

STRATAGEM

PERCEPTION - REALITY - INTELLIGENCE - FUTURE

JUNE 2015 | ISSUE 2



CPEC: INTERNAL SIGNFIGANCE AND CHALLENGES



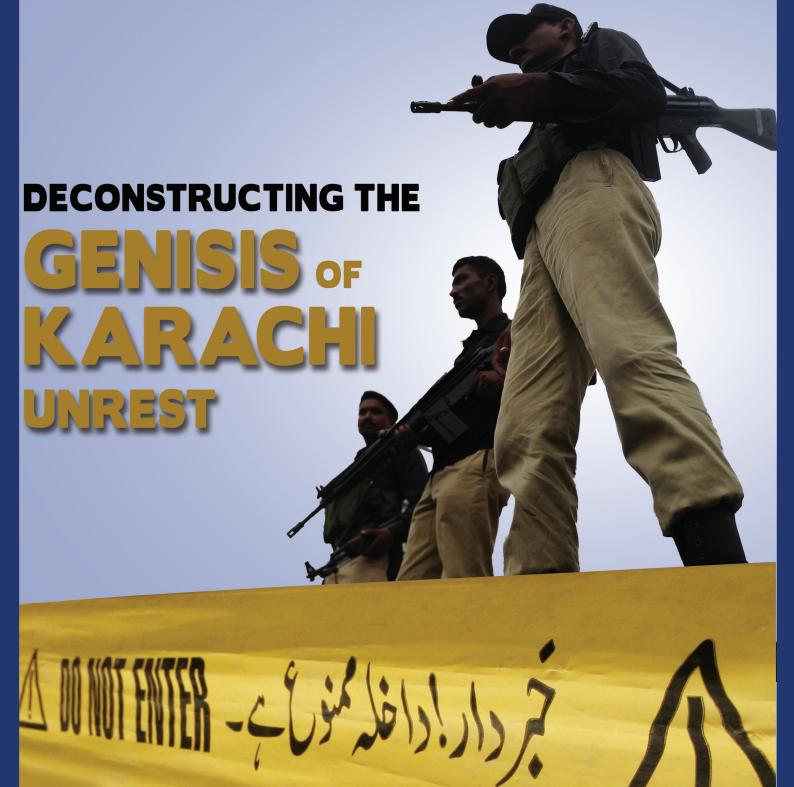
PAKISTAN'S POSITIVE ECONOMIC OUTLOOK



A BRIEF HISTORY OF 'INDIAN NUCLEAR POLICY'



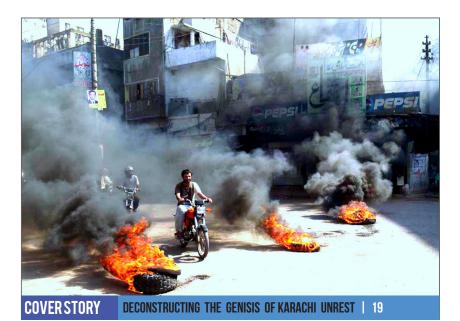
SECTARIANIZING THE ATOMS: A FAIRYTALE OF REGIONS



STRATAGEM

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Monthly Magazine



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INTERNATIONAL

IRAN-P5+1 NUCLEAR DEAL

he end of June brings Iran closer to finalizing the minutes of a nuclear deal based on the framework discussed in March/April 2015.

Led by the United States, the U.N Security Council and European Union members have been negotiating with Iran to chalk out an agenda to contain Iran's nuclear program. The salient features of the deal imply that Iran would undergo significant restrictions on her nuclear program, such as decreasing the enrichment level of uranium to 3.67% purity, allowing inspection from IAEA, conversion of enrichment site at Fordow to

nuclear research and medical isotopes, and operating the reactor at Arak facility at a limited basis so as to eliminate the possibility of producing enough fuel for a bomb.

In exchange, all U.N resolutions sanctioning Iran will be annulled. U.S and E.U will also lift energy, business and banking sanctions on Iran within 4 to 12 months of a final pact.

These terms serve as a precursor to a comprehensive and detailed plan due to be completed on June 30, 2015.



CONFLICTS

THE PLIGHT OF THE 'BOAT PEOPLE'

Subject to ethnic cleansing, the Rohingya are a Muslim minority belonging to the Arakan state of west Burma. Facing severe oppression and discrimination since decades, the 1.3 million Rohingyas have been denied citizenship on account of being illegal immigrants from Bangladesh, which is a gross distortion of facts. These stateless people have been residing in Burma since the pre-colonial times.

As per the UN refugee agency, approximately 120,000 Rohingya since the past three years have fled Burma by ship. Termed as the 'boat people' by the international media, the Rohingyas' plight is once again given long due attention as the increasing atrocities by the Burmese state and citizens have forced at least 25,000 migrants to flee Burma in 2015 alone.

Stranded at the Andaman Sea, thousand of Rohingya migrants are at the mercy of the countries in the region. But the region as a whole has been "extremely unwelcoming," according to Chris Lewa of the Rohingya activist group Arakan Project. Indonesia and Malaysia have offered shelter to the migrants, given that they are resettled within a year's time.

Pakistani PM Nawaz Sharif on 6th June formed a cabinet committee to extend help towards the Rohingya muslims.



NEW FORM OF COLD WAR: MASSIVE DATA HACK IN U.S GOVERNMENT RECORDS

One of the largest cyber attacks of the recent times took place in early May, when suspected Chinese hackers stole data from the computers of Office of Personnel Management. Records of more than 4million federal employees are feared to be compromised.

The hackers have managed to scoop records dating back to 1985, and may even have knowledge about retired personnel. The stolen data could be used to impersonate federal employees and set up 'insider' attacks.

Although Washington did not publicly blame China for this cyber attack, government officials have said with certainty that the hackers are based in China, and are possibly state-sponsored.

China rubbished these claims as irresponsible while Washington is officially mum as tensions are already soaring high between the two countries over territorial claims in South China Sea.



NATIONAL

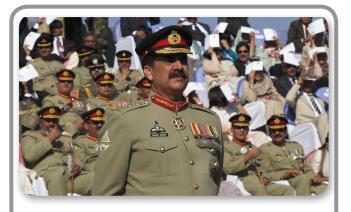


LOCAL BODY ELECTIONS IN KHYBER PIIKHTIINKHWA

The first local body elections in ten years took place in the Khyber Pukhtunkhwa province on 30 May 2015. A total of 84,420 candidates contested for 41,762 seats for district, town and village councils.

The law and order situation was poor as public display of arms was observed across polling stations in the province. Violent incidents of shooting, aerial firing and other scuffles after the polling resulted in at least 24 deaths across K-P. Women were also not allowed to cast their votes in some areas, such as Lower Dir, Buner and some areas of Swabi. In Shangla, a local jirga banned women from casting their votes.

Amidst the chaos, violence and mismanagement, Pakistan Tehreek Insaf (PTI) streaked ahead in the polls as it bagged 145 seats, followed by the Awami National Party (ANP) gaining 78 seats.



PAKISTAN AND KASHMIR ARE INSEPARABLE: COAS

Addressing the participants of a conference at the National Defense University in Islamabad on June 3, Chief of Army Staff General Raheel Sharif said that Kashmir is 'an unfinished agenda of partition', and that Pakistan and Kashmir are inseparable.

He said that although we want peace and stability in the region, "we want Kashmir's just resolution in the light of United Nations resolutions and as per aspirations of the Kashmiri people to bring lasting peace in region."

He further said that the dimensions of future wars are fast changing. He said, "While our enemies supporting terrorism to stoke subconventional conflicts and destabilise our country, we are fully determined, capable of defeating nefarious designs."

"Pakistan is opposed to the use of proxies against other countries and won't allow any country to use proxies versus Pakistan," he further said.

NATIONAL



BUDGET FOR THE FISCAL YEAR 2015-16 ANNOUNCED

Finance Minister Ishaq Dar unveiled Rs.4.451 trillion budget for the fiscal year 2015-16 on Friday, June 5th.

According to the announced budget, a growth rate of 5.5% has been targeted, with remarkably low interest rates and infrastructure growth plans to make the process of development faster.

Energy is one of the foremost priorities of the government, Dar said, as a Cabinet Committee on Energy was constituted which will be headed by the Prime Minister himself.

The fiscal deficit is targeted at 4.3% of the GDP, a 0.7% decrease than the previous year. The Finance minister also said that the proposed reduction in deficit will be achieved through increased tax revenue and better tax collection.

According to the budget, Rs. 781 billion have been allocated for defense expenditure (11% higher than previous year), while Rs. 71.5 billion have been allocated for higher education (14% higher than previous year).

The minimum wage has also been increased from Rs. 12,000 to Rs. 13,000.

A special allocation of Rs. 3.5 billion for ensuring safety for the Chinese working in Pakistan for CPEC route has also been made.

The opposition, led by Syed Khursheed Shah, seemed unimpressed by the budget, and termed it as 'anti-poor' and 'pro-rich'.



MASTUNG TRAGEDY AND THE CPEC ROUTE CONTROVERSY

A group of armed men forced passengers off the 2 Quetta-Karachi buses on the eve of May 29, near Mastung in Balochistan, and killed at least 19 passengers execution-style.

Balochistan Home Secretary Akbar Hussain Durrani told the reporters: "None of them [the victims] were settlers or Shia."

His statement was confirmed later by Home Minister Sarfraz Bugti who said all of the victims were 'Pashtun'.

Subject to ethno-sectarian fault lines, the mineral-rich province of Balochistan is the home to the newly developing Pak-China Economic Corridor. The route controversy over the CPEC between Pashtun and Baloch political leaders is being exacerbated by attacks based on ethnic strife, such as this Mastung massacre.

EDITORIAL

RISING ABOVE OUR LIMITED PERCEPTIONS

by Nadia Humayun



Your assumptions are your windows on the world. Scrub them off every once in a while, or the light won't come in."

— Isaac Asimov

We have often observed, people crowding at the scene of a traffic accident or a street brawl in Pakistan, within seconds of the event; and within minutes, most bystanders will have picked sides in the ensuing argument or fight.

Why we make these split second choices to take sides in arguments is quite inexplicable, as is our almost pathological desire to deem one side of the argument as the 'good' side and the other as the 'bad' side. Why do we tend to get involved in disputes that do not concern us; that too, not to mediate impartially, but to root for our 'favorite side'? Why do we consider it our moral obligation to uphold the so called truth, and which often enough is nothing but

We tend to form our opinions based on our traditionalistic tendencies, because the majority of us belong to clusters of people bound together by a common identity and/or a common goal.



only our "belief"?

In this age of fast information communication, every so often, something happens that will push us into a maelstrom of conflicting opinions - a lot of which are based on assumptions. Also, we tend to form our opinions based on our traditionalistic tendencies, because the majority of us belong to clusters of people bound together by a common identity and/or a common goal. In Pakistan especially, which is relatively new in the arena of press and media freedom, these conflicting opinions have taken on an altogether new meaning. People enjoying the new found freedom have started taking liberties that were once considered taboo in this country. Harsh criticism of the government, open bashing of the state institutions, lampooning politicians, religious figures, academics and other prominent members of society, has become a norm. In short, we have veered from one extreme to another.

