

Jago Pakistan/ Wake Up, Pakistan

The Report of The Century Foundation
International Working Group on Pakistan

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Executive Summary

The time is long past for Pakistan to wake up to its present predicament and begin a serious reassessment of the fundamental policy challenges it faces. Decades of mistakes and misperceptions have compounded pernicious ideological choices to present Pakistani society with a series of ongoing crises it must address before its basic resilience is overwhelmed: a public sphere dominated by extremists, a crippled economy debilitated by corruption, and a deteriorating regional position. The Century Foundation International Working Group on Pakistan, comprised of a broad and diverse assemblage of American, Pakistani and international figures deeply concerned about the country's future, believes it is time for Pakistan to address these problems vigorously and comprehensively, and for its international partners to assist where they can.

1. Introduction: A Changing Pakistan

Nearly thirteen years after the U.S.-led international intervention in Afghanistan, Pakistan and the wider South Asia region are at a crossroads. While the threat from core al Qaeda has been diminished, and Afghanistan is no longer under Taliban rule, militancy in the region, especially within Pakistan proper, is still a critical and evolving threat. Additionally, as a legacy of conflict and a consequence of political mismanagement, Pakistan as a whole lags behind much of the world and most of its neighbors in many economic and human development indicators. Pakistan's political class is mired in a paralyzing fight that has crippled its legitimacy. Its perpetually strained relationship with India

remains of paramount importance to regional stability. All of these issues require urgent attention and action by Pakistan's elected leaders, working with a vision shaped by Pakistanis themselves and supported by the international community. The world may face many other more seemingly immediate threats, but no country or region represents as potent a combination of complex security challenges, in addition to long-term economic and political opportunities, as do Pakistan and South Asia.

The government of Nawaz Sharif, in power for two years, has confronted several serious issues, including sustained pressure from Imran Khan's Pakistan Tehrik-e Insaf (PTI) party, whose anti-government protests attempted to challenge Sharif's legitimacy as Prime Minister. Relations between the civilian government and Pakistan's military and intelligence services have continued to be unstable since Sharif's inauguration. Disagreements between elected leaders and the military about how to understand and deal with threats facing the country impact a wide range of policy functions and imperil how the country can react to a series of profound challenges.

There is a persistent and growing intolerance of diversity—religious, ethnic, and political—that is a conceptual framework through which much of the extremism, violence and repression that dominates headlines, both from state and non-state actors, should be seen. Violence inside Pakistan—whether against the state and its agents or against religious or ethnic minorities—has grown in recent years. The horrifying attack on the Army Public School in Peshawar on December 16, 2014—the worst terror attack in Pakistan's history, which killed over 140, mostly children—was but the logical manifestation of the Pakistani Taliban's ideological war against the modern state of Pakistan. A military offensive in North Waziristan can only be considered the first step in a wider effort to contain the growth of religious extremism, a cancer which threatens Muhammad Ali Jinnah's founding vision of Pakistan. A generational struggle against such extremism is likely required, and the necessary steps need to be conceptualized now.

The economy, suffering from years of sluggish growth, is also gripped by a series of significant crises. The lack of robust regional trade, a profound skills gap driven by inadequate educational infrastructure, and the lack of basic inputs (a dependable electrical grid and government investment) have held Pakistan significantly behind its neighbors. Without a

significant course correction, Pakistan risks marooning an entire generation from the modern world economy.

2. Managing Key Regional Security Challenges

After the recent optimism inspired by a relaxation of tensions between India and Pakistan, progress has stalled. The lack of an appetite for an accelerated normalization process and the domestic political costs to be confronted in pursuing such in either Islamabad or New Delhi has led to a drift in the relationship, with tentative steps at meaningful interaction balanced by violence on the border and stasis on trade relations.

The relationship with Afghanistan is no less complex. While the new Afghan President, Ashraf Ghani, has prioritized good relations with Pakistan, as evidenced by a positive bilateral visit in the fall of 2014, several difficult issues continue to bedevil the relationship. Militant groups operating across the Durand Line—a border the status of which for historical and ethnic reasons Afghanistan remains opposed to—are threats to both countries. Managing the diplomatic initiative necessary to ensure momentum toward a strong bilateral relationship should be a priority for the international community, especially as relatively new players such as China expand their interaction with nations in the region. A major effort by the international community is required to sustain a diplomatic process, working with a Pakistan that matches its rhetorical clarity about the fact that a stable Afghanistan is in its best interests with sustained and concerted action.

