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## HIGHLIGHTS

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## I Overview

**Pakistan:** Three broad trends dominated the past month. The first was the politics surrounding former Prime Minister Nawaz Sharif and the legal scrutiny of his and his family's finances. These processes provided the occasional provocation for relatively small civil military tensions to surface periodically-significant only to highlight that, for the deposed Prime Minister and his political supporters, the role of the military in his unseating remains uppermost in their minds. The second was the fact of continued US pressures even as the Pakistan Foreign Minister visited the US in the wake of President Trump's announcement of the US's new AfPak policy and his broadside against Pakistan. Thirdly, and finally, concerns about Pakistan's economy, especially on the external front moved to the center stage and these were to provide another front were the Cabinet's tensions with the military to be aired in public.

**Afghanistan:** The new policy announcement by President Trump shook relations with Pakistan out of their slumber, with the Government of Pakistan taking new initiatives - bilaterally and through the Quadrilateral Coordination Group - to stabilize if not improve relations. Over the month however, evidence also presented itself on how disturbed bilateral relations are, with no real improvement in confidence about Afghanistan's internal security situation. From mid-October there has been a spike in suicide attacks and Taliban- Afghan Army clashes in South East Afghanistan and in Kabul suggesting that the overlap with the apparent revival of a political process involving Pakistan cannot be entirely coincidental.

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## II Developments in Pakistan

### Internal

Former Prime Minister Nawaz Sharif's return to Pakistan from London on 25th September acted to galvanize his party and his statements and speeches also maintained his earlier focus that a 'conspiracy' had led to him being deposed by the Supreme Court. Shortly before his arrival, the Pakistan Senate passed a bill deleting a clause introduced through the Political Parties Order 2002, which placed a legal bar on a person to serve as an office-bearer of a political party if he/she is either not qualified or

disqualified from being elected as a member of parliament under Article 63 of the Constitution. This was a provision introduced in General Musharraf's tenure of military rule and was largely directed at Benazir Bhutto. The National Assembly thereafter enacted the bill in early October. This makes it possible for Mr. Nawaz Sharif to head the Pakistan Muslim League despite the recent Supreme Court Judgement deposing him as Prime Minister in view of the Panama Gate revelations. He was subsequently elected unopposed to the Presidency of the Party. The apparent divide between the Sharif brothers and their respective progeny however has not subsided and occasional voices are heard about the Party's preference for Shabaz Sharif as party president. Clearly this internal family matter will continue to play a major role in the months ahead.

The legal tussles of Mr. Nawaz Sharif and his family members continue and in particular in the National Accountability Bureau (NAB). His appearances in the NAB Court have been accompanied by their own drama and elements of confrontation suggesting the general fraught relationship between the Cabinet and the Army. During one appearance of Nawaz Sharif in the Accountability Court, a Pakistan Rangers unit stopped his supporters- including Cabinet Ministers- from entering the court premises. This was strongly criticized by the Interior Minister under whose Ministry the paramilitary force technically functions.

The 'Military' shadow in Nawaz Sharif's political posturing and various shows of strength is rarely absent even if the main focus remains ostensibly on the role of the judiciary. Inevitably Pakistan's tangled civil military history figures largely in this, even if often as a subtext. In a speech in end September Mr. Nawaz Sharif compared the Supreme Court verdict in his case to that of the Moulvi Tamizuddin case of 1955 when the Pakistan Supreme Court upheld the dismissal of the Constituent Assembly on the grounds that "necessity knows no law". For many of Nawaz Sharif's followers the move against him and his party is even more closely related to a "1977 type of a conspiracy" being hatched to dislodge an elected government and pave way for martial law. The reference is to the protest movement April 1977 against the Z.A. Bhutto's Pakistan Peoples Party (PPP) regime that led to the July 1977 military takeover. These ruling party fulminations are matched by equally strong contestations from Imran Khan and many others of differing political views that the Pakistan Army is being unnecessarily dragged into a case of corruption. Incidentally Imran Khan and a key supporter and financier Jahangir Tareen are also being scrutinized by the Supreme Court on lack of full disclosure of financial assets.

**Economy:** These political contestations are accompanied by growing concerns about economic performance with a widening current account deficit, falling foreign exchange reserves, rising debt obligations, and growing external finance requirements. Exports have fallen from US \$ 24 billion to the range of \$ 20 billion in 2017 and the trade deficit figure is estimated in excess of \$30 billion with imports continuing to rise steadily. In these circumstances, many economists have pointed to the flaw in sticking to what is described as an overvalued rupee for which the Finance Minister Ishaq Dar is identified as being responsible. That he is a close relative of Mr Nawaz Sharif and also is under scrutiny in the Panama gate revelations making the political turmoil an integral part of the economic uncertainty in the country.

