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## Phoenix Pakistan? Putting claim and realities in the right equation

The current statements of Pakistani authorities make it seem like the country is finally experiencing a shift towards a comprehensive improvement after decades of endemic violence, political turmoil, as well as declining social and economic conditions. Several indicators are put forward to backup this proclaimed ‘turnaround’:

Firstly, there are trends pointing towards an apparently overall positive economic development. The [Pakistani Stock Exchange \(PSX\)](#) provided a performance of [46 per cents](#) in return last year. It is expected that the [GDP will grow by 4.7 per cent](#) in 2017. [Furthermore](#), the inflation rate is on a ‘moderate level’ of [3.66 percent](#) in January this year (the average rate during the last 6 decades was [7.85 percent](#)); the consumer spending will be boosted by a burgeoning middle class and there is a ‘staggering fall’ of Pakistani living in poverty. Most importantly, the country is witnessing the launch and implementation of numerous Chinese-supported energy and infrastructure projects within the framework of the [China-Pakistan Economic Corridor \(CPEC\)](#), a multi-billion dollar development initiative. Said Economic Corridor is getting heralded as a ‘game changer’ away from Pakistan’s past unfortunate economic and social trajectories.

Secondly, due to the fact that [two-thirds](#) of the CPEC-related projects are energy related, [Pakistani officials are announcing](#) that the country solved its energy crisis. Until now, the shortages in energy supply resulted in long-lasting power cuts which severely hampered the country’s economic development.

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Thirdly, Pakistani authorities carried out several joint efforts to improve the counter-terrorism effort. This task was tackled through the formulation of the [National Action Plan \(NAP\)](#), the temporary [creation of military courts](#), the [set-up of Army-run de-radicalization centres](#), the establishment of so called [APEX Committees](#) to support the implementation of NAP (and subsequently CPEC), large-scale military campaigns such as Operation [Zarb-e-Azb](#) or the recently launched Operation [Radd-al-Fasaad](#), as well as the set-up of new military units solely dedicated to protect CPEC implementation and related projects. In order to prove the success of these measures, military and civilians often refer to their own statistical data demonstrating a significant quantitative drop-down in terrorist incidents and casualties (independent sources are not available). The rationale behind this rhetoric is to give the impression that Pakistan is able to ensure a safe environment for foreign investments and businesses.

Fourthly, after accomplishing the first transition of power from one elected government (with accomplished term) to another during the 2013 general election, Islamabad states that it finally reached the path towards the consolidation of democracy. Pakistan is thus attempting to reduce its negative image of being a [‘quasi failed state’](#).

These undeniably positive developments are temporary ‘snapshots’ and the question remains of how sustainable these trajectories are. For much enthusiasm is shown for selected macro-economic indicators or achievements regarding democracy and internal security, they are hardly reflected by the realities on the ground.

For example, while the [performance of the Pakistani stock market PSX](#) is indeed remarkable, the statistic (like in many other countries) is more about ‘premature praises’, speculations, and ‘shareholder-value’ than concrete increases of existing ‘economic mass’ of the respected PLCs (Public Limited Companies). Furthermore, despite the rising middle class and the progress in reducing poverty, there are still around [60 million people living beyond the poverty line](#). Additionally, until today Pakistan was not able to benefit much from any major trade agreements signed, neither from the [China-Pakistan Free Trade Agreement](#) nor from the [Generalised Scheme of Preferences \(GSP-Plus\)](#) with the European Union.

Regarding CPEC one must state that along with the expected positive impacts there are [critical voices](#) pointing out that a lack of national consensus and harmony among the provinces and other disadvantaged areas with regard to Islamabad’s handling of the initiative. Conflict is especially visible between Balochistan, Khyber Pakhtunkhwa (KPK) and the Federal Administered Tribal Areas (FATA) on one side, and Punjab (and partly Sindh) on the other side;

