of high-level interactions and the revival of the Strategic Dialogue.

For the future, we envisage enhanced, broad-based cooperation on the basis of mutual respect and mutual interest. We are focused on greater trade, enhanced market access, more investments, collaboration in the energy sector, counter-terrorism, and security and defence cooperation.

In the post-9/11 period, the US largely viewed Pakistan through the lenses of Afghanistan and terrorism. We have conveyed that these must be balanced by giving due importance to Pakistan's own security concerns. The Pakistan-US relationship must develop on its own merit, as we move through 2014 and beyond.

Ladies and Gentlemen,

Pakistan and the European Union enjoy friendly and cooperative relations. These ties have been reinforced with the democratic transition in Pakistan. Pakistan and NATO-ISAF have worked together to promote the cause of peace and stability in Afghanistan. Our interests converge on an orderly transition.

The EU is our largest trading partner and a major foreign investor. The grant of GSP+ status to Pakistan reflects the desire on both sides to engage in an enduring partnership for common benefit. We would continue



to work for comprehensive up-gradation of cooperation in the political, trade, and economic and social sectors.

Pakistan's relations with the Russian Federation are growing steadily. The two countries cooperate closely at the UN and SCO. We share common interests in promoting peace and stability in Afghanistan and Central Asia. Pakistan seeks Russia's cooperation in building energy corridors, economic linkages and road and rail network linking Central Asia with Pakistan. We are keen to realize the huge potential of mutually beneficial cooperation in the commercial and economic fields, both bilaterally as well as at the regional level.

With the shift of focus to economic diplomacy, Pakistan is making efforts to further fortify its existing economic and commercial ties with Japan, ASEAN, and the ANZUS region. Similarly, we are deepening relations with our friends and partners in Africa and Latin America.

Ladies and Gentlemen,

Pakistan is located at the crossroads of vast regions, with powerful economic complementarities. Sustainable peace and development in the region is possible only when all the regional partners have stakes in it. Pakistan has the potential to play a role as a conduit between the energy-rich Central Asia and energy-deficient South Asia and China.

Key energy and communication projects linking the regional countries include the TAPI gas pipeline project, the Iran Pakistan (IP) project, the CASA-1000 electricity project and the ECO container train project (also known as Gul train), linking Islamabad with Istanbul can hopefully take off as soon as conducive conditions arise.

Prime Minister Nawaz Sharif also places special emphasis on infrastructure development and has plans for a motorway from Kashgar to Gwadar, then on to Karachi and finally to Lahore. We also plan to take the Lahore-Peshawar motorway to Kabul and beyond to the Central Asian Republics. In time, the Economic Coordinator could be extended to Afghanistan and Central Asia and as well as other parts of South Asia. Mini Economic Zones would be established along the motorways. This would be a boost for regional trade and economy benefitting over 3 billion people of the region.

In sum, the time ahead is bringing challenges, as well as vast opportunities. Pakistan has to cruise through these uncharted waters with skill and resolve, which explains why the Prime Minister has been stressing an equal emphasis on geo-political and geo-economic imperatives. To realize this, the Government continues to count on a consensus approach, backed by support from across the political spectrum and civil society at large.

Let me conclude by expressing my gratitude for your invitation. I am confident that IPRI would continue its positive contributions to the policy discourse in Pakistan.

I thank you. ■

## Concluding Address

**General (R) Ehsan ul Haq, NI (M)**

Former Chairman, Joint Chiefs of Staff Committee

I consider it a privilege to have been invited to share my thoughts with this distinguished forum on a subject of critical significance for all of us. Let me felicitate the organizers of the conference, for it is indeed most timely, as there is a complex dynamic at work internationally, but particularly in our immediate neighbourhood, that has the potential to cause a paradigm shift in the geo-political realities, with far reaching consequences for Pakistan. Before commenting on the political transition that is underway to our East and West, let's have a cursory glance at the emerging international geo-strategic landscape.

Early 21<sup>st</sup> century has witnessed the unfolding of an international environment marked by uncertainty, volatility and rapid transformation under the impact of globalization. With the ascendancy of geo-economics, the control, access to and security of raw materials, energy and markets as well as increasing demand for food and water is making them sources of friction between neighbours and big powers. Although international public opinion has restricted space for the traditional application of military force in interstate disputes, there is increasing support for the concept of humanitarian interventions and the application of smart/soft power through indirect strategies. No nation can survive through an isolationist policy in the present day international system. Moreover, Third World countries have to guard against offering an exploitable vulnerability, a la Libya or Syria, whether it be a festering ethno-political dispute, poor governance, failure to manage ungoverned spaces, or inability to handle major issues of international concern i.e. terrorism, non-proliferation, etc.

Pakistan's strategic environment has been moulded by its location at the cross roads of geo-political landscape, the strategic rivalry of the super and other great powers in the region, the extended strife and consequent destabilization in Afghanistan, unrelenting hegemonic aspirations of India and the un-resolved status of

Kashmir. The emergence of neighbouring China as a global power has unfolded a new paradigm, shifting the geo-political focus to Asia, triggering strategic re-alignments, cooperative security arrangements and major shift in the US defence posture reflected in the Asia pivot. While the contours of this 'New Great Game' were being absorbed, the recent crisis in Ukraine has projected concerns about a new Cold War, escalating the rivalry between the Great powers to a higher plane.

Some of the significant developments in the international strategic situation having an impact on Pakistan are:

- a. US strategy to contain China through the defence rebalance/Asia pivot, structuring of a regional security architecture around ASEAN and including Japan, South Korea, Vietnam, India and Australia, projecting the concept of Indo-Pacific Ocean to build up India as a strategic counterweight to China and integrate it with the Pacific security framework.
- b. President Obama's recent visit to Asia was an attempt to underline the priority of the Rebalance Strategy. The US has also upped the diplomatic ante by indicting five PLA officials on cyber espionage charges. Although the \$ 500 Bn trade between the two powers cushions any risks of a fracture in their relations, there are increasing doubts whether the US and China would be able to manage their relations amicably, particularly if renewed Japanese nationalism/assertiveness and the increasingly volatile situation in the South China Sea were to trigger a conflagration.
- c. More recently, the Crimean crisis has intensified concerns about Russia's increasingly assertive security centric approach in what it considers its sphere of influence, effectively terminating the US-Russia Reset of relations and echoing the possibility of a new Cold War. The extension of this contest into Central Asia cannot be ruled out and would directly impact the regional security matrix.
- d. To our West, political uncertainties generated by the Arab Spring, concerns over the emergence of nuclear Iran and its possible rapprochement with the US, the process of strategic reposturing in the CENTCOM area of Responsibility and

even anxiety over the geo-political downgrading of the Gulf region by the US due to its increasing domestic energy production, are palpable. There has been a triggering of ethnic and sectarian forces in the entire region, threatening the destabilization of all regional states from Lebanon to Pakistan. Similarly it has caused the polarization of the historic Arab Iranian divide with its fallout on the sectarian situation in Pakistan and straining our traditional policy of balance between our brotherly Muslim neighbours in the Gulf.

- e. The easing of hostility between the US and Iran, consequent to an agreement on Iranian nuclear programme, has already been projected as the most important geo-political shift of 2014. Iran's resumption of its legitimate role in the international arena will have significant impact on the regional dynamic, particularly Pakistan and has to be factored into our policies in the Gulf, Afghanistan and regional economic cooperation.
- f. The unfolding geopolitical realities underline the significance of our time tested strategic partnership with China, continuing a long term mutually beneficial relationship with the US, seeking further avenues for closer relations with Russia. However, our primary focus has to be on normalizing our relations with our neighbours and consolidating our internal front to cover our vulnerabilities.

Coming to our two most important neighbours, Afghanistan and India. First Afghanistan, as you are well aware, the catastrophic events of 9/11, and subsequent US/NATO intervention in Afghanistan had transformed Pakistan's security environment. Besides challenges to our sovereignty and territorial integrity, we had to bear the brunt of Al-Qaida affiliated militancy and terror onslaught for over 12 years. The transition underway in Afghanistan, leading to the drawdown of most US/NATO forces, we hope, marks the end of the post 9/11 phase. The evolving and unpredictable situation in the wake of this transition offers both opportunities and challenges.

You would agree with me that no country has suffered more on account of the strife in Afghanistan than Pakistan. Consequently, in our own best interest we hope for a positive turn of events and a

successful transition, as we are likely to be the greatest beneficiary, beside the people of Afghanistan. However we have to be pragmatic in our assessment and projections.

Although US and Afghan government sources express optimism and faith in the success of the transition, there is no doubt that the US/NATO have not succeeded in achieving all their objectives in Afghanistan and have been compelled, by decreasing public support in their own countries, to achieve a face saving early exit. The transition is faced with uncertainties and challenges and there are apprehensions about the emerging scenarios, both inside Afghanistan and the region, including Pakistan.

A key determinant in a successful transition is the ability of the ANSF to deliver on its task to provide security to the people and the government of Afghanistan. Although the ANSF has made significant progress, particularly in the lead role that it has been assigned over the last 2 years, it continues to face critical challenges that undermine confidence in its capabilities. Desertions, questions on motivation/commitment, professional capacity/experience for independent planning and operations, very high casualty rate and its impact on morale, Taliban ingress and insider threats have been highlighted. However, the most ominous is the ethnic imbalance in the ANSF and effect of a possibly increasing ethnic divide in the country should the political transition fails to evolve an inclusive political agenda. This will impair their operational capabilities and even risk disintegration, on ethnic lines and gravitating towards war lords or a neo northern Alliance. We must also note that even with the ISAF support, the insurgency has been able to dominate the rural areas, even beyond the historic South and East, where it has been the strongest.

Let me also add, that the success of the security transition is not dependent on the capabilities of the ANSF alone. The legitimacy of the post Karzai government will be essential to the success of the transition. Although the first round of the Presidential elections has generally been peaceful and its credibility not seriously contested, there are concerns of more serious security challenges, and allegations of rigging and fraud in the conduct of the runoff. The contenders in the second round have to display political maturity and statesmanship to pre-empt ethnic polarization and accept the outcome

to felicitate smooth transition to a post-Karzai leadership of unquestionable credibility.

An important consequence of the transition is the down turn in the Afghan economy, with adverse impact on political stability and security. Despite enormous expenditure and investment by international forces, Afghanistan's economy is not self-sustaining with 90 per cent of the economic activity generated by presence of foreign forces and aid. Reduction in international aid, retrenchment of local employees, including the security forces/services, slump in construction activity will have a severe impact estimated at 60 per cent reduction in the volume of the economy. The international pledges of assistance over the next 4/5 years would meet part of the shortfall, while Afghanistan's mineral and transit potential are unlikely to be realized in the near term. The situation is likely to cause an exodus of almost two million economic refugees, mostly to Pakistan.

A key element of the transition strategy was to seek a negotiated settlement with the Taliban. Unfortunately efforts in this direction have not made any progress and have almost been on hold during the run up to elections. Although the process has faltered, there have been continuing contacts between the various stake holders. I feel the post Karzai leadership would have a window of opportunity to restart the process and pursue it with a sense of urgency. Pakistan can play a substantive role in facilitating this process and must take the initiative to contribute. Our categorical policy pronouncements on no favourites in Afghanistan, non-interference in its internal affairs and unequivocal support to an Afghan-led peace process is a sound basis for closer ties with the new government. However we must be careful for no other regional/ or extra regional power have committed to such a strategic neutrality.

As we approach the timelines for the drawdown of ISAF from Afghanistan, there have been expressions of diverse opinions projecting numerous scenarios. I shall not venture into that. Analysis of the various scenarios highlight that basically two trajectories have been postulated, an optimistic trajectory, based on the assumption that all things go as strategized and a negative trajectory assuming that something or everything goes wrong. The broad consensus is that large parts of Afghanistan, especially the rural areas in the East and

South West, would not be under the control of the government. Similarly the Taliban are also unlikely to succeed in occupying Kabul or other major urban centres, creating a stalemate.

The situation in FATA and elsewhere in Pakistan is a consequence of the continuing strife in Afghanistan. The ominous prospects of continuing turbulence there will cast its shadow on us. With a wide open border and militants controlling or contesting parts of the border region, the extension and overflow of violence into our territories is quite likely. Accentuating Pak Afghan trust deficit, provision of sanctuaries to the TTP, border incursions, Indo-Afghan strategic agreement operationalized to accentuate Indian interference in Baluchistan/FATA, psychological fallout of perceived Taliban ascendancy, emergence of operational linkages between Afghan Taliban and TTP, fresh exodus of Afghan refugees and proliferation of weapons and drugs are the likely fallout and sources of concern.

Ladies and Gentlemen, Pakistan has been committed to a stable and peaceful Afghanistan. It is in our interest that the political, security and economic transition there is successful and ISAF exits deliberately under a negotiated settlement with all the stake holders. It should be our utmost endeavour to help realize these objectives. In view of the envisaged deadline for withdrawal of the bulk of ISAF, we only have a very short time window to put our house in order, operationalize our response, gain and consolidate control over all our territories, including NWA. This is crucial to our abilities to handle the uncertainties of post 2014. Moreover, it is about time that we muster the resolve and squarely address the issue of controlling the Pak-Afghan border by hardening and regulating it. Our efforts at mainstreaming FATA, gaining control over our territories and negating the misperception of sanctuaries ultimately hinge on our decision on the border. We also need clarity and resolve in our policies on the Afghan refugees, as there may yet be more refugees coming across, if the security or economic situation deteriorates.

The evolving situation in Afghanistan and the challenge of militancy/terrorism that we confront has a profound international context. Besides the US, the international community at large, including some of our closest friends, has serious concerns about how we handle these issues. Pakistan's standing in the comity of nations is directly affected by how our role is perceived in the Afghan end-



game and our success in tackling groups which perpetrate not only domestic extremism but also those which pursue an international agenda. In this our relations with the US are most crucial. Twenty fourteen is a watershed as the US undertakes its drawdown in Afghanistan. It also marks the culmination of the 5 years Kerry Lugar Burman aid package for Pakistan. As the two countries review and reset their post 2014 relations, it would be necessary to finalize a stable, multi-tracked broad strategic agenda for a relationship in pursuit of critical common objectives. The transitional nature of the partnership and the dependency syndrome that we have acquired must change. The re-commencement of the Strategic Dialogue is a positive step in framing such relationship.

Now a few words on the transition to our East, in India. As projected, BJP has registered a resounding victory, and Narendra Modi is the PM. We have also witnessed the visit of Mr Nawaz Sharif to Delhi. While speculations are rife about the Pak-India relations in the wake of these developments, it would be sometime before the real impact of these changes permeates the policy spectrum and translates into concrete actions. One can see many positives in the departure of PM Manmohan Singh, "The accidental PM" heading an unwieldy coalition, who in almost a decade couldn't muster the courage to visit Pakistan, and the emergence of a leader with a reputation of decision maker, heavy mandate and focus on geo-economics, albeit with an even heavier baggage of an extremist Hindu activist are two ponderable changes. Although optimism and a positive approach is useful, we must base our policy responses on a careful evaluation of the realities. Over the years there has been significant change in public perception, particularly in Pakistan, towards normalization of relations with India, it hasn't yet translated into any major breakthrough, which was expected. On the back of its increasing economic strength, soft power and strategic partnership with the US, India's new strategic orientation seeks a great power status on the global and regional stage. This new approach does not entail giving up its inexorable quest for hegemony within South Asia. Rather India knows that local hegemony will automatically derive from India's capacity as a great power in Asia and beyond.

India's growing status gives her a formidable advantage to leverage her position to seek her objectives viz Pakistan. In the post

9/11 environment, the persistent Indian perception and policy has been that the onus for doing anything to normalize our relations is on Pakistan. Even a dialogue or a visit is viewed as a concession or a reward for which Pakistan has to concede something. In a more sophisticated indirect approach, India never tires of its desire to seek constructive engagement with Pakistan. However it is not relenting in the application of non-kinetic means through media/perception management, exterior manoeuvring, economic degradation, diversion of our legitimate water resources and exploitation/sponsoring the dissident elements within our society. India has been continuing to orchestrate a low shade coercive strategy aimed at projecting Pakistan as a weak state beset with internal political squabbles and besieged by the militants/hardliners, who threaten regional and international stability. Increasing Indian influence over Afghanistan to aggravate Pakistan's security concerns, by fomenting trouble in Baluchistan, KPK and FATA is also a clear Indian objective. The limit is that they even refuse to engage in sports activities.

Pakistan must make every endeavour to normalize our relations with India. It is in the interest of the two countries and South Asia as a region. However, this cannot be achieved through unilateral Pakistani desires and one way visits by Pakistan leaders to Delhi on some pretext or the other. Reciprocity is the name of the game. Without it, a sustainable normalization/peace process is unrealistic.

To conclude, Ladies and Gentlemen, you have participated in in-depth deliberations on the emerging security challenges in this region. They might seem daunting. But given the resilience that our people have demonstrated in facing the dire straits that Pakistan had to endure over the last more than a decade, one can be optimistic. Let me also add that where there are challenges, there are opportunities as well.

The best thing that we can do to face the emerging environment is to put our own house in order, shun the denial mode that we get into on some issues, muster our total national power, resolve to squarely address our internal security dynamic and decide to stand on our feet, be in the field of national defence or economic well-being. ■

## **Concluding Remarks**

### **Kristof W. Duwaerts**

**I**n his concluding remarks, Mr. Kristof W. Duwaerts, Resident Representative, HSF, Islamabad appreciated the high standard of the discourse at the conference, the input of all speakers and the useful discussions that took place. He said that the conference had provided very workable recommendations in favour of regional cooperation in the light of the in depth discussions on the various aspects of the strategic environment during the conference. He thanked IPRI for organizing the conference and inviting 14 renowned speakers from eight countries. He recommended that such conferences should be held more frequently. ■

## Vote of Thanks

**Ambassador (R) Sohail Amin**

President, Islamabad Policy Research Institute (IPRI)

Honourable General Ehsan ul Haq NI (M), Former Chairman, Joint Chiefs of Staff Committee

Mr. Kristof Duwaerts, Resident Representative Hans Seidel Foundation,

Excellencies,

Distinguished Scholars,

Ladies and Gentlemen,

Good Afternoon.

**A**s we now conclude the conference, I wish to state that these two days were full of sharing, inspiration and renewal of commitment to proactively work for creating a promising post 2014 environment for Pakistan. Holding this conference was a source of great joy and pride for the Islamabad Policy Research Institute.

I sincerely thank General Ehsan-ul-Haq for sparing time from out of his busy schedule and for enlightening us with his concluding remarks as the Chief Guest. I take this opportunity to extend our most sincere thanks to all our guest scholars who came from different destinations for their contribution and support. I wish all the visiting scholars good luck in their endeavours and safe journey back home. I am sure they will be carrying fond memories of their stay in Islamabad.

I also wish to thank all the participants who attended the Conference for their valuable contribution and gracious presence. I thank the Hanns Seidel Foundation for making the conference possible. The Chief Guests at the inaugural and the concluding sessions, the Chairpersons of various sessions, the scholars who presented their papers and the audience who participated in discussions were contributors to all that has been achieved at the Conference. As a result of their contributions, we have been inspired and lifted to a higher pedestal in as far as our understanding of Pakistan's evolving strategic environment is concerned. Conference recommendations shall be shared with the policy makers in Pakistan as well as the public at large.

Before concluding, I wish to inform that the proceedings of this Conference will be compiled and published in the form of a book by the Islamabad Policy Research Institute very soon.

I thank you all. ■

## Recommendations

**Recommendations:** Deliberations during the conference brought forth a number of recommendations which are summarized below:

- After withdrawal of the US and ISAF troops, Afghanistan could face two main scenarios. First, its emergence as a stable and democratic state and, second, the eruption of a civil war resulting in insecurity, chaos and bloodshed. While Pakistan should be prepared to benefit from the first scenario it should also be prepared for facing the fallout of the second scenario.
- The fallout of the drawdown is to be closely watched. US strategic partnership with India, the talk of Asia pivot and China's Asia-centric policy, creates a climate in which Pakistan needs to adjust its policies.
- South Asian region is in a state of flux with competing economic visions being offered for its future. For Pakistan the critical choices are mostly internal. Focus should be on good governance and economy.
- To face the current and future challenges Pakistan's foreign policy should be alert, urgent and flexible and it should continue to strive for peace with all its neighbours and beyond.
- India would do well to provide Pakistan access to Bangladesh, Nepal and Bhutan. Pakistan should act as a conduit for India to establish links with Central Asia through Afghanistan. Of course, all this requires 'high politics' that must be addressed, the sooner the better.
- The thaw in Iran-US relations is a welcome development. This thaw would reduce US pressures on Pakistan in the context of construction of Iran-Pakistan gas pipeline and development of economic relations with Iran.
- To further deepen the Pakistan-China relations, the Chinese speaker emphasized the following:
  - Developing Kashgar as a special economic zone, upgradation of KKH, development of Gwadar sea port, establishing oil refinery at Gwadar and Gwadar-Kashgar pipeline on priority will facilitate China to import oil from Middle East via Pakistan.

- War or conflict between Pakistan and India will have negative impact on Chinese interests in the region and therefore China seeks to reduce tension between Pakistan and India.
- The major objective of Pakistan's regional pivot should be to translate close political relations with China into economic and energy relations. Ultimately Pakistan should serve as a regional trade and energy corridor particularly by providing an outlet to western China and Central Asia.
- Since both China and Russia have much at stake in stability of the region, they want to play a constructive role in economic integration of Central Asia and South Asia. Pakistan should support these two countries in this venture to benefit from inherent advantages of their policy.
- China's efforts to convert SCO into an economic and trade bloc are in line with Pakistan's desire of becoming a regional pivot, i.e., to serve as a regional trade and energy corridor.
- In view of Pakistan's evolving relations with Russia, following points presented by the Russian scholar are worth consideration:
  - Russia suggested Pakistan to achieve breakthrough in the field of improving relations with India, Afghanistan and Iran and become a flagship of stabilization of geopolitical situation in Central Asia.
  - Russia-Pakistan relations would progress fast if Pakistan supports Russia in political stability and economic development of Afghanistan.
  - Russia was interested in connecting infrastructures of Pakistan with that of Central Asia and Russian Siberia.
  - Russia wanted to consolidate Central Asia which would cement the whole Eurasian space and become a base for security and prosperity. Russia desired Pakistan to assist in strengthening Central Asia.■

## CHAPTER 1

# Post-2014 Afghanistan: Likely Scenarios and Impact on Pakistan

**Prof. Dr. Adnan Sarwar Khan<sup>1</sup>**

### **Abstract**

Though it would be quite difficult to predict, by and large, the post-2014 Afghanistan would have both positive and negative scenarios, from the standpoint of Pakistan and much of the rest of the international community, in the interconnected and interdependent perspective of the Liberal theorists, i.e., that not only the players and actors of the international system, sub-systems, and sub-sub systems are interdependent but that the effect of the policies and moves of one has an impact on others, at the bilateral, regional and international/global levels. Likewise, the scenarios would be unfolding and developing in the short, medium, and long term basis; especially in the backdrop of its most sensitive phase-2014-2020.

### **Introduction**

**T**his paper/presentation is based on the idealist-cum-realist theoretical framework of understanding and pragmatic applications of issues involved in the matter. This approach is adopted so as to strike a balance between what is being done and what ought to be done”, by the concerned countries; particularly by Pakistan, the United States/NATO/ISAF, Afghanistan, India, Iran, China, Turkey, the Russian Federation, Central Asian States as well as the non-state actors-the resistance forces, the Afghan Taliban, (AT), and Tehreek-i-Taliban Pakistan, (TTP), in and around Afghanistan. In this regard, it is important to understand that the post 2014 Afghanistan (and the likely scenarios; its impact on Pakistan) is going to be an interconnected and complex phenomenon which cannot be seen from Pakistan's standpoint only though indeed it would be one of the key countries in this connection.

---

<sup>1</sup> Professor and Chairman Department of International Relations, University of Peshawar.

## Post-2014 Afghanistan

The post 2014 Afghanistan is nobody's guess and though it would be very hard to foretell; let alone fully assess the emerging situations, by and large, it would have the mix and mess of both positive and negative scenarios for all the situations, starting for Afghanistan itself — the state, government and its people. However, equally important is to know that, at the moment; and since long, the main aims and objectives of the different entities in and around Afghanistan have been working at cross-purposes or at divergences rather than at points of convergences. Therefore, the emergence of the likely scenarios would be basically as these countries would like them to be insofar as they could possibly affect them. The impact too would be, in a big or small way, on all the important state and non-state entities starting primarily with none other than Afghanistan and Pakistan.

## Positive Scenarios

In the light of the recently held first phase of Afghan Presidential elections on April 6, 2014, which has passed quite successfully, there is a probability that a stable and democratic Afghanistan may finally emerge after the completion of its second phase on June 14, 2014. In this case, it is further expected that much against all the fears of insecurity, the new Afghan government with the support of majority of the people would be in a position to thwart much of the security threats from the militants in a quick or at least in a gradual but certainly consistent manner. This would be more so in the back up support of about 10,000 US troops; 9,800 to be specific, still there till December 2016.<sup>2</sup> However, this would mostly depend on the conclusion, which is quite likely,<sup>3</sup> or otherwise of the Bilateral Security Agreement, (BSA), of the new Afghan government with the United States.

In such a scenario when the BSA is in place in the backdrop of smooth transfer of power in Afghanistan after the successful elections, the chances of early peace would become bright, despite the Taliban threats. The overwhelming majority of the Afghans would get a great moral booster by this achievement of the transfer of power. At the same time, even in this apparently reasonable strong and stable situation, the Afghan government and people would be clearly advantaged if an intra-Afghan dialogue also gets initiated in earnest, good faith, consistently and most seriously; this can finally lead to the sharing of power by most of the stakeholders, particularly the mainstream leadership of the Afghan Taliban with the Afghan

---

<sup>2</sup> *News*, Islamabad, May 28, 2014.

<sup>3</sup> *Ibid.*



government, provided the former gets into the democratic dispensation for the good of the country.

However, for this to be truly productive, the Afghan government and the resistance would have to change their respective mindset of just not ruling this unfortunate country but to also take up the real responsibility for its present and long term future based on the lessons drawn from the past. This approach could only be adopted if there is a complete paradigm shift of thought. This would require great vision. It seems quite difficult as of now but is not impossible if the proud Afghans at long last realize their true worth in the background of their great history as a nation. Indeed, the Afghans must have the guts to give pleasant surprises instead of just indefinitely and senselessly indulging themselves in endless and quite useless violence, for whatever purposes. If this is not realized, they can be thrown by the basic law of nature, into the dustbin of history, forever.

- i. There are also fairly good chances that consequent upon the politically sound and stable Afghanistan, the US/West and the rest may significantly increase their financial assistance for the country. The Afghans need it more than ever. However, in this regard, the Afghans themselves have to make it more than sure that it is very transparently utilized and in this connection infrastructural development would have to be given top priority so that Afghanistan instead of becoming a parasite on others, stands on its own feet and starts positively competing with the regional countries, economically speaking, in this era of geo-economics. Financial corruption has already earned a very bad name for the Afghans particularly in the last two and a half decades or so. This is their unmaking. They must listen to the wake-up call for becoming a self-respecting nation-state. Certainly, any kind of democracy cannot flourish, anywhere, if it is devoid of good governance and accountability.
- ii. This possibility of politically and economically stable country can be greatly complemented if Afghanistan concludes treaty of peace, friendship and cooperation with all its neighbours as well as other regional and global powers. The true sense of a non-aligned and neutral Afghanistan can then be translated into practice with a modern and moderate Islamic Republic, with all its traditional values preserved. In this scenario, the emergence of Afghanistan as a zone of peace should also not be out of sight. This would invariably mean a wholly new set of relations of the regional and global players with the country in question. This by no means would be an easy task but as it is

said, "politics makes strange bed fellows." "The Great Game," now in its current shape, ought to be converted, sooner than later, into the perpetual phase of peace: 'The Great Game Changer', for development and progress in Afghanistan between itself and its neighbours, regional and international players. One can, by some stretch of imagination, be at least cautiously optimistic in the overall system of power play of power politics by the big/influential states of the region and the world, even after the end of the Cold War, in the era of the so-called New World Order which instead has turned out to be the 'New World Disorder'.

### Negative Scenarios

In most of the national, regional and international situations, as everybody knows, the positive aspects are alternated with the negative one's. This situation is all the more relevant in case of Afghanistan 2014 and beyond. Overall, after the prospects of positive scenarios, the following negative sides can also be as roughly or neatly sketched:

- i. The post 2014 situation may erupt into a full scale insurgency coupled with a fierce civil war in the length and breadth of the country or its main cities. This would actually mean that not only known resistance groups but some hitherto silent opposition, the nationalists, may also join the ranks and files of the Afghan Taliban and the remnants of al Qaeda. As a result of the decreasing number of the US troops till 2016, it is feared in this scenario that the Taliban's attacks would become more deadly exposing the country to serious insecurity, chaos and bloodshed, particularly in the northeast and southeast of the country.

This doomsday scenario may quite unwillingly compel the US to rethink about its complete withdrawal after 2016 and instead force them to re-deploy some sizable military presence; in the combat format, for the next decade or so, i.e., by 2020-2025 say; as per the US long term strategic agreement of 2012 with Afghanistan. It is in this scenario that, if not the US, the NATO is dropping clear hints that there will be no problem getting enough allied troops to reach the 12,000- force total that officials believe is needed in Afghanistan to train and assist Afghan forces beyond 2014.<sup>4</sup>

This number may increase to 14,000 to 15,000 according to Afghan Minister of Defence Besmellah Muhammadi after a meeting of

<sup>4</sup> *Frontier Post*, Peshawar, June 5, 2014.

- NATO and ISAF Defence Ministers was held in Brussels, on June 7, 2014.<sup>5</sup> In any case, over and above, the failure of Afghan National Army/Afghan National Security Forces would be, in the first place, a national shock for the nation looking forward for their ability to take up the challenge head on, resolutely and competently.
- ii. Quite understandably, this kind of a doomsday scenario would ultimately result in 3-5 years takeover time of most of Afghanistan by the resistance force, reversal to the pre- 9/11 situation and the proclamation of the Islamic Emirate of Afghanistan. Still, however, pockets of opposition to such a regime would be certainly there as was the case in the Taliban's 1996-2001 rule by the Northern Alliance. This, if at all it happens, may involve Iran again in the repeat display of 1999—2011 in active support for the opposition/resistance side from the periphery against the Taliban rule at the centre, i.e., Kabul. Verily, it would be very ironic.
  - iii. Consequently, the political, diplomatic and military/security boycott/sanctions of the Taliban's Afghanistan by the states of the region and the world at large/the international community would be quite intense. There will be general de-recognition of the regime except by the most important front line country-Pakistan, which would be doing it only with the overt or covert approval of the US/international community for the necessity of serving as a bridge between Taliban's Afghanistan and the rest of the world. However, this scenario is the least possible and would be avoided by all concerned at all costs.

### **Impact on Pakistan**

Pakistan-the frontline country, the third time in this part of the world, since the beginning of the Cold War, would be-for better or worse-the most affected country; both at the bilateral and regional levels. Pakistan, despite all the criticism levelled against it, has been playing a pivotal role in the struggle against terrorism, particularly since 9/11. And though some of its policies in this regard might not have clicked the way it had liked, Pakistan's resolve and determination, in this connection, was second to none all along during the crises. In this connection the "do more" mantra, notwithstanding, Pakistan's contribution has been unmatched and is duly recognized also, in the same breath, by all the critics — US, Afghanistan, and Iran, to name a few. In the same continuation, more worrisome is the fact that Pakistan's closest friend, none other than the People's Republic of

---

<sup>5</sup> Ibid.

China, has also shown its concern about the militancy in the Tribal Areas of Pakistan which has its repercussions in Uighur region of the country.<sup>6</sup>

### **Positive Impact**

- i. Clearly, Pakistan would immensely benefit from an economically and politically stable Afghanistan. Pakistan; which has already been contributing from time to time significant economic/financial and infrastructural development assistance to Afghanistan since 2002<sup>7</sup> can greatly increase their bilateral trade by taking it to 5 billion dollars mark in the next two years.<sup>8</sup> The two countries can further do well by documenting and formalizing the non-official, day to day trade between the people of the two countries. Pakistan can also have direct land route outreach to Central Asian countries for trade; something for which it has been waiting so impatiently since their emergence as independent republics in 1990-1991. This great boost and boom in trade can make Pakistan a regional hub through the port city of Karachi all the way up through the Afghan Trade and Transit Agreement, ATTA; first signed in 1955 in its enhanced form. Here, in fact, one must say that from amongst South Asian countries, Pakistan stands at the top due to its long geographical contiguity with Afghanistan. 'Geostrategic importance of a country implies the significance with respect to its location and the advantages it incurs because of its geography and it can help exercise a worthwhile influence on international level due to this. Pakistan is a link with the Persian Gulf and a gateway to China and the rest of South Asia. It provides access to the warm waters of Indian Ocean for land-locked Central Asian states and the Arabian Sea. It has common border with India. It is located close to the oil-rich Persian Gulf. The Strait of Hormuz is in close propinquity to Pakistan. It is a bridge between South Asia and South West Asia. Access to Afghanistan is given by the Khyber Pass and the Karakorum highway provides access to China. Karachi port provides refuelling stop for ships.'<sup>9</sup> This prized location of

---

<sup>6</sup> Rahimullah Yusufzai, "The to-do-more Pressure," *News International*, May 18, 2014.

<sup>7</sup> *Foreign Office Year Book* (Islamabad: Ministry of Foreign Affairs, Government of Pakistan, 2005-06), 18-24.

<sup>8</sup> *Dawn*, Karachi, May 2, 2014.

<sup>9</sup> Shanzeh Iqbal, *Statesman*, Peshawar, May 10, 2014.

Pakistan cannot be taken over by any country, let alone India. Both Afghanistan and India know it very well.

The people to people contact and trade between the two is so intense and spread over that even in the worst of politics and strategic relations, the trade and business of the two countries cannot be decreased, let alone stopped. This is an amazing reality; something which is always a permanent redeeming factor between the two: a matter of envy for some other regional players. The two countries can also enter into the (long over-due) joint defence agreement<sup>10</sup> or treaty of friendship and cooperation burying decades old hatchet and thereby heralding a new era in their otherwise not very smooth relations since 1947.

- ii. India-Pakistan competition for sphere/area of influence in Afghanistan may speedily decrease and instead cooperation can increase. However, for this to happen, India would have to understand Pakistan's economic, geographical, cultural, historic, ideological and geo-strategic importance for the government and people of Afghanistan.

Moreover, India could do well by not exploiting Afghanistan soil for raising groups prepared there to come into the Tribal Areas of Pakistan; and the other cities as well as in Baluchistan and Karachi. This scenario in this respect would depend much on India's long term reading of the situation from the regional context. Here, India has to make a crucial choice not to plunge into a turf war with Pakistan on Afghan soil and instead do whatever it can from the side lines to encourage Pakistan to push for a negotiated settlement between the Afghan Taliban and the new leadership.<sup>11</sup> In the same context Pakistan and Iran can also have a new beginning on Afghanistan. The inculcation of the vital element of trust between and among India, Pakistan, Iran, and Afghanistan; as well as between the United States, Pakistan and other countries mentioned above is indispensable. All of them have to, somehow, quickly move beyond just their narrow national interest based on short term objectives.

---

<sup>10</sup> Mujtaba Razvi, *The Frontiers of Pakistan: A Study of Frontier Problems in Pakistan's Foreign Policy* (Karachi-Dacca: National Publishing House, 1971), 157.

<sup>11</sup> M. K. Bhadrakumar, "Let Kabul Go its way," *Statesman*, Peshawar, June 11, 2014.

- iii. The speedy return of the remaining Afghan refugees from Pakistan to Afghanistan will enable Pakistan to have a better law and order situation and with a more focused attention on the socio-economic conditions of its citizens, particularly those in FATA, Khyber Pakhtunkhwa, Balochistan and Karachi.

### Negative Impact

- i. In case of civil war, the (new) influx of Afghan refugees would be accelerating thereby further overburdening Pakistan's already fragile economy. This situation may also result in putting internal security of Pakistan at additional risk. At the height of the Soviet intervention in Afghanistan, 1979-1989, there were at least four million refugees housed by Pakistan: over all, 6.2 million in both Pakistan and Iran.<sup>12</sup> Even after that, till now, specifically after 9/11 there are reports that this number, is not less than two million even by conservative estimates.<sup>13</sup> By this standard, the refugees in case of civil war in Afghanistan can swell up to four million again. This would be unbearable for a cash-starved Pakistan.  
Also, there may be the dreadful scenario of Pakistan been used by the warring Afghanistan commanders, war lords, and drug mafia for transit route for drug trafficking to finance their war machines.<sup>14</sup>
- ii. The renewed and reinvigorated Indo-US-Afghanistan equation, at Pakistan's expense, can put Pakistan in a very tight geopolitical/geostrategic position. This may again compel Pakistan to think of having relations with some "good Taliban" if the situation worsens.
- iii. Pakistan will furthermore rely on a defence/security oriented foreign policy of a very difficult two-front nature. Both India and Afghanistan have sine 1947 kept the situation tense what with Afghanistan's 'Durand Line stance and Pakhtunistan' stunt,<sup>15</sup> forcing Pakistan to join SEATO, (Southeast Asian

<sup>12</sup> William Maley, *Rescuing Afghanistan* (London: Hurst & Co., 2006), 9.

<sup>13</sup> Abul Sattar, *Pakistan's Foreign Policy, 1947-2012: A Concise History* (Karachi: Oxford University Press, 2013), 206

<sup>14</sup> Bassam Javed, "Pakistan in the backdrop of Afghan run off elections," *Frontier Post*, Peshawar, June 11, 2014.

<sup>15</sup> Mujtaba Razvi, *The Frontiers of Pakistan: A Study of Frontier Problems in Pakistan's Foreign Policy*, 151.

Organization), and CENTO, (Central Treaty Organization). during the Cold War.

## **Conclusion**

The post 2014 Afghanistan can be a new Afghanistan with a new history in place of the current one filled with blood and brutality. Any shape it will take is going to be largely the decision of the Afghans and Afghans only more than any other state or non-state entities. The Afghans have to make sure that due to their unending internal rifts they do not provide any opportunity, whatsoever, to any internal or external elements to exploit them for their vested interests. It is for this reason that Pakistan supports an Afghan led and Afghan owned solution of the conflict with no favourites.

From Afghanistan's side it is necessary that the blame game is given up. It must understand that a chaotic, unstable and crises-ridden Afghanistan is completely against Pakistan's national security and economic interests. Pakistan just like Afghanistan does not want to see vacuum in Afghanistan after the US withdrawal. This can be a very strong common concern to work upon in the post 2014 Afghanistan scenario. Afghanistan must not unnecessarily distrust Pakistan. That will be a non-starter unfortunately.

Pakistan has already played a very positive role in the recently held Presidential elections by looking after the border so that no militant elements can cross into Afghanistan for attacks during the event. Now, it is Afghanistan's turn to reciprocate. In sum and substance, Afghanistan, Pakistan and the others will have to go the extra mile to accommodate one another for the long term peaceful and prosperous future of the people of the region. Rhetoric would have to be converted into reason, rationality and reality; by all, without exception. Above all, the usual difference between policy and posturing will have to be shunned by the powers which call the shots. And yet, in the short term, this may not fully mean that the traditional combination of diplomacy, peace and power in the pursuance of national interest of states on any serious controversial matter will fade away so rapidly. It is just to say, nevertheless, that diplomacy ought to be given more chance for the negotiated settlement of the disputes.

After the US withdrawal from Afghanistan it would be a serious blunder if Pakistan is sidelined and its all-time significant role is ignored. The US/West should not make any mistake concerning Pakistan's due role in Afghanistan. The United States must trust Pakistan as Pakistan should also be doing it for the United States. In addition, Afghanistan and Pakistan ought to fully capitalize on the 'Istanbul Process' for the solution of the problem for which Turkey, as a host and go-between, is playing a fine role

for the last couple of years. This should be done by choice and not by compulsion, as mostly is the case with US-Pakistan relations. The “deadly embrace”<sup>16</sup> of United States with Pakistan; using Bruce Reidal’s terminology, must change into “friendly embrace”. Taking Pakistan fully into confidence is very essential with regard to 2014 and ahead. Pakistan in the region holds tangible significance for the US<sup>17</sup> (and for that matter for the other countries as well). This reality must not be overlooked by anyone-regional or international powers. On Pakistan’s part also equally important is the fact that there is a drastic foreign and defence policy shift in order to contribute towards Afghanistan and regional stability.

In case of very unstable post 2016 Afghanistan, some international organizations and countries, like the United Nations, the Organization of Islamic Conference; Germany and Japan-which may be acceptable by the majority of Afghans-can play the role as peacekeepers for the transitory period in the country to help the government and the people there. It must be pointed out here that Germany and Japan have been playing a very positive non-combatant role under the banner of ISAF 2001. Germany enjoys Afghan trust as “friends in need” since the 1920s.

In a positive development the US Deputy Secretary of State, William J. Burns during his visit to Pakistan on May 9, 2014, met with the advisor to Prime Minister on Foreign Affairs Sartaj Aziz, Special Assistant to the Prime Minister Tariq Fatimi and Chief of the Army Staff General Raheel Sharif, and discussed the post 2014 scenario in Afghanistan and matters relating to Afghan Peace and reconciliation process.<sup>18</sup> Now, finally, Pakistan ought to be considered a part of the solution rather than part of the problem by all concerned.

Pakistan, in actuality, just wants this much; nothing less, nothing more. ■

---

<sup>16</sup> Bruce Reidel, *Deadly Embrace: Pakistan, America and the Future of Global Jihad* (Washington DC: Brookings Institution Press, 2011), 1.

<sup>17</sup> Tariq Fatimi, “The 2014 Withdrawal and Pakistan,” *Express Tribune*, Karachi, January 20, 2014.

<sup>18</sup> *Statesman*, Peshawar, May 10, 2014.



## CHAPTER 2

### **The Role of Neighbours in Stabilizing Afghanistan: Focus on Iran and Pakistan**

**Didier Chaudet**

#### **Introduction**

**H**istorically, the Western analysis of Afghanistan could have led us to believe that this country is an island, disconnected from its regional environment. One can hear about Pashtun tribes, local minorities, international actors coming from far away to intrude in local affairs, but rarely of the connections those different local groups have at the regional level. Still nowadays it seems possible, for some, in the West but also elsewhere, to talk about Afghanistan without having a real knowledge of the fields composing the “Afghan regional environment”, as if Kabul could be analysed without having Teheran, Islamabad, or even Tashkent in mind. Of course such an approach is far from the truth: it explains why the Americans came, at the beginning of the “War on Terror”, with the notion of “AfPak”. It was a simple recognition of something well-known regionally: Afghanistan and Pakistan, are, as Karzai once said, “twin brothers”, joined at the hip through the Pashtun population, divided in two by the Durand Line. But as some explained<sup>1</sup>, it would have made as much sense to talk about an “Af-Ir” region, with the cultural, linguistic, political and diplomatic links between Iran and Afghanistan, as well as a local “Af-Ir strategy”, as European and American policy makers have to admit that broadly speaking, “Iran has been good for Afghanistan”<sup>2</sup>. Those facts make Iran and Pakistan of primary importance in Afghanistan’s regional environment. But Central Asia and Xinjiang are also connected to this country, for better and (mostly) for worst. It explains China’s “Silk Road” approach, promoted by Xi Jinping during his visit to Central Asia

---

<sup>1</sup> George Gavrillis, “Harnessing Iran’s Role in Afghanistan,” Council on Foreign Relations, June 5, 2009, <http://www.cfr.org/iran/harnessing-irans-role-afghanistan/p19562>, (accessed May 4, 2014).

<sup>2</sup> *Idem*

between the 3<sup>rd</sup> and the September 13<sup>th</sup>, 2013<sup>3</sup>, and the notion of “Greater Central Asia”, promoted by Frederick Starr from the CACI (Washington D.C.)<sup>4</sup> and partly responsible for the birth of a “Central and South Asia” section at the State Department<sup>5</sup>. They show the international recognition of the fact that links between Afghanistan and its Northern/Eastern neighbours are also of importance.

Indeed, to think about Afghanistan politically speaking without taking into account its regional environment would be limited at best. It is particularly true in terms of security: all the neighbours of Afghanistan have been directly or indirectly threatened or attacked by non-state actors which have used Afghanistan as a safe haven, and who have found allies in the Taliban (being the TTP or the Afghan Taliban) and the drug traffickers active there. Even if the Afghan regional environment has an amazing cultural, political and trading history in inheritance, for now those countries are linked for the worst, not for the better. Hence the importance of Afghan stability for the region: foreign powers can intrude in Afghan politics and leave to focus on other issues, seen as more important at the time (Syria, Libya, Ukraine...). Regional countries do not have this luxury: even if they don't want to focus on Afghanistan, they have to, for their own safety. And of course, it is particularly the case for the countries most connected with Afghanistan historically, culturally, politically, and diplomatically, the ones sharing important borders with this country, i.e. Iran (936-kilometre-long border) and Pakistan (2 640-kilometer-long border). More than any other regional countries, they need a stabilized Afghanistan to protect the stability of at least part of their own respective territories. Afghanistan has been, and continues to be, an “enduring curse” for them, as we will see in the first part of this presentation.

Once this fact is confirmed, the second part will analyse the diplomatic choices the Iranians and the Pakistanis have done on

---

<sup>3</sup> Didier Chaudet, “Chinese diplomatic policy in Central Asia: When Beijing looks West” (in French), October 1, 2013, [http://www.huffingtonpost.fr/didier-chaudet/la-politique-chinoise-en\\_b\\_4004694.html](http://www.huffingtonpost.fr/didier-chaudet/la-politique-chinoise-en_b_4004694.html), (accessed 15 May 2014).

<sup>4</sup> Central Asia – Caucasus Institute, one of the most important think tanks in the US for Central Asian affairs.

<sup>5</sup> Fred Starr, “In Defense of Greater Central Asia,” Policy Paper, CACI, September 2008,

[www.silkroadstudies.org/new/docs/Silkroadpapers/0809GCA.pdf](http://www.silkroadstudies.org/new/docs/Silkroadpapers/0809GCA.pdf), (accessed May 2, 2014). One can debate if Fred Starr is the main source of inspiration for the State Department to associate Central Asia and South Asia.

Afghanistan, while the third part will focus on the Iran-Pakistan relationship, to see if regional cooperation is truly possible. Indeed, the main question is: are Iran, Pakistan, and broadly speaking the neighbours of Afghanistan, up to the task? Will they be able to work together and adapt their foreign policy choices in such a way that Afghanistan could actually have a chance for more stability and peace after 2014?

### **The Afghan Issue being an Enduring Curse for its Regional Environment**

Before going into detail to see if the regional actors could be up to the task and truly help to stabilize Afghanistan, one should ask oneself: what are the incentives for the regional actors to be helpful to Afghanistan? The general answer is of course to explain that to help Afghanistan is, in more ways than one, to help themselves. And it is particularly true for Pakistan and Iran.

#### *A Burden and a Security Risk: What the Afghan Issue Means for Teheran*

One can divide the problems coming from Afghanistan to Iran into three main issues:

First, one needs to take into account the drug trafficking coming from Afghanistan to Iran. It is no small matter, as one can see through the last official numbers related to this plague. As explained by the Iranian Minister of Interior, Abdolreza Rahmani Fazli in a declaration to the press made on the 18th of March 2014, the authorities have seized 530 tons of drugs since March 2013. Seventy seven per cent of it is opium coming from Afghanistan<sup>6</sup>. Drug addiction has become a grave health and social issue for Tehran: 1.3 million Iranians are addicts, and it appears that there are 130 000 more added each year<sup>7</sup>. Six million Iranians are affected one way or the other by problems linked to drugs. And things will get worse before they get better: the importance of drug trafficking has made the criminal underworld stronger, and eager to prosper through the drug market. Traffickers do not limit themselves to Afghan opium and heroin anymore.

---

<sup>6</sup> Agence France-Presse, "Iran says drugs seizures up over past year," *Global Post*, March 18, 2014, <http://www.globalpost.com/dispatch/news/afp/140318/iran-says-drugs-seizures-over-past-year>, (accessed May 12 2014).

<sup>7</sup> Hashem Kalantari & Fredrik Dahl, "Iran has 130 000 more addicts each year: report," *Reuters*, November 15, 2009, <http://www.reuters.com/article/2009/11/15/us-iran-drugs-idUSTRE5AE0Z020091115>, (accessed May 20, 2014).

They invest the money gained from this Afghan-Iranian “business” on other drugs one can find now in Iran, like cocaine and, more recently, meth<sup>8</sup>. Important beneficiaries of such traffic are the Taliban themselves: they were collecting no less than \$125 million a year in opium production in 2009, *before* it actually came to be used in the high-end value aspects of the heroin industry. And to fight such industry will be difficult, as it feeds half a million families in Afghanistan itself. Hence Iran is condemned for now to wage a true “War on Drugs” all by itself, without real support from the international community. Because of this war, between 3 700 and 4 000 Iranian soldiers and policemen lost their life in fights with traffickers at the Afghan-Iranian border. Those traffickers are often heavily armed<sup>9</sup>. And Tehran has to spend \$1 billion a year on anti-drug trafficking operations<sup>10</sup>. At the end of the day, the Iranian forces can only contain the threat. Only through a stabilized Afghanistan with true rule of law and a center controlling the whole country is there a chance to truly fight the problem at its source.

Second, there is the impact of the Afghan refugees: of course, from an external point of view, it is easy to criticize human rights violations, which indeed happen. But it makes no sense to make such criticism without remembering that Iran and Pakistan alone are the one having to deal with an important number of refugees and illegal immigrants coming from Afghanistan. In the 1980s, the refugees/migrants were around 2 million, in 1991-92, up to three million, and at the end of the 2000s decade, they were still around 2.5million: 954 000 legally, 1.5 million illegally. Numbers in 2013 seem nearer 3 million again, with 800 000 registered as refugees, and two million are believed to be illegal migrants. In comparison, the Western world has had to deal only with 36 000 asylum seekers in 2012, and 60 000 in 2013<sup>11</sup>. Afghan refugees came to Iran at first during the Iraq Iran war, in the 1980s, as it needed the manpower that this migration represented. But

---

<sup>8</sup> Ramina Naval, “Breaking bad in Tehran: how Iran got a taste for crystal meth,” *Guardian*, May 13, 2014, <http://www.theguardian.com/world/2014/may/13/breaking-bad-tehran-iran-crystal-meth-methamphetamine>, (accessed May 14, 2014).

<sup>9</sup> Didier Chaudet, “Iran’s diplomacy towards Afghanistan: a stabilizing factor?” ISAS Working Paper, no. 152, July 12, 2012, 4-5.

<sup>10</sup> “Customs Officers Seize Tons of Heroin Precursors in Northeastern Iran,” *Fars News Agency*, January 8, 2014, <http://english.farsnews.com/newstext.aspx?nn=13921018000671>, (accessed May 10, 2014).

<sup>11</sup> Rod Nordland, “Afghan Migrants in Iran Face Painful Contradictions but Keep Coming,” *New York Times*, November 20, 2013, <http://www.nytimes.com/2013/11/21/world/asia/for-afghan-refugees-in-iran-painful-contradictions.html>, (accessed May 10, 2014).

after the war, Afghan refugees appeared to compete with the working poor in Iranian cities, and government had trouble dealing with them. This created resentment against them though the Iranian authorities did not favour this xenophobia. But the economic situation in Iran weakened by American sanctions was not helpful in facing the migrant burden. Since the time of Ahmadinejad, there has been a policy of encouraging both legal and illegal migrants to go back home. But conditions in Afghanistan are an obstacle. The deportation policy against illegal migrants is clearly not working. In 2009, over nine hundred a day were being deported which fell to less than 800 in 2010..yet as many cross the border illegally every day in search of work.<sup>12</sup> This situation is likely to continue till Afghanistan is stabilized.

Last, but not least, there has been an Afghan impact on Iranian security: especially in the 1990s, it appeared very clearly to the Iranians that important Afghan political actors were strongly anti-Shia, hence anti-Iran. Iran and local Shia Afghans tried to find a common ground first with Hekmatyar, then with the Taliban. Tehran was surprised by the rise of the Taliban at the time, as it did not have sufficient intelligence and contacts in the Afghan south and the east. But in 1995 they became aware of the Taliban's radically anti-Shia ways: the Taliban, at that time, invited the leader of the Hizb-e-Wahdat, the only Hazara political party, Mazadi, to talk. But they used the excuse of a clash with another Shia group on the battlefield to kill the whole Hazara delegation. From 1996 the Taliban opened the Afghan territory as a safe haven to all Sunni Iranian rebels from the Turkmen and the Baloch minorities<sup>13</sup>. Afghanistan has also been a safe haven for anti-Shia militants from other nationalities, like miscreants guilty of sectarian killings in Pakistan. Later in the 1990s, the killing of Hazara civilians, as well as the murder of 8 Iranian diplomats and one journalist from the Iranian consulate in Mazar-i-Sharif in August 1998 was proof enough that the Afghan Taliban were, at least at the time, ideologically driven against the Shia Muslims and the Iranians. According to some observers the "hawks" around Mullah Omar wanted to provoke a war with Iran<sup>14</sup> after defeating the Northern Alliance. In fact, only Iranian restraint checked the situation from worsening. It is feared extremist groups active in Afghanistan may pose such a threat again after 2014. Hence Iran needs not

---

<sup>12</sup> Didier Chaudet, "Iran's diplomacy towards Afghanistan: a stabilizing factor?" 6-7.

<sup>13</sup> John Parker, *Persian Dreams. Moscow and Tehran since the Fall of the Shah* (Washington D.C.: Potomac Books, 2009), 178.

<sup>14</sup> Steve Coll, *Ghost Wars*, (New York: Penguin, 2004), 340.

only a stable Afghanistan, but a neighbouring state with democracy and rule of law. Only this way can the relationship be peaceful.

*A “twin brother” but also a source of trouble<sup>15</sup>: the impact of the Afghan issue on Pakistan.*

Pakistan has to deal with exactly the same problems related to drug trafficking and refugees. As far as drug consumption and drug trafficking are concerned, the recent numbers are particularly striking: Pakistan consumes 44 tons of heroin each year, and 110 tons of heroin and morphine transit through Pakistan to other countries. There are 4.25 million addicts. In KPK alone, 11 per cent of the people are said to use drugs. Of course this is directly linked to the situation in Afghanistan since the 1980s<sup>16</sup>. In 1980, one needs to keep in mind that there were only 50 000 drug addicts in whole Pakistan. Everything changed because Pakistan became an important transit route for the drugs originating from Afghanistan. Now because of this easy access to drugs, and their cheaper cost — only US\$4 a gram, when the same quantity costs \$100 in Europe and \$200 once in the US<sup>17</sup> —, there are 600 000 more drug users each year<sup>18</sup>. KPK is an easy target for drug traffickers, but Pakistani Balochistan is also easy access from Kandahar and Helmand, two important Afghan producers of opium<sup>19</sup>. Drugs from Afghanistan are entering as much through this territory as they do from KPK or FATA<sup>20</sup>. The influx of drugs and criminal influence coming to Baloch territory from Afghanistan to Pakistan and Iran has to be taken into account when one talks about security issues connected with funding of terrorist activities from drug money. Indeed, the financial side of drug

<sup>15</sup> When the “twin brother” is presented as a source of trouble, it is because its own house is in trouble, not because he would be trouble instead. Clearly Afghanistan, Iran, and Pakistan are suffering from problems sharing the same roots, making those three states victims of a difficult situation.

<sup>16</sup> David Browne, “How Pakistan succumbed to a hard-drug epidemic,” *Telegraph*, March 23, 2014, <http://www.telegraph.co.uk/news/worldnews/asia/pakistan/10705585/How-Pakistan-succumbed-to-a-hard-drug-epidemic.html>, (accesses May 4th, 2014).

<sup>17</sup> Palash Ghosh, “Pakistan: Half-Million Hard Core Heroin Addicts and Counting,” *International Business Times*, August 9, 2012, <http://www.ibtimes.com/pakistan-half-million-hard-core-heroin-addicts-and-counting-742568>, (accessed March 12, 2014).

<sup>18</sup> Huma Yusuf, “The Drugs of War,” *New York Times*, November 9, 2012, <http://latitude.blogs.nytimes.com/2012/11/09/the-war-in-afghanistan-brings-drugs-to-pakistan/>, (accessed March 3, 2014).

<sup>19</sup> Helmand, Kandahar and Farah are the three provinces producing the most poppy, and they are all neighbors to Pakistani territory.

<sup>20</sup> Pierre-Arnaud Chouvy, “Opiate Smuggling Routes from Afghanistan to Europe and Asia”, *Jane's Intelligence Review*, vol.15, no, 3, (March 2003): 32-35.

trafficking is hurting Pakistan strongly. It feeds terrorism, and give great power to the criminal underworld, and to non-state actors, in South-West Asia (Iran, Afghanistan, Pakistan) as a whole. Since the beginning of the decade 2010 it clearly appears that the Taliban are not only part of this business, they are also ruling it, giving them the financial means to have influence and create trouble at the Afghan-Pakistani border<sup>21</sup>. The criminal world inside Pakistan has clearly been made strong through the drug trafficking of the Taliban's which generates no less than US\$2 billion a year<sup>22</sup>. There is cooperation between the Pakistani mafia, the Taliban, and Latin American cartels, which explains the appearance of South American cocaine in Pakistani cities<sup>23</sup> ...

On the issue of refugees again the situation is similar to Iran. According to the Minister for States and Frontier Regions, Abdul Qadir Baloch, Pakistan has spent no less than US\$200 billion in 30 years for the Afghan refugees<sup>24</sup>. Pakistan's economy is not under international sanctions like Iran's, but it is still a weak one, where the working poor are numerous and can easily see the Afghan refugees as competitors. The Afghan refugees are active in the country's economy, and they work hard for their survival<sup>25</sup>. But no country could accept many poor foreigners on its land for an extended period.