With the wide spread use of social networking websites, and the freedom to express oneself, a prominent point of dissent that has become the focus of media activists, is the pro-army and anti-army debate in the country. Proponents of both sides are equally vocal and spirited in their support, and each side charges the other with a label, nothing short of 'treason'. To explore the psyche behind the emerging proarmy and anti-army debate in the

It is ironic that a person who had devoted her life to bringing a social change in society through public discourse, and had opened her door to all, her death should be cause for so much strife.

country, we must understand the reasoning given by the promoters of either side.

The pro-army debate is a simple one. Its supporters argue that Pakistan's Armed Forces have always been the defenders of the country's ideological and geographical borders. Whether it is the bleak uplands of the Siachen glacier, or the deep waters of the Arabian Sea, Pakistan's army has been the sentinels of our freedom in every sense of the word. Whether it is in the form of relief work, disaster management or infrastructure development, the services of our Armed Forces are acknowledged, both domestically and across the world. Discipline, organization, professionalism and patriotism are the backbone of this institution, which are the essential ingredients for success of any establishment. The Armed Forces' iawaan has complete faith in his leadership, and it is the beauty of this unity and faith that is reflected in the trust bestowed upon them, by the general public. The army supporters further argue, that who would know better to defend the nation against internal and external threats than an institute, which has been doing it since the creation of Pakistan, and has been continually evolving, technically and strategically, over the years?

The anti-Army sentiment manifests itself mainly in the detractor's antagonism, which has deepened gradually due to the bloodbath of the last ten or so years. Militancy in FATA and some settled parts of Khyber-Pukhtunkhwa, Baluchistan and Karachi have made the public insecure and wary of the modus operandi of the Armed Forces. Most noteworthy in this regard is the plight of the families of the missing persons. Their struggle to find the whereabouts of their loved ones is a heart-rending tale of misery. The Armed Forces and intelligence agencies of the country are being confronted by an overwhelming evidence of their culpability in this whole episode. Furthermore,

Sabeen's killers were finally apprehended, and they neither belonged to the deep state, nor to any rights group, but a part of the same radicalized extremist mindset, which has become the scourge of our times.

some Pukhtun and Baloch groups accuse the Army of "killing their own people". Coupled with their past history of political activism, the Armed Forces' present role in the war against terror is being viewed with skepticism by the anti-army protagonists.

A recent incident that opened a Pandora box of pro and anti-army sentiments across the country was Sabeen Mehmud's murder. Sabeen was a prominent social and human rights activist and founder of T2F – a café-cum-library and community space for open dialogue. She was killed in April this year, on her way back home from a talk that she had organized at T2F, on the subject of Baloch "missing persons". As expected, when news of her death spread, mainstream and social media erupted with outrage; allegations flying every which way. It is ironic that a person who had devoted her life to bringing a social change in society through public discourse, and had opened her door to all, her death should be cause for so much strife.

Sabeen's killers were finally apprehended, and they neither belonged to the deep state, nor to any rights group, but a part of the same radicalized extremist mindset, which has become the scourge of our times. However, when all is said and done, such incidents hardly influence our way of thinking. We may ask ourselves, if we learned anything

from Sabeen's story. Did it change our perception even a little bit? Did we absolve our opponents of the charge of treason? The answer may be in the negative because as they say, "my opinions may have changed, but not the fact that I'm right."

At this point, it may be pertinent to ask who exactly is a traitor. If a person dissents, speaks his mind, and stands for his rights, does it make him one? If so, then personalities like Mohtarma Fatima Jinnah and Faiz Ahmed Faiz, and others, who bravely and unwaveringly stood against the forces of status quo for their rights, may also be deemed traitors. We must understand that there is no moral equivalence between good and bad; a traitor and a revolutionary are not the flip sides of the same coin. One does not become a traitor simply for believing in one's cause and standing up for it; rather, it is the unseemly method one adopts to achieve it, that eventually defines treason.

Tragedies can happen to anyone. Whether it is the father or wife or son of a missing person trying to seek an absolution that eludes them, the

family of a martyred police or army officer trying to come to terms with their grief, or the death of a human rights activist; the way we respond to our suffering is what defines us. We may become more steadfast in our beliefs and hold fast to our principles or we may lose focus by veering towards extremes; we may even do the unforgivable, by reaching out, and being manipulated by the enemy. There is a fine line between standing for our rights and committing treason. It is so easy to slip and cross the threshold, which defeats the purpose of the cause eventually.

So if in the case of the pro-army and anti-army proponents, both profess to love the country and have Pakistan's best interest at heart, isn't it quite absurd to go to such lengths of dissention to jeopardize the very integrity of the country?

As argued in the beginning, people may come to different conclusions due to many different reasons; some on the basis of past experiences, others prompted by their desire to adhere and belong to a particular mindset, some governed by their so-called maturity of thought, and yet others driven by their baser

In the case of the pro-army and antiarmy proponents, both profess to love the country and have Pakistan's best interest at heart, isn't it quite absurd to go to such lengths of dissention to jeopardize the very integrity of the country?

instincts. Let us not limit our thought processes because of our opinions and emotional desires. Let us not 'assume', because of the tidbits of information that reach us, and which may specifically be designed to manipulate our thought processes, no matter how much we think otherwise. Let us not digitize our analogue world, with its limitless information and countless possibilities.

Let us learn something from Sabeen's tragic incident; let us exercise discretion before jumping to conclusions, and becoming proponents of rhetoric. Let us clean the windows of our perception; let the light shine inside, and guide us to make better judgments. No one benefits from expanding conflicts. The answer to our problems do not lie in the past, it lies in the present!



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GEOSTRATEGY

A Brief History of Indian Nuclear Policy'







Post-colonial Indian nuclear policy has historically been confused at best. This piece will argue that India's policy towards the enrichment of fissile material and its weaponization has been disjointed, changing without reasonable prompt, and lacking in rationality by virtue that it has not always been in reaction to the strategic environment. The decision to conduct nuclear tests in May of 1998 was a symptom of this failure to construct and understand a credible threat matrix, and a failure to read regional and international diplomacy. Consequently, this analysis will attempt to explain the most important underlying factors which have pushed India one way or the other; comprising the early Nehruvian scientific push, India's inherent insecurity about its place

in the world, official efforts for international disarmament based on professed Ghandian notions of morality, perceived regional security concerns, domestic political realities/pandering, and a sense of inevitable scientific destiny. An examination of these influences will hopefully provide a deeper understanding of a multiheaded, puzzling and unclear Indian nuclear policy.

Many differing justifications have been provided by Indian policymakers for the various positions adopted on India's nuclear policy. An even greater cornucopia of reasons has been provided by analysts and commentators on why India has adopted the different stances on nuclear weaponization over the years. However, what

many observers seem to have misunderstood is the apparent lack of coordination and strategic reasoning behind the various stages of the Indian nuclear program. That is, the reasoning behind positions or shifts in Indian nuclear policies has rarely been the product of consolidated rationality based upon geostrategic

This analysis will attempt to explain the most important underlying factors which have pushed India one way or the other; comprising the early nehruvian scientific push, India's inherent insecurity about its place in the world, official efforts for international disarmament based on professed Ghandian notions of morality, perceived regional security concerns, domestic political realities/pandering, and a sense of inevitable

scientific destiny.

realities; but that various influences could change if and when the ruling establishment of the time material would serve to stave towards one policy or another in a off an existential threat; this was haphazard manner. Thus when we not a major issue of contention talk of an Indian 'nuclear policy', it or debate at the time. India, is hardly a policy as such. Policy is usually thought of as being well- with instituting programs of evidence based, even if it might be the 'wrong' policy. Indian nuclear policy for the large part is none of these things. India's attitude towards nuclear weaponization must be seen as more of a loose. quasi-coordinated, approach (however for the sake of ease, the word policy will still be used here). To understand why Indian nuclear policy is so, a part-chronological, part-thematic analysis of the different periods and influences in Indian nuclear history is necessary.

India very early on embarked upon lack of any serious threat to Indian a path to create a civilian nuclear program centered on research and the eventual production alignment, Ghandian principles of electricity. Early evidence suggests that the Indian nuclear program was created to serve a purely non-military role. Research was primed at converting the country's vast thorium reserves into fissile material under the three stages nuclear energy program. Although there were indications clear nuclear policy. Though there

at different times from diverse Indian security establishment felt actors has pushed the Indian that weaponization of nuclear under Nehru was preoccupied defined, objective-oriented and indigenous industrialization and social development, with Delhi attempting to cement its central political authority in a fledgling independent India. An important part of the Nehruvian vision of development -more so in rhetoric than action- was the emphasis placed on science/technology and its ability to rapidly develop India. The civilian nuclear program was a poster child of this stress on science. In Nehru's vision, independent India would prove to the world its rapid development through science. Together with the territorial security from 1949-1962 and a firm stance on non-(which Nehru espoused publicly) and the Ghandian legacy was still very much fresh in the Indian psyche. There was little space or need for serious discussion on nuclear weaponization. This early period is perhaps the only where India could be said to have had a that the peaceful only approach were some advocates among the

Thus when we talk of an indian 'nuclear policy', it is hardly a policy as such. Policy is usually thought of as being well-defined, objective-oriented and evidence based, even if it might be the 'wrong' policy. Indian nuclear policy for the large part is none of these things.

scientific community that India should eventually move towards weaponization, these voices were not vociferous enough and there was little political will. Even those who advocated eventual weaponization did not base their reasoning on strategic factors, but argued that weaponization (or at least enrichment to the extent that an atomic test could take place) would be the inevitable result of scientific progress. Thus, even in the absence of political will to weaponize there was a broad sense of inevitability among the Indian scientific community, especially those involved directly in nuclear research. Why this was the case (and has been in other nations which have gone on to weaponize nuclear fission) is a separate debate.

The geostrategic situation changed dramatically in the 1960's when a paradigm shift in regional politics of Asia -specifically for India, a more assertive China and the increasingly closer relationship between Pakistan and the US (and between Pakistan and China) which was viewed with apprehension in Delhi- increased pressures and calls at home to move towards weaponization. The humiliating capitulation to China in the short border war of



1962, the surprise Chinese nuclear test in 1964 and the inability of quantifiably superior Indian forces to decisively contend with much smaller Pakistan in 1965, all led to a gradual change of thinking in Delhi. According to the Indian security establishment, India had serious regional threats to contend with, both from China and Pakistan, and it was increasingly feeling isolated and unsure of its place in the international order. Throughout 1964-65 Homi Bhabha, along with leading nuclear scientists, sympathetic bureaucrats, and military officials kept advocating for the weaponization option to be kept on the table. Their arguments were based on perceived threats from Pakistan and China, and the failure of India's non-aligned status

The unwillingness and disinterest of the Pakistani establishment to pursue weaponization at the

time

would have been known in Delhi, and such information would hardly point to an existential threat from the Pakistani side. Further, it was clear that Pakistan would only pursue weaponization if India did. Thus, prudence dictated that India should not weaponize, giving no impetus to weaponization calls in pakistan, and thus retain its conventional superiority over its neighbor.

to guarantee security. However, such perceived threats were not based on rational strategic thinking.