For the region, diplomatic efforts by the international community should be concentrated on multiple tracks: regional action to improve bilateral political relationships between Pakistan and Afghanistan and Pakistan and India alike, with an additional but subsidiary focus on closer counterterrorism cooperation, and on increasing economic reforms and linkages throughout the region. An essential component of this effort is a serious normalization process between India and Pakistan. That process must address two critical security issues: the burgeoning arms race between the two nations, particularly nuclear arms, and the status of Kashmir. This will be a difficult, long-term process, but there are clearly identified confidence-building measures that can be pursued to advance an initial discussion, including realizing long-standing plans for normal trade.

3. Violent Extremism

For Pakistan, the loss of life due to internal militancy is at the point where a true policy reappraisal is necessary. The Peshawar attack must serve as the key wake-up call to an establishment that has maintained a dangerous relationship to Pakistan's vast spectrum of militant groups, lest the Sharif government squander a very powerful consensus in the wake of the attack that now is the time for decisive and immediate action. For too long, distinctions have been made between good militants and bad militants, between those who exist to serve Pakistan's foreign policy goals and those that are a direct and uncontrolled result of such policies. Politicians have also pandered to dangerous militants in return for electoral advantage and street power. The rhetorical clarity with which both elected leaders and the top ranks of the military have rejected the distinction between "good" terrorists and "bad" terrorists is very encouraging. There must not be a return to old thinking given the ample evidence of the damage such policies have done to Pakistan's interests. A comprehensive counterterrorism strategy must be a cardinal policy goal. To be effective, it should be directly connected with the renewed diplomatic efforts outlined above, and it should also move beyond large-scale military offensives in the tribal areas.

A long-term counterterrorism strategy will, additionally, build the capabilities of Pakistan's civilian law enforcement and judicial apparatus. Too often, conceptions of fighting terrorism have defaulted to a preponderant role for the Pakistani military, which in the past has led to a contradictory and ultimately self-defeating policy. If Pakistan's counterterrorism capabilities are to be sustainable and directed against all threats, it should rest on the importance of a civilian, law enforcement approach and be based on legal principles enshrined in Pakistan's constitution and international law. It should not, likewise, entirely rule out talks to disband illegal armed groups. While military pressure is put on Tehrik-i-Taliban Pakistan (TTP) operatives throughout the country, there should be a concomitant effort to develop a framework of principles for negotiations with those militant groups that may still be willing to cease violence. However, adherence to and respect for the constitution and for the fundamental rights of women and other marginalized groups must be a prerequisite for such an effort.

Effective counterterrorism policies, however, will fail without better relations between Pakistan's civilian and military leadership. The establishment of the National Security Division (NSD) is a first step in strengthening coordinated decision-making. Both the NSD and the Cabinet Committee on National Security need the resources and sustained attention of the elected leadership to fulfill their role in establishing robust systems to catalyze national security thinking between civilian and military institutions.

The terrorism challenge is just the direst among many domestic concerns confronting Pakistan. The threat of violence only further compounds the country's economic, governance, and social crises.

4. A Cooperative South Asian Economic Region

For the international community, these transitional years afford an opportunity to rethink the contours of its engagement. While counterterrorism will remain a priority of the United States, it is in neither country's interest for that to be the sole or even preponderant basis for future relations. This report advocates for an alternative frame in which regional political and economic connectivity should become the long-term goal. For the United States and the international community, the potential for South Asia to be a regional economic powerhouse is too important not to invest in moving toward this positive vision, despite clear and seemingly insuperable difficulties. Counterterrorism alone cannot be the functional basis of relations with the international community. But that approach is unlikely to change if there is not first a corresponding shift in the Pakistani state's approach to issues of extremism and militancy.

A cooperative South Asia economic region requires improved border infrastructure and management to facilitate both cross-border trade and other linkages, including cooperative power generation and grid connections. It requires a rethinking of the trade agenda, not only bilaterally between India and Pakistan, and the region, but by the international community as well. The long-term goals of the international community's aid programs must be re-purposed to transitioning away from the breadth of its current assistance to more closely targeted aid. This will require marked improvements in the Pakistani government's ability and willingness to lead and own its development agenda. Pakistan's

economic growth is directly tied to its fiscal health, which has deteriorated due to years of under-collection of taxes. The issues impacting the quality of Pakistan's governance pertain both to civic peace and to the capacity and legitimacy of the institutions of the state. The role of civic peace in promoting economic growth and that of conflict in depressing it is well known. Just as conflict leads to stagnation, stagnation exacerbates conflict. The inability of the economy to generate decent jobs in adequate numbers to absorb the growing number of young people is a sure formula for state failure.