The impact of Afghan problems on Pakistan's security is more crucial. It is easy to see that without the Afghan Taliban, without the "War on Terror", there would be no TTP, no "Pakistani Taliban" targeting the state. Afghan troubles have destabilized the tribal areas since the 1980s to some extent. Traditional tribal authorities have been severely shaken by the flow of weapons and money that has given power to the mullahs and young men. After the disillusionment brought by the civil war between Afghans when the Soviet Army left, the Taliban appeared as a solution that deserved

---

<sup>21</sup> Ron Moreau, "The Taliban's New Role as Afghanistan's Drug Mafia," June 12, 2013, <http://www.newsweek.com/2013/06/12/talibans-new-role-afghanistans-drug-mafia-237524.html>, (accessed May 11, 2014).

<sup>22</sup> J.T. Quigley, "Pakistan: The Most Heroin-Addicted Country in the World," *The Diplomat*, March 24, 2014, <http://thediplomat.com/2014/03/pakistan-the-most-heroin-addicted-country-in-the-world/> (accessed April 2, 2014).

<sup>23</sup> "Pakistan drug trade blights 'Land of the Pure'," *Dawn*, December 15, 2013, <http://www.dawn.com/news/1074091>, (accessed May 10 2014).

<sup>24</sup> "Burdened economy: 'Pakistan has spent \$200b on Afghan refugees,'" *Express Tribune*, October 26, 2013, <http://tribune.com.pk/story/622518/burdened-economy-pakistan-has-spent-200b-on-afghan-refugees/>, (accessed March 10, 2014).

<sup>25</sup> Dunya Aslam Khan, "UNHCR looks at the economic contribution of Afghan refugees in Pakistan," UNHCR, January 10, 2011 <http://www.unhcr.org/4d2b1dd96.html>, (accessed March 3, 2014).

support not only on the Pashtun territories in Pakistan, but also in the tribal areas in Pakistan<sup>26</sup>. Indeed, over time, the Pakistani Taliban who founded the TTP and the Afghan Taliban grew apart in terms of tactics. But “Pakistani” Taliban are still fighting in Afghanistan and not necessarily only in Pakistan. And there are suspicions that some Afghan Taliban are offering support to TTP “brothers” in return. To fight side by side for decades, to have close ideological links (even if the TTP has been much more influenced by foreign jihadists), and even closer business links (drug smuggling for example) makes the possibility of an ever stronger alliance among these groups against regional states, quite plausible. This necessitates to have North Waziristan totally under government control by the end of 2014, to face any mischief from a regrouped terrorist combine with an anti-Pakistani agenda.

### **Iranian and Pakistani Policy Choices towards Afghanistan So Far**

Can the problems that involve Afghanistan and Pakistan have an impact on Iranian and Pakistani foreign policies? This question is addressed in the second part.

#### *Iran as a Force of Stability for Afghanistan?*

Bias automatically creeps in when one talks about Iran in the West as if Teheran has dark designs in the region, on its West and East ignoring the reality of Iranian foreign policy, which has been, especially since 1989, more defensive than aggressive in nature. Indeed, the Iraq-Iran War (September 22, 1980 – August 20, 1988) was a national trauma proving the Iranians’ resilience, but also the limits of their state’s power and ability to impose its will outside its borders. It is only natural that after this first Persian Gulf War, Iranian diplomacy has been mostly dominated by pragmatism, associated with traditional national pride and the desire for independence, something pretty natural for any free country. And the Iranian approach towards Afghanistan is no different. Rather than imagining an Iranian “neo-imperialism” the Iranians for reason explained in part 1 have had a constructive approach with the desire to talk with different actors to ensure Afghanistan does not fall into total chaos, or become a safe haven for extremists, two outcomes that would be highly detrimental to

---

<sup>26</sup> Claudio Franco, “The Tehrik-e-Taliban Pakistan,” in *Decoding the New Taliban. Insights from the Afghan Field*, ed. Antonio Giuztozzi (London: Hurst & Company, 2009), 271.



Iran's interests. Such an approach is aligned with the interests of the US and the international community, though the West, for ideological and geopolitical reasons, has been unable to take that into account while dealing with the Afghan issue since 2002.

Before the beginning of the "War on Terror", the Iranians were the first to understand how dangerous the regime of the Taliban could be, and how it could spread terrorism in the region. As a Shia country, they experienced first-hand the anti-status quo attitude of the Afghan "Emirate". After October 1998 and the Iranian show of force at the border, with the mobilization of 200 000 soldiers, it became obvious that reconciliation was not possible with the Taliban. Indeed, the moderate/pragmatic Taliban, especially affiliated to the Emirate's "Foreign Ministry" wanted to appease their neighbour. But they were opposed by an important force inside Afghanistan at the time: al Qaeda, and the hawkish section of the Taliban following an ideological, anti-Shia agenda<sup>27</sup>. This situation made Iran the most active force against Taliban influence, even before 2001. In 1998, the Americans had also been struck by terrorists, but far away from home, in Eastern Africa: there was a beginning of a convergence of view between Iran and the US, but of the two, the Iranians were the one with the clarity of view and objectives. By the end of the 1990s, they had sent millions of dollars worth of weapons to Ahmad Shah Massud. More importantly, they helped the Northern Alliance, internally very divided, to stay unified. They reassured the Shia Muslims in the coalition with their support, and they opposed the tendency of the Uzbeks to oppose one another, following the rivalry between Rashid Dostum and Abdullah Malik at the time. Thanks to this important involvement, when the US understood, too late, the danger of the Taliban, after 9/11, Iran was able to be the best possible ally. Iran facilitated the Northern Alliance' partnership with the US and it was the Iranians again who made the Tajik-dominated alliance accept Hamid Karzai, a Pashtun, as the president of the post-Taliban regime<sup>28</sup>. Unfortunately, as a "reward" for their support, the Bush administration grouped Iran with two totalitarian states in the infamous "Axis of Evil" speech at the beginning of 2001.

Still, such ingratitude did not make Iran eager to change its positive policy in Afghanistan. Iran's geography compels it to want Afghan stability. It explains why the American accusation did not stop the Iranians from

---

<sup>27</sup> Leah Farrall, "Interview with a Taliban Insider: Iran's Game in Afghanistan," *The Atlantic*, November 14, 2011, <http://www.theatlantic.com/international/archive/2011/11/interview-with-a-taliban-insider-irans-game-in-afghanistan/248294/>, (accessed May 2, 2014).

<sup>28</sup> Didier Chaudet, "Iran's diplomacy towards Afghanistan: a stabilizing factor?" 9-10.

signing a 'Good Neighbour Agreement' with Afghanistan in December 2002. The goal of Teheran here was to reassure the Afghans that they will always respect their country's territorial integrity dispelling any fear of Persian "neo-imperialism" on Western Afghanistan. The agreement has been very helpful to the Karzai government: it is important to remember, for example, that between 2001 and 2009, the humanitarian help of Iran to Afghanistan was of US \$600 million, an important amount for a country with its own financial troubles. Moreover, it has been very active in investing and rebuilding Afghanistan, especially its West. Again here, it is a question of national interest combined with regional ones. To help rebuild Herat in particular, to build roads and electricity essential for trade and to win Afghans' hearts and minds, is also the best way to secure the Eastern flank of Iran. Indeed, after being opposed by the Taliban, it appears that from 2009/2010, the Iranians accepted they were part of the Afghan reality, and began to build diplomatic relationship with them. But it is not different from what the Afghans, Pakistanis, Americans themselves have tried to do in the last few years. It does not mean any ideological convergence. It is just pragmatism, the same one that made Iran so helpful to Afghanistan so far. And it is actually in continuity with an older position of the Iranians, from 1997: the conviction that peace is possible in Afghanistan only through political talks, not military means<sup>29</sup>.

There have been persistent rumours of Iranian weapons being used by the Taliban in their fight against NATO forces. It has been easy to deduce from these accusations the charge of "double game" against Iran, the same accusation too often heard against Pakistan, the main ally of the West in the Afghan War. But the fact and the matter is, there is no concrete proof of Iranians supporting the Taliban. One can take as an example the first time there has been such accusation, in 2007. Allegedly this Iranian weaponry "appeared" at the time when the Taliban began to have some control over parts of the Iranian-Pakistani border. The idea that the Taliban, or the drug lords, were buying weapons in a country where they can sell heroin is not far-fetched<sup>30</sup>. Again in 2009 there was rumour of a landmine called "Dragon" which could destroy large tanks. "One Taliban commander" who is said to have mentioned the "Dragon" it turned out was actually referring to two or three TC-6 mines put together. Those mines are manufactured...

---

<sup>29</sup> Bruce Koepke, "Iran's Policy on Afghanistan. The Evolution of Strategic Pragmatism," *SIPRI*, September 2013, 8-16.

<sup>30</sup> Gareth Porter, "Gambit to link Iran to the Taliban backfires," *Asia Times*, June 13, 2007, [http://www.atimes.com/atimes/Middle\\_East/IF13Ak02.html](http://www.atimes.com/atimes/Middle_East/IF13Ak02.html), (accessed May 1, 2014).

in Italy, have been in the Afghan territory since the jihad against the Soviets, and are rather easy to obtain<sup>31</sup>.

Last, but not least, this accusation is clearly not taking into account the fact that because of the never-ending state of war in Afghanistan, the trafficking of Western, Russian, Chinese and Iranian weaponry has become a common thing. If the origin of a weapon makes the country in question responsible, then the US would be in trouble: in April 2012, to illustrate this particular kind of illegal activity, a journalist<sup>32</sup> talked about 232 P226 pistols that found their way to the hands of LeJ militants, anti-Shia militants accused of terrorism in Pakistan. This weapon often used by NATO or American forces, like the Navy Seals, is manufactured by SIG Sauer, a German firm: does it mean that Americans or Europeans are responsible? One way or the other, to use this story to define the Iranian policy towards Afghanistan would not help to understand it.

*Pakistani Diplomatic Choices towards Afghanistan, Past and Present: Taking the Evolution into Account*

At the same level of Iran at the international level, Pakistan is often criticized by Western analysts, at a more regional level, specifically on its relationship with Afghanistan. In some Western minds in particular, Afghanistan would be the innocent victim, and the NATO forces indirect ones, of Pakistani policies. The problem of such an analysis, is that it is very far from the truth. There is a need to analyse rather than criticize the history of Afghanistan-Pakistan relationship, to understand that it has not been, in the long term, a relationship between an “abuser” and a “victim”, but rather traditional geopolitical rivalry that has turned horribly wrong, hurting the two countries. Rather than to assign blame (the easiest thing to do for people far away, but not the best way to help stabilize a region), there is a need to understand, but also to see the evolution and changes. And as far as the Afghan-Pakistani relationship is concerned, nowadays, one can be moderately optimistic, as bilateral ties appear to be better than what they used to be.

The opposition between Pakistan and Afghanistan appeared from the birth of Pakistan, in 1947. Kabul opposed the entry of this new country to

---

<sup>31</sup> Gareth Porter, “Iran’s bombs came from the US, not Iran,” *Asia Times*, September 5, 2009, [http://www.atimes.com/atimes/Middle\\_East/KI05Ak02.html](http://www.atimes.com/atimes/Middle_East/KI05Ak02.html), (accessed the May 1, 2014).

<sup>32</sup> Tom Hussain, “Weapons smugglers thrive in chaos in western Pakistan,” *McClatchy*, April 9, 2012, <http://www.mcclatchydc.com/2012/04/09/144605/weapons-smugglers-thrive-in-chaos.html>, (accessed May 10, 2014).

the UN, and it was the only state to go that far. It comes from the fact that from an Afghan point of view, part of Pakistan was historically Afghan and taken away from them by the British, mostly Pashtun-dominated areas like the FATA area. Of course, the Pakistani state could not recognize such an ethnic claim. The Afghans have historically financed and helped rebellions on Pakistani territories from Pashtun tribes in the 1950s, and in the 1970s there has been support to Baloch as well as Pashto separatists. Especially after the 1971 trauma, Islamabad could not be passive in the face of such a risk. It explains the tendency to support an alternative to ethnic nationalism<sup>33</sup>.

It appeared very clearly in the 1990s when Pakistan switched their erstwhile support from Hekmatyar to the Taliban. But such support did not mean submission from the Taliban to Islamabad. Indeed, one can see that until 2001, they did not recognize the Durand Line, and gave shelter to sectarian terrorists. Also when Islamabad tried to make them listen to reason after 9/11, they stayed stubborn and unreasonable<sup>34</sup>. In his autobiography, Abdul Salam Zaeef, the Taliban's Ambassador in Pakistan before the US invasion of Afghanistan, admits the embassy was active in recruiting informants in Pakistani ministries<sup>35</sup>.

It appears that until recently Kabul and Islamabad have been focusing on their own security priorities rather than to find a common ground. There have been accusations coming from all sides, about safe haven "given" to groups striking in neighbouring countries, when in fact it is acknowledged on the two sides that to totally control the Afghan-Pakistani border is extremely difficult. And because of such accusations, there has been so far a lack of trust that makes regional actors eager to pressure each other rather than to work with each other to obtain desired results. It explains why the Afghan intelligence services have created links with the TTP as revealed a few months back with the arrest of Latif Mehsud in the Afghan territory<sup>36</sup>. Criticism is not as widely heard on this matter than the one focusing on Pakistan (often in a very caricatural way) but again here, there is no sense in assigning blame. The main problem of the rivalry between Afghanistan and

---

<sup>33</sup> Daveed Gartenstein-Ross and Tara Vassefi, "The Forgotten History of Afghanistan-Pakistan Relations," *Yale Journal of International Affairs*, (March 2012): 38-45.

<sup>34</sup> Zahid Hussain, *Frontline Pakistan. The Struggle with Militant Islam* (New York: Columbia University Press, 2014).

<sup>35</sup> Abdul Salam Zaeef, *My Life with the Taliban* (New York: Columbia University Press, 2010), 126.

<sup>36</sup> Matthew Rosenberg, "U.S. Disrupts Afghans' Track on Militants," *New York Times*, October 28, 2013, [http://www.nytimes.com/2013/10/29/world/asia/us-disrupts-afghans-tack-on-militants.html?\\_r=1&](http://www.nytimes.com/2013/10/29/world/asia/us-disrupts-afghans-tack-on-militants.html?_r=1&)

Pakistan is that it has been mainly beneficial to non-state actors and terrorists, who are killing Pakistanis and Afghans.

It explains the diplomatic action coming from Pakistan since 2012, showing a vision that was there before but not as clearly explained by the Foreign Ministry itself: making sure that Pakistan is seen as being part of the solution, not of the problem. Pakistani diplomats have done their best to convey this message to Kabul, and to create links with all the ethnic groups, not just the Pashtuns as they used to do. They try also to push the Afghan Taliban they know to talk to Kabul and the US, in order to bring peace to the region.

In conclusion one can see that there is hope at the end of the day, both Iran and Pakistan have chosen a policy that is of course defending their national interest, but also focusing on how to be a positive force for Afghanistan. What matters is that we see foreign policies of regional actors not focusing only on their national interests, but also thinking about what is best for Afghanistan and the region.

### **Could Iran and Pakistan Work Together to Stabilize Afghanistan? The Difficulty of Regional Cooperation**

Hence so far, we have seen that 1. Pakistan and Iran had their stability clearly threatened by Afghan issues and 2. They acted with this approach in mind, protecting their national interests of course, but also adapting their diplomacies to some extent, in order to take into account Afghanistan and how to be part of the solution for its stability, not part of the problem.

The only problem here is that it is not enough. Whatever the good intentions of each regional state, if they are wary of each other, if they see them as enemies, as competitors, the regional environment will not be able to help stabilize Afghanistan. There is a need to see if Iran and Pakistan can work together, and if nothing outside of the bilateral relationship could destabilize it.

#### *Can Iran and Pakistan get along? A General Approach*

Historically, Iran and Pakistan had been getting along before 1979. Their cooperation was particularly efficient in opposing Baloch separatism. After the 1979, Islamic Revolution in Iran Pakistan which was closer to Saudi Arabia under General Zia was apprehensive of changes happening in Teheran. Moreover, despite Western and anti-Shia propaganda, Ayatollah Khomeyni was a pragmatic statesman who appreciated the importance of regional stability though Saudi-Pakistan relationship and Pakistani support to the Taliban in the 1990s remained areas of concern for Iran.. Hence the

tensions between Tehran and Kabul in 1998 have to be associated with tensions between Tehran and Islamabad at the same period. But despite these misunderstandings on both parts, still, there has never been any hostility between the two countries, even less so between the two peoples. The diplomatic links have always been there, and rational actors on the two side have been able to see beyond irrational fears and pressure from other actors.

Actually, there has been recognition in the two sides that they needed each other, at least at the South-Western Asian level. Iran needs to have an Eastern border as peaceful as possible, as it is already engaged in tensed situation on its West, with opposition from Saudi Arabia, Israel, and the US, against any Iranian policy in the Near East. As for Pakistan, it needs also to develop friendly relationship on its borders after 2014 since for the present China alone truly qualifies as a friendly neighbour. Whether for security reasons or on energy issues, to not work together would be detrimental to both. During the Zardari government, the “*rapprochement*” appeared very clearly, and it was particularly linked to a common unhappiness against the US, for different reasons, but based on the same conclusion: perhaps a too strong intrusion of non-regional powers is not the best way to achieve stability for all in the region. Besides this opposition, there is an obvious, more positive explanation to the “*rapprochement*”: the fact that Iran and Pakistan could have the best of relationship based on energy trade: Iran needs to sell its gas, in particular on its East, to reach important markets like India and China; and Pakistan is in dire need of energy resources. The idea of a Iran-Pakistan Pipeline, that could become a true peace pipeline between Iran, Pakistan and India, or, alternatively, a pipeline strengthening a positive diplomatic relationship between Iran, China, and Pakistan, would be of great interest for both the countries.

After change of government following general elections in Pakistan relations between the two neighbours have been strengthening despite trouble on the borders due to terrorist activities and the delay on Iran Pakistan pipeline due to American pressure. In April 2014, after four of the five abducted border guards were able to go back safely to their families, the Iranian Parliament approved a security pact with Pakistan. It focuses on the main issues for Pakistan, Iran, but also Afghanistan: terrorism, and trafficking (mostly drug trafficking, but also human trafficking). It is a particularly important document, organized around one single article and 11 clauses clearly explaining the areas of collaboration between the states, how they should work together, who are the relevant actors in each of these countries, etc. It is most probably the best answer given to the terrorists who tried to push the two countries against one another.

The Pakistani Prime Minister is eager to build an equilibrium in their relations and try to make Iran-Pakistan friendship and cooperation, especially on the IP pipeline, a reality. During his visit in May 2014 to Tehran, Nawaz Sharif made it clear that the anti-Iran terrorist group responsible for the kidnapping of the border guards, Jaishul Adl, was a common enemy who needed to be eliminated. It is interesting to remember that in his delegation, Sharif brought with him Abdul Malik Baloch, the Chief Minister of Balochistan: it is a gesture showing Pakistan is truly serious about securing the Iran-Pakistan border. Hence despite the pessimistic analysis one reads about Tehran-Islamabad relationship, it is obvious Iran Pakistan relations continue to be robust and resilient.

### *Other Actors as Spoilers?*

But sometimes even with the best of intentions, two states are unable to trust each other. Not because of any true issue between them, but rather because of third actors wishing to oppose any bilateral friendship. Which are the states one could have in mind eager to oppose Iran-Pakistan friendship?

First, the US comes to mind. It has strongly opposed the pipeline project so far. But it would be a mistake to think that what has happened before defines a foreign policy forever. After 2014, it is important for American status and interests that Afghanistan does not fall into civil war or becomes a safe haven for international terrorists again. And to avoid that, combining regional forces, especially Iran and Pakistan, could be good policy. Officially the US does not oppose any policy seeing Iran be a positive force in Afghanistan, or any cooperation between regional actors to help give the Afghans a better chance at getting stability for their country<sup>37</sup>. And even after 2014 it will need Pakistan helping stabilize Afghanistan. In the name of expediency and result, it might avoid opposing Iran on this subject then. But it will all depend on the Iran-US relationship as a whole. If tensions run high at some point an Iran-Pakistan relationship based on rationality and stability in Afghanistan and its regional environment could suffer. Still despite tensions in the past we have already shown that Iran was keeping a positive course on its Afghan policy, no matter the problems with the US. And it would make no sense for the Americans to put their hard work to stabilize Afghanistan in jeopardy, because of tensions with Iran. Hence we could bet the American power will not be a “spoiler” for a potential Iran-Pakistan good relationship.

---

<sup>37</sup> Regular interviews by the author with American diplomats, in the US, Europe, and South Asia, from 2011 to 2013, brought him to this conclusion.

Second, Saudi Arabia: again here, it is important to understand foreign policy evolves. There is, indeed, distrust between Iran and Saudi Arabia, but this will not necessarily be there forever. Recently one can notice diplomats from the two sides eager to discuss with each other, to create new links. Most importantly, Saudis are not particularly focused on the Afghan issues, like the Westerners, they have other priorities, closer to home. They have also understood that transnational jihadist terrorism could be a problem for them: Al Qaeda sees the Saudis, the Iranians, and the Pakistanis as equally their enemies after all<sup>38</sup>. Besides, Saudis do not have strong enough influence in Kabul to oppose Iran's influence<sup>39</sup>. Saudi Arabia has some influence in the Muslim world as a whole, but it is able to project power mostly in the Near East and, to some extent, to North Africa. Hence, seeing regional cooperation develop to help stabilize Kabul will not be a problem for Saudis, even in a situation of continued competition with Iran.

Last, but not least, India: will India-Iran relationship be a problem for a Iran-Pakistan relationship, with Afghanistan in mind. It is even less likely than a Saudi opposition, in fact: at the end of the day, India needs to avoid chaos in South Asia as a whole. The landslide victory of the BJP, and the rise of Narendra Modi to power, was not possible because of Hindu nationalism, but because of discontent against corruption and lack of economic performance under the Congress. Despite his tough talk during the political campaign, what will define Modi's success or failure in the near future is economy, and the evolution of the job market inside India. Hence, pragmatism, and the search for stability in the region, will most probably be his choice, and it would be actually the most rational one for India<sup>40</sup>. New Delhi worries about radicalism taking power again in Kabul after 2014. Iran-Pakistan cooperation can be a way to avoid that, hence it is in India's interest to support such friendship, or at least not to oppose it.

In fact, the real spoiler of regional friendship will not necessarily be a state. States can make terrible mistakes, have short-term approaches,, but none in the region or elsewhere want to radically destabilize the area, as it would be in nobody's interests... except terrorist groups and non-state actors. Terrorists and non-state actors like criminal syndicates actually thrive in an environment of distrust and tensions between states. While Afghanistan, Iran, and Pakistan criticize each other about a terrorist group

---

<sup>38</sup> Anthony H. Cordesman, "Saudi Arabia: Friend or Foe in the War on Terror?" *Middle East Policy*, vol. XIII, no, 1 (Spring 2006): 32.

<sup>39</sup> Guido Steinberg and Nils Woermer, *op.cit.*, p.11

<sup>40</sup> TalatMasood, "Relating to Modi's India," *The Express Tribune*, May 20, 2014, <http://tribune.com.pk/story/710889/relating-to-modis-india/>, (accessed May 21, 2014).



or drug trafficking, terrorists targeting each of these countries, drug dealers selling poison regionally and internationally, work together and prosper as long as the regional countries cannot work together. Those groups can have links with states, but at the end of the day, they have their own policy. And this policy cannot accept regional cooperation: without distrust between states, non-state actors cannot operate in peace. There are Sunni extremists, historically from the “Jundullah” movement, who are at war with Iran. They have been connected to TTP and other Afghan non-state actors. They have created tensions between Iran and Pakistan this year, and they will make sure to do it again, to undermine any kind of Iran-Pakistan friendship, which would be detrimental to them... Iran and Pakistan understand that.

## **Conclusion**

It seems that for real regional cooperation to happen, for the Iran-Pakistan bilateral relationship and for regional cooperation at the level of the whole Afghan environment to work, there will be a need, first of all, of political will. If Teheran or Islamabad let others pressure them, or allow non-state actors do mischief in this part of the world, cooperation will be difficult. And without cooperation, despite their best intentions, there will be no true impact of the regional environment to stabilize Afghanistan. As the most important neighbours of Afghanistan, an “*Entente cordiale*” between Iran and Pakistan, and later with Kabul, is essential. If the international community is serious about Afghan stability, it will take that into account. If Great Powers are not wise enough to follow this policy, and if they try, like in the past, to use Iran, Pakistan, or Afghanistan in one of their new “Great Games”, it will be the responsibility of the political elites in those countries to refuse the role of pawns. Through their histories those three countries know all too well that to be used by a stronger state is never worth it, but is, on the contrary, a perpetual source of trouble. But even doing that will not be enough: in order for the regional states to trust each other and to avoid nurturing suspicion in the West, there will be a need to respect, without any ambiguity, Afghan sovereignty, by all the regional actors. It is something all foreign actors should do, of course, but the best way to avoid Great Powers’ interference will be to win the hearts and minds of the Afghan people. And it can be done even without spending a lot of money: just by respect of their state’s institutions, and making them understand that their neighbours, like them, just wish to get some stability, peace, and economic growth, after this long and destructive ‘war on terror’. ■

## CHAPTER 3

# Role of Regional Organizations in Stabilizing Afghanistan<sup>1</sup>

Dr. Bruce Koepke<sup>2</sup>

### Introduction

In the context of a changing strategic environment in Pakistan and its neighbourhood, which is particularly evident with the withdrawal of foreign forces from Afghanistan by the end of 2014, this paper discusses the role of regional organizations in stabilizing Afghanistan and why it is important that they continue to be involved as the country moves towards its 10-year transformation period.

### Afghanistan at the End of Transition

Afghanistan is at a crossroads. It has made significant gains in the last 13 years, especially in terms of life expectancy, basic health and education, as well as economic growth. It has one of the world's fastest growing populations at an annual rate of 2.8 per cent.<sup>3</sup> The United Nations Development Programme (UNDP) asserts that 68 per cent of the Afghan population is under the age of 25.<sup>4</sup> However, in 2012, Afghanistan still ranked 175th out of 187 nations on the UN Human Development Index.<sup>5</sup>

By the end of 2014, Afghanistan will have reached important milestones in its democratisation and reconstruction and completed critical

---

<sup>1</sup> This paper is based on my presentation at the International Conference on Pakistan's Strategic Environment Post-2014, organized by the Islamabad Policy Research Institute and the Hanns Seidel Stiftung and held at the Serena Hotel in Islamabad on 28-9 May 2014.

<sup>2</sup> Senior Researcher, Stockholm International Peace Research Institute, Sweden

<sup>3</sup> "The Youth Bulge in Afghanistan: Challenges and Opportunities," Civil-Military Fusion Centre, October 2011, [https://www.cimicweb.org/Documents/CFC%20AFG%20Social%20Well-being%20Archive/CFC\\_Afg\\_Youth\\_Bulge\\_Oct03.pdf](https://www.cimicweb.org/Documents/CFC%20AFG%20Social%20Well-being%20Archive/CFC_Afg_Youth_Bulge_Oct03.pdf)

<sup>4</sup> "Afghanistan: National Joint Youth Programme," UNDP, [http://www.undp.org.af/whoware/undpinafghanistan/Projects/dcse/prj\\_youth.htm](http://www.undp.org.af/whoware/undpinafghanistan/Projects/dcse/prj_youth.htm)

<sup>5</sup> "The Rise of the South: Human Progress in a Diverse World," Human Development Report 2013, <http://www.undp.org/content/dam/undp/library/corporate/HDR/2013GlobalHDR/English/HDR2013%20Report%20English.pdf>.

political, security, and economic transitions. Afghanistan's political transition will be decided following the second round run-off between Dr Abdullah and Dr Ashraf Ghani Ahmadzai. This in itself is a milestone representing the first transfer of power from one Afghan leader to another through a democratic election. In spite of the profound security risks during the lead-up to this year's Presidential and Provincial Council elections, the fact alone that more than seven million voters participated in the Presidential run-off election on 14 June,<sup>6</sup> mean that the elections can be considered as a success and a serious blow to the Taliban. The subsequent positive momentum has given the Afghan people a tremendous boost in confidence, including in the ability of their security forces.

Yet, Afghanistan is likely to be faced with other, possibly more difficult challenges in coming years. In terms of its socio-economic transition, Afghanistan remains chronically dependent on international aid and moreover, since the overthrow of the Taliban regime in 2001, has become heavily reliant on the industry generated by foreign bases and troops.

In light of the pessimism about Afghanistan's post-transition capacity for economic development, its financial performance and ability to generate revenue, it is anticipated that the country will be challenged by serious expenditure demands, especially in such sectors as security, infrastructure and development, service delivery, and maintenance.<sup>7</sup> Notably, Afghanistan's 2010/2011 aid budget of circa US\$15.7 billion represented almost its entire GDP.<sup>8</sup> Afghanistan's economy is forecast to largely depend 'on the informal (including illicit activities) sector, which accounts for 80 to 90 per cent of the total economic activity and largely determines the real income of Afghan households'.<sup>9</sup> Following the withdrawal of the International Security Assistance Force (ISAF), the Afghan government's

---

<sup>6</sup> "Afghans Remain Committed to Peaceful Presidential Election," Independent Electoral Commission of Afghanistan, June 24, 2014,

<http://www.iec.org.af/media-section/press-releases/387-electionday-news>. This is a similar number of voters during the first round of voting on April 5, 2014.

<sup>7</sup> "Afghanistan Economic Update," World Bank, 2013, [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/10/24/000442464\\_20131024131051/Rendered/PDF/820120WP0WB0Af0Box0379855B00PUBLIC0.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/10/24/000442464_20131024131051/Rendered/PDF/820120WP0WB0Af0Box0379855B00PUBLIC0.pdf)

<sup>8</sup> Samuel Hall, "Afghanistan: Time to move to Sustainable Jobs: Study on the State of Employment in Afghanistan," International Labour Organisation, Kabul, 2012, 11,

<http://samuelhall.org/REPORTS/Time%20to%20move%20to%20sustainable%20jobs,%20A%20Study%20on%20the%20State%20of%20Employment.pdf>

<sup>9</sup> Ibid., 5.

ability to offer adequate employment to its work force, growing by 400,000 new labour entrants each year,<sup>10</sup> will undoubtedly be a huge challenge.

Afghanistan's final transition in 2014 will be that of security. The capacity of the Afghan National Security Forces (ANSF) will be crucial in allowing the continuation of economic development and the implementation of development projects, especially in areas with a history of insecurity. Yet, the ANSF faces serious challenges: an ongoing active insurgency particularly in southern and southeastern provinces, its own critical capability gaps and loss of up to 400 personnel each month and its high attrition rate.<sup>11</sup>

The 2013 spike in opium cultivation and production indicates that Afghanistan's drug economy, to some degree associated with insecurity and the insurgency and a lack of agricultural support,<sup>12</sup> is a key employment sector. According to the United Nations Office on Drug and Crime (UNODC) in 2011, 'the illegal opium sector accounted for an estimated additional 9 per cent of GDP'.<sup>13</sup> This trend is expected to continue.

The predicted increase in the narcotic trade and the likelihood of persistent insecurity have cross-border implications that call for cooperation, among all countries in the region.

## Regional Cooperation

Cooperation via regional organizations could not only help to tackle issues of security, terrorism, narco-crime and economic development but build trust and confidence and promote broader stability. Trade and transit are important priorities for Afghanistan and all countries in the region. There are also clear benefits to be gained from regional cooperation in the fields of energy, mining, agriculture, trade and transport, including access to the seaports of Pakistan and Iran. The training and capacity-building of Afghanistan's professional and vocational workforce is also a need that could be met from within the region.

<sup>10</sup> "Afghanistan: Transition to Transformation Update," World Bank, JCMB Meeting, January 29, 2014, 4, <http://www.worldbank.org/content/dam/Worldbank/document/SAR/afghanistan/AF-JCMB-meeting-jan-29-2014-presentation-english.pdf>.

<sup>11</sup> Emma Graham-Harrison, "Afghan forces suffering too many casualties, says top Nato commander," *Guardian*, September 2, 2013; "Progress toward Security and Stability in Afghanistan," US Department of Defence, April 2014, 1,2,36,37, [http://www.defense.gov/pubs/April\\_1230\\_Report\\_Final.pdf](http://www.defense.gov/pubs/April_1230_Report_Final.pdf)

<sup>12</sup> "Afghanistan: Opium Risk Assessment 2013," UNODC/Islamic Republic of Afghanistan's Ministry of Counter Narcotics, [http://www.unodc.org/documents/crop-monitoring/Afghanistan/ORAS\\_report\\_2013\\_phase12.pdf](http://www.unodc.org/documents/crop-monitoring/Afghanistan/ORAS_report_2013_phase12.pdf)

<sup>13</sup> Samuel Hall, "Afghanistan Opium Survey, UNODC, 2011, 18.

Traditionally, Afghanistan and its neighbours have cooperated bilaterally. Engagement in multilateral regional frameworks is therefore a relatively new experience. Since late 2002, regional cooperation has formed an integral part of Afghanistan's foreign policy. The signing of the Kabul Declaration on Good Neighbourly Relations of 2002 committed Afghanistan and its six neighbours to constructive and supportive bilateral relations based on the principles of territorial integrity, mutual respect, friendly relations, cooperation and non-interference in each other's internal affairs.<sup>14</sup> Yet, while Afghanistan's geographical position makes regional cooperation important, implementation is complicated. In spite of sharing similar cultures, religions, languages, ethnic groups and trade networks, Afghanistan and its neighbours have a history mired in mutual mistrust, involvement in super- and regional plays of power and struggles to contain their own domestic conflicts.

Afghanistan is a member of several regional initiatives, such as CAREC (the Central Asia Regional Economic Cooperation),<sup>15</sup> CICA (the Conference on Interaction and Confidence Building Measures in Asia),<sup>16</sup> SAARC (The South Asian Association for Regional Cooperation),<sup>17</sup> ECO (the Economic Cooperation Organisation),<sup>18</sup> SCO (Shanghai Cooperation Organisation),<sup>19</sup> and RECCA (the Regional Economic Cooperation Conferences).<sup>20</sup> The Istanbul Process/Heart of Asia Process includes all of

<sup>14</sup> <http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Afgh%20S2002%201416.pdf>.

<sup>15</sup> CAREC is a program funded by the Asian Development Bank (ADB). Members include Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan.

<sup>16</sup> A multi-national forum for enhancing cooperation towards promoting peace, security and stability in Asia. CICA's Secretariat is in Almaty, Kazakhstan. Members include Afghanistan, Azerbaijan, China, Egypt, India, Iran, Israel, Jordan, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Palestine, Republic of Korea, Russia, Tajikistan, Thailand, Turkey, the United Arab Emirates, and Uzbekistan.

<sup>17</sup> The South Asian Association for Regional Cooperation includes Afghanistan, India, Pakistan, Bangladesh, Bhutan, Maldives, Nepal, and Sri Lanka.

<sup>18</sup> ECO has its headquarters in Tehran, Iran and its members are Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan, and Uzbekistan.

<sup>19</sup> The SCO includes China, the Central Asian states (minus Turkmenistan) and Russia as members. Afghanistan, Pakistan, Iran as well as India and Mongolia have observer status, whereby Belarus, Turkey and Sri Lanka are dialogue partners.

<sup>20</sup> RECCA includes Afghanistan and its neighbours and will hold its sixth conference in Kabul later this year.

Afghanistan's neighbours,<sup>21</sup> with the only possible exception being Uzbekistan, although it did participate at the Heart of Asia Kabul ministerial conference.

Afghanistan is also a member of a number of international organizations relevant to the region. The Organization of the Islamic Conference (OIC), for example, includes all regional countries except China and with its cultural framework is particularly well placed to support sensitive regional initiatives.<sup>22</sup> The Non-Aligned Movement (NAM) includes all of Afghanistan's direct neighbours as well as most countries in the region.<sup>23</sup>

The Afghan Deputy Foreign Minister, Ershad Ahmadi, considers regional cooperation to be one of the government's priorities and 'the most effective option for ensuring security, stability and economic growth for the countries in the region'.<sup>24</sup> The Afghan Ministry of Foreign Affairs hopes that through regional cooperation it can 'improve trading opportunities; integrate itself with the regional rail and road networks; be an important partner in regional energy markets; eliminate narcotics trade; and achieve Millennium Development Goals'.<sup>25</sup> As demonstrated by the Istanbul Process, if one country joins a regional initiative, the other countries are likely to follow and also cooperate. In the end, no country in the region wants to be excluded from an initiative with a wide membership.

### **Heart of Asia Process and RECCA**

Both the Heart of Asia Process and the RECCA are initiatives chaired by Afghanistan. The Heart of Asia Process has evolved into a unique and

---

<sup>21</sup> The Istanbul Process was launched by the Governments of Afghanistan and Turkey in November 2011 as a new approach with an agenda for regional cooperation. Its members include: Afghanistan, Azerbaijan, China, India, Iran, Kazakhstan, Kyrgyzstan, Pakistan, the Russian Federation, Saudi Arabia, Tajikistan, Turkey, Turkmenistan, and the United Arab Emirates. Supporting countries include Australia, Canada, Denmark, Egypt, Finland, France, Germany, Iraq, Italy, Japan, Poland, Norway, Spain, Sweden, the UK, USA, as well as the EU, the Aga Khan Development Network, CAREC, CSTO, CICA, ECO, OIC, SAARC, SCO, NATO, Organization for Security and Cooperation in Europe (OSCE), and the UN. The next ministerial meeting of the Heart of Asia Process is planned for August 2014 in Tianjin city of China.

<sup>22</sup> The OIC is an intergovernmental organization with 57 member states.

<sup>23</sup> NAM has 118 members.

<sup>24</sup> "International discussion on Afghanistan and Regional Cooperation," Ministry of Foreign Affairs, Islamic Republic of Afghanistan, December 3, 2013, <http://mfa.gov.af/en/news/news-6>

<sup>25</sup> "Regional Cooperation," Ministry of Foreign Affairs, Islamic Republic of Afghanistan, <http://mfa.gov.af/en/page/3767/4109>

unprecedented opportunity for countries in the region to cooperate at the regional level.

The Heart of Asia is the only process that is truly Afghan-centric and which is lead by Afghanistan, while attempting to generate consensus and cooperation on issues (e.g. terrorism, extremism, and the drug trade) concerning the region as a whole.<sup>26</sup> Adhering to the principles of regional ownership and voluntary participation, this mechanism primarily seeks to build confidence within the region. Despite initial skepticism about its potential, its ambitions to bring diverse countries together and the fear that 'it was duplicating existing mechanisms',<sup>27</sup> the Heart of Asia process has continued to move forward and will undoubtedly have an important role to play during Afghanistan's transformation period.

To build trust among the member countries and to allow people-to-people exchanges at the technical level,<sup>28</sup> six Confidence-Building measures (CBMs) were initiated on a range of topics including economics, culture, science and education (e.g. counter-narcotics, Disaster Management, Regional Infrastructure and Investment). Pakistan and Kazakhstan co-lead the Disaster Management CBM.

Security and political issues have been addressed only on the margins of the Heart of Asia Process thus far, such as via the Counter-Terrorism CBM, but are clearly areas that could be further explored given their relevance during the transformation period. To advance this inclusion, Afghanistan could intensify its bilateral engagement with its neighbours as well as multilaterally via regional institutions and even through the Collective Security Treaty Organization (CSTO).

RECCA, which was founded prior to the Istanbul Process, has convened five conferences since 2005. It has sought to build consensus on how best to build a strong economy in Afghanistan and to strengthen trade with its neighbours and in the broader region. RECCA provides a regional platform for focused dialogue on cross-border economic cooperation with Afghanistan and supports the Heart of Asia process CBMs of Trade, Commerce and Investment, and Regional Infrastructure.

---

<sup>26</sup> Richard Ghiasy & Maihan Saeedi, "The Heart of Asia Process at a Juncture: An Analysis of Impediments to Further Progress," Afghan Institute for Strategic Studies, June, 2014, <http://aiss.af/images/pdf/final.pdf>.

<sup>27</sup> Shahrbanou Tadjbakhsh, "Afghanistan after 2014: Bane or Boom in Relations with Central Asia?" United Nations Regional Centre for Preventive Diplomacy for Central Asia (UNRCCA), October 15, 2012, <http://unrcca.unmissions.org/LinkClick.aspx?fileticket=yUVm2gQEzYw%3D&tabid=9323&language=en-US>.

<sup>28</sup> Richard Ghiasy & Maihan Saeedi, "The Heart of Asia Process at a Juncture: An Analysis of Impediments to Further Progress."

## CASA 1000 and TAPI

Two regional projects of specific relevance to Pakistan and Afghanistan and that aim at fostering regional economic development and job creation in the long term, are CASA 1000 (the Central Asia-South Asia Regional Electricity Market), and TAPI (the Turkmenistan-Afghanistan-Pakistan-India Pipeline). These two projects are on the periphery of the two economic giants of China and India, but are great opportunities to promote a regional trade and transit route.<sup>29</sup>

The CASA 1000 project focuses on infrastructure development enabling electricity transmission from Kyrgyzstan and Tajikistan, through Afghanistan and into South Asian countries, including Pakistan and India.<sup>30</sup> The TAPI project proposes the delivery of gas from Turkmenistan to Afghanistan, Pakistan and India via a 1,735 km pipeline. Energy experts estimate that there is the potential for Afghanistan to earn circa USD 500 million each year through transit fees.<sup>31</sup> Both of these projects have attracted interest from international organizations as well as private investors.<sup>32</sup> Even so, it is the security situation in Afghanistan and other participating countries that will ultimately be the deciding factor as to whether these projects can actually get off the ground.

## Examples of Effective Regional Cooperation

The construction of railways in Afghanistan exemplifies the benefit of regional cooperation, with the potential to transform the country into a transport and transit hub.<sup>33</sup> The rail-linking of Central Asia, Iran and Pakistan could also provide Afghanistan and its neighbours with significant employment opportunities. Several railway projects have either recently been completed or are currently underway in Afghanistan.

CAREC, via funds from the Asian Development Bank, financed the construction of a 75 km single railway line from Uzbekistan's border to

<sup>29</sup> Amba Tadaa, "Afghanistan Update: Preparations for 'The Decade of Transformation,'" Delhi Policy Group, Issue Brief, 2013, [http://www.delhipolicygroup.com/uploads/publication\\_file/1060\\_Afghanistan\\_Update.pdf](http://www.delhipolicygroup.com/uploads/publication_file/1060_Afghanistan_Update.pdf).

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

<sup>33</sup> Bruce Koepke, "Regional Cooperation," in *Working Toward Peace and Prosperity in Afghanistan*, ed., W. Danspeckgruber (Boulder: Lynne Rienner Publishers, 2011), 18; Wolfgang Danspeckgruber, "Railroads: Afghanistan's Century Project" in *Petersberg Papers on Afghanistan and the Region*, ed., Wolfgang Danspeckgruber (New Jersey: Liechtenstein Institute on Self-Determination, 2009), 134.



Hairatan and Mazar-e Sharif in Afghanistan's Balkh province. This project was completed in June 2013. ECO funded a feasibility study for a 1,250 km section of railway connecting Iran, via the now almost-completed Khaaf-Herat railway, to Mazar-e Sharif and onward to Shirkhan Bandar in Kunduz province on the border of Tajikistan and then further to China via Kyrgyzstan. This proposed construction would have the potential to link with other projects designed within a regional framework.

One of the best examples of regional cooperation, however, has been the Trilateral Initiative on counter-narcotics, which has engaged the governments of Afghanistan, Iran and Pakistan. This initiative is unique to the region and established a Joint Planning Cell in Tehran in 2009 and Border Liaison Offices in Iran, Afghanistan, and Pakistan soon after, with several joint operations conducted to date. Ideally, similar mechanisms could be established with other countries, using this initiative as a model.

### **Difficulties with Regional Organisations**

One of the main difficulties arising from the multiple regional organizations is coordinating activities and minimising duplication. At times, there has been competition between the regional mechanisms of the SCO, CSTO and ECO, each of which is favoured by the countries (China, Russia and Iran respectively), hosting their headquarters and driving their political processes.

While Afghanistan is chairing the Heart of Asia and RECCA initiatives, it cannot steer the direction of the other regional mechanisms. For this reason, there have been suggestions of appointing a UN Special Envoy or an Afghan Ambassador at Large to fulfil this coordinating role. Clearly, too, regional organisations can only be effective in stabilizing Afghanistan and the region if they move beyond meetings to practical contributions and implementation.

### **Conclusion**

In conclusion, a likely scenario in Afghanistan post-2014 will include: declining economic growth, increasing inflation, weakening of the currency, decreasing employment opportunities, increasing narcotics production and growth in the illicit economy, increasingly limited ability to implement and monitor development and humanitarian projects, rising government operating and security costs and reduced ability to collect

revenue.<sup>34</sup> The UN expects that Afghanistan will most likely face 'greater fluidity and unpredictability' after transition.<sup>35</sup>

The Afghan government will doubtless require considerable support and assistance during its transformation period. And as the international community in Afghanistan downsizes by the end of this year, its direct and regional neighbours will feel the effects of Afghanistan's domestic success or failures.

While large multilateral mechanisms do have advantages, they do not necessarily work well in such sensitive issues as security and narcotics trade in this part of the world. At this stage, the Heart of Asia process seems therefore to be the key regional initiative that complements and adds what other mechanisms do not cover. As a multilateral approach, since its members include all relevant countries, it has the potential to support durable stability and security in Afghanistan and the region, to ensure the transfer of information and greater transparency and to build trust and accountability. All regional countries that have signed up to this mechanism have accepted Afghanistan's central role in this process. And although the Heart of Asia process has thus far focused on confidence-building measures and had a strong technical focus, the fact that the meetings are still continuing is in itself a very positive sign.

Regional cooperation has been on the agenda for almost 13 years. To be truly effective, the policies and CBMs developed in initiatives such as the Heart of Asia process need to be implemented with real commitment and to broaden their focus to include security-related issues. This is especially important as there is currently no single forum in the region that fulfills such a role.

Afghanistan and its neighbours have much to gain from a well-planned regional cooperation policy. Reliable relationships among direct and indirect neighbours could foster domestic and broader economic development and stability in the long term. While bilateral meetings between Afghanistan and its neighbours need to continue, they must be supplemented with regional initiatives to address matters such as drug control, security, border control and terrorism as well as economic development which can only truly advance via joint efforts. Lastly and most importantly, the current lack of effective regional cooperation on security needs to be urgently addressed. ■

---

<sup>34</sup> Discussion with Megan Minion, UNAMA, Kabul, November 2013.

<sup>35</sup> Discussions with senior UNAMA officials, UNAMA, Kabul, December 2013.

## CHAPTER 4

### Dynamics of Trade Corridors and Energy Pipelines' Politics

Dr. Shabir Ahmad Khan<sup>1</sup>

#### Abstract

In the changing regional geo-political scenario, the United States' non-Iran, non-Russian and non-Chinese strategy for pipelines doesn't seem to be making any headway while China, Pakistan, Iran and Russia are set to play a vital role in the emerging regional pipeline politics. The post 2014 regional scenario seems to be providing more space for the Sino-Russian dominance of Asian pipeline systems and energy distribution. Pakistan-Russian interests seem to be converging in Afghanistan. The convergence of geo-political and geo-economic interests of China and Pakistan and China's financial support to develop connectivity infrastructure of Pakistan to turn it into a regional energy and trade corridor will ultimately benefit not only South Asia along with Pakistan and China but also Central Asia and the Middle East.

**Key Words: China, Pakistan, Russia, Central Asia, US, Iran, Pipelines**

#### Introduction

Access to energy has been shaping and reshaping the post-Cold War geo-political environment and relations among the major powers and regional states. Pakistan and China are in close collaboration in their 'look east' and 'go west' policies respectively. Russia and China have become strategic partners under the SCO. US and India signed a nuclear pact and are now strategic allies. The end of Cold War could not end the suspicions and animosity between Russia and the West. The rivalry between Russia and the US has re-emerged on the issues of energy pipelines. The Georgian and recently the Ukrainian crises are its manifestation.

This century has been called the 'century of gas' because in the primary energy mix, the share of gas is rising faster than oil and coal the

---

<sup>1</sup> Assistant Professor, Area Study Centre, University of Peshawar

world over.<sup>2</sup> In this new energy-centric world, the prices of oil and gas govern and shape the lives of people and the power and influence reside with those who have access to energy and control over global energy distribution. China, India, EU, and Japan currently transfer \$2.2 trillion annually to the oil producers.<sup>3</sup> Russia with 47 tcm (27% of the world), Iran with 27 tcm (16% of the world), Qatar with 26 tcm (14% of the world) along with Turkmenistan possess well over half of the world's proven gas reserves.<sup>4</sup> Though tankers are involved in delivering oil and gas from continent to continent by sea lanes of communication, the landlocked areas definitely need pipelines to market it globally. Major energy consumers have to rely on imports of oil and gas from the Middle East, Africa, Russia and Central Asia all the way through thousands of kilometres long pipelines and maritime routes.

In this context the paper discusses geo-political competition among the troika i.e., the US, Russia and China over energy access and its distribution in the region during the post-Soviet period. The rise of the new economic power, China and energy consuming India in the neighbourhood, both with voracious appetite for energy on one hand and Middle East and Central Asia, the major energy suppliers on the other hand, makes Pakistan a future energy and trade transit corridor. At the same time an effort has been made to examine the probable post-withdrawal scenario with reference to regional trade and energy transportation through the Pak-China economic corridor and the integration of the regions of Eurasia, Central Asia, South Asia and the Middle East. The paper, therefore, mainly discusses the subject matter in inter as well as intra-regional context.

### **Central Asian Hydrocarbon Resources**

International Energy Agency (IEA) in its report of 1998, mentioned that the Caspian region possesses some of the largest oil and gas reserves in the world that needs to be developed.<sup>5</sup> Larry Chin quotes James Dorian, an energy resource economist: "Caspian Basin has an estimated \$5 trillion worth of oil and gas and Central Asia has 6 trillion cubic meter of gas and 10 billion barrels of undeveloped oil reserves while interconnecting

---

<sup>2</sup> Brussels Energy Club (BrEC), <http://brusselsenergyclub.org/publications/id/turkeys-energy-dynamics-regional-politics-and-pipelines-in-the-context-of-global-game-changers-032/>, (accessed March 19, 2014).

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Shabir Ahmad Khan, "World Interest in Central Asia: Implications and Policy Options for Pakistan," Area Study Centre, University of Peshawar, 2006, 7.

pipelines are the key to access and distributing oil and gas to markets around the world".<sup>6</sup> He further says in his report of 2002 that Central Asia and Caspian Sea will be answer to the energy issue during the 21<sup>st</sup> century and those who control oil and gas pipelines from the region will impact all the future direction and quantities of flow and the distribution of revenues from the new production.<sup>7</sup>

Years back, geologists estimated that Kazakhstan have 50 billion barrels of oil by far the largest untapped reserves of the world because Saudi Arabia, the world's largest oil producer, was believed to have about 30 billion barrels remaining.<sup>8</sup> Turkmenistan possesses the world's fourth largest gas reserves while Uzbekistan has also substantial oil and gas reserves. The geo-political competition of the troika, US on one hand and the post-Cold War allies of SCO Russia and China on the other, for control over energy distribution in Eurasia and Central Asia, has been at the core of the New Great Game. The post-Soviet geo-politics in Central Asia has been given the name of New Great Game<sup>9</sup> which is primarily about controlling the production and marketing of regional hydrocarbon resources. Substantial hydrocarbon resources that were locked up inside the former Soviet Union were now available to the world oil companies. For each of the three main players, US, Russia and China, access to oil and gas is essentially an important part of her grand strategy. The competition for access to energy and its transit routes has become more complicated with many players from many directions. Pakistan, Iran, Turkey and India all are involved in developing domestic communication infrastructure, port facilities and likewise roads and highways to the landlocked region to be qualified for trade and energy pipeline routes.

### **Foreign Policies of Central Asian Republics**

Foreign policies of Central Asian Republics generally aim at maintaining balance amongst major powers — Russia, China and US, in order to maximize their own national interests while having minimum bargaining power. Noor Sultan Nazarbayev, the President of Kazakhstan, stated in his book "V Patokelstorie" published in 1999 that "Central Asian Republics should have common strategy towards the world powers as they would be

---

<sup>6</sup> Larry Chin, "Part II: Enron, the Bush administration, and the Central Asian war," February 2002, <http://globalresearch.ca/articles/CHI202A.html>, (accessed April 7, 2014).

<sup>7</sup> Ibid.

<sup>8</sup> Shabir Ahmad Khan, "World Interest in Central Asia," 5

<sup>9</sup> Ahmed Rashid, *Taliban: Militant Islam, Oil and Fundamentalism in Central Asia* (New York: I.B. Tauris & Co. Ltd, 2009), 145.

engaged in the region for political and economic influence during the next century (21s Century)”<sup>10</sup>. Colour revolutions in former Soviet republics including Kyrgyzstan have weakened US position and added only to suspicions about US agenda in the region. Chinese and Russian influence is growing stronger while both support regime security in the region. The Central Asian Republics are also more comfortable with the neighbouring regional powers Russia and China. According to Svante E. Cornell, “The failure of US to sustain engagement with the region has, however, led Moscow and Beijing to develop the SCO and use it as a vehicle for minimizing Western interests in the region”<sup>11</sup>.

While all the Central Asian Republics inherited almost identical economic, social and political structures from the Soviet Union, they pursued different policies during transition from Communist to somewhat mixed economic systems. Turkmenistan adopted a neutral policy, Uzbekistan took some U-turns; Kazakhstan relatively followed a multi-dimensional policy of having relations in all directions while maintaining close ties with Moscow. Kyrgyzstan with no hydrocarbon resources while hosting US and Russian military bases, pursued a liberal agenda of reforms and followed whatever the West said in order to acquire resources but experienced revolutions. Tajikistan, the most impoverished amongst the states of Soviet Central Asia, could not pursue an independent foreign policy to diversify its foreign relations.

### **US in the Energy Game**

US policy planners devoted years to the agenda of accessing and distributing Central Asian oil and gas. In September 2001, a report was published which detailed a conference held at the Brookings Institution in May 2001 providing clear evidence that exploitation of Caspian Basin and Asian energy markets was an urgent priority for Washington and pipelines east to Asia from Caspian had been discussed for the decade of 1990s.<sup>12</sup> The major factor in US national security and economic dominance is based on secured access to energy and maintaining low oil prices. US economy is overwhelmingly oil based and therefore every effort will be made to secure

<sup>10</sup> Noor Sultan Nazarbiev, *Kazakhstan Tareekh k Aeenai Main*, trans., Shabir Ahmad Khan (Islamabad: LokVirsa, 2002), 5.

<sup>11</sup> Svante E. Cornell, “Finding Balance: The Foreign Policies of Central Asian States” in *Domestic Political Change and Grand Strategy*, ed., Ashley J. Tellis, and Michael Wills (National Bureau Asian Research, 2007, 08), <http://www.silkroadstudies.org/new/docs/publications/2007/Strategicasia.pdf>, (accessed April 14, 2014).

<sup>12</sup> *Ibid.*, 7.

oil supplies. In each of his state of the Union addresses, Bush II had alluded to 'energy independence'.<sup>13</sup> The US possess only 2 per cent of the world's oil reserves while it consumes more over 25 per cent of the world's oil production. Such efforts are the driving force of US foreign policy.

Since the break-up of the Soviet Union, the US has been attempting to control a significant portion of the global energy supply through the control of hydrocarbon resources supply from former Soviet Central Asia.<sup>14</sup> Halfords Mackinder, the founding father of theories of geo-politics and geo-strategy in the 20<sup>th</sup> century highlighted the importance of Eurasia. Nicholas Spikeman modified the theory and stated, "He who controls Eurasia, controls destinies of the world".<sup>15</sup> Zbigniew Brzezinski in his book "*The Grand Chessboard*", published in 1998, put the theory as "Control of Eurasian landmass is the key to global domination while control of Central Asia is key to Control over Eurasia".<sup>16</sup> The US apparently followed Mackinder's theory and positioned itself in Afghanistan to manage the vast resources of Eurasia. Russia, China and Iran rendered temporary support to the US in this war on terror in Afghanistan. It was temporary in a sense that all the three were against the Taliban regime. Once the Taliban were removed from the scene, all the three Russia, China and Iran including other regional states have shown concerns over the long term stay of US in the region.

The declared agenda of US war in Afghanistan has been against terror; however the hidden agenda, which is no more hidden, was to diminish Russian influence in Central Asia and develop pipeline routes that bypass Russia, China and Iran.<sup>17</sup> However, US could achieve negligible progress in this regard over the last two decades. The regional states, China and Russia are well positioned to add new dimensions to regional structuralization. What the regional states fear constantly is the increasing

<sup>13</sup> James Fishelson, "The Geopolitics of Oil Pipelines in Central Asia," December 2007,

[http://www.sras.org/geopolitics\\_of\\_oil\\_pipelines\\_in\\_central\\_asia](http://www.sras.org/geopolitics_of_oil_pipelines_in_central_asia),  
(accessed April 11, 2014).

<sup>14</sup> Richard Rousseau, "Pipeline Politics in Central Asia," June 24, 2011,  
[http://fpif.org/pipeline\\_politics\\_in\\_central\\_asia/](http://fpif.org/pipeline_politics_in_central_asia/), (accessed April 7, 2014).

<sup>15</sup> "China opens world's longest gas pipeline," January 9, 2013,  
<http://energeopolitics.com/2013/01/09/china-opens-worlds-longest-gas-pipeline/>,  
(accessed April, 2014).

<sup>16</sup> Shabir Ahmad Khan, "China's Policy towards Central Asia since 1991: An Overview," *Central Asia*, issue no. 69, Area Study Centre, University of Peshawar, (Winter 2011): 61, 61-73.

<sup>17</sup> Seher Abbas, "IP and TAPI in the New Great Game," Institute of Regional Studies, Islamabad, April, 2012, ,  
<http://www.irs.org.pk/spapril12.pdf>, (accessed April 7, 2014).

influence of one single power unit over the region and indeed this fear has always aided escalation of conflicts in the region.