differences also naturally exist between the regions and the federal government. The [following complains](#) relating to implementation have been put into the forefront by some regions: no adequate inclusion of regions in decision-making processes; exploitation of regional resources without adequate remuneration; land grabbing; (forced) displacement of local people and guided internal migration aimed at changing the social demography in restive regions (especially in Balochistan and Gilgit-Baltistan), and severe distortion of fair and free economic competition. It can thus be reasoned that the CPEC enforces already existing centre-regions conflicts, and intensifies socio-political unrest and protest movements. The increasing local resistance against CPEC will constitute a severe challenge the current and future stability and security in the country. Furthermore, there is the major problem relating to the fact that the CPEC is to be developed on disputed territories such as the area of Gilgit-Baltistan. This area got illegally acquired and subsequently administered by Pakistan. This is an important fact since all the CPEC infrastructure projects have to run through this territory, the only land connection between China and Pakistan. Thus not only is the political status of Gilgit-Baltistan unclear, but also the whole CPEC lacks legal standing since it does not comply with numerous international agreements, including a number of relevant UN resolutions.

The claim by Pakistan's authorities that the country's energy crisis is solved must also be put in perspective.

Firstly, apart from some investments in renewable energies, many of the immediate 'early harvest' (CPEC priority) [energy projects are in the area of coal](#). Here, it is interesting to note that Pakistan is not only [buying old, out-dated coal-fired power plants from China](#) but also is [forced to import coal](#) (at least for the next years) necessary to run them. This revival of coal-based energy production is surprising: while the world tries to move away, Pakistan goes towards coal regardless of the severe, unfortunate consequences for the country's environment. This is increasingly significant because Pakistan is already suffering tremendously from the negative impacts of climate change. The disastrous 2010 flood is just one dramatic example of the lack of awareness among, and misguided energy and environmental policy led by, the country's leadership.

Secondly, one should also mention that Chinese companies are starting to bow out of projects (e.g. [the energy project on coal at Pind Daden Khan in Punjab's Salt Range](#)) because of their economic (lack of) feasibility. The expected hike in the price for coal -especially due to the [Paris climate deal](#)- will most likely add to future financial burdens. Looking at the financial aspects of the CPEC in general and related energy projects in particular one must point at several crucial points: at the moment, a serious debate about the fact that Chinese investments are loans and

have to be repaid did not happen yet. Consequently, there are no concrete financial plans (at least publicly available) concerning the issue of how Islamabad is planning to address the country's upcoming monetary obligations and how these costs will be distributed between the different actors, especially between centre and the regions. The fact that Pakistan's national finances suffer from the [lack of an adequate system for tax collection](#) ([only one per cent of the total population](#) are filling out their income tax returns and paying subsequent taxes) as well as from a 'remarkable bad-payment behaviour and moral'--especially when it comes to the settlement of [electricity bills](#) or the systematic thievery of electricity--are additional challenges which are not being sufficiently addressed yet. The fact that many of these energy projects are run by Chinese companies is another serious problem. Here, one must expect that much of "[the income gained by selling the generated electricity will flow out of Pakistan](#)". Furthermore, since many CPEC projects are implemented by Chinese firms and workers using Chinese machinery and material, Pakistan has to face an additional capital drain. In sum, [CPEC will lead Pakistan to a major debt problem](#) while failing to address the 'real roots' of its energy crisis.

Also in the context of security and terrorism the mismatch between official claims based on statistical data and the concrete realities is obvious. Within Pakistan's security circles [there was much appraisal](#) (especially via government and military-guided media promotion) about the latest efforts of the country's armed forces in combating terrorism, especially regarding the efforts of former COAS Raheel Sharif.

Here, the recent wave of terrorist attacks killing more than 110 people within a week --namely the [suicide attack at the popular shrine of Sufi saint](#) Lal Shahbaz Qalandar in the town of Sehwan in Sindh province on February 16, the [IED \(improvised explosive device\) attack on a military convoy in Arawan](#) (Balochistan) on February 16, or the bombing in [the north-western town of Tangi](#) on February 21--are standing in sharp contrast with Islamabad's the statements regarding the success of its counter-terrorism measures and the country's safety regarding foreign investment and even tourism. It emphasises that Pakistan's counter-terrorism measures remain inefficient. Despite the numbers, the recent great damage shows that the terrorists are still able to challenge the state wherever and whenever they want.