5. Internal Governance Reform

In addition to a complex regional political and economic dynamic, exacerbated by a profound internal militancy challenge, the Pakistani state itself faces myriad challenges in administering law and order throughout its territory, aggressively expanding economic growth, providing its citizens with the human capital necessary to compete globally, and protecting the rights of minorities. Several initiatives under the broad heading of governance reform have been recommended by a variety of actors, both internal and external. While events in the region make the present propitious for shifts in regional and foreign policy, the time has also come for similar shifts in internal governance.

6. The Way Ahead: Two Post-2015 Pakistani Scenarios

As international public attention to Afghanistan dwindles with the drawdown of international military forces, there is a risk that corresponding attention to the critical issues facing Central and South Asia will not be sustained. Unless policies are adjusted to accommodate changing realities on the ground, diplomatic disengagement could have a cascading negative effect on regional trends toward stability and economic growth.

To inform the international community's approach to the way ahead, we analyze two possible scenarios for Pakistan's near term future. The first envisions an outwardly engaged Pakistan, sketching what its internal development and role in the region would look like under more optimal circumstances. It envisions a brighter future for Pakistan, in which

it has tackled its extremism problem, increased the credibility and performance of governance, improved several key economic indicators, and embarked on the beginnings of regional cooperation and a comprehensive and stability-enhancing security policy. It would also entail greater trade linkages (in the region and beyond), travel and tourism, academic and informational exchanges, and increased investment flows. This progress would be matched by a renewed commitment by the international community to working with Pakistanis on mutual priorities that represent a positive and constructive series of goals for the region.

The second scenario seeks to forecast the repercussions of a continuation of the status quo, reflecting what would likely be a continued decline in security and economic benchmarks within Pakistan and a continued pattern of strained relations among nations in the region. It is instructive to consider the consequences of a policy path that looks very much like the one currently being followed for the three critical sectors of security, economy, and governance.

It is critical to understand the way in which each prospective path will have profound implications for how the international community, Pakistan, and its neighbors approach issues affecting regional progress. While the international community—NATO and, principally, the United States—is planning to transition away from the large-scale mission inside Afghanistan it has pursued for over a decade, this is not the end to the challenges that drew it in at the end of 2001. Nor is there a sufficient level of appreciation in the wider international community as to how strategically crucial the region will remain, even absent a significant western military presence.

7. Recommendations of the Working Group

It is the considered opinion of The Century Foundation International Working Group on Pakistan that Pakistan's people, particularly its elites and leaders, need to wake up to this dangerous present reality and seize the multiple opportunities Pakistan has, even if doing so contradicts dogma and slogans that have regularly substituted for serious leadership and governance. The challenges Pakistan faces must continue to be treated as a priority for the international community. Unlike previous efforts to rethink the issues facing Pakistan, this report is not the

exclusive product of Western views of the country or region. The membership includes prominent Pakistanis fully cognizant of the negative trends in their own society. The recommendations also come at a time when the transitions in the region require both fresh thinking and progress on long-standing issues.

To realize the region's potential, Pakistan and the international community, including its neighbors, need to articulate a positive vision for internal reform and regional political, economic, and security cooperation, and embrace wholesale changes to implement that vision. The alternative to this vision is not just the continuation of a worrisome status quo. Rather, it is a likely acceleration of several equally problematic trends. Without movement toward the significant reforms outlined in this report, the international approach to Pakistan will not be one of constructive engagement, focused on supporting effort to maximize the country's human capital and economic opportunities. Instead, it will focus on containing what will likely be cascading violence, and the effects of the disillusionment of the next generation of Pakistanis who are ill-equipped to participate in the modern world, and whose government has done precious little to ameliorate the situation. The year 2015 introduces a unique confluence of events that offer opportunities to implement a strong course correction, opportunities that may not be available in the future.

This report catalogs a multitude of issues of concern. This Working Group realizes that none of these far-reaching changes can be achieved overnight. No single government could hope to advance all of the policy recommendations this Working Group outlines. While all require attention, there are critical recommendations which this Working Group feels must necessarily be addressed first.