### **Russia Retains Influence in Energy**

Russia has dominated Central Asia for more than a century which means an investment of one hundred years. As a matter of fact Russia has developed an infrastructure in the region over a period of a century and therefore it is hard for Russia to digest the exploitation of this infrastructure by its competitors or rivals. During the immediate post-Soviet period, Russia itself was in a difficult situation due to political and economic transition. However, since 2000-01, Russia started asserting itself in the former Soviet space. Pipelines benefiting geo-political and energy plans of the US are opposed by Russia and the same is true otherwise i.e. energy plans benefiting Russia are opposed by the US. Therefore Russia supports and welcomes the construction of IPI.<sup>18</sup> Russia also desires to direct Iranian gas towards the South rather than towards the West where it can compete with the Russian gas for European market. Russia's pipeline policy is more focused on controlling direct supply routes to Europe than in Central Asia during the last two decades. Russia accounts for around 30 per cent of oil and 45 per cent of gas supplies to Europe which makes 63 per cent and 65 per cent of Russian oil and gas exports to EU respectively.<sup>19</sup> Western backed BTC (Baku, Tbilisi, Ceyhan) Pipeline resulted in the separation of Abkhazia from Georgia in 2008.

Recently the Ukrainian deal with Russia worth \$15b and 36 per cent discount on gas supply resulted in long protest and turmoil by the Ukrainian opposition. Russia was quick to annex Crimea to control an outlet to Black Sea as well as the pipelines crossing the region. Russia also seems satisfied with the Central Asian gas moving in eastern direction rather than westward. After the Ukrainian crises, Russia is looking to the Asian markets for its gas while Russia-China relations gain more importance. Russia and China finalized a 30 year gas deal on May 21, 2014 to export gas to China by diversifying its exports as Russia has few export markets other than Europe.<sup>20</sup> In this long battle of around two decades between US and Russia, US is against any pipeline that passes through Iran or from Iran

---

<sup>18</sup> Richard Rousseau, "Pipeline Politics in Central Asia."

<sup>19</sup> Shabir Ahmad Khan, "Challenges to Political/Democratic and Economic Reforms in Russia: Impact on EU-Russia Relations," *Journal of European Studies*, vol. no. 26 & 27 (July 2010): 80, 90-97.

<sup>20</sup> Alexei Anishchuk, "As Putin looks east, China and Russia sign \$400-billion gas deal," <http://www.reuters.com/article/2014/05/21/us-china-russia-gas-idUSBREA4K07K20140521>, (accessed May 24, 2014).



while Russia is wary of any undesirable pipeline from Turkmenistan southward. Russian companies have shown interest in the Iran Pakistan India Pipeline (IPI) and TAPI. With the participation of Russia and China a vast consumer market in South Asia and China would be available for the huge gas reserves of Iran and Turkmenistan. The West, however, during the two decades' long competition could not make any major inroads to dominate Eurasia and Central Asia and diminish the historical Russian influence over the marketing of hydrocarbon resources from the two regions.

### **Regional Economic Integration**

Inter and intra-regional economic integration and cooperation in the area of energy and trade transport is pre-requisite to the economic rise of a region. The political realities on ground are also shaping possibilities for regional integration and therefore there should be more focus and consideration on geo-economics than the geo-politics. Regional growth is mandatory for China's own growth. Regional economic integration will expedite the rise of Asia. Look at the history of EU; in the first half of the last century, they were at war with each other resulting in the World Wars I and II. It was only after the Second World War that Europe developed the Union through economic integration, became economically dependent on each other and consequently developed stakes in each other's stability and today the region is one of the most prosperous in the world. Russia, Central Asia, China, Pakistan, Iran and India if they forged unity through economic integration and developed stakes in each other's stability through connectivity infrastructure may create an unmatched momentum for the growth and rise of Asia. This region does not need any Marshall Plan as it possesses vast hydrocarbon resources and produces the most wanted agrarian products like cotton and grain. China, Pakistan, India and Uzbekistan are the world largest producers of cotton which is the most traded commodity in the world. Wheat is imperative for any nation to have food security while Kazakhstan, the 'grain basket' of former Soviet Union is the world's leading exporter of flour for the last five years. What is needed in fact? Just sincere efforts are needed to effectively and efficiently integrate this region. Iran-Pakistan (IP) Pipeline brings new opportunities for Russia and China by involving in the construction of gas pipeline. China can be the main beneficiary by either extending the pipeline to Kashgar or by liquefaction of natural gas and its shipping from the Deep Sea Port at Gwadar to Kashgar and creating an important energy axis enhancing China's energy diversification. As Russia is primarily interested to remain key energy supplier to Europe which is heavily dependent on Russian energy supplies,

IPI would direct the Iranian gas eastward rather than western markets and thus Russian dominance in energy transportation to Europe will be secured. The inclusion of China and Russia is a necessary step to the energy, trade and economic integration of Iran, Pakistan, China, Russia, Central Asia and India. Col. Pan Zheng states that "Pakistan and China are afforded with numerous opportunities in Central Asia after the US retreat which demands strong unity between Pakistan and China".<sup>21</sup>

China and Russia have developed close political and economic relations while Pakistan and China became even closer. Pak-Russia relations have been growing for the last decade. US-India close strategic partnership forces Russia to look at Pakistan through a post-Cold War prism. The long term geo-political and geo-economic interests of Pakistan and Russia are converging in the face of US withdrawal from Afghanistan.<sup>22</sup> Russia as a regional state is real stake holder in peace of the region i.e. Afghanistan and Central Asia and acknowledges Pakistan's central role in bringing peace to Afghanistan. Besides strategic and security reasons, trade and energy issues also favour developing close Pak-Russia bilateral relations.

### **Energy Demanding Asia**

Rapidly growing Asia has been transforming the landscape of energy and pipeline politics. For instance, in the coming two decades up to 2030, China and India are likely to account for more than 50 per cent of total world energy demand growth, 60 per cent of total world oil demand growth and 20 per cent of natural gas demand growth.<sup>23</sup> This boom in Asian oil and gas demand has intensified the geopolitical competition among regional and extra-regional states to secure access to hydrocarbon resources and control energy transportation and transit infrastructure. The rush for oil and gas resources has had unique implications across Eurasia, Central Asia, South Asia and China while deeply influencing regional energy market dynamics and geopolitical relations. A natural outcome of these dynamics is growing competition to develop pipelines for taking oil and gas across the region.

---

<sup>21</sup> Col. Pan Zheng, "An overview of the Evolving Strategic Environment in Central and South Asia," National Defence University, Islamabad, April, 2012, [http://www.ndu.edu.pk/issra/issra\\_pub/Seminars/China\\_Seminar.pdf](http://www.ndu.edu.pk/issra/issra_pub/Seminars/China_Seminar.pdf), (accessed April 7, 2014).

<sup>22</sup> Mohammad Hanif, "Pakistan-Russia Relations: Progress, Prospects and Constraints," *IPRI Journal*, vol. XIII, no. 2 (Summer 2013): 63-65, 86.

<sup>23</sup> Mikal E. Herberg, "Pipeline Politics in Asia: Energy Nationalism and Energy Markets," September, 2010, [http://www.nbr.org/publications/specialreport/pdf/preview/SR23\\_preview.pdf](http://www.nbr.org/publications/specialreport/pdf/preview/SR23_preview.pdf), (accessed April 11, 2014).

The main factors driving this trend are: firstly, the oil movement via Indian Ocean and Strait of Malacca may double from 11 million barrels per day to 22 million barrels a day over next two decades which has raised concerns for China over the growing risk of major maritime supply as well as over US control of these vital Sea Lanes.<sup>24</sup> This drives China to diversify supply lines with overland pipelines. Secondly, the break-up of Soviet Union opened up huge hydrocarbon resources of the world and, thirdly, the rise of China as the world's largest energy consumer has added to the regional competition over energy supplies. It is important to note that the future growth in Asian gas market must be fulfilled from the sources in Middle East, Russia or Central Asia which increases Pakistan's importance for India in particular.

### **China's Pervasive Dominance**

The main factors that affect China's influence and interests in South and Central Asia are the state of Chinese economy and the development of Western China, particularly the restive Xinjiang province. China favours Pakistan for its access to the Arabian Sea and Pakistan supports and welcomes China's access to the Arabian Sea via KKH and Gwadar.

In the immediate post-Soviet period, Western oil companies rushed into Central Asia while Chinese companies did not sign any deal in their immediate neighbourhood until 1997 when China National Petroleum Corporation (CNPC) signed a deal with Kazakhstan and acquired rights to Aktobe field in Kazakhstan.<sup>25</sup> However, since then, China has moved ahead of Western oil companies because it enjoys the natural advantage of geographical proximity, financial muscle, and a growing consumer market importantly without any imperialistic designs. China, years back, had become the largest energy consumer in the world. The opening up of two pipelines from Central Asia recently is a clear demonstration of China's unmatched influence in Central Asia without formal or informal provoking of a new great game. Central Asia-China pipeline from Turkmenistan via Uzbekistan and Kazakhstan to Xinjiang has reset the pipeline politics in Central Asia. The 1833 km long<sup>26</sup> gas pipeline transports Turkmen, Uzbek

---

<sup>24</sup> Ibid.

<sup>25</sup> Edward C. Chow and Leigh E. Hendrix, "Central Asia' Pipelines: fields of Dream and Reality," September, 2010, [http://www.nbr.org/publications/specialreport/pdf/preview/SR23\\_preview.pdf](http://www.nbr.org/publications/specialreport/pdf/preview/SR23_preview.pdf), (accessed April 11, 2014).

<sup>26</sup> M K Bhadrakumar, "China Resets Terms of Engagement in Central Asia: Energy and Great Power Conflict," December 2009, [http://www.japanfocus.org/-M\\_K-Bhadrakumar/3277](http://www.japanfocus.org/-M_K-Bhadrakumar/3277), (accessed April 22, 2014).

and Kazakh gas to China which is the best example of regional cooperation. The Kazakh-China oil pipeline currently carries 200,000 barrels/day to China.<sup>27</sup>



Source: [http://www.japanfocus.org/-M\\_K-Bhadrakumar/3277](http://www.japanfocus.org/-M_K-Bhadrakumar/3277)

In fact after the inauguration of Central Asia-China Pipeline, US officials openly flagged China as rival in the Central Asian energy politics.<sup>28</sup> Russia has no concerns rather it can heave a sigh of relief because chances of Turkmen supplies for US backed Nabucco pipeline from Caspian to southern Europe by passing Russia have severely diminished.

The supply of energy is imperative for China to sustain its high economic growth. Currently coal has a contribution of around 60 per cent in the energy mix of China however it has worst consequences on the environment and therefore the energy mix would change in future. The gas and oil pipelines from Turkmenistan and Kazakhstan and increasing oil imports from Middle East already demonstrate this. To develop Kashgar as a special economic zone, the up-gradation of KKH, development of Gwadar Sea Port, establishment of an oil refinery at Gwadar all are in line to increase oil imports from Middle East via Pakistan. There is a general perception that China's closeness with Pakistan is based on a shared rivalry with India. But in fact war or conflict between Pakistan and India will have huge negative impact on Chinese interests in the region and therefore China

<sup>27</sup> "CNPC and KMZ to double crude oil pipeline from Kazakhstan to China," 2b1stconsulting.com, <http://www.2b1stconsulting.com/cnpc-and-kmz-to-double-crude-oil-pipeline-from-kazakhstan-to-china/>.

<sup>28</sup> Ibid.

always sought to reduce tensions between Pakistan and India.<sup>29</sup> Chinese efforts to convert SCO into an economic and trade bloc are in line with Pakistan's regional pivot i.e. to serve as a regional trade and energy corridor vis-a-vis SCO. The Chinese Prime Minister Wen Jiabao's visit to Saudi Arabia, Qatar, UAE and having signed several natural resource deals with Iran signify increased oil imports from the Persian Gulf and Iran. In this regard the proposed pipeline from Gwadar to Kashgar and China's involvement in IP could be a game changer. China has already shown interest in the construction of IP on the Pakistan side and further extending it to China.

### **Pakistan's Emerging Regional Trade and Energy Architecture**

Pakistan's rise in a volatile and troubled region is an exceptional case. As we know, the components of an energy and trade corridor are oil and gas pipelines, energy transit lines, highways, sea and dry ports, oil refineries and railway lines. Pakistan possesses most of the mentioned components to become energy and trade corridor while there are some concrete plans to develop oil and gas pipelines from Iran, Turkmenistan and Qatar. The major objectives of Pakistan's regional pivot are; to translate close and trustworthy relations with China into trade, economic and energy relations, to enhance multi-dimensional relations with Russia, to enhance political and trade relations with India, Iran and Afghanistan, access to Central Asian energy resources, and ultimately to serve as a regional trade and energy corridor<sup>30</sup> particularly by providing an outlet to the landlocked Western China and Central Asia.

In the changing scenario, Pakistan may emerge as an important player to reckon with as an energy and trade corridor as well as a consumer. As regional energy demand growing rapidly, Pakistan is positioned as an energy corridor for supplies in all directions from the north to south and from the west to east. Russia and Turkey, the worst enemies, who were involved in 12 wars in three centuries, are close trade and economic partners. More than 60 per cent of Turkish gas needs are met by only one supplier i.e. Gazprom while Russia has been the largest trading partner of Turkey with a bilateral trade volume of \$40 billion in 2009.<sup>31</sup> Likewise the

<sup>29</sup> Andrew Small, "Regional Dynamics & Strategic Concerns in South Asia: China's Role," Centre for Strategic and International Studies (CSIS), January 2014, [http://csis.org/files/publication/140127\\_Small\\_Regional\\_Dynamics\\_China\\_Web.pdf](http://csis.org/files/publication/140127_Small_Regional_Dynamics_China_Web.pdf), (accessed April 8, 2014).

<sup>30</sup> Ishtiaq Ahmad, "Pakistan's Regional Pivot and the Endgame in Afghanistan," *IPRI Journal*, vol. XIII, no. 2 (Summer 2013): 1, 13-20.

<sup>31</sup> Brussels Energy Club.

historic rivals Russia and China are in close collaboration since the break-up of the Soviet Union. So why cannot Pakistan enhance its trade and economic relations with Russia or India? Similarly if Russia and Iran can meet eighty per cent of Turkey's gas needs and India and Iran can jointly develop Chabahar Sea Port then why IPI should become a victim of US sanctions or Pakistan should not transit Iranian and Turkmen gas to India or why Pakistan and India should not work jointly for materializing TAPI and IPI?

The main components of Pakistan's emerging regional trade and energy architecture based on its geographical location in the region include Gwadar Port, Karakorum Highway (KKH) and other national highways, the Quadrilateral Trade Agreement, energy pipelines, Kashgar Economic Zone and Railroads which are briefly discussed below:

### **Pakistan's Geographical Location**

A country's geography plays a vital role in trade through supply and demand markets. Pakistan's geography and location makes it a regional trade and energy corridor. Located at the cross roads of huge energy rich regions (supply markets) and huge energy consuming countries i.e., Middle East, Iran, and Central Asia on one side and India and China on the other gives Pakistan a pivotal position and makes it an important factor in the foreign policies of these states. Its partnership with China, prospective membership in the SCO, its strong ties with Saudi Arabia and UAE make it an important player in all regional energy and trade policy matters. Importantly China's 'look west' policy which aims at strengthening economic development in its western parts strongly supports the concept of Pakistan as an energy and trade corridor. China's financing capacity and willingness to push its projects to completion in the West or to utilize them in future will have a positive impact over the regional states particularly Pakistan and Central Asia.

### **Gwadar Sea Port**

Gwadar Port is located on the opening of Persian Gulf, at the apex of the Arabian Sea, 400 km east to the Strait of Hormuz. Around 80 per cent world oil movement takes place from this part of the world. At the cross roads of huge supply and consumer markets, once fully operational, it will benefit more than two dozen regional states including those of the landlocked Central Asian Republics, Persian Gulf and East African States, Afghanistan, and Western China. The project is purely economic and is based on the trade and commercial needs of Pakistan and China which will play a vital

role in economic revival of Pakistan and at the same time provide an outlet to the landlocked Xinjiang to the Arabian Sea. Pakistan desires to use the Port for trade and energy transportation to Central Asia, Afghanistan and Western China. China has become the largest energy consumer in the world since 2010 and plans to diversify, secure and increase its energy supplies. Gwadar Port reduces the distance for China to Persian Gulf by more than 10000 km<sup>32</sup>. So the Port makes the energy supply form East Africa to China not only cost effective but also safe and secure in comparison to the maritime route via Indian Ocean and Strait of Malacca. It is obvious that in comparison to China's other energy related projects in the region i.e., in Bangladesh, Sri Lanka, and Myanmar, Gwadar has the brightest prospects to be developed because of the high level of trust and relations between Pakistan and China.

### Location of Gwadar Port



Source: [www.pk.tribune.com./forums/posts.php?=38750](http://www.pk.tribune.com./forums/posts.php?=38750)

### Energy Pipelines

In this century of gas, Pakistan happens to be surrounded by the world's largest gas surplus regions on one side and substantial gas importing

<sup>32</sup> Shabir Ahmad Khan, "Geo-Economic Imperatives of Gwadar Sea Port and Kashgar Economic Zone for Pakistan and China," *IPRI Journal*, vol. XIII, no. 2 (Summer 2013): 87, 93-100.

regions on the other. The gas surplus regions include Qatar having the world's second largest, Iran the third largest and Turkmenistan the fourth largest, gas reserves of the world; while, on the other hand, the world's major gas demanding countries include China and India. During the 1990s, Pakistan had signed MoUs with all these gas surplus states, Iran, Qatar and Turkmenistan, to import gas and further transit it to India and China.

Pakistan itself desperately needs gas to run its industry, vehicles and light its streets and homes. Pakistan needs gas to utilize its thermal power generation capacity to produce 4000 megawatts of electricity -- 80 per cent of its power deficit.<sup>33</sup> Currently the citizens of Pakistan in urban and rural areas face 6 to 16 hours of blackouts per 24 hours respectively. According to estimates, Pakistan's indigenous gas reserves are expected to deplete by 2020 and high reliance on imported gas is predicted in the near future.<sup>34</sup>

## Two Proposed Pipeline in South Asia



Map 1 • B 2139 heritage.org

Source: <http://www.transitionistas.com/2013/03/08/iran-pakistan-pipeline-shows-americas-declining-influence/>

The idea of a gas pipeline from Iran originated in 1993, and popularized as peace pipeline i.e. IPI Iran-Pakistan-India Pipeline while in 1995 Gazprom and Indian Gas Company signed MoU to construct the pipeline.<sup>35</sup> The overland route was chosen for the pipeline because it is four

<sup>33</sup> Joshua Foust, "Iran-Pakistan Pipeline Shows America's Declining Influence," August 2013, <http://www.transitionistas.com/2013/03/08/iran-pakistan-pipeline-shows-americas-declining-influence/> (accessed April 21, 2014).

<sup>34</sup> Riaz Ahsan as quoted by Seher Abbas.

<sup>35</sup> Ariel Cohen, Lisa Curtis & Owen Graham, "The Proposed Iran-Pakistan-India Gas Pipeline: An Unacceptable Risk to Regional Security,"



times cheaper than the undersea route even after including Pakistan's transit fee.<sup>36</sup> Much water has passed down the Indus since then during the last two decades but unfortunately negligible progress has been made due to regional geo-politics and US opposition though even the Americans acknowledge that in the shape of IPI, the prospects of getting energy and income without US strings attached is deeply attractive for Pakistan.<sup>37</sup> The project is still waiting for completion while Iran has completed the pipeline on its territory up to Pakistan's border. Recently, China has shown interest in extending the pipeline to Western China. Pakistan, China and India therefore need to come forward and stand up to US and Saudi pressures jointly for the sake of the region's prosperity to go ahead with the project. Russia, itself the largest gas reserve holder in the world would favour south-eastward direction for the Iranian gas rather than westward where it could compete with Russian gas for the European market. More importantly the Nabucco project with the loss of Turkmen gas due to Chinese pipeline from Turkmenistan will now look at the Iranian source to feed the Nabucco pipeline. It will be unforgivable by generations of the sub-continent if the gas available at the doorstep is utilized by another region due to the negligence of regional leadership and governments.

The Trans-Afghan-Pakistan-India Pipeline (TAPI) is the other option which starts from Daulatabad gas field in Turkmenistan and reaches New Delhi via Afghanistan and Pakistan. Interestingly, the US opposes the IPI and insists on the construction of TAPI while Russia does not oppose TAPI and has shown interest in the project though it prefers IPI. Russia itself is exploring and developing new gas fields and it will reduce its needs of Turkmen gas whereas Turkmenistan plans to increase its gas production from 70bcm annually to 230bcm per annum till 2030 and is therefore looking for new markets.

It is hard to examine the scope for US-Russian cooperation on TAPI, however, as Chevron, US oil giant, holds 50 per cent shares in Tengizchevroil (TCO) and 18 per cent shares in the Karachaganak fields in Kazakhstan and is also a major shareholder in the Caspian Pipeline Consortium along with Russian Transneft which transports Kazakh oil to Navarysisk, Russian Port on the Black Sea.<sup>38</sup> So it makes sense that Russian

---

<http://www.heritage.org/research/reports/2008/05/the-proposed-iran-pakistan-india-gas-pipeline-an-unacceptable-risk-to-regional-security>, (accessed on April 20, 2014).

<sup>36</sup> Ibid.

<sup>37</sup> Joshua Foust, "Iran-Pakistan Pipeline Shows America's Declining Influence," August 2013, <http://www.transitionistas.com/2013/03/08/iran-pakistan-pipeline-shows-americas-declining-influence/>, (accessed April 21, 2014).

<sup>38</sup> "Kazakhstan Fact Sheet," April 2013,

Gazprom and US Chevron may jointly undertake the TAPI to create a win win situation. It is important because in the post withdrawal period, US plans to station around 10000 troops in Afghanistan where US has spent considerable human and physical capital, and time and therefore will definitely desire to have its own share in the pipeline.

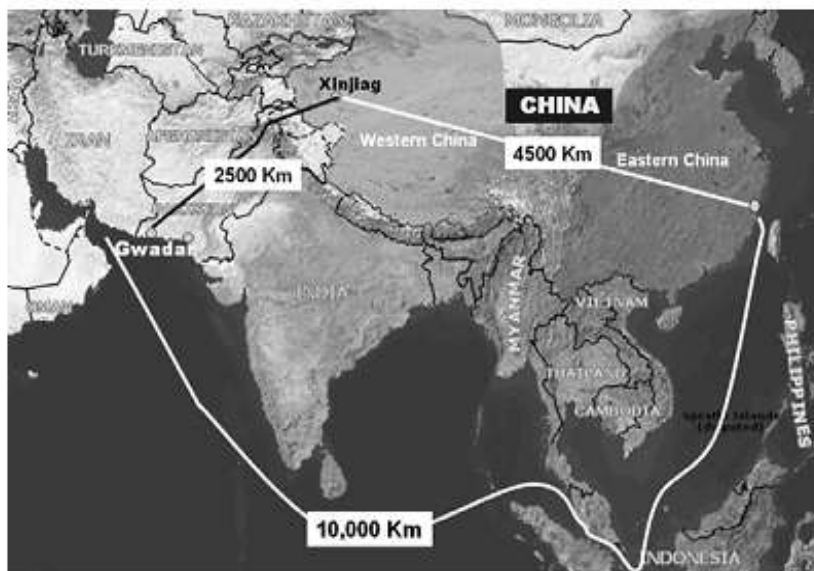
## TAPI



Source: [http://www.atimes.com/atimes/South\\_Asia/LL16Df01.html](http://www.atimes.com/atimes/South_Asia/LL16Df01.html)

Gwadar-Kashgar oil and gas pipelines are yet other proposed projects. China in 2009 started work on the construction of an oil refinery at Gwadar which will be linked to Kashgar across Pakistan. The total length of the pipeline is about 2500 km. This oil pipeline can be used for transporting Saudi oil to China bypassing the long and unsafe maritime route.

### Image of Gas Pipeline from Gwadar to Kashgar<sup>39</sup>



*Shortest Route from Western China to Gwadar*

### Quadrilateral Trade Agreement

The quadrilateral transit trade agreement, operational since 2004, was signed between Pakistan, China, Tajikistan, Kyrgyzstan and Kazakhstan. This agreement stipulates effective use of Karakoram Highway (KKH) to China and Central Asia via Kashgar. Kashgar, 50 km from Kyrgyzstan and around 400 km from Sost-Tashkurgan (Pak-China border) is being developed as a special economic zone since 2010 to increase trade and economic relations between Central Asia and South Asia. The Russian market can also be accessed via the same route through Kazakhstan. The Asian Development Bank's programme of Central Asian Regional Economic Cooperation (CAREC) has identified a transit corridor from Russia via Kazakhstan and Kyrgyzstan to Kashgar (China) which naturally links to Kashgar-Gwadar chain via KKH.

<sup>39</sup> Shabir Ahmad Khan, "Pakistan as Trade and Energy Corridor Vis-à-vis SCO," in *SCO's Role in Regional Stability: Prospect of its Expansion*, ed., Mushir Anwar (Islamabad: Islamabad Policy Research Institute, 2013), 160-175-78.

## Roads and Highways

In 2006, Pakistan and China signed a Memorandum of Understanding (MoU) to upgrade the KKH to make it an all-weather highway for trade and commercial activities. Currently about 70 per cent of the up-gradation work has been completed. China and Pakistan has already connected Gwadar Port and Kashgar by linking Indus High Way to KKH which further reaches to Kashgar. In July 2013, Pakistan and China also signed a MoU to add another 700 km long section to the existing 1300 km KKH in order to link it with Gwadar. The National Highway N-5 known as Grand Trunk (GT) Road links Jalalabad-Afghanistan- in the north to the Port of Karachi in the south. On the other hand, Chaman has been linked to Gwadar Port via the Coastal Highway i.e. N-10 while Gwadar and Karachi are linked through the Makran Coastal Highway. With Iran, the Jiwaniabad Road has been serving trade and commercial activities.

### Gwadar-Kashgar Road



Source: <http://www.defence.pk/forums/economy-development/259273-sinopak-economic-corridor-updates-discussions.html>

## Railways

China and Pakistan plan to construct a 750 km railway line from Khunjerab to Abbottabad, the idea of which has been there since 2004.<sup>40</sup> This railway track will be linked to the Chinese-Kyrgyz-Uzbek rail track in the north while in the south with Pakistan's national railway system at Rawalpindi. A six member expert committee has been formed for the purpose. On the other hand, the Asian Development Bank has offered assistance to construct a rail line between Chaman and Gwadar. This may be connected to Ashkabad, Termez and Badkshshah via Afghanistan internal railway system. The 18<sup>th</sup> Regional Council of ECO held in 2008 has proposed to construct a railway line between Turkey, Iran and Pakistan.<sup>41</sup> Two railway lines are already in place to connect Karachi and Lahore with the Indian cities of Jodhpur and Amritsar respectively.

## Conclusion

Since 1991, the US has been eyeing the energy resources of Central Asia and Eurasia. Since 2002, the US has been trying to use Afghanistan as a spring board to enter Central Asia and ultimately to control the Eurasian land mass. However it could not make any major breakthrough as the 'uni-polar' world became more dangerous and unstable which made the regional states wary of US intentions.

It seems that the post withdrawal vacuum would be filled by both Russia and China. China and Russia in the post withdrawal period would dominate further pipeline developments and energy resources in Central Asia. Both the countries will have substantial say and influence over any future pipelines in the south-east direction.

Both the regional states Russia and China have much at stake in the stability of the region. Escobar stated: "Moscow's strategy is to boost the SCO as a solid counterpunch not only to NATO but also to the US designs on Central Asian energy".<sup>42</sup> The two giants of SCO can play a constructive role in economic integration of Central Asia and South Asia with vast experience and high tech in the field of hydrocarbon resources.

Russia has realized the need, in the face of the Ukrainian crises, to explore Asian energy market and participate in the pipelines going in the

---

<sup>40</sup> Shabir Ahmad Khan, "Pakistan as Trade and Energy Corridor Vis-à-vis SCO," 173.

<sup>41</sup> Ibid.

<sup>42</sup> Pepe Escobar, "Eurasian geopolitics face Astana earthquake," June, 29, 2011, <http://www.aljazeera.com/indepth/opinion/2011/06/201161171726322565.html>, (accessed April 7, 2014).

south-east direction from Central Asia which increases the chances of Russian involvement in IPI and TAPI.

It has been acknowledged that Chinese economic needs, particularly hydrocarbon resources, transit routes and economic development in Xinjiang are driving China to develop connectivity infrastructure in Pakistan i.e. linking Gwadar to Kashgar by rail, road and pipelines.<sup>43</sup>

China has the will and financial capacity to develop Pak-China economic corridor linking Gwadar to Kashgar by road, rail and pipelines which would facilitate the regions of Central Asia, South Asia and Middle East in market access and will go a long way in regional economic integration. ■

---

<sup>43</sup> Andrew Small, "Regional Dynamics and Strategic Concerns in South Asia, China's Role," January 2014, [http://csis.org/files/publication/140124\\_Camp\\_India\\_Web.pdf](http://csis.org/files/publication/140124_Camp_India_Web.pdf), (accessed April 12, 2014).

## CHAPTER 5

### **Post-2014 US/NATO Engagement in the Region: Challenges and Prospects**

**Major General Noel Israel Khokhar**  
DG ISSRA

The year 2014 heralds the beginning of an era of transition for Afghanistan, EU and NATO which will conclude by 2016<sup>1</sup>. While the parties owing to the political, economic and social changes witnessed in Afghanistan can be satisfied to an extent, yet the overall perception in Afghanistan and beyond is underscored by concerns on various counts<sup>2</sup>. Analysing the challenges and prospects for post 2014 engagement of US/NATO in the region, it is pertinent to first evaluate the impact of recent international developments on the region. The predominant concern in Afghanistan and its neighbourhood is underscored by the fact that strategic attention of US/NATO has been diverted by recent international events like the developments in Ukraine, increasing focus of US on the policy of 'Rebalancing to Asia' and continuing turmoil in Libya, Syria and transition in Egypt etc. Concurrently it is exacerbated as the US/NATO drawdown is taking place without having fully defeated the Taliban or reconciled them to share power and integrate in the polity of Afghanistan. Achieving this in the milieu of reduced troop presence and without firm commitments for budgetary support by donors over the long term makes it even more daunting. Therefore in such a milieu continued and resolute engagement of US/NATO in Afghanistan and the region will be absolutely critical.

This short paper aims to succinctly review the challenges and prospects for US/NATO for bringing stability in Afghanistan in the next two years or so. The paper will review these challenges at different levels but will focus on the ones critical for setting the region on the path to stability. Similarly in view of the developments witnessed in Afghanistan

---

<sup>1</sup> abcnews.go.com/Politics/wirestory/apnewsbreak. Charting an end to America's longest war, President Barack Obama announced plans Tuesday for keeping nearly 10,000 U.S. troops in Afghanistan after this year but then withdrawing virtually all by the close of 2016 and the conclusion of his presidency.

<sup>2</sup> Ibid. Recognising the challenges he said that "We have to recognize that Afghanistan will not be a perfect place, and it is not America's, responsibility to make it one,"

uptill now, it will argue that the prospective outcome of firm engagement over the long term appear to be substantial. Expectedly with continued focus the achievements can be consolidated to transform the Afghan society and the state in the long run.

The prospects to build and transform Afghan state and society are immense however, inability of Afghanistan to raise required revenues from domestic sources to fund its budgetary requirements is seen as the main difficulty. The problem is further complicated by rampant corruption and inept governance. Afghanistan has a growing population which needs support in the fields of education and health. Afghan budget for FY 2013<sup>3</sup> allocates 12.9 per cent for operating the education sector with none for development. According to an estimate the country requires around \$35 million to operate its universities and institutions. In the past, the major contribution came from USAID which stood around \$20 million.<sup>4</sup> The education sector presents the prospects for the need of a joint strategy by EU countries to meet the requirements in the short to midterm as the system will in coming days come under increasing pressure from the Taliban. Similarly in health sector major contribution came from the \$236 million under USAID<sup>5</sup> programme 'Partnership Contracts for Health'. Besides US/NATO contributions, Jordan and Egypt also ran facilities in Bagram and Mazar-e-Sharif. The Afghan government therefore needs to engage Middle Eastern countries on bilateral and multilateral i.e. IOC and GCC basis to draw support and meet the health and education needs.

Afghanistan is a connecting country, located at the intersection of Central Asia, China, South Asia and Middle East. A well developed road and rail network connecting these regions presents immense potential for growth, development and financial viability of the state. Construction of roads has been a US priority for few years — 3000 miles have been built with another 1500 miles under construction. Besides the existing connections along the SDN at Khyber and Quetta, Pakistan has undertaken work to open up two new corridors in North and South Waziristan Agencies augmenting the opportunities for trade and transportation. Construction of rail network presents even greater potentials, linking of the old Soviet Rail System with the Pakistan Railways System alongside small farm to market rail / roads and completion of ring road presents bright prospects for long

---

<sup>3</sup> Islamic Republic of Afghanistan, Ministry of Finance Budget 1993, [www.budgetmof.gov.af](http://www.budgetmof.gov.af)

<sup>4</sup> Ibid.

<sup>5</sup> *Washington Post*, September 6, 2013, Report says that millions in US aid funds for Afghan health projects are being wasted.



term transformation for the country. Chinese interests can be tapped by Afghanistan to draw financial and technical support.

The close link between availability of electricity and other energy resources and GDP growth is an established fact. To foster long term economic growth Afghanistan would need support for power generation. The efforts made by the US currently to import from neighbouring countries is double of domestic production<sup>6</sup>. The prospects for successful operation of electricity generation projects based on run of river are considerable and US/EU continued support would be needed in years to come. FDI can shore up the dormant facilities of hydro projects etc. Today 80 per cent of Afghan population lives in rural area while only 11.95<sup>7</sup> per cent of the land is actually arable. Consequently reliance on drug production is substantial and the real challenge in the long run is to wean growers away from production of drugs to cultivation of licit crops, fruits and vegetables. A transit trade agreement for agriculture sector with Pakistan and other neighbouring states for providing access to fruits (pomegranates etc) produced in Afghanistan to Middle East can provide impetus to different initiatives in agriculture sector.

Afghanistan mining and gem sector with untapped minerals worth \$1 trillion offers strong prospects for development. The Aynak Copper Field and Haji Gak Iron ore and other such projects with FDI from China and other neighbouring states is the suggested way forward<sup>8</sup>. Transportation of the extracted minerals out of the country relies on the need for robust transportation system. Presently the reliance is on road network. However in the long run connecting the major project sites via rail to Pakistan Rail System will provide cheap and sustainable means of transportation.

Having briefly reviewed the prospects for continued engagement to stabilise Afghanistan, it will now be pertinent to analyse the challenges. The foremost challenge for steering stability is the need for tripartite reconciliation between Taliban, NATO and Afghan Government. In this context President Karzai has already stunted the Qatar process and it is likely that till the time he remains in office he will continue to oppose any such initiative. However the tripartite reconciliation can be a two stage process in of which the first stage may comprise revival of contacts between US/NATO and Taliban to foster understanding and framework for initiating Afghan-led reconciliation process which with the installation of the next

---

<sup>6</sup> "Overview of Afghanistan Power Sector," [www.usea.org/sites](http://www.usea.org/sites). Current import from Uzbekistan, Tajikistan, Turkmenistan and Iran stands at 1867 MW with forecast at 2075 MW while domestic stands at 871 set to grow to 927 only.

<sup>7</sup> CIA World Fact Book 2011.

<sup>8</sup> Emma Graham Harrison, "Presently Afghan Mining Sectors Lack Safeguards," *Guardian*, November 28, 2013.

President in Afghanistan can be followed up to conclude a comprehensive tripartite agreement. Such an agreement will arrest, transform and convert the conflict into a peace and reconciliation process and will serve as the primary instrument for stabilizing Afghanistan. Such an agreement is likely to draw support from leading world powers as well as neighbours of Afghanistan. The process will be difficult and challenging yet doable.

Alternatively it will be incumbent upon the ANSF and the residual forces of US/NATO to combat the *Khyber* summer offensive. Signing of Bilateral Security Agreement (BSA) between US/NATO and Afghanistan will be a critical enabler for fighting the Taliban which will authorise the continued stay of US/NATO residual forces in Afghanistan to train, and advise (equipped with strategic and operational intelligence and counter terrorist capabilities) the ANSF. Expectedly upon installation of the new administration in Afghanistan, the signing process will be completed rapidly as the agreement already has the support of the Loya Jirga and political leaders who perceive it as an absolute essential. Such an agreement should also be acceptable to neighbours of Afghanistan, especially Pakistan.

In case there is no reconciliation then all other projected scenarios for the next two years are structured around intensified fighting. These scenarios range from the déjà vu post-Soviet withdrawal infighting to virtual division of Afghanistan. However in all these scenarios the degree of stability/instability in Afghanistan will be predicated on the efficacy of ANSF to fight the insurgents. Reportedly the combat efficacy of ANSF has considerably improved during the past two years yet the jury on the outcome of intensified fighting is still out. Some estimates portray a picture of confidence while others portend rapid reversal of gains. Betting on the odds of the ability of ANSF to provide stability brings to fore yet another challenge i.e. one of financing ANSF as well as Afghan government over the long run. ANSF alone require approx. \$ 4.5 billion<sup>9</sup> annually. Keeping in view the gap between the commitment and actual availability of financial support in the recent past, coupled with the growing international distractions, donor fatigue and persistent recession in EU, expectantly consistent financial support looks unlikely.

Such scenarios do not auger well neither for Afghanistan nor for Pakistan. Renewed fighting is likely to trigger another wave of influx of refugees from Afghanistan. Pakistan has been supporting nearly three million registered and unregistered refugees for a decade and renewed influx will prove to be a backbreaker of the fragile eco system and meagre resource base available in the border areas of Pakistan. It will generate new

---

<sup>9</sup> William A Byrid, "Revisiting Chicago Peace," Brief 173, 2014, [www.usip.org/sites/default/files](http://www.usip.org/sites/default/files), 2.

psycho-social and economic problems and keep the border areas destabilised for some time to come.

The need for addressing concerns of regional players, fostering understanding and accommodation to reduce strategic competition and if possible to convert it into strategic cooperation emerges as the next major challenge. Pakistan for instance has repeatedly asserted that India has been inappropriately using her influence with Northern Alliance-supported administration in Afghanistan to destabilise Baluchistan by encouraging separatism and dissension in the province. Also, the basing of TTP leaders and fighters in Nuristan and Kuna areas of Afghanistan to mount attacks on border posts of Pakistan are the challenges which merit priority attention by US/NATO and Afghan government. Issues in border management, cross border movement of people and trade as well as Pakistan's concerns over smuggling and drug trafficking are bilateral issues which require attention from US/NATO forces for amicable resolution. For consolidating friendly relations with ANSF, Pakistan has repeatedly offered its training facilities. It is important that Afghan government pursues a balanced approach.

Zooming out of the operational dimensions the strategic challenge for US/NATO, Afghan as well for Pakistani political leaders is to develop greater mutual understanding, confidence and evolve policies to encourage stabilisation in Afghanistan and border areas of Pakistan. In this context Pakistan has already enunciated the policy of non-interference and neutrality towards Afghanistan and supports the Afghan-led Afghan owned reconciliation process *sans* favourites. Reciprocal announcement and substantial engagement by the coming Afghan President will certainly be the first positive step. ■

## CHAPTER 6

### Post-2014 Challenges in Afghanistan and India's Role

Gulshan Sachdeva<sup>1</sup>

#### Introduction

Afghanistan has witnessed diverse projects of nation building and socio-political transformation in the last three decades. The Soviet project of building communism in Afghanistan resulted in over a million dead and five million Afghan refugees, mainly in the neighbourhood. Similarly, during the conservative Taliban regime in Afghanistan, the world faced disastrous consequences, including the 9/11 terrorist attacks in the United States (US). The current international project of building democracy and market economy in Afghanistan was mandated by the United Nations and is being implemented mainly by the western alliance led by the US. Despite serious difficulties, this endeavour has produced mixed results in the twelve years. Significant gains have been made in areas of education, health, infrastructure, communications, women empowerment and economy. However, the security situation has deteriorated and narcotics production has gone up again in the last few years.<sup>2</sup> In the post-2014 situation, these challenges will become more complicated as majority of international forces will also move out of Afghanistan. In these circumstances, sustainability of many of these achievements is under serious threat.

Irrespective of who wins in the presidential elections or whatever happens between Afghanistan and the US on Bilateral Security Agreement (BSA), it is clear that a new phase of Afghanistan project is going to begin from 2015. The successful start of recent presidential elections shows how most western analysts were wrong in predicting future scenarios concerning Afghanistan. Many thought that the country's leaders are preparing for a civil war. Many in Europe (and to some extent even in the US) were

---

<sup>1</sup> Professor Gulshan Sachdeva is Chairperson, Centre for European Studies, & Director Energy Studies Programme, School of International Studies, Jawaharlal Nehru University, New Delhi. As a regional cooperation advisor, he headed the ADB and The Asia Foundation projects at the Afghanistan Ministry of Foreign Affairs in Kabul (2006-2010).

<sup>2</sup> "Afghanistan Index: Tracking Progress and Security in Post- 9/11 Afghanistan," Brookings, October 29, 2014, <http://www.brookings.edu/about/programs/foreign-policy/afghanistan-index>

convinced that the solution to Afghanistan's problem is largely dependent on working out some kind of a deal with the Taliban. A lot of energy and resources in the last three years were wasted on the so-called "reconciliation process" with very little results. The real reconciliation is happening now, not through some shady deals by foreign powers behind the scene but through the widespread participation by all sections of the society in the democratic process. A large majority of Afghan citizens have bravely defied Taliban's call for boycotting elections. During the first phase of presidential elections, more than seven million voters out of estimated 12 million exercised their right at more than 6200 polling station across Afghanistan. About one-third of voters were women. All of about 350,000 Afghan police and soldiers were on full duty. Despite Taliban's threat to disrupt voting and some high profile attacks prior to elections, violence was not significantly higher than on any other normal day. This shows increasing capabilities of the Afghan security forces.

### **Post-2014 Challenges**

In the last three years, most analysts and international reports indicate that in the post-2014 phase, the country is going to face three major challenges — security, political and economic.<sup>3</sup> Security and political difficulties including transfer of security responsibility to the Afghan security forces, presidential and parliamentary elections and reconciliation with the Taliban are obviously enormous. Still, the economic challenge faced by Afghanistan is by no means less serious than these difficulties. At the Bonn, Istanbul, Chicago and Tokyo conferences, both the international community as well as the regional players re-affirmed their long-term commitment to the future of Afghanistan, which goes much beyond 2014.

The Bonn Conference of December 2011 was attended by 85 countries and 15 international organizations. At the conference, all participants dedicated themselves to "deepening and broadening their historic partnership from Transition to the Transformation Decade of 2015-2024."<sup>4</sup> The final declaration talked about mutual commitments in the areas of governance, security, the peace process, economic and social

---

<sup>3</sup> Various reports of the UN Secretary General to the UN Security Council, <http://unama.unmissions.org/Default.aspx?tabid=12263&language=en-US>; Kenneth Katzman, *Afghanistan: Post-Taliban Governance, Security and US Policy*, (Washington DC: Congressional Research Service, April 2014).

<sup>4</sup> "Afghanistan and the International Community: From Transition to the Transformation Decade," December 5, 2011, [http://www.auswaertiges-amt.de/cae/servlet/contentblob/603686/publicationFile/162662/Konferenzschluss\\_folgerung\\_engl.pdf](http://www.auswaertiges-amt.de/cae/servlet/contentblob/603686/publicationFile/162662/Konferenzschluss_folgerung_engl.pdf)

development, and regional cooperation. Earlier, in November 2011 at the Istanbul Conference, which was attended by the so-called “Heart of Asia” countries consisting of Afghanistan, China, India, Iran, Pakistan, Russia, Saudi Arabia, Turkey, the UAE and all Central Asian republics, participants reaffirmed their strong commitment to a “secure, stable and prosperous Afghanistan in a secure and stable region.” Among other things, in the context of Afghanistan, the regional countries also agreed to respect the territorial integrity of states; non-intervention in the internal affairs of other states; dismantling terrorist sanctuaries and safe havens; disrupting all financial and tactical support for terrorism and support for the stability and peace in Afghanistan, as well as respect for Afghanistan's sovereignty, unity and territorial integrity. At the Chicago and Tokyo conferences in 2012, donors agreed to provide \$14 billion and \$16 billion respectively over the next few years. Moreover, the American officials also talked about working toward a *New Silk Road Strategy* for Afghanistan.

### **Reconstruction**

According to Afghanistan government, more than 70 nations have pledged about US\$ 120 billion for the reconstruction project in Afghanistan since the fall of Taliban.<sup>5</sup> These numbers somehow differ when looking at statements by individual donors. The major portion of this aid has come from the US. The US government claim that through the end of 2012, the US had committed about US\$ 83 billion, out of which more than \$50 billion had gone into building Afghan National Army (ANA) and Afghan National Police (ANP). Other commitments are in the areas of economic and social development, governance, counter narcotics and support to many civil society activities. The next major commitment to Afghanistan is from Europe. Individual member states of the European Union (EU) and the European Commission are making significant contribution to security and justice reforms, development and reconstruction, counter narcotics and regional cooperation activities in Afghanistan. EU has also deployed a police mission. Till the end of 2011, together they had committed about \$ 12 billion for reconstruction activities. From Asia, major commitments are from Japan and India amounting to US\$ 4billion and US\$ 2billion respectively.

---

<sup>5</sup> *Development Cooperation Report* (Kabul: Afghanistan Ministry of Finance, 2012).

## **India's Growing Development Profile in Afghanistan**

With broad understanding that peaceful and stable Afghanistan is crucial for regional stability, India has been playing an active role in the reconstruction since 2002. So far it has pledged assistance worth about \$2 billion, with projects covering the whole of the country mainly in the areas of road construction, power transmission lines, hydroelectricity, agriculture, telecommunication, education, health and capacity building. Details of these projects can be classified under four major heads:<sup>6</sup>

### **Infrastructure Projects**

One of the major infrastructural projects completed by India is construction of 218 km Zaranj-Delaram road project in the southwestern Afghanistan. This road has a strategic significance for India as it is going to facilitate movement of goods and services from Afghanistan to the Iranian border and, onward, to the Chahbahar Port. This road, together with 60 km of inner-city roads in Zaranj and Gurguri, was completed in January 2009 at a cost of US \$150 million. During construction six Indians and 179 Afghans lost their lives due to insurgent attacks. Another major project, which was completed in 2009 was construction of 220kV DC transmission line from Pul-e-Khumri to Kabul and a 220/110/20 kV sub-station at Chimtala. Built at the cost of \$120 million, this line has facilitated almost 24 hour power supply from the northern grid to Kabul city. Further, Indian engineers will also be setting up additional 220/20 kV substations at Charikar and Doshi along the Pule-e-khumri Kabul transmission line. Material for the project is being airlifted from Delhi. The total cost of the project is about Rs 109 crore (\$20 million)

With the Indian help, construction and commissioning 42 MW Salma Dam power project on Hari Rudriver in Herat province is also going to be completed soon. There has been some delay in the project and revised cost is estimated to be around \$250 million. At the cost of \$180 million, Indian government is also constructing Afghan Parliament building, which is going to be handed over to Afghan authorities soon. It has also restored telecommunication infrastructure in 11 provinces and expanded national TV network by providing an uplink from Kabul and downlinks in all 34 provincial capitals. Earlier, it also supplied vehicles (400 buses and 200 mini-buses for mass urban transportation, 105 utility vehicles for municipalities) and 3 airbus aircraft and spares to Ariana Afghan Airlines.

---

<sup>6</sup> Information and data for this section has been compiled from various publications as well as website of the Ministry of External Affairs; and Embassy of India in Kabul, <http://eoi.gov.in/kabul/>

The Indian government also supplied equipment for three substations in Faryab province and for 125 km transmission line from Andhkhoi to Maimanain addition to rehabilitating Amir Ghazi and Quargah Reservoir Dam. It further helped in restoration/revamping of information set up, including setting up of Azadi (Freedom) printing press. Other infrastructure projects include solar electrification of 100 villages; construction of 5000MT cold storage in Kandahar; establishment of modern TV studio and 1000W TV transmitter in Jalalabad; setting up of a mobile TV satellite uplink and five TV relay centres in Nangarhar; digging 26 tubewells in six north-west provinces; drilling of 24 deep wells in Herat; planned construction of Radio Television Afghanistan (RTA) building in Jalalabad and leasing of slot on Indian satellite INSAT3A for RTA telecast since 2004. Five toilet-cum-sanitation complexes have also been handed over in Kabul.

### **Humanitarian Assistance**

The Indian government is providing a daily supply of 100 grams of fortified, high-protein biscuits to nearly 1.2 million children under a School Feeding Programme. This Programme is administered through the World Food Programme and will cost \$ 460 million when completed in 2012. It has also reconstructed Indira Gandhi Institute of Child Health in Kabul and is providing free medical consultation and medicines through five Indian Medical Missions in Kabul, Kandahar, Jalalabad, Herat and Mazar-e-Shrif to over 300,000 patients annually. Since the attack on Indian doctors in Kabul in 2010, the medical mission programme has been affected adversely. In 2001, India agreed to provide one million MT of wheat to Afghanistan. Despite serious transportation problems, assistance of 250,000 MT of wheat to Afghanistan was completed in February 2012. Another tranche of 150,000 MT was to be completed by July 2013. India has also supplied blankets, tents, medicines, vegetable seeds etc.

### **Education and Capacity Development**

India is playing an important role in this field through provision of 675 long-term university scholarships annually. These fellowships are sponsored by the Indian Council for Cultural Relations for under-graduate and postgraduate studies in India. In addition, 675 annual slots for short term technical training courses are provided every year. In 2012, it was decided to grant 1000 scholarships to Afghan Nationals (administered by ICCR) annually during the period 2012-13 to 2020-21. At the January 2010 London Conference, Indian External Affairs Minister announced graduate



and post graduate/Ph.D fellowships for 5 years in the field of agriculture and related fields. Now 614 Agriculture scholarships (B.Sc, M.Sc and PhD) have been made available under an Indian Council for Agriculture Research (ICAR)-administered scheme. In February 2014, the first Indian backed new agricultural university was inaugurated in Kandahar.

In 2005, the Habibia school in Kabul was reconstructed by India and about 9000 educational kits to students of this school were provided. Further, it provided 20,000 school desks to the Ministry of Education and laboratory equipment's and sports goods to schools in Nimroz as well as teacher training and books to Kandahar and Khost Universities. In cooperation with the UNDP, the Indian government is also deputing 30 Indian civil servants as coaches and mentors annually under the Capacity for Afghan Public Administration programme since 2007. It has also provided services of Indian banking experts to Da Afghan Bank and Millie Bank; Indian English teachers in five cities; vocational training to 1000 Afghans (through the Confederation of Indian Industries); Women's Vocational Training Centre in Baghe-Zanana for training of 1000 Afghan women; computer training centres, and established Hindi and English departments at Nangarhar university. Special training courses have also been provided to Afghan diplomats, dozens of civilian officials, police officers, teachers, and doctors and paramedics. In addition, Indian institutions are also providing training to Afghans in various fields through training programmes organized by many international agencies independently.

### **Other Development Efforts**

Another significant addition to Indian activities in Afghanistan is a specific portfolio called small development projects. These projects have become more important in the last couple of years. The focus of this scheme is on local ownership and management. These projects are mainly implemented by local Afghan authorities with some advice from the Indian embassy. The projects are mainly implemented in the areas of agriculture, rural development, education, health, vocational training, etc. About 100 projects were completed in phase I and Phase II. An agreement for the third phase was signed in 2012 with additional input of \$100 million. This phase will be completed in 2015-16. In 2002, India also contributed \$10 million to Afghan government budget and has also been contributing to the Afghan Reconstruction Trust Fund regularly since 2002. In 2005-06, it also provided 150 trucks, 15 ambulances, 120 jeeps, bullet proof jackets, bullet proof helmets, laser aim points, mine detectors, winter clothing, medicines etc., to the Afghan National Army. It also helped setting up of Common

Facilities Service Centre and Tool Room at Pule-e-Charkhi Industrial Park and trained 5000 self-help groups in Balakh.

### **Some Recent Initiatives**

Indian Prime Minister Manmohan Singh's visit to Afghanistan in May 2011 provided new direction to Indian development activities; he raised Indian commitment to \$2 billion by announcing further increase of \$500 million. Some of the new schemes announced since then include:

- Donation of 1000 buses for the Kabul and other municipalities with provision for maintenance support, training, and infrastructure.
- Provision of 500 tractors for Afghan farmers.
- Provision of seeds and other assistance for the agricultural sector.
- A medical package consisting of the treatment of Afghan patients in select hospitals in India. The programme is being implemented through the Afghan Ministry of Public Health;
- The rehabilitation and professional up-gradation of the National Malaria and Leishmaniasis Centre of Afghanistan;
- Up-gradation of the Indira Gandhi Institute of Child Health, including the neo-natal and maternal care unit.
- The early finalization of a US\$ 50 million Buyers Credit Line to promote exports and attract Indian business to Afghanistan.
- A grant of US\$ 10 million for preservation and revival of Afghanistan's archaeological and cultural heritage and cultural exchanges.
- The restoration of the historic Stor Palace in the Afghanistan Ministry of Foreign Affairs. The estimated cost of the project is about \$4 million and it will be completed by July 2015.
- Assistance in setting up an Afghan National Institute of Mines. To implement this project, the Indian government provided training at Indian School of Mines at Dhanbad for up to 180 resource persons from the Afghanistan Ministry of Mines.
- Assistance in setting up of a computer laboratory at Habibia School.
- Supporting the second phase of the Confederation of Indian Industry (CII) Skills Development Programme for providing vocational training to Afghan nationals.
- Establishment of a Jawaharlal Nehru Chair of Indian Studies at Kabul University.

## Afghanistan, India and Regional Connectivity

It is becoming clear that with declining western interest, the amount of resources available for development projects in the next decade is likely to be significantly lower than the past one decade. Experience suggests that withdrawals of international troops in other parts of the world have decreased civilian aid, with implications for economic growth and fiscal sustainability. Therefore, potential financing gaps in the budget could threaten security and recent progress made at the developmental front. According to the World Bank, actual aid to Afghanistan in 2010-11 was about \$16 billion, about the size of the nominal GDP.<sup>7</sup> Any rapid decline in aid will severely affect growth performance and employment scenario in the country. The *Asian Development Bank Outlook 2014* shows that growth in GDP excluding opium production has already declined to 3.3 per cent in 2013. This was much below 12 per cent growth achieved in 2012.<sup>8</sup> Despite international commitment for the “transformation decade of 2015-2014”, Afghan government will be forced to deploy its limited resources on maintaining security infrastructure.

To offset these trends, Afghanistan has to concentrate on two things. First, it has to attract foreign investment particularly in sectors like mining, hydrocarbons, infrastructure, telecommunications, agriculture, education, health services etc. Secondly, for long term sustainability, it ultimately also has to play its traditional role of facilitating trade and commerce through its territories. In both these areas, regional countries could play a very significant role. Both *The Delhi Investment Summit on Afghanistan (2012)*<sup>9</sup> as well as *Doing Business with Afghanistan*<sup>10</sup> meeting organized by Federation of Indian Chambers of Commerce & Industry (FICCI) in November 2013 emphasized precisely on these points. The choice of India for these investment summits was also important as many Indian companies have already decided on big investments in Afghanistan. A consortium of seven Indian companies led by the state-owned Steel Authority of India (SAIL) have won a \$10.3bn deal to mine three iron ore blocks in central Afghanistan. Some Indian companies are also planning to bid for copper

---

<sup>7</sup> Richard Hogg et al., *Transition in Afghanistan: Looking Beyond 2014* (Washington DC: The World Bank, 2011).

<sup>8</sup> *Asian Development Bank Outlook 2014*, (Manila: ADB, 2014).

<sup>9</sup> “Delhi Investment Summit on Afghanistan a success,” The Embassy of Afghanistan, Washington DC, <http://www.embassyofafghanistan.org/article/delhi-investment-summit-on-afghanistan-a-success>

<sup>10</sup> <http://www.ficci.com/past-Events-page.asp?evid=21681>

and gold projects. There are also reports that India is also planning to build a 900 Km railway line between Iran's Chabahar port and Bamiyan province where Indian companies are planning large investments.

The strategic location of Afghanistan will always be important for India, particularly in the context of difficult India-Pakistan relations. However, importance of Afghanistan for India is much bigger than normally perceived in this narrow context. Once Afghanistan becomes stable, trade through Pakistan, Afghanistan and Central Asia has the potential to alter the nature and character of India's continental trade. So far majority of Indian trade is conducted through sea. Border trade with China was stopped after India-China war in 1962. Only recently, a limited opening has been made with China through Nathula Pass. Looking beyond Central Asia, it is clear that India trades a great deal with other CIS countries, Iran, and of course with the European continent. In 2012-13, India's total trade with these countries amounted to about US\$ 173 billion. Just before the global economic crisis of 2008-09, India's trade with this region was growing very fast, particularly with Afghanistan, Pakistan and Iran. Simple calculations on the basis of past trends shows that India's trade with Europe, CIS plus Iran, Afghanistan and Pakistan would be in the range of about US\$ 400-500 billion annually within the next few years.<sup>11</sup>

Even if 20 per cent of this trade is conducted through road, US\$ 80-100 billion of Indian trade would be passing through Afghanistan and Central Asia. With improvement in India-Pakistan relations, an important portion of Indian trade (particularly from the landlocked northern states including Jammu & Kashmir) will be moving through Pakistan and Afghanistan. With the possibility of this trade passing through Afghanistan and Central Asia, most of the infrastructural projects in the region will become economically viable. These linkages will also transform small and medium industries and agriculture in Central Asia and Afghanistan. A major impediment in realizing this potential is existing difficult relations between India and Pakistan. While looking at the regional economic dynamics, it is clear that both India and Pakistan would be paying huge economic costs for not cooperating in Afghanistan. If trade stops in Pakistan, many road and other infrastructural projects will never become viable because of low volumes. Direct linkages between Central Asia and India will also give huge boost to all economies in the region, particularly to Afghanistan.