A major reason for this reality is the country's double-standard in fighting terrorism: on one side Pakistan applies much effort to fight domestic militancy directed against its own state institutions and society, but on the other side the government continues its decades-long sponsorship of cross-border Jihadists, especially those operating in India and Afghanistan. Furthermore, the different branches of governance--not only the executive but the judiciary too--

are applying an extraordinary appeasement policy towards ultra-conservative, radicalised Islamist groups. One of the latest examples of this policy was the banning of [Valentine's Day and the subsequent cracking](#) down on those planning to celebrate it. The move to abandon this 'cultural event' was an obvious attempt "[to appease Islamist groups](#)". It is noteworthy that the decision to ban Valentine's Day [was made by the Islamabad High Court](#).

During the last years the judiciary was able to establish itself as a relative independent element of the institutional setup of Pakistan, especially in relation to the legislative branch, but also partly in relation to the executive. This development was appreciated as a significant step towards the strengthening of the notion of 'balance of powers' in the country's political system. However, the recent happenings such as the ban of the Valentine's Day or the earlier permission to establish military courts (accompanied by the [lifting of the moratorium on the death penalty](#), thus turning the country into [one of the world's leading executioners](#)) shows that Pakistan's judiciary has its very own history and, more importantly, agenda. Here, one must be aware that the Valentine's Day's ban is not a single incident but rather the continuation of a long-term trajectory of limiting public space for liberal and secular thinking and acting. The stand of the judiciary in the 'Facebook affair' in 2010 ([facebook was blocked](#) after proclaimed anti-Islamic activities of some of its members) or its inactive (sometimes even supportive) role regarding the illegal application of "blasphemy practices" are other stunning examples revealing the 'Islamist soft-corner' of Pakistan's judiciary. As such, there is no doubt that there is not only a certain 'traditional affinity' between the judges and the military but also an "open support" for Islamists from the judges' side.

Last but not least, it becomes apparent that the much-hailed democratic consolidation too appears as a delusive semblance as soon as one looks beyond the technical aspects of holding elections for a regular transfer of power as happened during 2013 national elections. Many celebrated this shift as a positive sign of democratic consolidation. However, the appreciation of this allegedly 'new democratic impetus' ignores the resilience of decade-old authoritarian and anti-democratic patterns. The military still dominates all significant political decision-making processes. Furthermore, due to [certain requirements](#) (ensuring security, stability and national consensus) necessary for the implementation of the CPEC, the soldiers were able to further [entrench their formal role in the political-institutional setup](#). This seriously challenges the notion of civilian supremacy, which is unfortunate since [civilian control of the armed forces](#) is a necessary constituent for democracy and democratic consolidation. Thus one can state that in order to guarantee a secure environment for the CPEC development, the government granted the

army an ever more formal role in the country's political system. In addition, the army pushed for the establishment of so-called Apex Committees, constituting a quasi-parallel administrative structure sidelining the executive and legislative on the national and provincial level in all matters regarding the CPEC development. The military dominated Apex Committees quickly emerged as the most important institution in the current structure of governance. The military argue projects like the CPEC can affect all spheres of life, and therefore should be controlled by these special committees. Recent decisions regarding the launch, duration, range and goals of the major military operation, like Zarb-e-Azb or Radd-al-Fasaad were all done autonomously by the military themselves. Also, the decision about building up new Special Forces in Sindh and Balochistan was done by the military, civilians being consulted (rather briefed) only afterwards. In sum one can state that today and due to the CPEC project the army has the strongest formal (institutionalised) role in the country's political system ever in its history. In other words, the military possesses so much political power that it's free to carry out a coup d'état and run the affairs of the state if it so chooses.