Firstly, the threat from Pakistan was purely conventional. Pakistan had also begun a civilian nuclear program in the late 1950's but it was wholly civilian led in its early stages of scientific research. There was no indication that the Pakistani establishment had any interest in weaponization at the time. In fact, there was little appetite for nuclear weaponization in Pakistan, with economic concerns prevalent, and threat perception analyses indicating no need for such a costly and potentially diplomatically isolating venture. When in 1965, Munir Ahmad Khan, the leading Pakistani nuclear scientist of the day, and Z. A. Bhutto, then Foreign Minister, met with Ayub Khan to discuss the developments in India to move towards weaponization, and the Pakistani response, Ayub Khan denied permission to move towards weaponization citing costs, and stating that Pakistan would be able to 'buy it off the shelf from the U.S' if India ever succeeded in testing a working device. The unwillingness and disinterest of the Pakistani establishment to pursue weaponization at the time would have been known in Delhi, and such information would hardly point to an existential threat from the Pakistani side. Further, it was clear that Pakistan would only pursue weaponization if India did. Thus, prudence dictated that India should not weaponize, giving no impetus to weaponization calls in Pakistan, and thus retain its conventional superiority over its neighbor.

Secondly, any threat from China was also far overstated and misperceived. The Chinese nuclear test had little to nothing to do with any rivalry with India. It was purely a product of the politics of the Cold War – a development in China's rivalry both with the U.S.S.R and the U.S, and historical fears about a resurgent Japan. The Indian security establishment however perceived the Chinese test directly

in relation to their own security. This was a psychological fault; a product of misplaced pride, ego, groupthink, and most importantly - insecurity. Indian policymakers have regularly overestimated India's importance or potential importance in the international order. The desire of India becoming a world power contrasted sharply with India's actual importance in the world - which at the time was far less than what Delhi thought. This led to (and still does) insecurity in Delhi about India's place in the world. The weaponization and acquisition of nuclear power would be -in some Indian policymakers' reckoning- an important step in propelling India up the international ladder, ready to compete with its perceived powerful rivals. This issue of insecurity would come up repeatedly in Indian nuclear history. If China had the bomb, so would India. But, as stated before, this was not based on any credible threat matrix. The threat from China was perceived, not real. Any future Chinese usage of a nuclear weapon (which was very remote) would bring international actors into play against it - militarily. Further, China would not need to threaten India with a nuclear strike as this would only bring it under international pressure and Chinese conventional military superiority would suffice to gain its military goals. More importantly, China had and still does maintain a no-firstuse policy.

On the other hand, an Indian nuclear weapons program would bring international condemnation, sanctions, and would be very costly on the exchequer. Rationally, the risks far outweighed any perceived rewards. India's real problem was its non-aligned status which left it without a strong international ally in matters of conflict. India needed such a friend, and this was the policy path advocated by the antiweaponization dissenting voices - for India to place itself under a nuclear umbrella of sorts, as many other countries had. Nehru was familiar with both arguments but was undecided. However, he On top of the expected arguments on it being the 'right' of India to

test,
India
argued
that only an india with
nuclear capability
would be strong
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for world nuclear
disarmament. India
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get rid of the bomb.

gave his approval for the Indian nuclear community to move towardseventual weaponization, whilst at the same time trying to look for such a nuclear umbrella. This was the first tentative push towards weaponization.

The period 1965-1974 marked the next phase in India's uncertain nuclear policy. In the mid 1960's there was a change of leadership. both in Delhi and of the nuclear program. Their successors, notably the so-called Trombay scientists continued the push towards weaponization in earnest. In 1968, Indira Gandhi officially gave the go ahead to move towards the bomb, redoubling efforts and resources. Gandhi's arrival introduced more elements of uncertainty to India's nuclear policy. Though the decision to move towards weaponization was firm, its underpinning reasons were not.

In the late 60's and early 70's international efforts to curb proliferation and testing resulted in the Nuclear Proliferation Treaty (starting in 1968), and moves towards a test ban. The official Indian position had always been total international disarmament, and it had been a leading voice in bringing about concerted movement on the NPT in particular. However, when the time came,

it did not sign the NPT citing discriminationin that the treaty places limitations on non-nuclear states but makes no effort to limit weapons development by declared nuclear weapons states. This transpired whilst India was ramping up preparations for a 'hot' nuclear test. Meanwhile, after Pakistan's torrid experience in East Pakistan (1971) and confirmed intelligence on the advanced nature of the Indian program, a change of leadership in Islamabad had put the development of Pakistan's nuclear weapons program on a war footing – bringing to fruition by Indian actions, initial Indian fears.

So why did India decide to test in 1974? A number of reasons present themselves. India's official explanation was that this was a 'peaceful test'. On top of the expected arguments on it being the 'right' of India to test, India argued that only an India with nuclear capability would be strong enough to push for world nuclear disarmament. India had made the bomb, to get rid of the bomb. It was little surprise that this explanation was received with skepticism in the international community. The test also reaffirmed Pakistan's commitment to weaponization, with Bhutto giving his famous '1000 years of war' speech to a more than ever motivated Pakistani nuclear scientific community. Indian relations with China, already fraught, also soured further. The Indian bomb, despite its claims to be wholly indigenous, was made possible by diverting peaceful technology and fissile waste material from the U.S, Canada, France, U.K and the U.S.S.R to the weapons program. These states were less than happy that they had inadvertently caused proliferation. Looking at such drawbacks as a result of testing, there need to have been more pressing reasons for the 1974 test. Reasons which were not part of the official account.

A leading cause of the 1974 test was the inevitably factor. The nuclear community had been working on the bomb in earnest for a number of years and most scientists accepted that the eventual result would be a hot test - reinforcing a fait accompli. Secondly, in the 1970's India felt that it was gaining prestige in the international community. Pakistan had been dealt a se rious blow in 1971 and a nuclear test would cap the international prestige that Delhi yearned for. Third, there were pressing domestic concerns. Gandhi's popularity had been declining in part as a result of the 1973 OPEC crisis, raising prices and making the economy unstable. Domestic pressure was also being exerted upon the center by the provinces and also by newly emerging separatist movements. If there is one thing that united different policymakers in Delhi, it was the need to consolidate the authority of the center. A successful nuclear test would go some way into assuring this. These reasons may have been seen to be sufficient to go ahead with the test at the time, but in hindsight do not appear so. This is because they were not based on strategic concerns as the development of a nuclear weapon should be. The test was not part of any geopolitical strategy; it was geared to address non-strategic concerns. This is evidenced by the fact that India did not begin to develop viable delivery systems till much later. A nuclear

The test also reaffirmed Pakistan's commitment to weaponization, with bhutto giving his famous '1000 years of war' speech to a more than ever motivated Pakistani nuclear scientific community.

bomb is more or less useless if it has not been weaponised into a delivery system. India's strategic adversaries would have known this (so would China and Pakistan) and thus the test did not improve India's strategic position at all.

After the Smiling Buddha test, the overall Indian nuclear stance retreated once again. On the political front, India managed to gain defence assurances from the Soviet Union, bringing India partly under the Soviet nuclear umbrella. India relied on this security agreement till the power of the U.S.S.R waned in the late 80's. On the scientific front, after having conducted the test, 1974-1990 was a period of quiet development of methods of delivery (repeated failures in the missile program) and refining the yield of the Indian atomic bombs. But there was little appetite for full-scale ramping up of the program. On the diplomatic front, India stuck to its position of non-proliferation and global disarmament, whilst still refusing to sign the NPT.

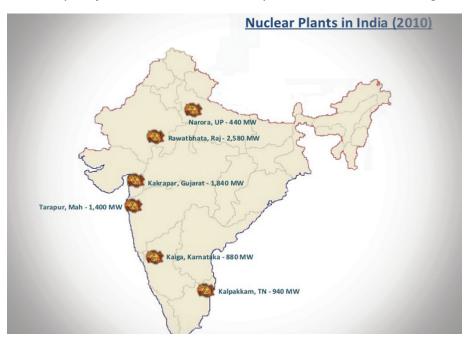
The global and regional environment once again changed in the late 1980's as the Cold War took its toll on the Soviet Union. India was losing its main benefactor and in a new unipolar, U.S dominated world, India once again fell victim to insecurities. In the late 1980's Rajiv Gandhi stepped up the nuclear program once again, with India attempting to create an effective nuclear deterrence. In 1983, there were intelligence reports that Pakistan had 'cold' tested a Uranium based bomb, backing up earlier unconfirmed reports of a similar cold test in 1978 and a possible proxy 'hot' test facilitated in China in the mid-70's. However, Pakistan was still hesitant to hot test a nuclear device, understanding that such a move would heat up the fragile regional environment; even though estimations from Islamabad were that the U.S, because of Pakistan's crucial role in Afghanistan, would have let a hot test pass without much serious condemnation or

sanctions.

With the 1974 test India had pushed the region into a nuclear arms race whilst simultaneously weakening its own position compared to the conventionally stronger position it would have enjoyed if the Subcontinent had not be nuclearized. Pakistan, though it had developed the bomb, was unwilling to test or announce its success. China, though it continued testing throughout the 80's and early 90's and was also building an effective deterrence arsenal, understood and was adapting to the political realities of the new post-Cold War world. In the early 90's China attempted to move away from its disastrous economic policies and integrate into the world market. India was doing the same. It was in the interest of China, Pakistan and India to decrease tensions and create a business-friendly atmosphere. There were indeed overtures to this end by the Chinese and Pakistani sides. And for the most part India did reciprocate. In light of these developments, there was no strategic rationale in extending the nuclear arms race further. Thus, the 1998 Indian tests went against all rational strategic thinking. The decision to undertake these provocative tests -as had been the decision in 1974 and Indian nuclear policy as a whole- was

instead the product of a number of non-strategic factors.

Firstly, the primary threat to Indian national security during the 80's and especially the 90's was the rise of freedom movements across the country. Kashmir was a quagmire which the Indian Army had created, the Sikh independence movement was ebbing and flowing, and the Maoists were gaining traction. In total there were more than two dozen serious separatist or anticenter militant movements. Most of these were (and are) indigenous, but some like Kashmir are also aided by Pakistan. However, India's strategy to deal with Kashmir (and other foreign aided insurgencies) was to tackle the state-aider directly. This meant that Indian policymakers made strategies not to quell the domestic insurgency itself but against Pakistan as a state. This was a serious miscalculation. Doing so by nuclear means not only ratcheted up the stakes but was also ineffective. Pakistan and China had adopted a strategy of 'bleeding India through a thousand cuts', using proxies, PSYOPS etc. Conventional warfare was not part of this as neither wanted an arms race or regional destabilization. For India to respond to non-conventional threats in a conventional manner forced Pakistan especially to respond in kind – destabilizing the



Concerted 44 domestic pressures, uncoordinated pushes towards weaponization and failures to understand the regional strategic environment have been the hallmarks of the indian nuclear approach. This has not only left india strategically weaker than it would have been had it not weaponised; but it has also meant that indian nuclear policy has been responsible for creating and sustaining a dangerous arms race, fostering a strategic imbalance in the region.

delicate peace in the region.