---

<sup>11</sup> Gulshan Sachdeva, "Regional Economic Linkages" in *Reconnecting India & Central Asia: Emerging Security & Economic Dimensions*, ed., Nirmala Joshi, (Washington: Central Asia-Caucasus Institute & Silk Road Studies Program, 2010), 115-179.

With Indian continental trade moving through this region, Pakistani economy is also going to benefit in a major way. Many within Pakistan fear that with Indian goods moving to Afghanistan and Central Asia, markets for Pakistani products may be eroded. Pakistan trade figures show that even without Indian competition, it is not able to export much to Central Asia. In the last couple of years, Pakistan exports to Central Asia were less than US\$20 million a year.<sup>12</sup> It has significant exports only to Afghanistan and a major portion of those exports is unlikely to be affected. In fact, with major infrastructural development and movement of goods and services, both India and Pakistan could be important economic players in Central Asia. At the moment both are insignificant players.

For many of these things to happen, various big and small projects discussed at different meetings in the last few years need clear prioritization. A few studies have indicated immediate and long term measures which can soften the economic impact of military drawdown and create conditions for self-sustained growth.<sup>13</sup> Earlier, it was thought that Afghanistan has very limited resources. The Afghanistan government in 2010 claimed, however, that the country has huge untapped mineral resources worth at least 3 trillion dollars.<sup>14</sup> Afghan and American officials have now repeatedly talked about the New Silk Road Strategy. The concept of Silk Road as evolved over centuries and more recently in the last two decades is a synthesis of cultures and civilizations as well as networks of trade, transit and infrastructure corridors. Every partner of the project has its own concept and understanding of the Silk Road and will continue to pursue its own objectives through specific economic and/or cultural projects. The success of many of these projects will depend on economic viability as well as prevailing political and security conditions. The Chinese Eurasian Land Bridge concept linking China and Russia to Europe via Kazakhstan and International North South Transport corridor project initiated by India, Iran & Russia are already at different stages of implementation. In the context of Afghanistan, the idea has been discussed at many academic and policy forums at least since 2005. This strategy is a long term vision of an international trade, transit and energy network that links Central and South Asian economies through Afghanistan.<sup>15</sup> This was a

---

<sup>12</sup> Author's calculations based on Trade Development Authority of Pakistan data, <http://www.tdap.gov.pk/tdap-statistics.php>

<sup>13</sup> S. Frederick Starr et al., *Finish the Job: Jump-Start Afghanistan's Economy- A Handbook of Projects*, (Washington: CACI, 2012).

<sup>14</sup> "Mining in Afghanistan," <http://goo.gl/GUqh9>

<sup>15</sup> Frederick Starr and Andrew C. Kuchins, *The Key to Success in Afghanistan: A Modern Silk Road Strategy*, (Washington: Central Asia-Caucasus Institute & Silk Road Studies Program, 2010).

good blueprint for Afghanistan but unfortunately has been mixed with regional geopolitics and exit strategies from Afghanistan. Still, Afghanistan has no other option but to continuously work for this strategy.

It is true that it is difficult to imagine implementation of this policy in the present tensed political environment in the region. However, some positive developments have taken place. The Afghan-Pakistan Transit Trade Agreement (APTTA) has been reached after years of negotiations and active US encouragement. Under the agreement, both Afghanistan and Pakistan have agreed to facilitate the movement of goods between and through their respective territories. Pakistan has allowed Afghan exports to India through Wagah and to China through Sost/Tashkurgan. Similarly, Afghanistan has allowed Pakistani trucks to reach Tajikistan, Turkmenistan, Uzbekistan and Iran through its territories. Afghan trucks can carry Afghan transit export cargo on designated routes up to Pakistani sea ports of Karachi, Qasim, Gwadar and Wagah border. At the moment, this is only a partial agreement as Afghan cargo is offloaded on to Indian trucks back to back at Wagah and trucks on return are not allowed to carry Indian exports back to Afghanistan. Despite its limited nature and serious initial problems in implementation, the agreement can be seen as a major development in regional economic cooperation.<sup>16</sup> It has also generated interest beyond Afghanistan and Pakistan. Both Pakistan and Afghanistan have decided, in principle, to include Tajikistan also into APTTA. To make this initial small project into a serious regional economic force, it is imperative to include Turkmenistan, Uzbekistan (and perhaps Iran) into the broader agreement. However, the project will be of very limited interest to Central Asian countries if traffic to India is not allowed in both the directions. Once Central Asians and India are included in the expanded APTTA, the region will be ready to take advantage from the emerging Eurasian Economic Union space within a few years.

Despite tensions at the political level, there are some positive developments between India and Pakistan on trade matters. Both have agreed on three agreements viz redressal of trade grievances, mutual recognition and custom cooperation. Pakistan will allow bilateral trade through Wagah for all goods (presently restricted to 137 items). India has agreed to reduce number of items under restricted list by 30 per cent. There are some signs that Pakistan may provide MFN (or renamed NDMA) status to India soon. While India had given Pakistan MFN in 1996, Pakistan has been refusing to do so. Once that happens, India will bring SAFTA sensitive list to just 100. Pakistan will do so in the next five years. By 2020

---

<sup>16</sup> Gulshan Sachdeva, "Afghanistan and Pakistan Sign Trade and Transit Agreement, *Central Asia Caucasus Analyst*, vol. 12, no. 6 (2010).

peak tariff rate will not be more than 5 per cent. Both have also agreed to cooperate in investment, banking, electricity and gas trade, railways and better air connectivity. In addition, they have signed new liberalized visa regime.<sup>17</sup> Talks are also going on LNG imports from India. There are proposals of laying a 110-km pipeline from Jalandhar to Wagah border to supply natural gas to Pakistan. LNG will be imported via ports in Gujarat and will be moved through Gas Authority of India (GAIL)'s existing pipeline network till Jalandhar and then exported through Wagah.<sup>18</sup>

In the last few years, all four countries involved in the TAPI project have already signed most agreements required for its commencement. These include: an Inter-Governmental Agreement (IGA), a Gas Pipeline Framework Agreement (GPFA) and Gas Sales and Purchase agreement. A broad agreement on transit fee has also been agreed upon.<sup>19</sup> Recently, Indian Minister for Petroleum and Natural Gas, M Veerappa Moily asserted that the framework for TAPI is being readied on a fast-track basis by the four stakeholder nations and transactional advisor for the project has also been appointed. He announced confidently that "gas is expected to reach the border of India by August 2017."<sup>20</sup> The Indian public sector giant ONGC also plans to bring Russian hydrocarbons to India via Central Asia, Afghanistan and Pakistan.<sup>21</sup> If implemented, these projects could become a 'game changer' in regional geo-politics and regional economic integration. They also have the potential to smoothen the 'Decade of Transformation' for Afghanistan.

Within the broad context of increasing regional economic cooperation, India continues to support both the Regional Economic Cooperation Conference on Afghanistan (RECCA) as well as the "Heart of Asia" processes. In the Istanbul process India leads Trade Commerce and Investment Opportunities Confidence Building Measure (TCI-CBM). Uncertainty concerning post-2014 Afghanistan has also added a new dimension to India's relations to Central Asian republics. The failure of Afghanistan project poses common security challenges but any positive

<sup>17</sup> For recent India Pakistan trade matters, documents and studies, <http://www.indiapakistantrade.org/>

<sup>18</sup> Abdul Rasheed Azad, "LNG import: team going to India to explore prospects," *Business Recorder*, July 14, 2014, <http://www.brecorder.com/fuel-a-energy/193:pakistan/1167420:lmg-import-team-going-to-india-to-explore-prospects/?date=2014-03-29>

<sup>19</sup> Gulshan Sachdeva, "TAPI: Time for the Big Push," *Central Asia Caucasus Analyst*, vol. 15, no. 14, 2013.

<sup>20</sup> *Hindu*, January 14, 2014.

<sup>21</sup> Gulshan Sachdeva, "India's ONGC Plans To Bring Russian Hydrocarbons To South Asia," *Central Asia Caucasus Analyst*, vol. 15, no. 10 (2013).

outcome will open tremendous economic opportunities to both India & Central Asia. These two factors have increased strategic significance of the region considerably and are perhaps reasons for announcing a twelve point new 'Connect Central Asia'<sup>22</sup> policy. Apart from other things the new policy initiative emphasizes on stepping up multilateral engagement (SCO, Eurasian Economic Union); reactivating International North South Trade Corridor and; strengthening strategic and security cooperation (military training, joint research, counterterrorism cooperation, close consultations on Afghanistan). As SCO may play a bigger role in Afghanistan in any post-2014 situation, India is also hoping to get its full membership soon.

Economic integration both within and between South and Central Asia is limited at the moment. High economic growth in both the regions, however, is pushing policy makers to work for integration strategies. As a big fast growing economy, India is an attractive market for both the regions. Regional economic integration is also important for sustainability of Afghanistan as ultimately it has to play its traditional role of facilitating trade and commerce through its territories. Between 2006 and 2009, the issue of regional economic cooperation through Afghanistan was becoming serious. Since then, however, the focus on exit and later on "negotiated settlement" in discussions pushed the issue of serious regional economic cooperation into the background. By the time international community and particularly Americans realized and started talking about the New Silk Road Strategy, regional geopolitics took over. Some important regional players started thinking that this is somehow part of the broader exit strategy of the western nations. Even if that is the case, Afghanistan has no other option but to continue pushing for regional economic cooperation.

Compared to modest trade in South and Central Asia, however, continental trade is going to be much more important for the South Asian region. As a result, plans for linking South Asia with Europe through Afghanistan and Central Asia is much more valuable rather than just thinking in some regional or sub-regional context. Different infrastructural plans, like the SAARC multi-modal transport linkages, CAREC action plans, Northern Distribution Network (NDN) and International North South Corridor (INSTC) are all in a way different pieces of this larger picture. Ultimately South Asian trade volumes from India and Pakistan will be reaching Europe through these different schemes. Although many of these plans have been under discussion for some time, the success of NDN within a limited time has given new impetus to South Asia-Europe transportation

---

<sup>22</sup> For details see, Keynote Address by E. Ahamed at First India-Central Asia Dialogue, June 12, 2012, <http://goo.gl/Io5ah>



plans.<sup>23</sup> It shows that positive results could be achieved even when negotiations involve strategically competing nations. Although there may be an element of competition between the INSTC and the NDN and also between Chabahar and Gwadar ports, yet all these mechanisms will ultimately facilitate South Asian economic linkages with Europe. Successful implementation of Afghanistan-Pakistan Trade and Transit Agreement (APTTA), operationalization of TAPI and formal connections between South Asia and emerging Eurasian Economic Union (involving Belarus, Kazakhstan and Russia) will further strengthen these connections. These developments indicate that compared to other western nations which are planning to reduce their engagement after 2014, countries from the South and Central Asian region would be preparing for enhanced engagement in the country. Reasons for enhanced engagement may vary from country to country. Enhanced Indian role is based on the assessment that international support to Afghanistan will continue much beyond 2014 and there is little scope for any 'negotiated settlement' in the near future. Chinese engagement will also increase both to protect its \$3 billion investment in copper mines as well as through SCO. The increased Central Asian and Russian engagement will be to deal with threats concerning fundamentalism, drug trafficking, cross-border crime and flow of refugees. Within this broad framework, even if one major project like TAPI takes off, it will become a game changer and the whole discourse on Afghanistan will change.

### **Indian Engagement in Post-2014 Afghanistan**

It seems that through its development partnership, India hoped to achieve certain objectives in Afghanistan. These include political objectives (influence in Kabul); economic objectives (preparing a strategy for South-Central Asia economic linkages); diplomatic objectives (to be considered as an important regional and global player through its engagement in Afghanistan), strategic objectives (a new outlet to Afghanistan and central Asia), long term capacity building (through fellowships and training); and humanitarian objectives (providing relief to vulnerable Afghan citizens). Various public opinion polls and close India-Afghanistan relationship culminating in strategic partnership indicate that many of these objectives have been achieved significantly.

---

<sup>23</sup> Andris Sprūds and Diāna Potjomkina ed., *Northern Distribution Network: Redefining Partnerships within Nato and Beyond* (Riga: Latvian Institute for International Affairs, 2013).

Indian policy makers have clearly indicated at every forum that India does not have any exit policy in Afghanistan. On the contrary, there are indications that India may be involved much more than hitherto. Due to uncertainty concerning post-2014 situation, India has not announced any major development project in the last three years. Major concentration has been on completing earlier announced big projects viz. Afghan parliament and Salam Dam project in Herat. This however will change once political scene as well status of BSA become clearer in the next few months. In all three crucial areas (political, security and economic), enhanced Indian engagement in Afghanistan could help the country meet these difficult challenges during its decade of transformation. Enlarged Indian engagement in Afghanistan can easily be built on the "Strategic Partnership" agreement already signed by both in October 2011. This was the first ever strategic partnership agreement signed by Afghanistan with any foreign country. Apart from capacity building support to the various departments in the three branches of government, including the Executive, Judiciary and the Parliament, the agreement points towards two major things. First, India has agreed 'as mutually determined' to assist in the training, equipping and capacity building programmes for Afghan national security forces. Secondly, it recognized that regional economic cooperation is vital for long term economic prosperity of Afghanistan and the region. In addition, the agreement creates bilateral institutional mechanism consisting of annual summit meeting, regular political consultations led by foreign ministries of both countries and establishment of strategic dialogue on national security led by national security advisors of both countries. Although many of these things were already happening, still the agreement provided a concrete institutional mechanism and clear support for Afghan institutions for the years and decades to come. Although not confirmed officially, there are some reports that India is working on a deal with Russia to supply some military equipment to Afghanistan.<sup>24</sup> So it is becoming clear now that apart from development efforts, India is also likely to involve more in the training and equipping of Afghan security forces. If proposed investments in the mining sector as well as TAPI or other gas pipeline projects through Afghanistan become operational, it will have far reaching implications for regional geopolitics and geo-economics. ■

---

<sup>24</sup> Sanjeev Miglani, "India Turns to Russia to Help Supply Arms to Afghan Forces," <http://in.reuters.com/article/2014/04/30/uk-india-afghanistan-arms-idINKBN0DG19O20140430> (accessed May 2, 2014).

## CHAPTER 7

# US Trade-Aid Balance: Implications for Pakistan and the Region

**Dr. Iftekhhar Ahmed Chowdhury**

In Pakistan's early development stages, from the early 1950s to well into the late 1960s, economic growth was considered important. The strategy followed was influenced by the Harrod-Domar model. It was one of promoting rapid industrialisation under the ownership and control of the rising capitalist class, with assistance from the government at home, and friendly foreign states. It was presumed that the benefits of growth would 'trickle down' to the more depressed sections of the community. In the words of Dr. Mahbub ul Huq, the Pakistani planners believed that "it is well to recognise that economic growth is a brutal, sordid process. There are no short-cuts to it. The essence of it lies in the labourer produce more than he is allowed to consume for his immediate needs, and to invest and re-invest the surplus thus obtained". The formulation of detailed development plans with specific output targets and carefully designed investment profits have often been a necessary condition for the receipt of bilateral and multilateral foreign aid.

At the initial period, policy-makers favouring external assistance had to battle the influence of a burgeoning intellectual sentiment in the developing world. Its arguments were in sympathy with the 'dependencia' literature whose proponents were the likes of Johan Galtung, Andre Gunder Frank, Samir Amin, and Celso Furtado. They saw the dependence of the underdeveloped countries (satellite/periphery) on the developed countries (metropolis/centre) as a chronic or 'structural condition' which had to be broken if any meaningful development was to be achieved. Otherwise such conditions of this 'exploitative relationship' would result in the exclusive benefit of the metropolis/centre or its 'comprador elite' in the satellite/periphery (such as the '22 families').

To these theoreticians, the remedy lay in either opting out of the capitalist system, if needs be by a revolution. Another option was by adopting such reforms as stimulating demand among more indigent groups for low-grade consumer goods capable of being manufactured domestically. Only such actions could stave off external penetration. The received wisdom among Pakistani policy-makers was Paul Rosenstein-Rodan's 'Big Push' theory. It favoured planned large scale investments in

industrialisation in countries with surplus workforce in agriculture in order to take advantage of network effects, viz economics of scale and scope to escape the low-level equilibrium 'trap'. Hence the need for large doses of funds.

Enter US foreign assistance, initially as a Cold War ally, and later as a partner in the so-called "war on terror". According to statistics available, between 1951 and 2011 the US obligated nearly \$67 billion (in constant 2011 dollars) in aid. The flow has 'waxed and waned', year to year, and period to period, in consonance with the nature of bilateral relations and US geopolitical interests. At times, as in the 1990s, there were stoppages. Many, understandably, did not see this donor as an unwavering or reliable partner. Hence there was the perceived need to signal renewed US commitment to Pakistan. In response to that need the US Congress in 2009 approved the Enhanced Partnership for Pakistan Act, also known as Kerry-Lugar-Berman Bill, popularly called KLB. The idea was to put security and development on two separate tracks. This was purported to insulate the development agenda from the uncertainties and vagaries of the politics of security.

It authorized a development-related support to Pakistan of \$7.5 billion over the five year period of 2010 to 2014, with the mean figure of \$1.5 billion annually. The goal was to be three-fold; first, to improve Pakistan's governance; second, to support its economic growth and, third; to invest in its people. However, as demonstrated in a recent Congressional Research Service report by Susan Epstein and Alan Kronstadt, in only one of the first four years of KLB did the final appropriation of economic-related aid to Pakistan meet or exceed this figure.

It is worth recalling that in the US financial system it is the executive proposes, and the legislature disposes. With regard to Pakistan, the executive, that is the White House, has always been more supportive than the legislature, that is the Congress, which has often been less kind to this country. The situation may exacerbate if President Obama's Democratic Party, which has an edge of 55-45 over the Republicans in the Senate, loses that majority in the upcoming November polls. If the Republicans can pick up 6 extra Senatorial seats—a distinct possibility — they will control both houses of the Congress, hugely reducing any Presidential predilections to act in Pakistan's favour.

In the pre- KLB period, as between FY 2002 and FY 2009, only 30 per cent of US aid to Pakistan was allocated to development-related needs, with the rest, i.e. 70 per cent going to security. Post-2009, with the KLB, it was raised to 41 per cent. It was argued that the increase demonstrated the strengthened commitment to Pakistan's development. But, as we have seen, its flow was intermittent, particularly in 2011 which witnessed a set of

unsavoury bilateral incidents. Even in the best of times, much of what was to have flowed remained with US-based contractors in that country. So in the event the KLB is discontinued, and in any case it is ending in 2014, any tears shed would not necessarily be Pakistani.

Factors such as these, compounded by the limited absorption capacity of local partners, hesitation to allocate in sectors such as energy in the absence of systemic reforms, and disruptions caused by natural disasters such as the 2010 floods severely constrained actual disbursement. According to Congressional reports, between 2010 and 2012 only \$2.2 billion out of \$4 billion, appropriated for economic-related assistance was able to be spent. Even if the anticipated \$1.5 billion was provided and spent annually, as was not the case, mathematically it would amount to only \$8 per capita, and its absence would diminish Pakistan's GDP growth by less than 0.2 per cent. The government of Pakistan (GOP) is now also tapping alternative sources. Though the GOP had scrapped the IMF programme in 2011, the new government after the elections of May 2013 has entered into an agreement with the Fund for a package worth \$6.6 billion for FY 2013-2016 as a bail-out for the balance of payments crisis and to shore up the depleting foreign exchange reserves.

However currently 'trade not aid', or more appropriately 'trade in preference to aid' is the favoured 'mantra' of the GOP. This has great political appeal in Pakistan. When Prime Minister Nawaz Sharif travelled to Washington in October 2013, he apprised President Barack Obama of this. Earlier Foreign and Security Adviser Sartaj Aziz had expressed the hope to Secretary of State John Kerry that bilateral trade could be doubled to "something like US\$ 11 billion in the next five years".

What are the possibilities? Let us look at some numbers. In 2013 the two-way total was \$5.3 billion in goods trade. US imports from Pakistan totalled \$3.7 billion that year, a 1.6 per cent increase from 2012 and 46 per cent from 2003. The five largest import categories were Miscellaneous Textile Products, Knit Apparel, Woven Apparel, Cotton and Yarn Fabric and Leather. The US exports to Pakistan amounted to \$1.6 billion, up 7.7 per cent from 2012 and 95 per cent from 2003. The top categories were Machinery, Cotton, Yarn and Fabric, Iron and Steel, Aircraft, and Electrical Machinery. US agricultural exports to Pakistan were to the tune of \$374 (cotton, dairy products and planting seeds) and imports from Pakistan were worth \$121 million (mainly rice). During the first three months of 2014, i.e. January to March, the US exported to Pakistan goods worth \$378 and imported to the amount of \$ 899.6. The numbers do show a slight upward curve, but even the most optimistic would see the aspired figures as much beyond the rim of the saucer.

There are some obstacles that stand in the way of a preferential trade pact between the two countries. US Congressional lawmakers are extremely chary of any measures that would hurt their textile manufacturers. The previous President, George Bush, had failed to sway them despite Pakistan's critical strategic alliance following the twin-tower attacks in 2001. Even should President Obama want to put himself forcefully and squarely behind such a deal, his existing animus with the legislative arm would render it difficult. Also, outside of textiles there would be problems. For instance US agricultural regulations are stringent and numerous that impose standards on production, packaging, labelling, transportation and more. Even if the Pakistani agro-businesses were prepared to bear the high capital costs needed to meet the American standards, and it is not at all certain they would be, it is quite possible Pakistan will be wanting in terms of the regulatory infrastructure and technology that would also be required to accompany the conclusion of a successful and comprehensive trade deal with the US. This would be the case in spite of the obvious strategic importance of Pakistan to the US and its NATO allies in the wake and aftermath of draw-down in Afghanistan this year.

The fact is often cited that South Asia persistently remains one of the least integrated regions of the world. This runs counter to economic theory, in particular what is called 'the gravity model of trade'. This posits trade with neighbours, especially when the neighbours have large mass, meaning large markets. Pakistan is the only large country in the world that shares borders with China and India, now the second and third largest economies of the world. Given that, Pakistan and India would provide each other markets of 180 million and 1.2 billion people respectively.

Bilateral trade shows some sad statistics. It is only 20 per cent of regional trade, though the two countries account for 92 per cent of South Asia's GDP and 85 per cent of its population. The World Bank lists a set of 'doable' actions that could elevate two-way trade to \$8-10 billion annually. A respected colleague of mine at ISAS, also formerly of the CSP and ex-Finance Minister of Pakistan, Shahid Javed Burki, has argued that unimpeded bilateral trade, or significant relaxation of constraints at any rate, would raise Pakistan's GDP by two percentage points. This is also at a time when America, as Robert Kaplan would have us believe, is in 'elegant decline'. The current big story, in Fareed Zakaria's view, is 'the rise of the rest', for 'the rest' read 'Asia'. Indeed the World Bank has forecast that in purchasing power parity terms China will be the world's largest economy by the end of this year. So, Asia may be set to become the new Rome to America's Greece.

This resurgence of Asia, certainly of East Asia, and I say this from the vantage point of being located in Singapore at present, is something that

Pakistan should seek to profit from, with regard to trade and other economic linkages. It already enjoys excellent relations with China. Elsewhere in East Asia, the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP) have potentials of taking that part of the world closer to the goal of a Free Trade Area of the Asia-Pacific. This will pave the way for much higher living standards for all concerned, and all boats that are linked will rise with the tide, including Pakistan.

This equally sharpens the argument for greater intra-mural trade and cooperation within South Asia. India would do well to provide Pakistan access to Bangladesh, Nepal and Bhutan, and allow these countries facilities to trade among themselves. Pakistan could be a conduit to India to establish links with Central Asia, China and the Middle East, through Afghanistan. The new Modi-led government of India will be focused on domestic development which should encourage it to develop good relations with neighbours to create an enabling ambience. With the warmth generating from the recent meeting between Prime Ministers Modi and Nawaz Sharif in New Delhi, there are stirrings of a positive development in that respect already. It has been decided that the Foreign Secretaries of both countries would meet in the spirit of the 1998 Lahore Declaration (on the last occasion the Muslim League-Nawaz and BJP led by Atal Bihari Vajpayee met in Lahore) to carry forward negotiations. The Commerce Ministries are also likely to relate to each other to draw up mechanisms for greater market access.

So now is a good time as any for better intra-regional relations in South Asia. The aim, as was envisioned in Europe in the 1970's, could be the ultimate creation of an 'South Asian Home'. All this, I admit is still within the realm of *hochpolitik* or 'high politics' as the Germans say. But such higher politics must be addressed, and the sooner the better. As always in South Asia, time is of the essence, for there is the constant risk that new negative events may suddenly occur to wipe away past positive achievements. In South Asia forward movement is only achieved by riding the tide. ■

## CHAPTER 8

### **The European Union as a Part of Pakistan's Strategic Environment?**

**Dr. Markus Kaim**

**I**n the previous decades, Pakistan's relations with European countries and the European Union have been dominated by one major issue, i.e. humanitarian aid. Pakistan until today remains to be one of the major recipients of European aid. With regard to development and humanitarian assistance, together with EU member states the annual EU contribution has reached about 750 million euro.<sup>1</sup> But does this kind of relationship qualify the European Union to be considered as part of Pakistan's strategic environment? Or is this one of those bilateral relationships, which political elites have easily called "strategic" despite the fact that they are one-dimensional and lack substance?

This article argues that the EU shouldn't be considered as part of Pakistan's environment in a narrow sense – like e.g. the United States or the UK. But the European Union can and should play a more engaged and purposeful role with regard to Pakistan and contribute to the development of its regional environment. I will discuss the current EU-Pakistan relations on three levels of analysis: European domestic politics, EU-Pakistani bilateral relations, and EU-Pakistani regional and global cooperation.

#### **The EU's Current Inward Looking Mode**

In recent years we have observed an introspective trend in EU politics. Instead of shaping and influencing international relations the overwhelming part of EU politics is currently directed at sustaining and developing the integration process itself. This is mainly the result of the implications of the international financial crisis for the European Union and the uncertainties about the durability of the integration process.

Still, in the 2009 European Parliament (EP) election campaign foreign and security policy issues played an important role, although the EP does only play a minor role in formulating the Common Foreign and Security

---

<sup>1</sup> "Technical and Financial Contribution," Delegation of the European Union to Pakistan, [http://eeas.europa.eu/delegations/pakistan/eu\\_pakistan/tech\\_financial\\_cooperation/index\\_en.htm](http://eeas.europa.eu/delegations/pakistan/eu_pakistan/tech_financial_cooperation/index_en.htm) (accessed July 4, 2014).



Policy (CFSP) of the European Union. Above all EU parties' election programmes had focused on questions concerning the future of the Common Security and Defence Policy (CSDP) and its relations to NATO, development assistance, and international trade agreements.

Although the EU financial crisis has already enjoyed attention during the 2009 election process, the recent elections were much more affected. This process became most visible in the parties' national and European election programmes. Suggestions on how to overcome the financial crisis remained to be the top issue in all programmes. Other issues in international relations, e.g. climate change, trade and crisis management issues were clearly lagging behind. A deep uncertainty about the future direction of the integration process has been on top of that: The future of the Euro zone, the relationship between supranationalist and intergovernmental cooperation and the declining public support for the integration process. Eventually EU critical parties, some of them extreme right-wing, reached 19 per cent of the parliamentary seats in the 2013 EP elections.<sup>2</sup> They might shape the EU agenda in a very different way in the years to come: As they do not consider the EU as an important player in international relations and instead favour a very limited role of the CFSP, they might seriously limit the EU's foreign policy ambitions in the foreseeable future. And even after those elections on May 15<sup>th</sup>, 2014 the focus of EU politics will be the EU itself, at least for the next couple of months until all important vacancies in the EU political systems have been filled. This can take until the fall of 2014.

The financial crisis has had another negative effect on CFSP and CSDP. Those policies suffer not only from a lack of political will and momentum, but, even more important, urgently needed financial resources. Due to the effects of the financial crisis in Europe, national governments have readjusted their financial policy priorities. This shift has caused rigorous budgetary cut in all policy fields; resources, which are necessary for CFSP/CSDP and shape EU foreign and security policy, have been reduced.

Most obviously we can observe this trend in the national defence budgets. Today the EU member states cover a total of defence expenditures of about 220 billion euro. Until 2020 it is expected that this budget will decrease to between 181 and 195 billion euro.<sup>3</sup> Especially in smaller EU member states military forces are confronted with financial cuts that risk

---

<sup>2</sup> Busse, Nikolas, "Volksparteien in Bedrängnis," *Frankfurter Allgemeine Zeitung*, May 26, 2014, <http://www.faz.net/aktuell/politik/europawahl/europawahl-2014-volksparteien-in-bedraengnis-12958444.html> (accessed June 16, 2014).

<sup>3</sup> Hofbauer et al., 2012, "European Defense Trends 2012: Budgets, Regulatory Frameworks, and the Industrial Base," 2012, Center for Strategic and International Studies (CSIS), 48.

their operational capability. Some of them already declined to participate in the most recent EDSP operations in Africa referring to missing military capabilities. The defence budgets in bigger member states are less affected. However, in some cases they are going to be reduced within the next years to such extent that the cuts will diminish the nations' capability to operate together with the European allies.

France and Spain are cases in point: From 2008 to 2013, France reduced its defence budget from 45.6 billion euro to 39.4 billion euro, i.e. by 14 per cent. In May 2014 the French defence minister Le Drian warned that further cuts would threaten the operational capacity of the military. And the top four French military chiefs threatened to resign if the governmental envisioned defence cut would be realized.<sup>4</sup> The French government seeks to cut its defence budget by 10 per cent until 2019, i.e. it sets the budget on 179.2 billion euro until 2019.<sup>5</sup> Spain even made a cut by 26 per cent. In 2013 its defence budget only reached 9.6 billion euro. For example Madrid even shut down its aircraft carrier and closed diplomatic representations in third countries like Yemen and Zimbabwe.<sup>6</sup> Additionally Spain, Italy, Greece and Portugal are going to reduce expenditures in other foreign policy fields and areas. Major effects can be observed e.g. in the southern EU neighborhood policy and development assistance projects. Hence, the European financial crisis has drastically affected the EU's foreign policy in general. Although structural and especially long term deficits had existed already before, the financial crisis has enforced these deficits dramatically.

Finally, the European Union's remaining attention on international environment is entirely absorbed by recent events in Ukraine and its consequences for the Eastern neighbourhood policy as well as the EU-Russia relationship. Recently the elected Ukrainian president Poroshenko and Russian president Putin have agreed on a dialogue to end the bloodshed in eastern Ukraine but numerous skirmishes are reported to take place and Eastern Ukraine remains a serious security problem, which might affect the stability in EU's neighbourhood or the other. Policy issues beyond the immediate EU neighbourhood have become of minor concern.

---

<sup>4</sup> Samuel, Henry, "French military heads threaten to resign over 'grave' defence cuts," *Telegraph*, May 23, 2014, <http://www.telegraph.co.uk/news/worldnews/europe/france/10852165/French-military-heads-threaten-to-resign-over-grave-defence-cuts.html> (accessed June 16, 2014).

<sup>5</sup> "French White Paper on Defence and National Security," French Ministry of Defense, 2013, 84.

<sup>6</sup> El Mundo, "España reducirá las embajadas de Yemen y Zimbabue a lo mínimo para ahorrar," October 8, 2012, <http://www.elmundo.es/elmundo/2012/10/08/espana/1349705992.html> (accessed June 16, 2013).

In conclusion: CFSP has been forced-out of the overall policy agenda. The primary causes of this are the structural and political implications of the financial crisis and the recent destabilization of Eastern Europe. Since the beginning of the year 2014 European security issues have experienced a remarkable revival caused by the recent Ukraine crisis. Given this background, it is quite difficult to generate sufficient political and financial capacities to build up strategic ambitions in the south Asian region.

### **EU and Pakistan — the Bilateral Dimension**

In recent years, two major issues have been dominating the bilateral EU-Pakistan agenda: a) the shift from aid to trade; b) support for political reform and good governance in Pakistan.

Traditionally, the EU has mainly operated in Pakistan as a humanitarian aid donor. Since 2009, the total European Commission's humanitarian aid budget has reached 447.2 million euro.<sup>7</sup> In recent years this trend has shifted to a more effectiveness-driven approach. Therefore humanitarian and development assistance aims to enforce sustainable social and political stability, too.

In 2012, EU and Pakistan launched a five year engagement plan. Its aim is to establish comprehensive bilateral relations through an institutionalized dialogue process, comprehensive cooperation on matters of security and stability, strengthened cooperation and exchange of expertise in issues concerning democracy, fostering trade and investment. In addition, in June 2013, the first EU-Pakistan strategic dialogue was held when former Foreign Minister, Hina Rabbani Khar and EU High Representative for Foreign Affairs and Security Policy Catherine Ashton met in Islamabad. A second meeting was held in March 2014 in Brussels. Its overall aim is to strengthen EU-Pakistan relations and discuss regional and global issues of mutual concern; above all terrorism, regional security and development. Moreover the intention is to use this forum as an opportunity for a mutual review of current EU cooperation initiatives, i.e. development assistance programmes, rural development, education, and human rights.

Since December 2013, Pakistan is a member of the *Generalised Scheme of Preferences Plus (GSP Plus)*. As Prime Minister Nawaz Sharif announced, access to European markets has been the government's top

---

<sup>7</sup> "Humanitarian Aid and Civil Protection," European Commission, Pakistan, March 2014, [http://ec.europa.eu/echo/files/aid/countries/factsheets/pakistan\\_en.pdf](http://ec.europa.eu/echo/files/aid/countries/factsheets/pakistan_en.pdf) (accessed June 16, 2014).

priority.<sup>8</sup> The GSP Plus' aim is to provide a positive contribution to Pakistan's economic growth by zero tariffs for over 90 per cent of all product categories. But the ratification is linked to conditions to foster human and labour rights, environment and good governance.<sup>9</sup>

Today the Pakistani textile industry is the GSP Plus major beneficiary. Pakistan is the eighth largest exporting country of textile products and the fourth largest producer of cotton in Asia. With 15 million skilled and unskilled employees, i.e. 30 per cent of the 49 million workforces, textile industry makes 9.5 per cent of the contribution to the total Pakistani GDP. Nevertheless Pakistan shares less than one per cent of the global textile trade.<sup>10</sup> This makes it all the more critical that other producing sectors can benefit from GSP Plus as well.

Nevertheless it is worth mentioning that the recent financial crisis has negatively affected EU external finance governance and development assistance. Mainly southern EU member countries fear increasing economic competition from exporting countries of Asia in particular.

As the European Union aspires to support Pakistan in reaching the Millennium Development Goals, its focal areas are rural development and natural resources management in Khyber Pakhtunkhwa and Balochistan, and education and human resources' development. Nevertheless EU assistance is required in other fields, too. For example the 2010 flood disaster, the 2005 devastating earthquake, domestic conflicts and the Afghanistan conflict have illustrated the weakness of Pakistan's government in providing key relief services. As the humanitarian needs of the affected population are not properly dealt with by local authorities, citizens are increasingly losing confidence in the state's ability to discharge its tasks via public institutions. Two topics provide a good example: migration and democratization.

Current figures estimate 747,500 internal displaced Pakistanis.<sup>11</sup> Only five per cent of them live in camps. Military counterinsurgency operations in FATA and Khyber Pakhtunkhwa region caused a refugee crisis in 2009 that displaced at least 2.8 million civilians. In addition, heavy monsoon

---

<sup>8</sup> "GSP Plus: EU grants duty-free market access to Pakistani goods," *Express Tribune*, December 12, 2013, <http://tribune.com.pk/story/644585/gsp-plus-eu-grants-duty-free-access-to-pakistani-goods/> (accessed June 16, 2014).

<sup>9</sup> "Revised EU trade scheme to help developing countries applies on 1 January 2014," European Commission 2013, [http://ec.europa.eu/trade/policy/countries-and-regions/development/generalised-scheme-of-preferences/index\\_en.htm](http://ec.europa.eu/trade/policy/countries-and-regions/development/generalised-scheme-of-preferences/index_en.htm) (accessed June 16, 2014).

<sup>10</sup> "Statistics on textile industry in Pakistan," *Express Tribune*, March 18, 2013, <http://tribune.com.pk/story/522292/statistics-on-textile-industry-in-pakistan/> (accessed June 16, 2014).

<sup>11</sup> "Fact Sheet," UNHCR, March 2014.

seasons between 2010 and 2012 caused flood induced displacement. Weak dam and irrigation systems, poorly equipped civil and relief services and limited state capacity contributed to a difficult situation.<sup>12</sup> As of February 2014, Pakistan faces 1.6 million refugees and asylum seekers from neighbouring countries; of them 99 per cent are from Afghanistan.<sup>13</sup>

The EU humanitarian aid is supervised by the European Community Humanitarian Office (ECHO). ECHO has been operational since the 1990s and mainly focuses on the consequences of the 2005 earthquake and 2010 floods, people affected by conflicts in FATA and Khyber Pakhtunkhwa region and people suffering under-nutrition and food insecurity. ECHO programmes cover access to safe drinking water, sanitation, shelter, health care, agriculture inputs for livelihood recovery, protection of conflict affected people, and advocacy for a principled, voluntary and sustainable return of the refugees. In addition, until the end of 2013, the EU facilitated Pakistani trade on humanitarian grounds through special trade concessions. They included a quarter of all Pakistani exports to the EU.

A second major issue remains to be democratization and human rights. EU democratization policy generally focuses on three main instruments: political dialogue, mainstreaming democratic values in all EU development instruments, and specific financial and technical assistance programmes. With regard to Pakistan, the EU supports strengthening Pakistani democratic institutions fostering the formation of political parties and promoting human rights. As Pakistani society includes various religious and ethnic minorities and time and again acts of religiously motivated violence are documented, the EU supports civil society organizations that focus on vulnerable and minority groups, but also trafficking of human beings, strengthening the juvenile justice reform.

### **EU-Pakistan — Regional and Global Issues**

In recent years, the term “strategic partnership” has been used very loosely, even un-reflected by the European Union. It does express more of an ambition than an existing status quo. Nevertheless there are common European and Pakistani interests in a variety of regional and global issues, i.e. trade, stabilization of Afghanistan, arms control and disarmament, and energy.

One key element of the EU's Pakistan policy is the promotion of international trade and investment. But with regards to Pakistan's economic

---

<sup>12</sup> “Pakistan: No end to humanitarian crises,” International Crisis Group, Asia Report N°237, October 2012.

<sup>13</sup> “Fact Sheet,” UNHCR, March, 2014.

development the European Union (with 21.5 per cent of the cumulative Pakistan export) is the major addressee of Pakistani products. Other major countries are the United States (15 per cent) and China (10.4 per cent.). What is favoured by Brussels instead is an efficient South Asian regional framework for trade and investment given the existing deficits. Pakistan's top trade partner is Afghanistan that makes up 7.6 per cent of Pakistan export products. Bangladesh shares 2.8 per cent and India less than two per cent.<sup>14</sup> With regard to import products the most important neighbouring partner is India with a 3.9 per cent share and Afghanistan with a share of less than one per cent.<sup>15</sup> To conclude, regional markets offer, in the view of the EU, new customer groups where Pakistani sectors should tap into. At the same time the EU thinks that economic regional integration would positively affect political integration too. In this regard the mutual extension of the most favoured nation status between India and Pakistan, which has been recently discussed, would be appreciated by the EU.

The second key point for the common EU-Pakistan agenda is the political future of Afghanistan after 2014. At first hand as ISAF troops are expected to leave Afghanistan at the end of 2014, Pakistan will arguably be the most crucial regional player in post 2014 Afghanistan. Close religious and cultural links give Islamabad considerable leverage and influence over the political future of Afghanistan in general. The EU takes this into account when planning its role. The EUPOL Afghanistan mission will come to an end in the months ahead. However, the European Union and its member states will remain one of the key donors for Afghanistan in the years to come. On June 23, 2014 the EU Foreign Ministers have adopted the EU strategy for Afghanistan 2014-2016. The strategy aims to coordinate civil actions by EU institutions and member states by above all tackling corruption, drug trafficking and the protection of women's rights. This commitment takes the form of four objectives to: promote peace, security and stability in the region; reinforce democracy; encourage economic and human development; and promote the rule of law and respect of human rights. The long term goal is clear: a prosperous and stable Afghanistan in peace with itself and its neighbours. The first important step has been made with the recent Presidential elections. But a decisive question remains. Can reconciliation be accomplished between the government in Kabul and the

---

<sup>14</sup> "Cumulative Exports by Major Countries," Pakistan Bureau of Statistics [http://www.pbs.gov.pk/sites/default/files/tables/14.6\\_0.pdf](http://www.pbs.gov.pk/sites/default/files/tables/14.6_0.pdf) (accessed June 16 2014).

<sup>15</sup> "Cumulative Imports by Major Countries," Pakistan Bureau of Statistics, <http://www.pbs.gov.pk/sites/default/files/tables/Web%20site%20T-14.6%2C14.7.pdf> (accessed June 16 2014).

Taliban? As the government in Islamabad has realized that the Taliban do not only destabilize Afghanistan but increasingly Pakistan, both governments are expected to develop a common agenda of counterterrorism and security cooperation in a wider sense. The EU will continue to support such efforts in the years to come.

The third issue of interest for the European Union is arms control and disarmament. The first bilateral meeting of the EU and Pakistan on disarmament and non-proliferation on 16 June 2014 reflects this concern. Here both sides should continue and increase their dialogue. Although the EU approach is pretty modest and realistic with regard to any EU efforts for a solution of the Indo-Pakistani conflict, Brussels supports any effort to establish confidence and security building measures in South Asia, to provide a forum for bilateral arms control talks and to foster non-proliferation and increase nuclear security. With regard to the latter, the EU appreciated the constructive role Pakistan has played during the recent Nuclear Security Summit in Den Haag at the end of March.

The fourth issue of common interest is energy. During the most recent meeting of the EU-Pakistan Joint Commission in Islamabad on 24 June 2014, the two sides announced the establishment of a dedicated energy dialogue to strengthen cooperation and the exchange of information. However, with regard to this topic Pakistan and the EU come from different angles. Since 2010 Pakistan has suffered from an energy crisis that massively affects the Pakistani economy negatively. With regard to its economy as well as its people, Pakistan urgently needs a secure, sustainable and efficient energy supply. The gap between demand and supply continues to widen. Between 2001 and 2011 use grew 7.6 per cent a year whereas supply increased only 3.5 per cent a year. The electricity shortage leaves households without power for 6 to 8 hours a day in urban areas and up to 18 hours in the rural regions.<sup>16</sup> Even 44 per cent of the Pakistani households are not connected to the grid and much of the electricity use is rigged up from overhead cables illegally.<sup>17</sup> World Bank data estimates that the poorly

---

<sup>16</sup> Fizaz, Faizan, "Pakistan building huge solar energy park," *Telegraph*, April 22, 2014, <http://www.telegraph.co.uk/news/worldnews/asia/pakistan/10780123/Pakistan-building-huge-solar-energy-park.html> (accessed June 16, 2014).

<sup>17</sup> Shah, Saeed, "Pakistan to Impose Wedding Curfew as Power Shortages Cause Civil Unrest," *Guardian*, April 21, 2010, <http://www.theguardian.com/world/2010/apr/21/pakistan-energy-shortages-wedding-curfew> (accessed June 16 2014).

performing energy sector has caused a reduction of GDP growth by two per cent per annum for the previous years.<sup>18</sup>

At the same time the Ukraine crisis is severally changing the EU energy policy, i.e. shifting it away from a dependency on Russian oil, gas and coal in the future as well as from traditional energy production technologies to hydro-electricity power, thermal power, and renewable energy production. These new technologies are issues where Pakistan is interested in. EU companies should face the south Asian region as a new potential market and EU should facilitate this process through respective measures, i.e. encourage investment and transfer technology.

## Conclusion

The European Union cannot really be considered a strategic player in South Asia similar to the United States or other states who have deep ties with Pakistan. However, as this article has illustrated, Europe is of growing importance for Pakistan and the EU can be an important niche contributor in different policy fields. The steps, which have been taken by both sides so far with the establishment of the EU-Pakistan Strategic Dialogue and the 5-year Engagement plan, illustrate the change from a relationship predominantly defined by humanitarian aid and development assistance to a more mature relationship based on common concerns and interests. For the coming years two questions are pertinent from an EU perspective: First, how can the EU use the momentum and increase its visibility as a “player” in South Asia? In this respect the EU-Pakistan relationship can be conceptualized as part of Brussels’ wider efforts to define its role as a global, not only regional, power in international relations. Second, the EU is looking for a clear concept, what should be on the bilateral agenda, what should be accomplished by the two partners and how. And here the ball is clearly in Islamabad’s court: The EU as well as its member states have welcomed the fair and free elections in 2013 and Pakistan’s smooth democratic transition. Also they have had high hopes for Prime Minister Sharif initiating a domestic reform process, starting a serious Indo-Pakistani dialogue and granting support for political reconciliation in Afghanistan. Now the scope and depth of the EU-Pakistani relationship will depend on what the Pakistani government is ready and able to deliver. ■

---

<sup>18</sup> “First Power Sector Reform Development Policy Credit Project,” World Bank 2014,

<http://www.worldbank.org/content/dam/Worldbank/document/SAR/pakistan/Pakistan-Power-Sector-Reform-DPC-Summary.pdf> (accessed June 16, 2014).



## CHAPTER 9

### Russian and Central Asian Views on Perspectives for Pakistan and Afghanistan

Yury Krupnov

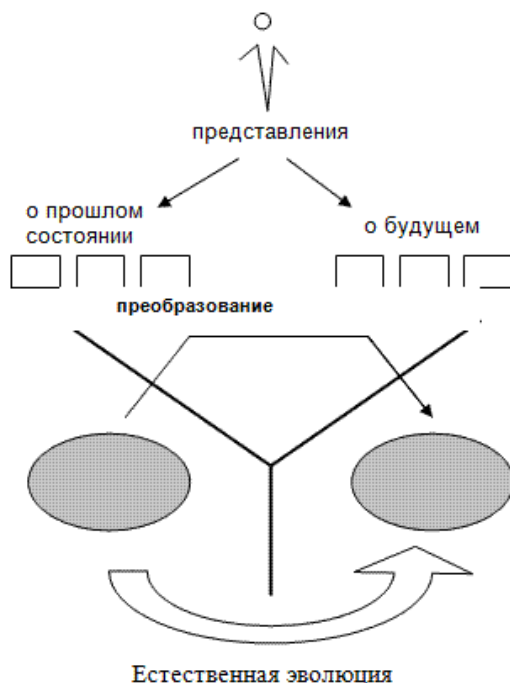
Dear Mr. Chairman,  
Dear ladies and gentlemen!

**T**hank you very much for the opportunity to present my point of view at so respectable conference.

Unfortunately, relations between Russia and Pakistan are usually called 'a story of mutually missed opportunities'. Thus, our mutual goal is to stop missing these opportunities at last and switch to a fundamentally new mode of interaction and cooperation.

This goal is generated not only by a good will of our countries, but also by the current strategic environment around Pakistan and Russia at the Central Asian region.

#### Development Step Scheme



We use the project approach and at the same time with ascertaining of existent circumstances and revealing current trends we consider it necessary to propose at once our own view of the necessary future, to propose concrete designs of the future.

### **Common Central Asian Market**

Using this project approach we consider Pakistan as the biggest and the most promising state for the Common Market of the “Big” Central Asia, including not only post-soviet Central Asia states, namely five new states – Tajikistan, Turkmenistan, Uzbekistan, Kazakhstan, Kyrgyzstan, but also Pakistan together with Afghanistan and Iran.

Some experts even suppose, and I agree with them, that at the nearest ten years Pakistan has all chances to become a member of the Eurasian Union, which is being constructed by Russia.

The Common Central Asian Market should be designed on the model of the European Economic Community or Common Market which is being constructed from 1957.

This goal from our point of view is strengthening China, US and Japan initiatives to rebuild the Silk Road: building the New Silk Road as a special economic zone of China and Central Asian states mutual prosperity along the ancient Great Silk Road (Xi Jinping), building the New Silk Road that “will give us another 100 years of security and prosperity” (H. Clinton) and implementing the Silk Road Diplomacy Action Plan of Japan.

However in contrast to above-mentioned initiatives considering Central Asian states mainly as connecting transit territories we consider each state as a subject and an end in itself of the constructed Common Market.



**The Caucasus and Central Asia**

We propose, from the point of view of perspectives for the region around Pakistan, Eurasia and the mankind as a whole, that ‘Central Asia’ shouldn’t be bounded only by the post-soviet Central Asia which consists of five new states — Tajikistan, Turkmenistan, Uzbekistan, Kazakhstan and Kyrgyzstan.



**Central Asia Map**

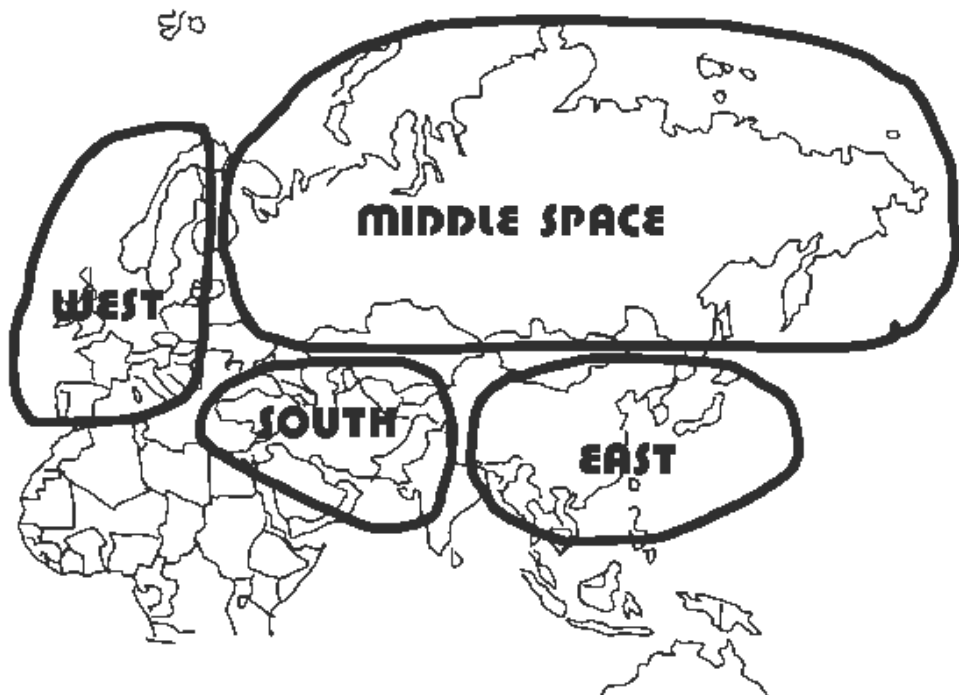
Today Central Asia should be considered as von Humboldt proposed that is a united region including post-soviet Central Asia along with Pakistan, Afghanistan and Iran.

From the point of view of our project approach, the time has come for considering Pakistan not only as a part of the South Asia, but also as a part of the united Central Asia.

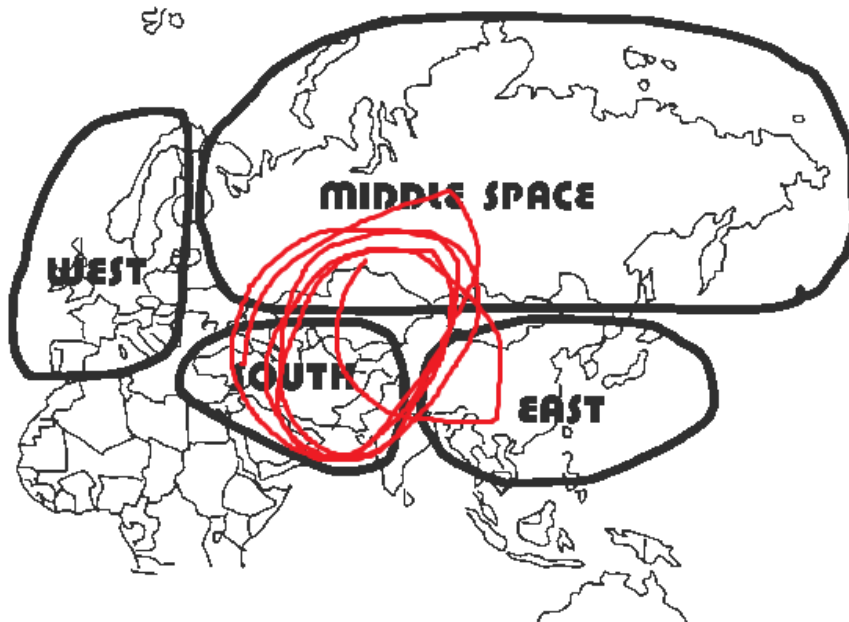
As far as I know, one of main Pakistan political concerns was to provide free passes and necessary transport corridors to Central Asia through the east (Jalalabad) and the south (Kandahar) of Afghanistan as well as through the Wakhan Corridor.

Russia is also interested exactly in such an integration platform that allows to connect infrastructures of Pakistan to infrastructures of Central Asia and further to infrastructures of Russian Siberia.

I would like to remind that Zbigniew Brzezinski in his book "The Grand Chessboard" quite ambiguously rejoiced that, I'm quoting, «к счастью для Америки, Евразия слишком велика, чтобы быть единой в политическом отношении» and "For America, the chief geopolitical prize is Eurasia".



Brzezinski presented this proposed Eurasian split and division in more than eloquent scheme which he named exactly “The Eurasian Chessboard”.



For Russia the goal is vice versa, the goal is to construct solid Central Asia which will cement the whole Eurasian space and become a base for security and prosperity. This is the only guarantee to prevent “balkanization” of all Eurasian states.

We would like to invite Pakistan to construct such integrated Central Asia.

Obviously, the model of Brzezinski itself shows extreme necessity in constructing united integration macro-region of Central Asia, which will form new bounds for the Common Market.

Moreover, it is expedient to include Siberia in the new integration macro region of Central Asia. To emphasize comprehensive participation of Russian Siberia in the new Common Market I introduced six years ago a special concept for such a macro-region — The New Central East.

The importance of Siberia is determined by current development course in Russia, since political and economic center of Russia is shifting towards Siberia.

This course is generated by the necessity to overcome irregularity of population distribution in Russia: territories east to Ural amount to 2/3 (66%) of the Russian territory, however only 1/4 (25%) of population reside

at these territories. The necessity of priority development of Russian Far East, the Arctic and the Central Asia is one more reason of this.

In fact, the main priority for Russia is to connect along the 73<sup>rd</sup> meridian the Indian Ocean and the Arctic Ocean.

Deputy of Chelyabinsk state assembly Konstantin Zakharov in response to our report on Siberia proposed a beautiful formula for this concept and in fact a new geopolitical axis: “from Sabetta to Karachi”.

### **Geopolitical Axis Sabetta-Karachi**

Sabetta is a new port under construction on the Yamal peninsula — it is denoted at the map by the blue circle.

By red colour we denoted the new geopolitical axis, which is consolidating and cementing Central Asia and the whole Eurasia.



From this geopolitical and geo economical formula follows the Russian prospect — and this is exactly Pakistan.

The vital necessity of such a Central Asian and Trans-Asian integration, from our point of view, is determined at the same time by Pakistan's Strategic Environment.

In recent year a new situation has been formed in Central Asia, when unsteady stability provided by Taliban regime was changed to US and NATO occupation of Afghanistan and Afghanistan was turned into military-strategic bridgehead expanding to Pakistan and post-soviet Central Asia (“small” Central Asia).



**(AfPak and AfCA)**

Even after withdrawal of foreign troops from Afghanistan and these troops are mainly NATO troops, there will still be at least 9 military bases left which will continue to provide an opportunity for strategic control of gigantic seat of war from China to Egypt.

The neologism 'AfPak' invented by Obama administration clearly demonstrates one of the Afghan bridgehead expansion directions.

The second non-declared expansion direction is "small" Central Asia which is turning into the second bridgehead of Washington. Probably, in classified document of the Pentagon it is called 'AfCA' by the analogy with 'AfPak'.

Bitter reality lies in the fact that borders of this expanding bridgehead are outlined by barbarian drone attacks.

Northern and eastern distribution networks + AfPak and AfCA as symbols of US-NATO mega-bridgehead.





**Northern Distribution Network for Afghanistan**

The bridgehead is cemented by transport and logistics network for US and NATO military forces in the form of the Northern Distribution Network in the northern direction and networks through the Khyber Pass.



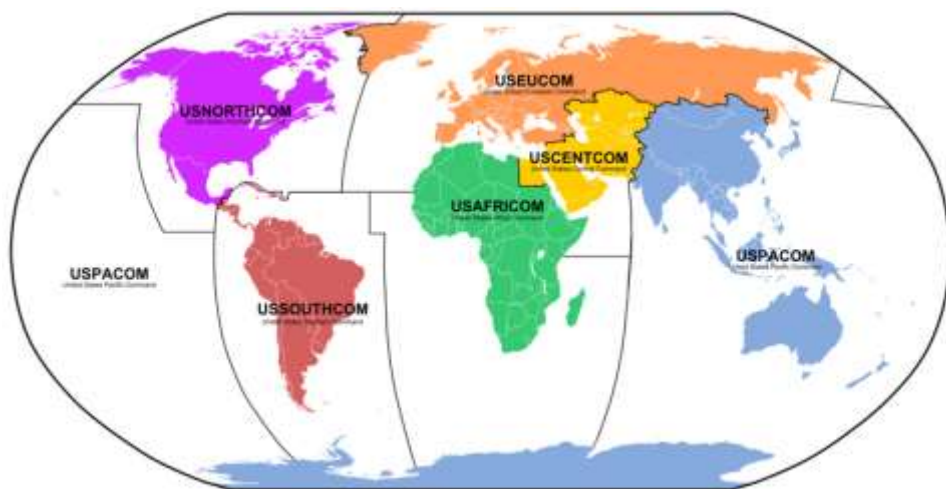


In fact it is a perfect implementation of the developed in 1983 the concept of The Greater Middle East, colossal macro-region from the Northern Africa to India borders and the Russian Federation.