That Pakistani President Mamnoon Hussain spared time for [announcing that Valentine's Day constitutes an "un-Islamic tradition"](#) instead of focusing on the struggle against the Islamisation of the society completes the prostration of the state in relation to Jihadist groups. However, that this approach is backfiring can be seen in the ongoing Jihadist attacks targeting not only people protesting the ban of Valentine's Day but also courthouses as was the case during the recent bombing in Tangi. This is a serious challenge to the country's political-administrative institutions as well as the fundamental rights of the people and undermines the flourishing of democratic norms and values. Furthermore, it's creating an atmosphere in which Jihadi ideology can spread and jihadist organisations like Jamaatud Dawa (JuD) are able to [build up a huge infrastructure inside Pakistan](#). That Pakistani authorities don't have the political will to act against individuals and organisations actively calling for and supporting 'Global Jihad' is further favouring the entrenchment of Jihadism in Pakistani society. For example, instead of bringing JuD leader Muhammad Hafez Saeed, UN and US-designated global terrorist and one of the world's most wanted person, to justice for its Jihadist activities abroad (like the 2008 Mumbai attack and the assault at the Indian Parliament in New Delhi in 2001), he was 'only' put under house arrest. This [measure can be interpreted](#) as an half-hearted attempt to act against Jihadists in order to avoid US sanctions and/or to address Chinese demands to ensure domestic security for the CPEC. However, the 'house arrest' of Hafez Saeed is described by Pakistani officials as an act of 'national interest'. Yet apparently what the country's military proclaims as '[national interests](#)' seems to be in sharp contrast to what the international community expects from Pakistan, namely the expectation for the country to end its state-sponsored terrorism and to combat 'Global

Jihadism'. This situation can be also captured with the words of [Ayesha Siddiqi](#): *“This may serve the purpose of signalling to the world the state’s ability to control these elements but it is not a precursor to a strategic change, especially at a time when the geo-political plate seems to be in flux. At this juncture, militant groups may be viewed as vital assets that could even be loaned to big but friendly players in the Great Game.”* Additionally, apart from continuing to use cross-border terrorists as an instrument in its foreign policy towards Afghanistan and India, an important reason for Pakistan’s appeasement towards Jihadists is that it tries not to become their targets. In order words, Pakistani authorities perceive as ‘national interests’ not to target terrorists which are known as ‘friendly’ or at least ‘neutral’, meaning not a threat towards Pakistan itself.

Against this backdrop, the latest counter-terrorist activities like the launch of Operation Radd-al-Fasaad are also not indicating a stop to Pakistan’s support of cross-border Jihadists. The fact that this military campaign is focusing on the Punjab region, which was largely spared by earlier counter-terrorism measures due to political reasons (stronghold of the government and home of many senior army personnel), does not mean that the ongoing campaign will target internationally acting terrorists. Rather it seems that the military actions are only aiming at the eradication of groups supporting militancy within Pakistan’s own borders as well as controlling regional opposition against the CPEC. The latter is perceived as ‘anti-national’, even if it’s non-violent.

### **Final thoughts**

The February 2017 wave of terror attacks by new terrorist alliances shows that neither the ‘carrot and stick approach’ towards domestic acting fanatic Islamists nor the appeasement of internationally acting terrorists is working. Furthermore, recent developments in international politics are indicating that the US will not anymore tolerate Pakistan ambiguous stand regarding counter-terrorism. In this context, China might also reconsider its policy of diplomatic-backing of Pakistani-based Jihadists. If it continues to block international efforts to fight against Jihadism originating from Pakistani soil it will make Beijing complicit in terrorism. This is gaining significances since China is trying to convince states all over the Eurasia region to participate in its major development project, called One Belt, One Road (OBOR, also known as New Silk Road). However, the fact that Chinese diplomats were backing Pakistani-based cross-border terrorism targeting states which are also supposed to be partners in OBOR (especially India) will lead to a severe questioning of Beijing’s claim that OBOR is guided by the notion of ‘mutual benefits’. Furthermore, it will not lead to build trust among governments which are already suspicious regarding the political and security-related implications of the Chinese-initiated and ‘guided’ New Silk Road. The latter phenomenon will be especially prevalent among European

countries struggling with a tremendous increase of Jihadist networks and incidents. These factors might create the momentum for Chinese strategic thinkers to reassess certain aspects of their relations with Pakistan, especially the CPEC. Here, despite the significance of the CPEC for OBOR and the Sino-Pakistani ‘All-Weather-Friendship’, Beijing will hardly allow Pakistani policies and the CPEC to turn into stumbling blocks in the way of its overall New Silk Road initiative. In consequence, as long as the Pakistani elite do not change its mindset regarding its country’s state sponsorship of terrorism and pampering of Jihadism, there will be no sustainable improvements either in the economic sphere or in the social and political ones.