Secondly, all actors in the region were well aware of each other's nuclear capabilities. Conducting another round of tests was illogical as it would prove little to one's adversary. All it would do is force the other to respond in kind in the interest of face-saving. There was little strategic reward in the 1998 tests. The only reason India would have to conduct another round of tests was to announce and strategically warn others of its reaching the next stage in nuclear deterrence - total nuclear deterrence in the form of secondstrike capabilities. This though, was not the case.

In fact, once again, India chose to

embark upon testing without any valid strategic underpinnings to the decision. Throughout the 90's, several Indian administrations planned for the tests to go ahead. Once, U.S pressure dissuaded them, and a second time, the BJP under Atal Bihari Vajpayee ordered testing within 13 days of coming to power but was unable to do so because the coalition lost power soon after. The next time the BJP gained power, it again ordered testing within weeks. Why was the BJP so hell-bent on another round of tests? The BJP had made a number of promises during the election, of which it was unable to keep most due to the need for coalition building. But, because the Indian nuclear scientific community was strongly in favor, Vajpayee was able to move forward on his promise to conduct more tests. The BJP had to also appease the greater Sangh Parivar and the RSS who have their own vision of India and are essential to BJP electoral success. With India's historic geostrategic/domestic insecurities andits desire for recognition and prestige, the addition of an even more insecureand fundamentalist government under the BJP created the perfect storm for India to conduct more nuclear tests.

The Indian government also at the time miscalculated international reaction. Though theycorrectly assumed that the world would eventually accept the Indian nuclear weaponization program (even though testing would likely bring about some condemnation and sanctions);they were caught off-guard when Pakistan so quickly conductedits own tests and its nuclear program was alsoeventually accepted by the great powers. Even though the Indian tests were a success for domestic politics, they once again achieved nothing strategically. But the 1998 tests did raise regional tensions to dangerous levels, propelling the Asian nuclear arms race into fifth gear.

This piece has provided a brief examination of the main reasons

why India's nuclear policy has been anything but a policy or a series of policies. Concerted domestic pressures, uncoordinated pushes towards weaponization and failures to understand the regional strategic environment have been the hallmarks of the Indian nuclear approach. This has not only left India strategically weaker than it would have been had it not weaponised; but it has also meant that Indian nuclear policy has been responsible for creating and sustaining a dangerous arms race, fostering a strategic imbalance in the region. The 1998 detonations were a part of this haphazard attitude towards weaponization there was no change in approach, and no significant departure from any policy. This is because there is no capital 'P' policy.

Post 1998, India has still been ambiguous and contradictory about its nuclear approach. Now that the genie has been forced out of the bag (twice), it will be an uphill task to undo the disastrous consequences that Indian nuclear weaponization has wrought upon the region. Only a serious, rational and threat matrix-oriented nuclear policy re-evaluation based on elucidated Indian interests and strategic priorities will ease the concerns of its neighbors and the international community. Perhaps then a strategic dialogue between the actors may decrease tensions.

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CPEC: INTERNAL SIGNIFICANCE **& CHALLENGES**





recent visit by the Chinese president Xi Jinping to Pakistan has been the China-Pakistan Economic Corridor (CPEC). It is a development megaproject, which aims to connect Gwadar Port in southwestern Pakistan to China's northwestern autonomous region of Xinjiang, via a network of highways, railways and pipelines. On the whole construction costs are estimated at \$46 billion, with the entire project expected to be finished in several years. The CPEC has been hailed by many as a game changer that would help integrate Central Asia, South Asia and the Middle East, as well as,

The dominating story of the NATIONAL HIGHWAY NETWORK MAP

The China-Pakistan **Economic Corridor** (CPEC) is not a solitary road; it is a vast network. It will spur the growth of industrial zones supported by energy plants, linking kashgar in china to Gwadar. All provincial capitals would serve as fundamental nodes for the CPEC, upon which the corridor would be constructed.

rejuvenate Pakistan's debilitated economy.

SIGNIFICANCE OF THE ROUTE

As it can be ascertained from the map, The China-Pakistan Economic Corridor (CPEC) is not a solitary road; it is a vast network. It will spur the growth of industrial zones supported by energy plants, linking Kashgar in China to Gwadar. All provincial capitals would serve as fundamental nodes for the CPEC, upon which the corridor would be constructed. Balochistan should be the primary beneficiary of the project. The other provinces, especially conflict wrecked Khyber Pukhtunkhwa, will also benefit from this megaproject.

An area of significant interest is the Northern Area of Pakistan, especially the region of Gilgit Baltistan in the route. Gilgit-Baltistan has never been formally integrated into the Pakistani state and does not participate in Pakistan's constitutional political affairs. The Gilgit-Baltistan Empowerment and Self-Governance Order 2009, was passed by the Pakistani cabinet and granted self-rule to the people of Gilgit-Baltistan, by creating, among other things, an elected Gilgit-Baltistan Legislative Assembly and Gilgit-Baltistan Council. Gilgit-Baltistan thus gained a de facto province-like status without constitutionally becoming part of Pakistan. Officially, Pakistan has rejected calls for full integration of Gilgit-Baltistan with Pakistan on

the grounds that it would prejudice its international obligations with regard to the Kashmir conflict.

Traditionally the region has derived economic benefit from tourism attracted by its exotic beauty and awe inspiring environment. However, the American global campaign in the name of combating terrorism, as well as militancy in the region has caused an adverse effect on tourist activity. Despite a number of people travelling from Gilgit-Baltistan to the rest of the Pakistan in search of jobs and education, there has not been much socio-political integration. The CPEC will change all of that.

The CPEC will not only solve the problems faced due to transportation and communication but will also diversify the source of income for the people of Gilgit-Baltistan. It will also enhance socioeconomic integration of Gilgit-Baltistan with the rest of the country by giving it a primary role in the vital CPEC project.

The CPEC will also pass through the restive provinces of Khyber Pukhtunkhwa and Baluchistan. The CPEC can perform a critical function in conflict management in these areas. As poverty is one of the main drivers, if not the prime driver of militancy, development induced by CPEC will go a long way in minimizing it. The CPEC could revolutionize the existing socioeconomic setting of Baluchistan by dramatically altering its communication & transport sector and revamping its infrastructure.

The CPEC is intended not only to make available to China, the shortest energy supply route from Africa and the Middle East but to also augment trade and cooperation, thus reinventing Pakistan as an energy corridor between South Asia, China and Central Asia. The Gwadar port ultimately will offer China an entry point into the Arabian Gulf and consequently widen its geopolitical influence. The CPEC as well as the new Silk Road will also become an engine of economic growth for China's underdeveloped western provinces, including Xinjiang, by opening their markets to global competition, and help them come to par with China's developed coastal cities and provinces.

THREAT ANALYSIS

The CPEC project while it is underway, presently also faces a variety of challenges that seek

to undermine its beneficial impact for all involved. The threats can be categorized into internal and external, as well as, divided along political, economic and security themes.

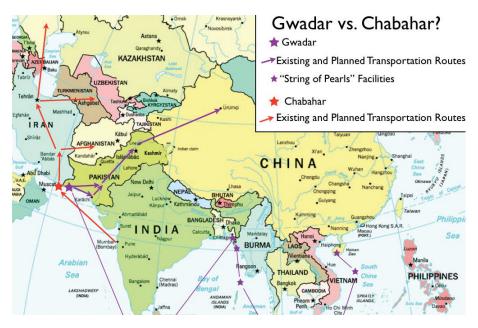
POLITICAL:

Political instability is the greatest impediment to any project around the world and the CPEC is no exception. In September 2014, Chinese President Xi Jinping's visit to Pakistan was cancelled in light of the sit-ins in Islamabad led by Imran Khan's Tehreek-e-Insaaf (PTI) and Pakistan Awami Tehreek (PAT). While the issue has been resolved between the government and the PTI through a judicial commission and the PTI has played an appreciative role in calling for national support for the CPEC, the danger has not eroded. All sides should refrain from initiating a course of action that could lead to impairment of this nation building enterprise.

Recently a new course of action has been initiated by some subnationalist parties that are alleging a change in the routes by the Federal government, that would only favor the eastern provinces of Pakistan and deprive the western provinces. Despite this allegation meeting no facts on the ground, the Pakistani and Chinese governments have tried to allay the fears, by interacting with the political parties that are making the allegations. There is also a stark need to engage the common man on the ground to stop the public from taking part in acts such as agitation that could halt work on the CPEC. 54

Political challenges also exist on the International front. There is talk of India approaching a diplomatic route to stop the construction of the CPEC in Gilgit-Baltistan, which it considers to be an integral part of its territory. The USA also has been apprehensive of Chinese strategic access to the Arabian Sea and its presence in the region. It has reportedly tried numerous





Security concerns remain the most primary challenge to the CPEC as yet. An arc of militancy stretches from Xinjiang to Gwadar consisting of groups like the East Turkestan Islamic Movement (ETIM), Tehreek-e-Taliban Pakistan (TTP), Lashkar-e-Jhangvi (LeJ), Daesh (ISIS), Balochistan Liberation Army (BLA), **Balochistan Liberation** Front (BLF) and militant wings of political parties.

times to dissuade Pakistan from involving China in the development, including advocating the port authority of Singapore as a suitable operator for Gwadar, at one time. Its significance as a provider of military and financial aid to Pakistan, as well as the second largest export destination after the European Union, could make it difficult to ignore. There is a stark need to engage in a diplomatic campaign to hold off any such attempts by foreign governments.

ECONOMIC:

As an economic enterprise, for the CPEC, the greatest challenge comes from competitors. The most significant is the Iranian port of Chabahar. India intends to invest significantly (\$85 million) in the development of Chabahar, which lies a few miles away from Gwadar and is part of its efforts for access to landlocked Afghanistan and Central Asia while bypassing rival Pakistan. Chabahar will effectively be a way station for energy imports coming from the Gulf region and destined for Afghanistan and Central Asia. It will also be a gateway to the Middle East, and possibly Europe, for exports originating from Afghanistan and Central Asia.

While the Chabahar project is not yet started due to ongoing talks on the Iranian nuclear issue, the Gwadar port has already become functional. However there is no need for contention between these two ports. Iran has a stake in the CPEC through the proposal to link the Iran—Pakistan gas pipeline with China, which has been described as a "common interest" between the three countries.