The goal of the developing of The Greater Middle East concept has been to establish controllable regimes from Morocco to China in order to control oil extraction and transportation against all Eurasian states including the European Union.

It is not accidental that Pepe Escobar called this project 'Pipelineistan'.

The IPI-pipeline that has not been working yet and fights for Libya and Syria are vivid examples of implementation of the concept.



In order to support The Greater Middle East concept President Carter initiated establishing of US Rapid Deployment Joint Task Force transformed later into US CENTCOM which is controlling today the most important part of The Greater Middle East macro-region.

### **For America, the Chief Geopolitical Prize is Eurasia**

“For America, the chief geopolitical prize is Eurasia. For half a millennium, world affairs were dominated by Eurasian powers and peoples who fought with one another for regional domination and reached out for global power. Now a non-Eurasian power is preeminent in Eurasia — and Americas global primacy is directly dependent on how long and how effectively its preponderance on the Eurasian continent is sustained...” (Zbigniew Brzezinski, “The Grand Chessboard”, chapter 2, “The Eurasian Chessboard”)

The inspiring idea for Washington in the region was formulated by Zbigniew Brzezinski in his book "The Grand Chessboard" more than 20 years ago: "For America, the chief geopolitical prize is Eurasia".

It is hard not to be delighted by one more demonstration by the great US of their ability to develop and implement grand strategies!

They almost arrived at the goal. The US in the October, 2001, with the beginning of the Operation Enduring Freedom firmly took roots in the most intimate and sensible part of Eurasia — the Central Asia.

However the problem is that even in the relatively optimal global situation for the US and NATO, they evidently didn't have enough resources for stabilization of the captured macro-region.

And today at the height of the financial-economic crisis and rising of big geopolitical systems including rebirth of Russian power and to say nothing of China, the lack of resources for support of the US presence in Central Asia inevitably pushes them to use lower-intensity conflicts and rebellion-war technology.

It means that the lack of power of the transoceanic state will cause never-ending power vacuum that will inevitable destabilize the whole Central Asia and provoke growing competition and vicious fight between all big geopolitical systems — US, China, EU and Russia.

The impudent statement of Samuel Huntington, "A world without U.S. primacy will be a world with more violence and disorder and less democracy and economic growth than a world where the United States continues to have more influence than any other country in shaping global affairs..." looks more and more dubious.

Today the capability of the US to manage Eurasia which they try to demonstrate absolutely is not evident!

Thus, it is quite naturally to expect the repeat of situation like the decade of 90s wherein Afghanistan and the region could plunge in endless turmoil and chaos.

In opposite, positions of Russia and Central Asia are focused in establishing not only peace and stability but also complete security in the region.

Without full-scale security our states wouldn't be able to realize our geopolitical and geo-economical goals and organize a new industrialisation as critically important condition for providing a new level of economic development.

For Russia from geopolitical point of view it means construction of powerful Eurasian Union and reintegration of the post-soviet space.

Stable and prosperous "big" Central Asia and prosperous Afghanistan is a guarantee for security and prosperity of Russia and a key to powerful Eurasian Union.

Thus Russia is undoubtedly interested in further strengthening of Pakistan statehood.

### **Big Central Asia**

Russia and Central Asia states proceed from the assumption that the most essential strategic goal for Pakistan and all other states from the region is stabilization and prosperity of “big” Central Asia, including post-soviet Central Asia, Iran, Afghanistan and Pakistan.

At the same time Russia and post-soviet Central Asia have three basic expectations from Pakistan.

### **Common Central Asian Market**

The first expectation is that Pakistan will be the main force to construct the united Common Central Asian Market.

The Common Market uniting states with total amount of population more than 350 millions of people could become one of the main economic formation in Eurasia.

Russia hopes that 100 millions young, under 22 years, Pakistanis will get excellent professional education and become a power a huge reservoir of human resource for development of the whole macro-region. In this situation any attempts of paramilitary and extremist terrorist networks to draw young people into criminal networks would be unavailing.

Later I will explain in details the ideology and mechanisms of constructing such a common market. Now I would like to note that leading geo-economical role of Pakistan in constructing such a common market is determined not only by its key geopolitical location and the huge reservoir of diligent human resource, but also by forecasts on reindustrialisation which will rapidly intensify economic development of your country.

The second expectation is that Pakistan will break through in the field of improving relations with India, Afghanistan and Iran and become a flagship of stabilization of geopolitical situation in Central Asia.

And the third expectation is that Pakistan together with other regional powers will actively participate in accelerated industrialisation of Afghanistan that is a necessary condition for constructing of Common Central Asian Market and stabilization of the whole Eurasia.

Accelerated industrialisation of Afghanistan electrification with three and more times increasing of electric power production, construction of railroad network and creation of several new network industries.

At the same time primary industrialisation of Afghanistan should be organically inserted in new industrialisations of all primary industrialised states of the region and, first of all, Pakistan.

### **Omsk is the Capital of New Industrialisation**



Pakistan, Iran, Tajikistan and Uzbekistan organizing primary industrialisation of Afghanistan could organize their secondary industrialisations, and Russia could organize its tertiary industrialisation (primary industrialisation in Russia was conducted in 1930s, and secondary – in 1970s) and this could be implemented exactly in bordering Central Asia regions of Siberia with the capital of new industrialisation in Omsk.

Secondary industrialisation is based on mechanical engineering, tertiary is based on mass robotisation.

### **Common Central Asian Market — Afghanistan Industrialisation — Strategic Invest Projects**

In order to construct the new Common Central Asian Market our Institute propose a system of Strategic Investment Projects (SIP) as a key contribution from the Russian side. These Strategic Invest Projects could help to organize industrialisation of Afghanistan and at the same time construct a support frame for the new Common Central Asian Market. These SIP are presented at the Slide.

First of all, it is talked of a cascade of 9 hydropower stations on transboundary Panj River, a mining production network, an Afghan part of the Indo-Siberian trunk-railway from Kunduz to Jalalabad with the gauge of railway equal to 1520 millimetres and a high-capacity dry-port at the border between Afghanistan and Pakistan.

I would like to note that Panj River hydropower stations cascade and Russian hydropower projects in Kyrgyzstan would provide opportunities for construction of power grid Kyrgyzstan-Tajikistan-Afghanistan-Pakistan. At the slide you can see such a system with a center at the Khorugh hydropower station which is located close to Pakistan and could become a base for construction of high-voltage line "Khorugh-Wakhan-Chitral".

The final most important task is to transform Afghanistan to a leading force for development of Central Asia and construction of the Common Market.

One of the most important consequence of the accelerated industrialisation of Afghanistan would be elimination of Afghan planetary drug production center (with 250 hectares of illicit opium poppy cultivation) which has turned into a leading force of drug criminality and drug economy in the whole Eurasia.

From our point of view, the accelerated industrialisation of Afghanistan could become and should become an exemplary alternative development program managed by international community under the UN auspices. Here I would like to ask you to study our distributed report "A New Generation of Alternative Development Programs for Elimination of Drug Production in Afghanistan".

In general one of the main directions of cooperation between Russia and Pakistan is obviously settling the Afghanistan problem, and the economic development is a key for this.

Positions that Pakistan and Russia will eventually take on Afghanistan will also help define our bilateral relations. Pakistan's post 2014 strategic environment has many missing dots, that are all linked to the way Afghanistan shapes up after the draw-down of the US-led presence from the Hindu Kush.

And so, from our point of view, it is expedient to develop a new regional layout of efforts towards Afghan peace and reconciliation and Afghan stability through the accelerated industrialisation by cooperation of 'Three Big' (Pakistan – Iran - Russia).

I would like to draw your special attention to an opportunity of construction of the Indo-Siberian trunk-railway and the Trans-Asian development corridor along the 73<sup>rd</sup> meridian.

It is imperative to establish a transport and communication connection of the Indian Ocean and the Arctic Ocean via the Trans-Asian development corridor.

### **The Indo-Siberian Trunk-railway**

In this regard we propose to establish as our main priority the mutual Russia-Pakistan-India railroad project of construction trunk-railway from Kunduz to Jalalabad with the gauge of railway equal to 1520 millimetres and a high-capacity dry-port at the border between Afghanistan and Pakistan as a base for transcontinental Indo-Siberian trunk-railway.

### **Investment Pool for Constructing of the Common Central Asian Market**

The Common Market as the Investment Pool for constructing the Common Market via system of Strategic Investment Projects – up to 30 billions of US dollars.

### **Enhancing Strategic Investment Projects (SIP)**

Within South Asia, constituent states should create an environment that facilitates economic and trade relations.

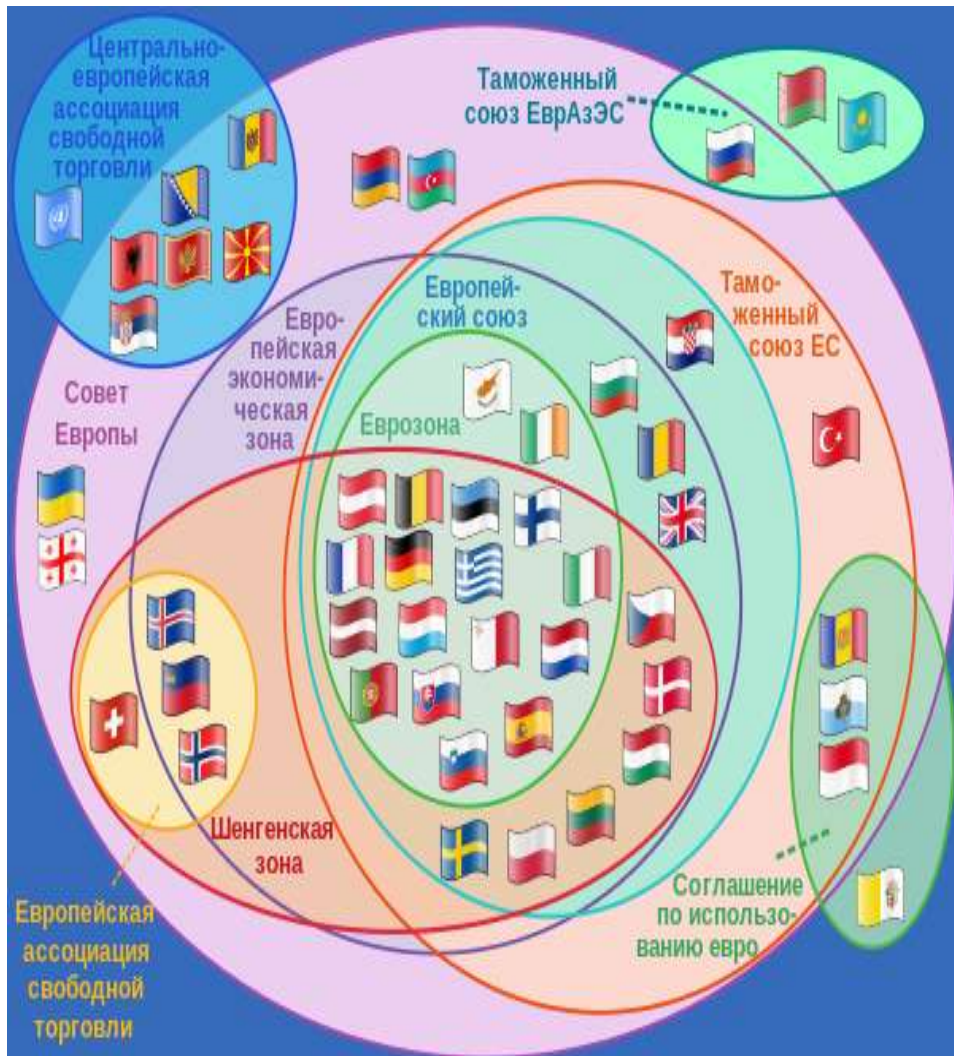
Pakistan has repeatedly called for cooperation in economic development and social progress through the South Asia Association for Regional Cooperation (SAARC).

These steps, open great avenues towards enhancing Strategic Investment Projects (SIP) in the Greater Central Asia and its connectivity with Afghanistan & South Asia.

### **Conclusion**

1. To set a new agenda of Russia-Pakistan cooperation based on constructing of the new Common Central Asian Market and the Trans-Asian development corridor along the 73<sup>rd</sup> meridian;
2. To start implementing the cooperation of 'Three Big' concept (Pakistan – Iran - Russia) in order to provide Afghan peace and reconciliation and Afghan stability through the accelerated industrialisation.
3. To hold the Russia-Pakistan Forum in October, 2014, in Omsk (Russia) and in the next year in Pakistan and to invite representative delegations from Russia and Pakistan regions.
4. Assemble together with interested think-tanks and investment companies the Strategic Investment Projects Album for Pakistan with Russian investment and resources.
5. To establish as our main priority the mutual Russia-Pakistan-India railroad project of construction trunk-railway from Kunduz to

Jalalabad with the gauge of railway equal to 1520 millimetres and a high-capacity dry-port at the border between Afghanistan and Pakistan.■



## CHAPTER 10

# Thaw in Iran-US Relations: Opening of Chahbahar Trade Link and its Impact on Pakistan

**Dr. Nazir Hussain\***

### Abstract

The South and South-West Asian regions are witnessing changes with far-reaching strategic implications; popular revolts, political transitions, military withdrawal and above all the thaw in Iran-US relations after thirty years of intense hostility.

The political changes in the region can usher a long term continuity/stability and chances for mutual accommodation; however the post-withdrawal Afghanistan presents a challenging security situation. Moreover, the thaw in Iran-US relations may augur well for the region and open new opportunities and challenges, including the prospects of Iranian Chahbahar Port becoming a hub of trade and commercial activity in the region.

These changes constitute formidable challenges to Pakistan's strategic environment in post 2014 scenario. Therefore, this paper makes an endeavour to explore the possibility of long term understanding between Iran and US, prospects of Chahbahar Port as a regional trade hub and its impact on Pakistan.

The paper would argue that despite a thaw in Iran-US relations, a long term understanding is difficult to emerge in the near future due to internal and external factors/actors. However, Chahbahar becoming a regional trade link is an immediate reality as Iran-India and Afghanistan have signed a trilateral agreement to develop this port into a regional hub connecting South Asia, Central Asia and West Asia. Under these circumstances, Chahbahar would pose a serious challenge to Pakistan's long term ambition of becoming a trade and energy corridor despite operationalization of Gawadar Port.

---

\* Dr. Nazir Hussain is Associate Professor at the School of Politics and International Relations, Quaid-i-Azam University, Islamabad.



## Conceptual Foundation

The state, being the legitimate actor in international system, pursues its national security objectives through trade, diplomacy and wars. The interplay of economy and military makes a perfect combination for a state to enhance its status, role and position in the regional and global security environment.<sup>1</sup> History has shown that military adventures without strong economic backing have resulted into state failures. However, economic modernization has led to tremendous leverage in regional/global power politics; the two contrasting examples are the Soviet Union and China.

Another fundamental factor, fashioned in the beginning of 20<sup>th</sup> century, is geopolitics that still plays a far-reaching role in a state's position vis-à-vis power politics. Geographical isolation, natural barriers and interconnecting frontiers play a dominating role in the formulation of a country's security policy. From Halford Mackinder's Heartland Theory, Nicholas Spykman's Rimland Theory<sup>2</sup> to Zbigniew Brzezinski's Eurasian concept,<sup>3</sup> all have dominated the discourse in international relations debate on geopolitics.

The Iran-US relations can be seen in the context of geopolitics and geo-economics. Iran is a regional power in the Middle East dominating through its strategic geopolitical setting; bordering Central Asia, South Asia and West Asia, occupying the strategic Strait of Hormuz with controlling of 1500km of eastern side of the Persian Gulf from Hormuz to Shatt-al-Arab, and placed next to the hotbed of global war on terrorism — Iraq and Afghanistan. This geopolitical positioning cannot be ignored by any great power having security interests in these regions — China, Russia and the US. On the other hand, the US being the only super power of the contemporary global system, having tremendous military, economic and political power with strong national security interests cannot be dismissed easily. Therefore, the interplay of geopolitics and economics compelled both Iran and the US to rest their relations after thirty years of intense hostility.

---

<sup>1</sup> Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (London: Fontana Press, 1988).

<sup>2</sup> Christopher J. Fettweis, 'Sir Halford Mackinder, Geopolitics and Policymaking in the 21<sup>st</sup> Century' *Parameters* (US Army War College Quarterly), vol. XXX, no.2 (Summer 2000).

<sup>3</sup> Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives* (New York: Basic Books, 1997).

## **Historical Context**

Monarchical Iran was the pillar of US policy in the Middle East along with Saudi Arabia, however the establishment of a revolutionary regime in 1979, transformed every thing — turning allies into bitter foes. The US Embassy hostage crisis, the freezing of Iranian assets, the labeling of ‘Great Satan’ and ‘Axis of Evil’ along with the policy of ‘regime change’ further aggravated Iran-US relations. The ‘pragmatic presidencies’ of Rafsanjani and Khatami tried to maintain working relations with the US Administrations but the opening of Iranian nuclear controversy in 2002 forestalled any chances of mutual understanding for betterment. Subsequently, a stringent sanction regime was imposed on Iran through the UN Security Council that brought severe economic hardship to Iran but hardened the Iranian stance on its nuclear programme. The government of Ahmadinejad by its rhetoric and anti-US/Israel stance earned further hostility resulting in strong resistance in the US Congress for any dialogue with Iran.

President Barak Obama brought a significant policy shift through his policy of ‘change’ and made indirect contacts several times by greeting the Iranian people on ‘Nouroz’, the beginning of the Persian new year. These moves were taken as propaganda tactics by the Iranian establishment dominated by the hardliners. However, Hassan Rouhani’s surprising victory as Iranian president brought a sea-change in the Iranian foreign policy posture.<sup>4</sup> The use of social media by President Rouhani through his tweet messages greatly changed the perception of US people towards Iran. Subsequently, the telephonic conversation between Barak Obama and Hassan Rouhani in New York on the sidelines of UNGA session ushered a new era of resetting Iran-US relations; the two countries agreed to resolve the Iranian nuclear issue through diplomacy.

## **Iran-US Thaw**

Despite animosity and belligerent posture, both Iran and the US, have been complimenting each other by design and default. At the height of Iran-Iraq war (1980-88), the US provided much needed military spare parts and other essential items (as most of the Iranian military equipment was American version) to Iran worth \$150 million in lieu of its support to the release of US hostages in Lebanon; this episode came to be known as ‘Iran-Contra Scandal’ that severely jolted the Reagan Administration. During the presidencies of Hashmi Rafsanjani and Muhammad Khatami, the US and

---

<sup>4</sup> Mohammad Javad Zarif, “What Iran Really Wants: Iranian Foreign Policy in the Rouhani Era,” *Foreign Affairs*, May/June 2014.

Iran maintained their business and social contacts through third party; the Swiss Embassy for the US and Pakistani Embassy for Iran. Several US citizens and journalists also visited Iran on goodwill tours.

In the aftermath of 9/11, Iran was one of the first countries which offered help and assistance to the US against global 'War on Terror.' The US dismantled Taliban in Afghanistan, who were bitter ideological/security threat to Iran. Subsequently, in 2003 another Iranian political and security threat was removed in Iraq by overthrowing the Saddam regime. Iran's geopolitical setting and influence in Iraq and Afghanistan is crucial for the US fight against Non-State Actors. Without the support and cooperation of Iran, the US would be unable to maintain peace and stability in these countries.<sup>5</sup>

Moreover, the unrest and revolt in the Arab world, Syrian crisis, Iran-Saudi rivalry and the resurgent Russian/Chinese posturing in the fast changing Middle Eastern security dynamics, enhanced Iranian regional position; swaying from Iraq to Syria, Lebanon and Sudan, and from Afghanistan to Central Asian States to Russia. Moreover, Iran restored its relations with Egypt after thirty years (though scuttled after the removal of Muhammad Morsi) and successfully convinced Turkey to change its policy on Syria, which brought surprising benefits for Iranian regional influence. The strong backing of Russia/China also made crucial impact on Iranian regional position.<sup>6</sup>

Therefore, the combination of politics, economy and security, along with the realization by both Iran and the US, that many of their actions are complimentary to each other and they cannot ignore each other, led to the resetting of their diplomatic postures. Both countries also realized that thirty years of bitter hostility and conflict-ridden relations have yielded nothing substantive for each other in particular and the region in general. The real change was the new outlook of President Rouhani towards the outside world, who realized that rhetoric and bluffing will not work anymore, and Iran has to move forward to earn its rightful place in the regional security affairs.<sup>7</sup> Therefore, the telephonic conversation between President Obama and President Rouhani led to the historic thaw in the US-Iran relations.

---

<sup>5</sup> For a comprehensive account of the Iran-US relations see Donette Murray, *US Foreign Policy and Iran: American-Iranian Relations since the Islamic Revolution* (London: Routledge, 2010).

<sup>6</sup> Nazir Hussain, "Unrest and Revolt in the Arab World; Impact on Regional Security," *Pakistan Horizon*, vol.64, no.3 (July 2011) and "Syrian Crisis and Regional Order in the Middle East," *Pakistan Horizon*, vol.66, no.4 (October 2013).

<sup>7</sup> Mohammad Javad Zarif, "What Iran Really Wants: Iranian Foreign Policy in the Rouhani Era," *Foreign Affairs*, May/June 2014.

Subsequently, the nuclear talks between Iran and P5+1 in November 2013, led to an interim agreement to resolve the nuclear issue of Iran. The agreement was for six months stipulating Iran to halt its strategic enrichment efforts and the removal of US/Western sanctions and unfreezing the Iranian assets. The interim agreement is presently being debated in Vienna for a final deal; the last meeting was held in May 2014 which remained inconclusive.

The thaw between a regional power, Iran and a global power, the US could not have been averted for long; they were destined to normalize their relations compelled by regional and global dynamics. However, to assume that this temporary thaw would result in a long term strategic understanding between Iran and the US is premature at this point of time. There are several factors that may undermine the normalization efforts; the domestic factors, Israel and Arab allies, outcome of the Syrian crisis and, more importantly, the fate of the nuclear negotiations.

At the domestic front, both Iran and the US are facing tough resistance; there are several groups in Iran, who have differing perceptions about the rapprochement; from a cautious welcome to outright rejection. However, the Iranian supreme leader has given his consent for continuing the negotiation that has silenced the hardline stance for the time being; now it would largely depend on the outcome of Vienna negotiations which dominate the normalization debate.<sup>8</sup> On the other hand, Obama Administration is facing stiff resistance from the Congress and powerful Jewish lobby; President Obama even threatened to veto any further move by the Congress to put Iran under sanctions.<sup>9</sup>

Regionally, both Israel and the US Arab allies, especially Kingdom of Saudi Arabia (KSA) are apprehensive of any rapprochement or long term political understanding between Iran and the US, as that would undermine their position in the region.<sup>10</sup> This led President Obama to visit KSA in March 2014 to assuage the fears and apprehensions. Nonetheless, despite these assurances the US Middle Eastern allies are not in favour of any such development that can give an upper hand to Iran in the regional security affairs.

Importantly, the outcome of Syrian crisis would also have bearing on Iran-US relations; the Syrian presidential elections would most probably see the Bashar-al-Assad's regime intact, the Iranian strategic support to Bashar

---

<sup>8</sup> Seyed Hossein Mousavian, "Future of US-Iran Relations," *Aljazeera Center for Studies*, April 6, 2014.

<sup>9</sup> Mark Landler and Jonathan Weisman, "Obama Fights a Push to Add Iran Sanctions," *New York Times*, January 13, 2014.

<sup>10</sup> "US-Iranian Rapprochement: Causes and Chances of Success," Doha-Qatar, Arab Center for Research and Policy Studies, October 13, 2013.

would entail a long term Iranian regional supremacy in the Middle East. Moreover, the vetoing of UNSC resolution to refer the Syrian case to the International Criminal Court (ICC) on May 22, 2014, the fourth time that such resolution has been vetoed, is a clear manifestation of strategic support provided to the Syrian regime by Russia and China.<sup>11</sup> This situation in the region emboldens Iran and strengthens its bargaining position on the nuclear issue.

The fourth round of nuclear negotiations at Vienna between Iran and P5+1 that ended on May 16, 2014, remained inconclusive; however both sides have shown their willingness to continue the talks. President Hassan Rouhani has expressed optimism that the nuclear talks would result in a final agreement. Iranian foreign minister, Javad Zarif has stated that 'a comprehensive nuclear deal between Iran and the six world powers is possible if the parties to the talks with Islamic Republic set illusions aside.'<sup>12</sup> On the other hand, the Western powers are apprehensive about Iran fulfilling its commitments to the Interim Nuclear Agreement to be expired in July 2014.<sup>13</sup> They have also put further conditions on stalling the Iranian long-range missile programme that threatens the western states and Israel. However, the IAEA in its latest monthly report (May 2014) has acknowledged the substantive progress made by Iran on its Interim Agreement.<sup>14</sup> Given the situation, the nuclear negotiation would linger on for an indefinite time and no immediate resolution is evident in the near future, hence a major hurdle in the Iran-US full normalization.<sup>15</sup>

Therefore, in light of the above analyses, the thaw in Iran-US relations seems a temporary respite for easing of tension between the two countries and somewhat stabilizing the regional security environment.<sup>16</sup> However, this temporary thaw does not seem to constitute a long term political or strategic understanding between Iran and the US in the near future, hence the prospects that the US may use the Iranian Chahbahar Port for its eventual withdrawal from Afghanistan seems a distant reality. But despite this situation Chahbahar still constitutes a long term challenge to

---

<sup>11</sup> *Reuters News*, May 22, 2014.

<sup>12</sup> See [www.iranreview.org](http://www.iranreview.org) of May 22, 2014.

<sup>13</sup> George Jahn, "West says rifts remain over Iran nuke pact," *Associated Press*, May 22, 2014.

<sup>14</sup> Report by the Director General on "Implementation of NPT Safeguards Agreement and relevant provisions of the Security Council Resolutions in the Islamic Republic of Iran," No.GOV/2014/28, Vienna, IAEA, May 23, 2014.

<sup>15</sup> Robert Mason, "Looking Ahead to Post-Obama US-Iran Relations," *The Diplomat*, January 22, 2014.

<sup>16</sup> Stephen Kinzer, "US-Iran Détente will be biggest Geopolitical story of 2014," *Aljazeera*, January 6, 2014.

Pakistani strategic environment in the post 2014 period due to the Iran, India and Afghanistan accord.

### **Chahbahar as a Regional Trade Hub**

The Chahbahar seaport is just outside the Strait of Hormuz, in Iran's Free Economic and Industrial Zone. The Iranians built this port away from the heavy sea-traffic in the Persian Gulf waters and to provide easy access to coming ships besides connecting it to Afghanistan and Central Asia. A road and rail communication system is being created between Chahbahar, Herat and onward to Central Asia. India also wants to develop this seaport to avoid Pakistani route to reach Iran, Afghanistan and Central Asian States; India has committed over \$100 million for the construction of Chahbahar and connecting transport network of 200km from the Port to Zaranj and Herat in Afghanistan.<sup>17</sup> Moreover, Iran, India and Afghanistan are to sign a trilateral agreement to develop this facility for common trade and commerce purposes.<sup>18</sup>

Chahbahar seaport is just 70km away from Pakistani seaport of Gawadar, which is developed with Chinese assistance and help. Both these ports constitute competing grounds for each other as both address the same audience. The Gawadar port has many issues; the security situation in the restive Baluchistan, non-availability of connecting road/rail links to main highways, and slow pace of development and operational issues.<sup>19</sup> On the other hand, Chahbahar has no such issues and is being developed at a fast pace, and even the Chinese have shown their interest in this port.<sup>20</sup> The emphasis and urgency shown by Iran, Afghanistan and India in putting the Chahbahar Port ahead of Gawadar in terms of regional trade and commerce hub. Moreover, India is keen to trade with Afghanistan and Central Asian

---

<sup>17</sup> "Iran under Hassan Rouhani: Imperatives for the region and India," Institute for Defence Studies and Analyses, July 19, 2013, and Zahid Ali Khan, "China's Gwadar and India's Chahbahar: An Analysis of Sino-Indian Geostrategic and Economic Competition," *Strategic Studies*, vol. XXXII & XXXIII, no.4 & 1 (Winter 2012 and Spring 2013).

<sup>18</sup> "Official: Iran, India, Afghanistan to ink Joint Agreement," *Fars News*, March 25, 2014.

<sup>19</sup> Mohammad Arifeen, "Chahbahar and Gwadar," *Financial Daily*, Karachi, May 21, 2014.

<sup>20</sup> "Iran under Hassan Rouhani: Imperatives for the region and India," Institute for Defence Studies and Analyses, July 19, 2013.

States and at the same time avoid Pakistani restive/unwilling route, hence Indian preference for Chahbahar remains paramount.<sup>21</sup>

Whether or not Iran-US relations develop to the extent that they utilize the Chahbahar port for eventual US withdrawal from Afghanistan but the changing political dimension, as two new governments are in the offing in Pakistan's neighbourhood; Narendra Modi has become Indian Premier and Dr. Abdullah Abdullah is a likely winner in the Afghan presidential elections, Pakistan's Gawadar Port would face serious challenge to compete with Chahbahar as a regional hub of trade and commerce.

### **Implications for Pakistan**

With fast changing political dynamics, the post-2014 strategic environment poses serious challenges to Pakistan's security. The US withdrawal would create a political/security vacuum in Afghanistan. Although Pakistan has categorically stated that it has no favourites in Afghanistan yet it watches developments in the neighbouring country with legitimate concern.

The thaw in Iran-US relations is a welcome development but it creates severe security implications for Pakistan, both positive and negative. In the renewed Iran-US interaction, Pakistan is forestalling any negative development in the case of an eventual attack on Iran; Pakistan cannot afford to have another war in its neighbourhood that has severe security implications. Moreover, this thaw would reduce the much undesired US pressure on Pakistan to develop the Iran-Pakistan (IP) gas pipeline, enhanced trade activity between Iran and Pakistan, and increased Iranian investment in Pakistan. Iran is keen to enhance the electricity supply to Baluchistan from 100mw to 1000mw and agreement to this effect has been made during Prime Minister Nawaz Sharif's May 2014 visit to Iran. Both the countries have decided to enhance their bilateral trade to \$5 billion per annum. Iran is also interested in constructing an oil refinery in Baluchistan with a capacity of 400,000 barrel of oil per day;<sup>22</sup> opening new avenues of employment opportunities for the underdeveloped Baluchistan.

The thaw could also result in letting Pakistani territory off the use by Non-State Actors against Iran and reduced Iranian-Saudi rivalry in Pakistan and hence improved security situation. Pakistan's security environment has internal and external concern which tend to erode government's writ and

---

<sup>21</sup> Zahid Ali Khan, "China's Gwadar and India's Chahbahar: An Analysis of Sino-Indian Geostrategic and Economic Competition," *Strategic Studies*, vol. XXXII & XXXIII, no.4 & 1 (Winter 2012 and Spring 2013).

<sup>22</sup> Mohsen Dehqani, "What Iran Expects from Pakistan," *Iran Review*, May 14, 2014.

affect its efforts for economic stability. Moreover, this situation would release the pressure off from Pakistan to take sides in the Middle Eastern security dynamics, which is a tricky dilemma for the government.

In the negative implications, the Chahbahar Port would still constitute a formidable challenge to Pakistan's desire to convert Gawadar as a regional trade hub. Whether or not the Iran-US thaw culminates into a long term political understanding, Chahbahar Port would be a preferred choice of the US for its activities in Afghanistan; as Pakistani political parties and public have several times halted the US/NATO supplies from their territories, and there remain high risks of attacks and terrorist activities. Moreover, the tripartite accord between Iran, India and Afghanistan to enhance their trade and economic interaction through Chahbahar, building of transport network from the Port to Afghanistan and onward into Central Asia, heavy Indian investment and reported Chinese interests point towards the significance attached by the regional states to the Chahbahar port.

## **Conclusion**

The post-2014 strategic environment is unfolding many challenges for Pakistan in the regional security affairs that require a well-knitted prudent diplomacy and visionary leadership. The government's decision to respond positively to Indian Prime Minister Narendra Modi's invitation to attend the swearing in ceremony by Prime Minister Nawaz Sharif is a welcome development. The meetings between Nawaz Sharif and Indian leadership; Prime Minister Narendra Modi and President Parnab Mukarji, have sent positive vibes and it would impact positively on future India-Pakistan relations. The Pakistani premier has already visited Iran and rebooted the Iran-Pakistan strained relations. The next is the move to welcome any winner in the Afghan presidential elections and visit him without waiting for an invitation. These political transitions are for the next 4-5 years and if a positive new beginning is made it can result into a long desired peace, stability and prosperity in the region.

The thaw in Iran-US relations is much welcome development for Pakistan in particular and regional security in general. Pakistan can benefit from this changed equation in its neighbourhood and can improve its internal security, politico-economic stability and much needed progress and development for its people. ■



## CHAPTER 11

### **China's Post-2014 Afghan and India Policies and their Respective Impact on Pakistan**

**Hu Shisheng**

**T**he year 2014 has special significance for Afghanistan, India, Pakistan and China. In this year, both India and Afghanistan have almost simultaneously held general elections, which will set up brand new political patterns. There comes a new era of Narendra Modi for India, and for Afghanistan a new post-Karzai era. Meanwhile, the governments in both Pakistan and China are just one year old, and have become more devoted to take more significant and serious reforms in 2014. It is worthwhile to mention that the US and NATO troops in Afghanistan will pull out their combating forces completely by the end of 2014. All of these shifts in political dynamics will differently affect the future interactions among China, Afghanistan, India, and Pakistan.

In general, the policies toward both Afghanistan and India practised by its predecessor during 2003-2013 will be carried forward by the new Chinese government after 2014, and such policies will definitely supplement China's Pakistan policy. In post 2014 era, on the one hand, China will get itself more involved in Afghan reconstruction in an all-round way, and on the other hand, China will explore more areas in deepening its strategic partnership with Mr. Narendra Modi's India with economic relations in particular. In coming years, more efforts and resources will be put into the construction of "One Belt and One Road" (namely, Silk Road Economic Belt and 21<sup>st</sup> Century Maritime Silk Road) master plans, in which BCIM Corridor (namely, Bangladesh-China-India-Myanmar Economic Corridor) and Sino-Pakistan Corridor serve as crucial bridges.

However, the developments of China's Afghan and India policy will not be at the cost of Sino-Pakistan relations anyway, but on the contrary, serve the purpose to enhance the stability and development within Pakistan and hence be conducive to the sustainable development of Sino-Pakistan strategic partnership. In one word, to enhance the stability and development of Pakistan and to ensure the consolidation of Sino-Pakistan relations, are the pursuits of China's efforts in developing its relations with Afghanistan and India.

## **China's Afghan Policy and Its Impact on Pakistan**

The bilateral relations between China and Afghanistan had been much marginalized in China's external strategy until the end of 20th century, and often had been disturbed by third party factor. However, ever since the beginning of 21st century, especially since 2012, when China and Afghanistan built up strategic partnership with each other, China has become more and more active in participating in the reconstruction of Afghanistan with economic reconstruction in particular. It is expected that after 2014, China will play even more active role in the reconstruction process in Afghanistan and will join efforts with regional countries to make the transition a successful story and thus contribute to lasting peace, stability, and development in the region.

### **A Brief History of Sino-Afghanistan Interactions**

Historically there had been scarce interactions between China and Afghanistan. except for those linked to the ancient Silk Road with very few businessmen, and occasionally some monks or clerics, trekking between these remote lands. Even this feeble linkage by Silk Road had been abandoned after 1498 when the opening of the direct sea route around the Cape of Good Hope led to the integration of global trade generally with the Portuguese pioneering direct European maritime trade with Asia.

Interaction between the two countries increased rapidly with frequent high-level visits after the two sides established formal diplomatic relations on Jan. 20, 1955, which were nicely maintained till December 1979 when the Soviet invasion stalled the bilateral relations into stagnancy. During the period of the Soviet occupation, China had joined the Anti-Soviet Cold War camp with the US and Pakistan, and refused to admit the legitimacy of the Kabul regime backed by the Soviet Union. Sino-Afghanistan relations had not been normalized until 1992 with the ending of Cold War. However, the bloody and fierce internal conflicts afterwards had made the hard-won normalized bilateral relations dysfunctional with no visible high level visits between these two countries. Bilateral interactions only resumed after Karzai government was established by the US, after toppling the Taliban regime by force in 2001. However, in the first ten years of this century, China's Afghan policy had been mainly guided and even restricted by the framework of Sino-US cooperation in global war on terror. More or less a passive response and wait-and-see policy was the outstanding feature of China's Afghan policy during this period.

However, with China's more speedy rise, especially after the global financial crisis, and China's more rapid expansion of its overseas interests,

and especially with China's more vigorous implementation of its westward openness and development strategy, a tepid and tentative relationship between China and Afghanistan definitely fails to meet the strategic requirements of pursuing its peaceful and sustainable development within and without.

In the second decade of this century, especially after the US declared that it would complete its pullout (of combating forces) by the end of 2014, China's policy towards Afghanistan has become more and more active. The establishment of strategic partnership in 2012 symbolizes the beginning of a new chapter of deepening Sino-Afghan relations comprehensively. Here are some outstanding features of the current Sino-Afghan relations:

Firstly, frequent high-level visits and meetings are promoted. President Karzai visits China nearly every year, and accordingly the Member of Politburo Standing Committee of CPC, Zhou Yongkang, Foreign Minister Wang Yi visited Afghanistan in September 2012 and in February 2014 respectively in succession. President Xi Jinping, China's new leader, met with President Karzai three times in Beijing in September 2013, in Sochi (Russia) in February 2014, and during CICA Summit in Shanghai in May 2014.

Secondly, China actively addresses the Afghan issue through multilateral mechanisms and seeks regional approaches. Through dialogues including Sino-Pak-Afghan, Sino-Russia-Pakistan, Sino-Russia-India and bilateral forum like Sino-Pakistan Strategic Dialogue, Sino-Indian Strategic Economic Dialogue, China has regularly promoted the discussion of Afghan issue with its partners. In August 2014, China will hold the fourth round of Istanbul Process Foreign Ministerial Conference. And in March 2014, China with Afghanistan and other five countries, namely Russia, the US, India, Iran, and Pakistan, initiated the "6+1" dialogue in Geneva, which is a new Afghan-oriented forum. Besides, China has been pushing forward SCO anti-terrorism center to expand its accountability and function on Afghan related issue such as counter-terrorism and drug control. "China is willing to promote Shanghai Cooperation Organization to play a more important role in Afghan issue" said President Xi, when he met with President Karzai in Sochi in February 2014.

Thirdly, China actively participates in Afghan economic reconstruction. In terms of investment, during 2001-12, China has invested 494 million USD in Afghanistan, mainly into areas like mining, telecommunication, highways, etc. with two outstanding projects, Ainak copper mine project (by MCC, but still the project lacks progress) and Amu Darya oil blocks (by CNPC with Watan, an Afghan company, already in production)<sup>1</sup>. Besides, the total value of contracted project so far by Chinese companies amounts to about 787 million USD, among which 551 million USD has been accomplished. At present there are about 7 Chinese companies in operation in Afghanistan, employing 300 Chinese staff. During the

---

<sup>1</sup> In Nov. 2007, MCC (with JCC) bid for Ainak Project and claimed to invest more than 2.9 billion USD (equal to 1/3 of all over foreign assistances that Afghanistan accepted during 2002-07) to develop the second biggest copper mine in the world. In Oct. 2011, CNPC bid for an oil-gas field, which contains around 80 million barrels of oil, in Sar-e-Pol province, northern Afghanistan. According to the contract, CNPC plans to invest around 300 million USD to develop three blocks in northern Afghanistan. As originally planned, two projects will benefit Afghan economy a lot. Taking Ainak Project for an instance, according to the contract, MCC will pay 808 million USD in total for mine leasing, etc. but also 60 million USD per year as tax to Afghan government. Former Afghan Mineral Minister Ibrahim Adel once said, up to 2013, Ainak Project will bring 2 billion USD revenue to Afghan government and make it possible to increase government revenue by three times in the coming five years. (Refer to "British media: Chinese investment possibly increases Afghan government revenue by three times in the coming five year," Nov.24, 2009,

[http://fec.mofcom.gov.cn/article/xwdt/gw/200911/952895\\_1.html](http://fec.mofcom.gov.cn/article/xwdt/gw/200911/952895_1.html)). Besides, MCC also agreed to build four schools, two mosques, a power plant with annual output of 400 thousand KW.h, and a steelworks with annual one-million output, and construct infrastructures including hospitals, roads, water supplies, etc. at the local. Among them, the power plant adapted for the copper mine will provide one third of its output for local people. In Oct. 2011, CNPC bid for an oil-gas field in northern Afghanistan due to its much more generous offer than others'. Jalil Jumriany, head of policy and promotion in Afghanistan's mining ministry, said CNPC had offered to pay a 15 percent royalty on each barrel of crude and 30 percent corporation tax on its profits, as well as build a 300-million-USD refinery, while the second ranking Australian cooperation just wanted to pay 10 percent. (Refer to <http://www.ftchinese.com/story/001040537>) However, these two projects progressed limitedly. Ainak Project due to the excavation of Buddhism relics and threats from Afghan Taliban has not progressed substantively so far; Amu Darya Project progresses slowly for oil cannot be transferred out from Afghanistan without Afghan oil import agreements with Uzbekistan and Turkmenistan. Now daily, the CNPC-Watan project only produces 2000 barrels of crude oil.

three meetings with President Karzai, President Xi of China made it very clear that Chinese government has strongly supported qualified Chinese companies to invest in Afghanistan. In terms of official assistance, around 300 million USD has been offered since 2001. In terms of bilateral trade, China has become the second biggest importer and fifth exporter for Afghanistan in 2010/2011, with a large increase of bilateral trade reaching 715 million USD, among which Afghanistan imported 703.8 million USD items from China (increase of 95.5%) and exported 11.70 million USD to China (increase of 46.4%)<sup>2</sup>. In October 2012, two countries signed a preferential trade arrangement with 95 per cent of the items exported to China by Afghanistan enjoying zero tariff treatment. However, the dramatic reduction of foreign troops in Afghanistan, which started from 2013, has rapidly hollowed out the “service sector related to foreign troops”. Foreign troops consumption has accounted for a large proportion of its economy in the past dozen years<sup>3</sup>. The economic reconstruction of Afghanistan still lacks progress, with the mining sector still far from a pragmatic start-up, and the geo-economic significance of being the “Heart of Asia” still not tapped. Such a downscaling of US and NATO troops has visible negative effects on Sino-Afghan trade. The bilateral trade amounted only to 328 million USD (decrease of 29.24%) in 2013, among which China imported 10 million USD (increase of 85.05%, that is to say, Afghan exports to China are negligible). Fourthly, China has made a modest beginning in participation in capacity building in Afghanistan. On the one hand, China makes unilateral endeavours in providing short-term courses for hundreds of Afghan officials and civil servants, in areas of diplomatic training, human resource management, project contracting management, healthcare management, government financial management, trade and economic management, public

---

<sup>2</sup> The Economic and Commercial Counsellor's Office of the Embassy of the People's Republic of China in the Islamic Republic of Afghanistan, October 11, 2011, <http://af.mofcom.gov.cn/aarticle/ztdy/201110/20111007773315.html>.

<sup>3</sup> Statistics shows foreign troops consumption contributed 40-75 percent to Afghan GDP, but due to their pullout, foreign troops consumption in 2014 will reduce by 70-90 percent, compared with 2011.

administration, etc.; and Defence Ministry and Public Security Ministry of China also offer courses, like humanitarian de-mining courses, for Afghan related sections and train officers (around 150 officers trained so far) through bilateral agreements. Since 2011, China has offered 100 government scholarships to Afghanistan every year, whose number will be increased largely in the future. On the other hand, China also cooperates with the US to initiate joint training courses. For example, during 2012-13, they have trained jointly scores of Afghan diplomats. They will very soon be starting cooperation in Afghan agriculture.

### **China's Afghan Policy in Post-2014**

In post-2014, China will take keen interest in progress of Afghan reconstruction, political institutions, economy, security, and geopolitical environment and cooperate with regional countries to shape the Afghan transition in line with regional stability and development.

In political reconstruction, China encourages and supports financially a broad-based new government in Kabul through election and political reconciliation, while encouraging stakeholders (including Taliban) to contribute to the success of political reconciliation. It is a basic prerequisite to achieve such a scenario in which Afghanistan could avoid civil war and achieve durable stability. And it is the only way by which Afghanistan would complete its political transition to the post-Karzai era smoothly. A smooth and peaceful political transition relies on two key elements, namely a political reconciliation reached between the government and the anti-Kabul armed forces including Afghan Taliban, and favourable parliamentary and presidential elections in 2014 as scheduled. In this regard, China will commit to substantial progress of political reconciliation in Afghanistan, especially through China-Afghan strategic dialogue, and trilateral dialogue among China, Pakistan and Afghanistan. China will encourage Pakistani military and civilian establishments to facilitate the political reconciliation in Afghanistan. Besides, together with international community, China will support the newly elected Afghan government financially for its successful functioning. Due to the financial limitations of Kabul, it is the most effective way to save Kabul from following the same tragic fate of the Najibullah regime, which claimed to be the legal successor of the USSR and collapsed with its dismantling as the latter could not provide 3 billion USD assistance annually as per its commitment after the Soviet Red Army pulled out in 1989.

In economic reconstruction, China will assist Afghanistan to establish an economic system with self-sustainability and physical connectivity. The war on terror over a dozen years has destroyed the Afghan economy and made it dependent on narcotic drugs, foreign assistance, and service sectors related to foreign troops. With the pullout of foreign troops, foreign assistance and foreign-troop-consumption based service sectors will definitely encounter great difficulties in sustaining, while drugs not only harm healthy economic and social development and security in the region including Afghanistan, but have become an important financial source for “evil forces” in the region as well, promoting the culture of violence and terrorism and threatening the security of Central and West Asia, including the Xinjiang province of China. The most severe security challenge for Kabul government in the coming years is going to be from the severe lack of employment opportunities for the young generation. To this end, China will devote its efforts to economic reconstruction in Afghanistan continuously and assist Afghanistan to get developed and budget-enriched by tapping Afghan strengths in its mining sector, geographic location (as a junction between Central, West, and South Asia), and traditional processing industries (in agri-stockbreeding-dry fruits), by involving and integrating Afghanistan into China's Silk Road master plan and Sino-Pakistan Economic Corridor, by encouraging Afghan neighbours to be constructively involved in the social and economic development of its adjacent provinces in Afghanistan, by establishing Chinese companies to establish joint ventures with Afghan local businessmen and enterprises, by providing skill training courses to young population, by assisting Kabul and local governments in formulating their development plans and institution-building, by cultivating and practicing valid and applicable technologies in Afghanistan. The basic purpose in this regard is to help Kabul to stand on its own feet economically.

In security reconstruction, China will make every endeavour to prevent civil war and uproot violence and the terrorism culture in Afghanistan gradually. China will strengthen its support to security reconstruction in Afghanistan based on the progress of political and economic reconstruction. And China needs to have more alternatives to deal with security problems in case of failure of political and economic reconstruction in Afghanistan. Firstly, China will make efforts together with regional countries and international community to prevent the breakout of a civil war by facilitating and ensuring substantial progress of political reconciliation. Especially, through political reconciliation, China will welcome the establishment of a power sharing and restricting institution safeguarded and guaranteed by international community with regional countries in particular. Such a power sharing and restricting regime should

be fair, inclusive, and should give the much deserved consideration to both traditional and modern cultures and practices. Secondly, China will also encourage the international community to keep its commitment about sustained financial support to ANSF. Kabul with its poor budget and sluggish economic development cannot meet the cost of maintaining its security forces. The main aim of Afghanistan and the international community should be to avoid a possible large-scale civil war by maintaining and even further enhancing the capacity of ANSF. China will support Kabul's efforts technically and financially in disarming all non-governmental forces through rehabilitation plans, assist in training ANSF in its capacity and skills in combating insurgencies, and enhance SCO capacity in anti-narcotics and anti-terror operations. China regards it as useful to have some US military presence in Afghanistan after 2014 in order to discourage Taliban in seizing power by force. If a new round of Afghan civil war is inevitable, China would, along with the UN and regional organizations, encourage a kind of "constructive neutrality" being achieved among regional countries and Afghan neighbours in particular in order to prevent the Afghan battlefield from turning into the battle ground of others' "proxy war", while facilitating humanitarian aid to the war-inflicted refugees, carrying forward the peacekeeping operations under the authority of the UN and encouraging different sides in the conflicts to return to the table.

In geopolitical environment reconstruction, China seeks a regional mechanism guaranteeing Afghanistan's stability, development and even strategic neutrality to the maximum extent. Over a dozen years of the war on terror, the mechanism of reconstruction led by the US and NATO, which had made some visible progress especially in political reconstruction, has been an organized one with an authority centre, namely the US. But after the large-scale pullout of troops from Afghanistan, the new mechanism of reconstruction is still in formulation and lacks strong leadership. In order to prevent an impasse in the reconstruction coordination among different powers, with the regional and neighbouring powers in particular, China will be ready to play a more active role. What China could do is mainly to make the full use of the existing bilateral, trilateral, and multilateral mechanisms and the regional forums like SCO and Istanbul Process, in order to form a sort of joint effort. For instance, on the basis of some important trilateral dialogues like Sino-Pak-Afghanistan, Sino-Russia-India, and Sino-Russia-Pakistan, it would be possible to initiate a quadrilateral dialogue among China, the US, Pakistan and Afghanistan, and make full use of the elasticity of the midi-lateral forums; besides, China will encourage a more functional and active role of the Coordinating Center of Anti-Terror in fighting against narcotics and regional terrorists, supporting



Istanbul Process to implement its CBMs reached, supporting “6+1” mechanism to play more roles in ensuring support from international community and Afghan neighbours for Afghan reconstruction.

### **Pursuits of China's Afghan Policy**

A strategically independent, politically stable, economically growing, security-wise self-sustainable, and socially inclusive Afghanistan absolutely serves China's national interests, including the stability and development in Xinjiang province, the diversification for China's strategic imports, the security of energy supply and transportation, the smooth construction of China's “land-based and maritime Silk Roads”. Such a new Afghanistan also serves the stability and development of the Pak-Afghan region and Central Asia as well, which is also constructive for China in safeguarding its national interests.

Concretely speaking, China's pursuits in Afghanistan are as follows.

Firstly, to maintain stability in Xinjiang and other provinces who have impressive Muslim populations. Although the direct impact or spillover effect upon China's western frontiers by the Afghan internal insurgences is not that severe, the combined instability within and between Afghanistan and Pakistan is of strong relevance, due to Chinese western provinces' borders extensively with Pakistan and some Central Asian countries bordering Afghanistan. Stability in Afghanistan might not consequentially lead to stability in Pakistan and neighbouring Central Asian countries, but instability in Afghanistan is a must for Pakistan in particular. In fact, since the 1979 Soviet invasion, perpetual instability of Afghanistan has been bringing a series of developing predicaments to Pakistan over the past three decades. Especially after Islamabad joined the US-led global war on terror, Pakistan has been a victim of internal terror. Not only the home-grown extremists and terrorists but also international terrorists have launched attacks within Pakistani territory, even targeting their host establishments. Pakistan has made great contribution to the global anti-terror war, and made heavy sacrifices for it. Pakistan's stability has been much more vulnerable to threats from Afghanistan's instability than China.

For quite some time, insurgencies in Afghanistan and instability in Pak-Afghan tribal areas have posed a sort of overflowing threats towards Xinjiang from time to time. The East Turkestan Islamic Movement (ETIM) was founded in Pakistani tribal areas in April 1997 by Hasan Mehsum, who was killed by Pakistani troops in their operations against al Qaeda remnants hidden in South Waziristan in November 2003. Later on in February 2010, his successor, Memtimin Memet (alias Abdul Haq) was killed by the US drone attack on North Waziristan. In 2001, the US troops captured 22 ETIM members when they toppled the Afghan Taliban regime. In March 2007, Pakistani army found, during one operation in South Waziristan, around 50 to 100 Xinjiang separatists or ETIM members fighting with Taliban. In mid-January 2010, NATO drone attacks on southern Afghanistan's Helmand province killed 16 Islamic militants, of whom 13 are ETIM members. On March 18, 2014, the head of Turkestan Islamic Party (viz. ETIM), Abdullah Mansour, hidden in Pak-Afghan tribal areas, posted a video on their web announcing support for the terror attack at Kunming on March 1 and described the attack as a high priced operation for Beijing's Xinjiang policy and to compel Beijing to reconsider its policy in Xinjiang. But he did not claim ETIM responsible for the attack in the telephonic interview conducted by a Route journalist<sup>4</sup>. The detailed background of this telephone interview is very informative: Mansour used an Afghan SIM card but interviewed in Pakistani tribal areas (North Waziristan) with a Pashtun interpreter (for Mansour spoke in Uyghur language). This episode shows how inter-linked the situation within Af-Pak region is respect of Xinjiang. Secondly, to protect China's interests in Afghanistan. Chinese ventures in operation in Afghanistan include MCC-JCC Ainak mining cooperation, China Railway 14 Construction Bureau Corporation, Sinohydro Bureau 10 Cooperation, CNPC, ZTE, Huawei, Jiangxi Water and

---

<sup>4</sup> In Nov. 2013, Mansour also claimed his support to the car-crash terror attack at Tian'anmen Square, and described the attack as "Jihad" and attackers as "Mujahideen".

Hydropower Construction Cooperation<sup>5</sup>. Besides, Chinese ventures operate two outstanding projects, namely Ainak copper mining by MCC (with Jiangxi Copper) since November 2007, and an oil-gas field on northern Afghanistan by CNPC since October 2011.

Over the past dozen years, Chinese ventures and staffs in Afghanistan suffered varying degrees of terror attacks. On June 10, 2004, militants attacked a site of China Railway 14 Construction Bureau located on the northern Afghanistan's Konduz Province and caused 11 dead and 4 seriously injured. On April 1, 2006, another site of China Railway Construction in Jalalabad, a southeastern city of Afghanistan, was attacked by militants but no Chinese staff was killed or injured except a local guard who was injured. On November 28 and December 2, 2006, another site of China Railway Construction in Badghis Province, northwestern Afghanistan, was attacked twice in succession, and thanks to proper security measures and security staffs' brave strike-back, those attacks did not cause anyone dead or injured. On 9 January 2007, militants' rocket bombs hit a Sinohydro camp on the east of Kabul without any loss of life or injury. On June 30, 2006, a Chinese engineer was kidnapped in Vardak province, central Afghanistan, and rescued by Afghan security forces soon thereafter. On January 16, 2010, two Chinese engineers who worked for the local road construction aided by China were kidnapped by Taliban militants in Faryab province, northern Afghanistan, and were rescued through mediation between the Afghan government and the tribal elders without paying any ransom. On September 13, 2011, Taliban militants launched attacks on Kabul, and the Kabul branch of Xinhua News Agency, was hit by stray bullets, but no one was killed or got injured in the attack.

The latest attack that failed occurred in early December 2013. Informed by their informant, Afghan government successfully frustrated a suicide bomb attack hatched by ETIM, in which Islamic Movement of Uzbekistan (IMU)

---

<sup>5</sup> The Embassy of the People's Republic of China in the Islamic Republic of Afghanistan, April 27, 2011, <http://www.fmprc.gov.cn/chn/gxh/wzb/zwbj/jghd/t818318.htm>.

members, hired by ETIM, attempted to bomb CNPC's oil block in Amu Darya Basin. Three IMU suicide bombers sneaked into Mazar-i-Sharif, and hurried to Sheberghan, where they were finally captured by previously informed Pakistani security staff on the entrance checkpoint.

Thirdly, to combat the menace of narcotics.. Narcotics issue in Afghanistan is the outcome of "war economy". In the Jihad against the Soviet Union (1979-89), civil wars among warlords (1992-96), Taliban regime (1996-2001), and the US and NATO led global anti-terror war period (2001 to date), drugs production and trafficking have become the core of "war economy", which "created" large amounts of income for Afghanistan. It is believed that 500 thousand families with 3.5 million population (the estimated population of Afghanistan was 28 million in 2004) in Afghanistan earn their living by planting and cultivating narcotics according to some statistics a few years ago. And narcotics had become one of the three pillars of Afghan economy in the past more than ten years. The Russian drug control institution reported that the total-market value of Afghan-originated narcotic industries had reached 65 billion USD a year, but only 4 billion of which was realized locally. According to UN's statistics, Afghanistan produced more than 90 per cent of drugs around the world in 2012, whose export reached 2.4 billion USD accounting for 15 per cent of its GDP. According to the United Nations Office on Drugs and Crimes (UNODC), drugs' yield in Afghanistan increased to 6000 tons sharply up by 49 per cent, and has exceeded the total value of the rest of the world. Narcotics' economy squeezes out legal economy and puts the brakes on Afghan economic growth.

Central Asia is vital for transporting drugs from Afghanistan, and 90 tons drugs are sold out through Central Asia every year. After 2014, when NATO anti-narcotics security force deployed on the Afghan borders withdraws, drug smuggling from Afghanistan to Central Asia will infest this area more severely. More importantly, this traffic provides a handsome financial support to violent terrorist forces in the region.

China, especially its adjacent Xinjiang province, faces double pressure, of drugs smuggling and its passage through Central Asia to Xinjiang. The UN's 2007 World Drug Report warned that a new route had been opened since 2005 to smuggle drugs from Afghanistan through Pakistan and Central Asia into China, and an increasing amount of drugs trafficking through this route supplemented the loss from Golden Triangle to China. In 2006, heroin seized in China amounted to 9 tons, following 24 tons in Pakistan and 12 tons in Iran, all Afghan neighbours. Based on the partly estimated statistics by anti-narcotics office in Xinjiang, up to the end of August 2007, Xinjiang had uncovered 18 drug trafficking cases from Golden Crescent (mainly Afghanistan) a 3.5 times increase, and seized 67.92 kg heroin, whose seizure was more than the total in 2006. In Urumqi, heroin consumption per year (including abusing and distributing) has increased to 7 tons from 1 ton since 2000. According to a Pakistani analyst, around 7 tons drugs flow from Afghanistan to China every year. More important, it is believed that drug-addiction among Uighur youth has been one of the reasons leading to the expansion of religious conservatism and fundamentalism in Xinjiang. The elders of those drug-addicted youths are expecting to restrict and discipline their kids by the rigid practice of highly conservative Islamic teachings and edicts.