In this tangled situation, a further complexity was introduced by remarks made by the Chief of Army Staff General Qamar Javed Bajwa while speaking in a seminar jointly organized by the Federation of Pakistan Chambers of Commerce and the Directorate General of Inter Services Press Relations of the Pakistan Army. In his speech the COAS said that the army is watching developments in the country's economy and shares some of the apprehensions being voiced about it: "Growth has picked up but the debts are sky high. [The situation regarding] infrastructure and energy have improved considerably but the current account balance is not in our favour." His remarks also stressed the need for widening the tax base, bringing in fiscal discipline and ensuring continuity of economic policies. Subsequently the Director General ISPR in a TV interview/discussion said that "If the economy is not bad, it is not doing so well either." In Pakistan, where watching the civil military balance is a national obsession, the Army taking a position on the economy was minutely discussed and dissected. A sense of the discomfort was felt in the Cabinet and this was conveyed by the Interior Minister Ahsan Iqbal when his office issued a statement to the effect that the ISPR should refrain from commenting on the country's economic situation. To this the DG ISPR, a serving Major General had further responded in a press conference that "I was disappointed as a soldier and a citizen of Pakistan" at the interior minister's reprimand for commenting on economic matters.

Subsequent placatory statements by the Prime Minister about the Military and the Government having a

smooth relationship inevitably have followed but the turbulence below the surface is evident. What many have also found striking is the wide range of issues which the ISPR has in recent weeks been addressing and answering questions on in its press conferences.

These episodes convey a sense of suspicion and mistrust that dominates all aspects of Pakistan polity since the ouster of Mr Nawaz Sharif. The new Government is neither a caretaker administration of the kind provided for in Pakistan's constitution after announcement of elections but neither is it fully functional with its leader being tried for corruption along with close family members. With elections not due till mid 2018, this interregnum can be a long one and this itself leads to speculation whether further political changes are in the offing. One of Mr Nawaz Sharif's political calculation possibly is that the present National Assembly should continue till at least March 2018 when the Senate election are due and his aim clearly is that is that the new Senate reelect the balance of power in his favour which presently exists in the National Assembly.

**Other Developments:** This atmosphere in which conspiracies abound, received a further twist following a statement by Mr Nawaz Sharif's son in law Captain (ret) Muhammad Safdar on 10th October who launched a virulent tirade against Pakistan's persecuted Ahmadi community while speaking in the National Assembly. Safdar criticised the renaming of Quaid-i-Azam University's (in Islamabad) physics center after Professor Dr Abdus Salam, the country's first Nobel laureate. The renaming of the center incidentally had been approved in December 2016 by Nawaz Sharif. Safdar also referred to the appointment of and promotion of military officers who he said were members of the Ahmadi community and "could not be trusted" with the responsibility of guarding the country's frontiers. Safdar and his wife Maryam are currently facing trial in the National Accountability Bureau's court and is released on bail. While the statement attracted expected criticism from Pakistan's liberal fraternity there have also been numerous conspiracy tinged analyses of this outburst. These include the speculation that the target was one or more Army generals. Other analysis suggests the importance of the ruling party consolidating its right wing following the mounting evidence, most recently in the by poll in Nawaz Sharif's own constituency, where two radical Islamic fronts (of the Jamat ut Dawa and a radical Barelvi outfit) performed well and reduced the ruling Party's margin of victory. Prime Minister Abbasi and Mr Nawaz Sharif or the PML-N have separately distanced themselves from the views expressed by Capt Safdar.

**Terrorist Attack in Baluchistan:** A terrorist attack on a Sufi shrine in Jhal Magsi on 6th October led to some 20 fatal casualties. This shrine had been attacked earlier in 2005. This latest attack was the first major attack on a shrine after a suicide bombing at Sehwan Sharif in Sindh on Feb 16, 2017, killed 80 persons.

## External

**United States:** Notwithstanding these domestic preoccupations and political contestations it was the external front and in particular relations with the United States that appeared to occupy the most space of the political landscape. A visit by Pakistan Foreign Minister Khwaja Asif to Washington in the first week of October provided the opening for high level engagement with the US subsequent to President Trump's announcement of a new Afpak policy in August. The US Secretary of State Rex Tillerson after the meeting on 4th October with Khawaja Asif made some general remarks such as: "he believed the United States had a reliable partner in Pakistan"; "that Washington wanted a stable government in Islamabad," and; "we think there is an opportunity for us to strengthen that relationship. We're going to be working very hard at all levels, from the State Department to the Defense Department to our intelligence communities, as well as economic, commerce opportunities as well." These provided, to a public opinion in Pakistan bruised by President Trump's broadside of August, the hope of a veneer of impending positive engagement with the United States. Many in Pakistan however, are conscious of how deep the distrust is in different parts of the US Administration and recent remarks by the Defense Secretary Mattis, the Chairman of the US Joint Chiefs of Staff Committee have underscored this further. Defense Secretary James Mattis' comment to the Senate Armed Services Committee that "The One Belt, One Road also goes through disputed territory" has been widely interpreted in Pakistan as suggesting US opposition to the China Pakistan Economic Corridor and the close coordination of strategic positions with India.