Also the Indian involvement in Chabahar is linked to Pakistan's refusal to allow India access for transit to and from Afghanistan, so India sees Iran as the next-best option. If Pakistan extends transit permissions to India, then India may not be interested in building up Chabahar. In recent years India has been particularly active in engaging Central Asian states for the sake of pursuing energy deals. India can be easily accommodated via the CPEC itself through eastern interface in Punjab and Sind and transformed into a stakeholder in the success of both Gwadar and the CPEC.

SECURITY:

Security concerns remain the most primary challenge to the CPEC as yet. An arc of militancy stretches from Xinjiang to Gwadar consisting of groups like the East Turkestan Islamic Movement (ETIM), Tehreek-e-Taliban Pakistan (TTP), Lashkar-e-Jhangvi (LeJ), Daesh (ISIS), Balochistan Liberation Army (BLA), Balochistan Liberation Front (BLF) and militant wings of political parties. Most of these groups may not have an enmity with China itself but rather intend to use attacks on Chinese interests like the CPEC as a means to deal with the Pakistani state. There are also indicators of foreign intelligence agencies engaged in espionage against the CPEC. In fact, reports of formation of a specific desk to deal with the CPEC at the Research and Analysis Wing (RAW) have been widely circulated.

Inside China, Xinjiang has been classified as the soft belly of China due to low development and ethnic

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tensions primarily concerning the Muslim Uyghur population. For the Chinese the ETIM is a manifestation of the three evils of terrorism, extremism and separatism. The ETIM has been further augmented by training from ISIS where instances of Uyghur militants being inducted in training camps have been seen.

The Xinjiang Uyghur Autonomous Region (XUAR) emerged as a major trouble spot domestically for China following violent riots and terrorist attacks within Xinjiang and as far away as Kunming and Beijing. Faced with this unrest, Beijing implemented a twopronged strategy. First, the central government unleashed a severe crackdown on terrorist activities, resulting in mass arrests and trials. Second, Beijing doubled down on its previous strategy of promoting economic development in the region as a way of addressing ethnic tensions. The central government recognizes that unemployment and poverty among Uyghur is a major driver of discontent.

Pakistan Chinese friendship has been hailed as "higher than the mountains, deeper than the oceans, sweeter than honey, and stronger than steel ". As China's friend, it is up to Pakistan to counsel it on appropriate ways to deal with issues of the Uyghurs, who along with other Chinese have a deep connection with common Pakistanis. Some measures to promote more integration of the Uyghurs go against Islamic teachings, which may aggravate

Balochistan
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Baloch Ethno-Nationalist
Separatists Remain the
Keenest Opponents of
Chinese Investments
in the Province.

the situation. Measures that accommodate religious values will go a long way in battling militancy in Xinjiang and breaking the hold of outfits like ETIM.

Inside Pakistan itself a range of actions threaten the CPEC project. Measures by militant outfits like kidnapping/murder of Chinese personnel, kidnapping/murder of Pakistani personnel, bombings of installations, acts of violence in major Pakistani cities, are a major source of danger. The recent horrifying collective murder of 43 people belonging to the Ismaili school of thought in Karachi is a means of sowing instability in the country. As Ismailis are a major portion of the population in Gilgit-Baltistan, this could raise sectarian strife impairing the CPEC project.

Balochistan remains the Achilles heel of the CPEC. Baloch ethnonationalist separatists remain the keenest opponents of Chinese investments in the province. In 2006, three Chinese engineers lost their lives in an attack claimed by the BLA in Hub, a town west of Karachi. A week before the Chinese president's visit, at least 20 laborers were killed in cold blood by BLF gunmen in Turbat. Separatists routinely attack power and energy transmission lines asides from other acts of terrorism inside Baluchistan.

In order to specifically counter security threats to the CPEC, the Pakistani government plans to establish a 'Special Security Division' for Chinese workers. The ETIM and its main ally, the TTP, have been broken by successful COIN operations. However more could be done to improve security measures. Balochistan is the key to the success of the CPEC and the strategic goals associated with it. The government must engage the local dissidents in a dialogue process, and bring them back into the national mainstream. A combination of Diplomacy, Intelligence networks, Economic measures and Military tools can be used to counter foreign designs.

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CONCLUSION

In the past, Pakistan and China have engaged in a variety of difficult projects that were thought impossible due to the constraints involved and still managed to achieve success. The Karakorum Highway stands as a testament to the fact. Utilizing firm political resolve, revolutionary insight and unyielding fortitude, both nations can surmount the challenges and transform the CPEC from paper to reality in a short span of time.

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ARMED & DANGEROUS

DECONSTRUCTING THE GENISIS OF KARACHI UNREST

by Khalid Muhammad





Militancy is rooted in disenfranchisement, whether it is economic,

religious or social. When that disenfranchisement is capitalized upon by motivated individuals, even the most educated will turn their heads toward the opportunities.

For a city, any city in the world, to effectively limit militancy and violence, it must have effective and transparent governance,

affordable education, economic opportunities for those who are qualified, adequate housing options and a police force able to secure the population. When a combination of these things is not available, the population becomes open to any incentive to earn.

No matter how anyone tries to describe Karachi, from the ethnic areas to the communities, and to the landmarks that spot the landscape, the economic hub of Pakistan is a city without peace. For many, Karachi is mini-Pakistan, where everyone can earn higher wages than they can earn in their villages and other urban centers. This has always been the draw to the City of Lights, but sadly, the city has not been able to maintain that standard.

When you add in urban mismanagement, corruption and victimization, it is no wonder that Karachi struggles with First World problems in a Third World city. With over 20 million people calling it home, Karachi has been a victim of violence, political point-scoring and rampant crime for decades.

For a city, any city in the world, to effectively limit militancy and

violence, it must have effective and transparent governance, affordable education, economic opportunities for those who are qualified, adequate housing options and a police force able to secure the population. When a combination of these things is not available, the population becomes open to any incentive to earn. This is where the militancy problem starts.

Let's break it down.

DISENFRANCHISEMENT

Militancy is rooted in disenfranchisement, whether it is economic, religious or social. When that disenfranchisement is capitalized upon by motivated individuals, even the most educated will turn their heads toward the opportunities. For decades, Pakistan has mistakenly looked at this issue with blinders on, assuming that militants only come

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from madrassas and backward areas of the country. That model has been effectively broken in the new age of global, sleek, terrorist organizations.

To understand the shift, let's understand one of Al-Qaeda's operating protocols. While their foot soldiers are drafted from the madrassas, the commanders and leadership come from strong educational backgrounds, are well-spoken and can easily mix with society, providing them with excellent opportunities to recruit and influence others. These cell leaders are also tasked with additional activities like logistics, administration, public relations and fund raising. They are counted on for their skills and education to be able to oversee the bigger picture, rather than being focused on the small operational details that are left to fighters that are easily sacrificed.

Understanding this principle, it becomes much easier to see why Karachi is the best recruiting fair in the country. From Sohrab Goth to Clifton and Buffer Zone to Malir, Karachi has a great many people economically, socially and religiously disenfranchised - for whatever individually perceived reasons, from mainstream society.

For a recruiter, this is the dream scenario, but there are more factors that spur and incite the fires of militancy that have not been controlled for decades.

POLICING

Karachi struggles with a police force that is neither effective nor capable. Most of the roughly 27,000-strong police force is appointed through political channels, often in return for political favors. Of the 27,000, almost 11,000 are designated for the protection of VVIPs and investigations. What it translates to is roughly, 1,250 Karachiites for every remaining police official. This is in stark contrast to the 55,000 security guards employed in various private companies, a growing security risk themselves, around the city.

For comparison purposes, London has almost double the number of police as Karachi for half the population; a ratio of 274:1. New York City has roughly the same population as London with 34,000 uniformed officers, a ratio of 250:1. New Delhi has 5 million more people than Karachi and an astounding police strength of almost 80,000; a ratio of 312:1. Karachi's ratio of 1250:1 is in direct contrast to the Sindh Police Rules, which states 450:1 an accepted ratio.

Is it any surprise that crime rates are lower and policing far better in

these cities, compared to Karachi?

The disparate ratio aside, Karachi's police force, in particular its reporting and investigation procedures frustrate many people at every police station in the city. When a citizen ventures to the police for assistance, they are met with numerous excuses why they can't be helped; the excuses ranging from no fuel in the police vehicles to police officials unwilling to lodge the police report for a crime that has been committed. When they do actually bother to do their job, the first suspects are often the people who work in a home or office. There are no forensic measures employed to solve a crime. Mostly, people from the lower strata of society are often tortured or abused into false confessions.

It is incredibly rare for someone with means and contacts in high places to be arrested, or tried for any criminal activity in Pakistan.

These factors mean there are many pockets in Karachi that are unsecured, allowing for militant organizations to establish their presence and exploit the population of those areas; to recruit, fundraise and shelter their own members. And every militant organization from Ahl-e-Sunnat-wal-Jamaat



He said, "I will only be judged by Allah for the one that i was there to kill. The others i will not be judged for because they were not my target."

(ASWJ) to the TTP has taken advantage of these pockets to establish their bases in Karachi.

STARK ECONOMIC DIFFERENCES

In any urban center around the world, you will see differences in economic situations. There will be a lower, middle and upper class, no matter what city demographics you examine. The differentiating factor is that every class has the opportunity to grow out of their current station in life. When this model is applied to Karachi, the model is demolished.

Karachi, much like Pakistan, has two distinct economic classes the wealthy and those who work for them. The middle class of the country is virtually non-existent. Unlike any other urban center, there is no chance for someone from the lower classes to move up from their station in life. They are not provided the same educational opportunities, nor provided the same economic opportunities and never considered a real part of mainstream society. They are banished because many of their population work as drivers, gardeners, guards, cooks and cleaners in the homes of the wealthy and middle class.

Now, understand the dynamic. Here is a person who will never be able to have even 1/4th of the things that a middle class home contains, having to work like a dog for a menial salary; cooking, cleaning, looking after those who don't consider them part of the society they live in. Not everyone is like this, but to say the majority

shares this thinking would not be incorrect. These economic differences drive a further wedge between the people of the city and the country, making it easier for the recruiters to pick people off for their cause, ideology or violent passions.

But here is what makes this interesting. You also have members of the middle class and upper class that are part of the militancy movements. Their interest, or disenfranchisement, comes from the lack of equality in society. They see themselves as hardworking, honest individuals who are not rewarded for their intelligence, honesty and work ethic, whereas the uber-wealthy are rewarded for underhand, illegal and unfair tactics. Their draw to the militancy movements is to restore a level of equality for themselves, expecting to even the playing field economically.