Fourthly, to ensure the smooth construction of Silk Road and Sino-Pakistan Economic Corridor. Chinese President Xi Jinping announced China's master plan of the Silk Road Economic Belt when he attended SCO summit in Central Asia in October 2010. The specific contents of the Economic Belt will be announced to the world soon, but it is clear and definite that this Belt cannot bypass Central and West Asia, the stability of which is closely related with the situation developing in the Af-Pak region. That means smooth construction of the Belt relies on the stability of Central and West Asia, and hence it is related to the stability of Af-Pak region.

The future scenario of Afghanistan, especially the security situation, affects Central Asia critically. A large number of Central Asian Turkic terrorists are hidden in the AfPak tribal regions. Since 2012 due to operation of foreign

troops in Afghanistan, terrorist forces like IMU have shifted apparently northward from the AfPak tribal regions to the Afghan provinces bordering with Uzbekistan, and increased their collusion with local terrorist groups within Central Asia, posing increasing threats to Central Asian countries. In the first half-year of 2013, foreign troops in Afghanistan launched 29 raids against IMU, marking a new record high of such operations targeting IMU in the past 12 years. IMU has been forced to flee out of Afghanistan, penetrating the poorly security-manned border between Afghanistan and Tajikistan, which runs over 1300 km. It is believed by Germany that there is a channel for IMU's entering into Central Asia in northeastern Afghanistan's Badakhshan province. This route has also been regularly used by ETIM forces to move to and fro between Xinjiang, Central Asian and Pak-Afghan tribal areas. After 2014, if the US troops left over in Afghanistan, still focus on counter terrorism, those external terrorist forces, now mainly hidden in Pak-Afghan tribal areas, will be further forced to leave Afghanistan and Pakistan, and find some other sanctuaries, among which the Fergana Basin, bordering Uzbekistan, Tajikistan and Kyrgyzstan, could be one ideal destination. This development would become a big disturbance to the security, economic and political situation in Central Asian republics. In particular, Uzbekistan and Kazakhstan are still waiting for political leadership transition from their first generation to second generation since their independence from the former USSR. And the economies of Kyrgyz Republic and Tajikistan are on the verge of total collapse. President Obama declared on 27 May 2014 that the US forces would be fully withdrawn in the final days of the Obama presidency in late 2016. All these factors and developments together mean that 2016-17 could be a highly risky time period politically for the Central Asian republics. Conceivably, with the massive pullout of foreign troops from Afghanistan, the Afghan Taliban certainly will launch a series of attacks in the coming two subsequent years, attempting to get more stakes for their future political bargain with the Kabul regime (but whether they could manage to do that is another story). Therefore, in the future, there is a risk of Talibanisation in the Central

Asian region with the Fergana Basin in particular, like what had happened in the Af-Pak tribal region. To make the situation much more worse, the lack of trust between Uzbekistan and Kyrgyz Republic as well as between Uzbekistan and Tajikistan,, would prevent these countries not only from jointly stopping the Talibanisation process, but also from finding approaches to address this problem effectively.. By then, China would be squeezed from two flanks, one from Af-Pak tribal region and the other from Fergana Basin.

Fifthly, the exploitation of Afghanistan's strategic resources which an announcement of the Pentagon on June 14, 2010 puts at 908 billion US dollar worth including such minerals as copper, lithium, iron, cobalt, niobium and gold. Some western experts estimate this wealth at as much as 3 trillion USD, far more than earlier estimates. However, Afghan officials even put the total value of their mineral resources at around 6 trillion USD.

### **Impact of China's Post-2014 Afghan Policy on Pakistan**

The ultimate objectives of China's Afghan policy are to promote the stability and development in its borderland and to promote the integration process between China and its surrounding regions. To achieve this goal, China's Afghan policy functions as serving the interests of stability and development in Afghanistan itself, in Central Asia, and in Pakistan. In general, it will serve Pakistan national interests, by facilitating Pakistan to realize its dream of becoming the "Tiger of Asia". Moreover, the guiding principal of China's Afghan policy before and after 2014 is to respect and be sensitive towards Pakistan's historical relations with and strategic concerns in Afghanistan.

In terms of politics and diplomacy, China makes its Afghan policy conducive to Pakistan's lasting stability. China will encourage both Pakistani military and civilian establishments to adopt a more active posture towards Afghan political reconciliation progress, jointly keep up pressure on Afghan Taliban by urging them to return to the table. Also China will encourage Pakistan to maintain basically stable and friendly relations with Afghanistan and India. A chaotic and failed Afghanistan is detrimental to Pakistan. Only a stable Afghanistan could serve as Pakistan's "strategic depth".

In terms of economy, China makes its Afghan policy conducive to Pakistan's development. China's cooperation with Afghanistan in resources development and infrastructure construction will improve Pakistan's economic advantage of geographic location, for mineral resources production and transport network established in Afghanistan by China will be finally linked to the Sino-Pakistan Economic Corridor. As long as the Economic Corridor progresses smoothly, with Pakistan's enhancing its capacity of industry and logistics, China could blend its economic reconstruction in Afghanistan and economic activities in Pakistan together, integrating Pak-Afghan and even Pak-Central Asian economies, forming an intimate community of shared destiny, shared development, and shared responsibility.

In terms of security issue, China makes its Afghan policy conducive to Pakistan's strategic importance. China takes an active part in bilateral and multilateral assistance towards Afghan security forces, to enable Afghan security forces to suppress any anti-government resurgence in the future. Meanwhile, China would jointly work with others to urge the anti-government forces to join the political mainstream, reconciling with the Kabul regime, in order to prevent Afghanistan from slipping into civil wars. As a matter of fact, a more economically developed and physically integrated Afghanistan could become more dependent upon Pakistan, and will provide a secured environment for the construction of Sino-Pakistan Economic Corridor. The Economic Corridor is a long-term strategic project, has already become one of the top priorities of both governments. Both governments cannot afford the failure of the Economic Corridor. Such a failure would make Sino-Pak relations suffer a serious setback.

### **China's India Policy and its Impact on Pakistan**

There is no denying that Sino-India relationship has undergone ups and downs since the establishment of diplomatic relations on April 1, 1950. But in general, since December 1988, Sino-India relations have been basically stable. In the 21st century, especially since China and India agreed to establish Strategic and Cooperative Partnership for Peace and Prosperity in April 2005, despite the various differences due to the similar strategies of development between China and India, including competing models of development, strategic mistrust, territorial disputes, ideological differences, and historical burdens, Sino-India relations have remained stable and demonstrated the tendency towards the building-up of a new type of major power relations. Conceivably, in the coming ten years, based upon the past achievements, it could be expected that the Sino-India relations will be further deepened and enhanced in the rapid power shifting on the global



and regional fields. The strategic stability of Sino-India relations will be a guarantee for strategic stability in South Asia to a great extent.

### **Five Phases of Sino-India Relations**

There have been several ups and downs in the history of Sino-India relations after they established their formal diplomatic relations in 1950, including the serious setback because of the border conflict in 1962, the coming back to the normal track thanks to Rajiv Gandhi's ice-breaking visit to China in 1988, and the establishment of Strategic and Cooperative Partnership for Peace and Prosperity in 2005. Generally, Sino-India relations go through five different phases as follows.

- 1. Honeymoon** (April 1950-March 1959): India is the first non-socialist state that established diplomatic relationship with China. In April 1954, the two sides signed an Agreement on Trade and Intercourse between the Tibet Region and India, which laid down the basis of their relationship in the form of the Five Principles of Peaceful Coexistence (also known as Panchsheel in India). Their relations reached a peak in 1954-58, symbolized in the popular slogan "hindi-chini bhayi bhayi" (literally, Indians and Chinese are brothers). However, due to the Tibet issue and border disputes, there had been also some discordance between India and China, such as the Indian side being averse to the liberation of Tibet, supporting in a covert and tacit way the Free Tibet movement, adopting a Forward Policy along the disputed border, and finally even providing sanctuary to exiled Tibetans and the Dalai Lama XIV. This honeymoon period could be more correctly described as Friendly Discordance. It is worthwhile to mention here that when India and China were honeymooning, Pakistan was participating in the US alliances, SEATO and CENTO. The strategic picture then was very much different from today's picture.
- 2. Border Skirmishes and Conflicts** (March 1959-November 1962): Differences on border issue between the two sides became more and more acute. The Nehru government insisted that China should make concession on the border issue as a reward or compensation for India's forgoing of its privileges inherited from the British Empire in Tibet; and China should accept the McMahon Line as the legal borderline between India and China. The McMahon Line between China and India is about 650 km long and extends from Bhutan-India joint to the joint of China-India-Myanmar. This Line was fabricated in 1914 stealthily by the British and Tibetan

representatives in the Simla Conference and was rejected as legal borderline by successive Chinese governments since the Chinese representative refused to sign the Simla Agreement formally. However, based upon the so-called the Simla Agreement, and the belief that India should be the natural successor of British Empire's colonial legacy, Mr. Nehru insisted that there had been no border disputes between India and China, and there was no need to negotiate at all, disregarding the historical reality that there had been no demarcation of borders between China and India, and any border demarcation should be done through negotiations between neighbouring countries. In light of Mr. Nehru's this mindset, and ever since China's PLA prepared to enter Tibet in 1950, his government had advanced troops northwards to increase their presence in the disputed frontier areas on the south of McMahon Line to enforce the actual control and administration in these disputed areas and to validate the McMahon Line on the ground unilaterally, which the British Indian government had never done mainly due to obvious lack of legitimacy in implementing the Simla Agreement. Till 1954, India had almost occupied all of the disputed land on the south of McMahon Line. For the sake of Sino-India friendship, Chinese government dealt with Nehru's unilateral activities on border issue mainly by sending diplomatic notices to protest or through high level visits by Chinese leaders to India to seek a negotiated settlement on the issue. However, India had persistently refused to talk to China by persistently claiming that the border issue was "unnegotiable", and even went further northward to break through the McMahon Line by implementing the Forward Policy on ground. The northward penetration of McMahon Line had finally triggered the border conflict in 1959 and border war in 1962. Before these eventualities around border issue, the Nehru government had made efforts to directly and indirectly encourage and even support the Free Tibet movement within and without Tibet, such as instigating Dalai Lama during his visit to India in 1956 to stay there to pursue his "Tibet independence". After the crushing of the Tibetan armed riots in March 1959 by PLA, the Nehru government granted political asylum to the self-exiled Dalai Lama and his followers. Frankly speaking, the strong involvement of Nehru government in the "Tibetan Independence Movement" had made the border disputes more complicated, and made the Chinese government more unwilling to settle the border dispute by just making some symbolic adjustments in the McMahon Line. Even before the border war

broke out, Indian and Chinese governments had recalled their ambassadors from each other successively, and both sides had slipped into a cold war.

The 1962 Sino-Indian War had a heavy impact on the regional dynamics. Firstly, China and India started a cold war. Secondly, India and the Soviet Union got closer and finally entered into an alliance. Thirdly, China and Pakistan came very close and became some sort of allied partners. Fourthly, Pakistan and India had escalated their confrontation even into wars. Strategically supported by the two big powers, China and the U.S., Pakistan's India policy became more firm and confident. Consequently, South Asia became the new play ground of US-USSR Cold War. There emerged two Cold War Camps -- the U.S.-China-Pakistan vs. the Soviet-India, whose reverberations still continue. The development of Sino-India relations has always been disturbed by India's "1962 complex" and China's special closeness toward Pakistan. Indian intellectuals, experts on security issue in particular, have been vocal in voicing the "China Threat" every now and then, and often there have been some officers in the Indian military who talk of revenge. Besides, due to distorted education in schools and due to the media hype in India, the ordinary Indian still nurtures some irrational understanding about the border issue and the 1962 border war, and such people have been exerting pressure on New Delhi, and made it difficult to adopt a "give and take" policy in addressing the ticklish border issue with the Chinese side.

3. **Cold War** (November 1962-December 1988): There are two visible periods in this phase. The first period (1962-76) features a diplomatic freeze, when both governments reduced their diplomatic relations to chargé d'affaires level and nearly cut off all of their economic, diplomatic, and cultural communications. Nonetheless, based upon its diplomatic principles, India supported China to restore its membership in the UN and in UN P5 all the time and voted for it in 1971. The second period (1976-88) featured with a diplomatic ice-out. In 1976 the two sides exchanged ambassadors again, and the chilled ties between the two countries started to thaw. In 1977, the ruling Indian National Congress (INC) was defeated in the election and the Janata Dal (predecessor of current ruling party Bhartiya Janata Party) came to power, and proposed to normalize India's relations with China on a fast track. In February 1979, the then Indian Foreign Minister Atal Bihari Vajpayee (later Indian Prime Minister in 1998-2004) headed a delegation to visit China. After that, the communications between the two countries

began to increase but within ministerial level. From December 1981 to November 1987, the two sides held eight rounds of talks on the border issue at vice-ministerial level. During this time, the Indian side still emphasized the argument that without solution of the border issue it was hard for India to develop its normal relations with China comprehensively. For this reason, the border issue had been a handicap in the normalization progress of Sino-India relations. Nonetheless, the Indian side changed its traditional postures on the border issue by agreeing to hold official border talks. In the past, the successive Congress governments had regarded its northern borderline along China as “defined, finally determined, and unnegotiable”. During this phase, South Asian states backed different Cold-War Camps, namely the U.S.-China-Pakistan and the Soviet-India.

4. **Normalization** (1988-2005): In December 1988, Indian Prime Minister Rajiv Gandhi took an ice-breaking state visit to China, kicking off the normalization process of bilateral relations. Rajiv Gandhi's visit had various historic significances. Firstly, he untied the bilateral relations from border issue and ever since Sino-India relations remain no long a “hostage” to the border issue. Secondly, it was the first talk between Chinese and Indian leaders after 28 years' hot and cold war between the two countries, and this visit started the constant high-level exchanges between these two countries. Thirdly, both sides agreed to set up a joint working group on border issue. Fourthly, both sides reached a consensus that they would address all issues through friendly and peaceful consultations, breaking the deadlock of over three decades. Then bilateral relations improved on a fast track. In 1991, Chinese Premier Li Peng visited India; in May 1992, Ramaswamy Venkataraman became the first Indian President who visited China; in 1993, Indian Prime Minister Narasimha Rao visited China, and both sides signed Agreement On The Maintenance Of Peace Along the Line of Actual Control in the India-China Border (also known as Peace and Tranquillity Agreement) and set up an expert group (diplomatic and military representatives) under the joint working group on the border issue; in 1996, Chinese President Jiang Zemin visited India and another critical document, namely Agreement on Confidence Building Measures in the Military Field along the Line of Actual Control in the India-China Border Areas, (also known as Military CBMs Agreement), was inked.

During this time, India conducted the nuclear test on the pretext of "China threat" and the US and China condemned the test subsequently, which created some hiccups in the developments of Sino-India relations. But the bilateral relations went back soon on a normal track in 1999, and a security dialogue mechanism was established. In 2000, Indian President Kocheeril Raman Narayanan visited China to celebrate the 50th anniversary of the establishment of diplomatic relations. In 2002, Chinese Premier Zhu Rongji visited India. Since then, both sides have broadened their channels to enhance trust and reduce misgivings and have basically established a series of channels for communicating and enhancing trust from people-to-people level to military-to-military level, including holding frequent high-level exchanges, establishing security dialogue mechanism, promoting friendly calls of warships to each other's ports, offering courses for military officers in each other defence universities, founding Sino-Indian Celebrity Forum, launching direct flights, linking tourism agreements, etc.

More importantly, Peace and Tranquillity Agreement and Military CBMs Agreement have guaranteed peace in the borderland and enhanced mutual trust on the border issue. Meanwhile, a joint working group and experts from both sides have held a dozen rounds of negotiations on the border issue towards strengthening mutual understanding and laying the foundation for a new sort of dialogue mechanism.

Indian Prime Minister Vajpayee's visit to China in June 2003 proved to be a milestone in bilateral relations. Both sides signed a Declaration on Principles for Relations and Comprehensive Cooperation, setting up principles and goals for bilateral relations and declaring that both sides "respect and accommodate each other's major concerns" and "pose no threat to each other". That heralded the development of Sino-India relations without ups and downs in the coming years and entering into an era of positive interaction with comprehensive cooperation.

The most remarkable point in the Declaration is Indian government's clear stance on Tibet issue that "Tibet Autonomous Region is as one part of the People's Republic [of] China". It was the first time that the Indian government took such a position on Tibet officially. Before the 1959 Rebellion, Indian government had once confirmed "Tibet Region as a part of China" publicly; but later on India changed its stance to "Tibet as an autonomous region of China"(this stance was repeated during the visits to China by Indian Prime Ministers,( Rajiv Gandhi's visit in 1988 and Rao's

visits in 1993). Although only one or two words were changed literally, but their meanings differed in nature. The acknowledgement of "Tibet as an autonomous region of China" mainly underlined the nature of the relationship between Tibet local government and the Central government as one of "suzerainty", denying the absolute sovereignty enjoyed by Central government of China over Tibet. The clear acknowledgement of "Tibet Autonomous Region as one part of China" mainly emphasized the fact that the Central government of China has absolute sovereignty over Tibet. And more importantly, the acknowledgement of "Tibet Autonomous Region as one part of China" means that India has come to equate "Tibet Autonomous Region" with "Tibet". In the mindset and propaganda of the exiled Tibetans under Dalai Lama in particular, Tibet refers to the whole Tibetan region which occupies around 2.20 million square kilometres, while in the interpretation of Central government, Tibet only refers to Tibetan Autonomous Region, which occupies 1.2 million square kilometres. In return, Chinese government came to recognize Sikkim as a state of Federal India in the MoU inked on June 23, 2003, aiming at restoring the Tibet-Sikkim border trade, which had been interrupted after the 1962 Conflict. Through this sort of tactical arrangement, China confirmed in de facto terms Sikkim, annexed by India in 1975, "as a Pradesh of India". During the visit, in order to speed up the negotiation process in addressing the settlement of border dispute, both sides appointed special representative to the Prime Minister. Moreover, in order to promote bilateral dialogue and cooperation in regional and global arenas, and to enhance mutual strategic trust, both sides, in February 2005, started to hold vice ministerial level Strategic Dialogue.

5. **Strategic Cooperative Partnership** (April 2005-present): In April 2005, during then Chinese Prime Minister Wen Jiabao's visit to India, the two leaders agreed to establish the Strategic and Cooperative Partnership for Peace and Prosperity and the two governments inked the Political Parameters and Guiding Principles for the Settlement of the India China Boundary Question, which led to the accomplishment of the first phase of the border issue settlement. Ever since 2005, Sino-Indian relations have acquired more and more strategic and global significance.

## **Outstanding Features of Sino-India Relations over the Past Decade**

Firstly, the ability to maintain stable relations despite clear differences and disagreements. Although the two countries have so many differences, including territory disputes, Tibet issue, trade imbalance, third party factor, non-proliferation issue etc., the bilateral relations have generally been stable and steady since 1988 after Rajiv Gandhi's state visit to Beijing.

Secondly, the equal importance of political and economic drivers. Ever since the beginning of this century, there have been high frequency high-level exchanges and engagements between the two countries. In 2005 and 2006, the Chinese Premier Wen Jiabao and Chinese President Hu Jintao visited India successively; in 2008 and 2010 Indian Prime Minister Manmohan Singh and Indian President Pratibha Patil visited China in succession; in 2011 and 2012 President Hu and Prime Minister Singh attended BRICS Summit held in each other's countries and held sideline meetings. Over the past decade, Chinese former heads of state and government, President Hu and Premier Wen met with Prime Minister Singh for 26 times, far more frequently in comparison with any other period of bilateral relations. In 2013, Chinese President Xi Jinping met Prime Minister Singh for the first time on Durban Summit; in May, 2013; Chinese Premier Li Keqiang chose New Delhi as the first destination of his first foreign visit after taking office, emphasizing that China and India are as "natural strategic partners"; in October 2013, the Indian Prime Minister paid a return visit to China and thus accomplished the first exchange visits of two Prime Ministers within the same year since 1954.

And at the same time, economic interactions between China and India have also been increasing dramatically. On the one hand, the volume of bilateral trade has increased by leaps and bounds, reaching 38.7 billion USD in 2007 from 0.26 billion USD in 1990. China has been India's number one trade partner instead of the US since then. In 2011, the volume of bilateral trade increased to 73.9 billion USD, about 67 per cent of China's total trade with South Asia, and dropped to 66.4 billion USD under impact of the global economic recession. Besides, China and India have also increased their mutual investments. Indian investment centered on software, information industry, pharmacy, biotechnology, etc. while Chinese investment centred on telecom products, household appliances, machines and equipment, etc. According to Indian Embassy in China, around 100 Indian ventures set up their offices in China. Up to the end of 2011, Chinese investment in India totalled 580 million USD and Indian investment into China to 440 million USD. Chinese companies have also won contracts for projects in India, and India has become one of the most

important markets for Chinese overseas project contracts. Up to the end of 2012, the overall value of Chinese contracted projects in India totalled to 60.1 billion USD of which 33.5 billion USD value projects have already been completed. On the other hand, the interactions between the two countries in terms of bilateral trade and commercial cooperation have become more and more institutionalized. Several commercial cooperation agreements have been inked, including Investment Promotion and Protection Agreement signed during President Hu Jintao's visit to India in 2006. In April 2006, China and India initiated Financial Dialogue and so far five dialogues have been held successfully. In September 2011, the first round of Strategic Economic Dialogue was held in Beijing and the second round in New Delhi in November 2012, in which both sides discussed topics of mutual interest including how to coordinate with each other's macroeconomic policies, how to deepen and broaden pragmatic cooperation in key fields, etc.

Thirdly, the requirement of sustained development and concerns about security. The highest priority of both countries is to achieve rapid development and sustained economic growth. Doing what is necessary to achieve that priority is more important than attempting to ensure absolute security or to counter every possible threat to security. Leaders and governments in both countries are focusing on what they regard as their historic mission to lead the transition from developing to developed country status, realizing their respective dreams of becoming Great Powers; to achieve these, both need development-friendly environments at home and abroad.

It is in this background that both sides have witnessed the steady progress of their military relations. The level of mutual military interactions is always the test stone of bilateral relations, especially the weathercock of mutual trust. It is since the beginning of 21st century that the military-to-military relations between China and India have been increasing in the true sense and visibly. In 2004 and 2005 former Chinese Defence Minister Gen. Cao Gangchuan and Chief of PLA General Staff Gen. Liang Guanglie visited India in succession. In 2006, then Indian Defence Minister Pranab Mukherjee (the current Indian President) visited China, and signed an MoU on defence communication and cooperation. In 2007 and in 2008 both Armies had held two rounds of joint anti-terror military exercises. In 2007, China and India initiated annual military-to-military dialogue mechanism namely the "Defence and Security Consultation Dialogue" and so far five rounds have been held. This dialogue was interrupted due to "stapled visa" in 2010, but it was restored by end 2011. In September 2012, Chinese Defence Minister Gen. Liang Guanglie visited India again after 8 years, and both sides reached consensus on restoring and enhancing defence



cooperation including the establishment of communication mechanism for young officers, strengthening the communication between different services, promoting cooperation in combating piracy in the Gulf of Aden, restoring joint drills between the two Armies, etc. In July 2013, Indian Defence Minister A.K. Antony visited China, mainly to discuss “border defence cooperation” agreement and promotion of military exchanges. Bringing military communication back to a normal track is a significant symbol of rational development of bilateral relations. Later on, the two sides decided to restore their joint counter terror drills formally in 2014.

Fourthly, deep cooperation at multilateral forums. Being developing countries, China and India enjoy many common grounds in international affairs, especially on development related issues. In the past years, both countries have cooperated in global affairs such as climate change negotiations, energy and food security, global free trade regime, multilateral trade negotiations, international financial system reform, etc. Former Indian Foreign Minister S. M. Krishna once emphasized the point that “as two big developing economies in Asia, India and China have their reasons to cooperate together to address challenges in 21st century”, and “in the progress of reforming the international order, it will be more effective for India and China to work together than struggle alone”. In the wake of the global financial crisis, power shifting in global dynamics has accelerated, frictions between developed countries and emerging economies have become more and more acute, and it is of greater necessity and immediacy now for China and India to cooperate. At present, through multilateral mechanisms including Sino-Indian-Russian Foreign Ministers’ meetings, BRICS Summits, BASIC forum, etc., China and India maintain a positive interaction and coordination in many regional and global affairs. In May 2013, China and India unfolded their plan of BCIM Corridor jointly, kicking off significant progress in regional cooperation.

There are at least four basic reasons for ensuring general stability of Sino-India relations over the past decade and the future. These are:

**Shared Development:** “Shared Development” is the most stable rational support for bilateral relations. For both countries with their big populations, especially when a considerable lot of them are living under poverty line, the two governments have to take economic development as their central long term task and top priority, and to concentrate on that objective, and work hard to achieve their goals while, at the same time, making their own contribution to regional and global economic development. In this regard, both sides view each other as “its own development opportunity” with a huge market and various complementarities brought about by their different models of development. Therefore, the logic of “First Internal Development

And Stability” will encourage both governments to concentrate their resources on their own internal development and stability, rather than on rivalry against each other, a sure formula for mutual destruction.

**Top Leaders Guided:** Based on the strategic logic of “shared development”, leaders of both countries, who concentrate their attention on internal development and stability, are obliged to stabilize bilateral relations. More importantly, with a clear strategic insight, top leaders of both countries view their relations not only for their own internal development and stability but also for their requirements in reshaping regional and global orders, making them more favourable in facilitating the development and stability of the two countries. Also, they have a sober understanding that once these two countries go into conflict or their relations become worse, it is quite possible that their development and stability could be severely disturbed and even disrupted, since both sides have possessed such strategic resources and capacities.

**Institutions Managed:** Both sides have clear understanding about the dangers of their differences and even frictions in the area of security. In order to prevent such differences and even frictions from being developed into real conflicts, both sides have established a series of mechanisms to increase mutual communications and understandings and especially to enhance the capacity and efficiency of crisis management. Some ticklish disputes or differences, if not realistic to be solved by both sides in the foreseeable future, could well be shelved or managed. In various domains, communication and dialogue channels have been established, including diplomats' dialogue and security dialogue, financial dialogue and strategic economic dialogue, military consultation in defence and security, and talks on the border issue by joint working group, joint expert talks, PM special representatives, and India-China Working Mechanism for Consultation and Coordination on Border Affairs.

**Commonalities Expanded:** Both sides have gradually enriched their strategic common grounds. Six consensuses have been widely accepted by their leaders, ruling elites and strategic experts: China and India pose no threat to each other; China and India should address their differences at strategic levels, respect and be sensitive to each other's major concerns; there is enough room for both countries to seek development in Asia, and there are enough areas for both countries to cooperate in the world as well; Sino-India relations go beyond the bilateral category to be of strategic and global significance; economic growth and shared development are the ballast stones for bilateral relations, they view each other as opportunity of

its own development; Sino-India strategic cooperative partnership is not against any third party and should not disturb their respective relations with other countries, and they will not allow their own territories to be used for activities against the other. Besides, with their oversea interests expanding rapidly in the past decade, the ruling classes of both countries have come to accept the visible presence of each other in their own traditional influential spheres, for instance China has come to accept the visible presence of Indian influence in West Pacific regions, while India has come to live with the visible presence of Chinese influence in South Asia and Indian Ocean. And strategic experts from the two sides also believe that both countries have enough capacity for disturbing and even derailing the development and progress of each other.

At present, there are seven critical documents guiding Sino-India relations: the "Joint Statement on Five Principles of Peaceful Coexistence" of June 28, 1954; "Peace and Tranquillity Agreement" of September 7, 1993; "Military CBMs Agreement" of November 29, 1996; "Declaration on Principles for Relations and Comprehensive Cooperation" of June 23, 2003; "Political Parameters and Guiding Principles for the Settle[ment] of the India China Boundary Question" of April 11, 2005; "A Shared Vision for the 21st Century" of Jan. 13, 2008; "Agreement on Border Defence Cooperation" of Oct. 23, 2013.

### **Main Tendency of Sino-India Relations in Post-2014**

For the coming decade after 2014, the development strategy of the two countries will still focus on internal issues and their foreign policy options still serve their internal development strategy.

It will be a priority for China to achieve two one-hundred-year development goals and realize China's Dream in the coming ten years or even further future, whose prime task is to build a sort of sustainable development with equality and balance, which means to balance internal and external factors, material and cultural requirements, economic growth and social progress, as well as economic and social development and environment protection. At present, it is unlikely for China to be destroyed by other powers strategically, but likely to be defeated by itself. Its most deadly opponent could not be anyone else but itself. To this regard, China's strategy of development is to balance external and internal issues but focusing on internal development. China's external environment could well be improved, as long as China successfully readjusts its internal structure and overcomes its internal strategic shortages as much as possible. Any external strategy of a major power cannot be carried forward smoothly

without addressing its internal issues with success. China's strategy could not succeed unless China solves its internal problems.

It does not mean that other major powers are of less relevance to China's rise. As a matter of fact, China's relations with other big powers have critical impact upon its own peaceful development. In the foreseeable future, there are two key focuses of China's external strategy. One is to address the disturbance in the West Pacific region caused by the provocations from the US and its allies or new strategic partners; the other is to maintain in a comprehensive way stable relations with its neighbours, as many as possible. Relations with the US and relations with neighbours become equally important in China's foreign diplomacy. To address with success its relations with the US will be conducive for China to handle its relations with its neighbours, and vice versa.

In order to address its neighbours' various concerns or apprehensions of being squeezed by China's swift development, which has been fully exploited by the US in rebalancing China in recent years, the Chinese government is determined to carry forward the master plan in construction of land-based and maritime Silk Roads, to make the neighbouring countries and even regions beyond to benefit from China's rapid development.

It could be logically reckoned that the key points of India's internal and external strategy are common with those of China in the coming years, especially for Mr. Narendra Modi's India. For its external aspect, India also needs to create a favourable external environment, especially a favourable regional environment, to serve its internal development, which is the very top priority of Modi's government. As long as India handles its relations with China well, it could enjoy a basically good regional and international political climate. And as long as Mr. Modi focuses on the renewal of Indian rapid growth rate, improving governance and job-creation, Sino-India relations will be stable and very possible to be further enhanced in the coming years. And if both ambitious and powerful leaders be committed to accomplish their Dreams of Great Power, Sino-India strategic cooperation will be further deepened.

At least in the coming years, there will definitely be various chances to enhance the current bilateral relations between China and India. This argument is very solidly supported by the ambition of Mr. Narendra Modi when he gave an exuberant promise publicly that "I want to make the 21st century India's century. It will take 10 years, not very long", on the conclusion of the general elections on May, 16th. This promise could only be realized by Mr. Modi's successful performance in economic and social development in the coming five years. In this regard, China could be of great help. It can be expected reasonably hence that India-China relations will have a very smooth period in the coming years.

First of all, the economic interaction between China and India will witness a visible and comprehensive enhancement. China will get involved more vigorously in Mr. Modi's efforts in developing India's infrastructure, manufacture and job-creation industries, where China enjoys tremendous strength. After more than thirty years of rapid development, China has not only transformed from a primary recipient of FDI into both a primary recipient of FDI and a primary provider of ODI, but also transformed from a "world major manufacturer" within China into a "world major manufacturer" worldwide. China has the abundant resources and experience in meeting the requirements of Mr. Modi's business-oriented government in "make the 21st century India's century". In line with India's Twelfth Five Year Plan (2012-2017), one trillion USD is needed in improving its backward infrastructure, however, the Indian government lacks the necessary capital and funds to support such an ambitious plan. Mr. Modi's government would be forced to adopt a more favourable policy toward investors among whom Chinese investors enjoy competitive advantages. In fact, Mr. Modi emphasized once and again during his campaign that "no red tape, only red carpet" for investments. It means China will have good opportunities. In a more specific way, China could become more and more involved in the upgrading and modernization process of India's current railway, highway and even river linkages, in various power-generation projects, in labour-intensive industries, even participating in the construction of the Delhi-Mumbai and Channai-Bengaluru Industries Corridors, currently dominated by Japanese companies. It is expected that in the coming years, China will set up one or two show-pieces for Sino-India economic cooperation, such as setting up the "Chinese Industries Parks" in India, since the MoU has already been inked in the past year. And China and India could build mutually complementary production chains in some industries like textile, automobiles, pharmaceuticals, electronics etc, by taking the respective hard and soft strengths of both countries. Even in the future, China and India could sharpen their edges in technologies adaptable to the two developing economies and societies, especially in areas like water and

energy efficiency, anti-air pollution, sewage system efficiency, improvement of hybrid agri-crops, bio-technology, bio-pharmaceutics etc.. Indian companies could even raise funds from Shanghai Pilot Free Trade Zone, and get more benefits through currency swap arrangement between the two countries in the future. And marketing in a third country, which has also been agreed in the past years by the leaders of the two countries, would witness some more progress. More importantly, the more comprehensive the Sino-India economic relations become, the more it would be possible for the two countries to pick up the negotiations on FTA or regional economic arrangements, which have been shelved since 2007. The trade-imbalance will be more or less modified in favour of India, and hence become less annoying to the bilateral relations.

Secondly, the cooperation in promoting regional integrations could also become one important substance in enhancing and enriching Sino-India strategic cooperation partnership. In this regard, it is imperative for these two powerful and development-oriented governments to make more coordinated efforts in carrying forward the process of BCIM Economic Corridors and RECP in the coming years. These two integration processes are very important to both countries not only in transforming their immediate region into an springboard for projecting them as global and developed power status, but also in cultivating their peripheries into a common developed and inter-dependant one and hence stable one. Both countries need such favourable environment in their modernization process. Besides, both economies need to counterbalance US efforts in formulating TPP, which aims to weaken the economic influences of both China and India in this region by excluding them in its negotiation process and to maintain the US economic dominance and supremacy in the Indo-Pacific region and the world as well. Although the top leaders of both countries have emphasized repeatedly that both China and India have enough space to get developed and enough areas for cooperation, such room and areas would be very likely narrowed and squeezed by TPP, if these two countries are not sincere in jointly promoting the regional integration initiatives, both

in physical connectivity and institutional interfaces. Moreover, the rise of both countries could only be comfortably accepted by their neighbours if their neighbours benefited from their rise and became interdependent with each other.

Thirdly, they two governments would be keener and would put more resources into capacity building in managing bilateral differences and crises. The principle, which has guided the Sino-India relations ever since 1988, that to dilute the significance of bilateral disputes and differences through expanding common grounds and cooperation between the two countries, will be more solidly upheld in the coming years. Take the border issue, the core dispute and difference between the two countries, for example, although Mr. Modi, being of a somewhat assertive nature, has made some harsh remarks on bilateral territorial disputes, in order to prevent such eventualities like the "face-off" of last Spring to disturb his focus upon internal economic and social development, his government would like to work with China's Xi-Li government constructively, to play down any such disturbance from escalating into a big trouble. The two countries now have various mechanisms to be resorted to in addressing border disputes, including Joint Working Group, Joint Expert Group, Special Representatives regime, Boundary Consultation and Coordination Mechanism, Flag Meetings between frontier forces, hotline between the army units on opposite sides of the border. At least from China's side, Beijing has no reason to stir up the border disputes with India while facing enormous challenges from the turbulent waters in the Western Pacific region. As a matter of fact, some break through could even be expected, due to the fact that Mr. Modi's BJP-led government is not only strong and business-oriented, but also has no historical burden on border issue like the Congress government. The two governments could address the ticklish border issue in a more productive way, such as making some visible progress in exchanging each other's LOC maps to reduce the grey areas along the disputed border, such as transforming the border trade from only restricted to border residents into state to state national trade and economic interactions.

Another area for future cooperation could be on maritime issues. Although both New Delhi and Beijing have come to accept the other's visible presence in its own influential waters, that is China's military presence in Indian Ocean and India's vigorous involvement in the West Pacific waters, there are existing potential mistrust and even interest-conflicts, originating from their overlapped concerns and interests in the vast waters between these two countries, while they have no functional mechanisms or forums to address. In the coming years, the two governments will have to kick start their already agreed maritime dialogues.

In general, in the coming years, stability and cooperation will be the mainstreams in Sino-India relations. Differences and even disputes will be further diluted through expanding common grounds and cooperation between the two countries.

### **Impact on Pakistan of China's Post-2014 India Policy**

In general, Sino-Pakistan relations will not be disturbed by Sino-India relations in the post-2014 era. Both India and Pakistan are of parallel importance to China, especially in this region. China will respect and be sensitive to each other's major concerns and will never promote its relations with one at the cost of the other. In view of the facts that China and Pakistan enjoy a higher strategic mutual trust than China and India do in the foreseeable future and strategic suspicions between China and India will not die away in a short term, it is unreasonable to believe that Sino-Pakistan relations will be weakened. The time-tested Sino-Pakistan relations, vividly defined as "the Two Alls and Four Goods" (Two Alls refer to all weathered and all oriented; Four Goods refer to good neighbours, good friends, good partners and good brothers) in Chinese character, need no more test. In fact, stable Sino-India relations will enable China to have more leverages to ensure the stability of Pak-India relations.

Politically, China will maintain the same frequency of high level visits between Sino-India and Sino-Pakistan. China will not change this conventional practice in the future. At most, China may add one or two more countries to its leaders' trip to South Asia, in order to make its relations with Pakistan and India less corresponding and ease the cold-war mentality.

Economically, China's economic activities in the east of South Asia and Bay of Bengal will be sensitive to India's comforts, while China's activities in Afghanistan and Arabian Sea, and its cooperation with India in particular, will be sensitive to Pakistan's concerns. China's future cooperation with India in Afghanistan with cooperation in its economic and social reconstructions will be de facto conducive to Pakistan's relief from



its worries toward India's Afghan policy or Indian visible presence in Afghanistan. In general, China's cooperation with India in this region will never be detrimental to Pakistan's economic performance and security environment. China would like to see big progress to be achieved in the coming years from Sino-Pakistan Economic Corridor other than the BICM Corridor. Besides, Sino-Indian Cooperation in the sub-region including RCEP, BCIM, Maritime Silk Road, etc. will relieve Indian sides' suspicions on China and be conducive to overall development of Sino-Pakistan and Pak-India relations.

In terms of security, China's military interactions and joint drills will be kept in a very restricted and limited level due to the existing mistrust between China and India, which dies hard in the coming years. The military interactions between China and Pakistan will continue and even be expanded. And the anti-terror joint exercises between China and India will not in any case become country-specific. Although the terrorist challenges facing China are becoming more and more formidable, China will still not seek any other's significant assistance than Pakistan and Afghanistan, in dealing with the terrorist threats oriented from Af-Pak tribal regions.

In general, China's Pakistan policy and India policy will be kept balanced in dynamics, which will not shift in the foreseeable future. To some extent, China's India policy serves its pursuits not only in South Asia but in the global governance and regional order reconstruction as well; China's Pakistan policy serves its pursuit of stability and development in its frontier regions as well as in South Asia. China will make every effort to prevent its Pakistan policy and India policy from violating its above pursuits. In this regard, China will pursue parallel and mutually beneficial relations with both Pakistan and India. ■

## CHAPTER 12

### Peace with Neighbours: Theory and Practice

Dr. Muhammad Hafeez

#### Introduction

**S**o far, Pakistan has survived a serious strategic-insurgency ('war on terror') within and outside its geographical boundaries. This should be a confidence booster for the state of Pakistan. Although the insurgency continues and the country may face harder times, but the nation needs to appreciate the strengths of Pakistan. The country sustains a great professional army; Pakistan has been known as a security state as it has provided more than 50 per cent troops for UN peace missions around the world since the 1950s. Due to the long experience of wars/insurgencies around the world (Asia, Africa, Europe, and elsewhere), Pakistan can reposition itself as a benevolent security-provider, and build its image as a saviour of mankind.

Pakistanis should learn to see its security apparatus in a positive frame. A slanderous campaign was started to malign Pakistan army, particularly its intelligence agencies. Pakistan needs to create an image as a useful state for the good of mankind. This country has all the potential to claim a respectable status in the comity of nations. Pakistan is the sixth largest country population-wise. It has the sixth largest professional army supported by one of the best intelligence agencies (the most relevant strength in the age of 'war on terror'). Equipped with nuclear technology and home manufactured armaments, Pakistan remains a uniquely powerful Muslim country in the world; the whole Islamic world (nearly 1.6 Billion people) looks up to it for strength and leadership. It is blessed with the highest mountain peaks, glaciers, rivers and dams, vast agriculture, minerals, and very important geostrategic location.

During the last one decade, Turkey has become the 17<sup>th</sup> largest economy, and has attained a respectable status in the region and the world. It just repositioned itself and turned its negative image into a positive one. Professor Ahmet Davutoğlu lead the transition through a new international policy whereby the Turkish worked towards creating 'zero problems with neighbours' and going beyond their region to establish friendly relations. They pursued multidimensional but integrated foreign policy to harness diplomatic and economic benefits. Their soft power (culture and

civilization) was used to develop fruitful links with neighbours and beyond. They addressed their disputes with neighbouring countries including Iran, Syria, Iraq, Greece and Cyprus. Turkey had all the necessary ingredients and just had to learn to appreciate its potential and make use of it. Actually, peace with neighbours provides peace of mind to work on other issues, including social and economic development. It may however be noted that Turkey addressed disputes with neighbours with mutual equality supported by its national power. Pakistan can learn from such experiences from around the world and formulate its own foreign policy to improve relations with its neighbours (China, India, Iran, and Afghanistan). It probably will happen, but will take some time.

It may be reiterated that internal strength of any country has become critically important in present day international relations. In the past, international wars were fought with military hardware (guns, munitions, aircrafts, and ships), but the wars of today are fought within nations (insurgencies and propaganda). In other words, ordinary people and their participation in national and international affairs has become very important. A score of television channels and burgeoning social media has become an important factor of present day wars. They form public opinion and create pressures for the government and the security forces. Human rights laws, including access to information, are used/abused to serve certain interests. In the past, mass media was controlled by the states and was considered as the fourth pillar of state; but not anymore.

In addition, the Media Houses have become private businesses and they generally work for money coming from anywhere, even from sources that are against national aspirations. While pursuing monetary gains, some Media Houses compromised the security and economic interests of Pakistan. The recent issues related to the largest Media House in Pakistan clearly show the importance of media in today's warfare. In diplomatic language, public diplomacy has become more important in present times as compared to the past, and Pakistan should learn the new tricks of the trade.

### **Theory and Practice**

Theory of international relations duly suggests peace with neighbours; however practice in several parts of the world has been otherwise. It is easy to understand that most of the developed countries have peace with their neighbours because they practice the theory truthfully. They don't exhaust their energies on wars and conflicts. Those countries are developed as they understand this reality very well. On the other hand, the developing countries don't understand the importance of peace with neighbours and keep on fighting with them. Another dimension of this sad episode is the

influence of the world system: 'divide and rule'. The rich and developed countries make poor countries fight in order to keep them weak. This policy of 'divide and rule' is now quite clear to most nations around the world, and Pakistan probably has learnt this lesson the hardest way (fighting several wars with India and another war with Russia through Afghanistan). These wars did not bring any long term benefits for the warring nations; actually these were injurious to their growth and prosperity. However, these wars created strategic benefits for the world system, led by the US and West. Turkey realized this situation and fixed its policy and actions by developing peace with its neighbours.

## **Background**

More than 200 wars were fought approximately during the last 200 years worldwide, and most of these had been imposed by powerful countries for a variety of economic and strategic benefits. Apparently, war is the traditional strategy for continuing domination of small nations by the powerful states. These wars were fought by different nations for the greater benefit of the global system controlled by the big powers.

Since its creation in 1947, Pakistan has fought several wars with neighbouring India and also with Soviet Union through Afghanistan; all these wars created loss for warring nations; however, the world system remained the primary beneficiary through the sale of war machinery, thereby retaining political domination. The warring countries suffered economically, psychologically and diplomatically. Russia collapsed and Pakistan got punishment in the shape of sanctions from the US/ world system. However, sometimes war can become a necessity for the survival of a nation.

The accelerated process of globalization has created new realities around nation states. Apparently, states have been weakening and multinational corporations have been becoming stronger. Regionalization in the shape of multilateral agreements like NAFTA, SAFTA, SCO, and ASEAN has emerged to deal with the burgeoning forces of globalization.

After the collapse of Russia in the late 1980s, the world faced three global events: (i) US became the sole super power (a lack of politico-military balance), (ii) emergence of penetrating information technology (satellite TV and social media), and (iii) a complex of 9/11 events. Their combined effect created an overall environment which was conducive for rapid change through designed interventions in all parts of the world. Wars and issues related to Libya, Iraq, Syria, Egypt, Ukrain, Afghanistan, and Pakistan are examples. In other words, the world experienced different sorts of shocks to maintain the existing world order. To rebut this onslaught,

China and Russia came closer through SCO (Shanghai Cooperation Organization) and recently signed a US\$400 Billion gas deal (Wright 2014) which will be operated in their local currencies (not the US dollar). BRICS and several other countries have been trading either in Yuan or their locally swapped currencies during the last several years. Apparently, the world is moving towards a multipolar system of governance and regional blocs are emerging to create new environment.

Moreover, new (parallel) banking systems are coming up. In the Western perspective, China only has US\$4 Trillion worth of shadow banking and has grown by 42 per cent in year 2013 only (Wen 2014). The US has faced powerful resistance in Syria, Ukraine, and other parts of the world in recent times. Moreover, the US has just decided to close 21 military facilities in Europe (Wong 2014).

The above few lines were written to note that the world system is undergoing structural changes and Pakistan needs to understand these qualitative and quantitative transformations in order to formulate its foreign policy.

Howard E. Koch (a celebrated American writer) once said: "You can be a good neighbour only if you have good neighbours". In the context of this saying, Pakistan can either wait for neighbouring countries to become good neighbours, or Pakistan can become proactive and make its neighbours good. The wisdom from Turkey suggests that Pakistan should follow the proactive policy of fixing its issues with neighbours bilaterally but in a regional/multilateral context. The aimed net result should be total peace in the region for all the countries. It may sound difficult due to bilateral issues between other countries of the region, but Pakistan could play a role to minimize conflicts in the region.

It may also be noted that durable peace is in the interest of all nations of the region. This is a new reality for mature understanding that peace is good for all the states including India and Pakistan. During the last several years, Pakistan and India came very close to launching a full-fledged war, but both the countries avoided it. This clearly indicates the mutual need for peace.

Pakistan should gain confidence from its great strategic assets, coupled with natural resources, to assert its positive role for the good of the region. When any country wishes to share 'good', every neighbour wants to participate. Pakistan should pursue the policy of sharing its expertise for the good of all nations in the region. It should be easy to understand that if the region is good, the life in individual countries will be prosperous.

Thus, given the fast changing global environment, Pakistan's foreign policy should be multi-dimensional, dynamic and flexible. As the forces of change come along, the nation's policy should be alive and duly flexible to

address the upcoming challenge. Rapid changes in the global environment demand frequent reviews and adjustments in the foreign policy. It is worth noting that American policy has become more pragmatic in recent times. "Obama has tended to subordinate principle to the national interest" (Michael Crowley, *Time*, January 27, 2014). Philip Hamburger (2014) has just authored a book "Is Administrative Law Unlawful?" The thesis of the book suggests that when "pen and phone" alone are used to make a law, it can be unlawful. In such a global environment, Pakistan should be proactive to address foreign policy issues to promote its national interests.

The opinions, attitudes, and actions of groups of people can be transformed in minutes and hours, unlike the past. Email, Facebook, Twitter, SMS, and other social media have been used in Pakistan to influence public action in the past. Our national policy should be abreast with these new realities, and the use of soft power must be an integral tool for our internal and external policy.

The internal and external policies must be carefully planned in an integrated fashion, and always could be modified in response to instantaneous changes/shocks. Innovative solutions to policy issues are the need by the hour. For example, recently, the Turkish Prime Minister, Tayyip Erdogan, addressed the issue of street protests by organizing a huge public rally in Istanbul. He actually understood the root cause of street protests; besides using police, he spoke to a huge gathering of the public to send a message to the foreign hands which were instigating the protesters.

In my view, public diplomacy has become increasingly important than the traditional forms of international relations. Pakistan has faced a war on terror for a long time, and it should understand the importance of public opinion and public diplomacy now.

### **Perceptions and Assumptions**

Before this paper embarks upon the details about understanding and improving relations with neighbours, let us identify current threats and supports prevailing in our region and those expected in the immediate future. These are some of the assumptions which can make us understand the regional scenario in a pragmatic sense, and help us find ways to improve the neighbourhood for the good of Pakistan and other nations.

1. Neighbours are permanent, and promoting good relations with them is an intrinsic and constant desire for all the relevant nations.
2. Strategic interests of nations vary over a period of time due to changes in global, regional, and state policies/actions.

3. Individual states pursue their interests within the frame of short, medium, and long term. Sometimes, short term interests are sacrificed for long term gains and vice versa.
4. Bilateral relations are identified in five dimensions: (a) Geostrategic, (b) Economic/Trade, (c) Military/Security, (d) Public sentiment/opinion, (e) Culture/religion.
5. Pakistan is facing a new global and regional environment whereby the 'war on terror' (war of hearts and minds or moulding public opinion through a complex form of propaganda) remains a major tool of international relations (for advantage or disadvantage).
6. In the overly complex global and regional milieu, bilateral relations with neighbours have experienced qualitative changes since 9/11. Complexity must be understood duly.
7. On account of the highly penetrative information technology (e.g. expansive spying) and war technology (e.g. drones, IEDs, and bio warfare), modern warfare involves common individuals and households as well.
8. Impacting economic outcomes of countries/companies is a significant intervention in present day warfare. Just to explain, through a complex of international financial systems, certain individual companies received funds for financing politico-military activities. Pakistan remains a major victim of such sneaky forms of operations.
9. The world has increasingly been globalized and individual countries/companies are influenced (one way or the other) instantaneously; so the speed of response from the relevant quarters is important.
10. We live in a highly deceptive and complex world – virtually nothing is straight and honest. Psy-wars and cultural wars have taken new significance, and have acquired powerful dimensions due to satellite TV and social media.
11. On account of the rising power, China (US\$9 Trillion economy), and resurging politico-military power of Russia, global and regional environment have been changing significantly. This is a reality and has created new operating conditions for individual states; Pakistan seems to be at the forefront of the global dynamism particularly after the events of 9/11.
12. During the last several years, the US strategy about war on terror vis-a-vis Pakistan has changed from occupying Afghanistan to AfPak to PakAf and then to Asia-centric (Markey 2009, 2014). While the US strategy has been changing, the goals of the scheme remain the same (that is, taming Pakistan).

13. The US will withdraw its troops from Afghanistan in the second half of year 2014. It will create new threats and opportunities. America plans to leave India as its proxy in Afghanistan.

Keeping the above assumptions/realities in view, Pakistan needs to design an appropriate foreign policy that is duly integrated with domestic socio-political conditions. The new foreign policy should aim at friendly relations with all neighbours in the vicinity and beyond.

### **Analysis, Arguments and Findings**

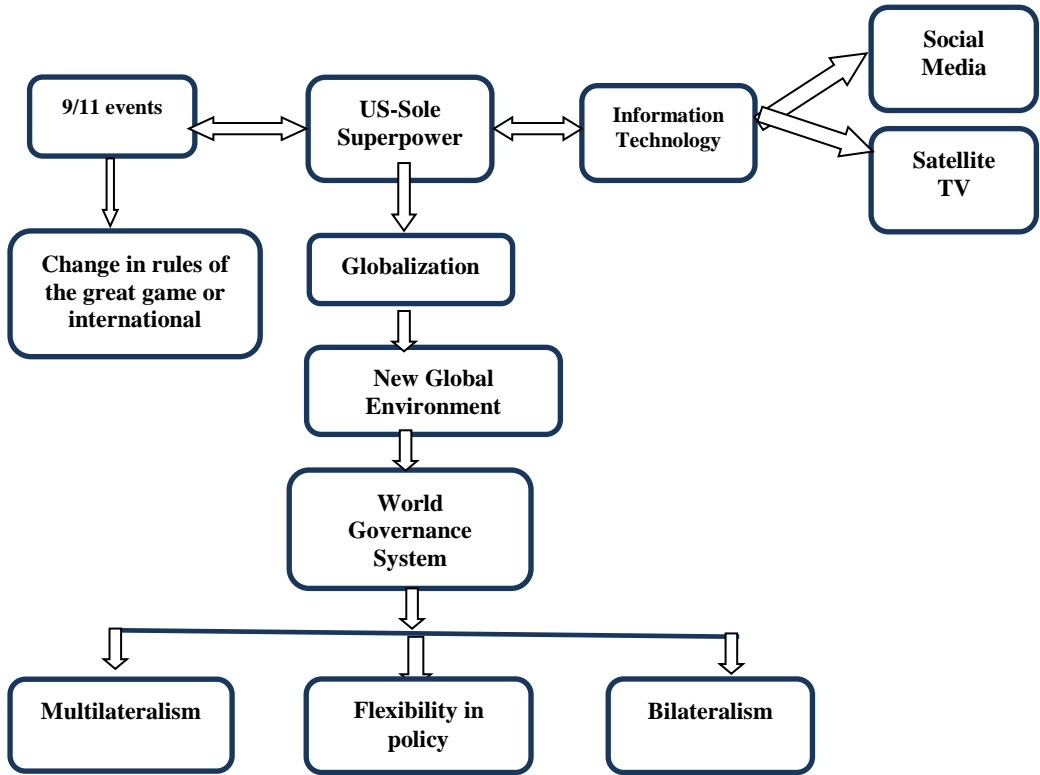
Figure 1 shows the dynamics of globalization and its effect on the policy of individual nations. Global environment can change qualitatively and rapidly. To address the emerging and routine policy issues, the foreign policy of Pakistan should be dynamic and alert. The moment some change comes up from other countries, our think tanks must have already pondered those potential urgencies.

It may be noted that the sole super power status of the US, burgeoning information technology (satellite TV and social media), and the 9/11 events together created certain conditions whereby America embarked on wars with several countries, including Afghanistan/Pakistan. These wars created a new environment in many parts of the world and produced urgencies for individual countries for which they were not ready.

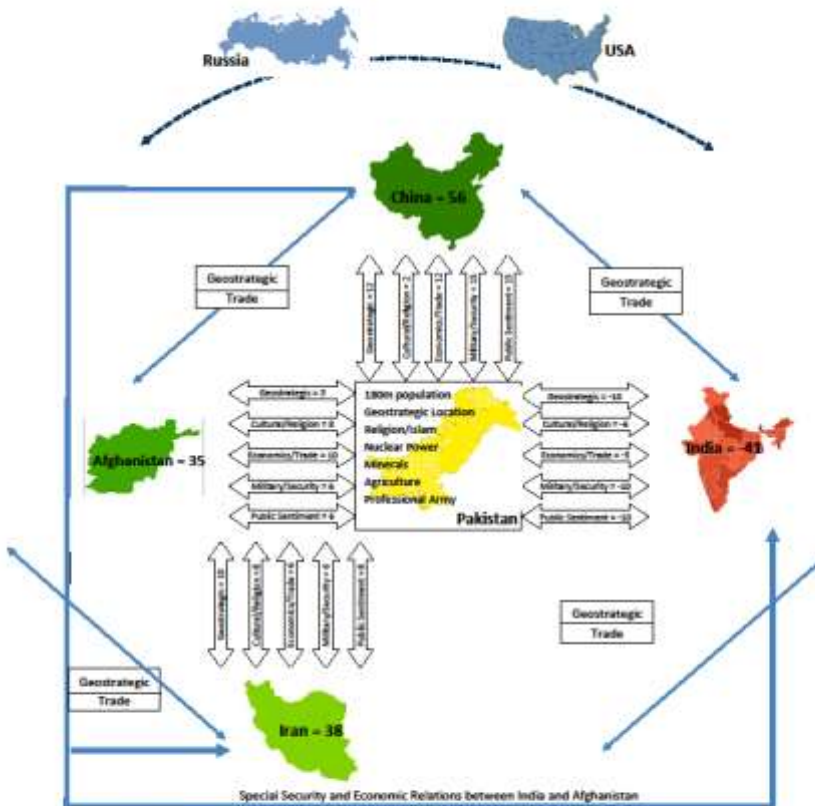
In this context, Pakistan must have a multi-dimensional foreign policy that is robust in spheres of bilateralism/multilateralism/globalism and must be ready to address urgencies. Pakistan obviously was not prepared for the phone call received from Collin Powell in 9/11's wake. This happened to be a grave incident of the century but today's environment can create different urgencies for individual countries. Therefore, Pakistan should have specialized think tanks working on different regions but in an integrative way. We can learn such lessons from several countries, particularly from Turkey, China, Iran, and the US.



**Figure-1**  
**Dynamics of Globalization and Need for Multi-dimensional**  
**and flexible Foreign Policy**



**Figure-2**  
**Quantification of the Factors about Bi-lateral and Multi-lateral Relations with Neighbouring Countries**



Note: [1] Positive sign represents supportive relationship; [2] Negative sign represents threat; [3] Higher the number, higher the support or threat.

## **China**

With regards to China, Pakistan should work to improve relations by deepening economic ties. The expanded trade should improve Pakistan's economy in such a way that it creates employment in Pakistan. Technology transfer on various economic ventures should be emphasized for having sustainable growth in the country. To this end, China's state and people are eager to develop stronger economic ties with Pakistan.

Geostrategic benefits can be expanded through the development of communication infrastructure, including the use of the deep sea Gwadar port of Pakistan, and putting up the due road/rail system to create links with the Central Asian states.

Cultural relations with China seem to be quite weak as there is very little tourism between the two countries. There should be special emphasis on building cultural relations between the two important nations of the region. China is a booming economy and has a per-capita income of US\$6700, indicating a huge potential of travel to Pakistan.

Military relations have been strong for the last several decades but can further improve possibly through joint manufacture of defence equipment etc.