In light of the daunting intergenerational set of challenges facing Pakistan this Working Group understands that sequencing is critical. Remedying structural and systemic problems, however, will be unachievable without immediate actions on Pakistan's most pressing concerns. For any chance of ultimate success at sustaining a vibrant, open, and prosperous society, Pakistan and the international community should focus their efforts on the following near-term challenges, which will serve as a springboard for the broader and systemic changes also outlined in the report:

- Arresting the scourge of violent extremism requires a holistic effort by Pakistani authorities to implement fully Prime Minister Sharif's declaration that no distinction will be made between "good" Taliban and "bad" Taliban. This must necessarily extend not just to the Taliban but to all non-state actors that threaten violence, both within and beyond Pakistan. The National Action Plan (NAP) is a welcome articulation of the national will to fight terrorism. It must be matched by a dedication of resources for its implementation not only to the military, but also to Pakistan's internal civilian law enforcement agencies and judiciary, which are also at the front of the fight. The international community can support these efforts both through bilateral initiatives, including material assistance and training, and by expanding the basis for regional cooperation.
- The Pakistani government needs urgently to invest in efforts aimed at reforming Pakistani state institutions at all levels as projected in Vision 2025, which was published in 2014 by the Planning Commission, a public policy institution within the Prime Minister's Office. Starting at the very top, from the Prime Minister's Office down through local governments, Pakistan's state institutions require reforms that engender greater confidence of citizens in the state. Without this confidence, roadmaps like Vision 2025, and recommendations like the ones in this report will struggle to accelerate economic growth (especially in the export sector), resolve under-taxation, or contribute to improvements in the generation of power and the delivery of electricity. The Prime Minister's Office and the Council of Common Interests need to work together to provide the resources to enable achievement of the government's Vision 2025. The international community must support these efforts first by focusing aid programs on the most critical areas—disaster management, education, and health—and gradually transitioning away from large-scale aid programs.
- The leadership of elected civilians in defining and executing Pakistani national security strategy is the central instrument for the formulation and implementation of a Pakistani foreign policy that can take advantage of the many regional opportunities available to Pakistan. Pakistan's maturing democratic traditions must, over time, address questions about the accountability of all publicly-funded

organizations to elected leaders. The Cabinet Committee on National Security and the National Security Division represent first steps in the right direction; however, without assiduous stewardship by the top elected leaders in the country, further progress will remain elusive.

- The unprecedented cooperation between Afghanistan and Pakistan that followed President Ashraf Ghani's November 2014 visit to Islamabad presents the region with the best prospect for peace and stability in decades. Pakistan must bear in mind the very deep skepticism of Afghan public opinion about Islamabad and, as such, must implement quickly visible confidence-building measures with concrete benefits.
- The international community should use diplomatic, intelligence, and military channels to support the building relationship between the governments of Ashraf Ghani and Nawaz Sharif. Both Afghanistan and Pakistan should be encouraged to promote a "negative" symmetry deal on cross-border militant proxies, whereby Afghan authorities cease support for anti-Pakistan militants inside Afghanistan and Pakistan pledges similarly to end support for anti-Afghan elements. Pakistan should support the unity Afghan government in its efforts at a dialogue with the Afghan Taliban on reconciliation, including facilitating the direct participation of Afghan Taliban members now sheltering in Pakistan.
- The international community should encourage China's role in support of a reconciliation process in Afghanistan. The United States and China should elevate Pakistan-related discussions to a top-tier issue in their bilateral engagement, and design a framework for including Chinese participation in regional talks on counter-terrorism, counter-proliferation, and economic cooperation.
- The international community should support efforts led by India and Pakistan to restart a dialogue process, focusing especially on de-escalation along the Line of Control, the resumption of regular diplomatic consultations, and developing a framework for confidence-building measures and the expansion of non-governmental people-to-people exchanges, sporting activities, and cross-border travel.

In a world where multiple threats compete for the attention of policymakers, this report seeks to warn against neglecting a critical region that has been an ongoing source of frustration for past policymakers. Despite those difficulties, there exist possibilities for progress. Pakistan has long been seen as a resilient country, surviving a series of crises over the decades in a way that often goes underappreciated. Pakistan's people, particularly its elites and leaders, must wake up to the unique and unprecedented opportunities available to their country. Facing the serious challenges outlined in this report should represent the first steps in that direction.