RELIGIOUS INTERPRETATIONS

In Pakistan, we have all learned that religious interpretation, or misinterpretation, is the stick in everyone's throat. When religion is intentionally misinterpreted, it can become a mass motivator for hatred and violence, and the recruiters of the militant groups have effectively implemented this strategy as the core of their teachings. While we cannot paint all the religious seminaries with the same brush, many on the fringe, unregistered ones are specialists in teaching, and repeatedly pointing out, differences between the sects of Islam from a very young age. It is not difficult to find someone teaching that Shias are not Muslims, or that Deobandis or Barelvis are worthy of death because of their minor differences in interpretation of religious text. Then you have the extremist and terrorist groups that only teach hate using misinterpreted Quranic verses. While the distinctions are minor from one group to the other, each one teaches distrust and a level of dislike from the pulpit.

There was a suicide bomber who was caught before he was able to detonate, and he was interviewed on a domestic television channel. He was asked why he felt suicide bombing was an Islamic form of war when so many innocent people were killed. His answer was both astonishing and a clear demonstration of the ideology they have been instructed upon. He said, "I will only be judged by Allah for the one that I was there to kill. The others I will not be judged for because they were not my target."

You won't find that in the Quranic teachings. Murder is wrong. Suicide is wrong. Both will send you to hell. For those who doubt, they can look up the many fatwas that have been endorsed by leading imams decrying the practice of suicide bombing as haram but they are not taught these things. They are taught the misinterpreted, misunderstood verses from an imam whose own understanding of the Quran is based on the teachers that he had previously, who were most likely similarly uninformed.

Couple this with an educated, religious class, who believes the westernization of Pakistan-with jeans, t-shirts, no sleeves and other such symbols of that culture have destroyed the Islamic values of Pakistan. These individuals are the key factor in brainwashing those in their circle of influence, drawing people to extremist imams and making sure that their children are guarded against this cultural war. Their support for militant organizations comes from the misguided belief that an Islamic society will be re-established if

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these ills are removed, in any manner possible.

POLITICAL AFFILIATIONS

With the growth of demi-religious parties during the Zia dictatorship, Pakistan has been jerked in two separate directions by both the old players and those who emerged afterwards. Let's look at two of the major players in the militancy movement.

The Jamaat-e-Islami, a mainstream Deobandi religious movement, gained great acceptance and influence during the government of Zia-ul-Haq. Prior to his government, they were a fringe party regularly kept on the outside of the mainstream political conversation. When Zia came to power, it was the religious parties that greatly benefited from both the flow of foreign funds and the effective PR campaign run on their behalf. Since the Afghan conflict with the Soviets, the Jamaat has significantly changed their outward perception to become a mainstream political party, while continuing to hold the same values they were taught by Maulana Maudoodi when the party was first founded.

The Jamaat-e-Islami's student wing, known as the Islami Jamiat-e-Talaba (IJT), has been notoriously alleged of being associated with militant activities, on and off university campuses. This group draws from children who are affiliated with the Jamaat, as well as outsiders who share their vision of Islamizing university campuses. The IJT has often been involved in armed struggles at Karachi University, Punjab University and other major state institutions. They hold significant sway among the Jamaat leadership and are regularly used to implement objectives. They are regularly caught providing shelter and support to terrorists, militants and others against the state within their controlled hostels on university campuses.

(MOM), Karachi's largest political party, is commonly affiliated with the establishment or the army. Although they were launched during the Zia government as a middle-class force against the wadera (landowner) dominated Pakistan People's Party, it was never strictly a creation of the army itself. It truly looks like a party that emerged with popular support, which it continues to enjoy even today. The MQM is presumed to be associated with kidnapping for ransom, blackmail and target killing, throughout Pakistan, even though they are only based in Karachi. Recently there have also been allegations of the MQM's links with various foreign intelligence agencies, following arrests of its workers by the Law Enforcing Agencies.

Identifying these two groups specifically does not mean the other parties are completely clean. The Bhutto's Pakistan People's Party is known for the terrorist organization Al-Zulfigar, their own connections to the gangs in Lyari and the infamous People's Aman Committee. The Awami National Party is famously known for their love of weapons, while claiming to be a non-violent communist party. And the list goes on and on.

The point of including these facts is to help the reader understand that all militancy in Karachi is not based on religion; some of it is also politically motivated. The politically motivated militancy is usually directed at business owners and average citizens through extortion, bribery and target killing.

CONCLUSION

Militancy in Karachi is not contained to a specific group, economic class or religious sect/organization anymore. The cancer has spread through 20 million Karachiites, with many more migrating each day into the broken system. With each migration, the potential, or expectation of militant activities increases exponentially. Many The Muttahida Qaumi Movement will recall when the Internally Displaced People (IDPs) from KPK and FATA were looking for a place to set down their roots; Karachi was closed off to them because of this potentiality. Eventually, some were allowed into the city, but they were kept outside the mainstream, being camped outside the city with nothing to do and no means of supporting themself.

To best understand the roots of violence in the City of Lights, one must develop a clear understanding of the factors which allow it to fester, grow, mold and then turn toward them. No matter what the reasons, background or rationale for joining a terrorist or extremist group, it all traces back to these factors.

Until the political and non-political players in this great game decide to accept, face and defeat these factors, Karachi, and Pakistan, will continue to suffer from this scourge. The question as always becomes, how long will the citizens tolerate the bloodshed before they take matters into their own hands to bring change to their city and country?

Khalid Muhammad

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Sectarianizing the Atoms: A Fairytale of Regions

by Muhammad Sharreh Qazi



The recent terrorist strikes in Saudi Arabia and subsequent claims by the IS are just one slot in the events to come. Middle East in general has always been an ideal scale to rate and rank trickledown effect of destabilization in the world over. The Arab Spring and subsequent events thereof made clear signals that Middle East shall continue to dominate both world trade and world diplomatic behavior. From the installation of IS to the initiation of sectarian geostrategic competition, Middle East has escalated all forms of conflict that could be imagined but all this debate stands still at a pertinent question, what options are on the table for Saudi Arabia, fatigued by concerns over

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compliant nation with respect to memorandums and international covenants concerning maintenance of non-proliferation of nuclear weapons in the middle east, the consistent concerns over israel's nuclear capabilities and the more recent iranian nuclear

threat have definitely

tipped the balance.

The Kingdom of Saudi

Arabia is a

the Iranian nuclear program? This is where major fissures in Middle Eastern politics and strategy are observed. Whereas the Kingdom of Saudi Arabia is a compliant nation with respect to memorandums and international covenants concerning maintenance of non-proliferation of nuclear weapons in the Middle East, the consistent concerns over Israel's nuclear capabilities and the more recent Iranian nuclear threat have definitely tipped the balance off; the only noteworthy question is to what extent has the balance been tipped? The answer, as always, is threefold.

mainstream attention when it was rumored that the Pakistani nuclear program was financed by the Saudi government, followed by the second summit of the OIC held at Lahore. The main purpose was to introduce a viable response through maintenance of deterrence between Middle Eastern Muslim nations and Israel's growing regional influence. The telltale rumors that Pakistan was to be a launch pad for all deterring potential towards a resurgent Israel would be potent enough to rescue the Muslim states in close proximity with the enemy, noteworthy being the fact that prior to this summit meeting, In one instance, the Saudi the Muslim states had already nuclearization frenzy took fought and lost against Israel due

to lack of coherence and excessive individualism. That debate being aside, the notion that Pakistan was being 'prepared' as the ultimate line of defense quickly fell into an abyss of nothingness because this is not exactly how the nuclear realm goes.

The second instance was that since Pakistan and Saudi Arabia have an alliance and somehow the root of all problems in Saudi perspective is Iran, due to undisclosed reasons, Pakistan being in close geographical proximity to Iran might serve as a vital lynchpin to dissuade any regional adventurism by Iran. The purpose in more technical terms would be to associate credible threat under the 'extended deterrence principle' to discourage Iran's intentions in revolutionizing Middle Eastern strategic dynamics. As ridiculous as it may seem, extended deterrence is not a common game of chess where making a counteracting move is imperative to 'win the game', rather, it is an intricate response mechanism that not only requires initiation of extension but also formal communication of such an extension in order to cement deterrence to achieve credibility. So the fairytale that Pakistan awaits orders from Riyadh or Jeddah to initiate aggression against Iran is also a flawed assumption.

Yet another notion assumes that

growing sectarian rift in Pakistan is actually Iran and Saudi Arabia fighting their proxy war on Pakistani soil in order to attain maximized potential leverage over an 'unstable nuclear weapon state' in order to install 'intellectual control' over strategic assets. So this theory suggests that Pakistan is actually a sandbox for two children fighting over who gets the toy, a seemingly genuine concern for certain 'experts' both foreign and domestic. Interesting to note is that where every terrorist activity conducted in Pakistan is somehow or the other related to one sect per attack, no one in the local media or panel of experts asserts that citizens of Pakistan are the targets, not affiliated sectarian segments of the society; an argument that could somehow or the other consolidate a devastated set of people.

So where in all this does Saudi nuclear acquisition to 'balance power' lie? The answer is simple, with enough economic pull and ample resource deterrence, not to mention the geographical position, Saudi Arabia could have acquired a nuclear status a million times if it so desired. As far as Iran is concerned, a panicked Israeli Prime Minister and similarly paranoid global community does not mean that Iran intends to go nuclear. With the Switzerland negotiations between Iran and the P5+1 swiftly approaching its With the Switzerland
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June 30 deadline, it is detrimental both in terms of expert opinion and hearsay fun to assume that Saudi Arabia is scared stiff and intends to either make nukes or ask Pakistan to rent for hire.

Middle East has always remained unstable but this instability is attributed to its division and cultural core. The Ottoman Empire was divided on the basis of empiricist influence rather than ground realities and this caused their cultural tribal society to come across differences over territory,

The fairytale that
Pakistan awaits orders from Riyadh or Jeddah to initiate aggression against Iran is also a flawed assumption.



similar case study being the issues pertaining the division of Africa. Once oil was discovered and mass-scale supply was initiated, Middle East became a region where hard power would remain in the shadows as economic and resource leverage to states maximized their soft power grip over global political regime. The agitation in Saudi Arabia is not because of a prospectively nuclear Iran or a genuinely threatening IS. the trickledown effect of regime changes over the last five years are a major concerns for the Kingdom.

The Yemen situation was also misinterpreted into Saudi Arabia suddenly asking Pakistan for nuclear support because Iran had somehow financed Yemen as a proxy to take control over Saudi Arabia as a gun-for-hire to even the odds. This meant that Pakistan keeps Iran in check and Yemen does the same for Saudi Arabia. then once Iran goes nuclear, Saudi Arabia buys a few missiles from Pakistan and makes nuclear deterrence. So consequently, Iran keeps Yemen as an over watch for Saudi escalatory intentions and Pakistan serves as a Saudi launch pad against Tehran. This fantasy looks amazing if sugar coated well enough to sell as the headline or the prime time talk show but remains eons away from the hint of reality.