## **Iran**

Iran is a powerful Muslim nation having a great pride in its history, culture, and civilization. The country has huge energy and mineral resources along with a skilful populace. It is a holy land for Shia Muslims spread around the world and enjoys a special status among all Muslims around the globe. Iran rightly boasts about its history as a past ruler and creator of knowledge. The country is led by powerful clergy and highly educated people who deal with diplomatic matters with utmost expertise. Its leadership interact with global leaders with high level of personal and national confidence. The speeches of former President (Mahmoud Ahmedi Nijad) of Iran at UN forums reflect Iranian pride in their nationhood.

Iran borders Pakistan through the highly geostrategic province of Baluchistan. Iran sells some energy (oil and electricity) to Pakistan. Pakistan used to have strong trade and logistic ties with Iran during the 1960s and later. Both the countries were part of strategic agreements like SEATO and CENTO.

Pakistan needs to improve its relations with this great Muslim civilization in several dimensions. A look at Figure 2 shows low scores on all the five dimensions of mutual relations. Iran is geographically linked with the Middle East, Turkey, Central Asian States, and Afghanistan, which

makes it highly significant from a geostrategic perspective. Pakistan needs to develop brotherly relations for geostrategic depth and comfort. It will provide opportunities for trade and economic gains. Pakistan and Iran share a common faith. Many people travel to the holy city of Mashhad for pilgrimage, and tourism based on religion can grow easily. This can help develop public sentiment for both countries, and thereby strengthen state relations.

In short, expansion of trade has a great potential due to cultural, religious, and logistical factors.

Based on the strong history of military relations, Pakistan should develop security ties for mutual support. People of both the nations will appreciate this politico-military step as it will create security-related comfort for both the countries. The two great powers of Asia (China and Russia) will support such a relationship more eagerly as compared to the past. This is a new reality and both countries must understand the nature of the emerging geostrategic environment and cash in on them for mutual benefit.

### **Afghanistan**

After the 9/11 events in 2001, Afghanistan was occupied and nearly 150,000 troops from America and NATO were stationed there. Afghanistan is a religiously charged Muslim nation and has strong cultural ties with the people of Pakistan. Pashto language is spoken in the KPK province of Pakistan and the neighbouring regions in Afghanistan. There are strong trade ties between the two countries as Afghanistan is a landlocked country, and most of its imports come through Pakistani. These goods pass through Pakistan roads, and drivers are at liberty to spend time in both countries freely. The international border between the two countries is porous and visa restrictions are generally ineffective. However, since the occupation of Afghanistan by the US, border restrictions have become strict affecting travel. It is known that militants who make terrorist attacks in Pakistan find safe havens in Afghanistan. This can only be checked if the two countries develop brotherly relations for creating strategic comfort for each other. Afghanistan can provide a corridor for trade between Russia/Central Asia and Pakistan/China. It is a great economic asset for the whole region and that is why there is a huge interest of all the great powers in this country. Strong ties can help Pakistan to expand its trade with Central Asia. Pakistan needs gas/energy from Central Asia which flows through Afghanistan.

The religious bond between the two peoples is very strong which strengthens their emotional and mental ties. These ties can easily be used to develop tourism and trade and give permanence to their friendly relations.

Social and cultural linkages are gaining new importance around the world. Pakistan should be proactive with Afghanistan particularly on people to people exchanges. Ethnic differences with Tajiks, Uzbeks and Hazaras can be diluted if common religion aspect is emphasized.

Both Pakistan and Afghanistan have been the centre-stage of the war on terror.. The history of strong security relations between the two countries makes it easy to develop mutually beneficial military linkages. India has been promoted by the US to build Afghan army. India has established several consulates along Pak-Afghan border which is great challenge for Pakistan and needs careful scrutiny in policy formulation. In my view, the religious and cultural affinity between Pakistan and Afghanistan can be put to use appropriately to offset the role of Indians in the security apparatus of Afghanistan. Secondly, there is a huge amount of daily trade between Pakistan and Afghanistan; this all-time active link must be used to neutralize Indian role in Afghanistan.

Due to the ongoing 'war on terror' in Afghanistan-Pakistan region, the relations between these two neighbouring countries had been uncertain. The war has created certain fears among the people of both the countries but we should address this issue by improving trade and investment, cultural tourism, and religion-based interactions. Such moves will improve public sentiment towards each other, and thereby build supportive relations between the two nations.

In summary, Pakistan and Afghanistan are strongly linked countries in terms of geography, tradition, religion, daily trade, travel, and a porous border. These relations are long and sustainable. Pakistan needs to build on all the dimensions and design an innovative support structure for the benefit of the two nations. It will enhance national confidence of Pakistan, which is necessary for becoming an important nation of the region and the world.

## **India**

India remains the most important foreign policy challenge for Pakistan. It is a country of 1.2 billion people and boastful about its democracy.. The geopolitics of the region has forced antagonistic relations between the two countries.

Due to the long history of conflict with India, Pakistan's perceptions on the five dimensions of bilateral relations (see Figure 2) are negative. This situation demands a careful scrutiny. For example, cultural affinity between the two nations could be a positive factor but Indian domination in cultural spheres, including mass media, has damaged the Pakistani identity.. Trade between the two countries should have been mutually beneficial but the traded items indicate a different scenario. Pakistan exports cement and

gypsum to India, and the imports into Pakistan are mainly perishable commodities like vegetables and fruits. Accordingly, trade between India and Pakistan leaves a net negative effect on Pakistan's economy. On account of generally negative effects of India-Pakistan relations on Pakistani state, the scores allotted to all the dimensions are negative.

## **Turkey**

Moving beyond the immediate neighbours, Pakistan should build supportive relations with modern Muslim state of Turkey. Great sentimental relations exist between the two nations since the days of World War 1 when India (Pakistan) sent army to the support of Turks. There is a significant reciprocal positive public sentiment. Accordingly, there is a great potential of tourism and trade between the two countries. The improved relations will increase strategic neighbourhood depth. Turkish foreign policy focussed on such moves across several countries has created economic and political benefits. Pakistan should come forward to advance brotherly relations with Turkey. It is heartening to note that active trade relations exist between Turkish government and Punjab government. These relations can be improved further for mutual benefit.

## **Russia**

Russia is a resurging power and it has shown its weight in the recent crises in Syria and Ukraine. Russia is most relevant to Pakistan's bright future. Pakistan seems to be attentive to the emerging need to develop strong relations with Russia. The senior army command from Russia visited Pakistan in 2011 and 2013; and in 2012, General Kayani of Pakistan visited Russia. These visits were the first ever after the 1980s when military relations between the two countries got strained due to Pakistan's support to Afghan Mujahideen against the Soviets. Pakistan should build on these initiatives and develop trade and tourism, along with building military ties. Such links with Russia will augment support for Pakistan and eliminate any perceived threats from that part of the world. Russia has already lifted a ban on purchasing Russian arms.

Russia is asserting itself under the strong leadership of Vladimir Putin. The prestigious magazine 'The Economist' of March 22, 2014 (page 13) acknowledged on the emerging influence of Russia: "Even if the West is prepared to take serious measures against Mr Putin, the world's rising powers may not be inclined to condemn him". This statement suggests the growing power of Russia not only in the region but around the world. Putin seems to be determined to "restore Russia's place in the ranks of great

powers” (Time, May 19, 2014, page 29). The Economist of February 1, 2014 in its cover story: “The triumph of Vladimir Putin” tacitly acknowledged the growing power of Russia. The details of the article seem anti-Russian but the fear of its rise as a great power was equally evident.

It may be noted that large number of Muslims live in Russia, and there must be positive religion-based mutual sentiment for each other. Similarly, about two-fifths of Russian army is composed of Muslims and this religious context of both the nations makes them natural allies. Russia is located very close to Pakistan although the two countries don't have common borders; the geographical proximity dictates for strong relations with Russia.

## US

Animosity with US is not good for any country. Pakistan should continue working with the US but should clarify its security needs/concerns. Russia, China, Brazil, and the Muslim world as a whole have created new conditions for Americans to operate carefully. The US has decided to withdraw its forces from Afghanistan and has closed 21 military facilities in Europe recently. In the policy speech Obama gave at the US Military Academy, Westpoint, on May 28, 2014, he indicated a shift in American policy towards using non-military means to address global issues. This was an important change at least in the present politico-security circumstances around Pakistan.

The changing conditions must be understood comprehensively by Pakistan, which should then formulate its bilateral/multilateral policies with its neighbours. In other words, Pakistan should assert its sovereignty and develop multi-dimensional relations with neighbouring countries in particular and other countries across the globe in general.

## Conclusion

By improving relations with neighbours and other important countries around the world, Pakistan should gain confidence as a successful state. Pakistan must improve relations with its neighbours even further and attain power to sustain itself. The improvement of relations with China, Iran, and Afghanistan should become more supportive and can be used to deal with the challenge from India. It must be borne in mind that this is also the need of our neighbours. Pakistan should not think that any country will be shy to have peace. In today's environment, we have to learn to live with contradictions. Just to explain, India may have good relations with Iran but that does not mean that Pakistan could not have equally friendly relations

with Iran because India is not friends with us. Every country wishes to have peace with its neighbours and Pakistan should become proactive to promote friendly relations with all countries of the region including India.

### **Recommendations**

1. Pakistan should understand the rapidly changing global and regional environment; speed is the game.
2. Pakistan should learn to live with contradictions and develop good relations with all neighbours.
3. Pakistan should strive for peace with all the immediate and distant neighbours.
4. Turkey and Russia should be considered by Pakistan as significant neighbours. Peace with Arabian Sea and Indian ocean is also important for Pakistan's future.
5. Pakistan should pursue multi-dimensional and duly flexible foreign policy based on dimensions including (a) geostrategic, (b) economic/trade, (c) military/security, (d) public sentiment/opinion, (e) culture/religion.
6. Pakistan should be proactive to deal with individual countries in relation to their specific needs and with due flexibility.
7. Pakistan's foreign policy should be alert to deal with fast emerging conditions in bilateral and multilateral sense.
8. Pakistan should understand its short, medium, and long term interests with each country and should be able to prioritize in the given or emerging conditions.
9. Pakistan should be able to look through its interests in the frames of bilateralism, regionalism, and globalism. Sometimes, bilateral interests are dominated by regional or global interests. However, the region around Pakistan has become hugely important for the world in geostrategic sense.
10. Pakistan should gain confidence by telling itself that it has survived a long war on terror. It should be a great confidence booster to deal with future challenges. ■



## References

- Cartalucci, T. 2014. Setting The Stage For War With Pakistan.
- Crowley, M. 2014. America's Other India Problem. *Time*: 25.
- Crowley, M. 2014. This is War. *Time*, 26-31.
- Hamburger, P. 2014. *Is Administrative Law Unlawful?* Chicago: University of Chicago Press.
- Markey, Daniel S. 2009. "From AfPak to PakAf: A Response to the New U.S. Strategy for South Asia. Council of Foreign Relations.
- Markey, Daniel S. 2014. Reorienting US Pakistan Strategy: From AfPak to Asia. Council of Foreign Relations, Special Report, no.68, January.
- Iqbal, A. 2014. Pakistan, Afghanistan to resume proxy war: US paper. *Dawn*.
- Koch, H. E. 2014. Brainy Quotes.
- Krishnadas, D. 2013. Asia's Prospects: how bright is 'bright'? *Dawn*.
- The Economist*. 2010. The Davutoglu effect. *The Economist*, October 21.
- The Economist*. 2014. Can anyone stop Narendra Modi? *The Economist*: 9.
- The Economist*. 2014. The new world order. *The Economist*: 13.
- The Economist*. 2014. The triumph of Vladimir Putin. *The Economist*: 7.
- The Economist*. 2014. What would America fight for? *The Economist*: 9.
- Wen, Y. & M. Arias. 2014. How Risky Is China's Shadow Banking System?
- Wong, K. 2014. Pentagon to close 21 facilities in Europe.
- Wright, C. 2014. \$400 Billion Gas Deal Shows Russia Looking To China To Replace Western Money. ■

## CHAPTER 13

# Pakistan's Traditional and Non-Traditional Challenges

**Air Commodore (R) Khalid Iqbal**

### Abstract

The national security agenda has gone beyond the preview of state and military. The existing state-centred approach to national security, confined to the defence of a country against territorial aggression, has been widened to the idea of security inclusive of a larger set of threats to the people of the state. While the sphere of traditional security concerns is quite precise—threat arising out of military means; no similar concurrence exists in the context of non-traditional security. Broadly, non-traditional threat is perceived as: “Challenges to the survival and well-being of peoples and states that arise primarily out of non-military sources, such as climate change, cross-border environmental degradation and resource depletion, infectious diseases, natural disasters, irregular migration, food shortages, people’s smuggling, drug trafficking, and other forms of transnational crime”. Pakistan faces an assortment of traditional and non-traditional threats. However, none of these is serious enough to be categorized as existential threat.

### Introduction

The global strategic environment is in a state of perpetual flux; the nature of threats and security discourses are constantly shifting positions. The security agenda has gone beyond the preview of state and military. Advocates of an alternative approach to security studies question the conventional wisdom of restricting the expanse of security to military dimension alone. Even a super power cannot adequately and sufficiently handle some non-traditional challenges. For example, Hurricane Katrina exposed huge gaps in the disaster management regime of the United States. It was one of the deadliest hurricanes ever to hit the United States<sup>1</sup>. The impacts of these non-traditional security (NTS) challenges are deep and

---

<sup>1</sup> Kim Ann Zimmermann, “Hurricane Katrina: Facts, Damage & Aftermath,” Live Science Contributor, August 20, 2012, <http://www.livescience.com/22522-hurricane-katrina-facts.html> 9 (accessed July 10, 2013).

wide ranging. For example the earthquake of 2005 and flash floods of 2010 caught the state and the people of Pakistan off guard and kept them off balanced until international community extended a helping hand. V. R. Raghavan<sup>2</sup> has observed that, "The existing state-centred approach to national security, confined to the defence of a country against territorial aggression, has been widened to the idea of security inclusive of a larger set of threats to the people of the state." It is therefore becoming increasingly crucial to analyze how the non-traditional security threats are reshaping the global institutional architecture<sup>3</sup>; singly as well as jointly with traditional security challenges.<sup>4</sup>

### **Conceptual Differentiation: Traditional and Non-Traditional Security**

The sphere of traditional security concerns is quite precise; whereas no similar concurrence exists in the context of non-traditional security. According to Mely Caballero-Anthony<sup>5</sup> non-traditional security threats may be defined as: "Challenges to the survival and well-being of peoples and states that arise primarily out of non-military sources, such as climate change, cross-border environmental degradation and resource depletion, infectious diseases, natural disasters, irregular migration, food shortages, people's smuggling, drug trafficking, and other forms of transnational crime."<sup>6</sup>

During the Cold War, the main threats to security were pegged around East-West rivalry and nuclear confrontations between the two blocs

---

<sup>2</sup> Lt Gen (R) VR Raghavan is one of India's leading military strategic thinkers. He is currently the Director of the Delhi Policy Group and President, Centre for Security Analysis, Chennai. He is a member of India's National Security Advisory Board. <http://www.csa-chennai.org/about/f-gen.htm> (accessed July 3, 2013).

<sup>3</sup> Saurabh Chaudhuri, "Defining Non-traditional Security Threats," Global India Foundation, 2011, <http://www.globalindiafoundation.org/nontraditionalsecurity.htm> (accessed July 2, 2013).

<sup>4</sup> Ibid.

<sup>5</sup> Dr Mely Caballero-Anthony is associate professor at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, Singapore. Her research interests include multilateralism and regionalism in the Asia-Pacific, Asian security with particular focus on non-traditional security and human security, and conflict management. At RSIS, Dr. Anthony is coordinator of the Non-Traditional Security Programme. She is also secretary general of the newly established 'Consortium on Non-Traditional Security Studies in Asia'.

<sup>6</sup> B H Chaudhuri, "Non-Traditional Security Studies in Asia," Global India Foundation, 2011, <http://www.globalindiafoundation.org/nontraditionalsecurity.htm> (accessed July 2, 2013).

led by the US and USSR. These military related threats were further extended by the two superpowers through their hydra-headed proxy wars. There was hardly any conflict in the world where both super powers of that era did not have covert or overt participation. In tandem were the threats like: environmental hazards; terrorism; organized crime and illegal immigration. However, the fast moving military issues had overshadowed and relegated non-military threats to a second-class status. Though the era of heated rivalry between the US and Russia is over, the world continues to be sprinkled with regional conflict zones and sticky bilateral issues. However, these latent hotspots are not potentially over-loaded to graduate to a global level conflict. With the end of Cold War, and termination of military threat, issues like economic instabilities and proliferation of weapons of mass destruction (WMDs) have propped up to centre stage. They have acquired the status of main sources of concern for global security. Since the demise of Soviet Union, the non-traditional aspects of security have been an important area for research<sup>7</sup>; especially in the context of disintegration of USSR, both without any external military intervention and in the absence of any internal armed struggle.

The term 'non-traditional security' is a contemporary buzzword and its usage is on the rise amongst the practitioners of statecraft, strategy and politics. However, as a concept, it still lacks a precise and commonly accepted or, say, an authoritative definition. Military deterrence, diplomatic manoeuvrings and short-term political arrangements are ineffective and or inadequate in addressing non-traditional security issues. Tackling them essentially requires non-military means including comprehensive political, economic and societal responses. It's an ongoing process that can only be sustained through robustness of institutions, sufficiency of resources and participative response from state(s) and society/ (societies).

Now non-traditional threats are increasingly discussed at transnational and multi-national levels in a comprehensive manner, which clearly reflects the enormity and significance of these issues in the contemporary world. Policy makers now portray these challenges as potent threats to their national sovereignty and territorial integrity, as well as the well-being of respective people and societies. This is a significant development. If such 'security framing'<sup>8</sup> is to be effective, it must attract

---

<sup>7</sup> M. Aydin, ed., *Non-Traditional Security Threats and Regional Cooperation in the Southern Caucasus* (Istanbul: IOS Press, 2011), i-xii, [http://academia.edu/987789/NonTraditional\\_Security\\_Threats\\_and\\_Regional\\_Cooperation\\_in\\_the\\_Southern\\_Caucasus](http://academia.edu/987789/NonTraditional_Security_Threats_and_Regional_Cooperation_in_the_Southern_Caucasus)

<sup>8</sup> Mely Caballero-Anthony, "Non-Traditional Security Challenges, Regional Governance, and the ASEAN Political-Security Community (APSC)," Asia Security Initiative Policy Series, Working Paper, no 7, September 2010.

due attention to these challenges, convey a sense of urgency, and develop the capacity to rapidly mobilise national and international resources and create elaborate institutional support for gathering these resources for their effective, efficient and equitable employment to mitigate these challenges and their consequences.

Though this discourse has swayed the focus away from military power, as the core and sole determinant of international order and security, to several non-traditional determinants, with a much enhanced role of economic, political, and societal forces, it does not mean that the military dimension has become dormant or irrelevant. Coming in full circle, the concept of non-traditional security shares much ground with the 'Fifth Generation Warfare (5 GW), generally called 'unrestricted warfare' that may be described as the employment of "all means whatsoever – means that involve the force of arms and means that do not involve the force of arms, means that involve military power and means that do not involve military power, means that entail casualties, and means that do not entail casualties".<sup>9</sup>

Also, one could argue that within the umbrella of national strategy, some of the NTS challenges fall under the rubric of indirect strategy. Application of non-kinetic strategy<sup>10</sup> also has overlaps with some of the NTS dilemmas. Causing climatic changes through such mysterious scientific military-funded methods as the High-frequency Active Auroral Research Programme (HAARP) to unleash floods may fall in this realm<sup>11</sup>. Usage of soft power<sup>12</sup> could also be a preparatory stage for inducing NTS

---

<sup>9</sup> Thomas PM Barnett, "System Administration' based Global Transaction Strategy," <http://www.thomaspmbarnett.com/weblog/> (accessed May 24, 2013).

<sup>10</sup> Timothy Noah, "When warfare gets 'kinetic,'" November, 2, 2002, [http://www.slate.com/articles/news\\_and\\_politics/chatterbox/2002/11/birth\\_of\\_a\\_washington\\_word.html/](http://www.slate.com/articles/news_and_politics/chatterbox/2002/11/birth_of_a_washington_word.html/) (accessed July, 2012). In common usage, "kinetic" is an adjective used to describe motion, but the Washington meaning derives from its secondary definition, "active, as opposed to latent." Dropping bombs and shooting bullets—you know, killing people—is kinetic. But the 21st-century military is exploring less violent and more high-tech means of warfare, such as messing electronically with the enemy's communications equipment or wiping out its bank accounts. These are "non-kinetic."

<sup>11</sup> Austin Baird, "HAARP conspiracies: Guide to most far-out theories behind government research in Alaska," September 20, 2011, <http://www.alaskadispatch.com/article/haarp-conspiracies-guide-most-far-out-theories-behind-government-research-alaska> (accessed July 10, 2013).

<sup>12</sup> The term soft power was coined in the early 1990s by Joseph S Nye Jr, in his book, "Bound to Lead: The Changing Nature of American Power". He refined the concept in his follow up book in 2004: "Soft Power: The Means to Success in World Politics". In Nye's words Soft power is, 'the attractiveness of a country's political ideas and policy'. The term is now widely used in international affairs

challenges and later pushing in the traditional security stampede. Likewise, in the domain of cyberspace, sub-activities like crime, conflict, competition and spying have a complementary overlapping zone where both traditional and non-traditional security could concurrently lay their claims upon. Whistle blowing by Snowden in the context of cyber spying by the US, the UK and other countries has amply demonstrated how a state with adequate cyber capacities could intrude on the privacies of other states and individuals, and how in such pursuits political borders become meaningless. It also brought to light the tacit collusion of State with its own intelligence agencies.

Hence national security needs an all comprehensive treatment whereby it could prevent, minimize and mitigate the impact of both traditional and non-traditional threats, which may be in a sort of perpetual orchestration, intricately interwoven in a well thought out benign looking format up to a point where terminal transition takes place from NTS to traditional phase — the final push. Benign looking non-traditional threats may soften the state to the extent that it is no longer capable of defending its territory and people against the traditional threat. It is in this context that even a traditional enemy may make inroads through non-traditional threats with the intent to degrade the national potential to ward off military threat planned for an appropriate time. Smart application of non-traditional means could even eliminate the need of application of traditional means, because the victim state may become a pliant state due to erosion caused by non-traditional means; and by the time it realizes as to what is eating it up, it may have lost the capability and national will to resort to traditional defensive means. In a similar way, an apparently friendly country may be engaged in clandestinely generating, supporting and sustaining non-traditional threats. Whenever, norms of healthy competition are violated, a usually benign activity could crossover to the domain of non-traditional threat.

**Expanse, Scope and Speed of NTS Challenges:** Mely Caballero-Anthony's definition<sup>13</sup> brings forth few common characteristics in the

---

by analysts and statesmen. The former US Secretary of Defence Robert Gates spoke of the need to enhance American soft power by "a dramatic increase in spending on the civilian instruments of national security i.e. diplomacy, strategic communications, foreign assistance, civic action, economic reconstruction and development."

<sup>13</sup> A variant of her definition of non-traditional security (NTS) has been adopted as the working definition by the Consortium of Non-Traditional Security Studies in Asia, otherwise known as NTS-Asia. For more details, see the NTS-Asia Web site at [www.rsis-ntsasia.org](http://www.rsis-ntsasia.org) (accessed July 3, 2013), where NTS is defined as:

context of non-traditional security threats; ordinarily they are non-military in nature and transnational in scope. These are neither totally domestic nor purely inter-state. These are transmitted rapidly due to globalization and communication revolution<sup>14</sup>. Non-traditional security issues are those which are termed in contrast to traditional security threats and refer to the factors other than military, political and diplomatic conflicts, but can pose threats to the survival and development of a sovereign state and its people as a whole.<sup>15</sup>

Therefore, these non-traditional threats are much more intimidating than the traditional ones as they require the national leadership to look not only outwards to cultivate international cooperation, but also inwards, with an open outlook to execute internal socio-economic and political reforms<sup>16</sup>. These threats require maintenance of continuous capacity to generate appropriate response with or without formal warning, for example in case of floods, earthquakes and epidemics.

Notwithstanding, the contemporary shift in the study and analysis of security and the world order from a traditional framework to a non-traditional approach<sup>17</sup>, one must avoid going overboard by making water tight compartments for the two. One may err in the comprehension unless there is a clear perception about the overlap zones. Non-traditional issues can affect both government institutions and civilian populations and these can originate from a variety of non-state human and natural causes; such threats may be upshots of certain acts by individuals or social groups, rather than the actions of states. Hence, one may observe that the outbreak of non-traditional issues is more unpredictable, and the enhanced mobility and expanding activities of individuals enable their impacts to spread and proliferate far more quickly. As indirect effects, such issues can cause tremendous economic losses to a region or the whole world, as the Asian Financial Crisis of 1997, the Severe Acute Respiratory Syndrome (SARS)

---

“Challenges to the survival and well being of peoples and states that arise primarily out of non-military sources, such as climate change, cross-border environmental degradation and resource depletion, infectious diseases, natural disasters, irregular migration, food shortages, people smuggling, drug trafficking, and other forms of transnational crime”.

<sup>14</sup> Saurabh Chaudhuri, “Defining Non-traditional Security Threats,” Global India Foundation, 2011, <http://www.globalindiafoundation.org/nontraditionalsecurity.htm> (accessed July 2, 2013).

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

outbreak of 2002-2003<sup>18</sup> and the tsunami triggered Fukushima nuclear disaster of 2010 did.

The most comprehensive definition of the concept of non-traditional security was provided by Richard H. Ullman<sup>19</sup> in 1983. According to him national security should not be perceived in the 'narrow' sense of protecting the state from military attacks from across the territorial borders. Such a perception was, for him, "doubly misleading and therefore doubly dangerous", because it "draws attention away from the non-military threats that promise to undermine the stability of many nations during the years ahead. And it presupposes that threats arising from outside a state are somehow more dangerous to its security than threats that arise within it." Ullman rather preferred to define a threat to national security as, "an action or sequence of events that threatens drastically and over a relatively brief span of time to degrade the quality of life for the inhabitants of a state, or threatens significantly to narrow the range of policy choices available to the government of a state or to private nongovernmental entities (persons, groups, corporations etc.) within the state."<sup>20</sup>

### **Branches of Non-traditional Security**

Generally, six broad branches of non-traditional security are identified, namely: International Terrorism; Trans-national Organized Crime; Environmental Security; Illegal Migration; Energy Security; and Human Security. However, one size does not fit all. Each nation is likely to have its own list, which may or may not include all six, likewise regional and sub-regional arrangements would also modify the generic list. Irrespective of the list, each item would ordinarily require an independent analysis, with adequate attention upon the necessity of securitization of each issue. Likewise the response would vary as to each particular threat depending upon whether it affects a specific set of people who may belong to one or more states.

---

<sup>18</sup> Ibid.

<sup>19</sup> Richard H. Ullman, Professor of International Affairs at Princeton University. During 1982-83 he was a Visiting Member of the Institute for Advanced Study in Princeton. Richard H. Ullman, "At War with Nicaragua," *Foreign Affairs*, <http://www.foreignaffairs.com/articles/37968/richard-h-ullman/at-war-with-nicaragua> (accessed July 3, 2013).

<sup>20</sup> Saurabh Chaudhuri, "Defining Non-traditional Security Threats; Richard H Ullman, "Redefining Security," *International Security*, vol. 8, no 1(Summer), <http://www.scribd.com/doc/84675722/Redefining-Security-Richard-Ullman> (accessed July 3, 2013).



The transnational expanse and enormity of such NTS challenges means that they can no longer be sufficiently managed only by domestic resources, measures or strategies. As a consequence of increasing futility of unilateral measures, there is growing realization about the necessity of evolving sub-regional, regional and global approach. However, critical to building effective and credible regionalism is the political will of governments to put in place systems, structures and resources to translate the regional plans into actionable deeds<sup>21</sup>.

**Role of Non-State Actors/Entities:** Non state actors have a dual role to play. They could generate a non-traditional threat; say by manipulating the market dynamics and playing with the intricacies of stock exchanges. An individual coming home on vacation from a distant county could inadvertently be a carrier of a locally uncommon virus that could erupt in to an epidemic, against which the recipient country has little or no countering capacity. High seas piracy is another non-traditional threat whereby only a handful of pirates could create a sense of insecurity over a wide area. On the other hand, non-state actors, both individuals and entities, also have a role to play in mitigating the effects of some of the non-traditional challenges. Domestic and international non-governmental organizations (NGOs) often network with the state/governmental structures and create synergy in disaster management. Many philanthropic individuals and entities with various politico-religious leanings have traditionally acted as an extended arm of the government organizations likes National Disaster Management Authority (NDMA), Civil Defence, and Red Crescent Society. However, if left to themselves, such entities are unable to carry out even handed and large scale activities, mainly due to capacity issues. If allowed to operate for a long time some entities could also trigger non-traditional threats of other types through their doctrinal beliefs, practices and cultural incompatibility.

**State's Central Role:** Given that many NTS issues are transnational and trans-regional, national efforts in addressing these issues need to be complemented with multidimensional, multilevel, and multi sectoral initiatives. Willing involvement of different regional actors can strike a delicate balance between the push and pull factor for greater regional cohesion. Nevertheless, in spite of the crucial role that regional commitments, frameworks and mechanisms have in coping with NTS challenges, the central role and capacity of states towards gainful integration of the mobilised effort is very vital. While regional framework is

---

<sup>21</sup> Mely Caballero Anthony, Ralf Emmers & Amitav Acharya, ed., *Non-Traditional Security in Asia: Dilemmas in Securitization* (London: Ashgate, 2006).

critical for addressing common problems through resource augmentation, it is certainly not sufficient<sup>22</sup>; the affected state has to play the central role and take charge for operationalising the regional effort.

### **Pakistan's Traditional Security Challenges**

These challenges emanating out of military inventory and doctrinal intent of potential adversaries comprise of external military threat and internal security dilemmas. During this era of science and technological advancement, threat does not necessarily emanate from immediate neighbours. Due to continental ranges of weapons and delivery system, extra regional forces can pose equally formidable national security challenges without physically moving to close proximity. Moreover, internal and external threats may not be separable in totality, causes, planning, execution and effects may criss-cross in various combinations.

### **External Threat**

Pakistan has four immediate neighbours: China, Afghanistan, India and Iran. Moreover there is a long coastline to the South. Pakistan has no threat from China and Iran, in the traditional domain, there is no history of unmanageable threat from the sea side as well. Militarily, Afghanistan becomes a country of concern as and when it houses extra-regional forces on one pretext or the other; and threat recedes in-terms of military value when foreign forces depart, but Pakistan is, invariably left to deal with the debris of the conflict in the form of fallout of war-cum drug economy in the shape of small weapons & drug proliferation and localized incidents of militancy. Pakistan has good relations with China and Iran. Better relations with India and Afghanistan are the leading objectives of Pakistan's foreign policy. If Pakistan can cultivate a peaceful neighbourhood, a very substantial part of its traditional security dilemma gets sorted out.

### **Traditional Threat Emanating From India**

Pakistan has a history of facing traditional threat from India in the form of use of or threat to use military force — resulting into three wars and numerous standoffs. This threat is of existential magnitude, In 1971, Pakistan lost the Eastern part of the country due this factor. Unfortunately, Pakistan-India relationship is perpetually on the tenterhooks, ready to ignite on the mildest pretext. On the outbreak of any crisis, the first thing that happens is breakdown of communications, followed by rapid climb up by India on the ladder to a level just a rung or two below actual shooting level,

---

<sup>22</sup> Ibid.

from where neither further climb is tenable nor a graceful descent remains a viable option, hence ending up in a prolonged stalemate in the form of protracted deployment of militaries.

Pakistan needs a sustainable equilibrium in South Asia. Higher conventional military asymmetry between India and Pakistan is one of the most serious threats to South Asian security. Indian actions and intent that aggravate the traditional threat are its numerical advantage in personnel and inventory that varies between 1:3 and 1:5 in its favour; and its five times bigger defence budget. India's robust economic growth supports such spending, thus creating difficulties for Pakistan. Moreover, India has an inclination to embrace dangerous doctrinal concepts which indicate the provocative mindset of Indian military command.

**Indian Doctrinal Gimmicks:** Alongside an arms race, India has also embarked upon offensive sounding doctrinal gimmicks. Dangerous concepts like "limited war under nuclear overhang, "Cold Start Doctrine" later renamed as "Proactive Operation"<sup>23</sup> and rhetoric articulations about execution of "massive nuclear strikes" in case of terrorist attack on India originating from Pakistan; or in case Pakistan uses tactical nuclear weapons (TNWs) against India<sup>24</sup> are regularly floated to keep Pakistan guessing

---

<sup>23</sup> Col. Anil Athale, "Cold Start Doctrine," *Indian Defence Review*, vol. 26.2 (April-June 2011),

[http://www.indiandefencereview.com/search/?idr\\_search=idr&search=cold+start+doctrine+&searchsubmit=Search](http://www.indiandefencereview.com/search/?idr_search=idr&search=cold+start+doctrine+&searchsubmit=Search) (accessed October 22, 2013). Under American pressure (on Pakistan's behest), Indian government distance itself from the term Cold Start Doctrine, terming it a military thought process. However, practically requisite military reorganization is at a fairly advanced stage under the garb of "Proactive Operations." Critics are of the view this through this reorganization India is regressively embracing the erstwhile concept of "Blitzkrieg". And by doing so strategic potential of the army would stand compromised.

<sup>24</sup> Shyam Saran, head of the National Security Advisory Board articulated in April 2013 that India would retaliate with strategic weapons against Pakistan if a 26/11 like attack occurred on its land. He cast these remarks as his personal views. However, many in India and outside saw his statements as articulating official policy on a sensitive issue, while maintaining deniability. The Times of India, for example, said Saran was "placing on record India's official nuclear posture with the full concurrence of the highest levels of nuclear policymakers in Delhi." He visualizes an escalatory ladder that triggers with a sub-conventional event or a terrorist attack. After which Pakistan tries to dissuade India from carrying out punitive conventional retaliation, by deploying its tactical nuclear weapons and India responds by using strategic weapons. Saran warns that any nuclear attack—whether by strategic or tactical weapons—would be met by "massive retaliation" from India. This will be "designed to inflict unacceptable damage on its adversary." "Any nuclear exchange once initiated, would swiftly and inexorably escalate to the strategic level." "Pakistan," he declares, should "be prudent not to

about the Indian intent. Moreover, Indian defence budget has more than doubled since Operation Parakram.<sup>25</sup> A serious confusion in regard to India's nuclear doctrine is quite evident in a recent article written by a well-known Indian defence analyst, PR Chari, a former Director of the Institute for Defence Studies and Analyses (IDSA), the premier think-tank of New Delhi. PR Chari later headed another prestigious think-tank, the Institute of Peace and Conflict Studies, and is now a Research Professor at the same institution. As both the institutions that Chari has associations with are government funded, what Chari says reflects confusion within the ranks of the Indian nuclear establishment<sup>26</sup>. It is obvious that there are serious

---

assume otherwise as it sometimes appears to do, most recently by developing and perhaps deploying theatre nuclear weapons." Most importantly Saran's escalatory scenario lays bare an underlying frustration that India's Cold Start Doctrine has been challenged if not blunted by Pakistan's TNW response. India is no longer committed to no-first-use nuclear. Its current policy is ready-arsenal and deterrence by punishment.

<sup>25</sup> Admiral Sushil Kumar, former Navy chief, "Operation Parakram was the most punishing mistake." Last updated on November 4, 2011 19:36 IST. "There was no aim or military objective for the Operation Parakram...I don't mind admitting that Operation Parakram was the most punishing mistake for the Indian Armed Forces, Kumar said in New Delhi, addressing a seminar on limited wars in South Asia-against a nuclear background. He maintained that the government then lacked any political aim or objective for deploying the army along the Indo-Pakistan border. "Operation Parakram was the most punishing mistake," November 4, 2011, <http://www.rediff.com/news/slide-show/slide-show-1-nuclear-mindset-we-have-is-a-false-sense-of-security-admiral-sushil-kumar/20111104.htm> (accessed October 24, 2014).

<sup>26</sup> Ambassador Ali Sarwar Naqvi, "Confusion in Indian Nuclear Doctrine," <https://mail.google.com/mail/u/1/#inbox/14689ff8e0efbb42> (accessed June 12, 2014), [PR] Chari points out that its[Indian] nuclear capability has not deterred Pakistan-based militants from cross-border attacks on the Indian Parliament in 2001 to the Mumbai attack in 2008, not to mention Kargil in 1999. He says 'More generally, it would seem that Pakistan has acquired virtual impunity in launching terrorist attacks at will into India through organizations that enjoy its patronage'. He then refers to Pakistan's development of short range missiles. Seeing them as enabling Pakistan to deploy 'tactical nuclear weapons in a battlefield mode', he says that they are 'meant to be used against invading Indian troop formations that Pakistan does not have the conventional capabilities to defeat'. Chari does not mention, in this context, the provocative Cold Start doctrine that India first articulated in 2004. He then dismisses, the 'massive retaliation' doctrine in response to Pakistan's development of short range missiles by saying that 'the determinism inherent in India's nuclear doctrine that any level of nuclear attack will invite massive retaliation is too extreme to gain much credibility'. He says 'It defies logic to threaten an adversary with nuclear annihilation to deter or defend against a tactical nuclear strike on an advancing military formation'. Chari concludes by saying that 'It should be emphasized that neither former Indian prime minister Manmohan Singh's last ditch attempt to

problems in India's strategic thinking. In the first place, Indians profess a commitment to total and universal disarmament, but they pursue policies entirely contrary to this principle. Aggressive nuclear doctrine of a triad capability including sea-based missiles of 2002, followed by the highly provocative Cold Start doctrine of 2004, and finally the concept of Mutually Assure Destruction (MAD) style massive retaliation concept was floated last year. All these years, Pakistan has been proposing a Nuclear Restraint Regime to India. Its development of a full spectrum credible minimum deterrence is a natural reaction to an aggressive Indian posture that gets more and more threatening. Chari concludes that 'the essential problem that remains and will tax the government of Narendra Modi is how India plans to credibly engage Pakistan in the interests of nuclear stability in South Asia'. It is only to be hoped that India will finally come to terms with the instability that its doctrinal confusion has unleashed, and restore rationality to its nuclear thinking. In the article, carried in a Carnegie Endowment posting, entitled 'India's nuclear doctrine: stirrings of change', Chari addresses the issue of what exactly is his country's nuclear doctrine. He begins his piece with a reference to a speech made by the former Indian Prime Minister, Manmohan Singh, at IDSA in April this year, in which Singh called for the creation of a global convention to pledge the non-use of nuclear weapons. Chari writes 'Why the Indian Prime Minister chose to make this major policy declaration in the last hours of his term in office is a mystery', which demonstrates his bewilderment at this position. He says that this speech led the BJP to state in its election manifesto that the party would 'study in detail India's nuclear doctrine, and revise and update it, to make it relevant to challenges of current times'. BJP leaders started saying that India's no-first use policy would be reviewed. However, due to the concern raised in many quarters that India's time-honoured position and 'a central feature of India's nuclear doctrine' ever since it conducted its nuclear tests would be altered without debate, candidate Modi had to declare that there would be 'no compromise' on no first use, 'which reflected India's cultural inheritance'. Given the BJP's naturally aggressive posture, such clarifications must be viewed with some skepticism and it is legitimate to explore what may be on the agenda. The no-first use formulation was made in August 1999 by the Vajpayee government and later endorsed by the Cabinet Committee on Security, making it the official Indian position for the last 15 years. Chari says 'There are valid grounds to

---

universalize India's qualified no-first use policy nor the confusions created by BJP protagonists regarding their commitment to this policy are to be commended. A detailed study of India's nuclear doctrine is required to address all the relevant issues in their totality'.

revisit India's nuclear doctrine, as much has happened over the intervening years that challenges the assumptions made' at that time. He maintains that 'On the conceptual front, the limitations of nuclear deterrence have become apparent. In important ways, India's acquisition of nuclear weapons has not increased its security'. It is obvious that there are serious problems in India's strategic thinking.<sup>27</sup>

**Indian Military Build-up:** Alongside the rhetoric of Cold Start Doctrine or Proactive Operations, Indian Military high command has been able to convince the political leadership for an ambitious allocation worth US\$ 120 billion, spread over a long term. This would result in a major weapon system transition from low to mid-tech Russian equipment to hi-tech American and European war machines. The space programme and cyber warfare are new capability additives. The ongoing integrated missile development programme has been given additional boost to meet targets like ICBMs with MIRV capability. Strategic capabilities like nuclear submarines, aircraft carriers, long range military air transport aircraft and around 150 high technology multi-role fighter attack aircraft are on order. An anti-ballistic missile (ABM) system is being setup. Military formations have already undergone massive reorganization to keep pace with new doctrinal orientations.

These actions indicate that India is striving to enhance its military outreach well beyond the region. This capability could however be unleashed entirely against Pakistan. Over 80 per cent of the Indian arsenal is Pakistan specific and most of its military command and control structure is Pakistan perched. As of now Indian defence budget is seven times the Pakistani defence budget. "SIPRI Fact Sheets" issued in March 2013 & 2014 state that:-

"India was the world's largest importer of major conventional weapons in 2008–12. Its arms imports, accounting for 12 per cent of global imports, were 109 per cent higher than those of China, the second biggest arms importer. India imported 59 per cent more arms in 2008–12 than in 2003–2007. In 2008–12 it improved its long-range military capabilities with the import of such items as over 100 Su-30MKI combat aircraft from Russia, 3 A-50E airborne early warning aircraft (combining components from Israel, Russia and Uzbekistan), an Akula nuclear-powered submarine

---

<sup>27</sup> Ibid.

from Russia and the first of 8 P-8I anti-submarine warfare aircraft from the USA.<sup>28</sup>

“India’s imports of major arms increased by 111 per cent between 2004–2008 and 2009–13, making it the world’s largest importer. Its imports—14 per cent of the global total—were almost three times larger than those of China or Pakistan... India received 90 of 222 Su-30MKI combat aircraft ordered from Russia. It also received 27 of a total of 45 MiG-29K combat aircraft ordered for use on aircraft carriers. India has 62 Russian MiG-29SMT and 49 French Mirage 2000-5 combat aircraft on order. It has also selected, but not yet ordered, 144 Russian T-50 and 126 French Rafale combat aircraft”<sup>29</sup>.

### **Strategic Dimension of Threat from India**

Every time India test-launches a new ballistic missile, officials from the defence industry go giddy about the next missile, which they say will be bigger, more accurate, fly longer, and carry more nuclear warheads.<sup>30</sup> Moreover, the Defence Research and Development Organization (DRDO) had time and again indicated that all future missiles will be deployed in large canisters on road or rail mobile launchers to get “drastically” shorter response time with an ability to launch in “just a few minutes.”<sup>31</sup> If the Indian government has authorized quick-launch capability, it is bad news for South Asia. The combination of multiple warheads, increased accuracy, and drastically reduced launch time indicates that India is gradually moving from minimum deterrence doctrine towards a more capable nuclear posture. The ability to launch quickly is only relevant if India plans to conduct a first strike against its adversaries. Planning for first strike would contradict India’s no-first-use policy. Pressure to give up “No First Use” (NFU) is

---

<sup>28</sup> Paul Holtom et al, “Trends in International Arms Transfer, 2012,” SIPRI Fact Sheet, Stockholm International Peace Research Institute, March, 2013, 1,3,4,6.

<sup>29</sup> Ibid.

<sup>30</sup> Hans M. Kristensen, “India’s Missile Modernization beyond Minimum Deterrence,” <http://blogs.fas.org/> & <http://www.fas.org/> (accessed October 9, 2013). Hans M. Kristensen is director of the Nuclear Information Project at the Federation of American Scientists where he provides the public with analysis and background information about the status of nuclear forces and the role of nuclear weapons. He specializes in using the Freedom of Information Act (FOIA) in his research and is a frequent consultant to and is widely referenced in the news media on the role and status of nuclear weapons.

<sup>31</sup> Ibid.

well beyond loud thinking and the ruling BJP has recently passed a resolution to this effect, however, candidate Narendra Modi distanced from it. Nevertheless, capability and capacity for revoking NFU is, by and large in place. This could significantly decrease stability both in peacetime – by stimulating Pakistani planners to further increase the responsiveness of their nuclear missiles; and in a crisis time, the shortening of decision-making may increase the risk of miscalculation, overreaction and escalation. Most of the independent analysts tend to agree that India appears to be inching from nuclear war avoidance capability to acquiring nuclear war fighting capability.<sup>32</sup>

**Afghanistan Factor:** Afghanistan has traditionally remained the focus of Indian regional policy.<sup>33</sup> One of the objectives of this focus was to counterbalance Pakistan through politico-military pinpricks, on as required basis. Indian efforts in Afghanistan to re-establish its influence have been broadly focused on three aspects: a major role in the reconstruction process and economic development; building linkages with the Central Asian States; and attempting to marginalize Pakistan's influence in Afghanistan.<sup>34</sup>

On October 04, 2011, Afghanistan also signed a comprehensive bilateral Agreement on Strategic Partnership with India.<sup>35</sup> India provides military training to Afghan police and Army. Through most of the innocent looking development projects like road building, training and health, India has been clandestinely proliferating its military footprint by executing these activities through the Indian organizations staffed mainly by its retired military/civil armed forces personnel like Border Road Organization etc. Indian direct investment in Afghanistan exceeds well above US\$ 10 billion. Now based on this investment India is laying claim for its role in shaping the post 2014 Afghanistan, and a permanent strategic role in that

---

<sup>32</sup> Ibid.

<sup>33</sup> Fahmida Ashraf, "India-Afghanistan Relations: Post-9/11," [http://catalogo.casd.difesa.it/GEIDEFile/INDIA%C4%90AFGHANISTAN\\_RELATIONS\\_POST-9-11.HTM?Archive=191494691967&File=INDIA%ADAFGHANISTAN+RELATIONS+POST-9-11\\_HTM](http://catalogo.casd.difesa.it/GEIDEFile/INDIA%C4%90AFGHANISTAN_RELATIONS_POST-9-11.HTM?Archive=191494691967&File=INDIA%ADAFGHANISTAN+RELATIONS+POST-9-11_HTM) (accessed October 31, 2013).

<sup>34</sup> "India's Irons in the Afghan Fire," *Asia Times*, October 26, 2004, <http://atimes.com/>

<sup>35</sup> "Agreement on Strategic Partnership between the Islamic Republic of Afghanistan and the Republic of India," Ministry of Foreign Affairs, Afghanistan, <http://mfa.gov.af/Content/files/Agreement%20on%20Strategic%20Partnership%20between%20Afghanistan%20and%20India%20-%20English.pdf> (accessed November 14, 2013).



country. In its eagerness, India has of late floated the narrative that India is an immediate neighbour of Afghanistan and its direct contact is severed by Pakistan's illegal occupation of Indian territory—reference to Gilgit-Baltistan. Pakistan has expressed concerns regarding opening of Indian consulates along Pak-Afghan border which are more than the legitimate consular services in the area. There is credible evidence that these Consulates are being used as launching pad for separatist and terrorist elements in Balochistan and FATA.

India has many interests in Afghanistan, none of which poses existential threats to Pakistan. Any attempt to encircle Pakistan is not likely to work. India is not likely to have a pliant government in Afghanistan irrespective of the composition of post 2014 Afghan government. In a provocative essay for Brookings, "A Deadly Triangle," William Dalrymple argued that Afghanistan had become the site of an Indo-Pakistan proxy war. Pakistan's attitude to India, he explained, is shaped by its fear of being caught in an Indian "nutcracker": trapped between an age-old enemy to the south and a war-ridden, pro-Delhi state to the north. But such analyses quickly collapse under scrutiny. India's ability to construct a two front dilemma for Pakistan is grossly over projected.

**The Central Asia Factor:** An Indian analyst, Meena Singh Roy, has observed in one of her articles, "India as an extended neighbour of CARs has major geostrategic and economic interests in this region. It was also concerned about Pakistan's influence in the Central Asian region. However, India needed the Afghanistan link to maintain its contacts with the Central Asian states."

India has completed the refurbishment of a military base at Ayni in Tajikistan: the process began in 2002 and has been accomplished at a cost of US\$10 million.<sup>24</sup> Apart from Russia, US, and Germany, India is the fourth country to have a military air base in Central Asia. Initially, India was planning to deploy MiG-29 fighters at Ayni; however, due to the reservations expressed by Pakistan, Tajikistan has allowed India to deploy only Mi-17V1 helicopters. The base is of strategic importance to India, and the existence of fighter jet capable infrastructure is a point of concern for Pakistan, because such bases can be activated within 48-72 hours for undertaking full spectrum offensive air operations. As observed by an Indian analyst, Sudha Ramachandran, "A base at Ayni allows India rapid response to any emerging threat from the volatile Afghanistan-Pakistan arc ...It also gives New Delhi a limited but significant capability to inject special forces into hostile theatres as and when the situation demands...in the event of military confrontation with Pakistan, India would be able to

strike Pakistan's rear from Tajik soil...Ayni has to do with India's growing interests in Central Asia as well."<sup>36</sup>

### **Traditional Security Challenges from Afghanistan**

The situation in Afghanistan after 2014 will not only determine the shape of the region but also the extended neighbourhood. Peace and stability in Afghanistan is crucial for the economic potential of Central Asia, South Asia, South West Asia and Asia Pacific. The main concerns that hamper forward movement in this direction are: allowing Afghan territory for launching attacks on Pakistani territory; illicit small arms and drugs trafficking into Pakistan; logistical facilitation of India to pursue its interventionist pursuits in FATA and Balochistan; influx of economic and political immigrants; ripple effect of Afghanistan's war and drug economy; and provision of safe sanctuaries to TTP for cross border attacks in Pakistan. Afghanistan has serious economic issues at hand. And there is no foreseeable way of quick transition from war into a normal economy.

The operational and maintenance cost of Afghan National Army and police is likely to be between US\$ 3-4 billion per annum. The international community must not let ANSF disintegrate; this would have disastrous effects on the region. Border management is a weak area and the root cause of many problems. Embedding Taliban into post 2014 arrangement is a prerequisite for any enduring political settlement. Lacklustre efforts regarding intra-Afghan reconciliation and integration could only lead to patchy outcome. Implications of signing the US-Afghanistan Bilateral Security Agreement (BSA) without co-opting Taliban could be serious. Any degeneration of Afghan security status into civil war like status, in post 2014 time frame, would create formidable traditional security difficulties for Pakistan. The points of immediate importance between Afghanistan and Pakistan are:-

- Political mistrust between the two countries has the potential of turning into an uncomfortable stalemate; at worst it could lead to a zero-sum attitude towards each other
- Cross border attacks' capability has become quite potent; it could perpetuate a sense of perpetual trans-border insecurity leading to security-insecurity paradox.
- Border management is a weak area and root cause of many problems.

---

<sup>36</sup> "India Makes a Soft Landing in Tajikistan," *Asia Times*, March 3, 2007, [www.atimes.com/atimes/South\\_Asia/IC03Df0I.html](http://www.atimes.com/atimes/South_Asia/IC03Df0I.html) (accessed October 6, 2013).

- Likely spill-over effects of intra-Afghan transitions — be they political, military or economic transitions.
- Strategy of embedding or neglecting Taliban into post 2014 political arrangement.
- Difficulties regarding transition of Afghan economy from war-drugs to modern format.
- Effects of disenfranchisement of Afghan refugees lodged in neighbouring countries during both rounds of Afghan Presidential rounds in 2014.
- Lacklustre efforts regarding intra-Afghan reconciliation and integration.
- Drug trafficking and small weapons proliferations.
- Implications of signing or otherwise of US-Afghanistan Bilateral Security Agreement (BSA).
- Inordinate delay in South Asia-Central Asia connectivity.
- Facilitation of launch pad to India for combatant and non-combatant penetration into Pakistan.
- Peaceful repatriation of Afghan refugees and their socio-political reintegration into Afghan society.
- New Afghan government may not be strong enough or influential enough to effect intra-Afghan reconciliation leading to voluntary demobilization of militants.

**Way Forward:** The international effort to enhance the capacity of Afghan institutions—especially the Afghan national Security forces, must continue. Long term commitment of budgetary support to the Afghan government will be needed for creating alternative economic opportunities for its people. Deployment of UN peacekeeping mission for about 5 years to allow a “cooling off” phase, between the departure of foreign forces and taking over by ANSF, will be helpful. There should be mutual agreement among the six neighbours on a border management framework. Afghan government’s capacity should be enhanced for effecting adequate border control arrangements on its side of the border. Options may be explored for co-opting a personality of the repute of Bishop Desmond Tutu to bring about intra Afghan integration.

### **Pakistan’s Internal Security Challenges**

Pakistan’s internal security challenges have three aspects: extremism leading to terrorism; porous borders; capacity issue of civilian LAEs — police, immigration, prosecution, forensics and lower judiciary.

Prior to 9/11, Pakistan was a relatively calm country. Though low profile incidents of violence did occur infrequently, they came within the purview of law and order. But after 9/11, Pakistan became the biggest victim of terrorism that emanated from and via Afghanistan. To fight the menace as a front line state in the 'war on terror' Pakistan has carried out meaningful reforms in various sectors to create a hedge against facilitation of terrorism. Of special mention are the Banking sector reforms and gradual reform of the Madrassah system while to supplement the international effort, Pakistan has employed its military, even in the traditionally non-militarized tribal areas, to tackle the terrorist outfits. A number of major and minor operations have been launched to take the terrorists head on. While combating terrorism, Pakistan has suffered over 60,000 civilian and over 6000 military casualties. Moreover, quantifiable economic loss is of the order of US\$ 100 billion. Rehabilitation and reintegration of militants are important steps in eradicating terrorism. Enormous international effort, in the form of a Marshal plan may be required to create appropriate socio-economic environment to prevent relapse of reformed militants. The erstwhile concept of Reconstruction Opportunity Zones (ROZs) was a brilliant idea—now no one talks about it. The spirit of ROZs needs to be carried forth, may be under a different brand name. Pakistan army has established and successfully ran some model skill enhancement rehabilitation programmes in Swat and some other areas. However, key to success of such programmes is that once an individual acquires a skill, a corresponding job should be waiting for him. This requires appropriate funding. Government of Pakistan has issued a comprehensive national security policy, with special focus on internal security. It aims at creating a multi-disciplinary effort to eliminate terrorism.

Pakistan is playing an active role in the global effort to eliminate terrorism. Pakistan is a part of counter terrorism effort launched in the form of UNSC Resolution 1540. Pakistan has also signed a number of agreements and protocols supporting this effort.

The TTP is an umbrella organization of 16 major and around 50 medium and small size militant outfits. Claiming responsibility for terrorist attacks by the TTP has helped in larger than life projection of these terrorist entities. There is common public perception and credible assessments that besides other foreign support, Indian intelligence sources had made deep inroads into some of these entities; especially the outlawed sectarian organizations. Indian intelligence agencies have heavily invested in making and retaining contacts amongst these organizations and the local notables in FATA and Baluchistan for post 2014 usage.

Terrorist activity is an expensive enterprise; its continuation is not possible without regular flow of money and combat gear. According to one

assessment, the launching of a single suicide attack costs between 5 to 10 million Rupees (about US\$ 5000 to 10000). It is thought that part of the money is generated through pay-outs for Afghan route security, drug and timber trade which is recycled in a complex process and ends up in the hands of Taliban—both Pakistani and Afghan. Lack of or collapse of state structures in Pakistan-Afghanistan trans-border zones makes it difficult to reach out to their locations. Use of air power has its own limitations in anti-guerrilla operations. Hence it is the considered opinion that application for military only — no matter how long — could not bring a lasting solution to terrorism. It is in this spirit that government of Pakistan has engaged the TTP elements into political negotiations aimed at persuading its cadres to give up militancy. However, even this process alone is not likely to bring an end to acts of terrorism. There has to be a comprehensive approach encompassing all facets of terrorism, most importantly, rehabilitation of demobilized militants.

### **Pakistan's Non-Traditional Challenges**

A whole assortment of NTS challenges confronts Pakistan. Specifically these could emanate from: Extremism; Economy; Energy Crisis; Demographic Challenges; Governance issues; Human Security; Border Security; Refugees and Illegal Emigrants; Trans-border/ trans-national crimes; Food Security, Climate Change; Fragile Political system; Foreign Policy Dilemmas, Foreign Influences; Institutional Wrangling etc. In an interesting way most of these sub-systems are intricately interrelated. Moreover, most of these operate simultaneously, hence accentuating the cumulative effects much more than the linear sum total. Of these, some also make interesting subsets, like economy, energy and demographic challenges; posing egg and chicken dilemma as to which one causes the other.<sup>37</sup> While mapping Pakistan's main NTS challenges Ali Tauqeer Sheikh<sup>38</sup> states that.<sup>39</sup>

- Climate change will continue to negatively affect human activities and livelihoods in Pakistan through increasingly frequent extreme weather events and changes in temperature and precipitation. With the “Intergovernmental Panel on

---

<sup>37</sup> Mely Caballero-Anthony, “Non-Traditional Security in Asia: Dilemmas in Securitization.”

<sup>38</sup> Ali Tauqeer Sheikh is CEO, LEAD Pakistan & Director Asia, Climate and Development Knowledge Network (CDKN). <http://apmen.iom.int/en/advisory-board/68-ali-tauqeer-sheikh> (accessed July 03, 2013)

<sup>39</sup> Ali Tauqeer Sheikh, “Non-Traditional Security Threats in Pakistan,” The National Bureau of Asian Research NBR, Special Report, no. 32, October 2011.

Climate Change” (IPCC) conservatively projecting the average world surface temperature to increase from 1.4°C to 5.8°C over the course of the 21st century<sup>40</sup>, it is evident that alterations in the planet’s ecological, biological, and geological system will not only continue but also intensify. In Pakistan, low-probability and high-impact events such as floods, droughts, storms, and cyclones are now increasing in frequency. An analysis of data for the past 60 years, taken from the “Centre for Research on Epidemiology of Disasters” (CRED), shows that the number of natural disasters per decade has increased considerably over the last two decades.