Saudi Arabia has remained compliant to IAEA and NPT and has also been the most active proponent for nuclear weapons free zone in the Middle East. If somehow, their intentions are to nuclearize, this would mean that international economic paradigm will shift to a more docile nation maintaining more robustness, something which Saudi Arabia will never allow. Oil competition within the Middle East is active enough to dissuade any nuclear intentions for fear of replacement. Furthermore, the principle of deterrence requires a more concrete dynamics of threat and mere sectarian violence between two states on a foreign land is not the ideal cause for

deterrence. Sectarian segments and minorities in Pakistan are targeted as they serve as the best countervalue soft target because it keeps Pakistan in check and overall, very busy. Terrorists choose their target according to strategic advantage not personal favoritism for entertainment. A children's school could serve as a vital target to display a derailed disoriented civil government and a rebellious vet dominating military segment. Choosing a military run school doubts credibility of operational capability of the armed forces currently engaged in internal military counterterrorist efforts. Choosing a specific segment indicates sectarian inclination of the state to the extent of clandestinely assisting genocide through religious militant organizations and all this proves that Pakistan is a religiously torn state about to insatiably push the button. If even a hint of this fairytale were to be plausible, Saudi Arabia utilizing such a proxy would be inherently counterproductive to the essence of deterrence.

As far as the extended deterrence is concerned, with the rumors being that Pakistani and Saudi officials have met in connection to the Yemen issue and are underway of discussing a nuclear umbrella for the Holy Cities of Makkah and Medina. The threat being that the two holy cities are under direct threat of sectarian oriented Houthi rebels is far from true as the Houthi struggle is a domestic upheaval within Yemen. Saudi response was predominantly preventive so as to discourage any potential spillover and it was restricted principally to the capital city where the rebels had asserted control. A nuclear option in this instance would be entirely counterproductive and such brinkmanship would be entirely destabilizing, something that deterrence never emphasizes. So extended deterrence in the form of a borrowed nuclear response would be principally against the concept. Extended deterrence maintains that states assert strategic assistance and it requires physical installation of extending nuclear response mechanism, whether defensive or offensive, and extending state retains control over such assets so installed. It requires a real-time threat made credible through continuous and homogenously undeviating set of actions, making threat credible.

So what have we learned today? We have learned that with enough oil and global supply routes, creation of nuclear weapons on both sides of the Gulf is not necessary, no matter how panicked a few states may be. We have learned that extended deterrence is not a motel room deal between the owner and the tenant and we have also learned that Middle East had enough money to go nuclear decades ago but there was no credible threat to begin such a move. If this assertion ever proved redundant, it would only be when Tel Aviv would actually let a few of its strike fighters do to Iran what they did in Iraq under Operation Babylon/Opera or more conveniently, what Iran did under Operation Scorch Sword in Osirak. If ever this were to happen, then the contents of this article shall stand revised and there would be a prospective nuclear holocaust and that might not allow a revised opinion to ever be published.

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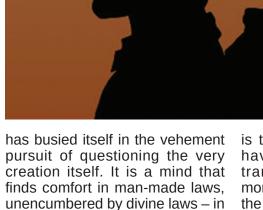
DIAGNOSING **EXTREMISM?**

(PART 1: Secularism)

by Dr. Aaminah Siddiqui

As the world discusses inventions, child prodigies, new found cures through vaccines, the progression and advancement of human intellect cannot be doubted. Indeed, this side of the picture is a beautiful painting of a future, where mankind's survival is the ultimate success.

Not far from this reality, is another side of the story that is perhaps the negative of what we anticipate; the absolute regression of mankind. The brain that has evolved, and which was supposed to diagnose, alleviate and cure mankind's afflictions,



This is where the question surfaces: what is the real deal with extremism? According to Merriam Webster dictionary, extremism can be defined as "belief in and support for ideas that are very far from what most people consider correct or reasonable"

short, a dangerous pet that can go

wild if it is allowed to roam free!

Now putting this into view, one finds ample explanations to various things going wrong in the world today. Focusing on the definition of extremism, it is not just to limit the absurdity of it to the recent threat of terrorism. What is indeed considered necessary is the revision of problems that have penetrated their way, transforming into acceptable morals of the society, much before the introduction of guns and wars.

Remember, a hazard will forever remain until it is erased, or universally acknowledged as a norm. This is where the menace of extremism originates from - accepting what would have otherwise been considered incorrect or unreasonable. This involves the drastic change in perceptions, through levels that is the main scope of the discussion. While the debate is lengthy and time consuming, and therefore must be tackled stepwise, it is not, however to say that any level is less pernicious than the other.

The first blow to a solid conscience is the delusive urge of





secularism.

The main purport of the debate here is to highlight the negativity that a so-called liberal and advanced society has injected into us, such that we do not even realize the repercussions in the form of irreparable damage it has inflicted on our conscience and our faith. I speak of a society that believes in human rights over religion, campaigns against religion while campaigning for the rights of atheists, and then campaigns for tolerance for specific minorities, and self proclaimed definitions of feminism, racism, fundamentalism, and radicalism.

On account of the present world that faces terrorism in spite of high tech weaponry and updated security systems, the ever increasing number of rapes, notwithstanding all these feminist movements, the unexplainable increase in poverty in parallel to riches and luxury, and intolerance regardless of high literacy, we are unsuccessful at grasping the grounds of the problems while we strive to counter them.

Erasing religious principles for

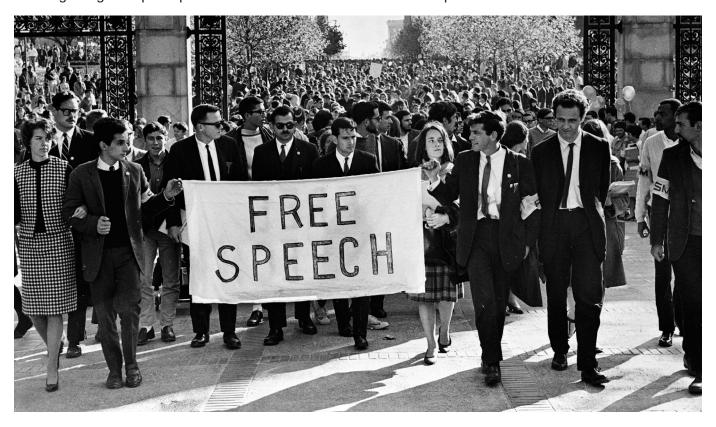
principles for the sake of free speech, banning the veil to save women from oppression, and bringing up kids in a bubble while there is war looming on our heads, none of these efforts are fruitful because religion is not even the problem here.

the sake of free speech, banning the veil to save women from oppression, and bringing up kids in a bubble while there is war looming on our heads, none of these efforts are fruitful because religion is not even the problem here. In this false havoc of religious extremism, the real disease that continues to kill the masses is overlooked, and that is a carefully established mode of information, based on fallacious and delusional concepts of secularism. This information has been allowed to flourish upon

a negativity that is superficial to the extreme. This level of secular extremism is the one that is terminal and more disastrous than what is being otherwise forced us to believe.

Secular extremism is a monopoly that thrives upon desires and false promises. It permits one to believe in the control over life as an individual, thereby erasing the concept of collective or productive development. It mainly focuses on rights; to dress, eat, speak and live however one may want to. It diminishes the impressions of law and order, and allows one to live wild under the banner of being liberal and secular. It does not believe in compromise or sacrifice, but demands and liberties.

The world at large, laments religious fundamentalism to have tipped the precarious balance of peace but on the other hand, people like Irshad Manji, TarekA Fattah, Salman Rushdie and Ayaan Hirsi Ali are given credit and encouraged to voice the extent of garbage against religion, either in absolute denial, or in support of a reformation.





They use the excuse fundamentalism and make it appear as the gravest menace the society is facing today. Meanwhile, homosexuality that caused several untreatable STD's such as AIDS, female objectification that gave birth to anorexia and triggered rape epidemics, freedom of speech that ignited hatred and ethnic division, consumerism that led to destructive levels of competition, greed, and ultimately poverty, are some of the countless problems that are conveniently overlooked. These problems did not emanate from the overabundance of religious fundamentalism, but rather the lack thereof.

The readers are therefore urged, not to fall for the poison of secularism. It is that delusive lie, which has no ground under its feet. It is where feminists walk out in favor of women's rights to dress, and demand men to behave, meanwhile objectifying their bodies by plastering them on billboards to sell fast food and mattresses. It is where gays have more respect than our Prophets. It is where freedom of speech is encouraged as long as it is not a religious sermon. It is

where mother and father days are celebrated while kids have the right to get their parents arrested. How is this in any way advancement or protection of human rights, or even the slightest bit enlightening in its true meaning?

A secular mindset that speaks about human beings and their rights, conveniently slot away human beings into categories. While the pretty face of secular extremism goes unnoticed, the gruesome image of terror that is being shown to us since the past decade as bombings and killing sprees is perhaps new and acute, hence influential. It is only ironic when one stops to think that the countries that speak loud and clear in favor of world peace and human rights were in the frontlines in both world wars and one of them has an undeniable, inhumane act of wiping out the population of two entire cities to its discredit.

From what I know, the events that humans have witnessed in the last century are strong proofs, and in a way thorough examples of terrorism, if dared to question. These world wars and genocides did not occur through religious intolerance or extremism. They were caused by the very reasons that have found their way into the society today; greed for power and liberty.

But those events have been stacked away in the dust piles of history, and are not brought up along with the new terms and definitions that are even today, paradoxically altered as required, and used for individual benefits without any basic reasoning.

And finally, Pakistan faces the same trouble; a civil society that gathers for the demolition of seminaries, but stands for the rights of serial killers, blasphemers and diversionists. They speak for the rights of minorities by mocking and defaming their own religious figures. They find examples of scholars speaking

balderdash and use that to criticize religious education. They respect idols, support fashion events squandering money, and have absolutely no problem watching women in revealing clothing on TV. Their rhetoric of religious extremism blinds them from that fact that corruption, poverty, disease, illiteracy, terrorism, and several other social deformities have the very solution present in the name of religion, and the only way out of this is elaborate religious education.

This is not to say that science and material knowledge is less important. It is just to disagree with the concept that all the answers to world peace and well being lies in electron division or cosmetology. I refuse to blind myself to a false picture of a world where anyone can be allowed to do anything; it may start from rights to wear, eat, speak whatever one wants to but where it will eventually lead to, is anyone's imagination. I believe that secularism, in its plight for freedom, inflicts its ideas on our conscience and force feeds them to us. The real deal with extremism is not fundamentalism; it is the fear and escape from responsibilities for ones actions that gives rise to the concept of freedom. This freedom is not from oppression and it does not lead to a world of joy and peace. This freedom is a blind leap that can only result in a crash, face down.