- Pakistan’s large population and high growth rate adversely affects all aspects of society, the economy, and the environment. Population growth creates and exacerbates vulnerabilities by endangering basic civic amenities, leading to a lack of clean water and space for housing and ultimately burdening society.
- Growth in agricultural productivity has broadly kept pace with accelerating demand. However, medium-term food security challenges will become far more daunting if immediate attention is not paid to managing water resources, both underground and in the Indus basin river system.
- Water security is the most serious challenge for Pakistan due to several factors, particularly the increasing pressure of population and urbanization, massive expansion of tube-well irrigation, reduced levels of precipitation caused by climate change, and the accelerated retreat of Himalayan glaciers.

He recommends that<sup>41</sup>:

- Pakistan can mitigate the adverse effects of natural disasters through early warning systems, technological advances in building and infrastructure construction, improved sanitation systems, increased disaster preparedness, and an organized health sectoral response. Expanding and enhancing the information and knowledge base on climate change as well as mapping vulnerabilities, trends in internal migration, and new incidence of disease, can help create adaptive measures for reducing the effects of climate change.

---

<sup>40</sup> “IPCC Third Assessment Report: Climate Change 2001,” Intergovernmental Panel on Climate Change, 2001.

<sup>41</sup> Ali Tauqeer Sheikh, “Non-Traditional Security Threats in Pakistan.”

- The successful implementation of mechanisms to address non-traditional security issues will require the South Asian countries to work together to adopt ecosystem-wide approaches that incorporates trans-boundary strategies.
- South Asia faces numerous NTS threats that in most cases predate the conventional security problems in the region. NTS threats make many conventional security challenges intractable, as regional conflicts are frequently rooted in the division or management of natural resources, ethnic divides, or ecosystem bifurcations.
- The progress in managing, let alone resolving, these NTS threats has been slow, primarily because the negotiating parties do not view them in the broader context of ecological civilization or ecosystem integrity. South Asia as a region has been slow in developing regional approaches to address NTS issues. Modest beginnings by the South Asia Association for Regional Cooperation (SAARC) still require political will, resource allocation, and operational mechanisms. Recent efforts to develop shared positions on climate change have received a lukewarm response.<sup>42</sup>

Due to inadequate sub-regional and regional cooperative mechanisms, Pakistan like other countries of South Asia is often caught in the thick of some of the NTS challenges. Natural calamities related disaster management suffers from inadequacy of resources. Hence, initial response is slow. Pakistan is yet to make up its mind whether it wishes to treat its high population growth as an asset or a liability. So far, the position has been of jockeying between the two positions. Insecure borders pose illegal immigrants' issue that entails transnational crimes. Conflict in Afghanistan is a major driver of pushing in large scale influx of refugees. Measuring against the yardstick of the UN laid down MDGs, Pakistan's performance is unenviable, it is under performing in all eight sectors, posting highest child mortality rate in South Asia<sup>43</sup>. According to a recent report released by a child rights body,<sup>44</sup> Pakistan has the second highest number of out-of-school

---

<sup>42</sup> Ibid.

<sup>43</sup> *Nation* (Islamabad), July 12, 2013.

<sup>44</sup> "Pakistan has second highest 'out-of-school' children globally," News Track India, <http://www.newstrackindia.com/newsdetails/2013/06/28/212-Pakistan-has-second-highest-out-of-school-children-globally.html> (accessed July 15, 2013). The Society for the Protection of the Rights of the Child (Sparc) stated in its annual report titled 'The State of Pakistan's children 2012' that one fourth of the 19.75 million children in Pakistan who were aged five to nine were out of school

children in the world, behind only Nigeria. Other South Asian countries are also not far better. There is a need to evolve South Asian response towards some of the NTS challenges which are transnational in nature and where collective resources could be utilised in a more efficient and effective way. Still on a larger canvas, there is a need for [an] Asia level entity to address the challenges which have continent level outreach in terms of effects. For menaces like drug trafficking and terrorism, there is a need for broader regional as well as global efforts. Though Pakistan is grappling with a number of NTS challenges, survival of state and the society is not in an imminent danger of extinction. Hardship notwithstanding, the state and people of Pakistan would continue to inch forward and maintain their relevance in the regional and global affairs.

## **Economy**

Low performing economy is the root cause of most of the non-traditional challenges. Weak economy prevents accomplishment of minimum essential socio-economic development goals and a strong economy provides adequate resources for taking corrective and preventive measures for eradication or mitigation of non-traditional challenges. Pakistan has had

---

and including adolescents, the figure rose to about 25 million. Of these children, seven million aged three to five did not receive any primary schooling. The report added that Pakistan had reduced its spending on education from 2.6 percent to 2.3 percent of the GNP (gross national product) since the last decade, and it ranked 113th of the 120 countries included in the Education Development Index. On the brighter side, at the province level, Punjab had the highest NER (net enrolment rate) for children in primary schools at 61 percent along with Sindh at 53 per cent, Khyber Pakhtunkhwa at 51 per cent, while Baluchistan fared lowest at 47 per cent. Overall, Pakistan recorded an NER of 74.1 per cent for all age groups enrolled either in primary, secondary or higher education but the youth literacy rate was only 70.7 percent with only 61 per cent of girls are literate as compared to 79 per cent boys in the age group of 15-24 years. The country is placed at the 129th position among the 135 countries on the Gender Gap Index 2012, according to the Global Gender Gap Report, 43 per cent of children in Pakistan are afflicted with stunting; five years mortality rate has declined from 122 to 72 per 1,000 births in 2011; and 30 per cent of polio cases worldwide along with 2.1 million cases of measles are found in this part of the world, along with a high instance of HIV. The report further stated that a lot of children have been victims of drone strikes over the years and they were subject to a lack of educational opportunities, poor health conditions, no protection for poor and vulnerable children, miserable conditions in juvenile jails and employment of minors in hazardous occupations. In the absence of a national database on violence against children, it was difficult to account for the number of cases of physical violence, sexual abuse, trafficking, and recruitment in armed conflicts and acid attacks.



a low performing economy for over a decade which has accentuated some of the non-traditional challenges—like human security and disaster induced damage.

### **Climate Change**

Climate change will continue to negatively affect human activities and livelihoods in Pakistan through increasingly frequent extreme weather events and changes in temperature and precipitation. There is a need for comprehensive climate change mitigation/adaptation strategy. Pakistan is vulnerable to the impact of climate change. It is a disaster prone country. Pakistan has topped the list of the Global Climate Risk Index produced by Germanwatch, a non-governmental organisation that works on global equity issues.

In 2010, Pakistan was listed as the number one country in the world affected by climate related disasters; in 2011 it was ranked as number three and now the country ranks in the top 10 list of the most vulnerable countries in the world when it comes to suffering from the impact of climate change. Pakistan is highly vulnerable to weather-related disasters such as cyclones, droughts, floods, landslides and avalanches. Pakistan faces a range of threatening climate change impacts: changing monsoon patterns, melting glaciers, rising sea levels, desertification and increasing water scarcity. Climate change effects could cost Pakistan's economy up to \$14 billion a year.. Devastating floods in 2010 disrupted the lives of 20 million people - many more than the 2004 Indian Ocean tsunami - and cost \$10 billion. The country cannot run away from the effects of a changing climate.

In the past 40 years, nine out of the top ten natural disasters in Pakistan have been climate-triggered which shows the magnitude of the challenge. Disasters per decade have increased considerably over the last two decades. This incidentally is the period during which average global temperatures have been the highest<sup>45</sup>. The Centre for Research on Epidemiology of Disasters (CRED) data as shown in Table 1 below indicates how the number of climate induced disasters has increased since mid-twentieth century. The Number of such disasters rose from 2 in decade 1941-50 to 36 during the decade 2001-10.

---

<sup>45</sup> Ali Tauqeer Sheikh, "Non-Traditional Security Threats in Pakistan."

**Table-1**  
**Climate Induced Natural Disasters in Pakistan: 1941-2010**

Year	Climate Induced Disasters				
	Storms	Tropical Cyclones	Floods	Droughts	Total
1941-50	0	1	1	0	2
1951-60	0	0	5	0	5
1961-70	0	2	2	0	4
1971-80	1	0	6	0	7
1981-90	3	0	6	0	9
1991-2000	6	2	14	1	23
2001-10	4	1	31	0	36
<b>Total</b>	14	6	65	1	86

*Source:* Centre for Research on Epidemiology of Disasters (CRED)<sup>46</sup>.

**Note:** CRED maintains a global database, called EM-DAT, of natural and technical disasters from 1900 onward.

The first ever climate change policy, developed with the support of the United Nations Development Programme (UNDP), recommends some 120 steps the country could take to slow down the impact of global warming, as well as adapt sectors such as energy, transport and agriculture. Measures include flood forecasting warning systems, local rainwater harvesting, developing new varieties of resilient crops, promoting renewable energy sources and more efficient public transport etc.

According to a recent Pew Research Centre survey only fifteen per cent of Pakistani citizens view climate change as a major threat. Pakistan's underwhelming commitment to dealing with the effects of climate change stands in stark contrast to the threat it faces. Environmental experts believe that the average annual financial losses in Pakistan due to environmental degradation are to the tune of approximately Rs 450 billion (\$5.2 billion USD). This is in addition to recent catastrophic natural disasters like the 2010 floods, which caused an estimated \$43 billion in damage and killed over 1,700 people.<sup>47</sup>

Germanwatch's ninth annual Global Climate Risk Index attests: "The landfall of Hurricane Sandy in the US dominated international news in

<sup>46</sup> Ibid.

<sup>47</sup> Ibid.

October 2012. Yet it was Haiti - the poorest country in the Western Hemisphere - that suffered the greatest losses from the same event," said Sönke Kreft, team leader for international climate policy at Germanwatch and co-author of the index. Report shows that Haiti led the list of the three countries most affected by weather-related catastrophes in 2012. The others were the Philippines and Pakistan.

According to the report's assessment, the extreme weather calamities caused Pakistan losses worth 0.7 per cent of the country's Gross Domestic Product (GDP) over 20 years. Pakistan's winter season is shrinking at the rate of 44 hours per annum and the winters are becoming harsher. During the 2013 season record low level temperatures were recorded in almost all parts of the country. The major response so far has been the National Climate Change Policy (NCCP) that was developed by the Ministry of Environment and adopted by the Cabinet in September 2012. The policy was formally launched by the Ministry of Climate Change on February 26, 2013. National Climate Change Policy was formed after extensive consultations with the provinces.

### **Millennium Development Goals**

The MDGs are eight international development goals that were established in 2000 by UN and its member states for completion by 2015. These goals, comprising social and health issues, have been further divided into over 60 indicators, of which Pakistan had pledged for 41. However, Pakistan aims to achieve only nine, missing out on over 30 key indicators focusing on health, debt services, education and living standards. Pakistan's performance is unenviable, other South Asian countries are also not much better.

The reasons for missing most of the indicators include internal and external economic and non-economic challenges. Natural disasters, conflicts, administrative and political changes, weak commitments to economic reforms, lack of awareness, fading commitments by development partners due to global recession of 2007 and belated ownership of MDG agenda at the sub-national level, are contributory reasons for failure. Impact of these challenges has reflected in slow progress and hence non-achievement of many of the indicators<sup>48</sup>.

The government is working to enhance the capacity of the people through human resource development which involved better education,

---

<sup>48</sup> *The Express Tribune*, January 09, 2014.

<http://tribune.com.pk/story/656715/lagging-behind-pakistan-off-track-on-millennium-development-goals/> (accessed January 10, 2014).

health, population welfare, skill development services, improved access to clean water and sanitation, and gender mainstreaming initiatives. Some of the under-way steps in this regard are: provision of productive assets, inclusion of micro finance and transitioning toward social safety net to protect the people against natural and manmade disasters. Poverty headcount had declined significantly under the Pakistan Living Standards Measurement survey data – from 34.5% in 2001-02 to 12.4% in 2010-11<sup>49</sup>.

Findings of the United Nations Development Programme (UNDP) 2013, have revealed that Punjab is far ahead in achieving the MDGs as compared to other provinces. The findings also stated that no MDG will be achieved in entirety in Sindh, but that the province had made significant progress in certain indicators such as ‘ensuring environmental sustainability’ (MDG 7) and ‘promoting gender equality and women empowerment’ (MDG 3). Khyber-Pakhtunkhwa had made significant progress in MDG 7 which reflected in its achievement of forest cover and protection of land area for conservation of wildlife. Progress in other MDG areas, however has suffered in part owing to the unprecedented natural as well as manmade calamities which have afflicted the province. Balochistan is the worst performing province in most if not all areas of the MDGs. No MDG can be achieved in entirety in the province and in the aftermath of the floods, and the declining national economic indicators, even the achievements made so far in a few indicators are at risk of being undone, the UNDP report stated<sup>50</sup>.

The country is unlikely to meet six out of eight Millennium Development Goals (MDGs) by 2015, according to a report launched by the United Nations Development Programme (UNDP) on January 08, 2014. Pakistan is a state that has consistently failed to help itself. The cumulative effects of the failure to reach a range of goals add up to an institutionalised inadequacy that ensures its position at the tail of developing nations.

Pakistan's population is growing at an unsustainable rate. Its the picture of a state that has too many people, too few jobs, suffers from chronically poor health and demonstrates an inability or unwillingness to act decisively in respect of the blindingly obvious. The UN Assistant Secretary General and UNDP Director for Asia and the Pacific Haoliang Xu noted the commendable performance of Nepal and Sri Lanka on achieving the MDGs vis-a-vis Pakistan and emphasised the need for South-South learning. Four lessons from countries in South Asia on accelerating progress on MDGs were highlighted; social policies are as important as economic policies; investing in women and girls has multiple, strong

---

<sup>49</sup> Ibid.

<sup>50</sup> Ibid.

benefits for all MDGs; public sector expenditure on the social sector is important including education; and governance issues can be a major constraint<sup>51</sup>.

### **Measuring Progress against MDGs Benchmarks<sup>52</sup>**

**Poverty and Hunger:** Pakistan's employable population has grown to 30.9 per cent in 2010-2011, making the prospect of full employment by 2015 unlikely. The target for malnutrition is less than 20 per cent, which is also unlikely to be met.

**Primary Education:** Pakistan targets 100 per cent primary school enrolment, but rates of net primary enrolment and completion have been fluctuating. Pakistan targets 88 per cent literacy rate, while at present there are 70 per cent literate males against 47 per cent females.

**Child Mortality:** Pakistan has set the objective to reducing under-five child mortality by two-thirds. Pakistan is short of the MDG targets of 52 deaths per 1,000 live births for under-five mortality and 40 deaths per 1,000 live births for infant mortality.

**Maternal Health:** Pakistan intends to reduce maternal mortality by three-quarters, but it has only been halved.. The fertility rate at 3.8 remains higher than 2.1.

**Combat HIV/AIDS, Malaria and other Diseases:** Growth of TB and HIV cases and the proportion of people in high-risk areas for malaria who are using effective prevention and treatment measures remains 75 per cent against the target of 40 per cent. Measles and Polio cases are on the rise. It is a matter of embarrassment that Pakistan is facing travel restrictions due to its inability to counter polio.

Coincidentally, on the same day that the MDG report was released so was the third Pakistan Demographic and Health Survey (PDHS) 2012-13. The population increase is unsustainable even though the rate has decreased from 4.1 per cent in 2007 to 3.8 per cent in 2012, and although Pakistan has made advances, it still lags way behind others in the region in exactly the same way as it trails in the MDG race. It is not that there is no progress, but there is not enough to reach the set.<sup>53</sup>

---

<sup>51</sup> *The Express Tribune*, January 23, 2014, <http://tribune.com.pk/story/662235/report-launch-meeting-mdgs-pakistan-still-has-a-long-way-to-go/> (accessed January 24, 2014).

<sup>52</sup> *Ibid.*

<sup>53</sup> Editorial, *The Express Tribune*, January 24, 2014,

## Conclusion

Traditional and non-traditional challenges being confronted by Pakistan are enormous. However, Pakistan is suitably anchored and none of the challenges is as grave to be categorized as existential threat. Being a developing country, Pakistan has to follow a long and arduous route of hard work to safeguard its people against nature induced challenges, invest heavily to measure-up to UN Development Goals, develop all inclusive robust social security network and maintain compatible military readiness to deter potential aggressors. For that Pakistan has clearly spelled out priorities. The central emphasis is on creating a peaceful neighbourhood, a robust economy and total destruction of extremist and terrorist networks. In his quest for peaceful neighbourhood, Prime minister Nawaz Sharif has completed his first round of visits to immediate neighbouring states. Economy has taken a positive turn. As the economy picks up, in due course, Pakistan shall be able to devote more resources towards mitigation of non-traditional challenges and improve the quality of life of its people. In the context of traditional challenges, the way forward is peaceful resolution of disputes. Pakistan's proposal to India under the rubric of Strategic Restraint Regime is still on the table, it offers a sustainable road map to mitigate traditional challenges. ■

## CHAPTER 14

### **National Internal Security Policy of Pakistan: A Cogent Counter Terrorism Policy?**

**Khawaja Khalid Farooq**

The National Internal Security Policy (NISP) has been hailed in government circles as a major step forward in Pakistan's quest for internal security, and is undoubtedly a critical step, if nothing else than for the fact that it is Pakistan's first such strategy document dealing with terrorism and extremism. Focal CT Structures and institutions have mushroomed globally which coordinate counter terrorism and counter extremism efforts, like the NCTC & DHS in USA, JT AC & OSCT in the United Kingdom, and Australian COAG & NCTC, amongst many others. This has resulted in national strategies like the American 4Ds, Britain's 4Ps etc. Pakistan lagged behind till a policy document was presented, with ex Prime Minister Yousaf Raza Gilani's counter terrorism policy of 3Ds i.e. Dialogue, Development, Deterrence being projected as a major step forward. A unanimous resolution passed on 22 October 2008 by the Parliament gave 14 guidelines for National Counter Terrorism Policy by Parliament's Committee on National Security (PCNS). The committee also stressed the need for a comprehensive CT Strategy, the need of a focal institution to integrate CT/CE efforts, and the formation of NACTA to "coordinate and unify" national CT efforts. However, premier Gilani's 3D policy could not be effected, and focal CT structures like NACTA which sprung from its wake have remained ineffective till now. The NISP is the latest attempt at rationalization of a security policy for Pakistan; ostensibly it is poised to take over from where 3D halted, and puts a much more detailed plan in action.

The NISP is an unprecedented document, the first ever of its kind in Pakistan. The first part of NISP is secret, based on administrative and operational matters<sup>268</sup>. The second component is the Strategy part which is based on focused dialogue, military operations, and breakdown of dialogue

---

<sup>268</sup> Ejaz Haider, "National Internal Security policy and the Road ahead," *Newsweek*, February 26, 2014, <http://newsweekpakistan.com!national-internal-security-policy-and-the-road-ahead/>

leading to military operations where needed. The third and last component is operational, which deals mainly with joint intelligence sharing. The strategy visualizes a comprehensive plan to counter terrorism and extremism in Pakistan because, as the document says, close to 50,000 people have been killed, including over 5,000 personnel of the law enforcement agencies (LEAs) since the country joined the US-led war on terror after the 9/11 attacks in 2001. The document estimates the loss to the Pakistani economy to the tune of \$78 billion over the last ten years.<sup>269</sup>

The NISP envisages both soft and hard interventions. Political ownership and faith in the democratic process in Pakistan is stated as a major component of the soft measures, which envisages a Comprehensive Response Plan (CRP)<sup>270</sup>. The CRP ostensibly aims to win the hearts and minds of the general populace, and focuses on shaping of the national narrative, development, dialogue, reintegration and related legal reforms etc. A Combined Deterrence Plan (CDP) envisages that the approach of the National Internal Security Apparatus (NISA) would need to be changed from a reactive to a proactive stance<sup>271</sup>. The CTDs will each have a Rapid Response Force (RRF)<sup>272</sup>. Police have a vital role in supplying on ground intelligence to a Directorate of Internal Security (DIS) through an envisaged National Internal Security Operation Center (NISOC), both of which shall be managed by NACTA<sup>273</sup>. The Rapid Response Forces (RRF) are projected as the specialist counter terrorism tactical wings, created by both the Federal Government and Provinces for conducting 'Intelligence based operations' with CTDI police support where required. Thus, there will be an RRF in each province, as well as one in Islamabad, the seat of Federal Government. This Federal RRF within the Islamabad Capital Territory (ICT) Police will presumably be trained by master trainers.<sup>274</sup> Aerial support would be available to the RRFs through the Air Wing of the Ministry of Interior, for which a support grant of about US \$ 25 million has already been made available<sup>275</sup>,

The Directorate of Internal Security (DIS) is at the heart of Combined Deterrence Plan (CDP), and is supposed to coordinate the activities of the

---

<sup>269</sup> Ibid.

<sup>270</sup> Saleem Safi, "National Internal Security Policy; an analysis," Discussion paper, Pakistan institute of legislative development and transparency (PILDAT), March 2014.

<sup>271</sup> Supra Note 1.

<sup>272</sup> Ibid.

<sup>273</sup> Ibid.

<sup>274</sup> Ibid.

<sup>275</sup> Supra Note 3.



NISA under the broad counters of NISP, through the organizational interface of NACTA.<sup>276</sup> This intelligence coordination mechanism would presumably feed into threat assessment, which is supposed to lead to actionable intelligence. The NISOC at the DIS is supposed to coordinate and collate this intelligence from all the pillars of NISA which essentially means that intelligence, would then be collated under one roof at NACTA, and then disseminated to relevant stakeholders.<sup>277</sup>

NISP certainly has enormous significance. However, one of the significant factors that needs to be examined is NOT the document, but the longest time it took for the government to articulate it. This holds within it the implications of the fundamental challenges facing the political forces in Pakistan on essentially trying to create a new narrative<sup>278</sup>. Admittedly, these are wish lists that seem to have been produced as though a hurried study of existing international models was carried out, and an ambitious one produced for Pakistan which the country may not be able to undertake in its current state of development. There is certainly a Pakistani context to implementing the NISP; mere cognizance and admission of facts may not be enough to make the policy materialize. From centre-province relations to civil-military relations to devolution to stakeholder reticence or inertia to move out of status quo, NISP would have to overcome obstacles which have seemed insurmountable till now. For instance, NACTA's birth pangs reveal the organizational ethos, when one entity or the other, both Federal (the MOI and Prime minister's secretariat) were involved in turf wars over which one would take primacy in leading NACTA. The problem exacerbates when it's taken to the next level; centre province relations, which remain tenuous in Sindh, KP and Balochistan, three of the four provinces<sup>279</sup>,

The fact that such institutions are already there but not performing their mandated functions highlights that the issue in Pakistan is NOT the absence of institutions, but their capacity to deliver. This also highlights the fact that even if mechanisms like NACTA is put into practice satisfactorily, they will still have to deal with disarrayed coordination mechanisms within NISA, such as the Police. With Police being only one of the grassroots organizations (needing intensive reform) which generates and feeds intelligence into the NACTA driven DIS, the technological adage 'garbage in - garbage out' would have to be considered more seriously. It also needs

---

<sup>276</sup> *Supra* Note 1.

<sup>277</sup> *Ibid.*

<sup>278</sup> *Ibid.*

<sup>279</sup> Leaving aside AJK and Gilgit Baltistan, which have special administrative structures.

to be examined that even though the parliament has the power to sanction research, why has the NISP been so late in coming? Any number of institutions predating NACTA had been around which could have been mandated with drawing up the NISP; presumably the issue is more to do with capacity than absence or coordination of relevant organizations.

Then there is the issue of duplication of roles, which assumes an even greater meaning in context of tactical forces to deal with counter terrorism. Setting up forces like the Federal Rapid Response force are huge tasks requiring intensive resources, training, capability, and seamless coordination mechanisms. A developing country like Pakistan has to seriously consider the immense resources associated with setting new entities like the RRFs, especially when many forces already exist which have traditionally dealt with terrorism and security for a long time, or have the inherent ability to do so.

Even at a superficial glance, it does seem that there are a number of fighting forces at the behest of the Federal government which have been at the forefront of fighting terrorism. There are others as well, for instance the Pakistan Rangers that have also been deployed in various troubled areas, like certain parts of Karachi and elsewhere to quell trouble. However, Rangers have been beset by allegations of high handedness and jurisdictional friction with police in Karachi recently, also raising the issue that forces acting in aid of civil powers need to have defined limits. Except for perhaps FIA's CTW which has not been able to reach a certain critical mass, these are forces which are already thousands strong. With the envisaged RRFs, it remains to be seen how many functions of these already existing bodies will be taken up by the supposedly specialized RRFs, and how many and in what form some of these will remain with the existing bodies. Will there be jurisdictional overlaps, and how will these be resolved? Will it make sense to pull back entities like the Rangers for example, who have by now set up infrastructures in their areas of deployment, and may already have better insight into the local problems than newly raised bodies like the RRFs? Since there will be provincial RRFs operating in many spaces in which Federal bodies are working (Karachi and many parts of KP for example), will issues of centre-province coordination arise, and will they be resolved through new laws? Will the devolution of law and order to provinces through the eighteenth constitutional amendment affect the process of implementation of NISP (see below)? What happens to the existing mechanism relating to CT for example, like the CTW within FIA? What will such forces do with their existing strengths, and will there still be the usual duplication, even triplication of roles? If the RRF, especially the Federal one, are not streamlined properly, would they become resource pools towards which the

government may intermittently resort to for providing VVIP security escorts? This brings to mind the provincially raised Elite force phenomenon in Punjab; it began as commendable efforts at building a tactical force, but now many, if not most, are deployed on VVIP protection duties. Would the RRF, especially the Federal RRF, become a resource pool for multifarious duties, gradually diluting its CT efficacy? There are many more questions like these which will be encountered during the process of implementation of the NISP, which will need to be addressed.

If NISP was to be rolled out effectively, NACTA would be instrumental at not only implementing NISP, but also at raising public awareness on the perils of letting terrorism and radicalisation grow and on ways and means to curb it. It is the era of specialized bodies, and ostensibly NACTA has been created as one which would be a focal point for CE and CT efforts. However, the plethora of roles that have been thrust upon it, from tactical to research to deradicalisation to countering extremism by their very nature convert NACTA into a 'non-specialist'. This is because these are all distinct disciplines with certainly overlapping contexts, but sometimes very different approaches. That is why bodies like JTAC for instance in UK, remain essentially intelligence coordination bodies, or tactical forces remain tactical forces with the 'brains' being located somewhere else, but in close coordination. For an organization like NACTA that has had a chequered past, in a developing country like Pakistan which faces a huge number of challenges, perhaps a more limited but more specialized role would have been better. A holistic homeland security role is a more ambitious target that NACTA could have gradually aspired to. If NACTA does succeed in fusing all these capabilities together, all the meanwhile resolving issues of civilian-military relations, resources and capability, it might just be a novel (and a very successful such) body in the world. If it does not, there is the potential of NACTA being swamped by the huge number of roles being thrust upon it.

The issue of madrasa registration is a very important one in the current debate on terrorism, and is taken up by NISP. The Directorate of Research and Coordination (DRC) within NACTA has been tasked with this for maintaining data bases of these. However, it remains to be seen how the DRC will approach this problem in a way that is different from past attempts. Historically, madaaris get registered under the Societies Registration Act 1860 as charity organizations, but requirements for registration were removed in 1990. The issue of registration once again surfaced during President Musharraf's time in office in the form of heated debates, with the government promulgating the Societies Registration (Amendment) Ordinance 2005 for the registration of madaaris, amended from the 'Societies Registration Act 1860.' The Ittehad Tanzeemat Madaaris

Pakistan (ITMP), the umbrella body representing madaaris, resented the perceived intervention by the state, claiming that the government was unduly seeking credentials from madaaris<sup>280</sup>. The state has tried many times to implement reforms, but it seems that even the systems of education in madaaris have not been completely understood by the policy makers, who have merely tried to plug in perceived gaps. Detecting these ghost madaaris will have cross cutting implications in which the madrassah stakeholders will be reluctant to register or will attempt to hide these ghost madaaris from fiscal security, and may even mobilize religious street power in protests if steps are forcibly taken. Then there is the issue of stigmatization of such reforms; the government started madrassah reforms in the backdrop of 9/11, commonly perceived by madaaris as under pressure of western powers. Thus, any efforts in this regard are perceived as part of a 'foreign agenda'. Not enough research was done to understand these Islamic systems of education, and the term 'reform' was used even when there was no consolidated pool of knowledge about the madrassah education system. It remains to be seen how NACTA will tackle this thorny issue.

Another issue is the 'force paradigm'; ever since insurgency raised its head in Pakistan, the armed forces have been the most effective (some would say the only) force deployed in a counterinsurgency campaign against the terrorists. The presence of foreign Jihadis, and Afghan trained Jihadis trained in Pakistan returning to Pakistan complicates the issue. Value judgments aside<sup>281</sup>, the Pakistani army is a critical player in the Pakistan struggle against terrorism till now not just because they are supposed to, but also that they have been thrust into these roles because the civilian structure like Police are at the moment inept to handle such roles. The only operational deradicalisation campaign which sprang from its incursions in Swat have been the projects Sabahoon and Mishal, both military driven initiatives, and there have never been any viable civilian projects to compare. Thus, lofty ambitions and principles aside, pragmatically, any civilian initiative will have to start on a learning curve which has to necessarily win over the military as a willing partner. The civilian military debate seems to be raised more and more in Pakistan now, but mere slogan mongering will not get anywhere unless both the entities sit down and resolve to work in complete harmony, rather than the silos that they are accustomed to.

---

<sup>280</sup> Syed Manzar Abbas Zaidi, "The Madrassah challenge in Pakistan," Centre for International and Strategic Analysis, Report no. 3, March 2013, [http://strategiskanalvse.no/publikasjoner%202013/2013-03-04\\_SISA3\\_Madrassa\\_Education - Syed Manzar Abbas Zaidi.pdf](http://strategiskanalvse.no/publikasjoner%202013/2013-03-04_SISA3_Madrassa_Education_-_Syed_Manzar_Abbas_Zaidi.pdf)

<sup>281</sup> Which are beyond the scope of this paper anyways.

Perhaps the biggest issue to overcome will be that of regulatory quality, which may be defined in governance parlance as an official body exercising authority over some area of citizens' activity in a supervisory or governing capacity. Such indicators representing robust governance in Pakistan have tended to dramatically decline over the past decade; as a measure, Pakistan's World Bank World Governance Indicator ranking fell from 15.9 in 2000 to a low of 0.5 in 2009, placing Pakistan lowest in South Asia, even behind Afghanistan.<sup>282</sup> Even though the transition to a democratically elected civilian government in 2008 was initially hailed as a giant leap forward, there has not been much progress even though the 2008 Government completed its tenure, the first democratically elected government to do so. Even with the second government in place, indicators of market economy and state of democracy have not improved significantly enough to indicate robust governance. For instance, the Bertelsmann Transformation Index (BTI) of 'stateness' marginally declined from 4.6 to 4.5 out of 10 between 2006 and 2010<sup>283</sup>. Even now little seems to have changed. State responsiveness tends to remain static, and state capability, in the face of providing service delivery has significantly declined.

Pakistan was ranked at the 35th percentile of the World Bank's World Governance Indicators (WGI) on Regulatory Quality in 2008, considerably up from 29 in 2007, but down from 38.5 in 2006.<sup>284</sup> After a series of plateaus and dips, in 2013, it was still quite bad. Pakistan's regulatory systems are weak, primarily because regulations are often poorly specified, regulatory agencies lack capacity, policy is inconsistent and there is a lack of transparency. Legislation is sometimes passed, but then not fully rolled out or implemented. This raises several questions. Where are the key bottlenecks in the system? Is failure to implement due to lack of capacity or other political-economy reasons?

Regulatory reform proves difficult as specialization, role separation and coordination is perceived as threatening or unnecessary, especially within the bureaucracy in Pakistan. Regulation is a hot issue in all sectors in Pakistan and the challenge is to move the exploration of reforms beyond the tendency to think either of departmental silos or large additional bureaucracies. In this environment, successful implementation of the 18th Amendment will be determined by the ability of legislators and bureaucracy

---

<sup>282</sup> Supra Note 1

<sup>283</sup> "Pakistan's Security Dilemmas; On Doctrines, Perceptions and Institutional Interests," Centre for International and Strategic Analysis, Report no.6, June 2013,

<http://strategiskanalvse.no/publikasjoner%20?013/2013-06-J4SISA6ReportPakistansSecurityDilemmasManzarZaidi.pdf>

<sup>284</sup> Ibid

---

to properly align incentives for reform, which has not been forthcoming so far. Notwithstanding the need for NISP, and 'its heart being in the right place', there will be immense challenges posed during institutionalizing it. Institution and peace- building work is needed to address the key issues of indirect rule, regionalism and radicalization. Challenges such as contested religious values, ethnic divisions and insecure boundaries, and lack of institutional and fiscal capacity pose severe challenges to institutionalizing robust structures. Unless regulatory frameworks in Pakistan are drastically improved or redefined, the typical knee jerk reaction of creating large bureaucracies to deal with rising challenges will keep failing. ■

## Contributors

**Professor Dr. Adnan Sarwar Khan** is Chairman, Department of International Relations, University of Peshawar. In 2002, he completed his Ph.D., from the Area Study Center, University of Peshawar on “Pakistan’s Foreign Policy towards Afghanistan: The Geneva Accords on Afghanistan–Pakistan’s Perspective.”

Dr. Adnan has many research articles to his credit in the journals of national and international repute on the subject-matter of international relations: Foreign Policy of Pakistan, International Politics of South Asia and Middle East; and International Politics of Europe, besides on other topics related to different areas and field of international relations. He has also been the host/anchor person of about more than one hundred radio and television programs on current affairs/International Relations.

He was appointed, by the HEC, a Member of the Subcommittee on Political Science/International Relations in 2013.

**Didier Chaudet**, Head of the Programme on Iranian and South Asian Studies at European Institute for Prospective and Security (IPSE), a French think tank based in Paris, joined IPRI on October 15, 2013 as a Visiting Research Fellow for six months. Previously, Mr. Chaudet had been a Research Fellow at the Institute for South Asian Studies (ISAS) at the National University of Singapore (2012-2013), in charge of Pakistani affairs and Afghan diplomatic and security-related issues; he also taught at the Institute for Political Studies in Paris from 2007 to 2011 about Pakistan, Afghanistan, and Central Asia.

Currently, he is working specifically on Pakistani political and diplomatic affairs. He has two books to his credit and is completing the third one on Iranian foreign policy towards Central and South Asia.

**Bruce Koepke** is Senior Researcher, Armed Conflict and Conflict Management Programme at Stockholm International Peace Research Institute (SIPRI).

Dr. Bruce Koepke has been working on and in Afghanistan for the last 15 years. Prior to joining SIPRI in August 2012, he was employed with the United Nations Assistance Mission in Afghanistan (UNAMA), initially based in northern Afghanistan and Kabul and later in Tehran where he headed UNAMA’s liaison office.

Most recently, he worked in the Joint Analysis and Planning Unit in the Office of the UN Special Representative of the Secretary-General in

Kabul. Dr. Koepke conducted research in Afghanistan during the Taliban period.

His current activity includes wider Central Asia Initiative with a particular emphasis on Afghanistan, Iran and Pakistan and the role of the international community and the United Nations.

Dr. Shabbir Ahmad Khan is Assistant Professor at the Area Study Centre, University of Peshawar and has served as Assistant Editor of the centre's "Central Asia" Bi-annual Journal since summer, 2006. He holds Masters in Economics from Tashkent, Uzbekistan and PhD from the Area Study Centre, University of Peshawar. He was visiting scholar at the Diplomatic Academy, Moscow, in 2007. He has translated the Kazakh President Nour Sultan Nazarbaev's book "V Patok-e Istorii" from Russian to Urdu. He is a Russian language teacher.

**Major General Noel Israel Khokhar, HI (M)** is Director General Institute for Strategic Studies Research and Analysis (ISSRA), National Defence University (NDU), Islamabad. The Major General has served on varied command and staff appointments to include command of an Infantry Division, an Infantry and Artillery Brigade, as well as Chief of Staff of 10 Corps. He has been a frequent guest speaker on numerous international seminars and conferences on various subjects. Mr. Noel holds Master's Degree in "War Studies" from Quaid-e-Azam University, Islamabad and Masters in "International Studies" from Kings College, London. He is also currently a PhD Scholar at National Defence University, Islamabad.

**Professor Dr. Gulshan Sachdeva** is Chairperson and Professor of European Studies at the Centre for European Studies, School of International Studies, Jawaharlal Nehru University (JNU), New Delhi. He is also Director of newly established Energy Studies Programme at JNU. He is a recognized expert in the area of issues concerning Afghanistan and Northeast India, European studies and regional cooperation. As a regional cooperation adviser, he also headed the ADB and the Asia Foundation projects at the Afghanistan Ministry of Foreign Affairs in Kabul (2006-10). He has been Visiting Professor at number of international universities. Prof. Sachdeva has written many project reports for industry and government ministries. He has contributed about 80 research papers in academic journals and edited books and presented over 150 of his papers at international conferences and seminars throughout the world.

**Dr. Iftekhhar Ahmed Chowdhury** is a Senior Research Fellow at the Institute of South Asian Studies (ISAS), at the National University of Singapore, where he is also the Cluster Head for research on South Asia's



Multilateral and International Linkages. He has an MA and PhD in International Relations from the Australian National University in Canberra.

Dr. Chowdhury was Foreign Minister of Bangladesh from 2007 and 2009. Earlier he had a very long public service career spanning across 38 years. A few of his prominent ambassadorial postings include Ambassador and Permanent Representative to the UN in New York (2001-2007), Ambassador to the UN and WTO in Geneva (1996-2001) and Special Advisor to the Secretary General UNCTAD (2001).

Dr. Chowdhury has also taught courses at the Lee Kuan Yew School of Public Policy and the Rajaratnam School of International Relations in Singapore. He has authored a large number of publications in the fields of International relations and Strategic Studies. He has given seminars in many universities and Think Tanks around the world.

**Dr. Habil Markus Kaim** is Head of Research Division International Security at Stiftung Wissenschaft und Politik (German Institute for International and Security Affairs)

He is also Adjunct Professor at the Department for Political Science, University of Zurich and Guest Instructor at the Hertie School of Governance, Berlin.

His areas of expertise include Afghanistan, Canada, Crisis management, Euro-Atlantic security, German defence and security policy, Military operations abroad, North Atlantic Treaty Organization (Nato), Transatlantic relations, UN missions German Defense and Security Policy, Transatlantic Security Relationship – NATO, Defense and Security Policy of selected NATO partners, The United Nations and Conflict Resolution. His current focus lies on the political parameters of multinational military operations (Research Study).

**Krupnov Yury** is President of the interregional social movement “The Movement of Development” (NGO), the Chairman of the Supervisory Board of the Institute for Demography, Migration and Regional Development (NGO), Actual State Councilor of the Russian Federation 3d class.

He is also author of books namely “Becoming a World Power-Mirovaya Derzhava”, “Russia Between East and West: Heading Nord-Ost”, “The Sun in Russia Rises in the East”, and many more.

He had been head of task-forces in a number of analytical projects namely “The Afghan policy of Russia”, “New Russian Eastern politics”, “The New Middle East”, and many more.

He is also author of numerous articles on various aspects of Russia and world development. Prominent ones include:

- The Path to Peace and Concord in Afghanistan will be Determined by the Position Russia Takes (Report)
- SIBERIA—new Central Russia: As South Western Siberia become economic Planets center (Monograph)

He is also Winner of Presidential Award in Education (2000).

**Dr. Nazir Hussain** is Associate Professor at the School of Politics and International Relations, Quaid-i-Azam University, Islamabad. Previously, he has served at the Department of Defence and Strategic Studies, between 1985 to 2009. He has also served as Senior Research Fellow on Middle East at the Institute of Strategic Studies, Islamabad in 2001-2002.

He has to his credit a Post-Doc Research Fellowship from the French Institute of International Relations, IFRI, Paris-France (May-November 2010). He has Post Graduate Diploma in Conflict Resolution from the University of Uppsala-Sweden. He was Visiting Fellow at the Henry L. Stimson Centre, Washington DC., in summer 2000 working on 'Nuclear Risk Reduction Measures in South Asia' and many more research related assignments are to his credit.

Dr. Hussain has attended scores of national and international conferences, seminars, workshops and symposiums within and outside the country. He has written two books; *Defence Production in the Muslim World: Limitations and Prospects* and *Strategic Dynamics of West Asia* and over 50 research articles.

**Hu Shisheng** is a Senior Research Fellow and the Director of the Institute for South & Southeast Asian and Oceania Studies at the China Institutes of Contemporary International Relations (CICIR), Beijing, China. Hu received his BA in Hindi Language and Literature and his MA in Sanskrit and Bali Languages and Literature in the Department of Oriental Studies at Peking University. He received his PhD in International Politics & Relations with a focus in Ethnic and Religious issues from CICIR in 2006. In 2004, he was a Visiting Scholar at Johns Hopkins' School of Advanced International Studies (SAIS).

Hu's three research focuses include: the political and security situations in India and Pakistan, ethnic and religious problems in South Asia and the Tibet issue. Mr. Hu published a book entitled "Tibetans in Exile: the Construction of Group Identities and its Embarrassment" (published by Center of China Tibetology, April, 2008).

His most recent research focuses on South Asia—particularly India, Pakistan and Afghanistan security issues.

**Muhammad Hafeez** is Professor/Director Institute of Social & Cultural Studies (Department of Sociology). He holds PhD from The Australian National University, Canberra, Australia.

He has expertise in Human Resource Management; Human Relations, Organisational Behaviour; Marketing; and especially; International Marketing, Conflict Management, Sociology of Development.

His research expertise includes Organization Behaviour, Philosophy of Social Sciences, Research Methods, Sociological Theory, Industrial Sociology, Alternative Dispute and Conflict Resolution, Medical Sociology; Sociology of Urban Planning; Sociology of Development; Social Psychology and several other subjects.

**Air Commodore (R) Khalid Iqbal** is Consultant Policy and Strategic Response, IPRI. He holds Master's degree each in Political Science, Strategic Studies and Business Administration. He is a former Assistant Chief of Air Staff of Pakistan Air Force. He is a member of visiting faculty of Pakistan Naval War College, PAF Air War College and School of Army Air Defence.

He is a member of adjunct faculty of Quaid-i-Azam University Islamabad (Department of Defence and Strategic Studies). He writes weekly syndicated column for leading English dailies of Pakistan and contributes to various research periodicals. He is a recipient of TI (M).

**Khwaja Khalid Farooq** is former Chairman National Counter Terrorism Authority (NACTA), Islamabad. As Chairperson of NACTA, he also acted as National Coordinator on counter terrorism matters. He has held a number of senior command and staff positions in the Police Service of Pakistan, having more than 35 years experience in Policing and Counter Terrorism especially at the operational level. He commanded Police Forces at Provincial, Regional and District levels in various ranks. He served as Managing Director of National Police Foundation, as Inspector General (IG) of Punjab Police and IG, National Highways & Motorways Police and IG Prisons. He holds a Masters Degree in Economics and was awarded the Quaid-i-Azam Police Medal for Gallantry in 1978. ■

## Index

**9/11**, 20, 25, 39, 42, 53, 56, 96, 143, 184, 187, 188, 192, 212, 216, 228, 232

### A

Abdullah Abdullah, 12, 147  
 Afghan Mujahideen, 194  
 Afghan Trade and Transit Agreement, 40  
 Afghanistan, iv, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 16, 17, 18, 20, 21, 23, 25, 26, 27, 28, 30, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 75, 78, 81, 82, 85, 86, 88, 89, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 114, 115, 120, 121, 122, 124, 125, 126, 128, 130, 131, 134, 135, 136, 137, 138, 139, 140, 141, 143, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 163, 164, 180, 181, 183, 184, 187, 188, 191, 192, 193, 195, 197, 206, 212, 213, 214, 215, 216, 217, 219, 233  
 AfPak, 45, 131, 187, 197  
 Ahmad Shah Massud, 53  
 Al-Qaeda, 38  
 ANSF, iii, 4, 7, 26, 64, 94, 95, 156, 214, 215  
 ANZUS, iii, 21  
 ASEAN, 21, 24, 184, 200  
 Ashraf Ghani, 12, 63  
 Asia Pacific, 2, 10, 214

Ayatollah Khomeyni, 57  
 Aynak Copper Field, 93  
 Aynak copper mine, 7

### B

Bagram, 92  
 Bangladesh, iii, 6, 14, 33, 65, 83, 115, 122, 149  
 Barak Obama, 142  
 Bilateral Security Agreement, iii, 36, 94, 96, 214, 215  
 Black Sea, 76, 85  
 BRICS, iii, 171, 173, 185  
 Brzezinski, 75, 128, 129, 133, 134, 141

### C

CASA 1000, 6, 68  
 CENTCOM, iii, 24  
 CENTO, iii, 43, 165, 191  
 Central Asia, iii, 2, 3, 5, 6, 10, 19, 21, 24, 33, 34, 45, 46, 65, 67, 68, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 87, 89, 90, 92, 104, 105, 106, 107, 108, 109, 115, 126, 127, 128, 129, 130, 131, 134, 135, 136, 137, 138, 140, 141, 146, 148, 157, 160, 161, 163, 192, 213, 214, 215  
 Chahbahar port, 5, 7, 147, 148  
 China, iii, 1, 3, 7, 8, 9, 10, 14, 18, 19, 21, 24, 25, 33, 34, 35, 40, 45, 58, 65, 66, 68, 69, 71, 72, 73, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 92, 93, 98, 104, 105, 106, 114, 115, 122, 126, 131, 133, 134, 141, 143, 145, 146, 147, 149, 150, 151, 152, 153, 154, 155, 156, 157,

158, 159, 161, 163, 164, 165, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 183, 185, 187, 188, 191, 192, 195, 197, 206, 210, 211

CICA Summit, 19, 151

Cold Start doctrine, 208, 209

Cold War, 5, 24, 38, 39, 43, 71, 73, 78, 112, 150, 167, 199

Common Central Asian Market, 126, 135, 136, 138

Comprehensive Response Plan, iii, 228

Confidence-Building measures, 67

Crimean crisis, 24

## D

Deadly Triangle, 213

Democracy, 15

Deterrence, iii, 9, 211, 227, 228

## E

East Asia, iv, 114

ECO, iii, 21, 65, 66, 69, 89

Eurasia, 72, 73, 75, 77, 78, 89, 127, 128, 130, 133, 134, 135, 137

Europe, 4, 6, 50, 59, 66, 76, 77, 80, 96, 98, 104, 105, 108, 115,

117, 119, 124, 182, 185, 195, 197

Extremism, 2, 15, 29, 67, 215, 227, 228, 231

## F

FATA, iii, 8, 9, 28, 30, 42, 50, 56, 120, 121, 213, 214, 216

Fergana Basin, 162

Fifth Generation Warfare, 201

France, 1, 4, 10, 14, 47, 66, 118

## G

Gawadar-Kashgar pipeline, 33

Gazprom, 81, 84, 86

General Kayani, 194

General Raheel Sharif, 44

Germany, 1, 6, 10, 14, 44, 66, 162, 213

Gilgit-Baltistan, 213

Global Climate Risk Index, 221, 222

Globalization, 15, 189

Golden Crescent, 161

Grand Chessboard, 75, 128, 133, 134, 141

Great Satan, 142

GSP plus, 6

Gulf region, 25

Gwadar, 7, 21, 77, 79, 80, 82, 83, 86, 87, 88, 89, 90, 106, 109, 146, 147

## H

Hazara, 49

Heart of Asia, 18, 65, 66, 67, 69, 70, 98, 107, 153

Hizb-e-Wahdat, 49

Hormuz, 40, 141, 146

Human Development Index, 62

IAEA, 145

## I

India, iii, iv, 1, 3, 5, 6, 7, 8, 9, 10, 12, 14, 18, 23, 24, 25, 29, 30, 33, 34, 35, 40, 41, 42, 58, 60, 65, 66, 68, 71, 72, 73, 77, 78, 80, 81, 82, 84, 85, 90, 95, 96, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 114, 115, 122, 133, 135, 138, 140, 146, 147, 148, 149, 151, 156, 163, 164, 165, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177,

178, 179, 180, 181, 183, 184, 185, 188, 193, 194, 195, 197, 199, 203, 204, 206, 207, 208, 210, 211, 212, 213, 214, 215, 219, 226

Indian Ocean, 40, 79, 83, 130, 137, 175, 180, 221

Indo-Afghan strategic agreement, 28

Indo-Pacific Ocean, 24

International Criminal Court, iv, 145

IPI, iv, 5, 76, 77, 78, 82, 84, 85, 90, 133

Iran, iv, 3, 4, 5, 6, 7, 18, 19, 20, 21, 24, 25, 33, 34, 35, 39, 41, 42, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 57, 58, 59, 60, 61, 64, 65, 66, 68, 69, 71, 72, 73, 75, 76, 77, 81, 82, 84, 85, 88, 89, 93, 98, 104, 105, 106, 126, 128, 135, 136, 137, 138, 140, 141, 142, 143, 144, 145, 146, 147, 148, 151, 161, 183, 188, 191, 195, 206

Iran-US nuclear rapprochement, 7

Iraq, 48, 52, 66, 141, 142, 143, 183, 184

ISAF, iv, 2, 3, 4, 10, 16, 20, 26, 27, 28, 33, 35, 39, 44, 63, 122

Israel, 5, 7, 58, 65, 91, 142, 144, 145, 210

Istanbul Process, 18, 43, 65, 66, 67, 151, 156

## **J**

Japan, 21, 24, 44, 66, 72, 98, 126

Jewish lobby, 7, 144

Johan Galtung, 111

## **K**

Kabul Declaration, 65

Karakorum highway, 40

Karakorum Highway, iv, 82

Karzai, 26, 27, 45, 53, 54, 93, 149, 150, 151, 153, 154

Kashgar Economic Zone, 82, 83

Kashmir, 9, 19, 24, 104

Kerry Lugar Burman, 29

Khyber Pass, 40, 132

## **M**

Manmohan Singh, 29, 102, 171, 208, 209

Marshall Plan, 77

McMahon Line, 165

Middle East, 19, 33, 60, 71, 72, 79, 80, 82, 90, 92, 93, 115, 133, 141, 142, 143, 145, 191

Millennium Development Goals, iv, 66, 120, 223, 224

Mini Economic Zones, 21

Mullah Omar, 49

## **N**

NACTA, 9, 227, 228, 229, 231

Narendra Modi, 12, 18, 29, 60, 149, 197, 209, 212

National Security Policy, 1, 10

NATO, iv, 2, 3, 4, 5, 10, 16, 20, 25, 26, 35, 38, 39, 54, 55, 66, 89, 91, 92, 93, 94, 95, 114, 117, 130, 131, 132, 134, 148, 149, 153, 156, 158, 160, 192

Nawaz Sharif, 2, 3, 12, 16, 18, 21, 29, 59, 113, 115, 119, 147, 148, 226

New Great Game, 24, 73, 75

NISP, iv, 227, 228, 229, 230, 231, 234

No First Use, 211

non-proliferation, 23, 123, 171

Non-State Actors, 143, 147, 205

non-traditional security threats, 8, 13, 199, 203

North Waziristan, iv, 52, 158  
 Northern Alliance, 39, 49, 53, 95  
 Nouroz, 142  
 Nuclear Security Summit, 123

## O

Obama, 3, 16, 24, 91, 112, 113,  
 114, 131, 142, 143, 144, 145,  
 162, 186, 195  
 Operation Enduring Freedom,  
 134

## P

Pak-China economic corridor, 72,  
 90  
 Pakistan, i, iii, iv, v, 1, 2, 3, 4, 5,  
 6, 7, 8, 9, 10, 12, 13, 14, 15, 16,  
 17, 18, 19, 20, 21, 22, 23, 24, 25,  
 26, 27, 28, 29, 30, 32, 33, 34, 35,  
 36, 39, 40, 41, 42, 43, 44, 45, 46,  
 47, 48, 49, 50, 51, 52, 54, 55, 56,  
 57, 58, 59, 60, 61, 62, 64, 65, 66,  
 67, 68, 69, 71, 72, 73, 77, 78, 79,  
 80, 81, 82, 83, 84, 85, 86, 87, 88,  
 89, 90, 92, 93, 94, 95, 98, 104,  
 105, 106, 107, 108, 111, 112,  
 113, 114, 115, 116, 119, 120,  
 121, 122, 123, 124, 125, 126,  
 127, 128, 129, 130, 135, 136,  
 137, 138, 140, 143, 147, 148,  
 149, 150, 151, 154, 155, 156, 157,  
 161, 162, 163, 164, 165, 167,  
 168, 180, 181, 182, 183, 184,  
 185, 186, 187, 188, 191, 192,  
 193, 194, 195, 196, 197, 198,  
 199, 206, 207, 208, 210, 211,  
 212, 213, 214, 215, 216, 217,  
 218, 219, 220, 221, 222, 223,  
 224, 225, 226, 227, 228, 229,  
 230, 231, 232, 233  
 Peaceful neighborhood, 16, 19  
 Post 9/11, 25, 30

Post-2014, 1, 4, 5, 6, 7, 16, 35,  
 69, 96, 97, 107, 110, 147, 148,  
 154, 180  
 Putin, 19, 76, 118, 194, 197

## R

Rashid Dostum, 53  
 Reconstruction Opportunity  
 Zones, iv, 216  
 Russia, iii, 1, 6, 10, 14, 19, 21,  
 24, 25, 34, 65, 69, 71, 72, 73, 75,  
 76, 77, 78, 79, 80, 81, 85, 87, 89,  
 98, 105, 109, 110, 118, 125, 126,  
 128, 129, 130, 134, 135, 136,  
 137, 138, 141, 143, 145, 151,  
 156, 184, 187, 192, 194, 195,  
 196, 197, 200, 210, 211, 213

## S

SAARC, 65, 66, 108, 138, 219  
 Salam Dam, 110  
 Sartaj Aziz, 44, 113  
 Saudi Arabia, iv, 7, 20, 57, 58,  
 60, 66, 73, 81, 82, 98, 142, 144  
 SCO, iv, 21, 34, 65, 66, 69, 71,  
 73, 74, 81, 82, 87, 89, 108, 109,  
 151, 156, 161, 184, 185  
 SEATO, iv, 42, 165, 191  
 Sikkim, 170  
 Silk Road, 45, 98, 104, 105, 108,  
 126, 149, 150, 155, 161, 181  
 Simla Agreement, 166  
 Soft power, 9, 23, 29, 182, 186,  
 201  
 South Asia, iv, 2, 3, 6, 10, 13, 18,  
 19, 21, 29, 30, 34, 40, 46, 59, 60,  
 68, 71, 72, 77, 78, 81, 87, 89, 90,  
 92, 107, 108, 114, 115, 123, 124,  
 128, 138, 140, 141, 155, 165,  
 167, 171, 175, 180, 181, 197,  
 207, 208, 209, 211, 214, 215,  
 219, 224, 233

Strait of Hormuz, 82  
 Strait of Malacca, 79, 83  
 Strategic Dialogue, 20, 29, 124,  
 151, 170  
 Sweden, 1, 10, 14, 62, 66

## T

Taliban, v, 4, 5, 26, 27, 28, 35,  
 36, 38, 39, 41, 42, 46, 48, 49, 51,  
 52, 53, 54, 56, 57, 63, 73, 75, 91,  
 93, 96, 97, 98, 123, 130, 143,  
 150, 152, 154, 156, 158, 159,  
 160, 162, 163, 214, 215, 217  
 TAPI, iv, 5, 6, 21, 68, 75, 77, 82,  
 85, 86, 90, 107, 109, 110  
 Tariq Fatemi, 2, 10, 12, 15  
 Tayyip Erdogan, 186  
 Terrorism, 1, 2, 8, 9, 10, 13, 15,  
 20, 23, 28, 39, 51, 53, 55, 58, 60,  
 64, 67, 70, 98, 119, 141, 151,  
 155, 162, 200, 215, 216, 217,  
 220, 227, 228, 230, 231, 232  
 Tiger of Asia, 163  
 Trans-Pacific Partnership, v, 115  
 Tribal Areas, iii, 40, 41  
 TTP, v, 28, 35, 46, 51, 56, 61, 95,  
 214, 216, 217  
 Turkmenistan, iv, 5, 65, 66, 68,  
 72, 73, 74, 77, 79, 80, 81, 84, 85,  
 93, 106, 126, 127, 152

## U

Uighur, 40, 161  
 Ukraine crisis, 119, 124  
 UN Security Council  
 Resolutions, 19  
 UN, v, 19, 21, 56, 62, 66, 69, 70,  
 97, 137, 142, 156, 160, 161, 167,  
 182, 191, 215, 219, 223, 224, 226

United Nations Development  
 Programme, 62, 222, 224  
 US, iv, v, 3, 4, 5, 6, 7, 8, 9, 10,  
 18, 20, 24, 25, 26, 28, 29, 33, 36,  
 37, 38, 39, 42, 43, 44, 46, 50, 51,  
 53, 54, 55, 56, 57, 58, 59, 63, 64,  
 67, 71, 72, 73, 74, 75, 76, 78, 79,  
 80, 82, 85, 89, 91, 92, 93, 94, 95,  
 96, 97, 98, 99, 102, 104, 105,  
 106, 111, 112, 113, 114, 126,  
 130, 131, 132, 133, 134, 137,  
 138, 140, 141, 142, 143, 144,  
 145, 147, 148, 149, 150, 151,  
 153, 154, 156, 157, 158, 160,  
 162, 163, 165, 167, 169, 171,  
 176, 178, 184, 185, 187, 188,  
 191, 197, 200, 202, 210, 212,  
 213, 214, 215, 216, 217, 222, 228  
 USAID, 92

## W

Wagah, 106  
 War economy, 160  
 War on terror, 8, 61, 75, 112,  
 150, 155, 156, 157, 182, 186,  
 187, 193, 196, 216, 228  
 Weapons of mass destruction,  
 200  
 William J. Burns, 44  
 World Bank, 63, 64, 103, 114,  
 123, 124, 233

## X

Xi Jinping, 19, 126, 151, 161,  
 171  
 Xinjiang, 45, 79, 83, 90, 155,  
 157, 158, 161, 162