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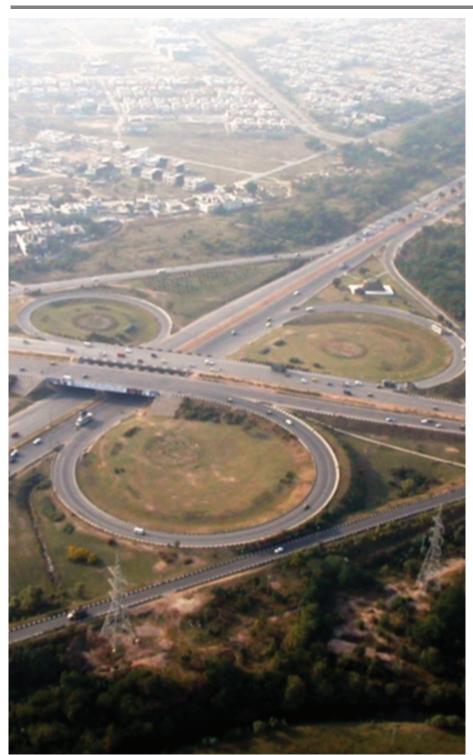
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BUSINESS REVIEW

Pakistan's Positive Economic Outlook







Year 2015 has been very positive for Pakistan, in respect of its economic outlook compared to the past two decades. Since 2007, Pakistan has been hit by severe power crisis, which in turn have had a big impact on Pakistan's economic growth. Global recession and higher oil prices further deepened Pakistan's economic downturn. Three years back it seemed Pakistan will take almost a decade or two to recover from the crisis, and the economy was heading towards disaster but a series of steps taken by the Government and some opportunities that presented itself last year as well as this year, showed that Pakistan can overcome economic crisis within five years' time. Let us evaluate the key factors that contributed towards the positive outlook of Pakistan's economic growth, and the factors that need to be taken into consideration to achieve the forecasted growth, as per international economic bodies, within the next few years.

INTERNATIONAL CREDIT RATING OF PAKISTAN

In March 2015, Moody's Investors Service raised Pakistan's credit outlook rating from stable to positive. Pakistan's credit rating has been upgraded for the first time since 2006. This rating is based on extending external liquidity position, continued efforts towards fiscal consolidation and Pakistan Governments steady progress in achieving structural reforms as per

IMF program.

In May 2015, S&P followed Moody and upgraded Pakistan's credit rating from stable to Positive. Improving finances, low inflation, economic reforms and lower energy prices contributed towards Pakistan's economic optimism. IMF has forecasted Pakistan's economic growth to 4.5% for fiscal year 2015-2017, which is quite positive as compared to previous year's forecasted growth of 3.6%

STOCK MARKET INDEX RALLY

The benchmark KSE100 stock index has rallied 56 percent since mid-2013 and according to Bloomberg, Pakistan ranked third in 2014 amongst the Top Ten Best Performing Markets in the world. Also, Pakistan has been able to secure a place amongst the Top Ten for the third consecutive year now. Moreover, in the MSCI Asian Frontier Markets, Pakistan ranked number one – outpacing Sri Lanka, Vietnam and Bangladesh by a big margin.KSE-100 Index gained 6,870 points thereby generating a handsome return of 31% return in US\$ terms. The year 2014 was one of the best years in the Pakistani capital market history for

Political stability is one of the key reasons for increase in foreign investment; stable rupee, low inflation, and GDP growth steadily ticking up. Pakistan in 2013 saw for the first time in history, a civilian to civilian handover of government, and that has brought optimism among foreign investors regarding pakistan's economic outlook.

mega public offerings led by sale of shares by the Government of Pakistan, and in terms of money raised through these offerings. Total offerings in the year 2014 reached 9 as compared to 3 in the year 2013.

After a gap of almost seven years, Rs73 billion were raised through offerings in 2014, as compared to a meager Rs4 billion raised in 2013. Higher foreign inflows during the year can also be counted as a major market boost. This positive performance of the capital market can be attributed to a number of favorable factors, both at the political and economic front. Key factors which can be seen as contributing to the market's bull run are Government's business friendly reforms, improved macroeconomic indicators including record forex reserve levels that almost doubled to \$16 Billion this year, increased confidence shown by international donor agencies, government's energy sector initiatives, significant interest shown by China to invest in Pakistan, and government's plans and initiatives towards fast-track privatization.

POLITICAL STABILITY

Political stability is one of the key reasons for increase in foreign investment; stable rupee, low inflation, and GDP growth steadily ticking up. Pakistan in 2013 saw for the first time in history, a civilian to civilian handover of government, and that has brought optimism among foreign investors regarding Pakistan's economic outlook.

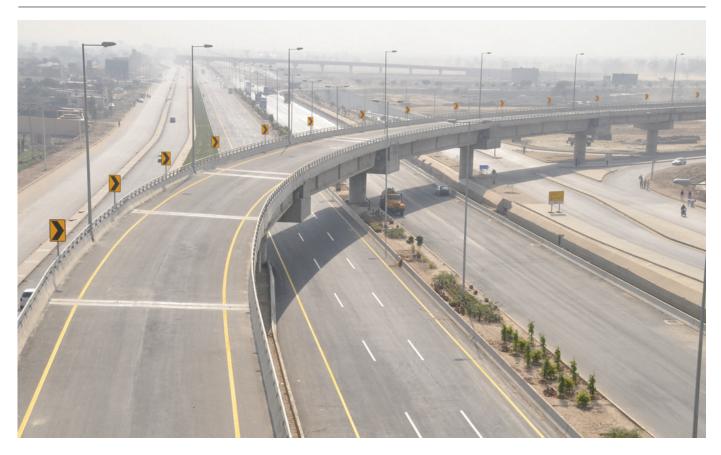
In Mid-2014, we saw street protests in Islamabad with a massive number of people coming on the streets, which showed some indications of political instability in Pakistan. These protests however, ended within 3-4 months' time, with no reports of major violence, and this factor somehow brought a sense of optimism that political stability in Pakistan has improved compared to previous years.

Back in 66 2011, it seemed the terrorists had the upper hand, and were able to manage and strike at will at any place, at any time in the country, however, recent measures and operations taken by the military and civilian leadership of Pakistan has shown Pakistan's resolve to curb terrorism from the roots.

CURB ON TERRORISM

Year 2008 till Year 2011 saw huge number of terrorist attacks on key strategic infrastructure and important assets of Pakistan. These terrorist acts were acts of sabotage or a form of economic terrorism





to limit foreign investment in the country and hurt the economy of Pakistan. Back in 2011, it seemed the terrorists had the upper hand, and were able to manage and strike at will at any place, at any time in the country, however, recent measures and operations taken by the military and civilian leadership of Pakistan has shown Pakistan's resolve to curb terrorism from the roots.

These gains in the last 2-3 years, where terrorists have been unable to attack the key infrastructure

A country with strong infrastructure, good communication, and

transport network attracts

foreign investments and multinational companies, which provide job opportunities to the locals.

confidence of foreign investors, further adding towards improvement in Pakistan's economic outlook. Foreign investors feel that business environment is getting stable and have room for further improvement in future.

MEASURES REQUIRED FOR CONTINUOUS ECONOMICS **GROWTH**

The fact that Pakistan can recover from economic crisis at a faster pace than assumed earlier, and credit ratings given to Pakistan by international bodies, speaks clearly of Pakistan's seriousness to come out of crisis. However, for a continued and steady progress, some measures should be taken by the government of Pakistan to ensure a continuous economic growth:

a) Upgrade Existing Infrastructure and Build New Ones

A country with strong infrastructure,

of Pakistan, has improved the good communication, and transport network attracts foreign investments and multinational companies, which provide job opportunities to the locals. Pakistan's prime focus should be in upgrading existing infrastructure and transport networks like roads, railways and airports, which

> Currently Pakistan has shown good progress in maintaining inflation level at 2% in year 2015 as

compared to last year,

which was 8%. One of the key reasons if reduced inflation level was reduction in crude oil prices around the world, which contributed towards reduction in price levels of commodities and goods sold in the market.

makes it easier for multinational companies to do business in Pakistan.

b) Creating Employment **Opportunities**

New employment opportunities and employment level are the key indicators that show, economy of the country is further improving. The number of jobs added on monthly basis in the country or new employment opportunities show that business in the country is continuously expanding and there is room for further growth. Unemployment level of Pakistan stands at 6% as of 2013 and latest unemployment level has not been released yet. Pakistan needs to ensure that unemployment level should reach below 4% in order to ensure continuous economic improvement.

c) Inflation Rate Control

Inflation refers to rise in price level of commodities and goods purchased by the people. In short, it means high prices and less purchasing power of a nation. Higher inflation rate in a country leads to unhappiness of people against government which can lead to riots and protest and can further lead to political instability in a country, making the environment non friendly for business.

Currently Pakistan has shown good progress in maintaining inflation level at 2% in year 2015 as compared to last year, which was 8%. One of the key reasons of reduced inflation level was reduction in crude oil prices around the world, which contributed towards reduction in price levels of commodities and goods sold in the market.

d) Maintaining Interest Rates **Near Zero**

Interest rates set by central banks of countries play an important role in the development of economy. Low interest rate contributes towards strengthening economy of a country.

In 2008, when the world was hit loans from international banks. by global recession, economy of USA was the first to get hit, and was severely affected with higher industries, is also a basic unemployment level and almost requirement to support the zero credit or lending from banks to do business. In order to tackle Bank came up with two things, one was to have a massive stimulus plan by the banks to increase the cash flow, and second was keeping interest rates near zero value. Interest near zero value helped big investors to invest in other places in the country rather than keeping funds in the banks, which generated huge cash flow in the society, as well as, improved the unemployment level, and added job growth. Within 3-4 years USA was able to get out of economic crisis.

Pakistan should follow along a similar pattern and keep interest rates near record zero, to increase spending and generate cash flow in the market, which in turn increases job growth and employment level and further strengthens economy.

e) Water, Power and Gas **Availability**

Power and Gas crisis was the main reason that Pakistan's economy came under continuous pressure since 2007. Pakistan should take steps towards increased power generation through alternative (green energy) and traditional (coal, LNG, diesel) power generation methods to ensure that manufacturing industries are continuously supplied with power and gas for reduction in manufacturing cost price. This factor will make Pakistani products competitive and increase Pakistan's export and locally manufactured products available in market.

More availability of products in the market will further add to reduction in price. Also availability of locally manufactured products in the market and increase in exports will support the overall economy of the

country, and make the country selfdependent, rather than relying on

Clean water supply to run country's economy. Clean water improves sanitation conditions and the situation, the Federal Reserve reduces health risks and hazardous environments. A country with high number of diseases and unhealthy environment adds pressure to the economy, especially in the case of fatal diseases. Unhealthy areas make the country an undesirable place to work. Also, many industries require huge amounts of water for manufacturing process. Pakistan should build more water desalination and sweet water treatment plants, in order to meet future demands to fulfill the requirement for further economic improvement.

> Pakistan should further provide economic reforms and business friendly environment in order to attract investors. Pakistan should also focus on establishing new steel industries and upgrading existing ones. Recently discovered high grade iron ore in the country has added new hopes that Pakistan can be one of the leading suppliers of steel related products and iron ore. Pakistan should setup special economic and industrial zones, and increase water and energy supply to enhance the pace of the economic recovery. If these steps are ensured, within a few years Pakistan can become one of the highest developed economies in Asia.

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