Nevertheless, engagement with US to temper the intensity of its suspicion is something on which there is agreement in Pakistan. One area where a concerted policy effort is visible is with regard to

address the tattered relationship with Afghanistan. (See Afghanistan section below). Pakistan's keenness to meet at least some of US concerns is also brought out by the manner in which the rescue of a Canadian American couple after some years of being held hostage by a Taliban group has been projected in the Pakistan media as an example of Pakistan US cooperation. Appreciative comments from the US in this regard help in calming domestic opinion that remains deeply divided about future US actions vis a vis Pakistan as also concerned about its long-term intentions. For many in Pakistan, the fact that this activity coincided with a number of drone strikes in the Pakistan Afghanistan border region (and possibly inside Pakistan territory) signaled also that the US would act unilaterally against Pakistan in the event of its cooperation not being forthcoming. In this background the visit of Secretary of State Tillerson to Islamabad (24th October) will provide indications how the US Pakistan interface will shape up in the coming months.

**India:** The last days of September witnessed an exchange of heightened rhetoric between the Indian and Pakistani delegations in the United Nations General Assembly. The LOC remained prone to ceasefire violations. Overall the plateau in bilateral relations continued.

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### III Developments in Afghanistan

#### Internal

Terrorist attacks of varying intensity and in different parts of the country regularly punctuated the chronology of the past week. In an attack on a police academy in Paktia (South Eastern Afghanistan) on 16 October there were over a hundred casualties. A similar attack on a police installation in Ghazni around the same time again caused heavy casualties. Official Afghan spokesperson described these latest attacks as being the most major of 2017. Major terrorist attacks including on Mosques and police personnel in Kabul and intense clashes between the Army and the Taliban are also being reported from Qandahar. Such instances, and there are many others including near misses, fuel domestic dissent against the government and also harden opinions against Pakistan. One consequence of this continued spread of violence is the impact on international organizations with presence in Afghanistan. The International Committee of the Red Cross (ICRC) announced on the 9th October that it was radically downsizing its presence in Afghanistan on account of concerns for safety of its staff. This is significant also because the ICRC is self-mandated to operate in conflict zones and the thinning of its presence will have effects on other international organizations that still operate in Afghanistan and add to the sense of crisis that informs analysis and perceptions of that country. In this environment attention and focus remains on Afghanistan Pakistan relations and whether renewed US pressures can kick start a stalled bilateral dialogue that would lead then to some kind of political process including the major Taliban groups to bring down the intensity of attacks and clashes.

#### External

**Relations with Pakistan:** A visit by the Pakistan Chief of Army Staff to Kabul in the first week of October was therefore viewed as a significant outcome of US pressures on Pakistan. An unannounced visit to Saudi Arabia thereafter reinforced speculation that Pakistan was putting together the pieces for some kind of initiative. While statements issued after the meeting from both sides were on expected lines, the fact that a revival of the Quadrilateral Coordination Group (QCG) was announced soon thereafter clearly suggests that Pakistan is making some effort to repair relations with Afghanistan as a means of bringing some stability to relations with the US. Representatives of Pakistan, Afghanistan, China and the US met in Muscat on 16th October to restart the stalled QCG. No official statement was issued after the meeting. This was the sixth such session of the QCG process, which was stalled after Afghan Taliban leader Mullah Akhtar Mansour was killed in a drone strike in May last year. Some have described the Muscat meeting as a symbolic start to set the ball rolling. The coincidence of the QCG meeting with the Paktia, Ghazni, and Kabul attacks and the clashes in Qandahar however also merits consideration. One possibility is that this spike in violence is not unrelated to an increase in political activity and negotiation in which Pakistan may try to bring some Taliban groups to join a political process. There has also been an increase in US drone strikes in this period in the Pakistan Afghan border areas in the past two weeks.

The structural difficulties which underpin Pakistan Afghanistan relations was however illustrated by Afghanistan's decision, announced on 11th October, to postpone the Afghanistan-Pakistan Transit Trade Coordination Authority (APTTCA). It is believed that the decision was on account of the Afghan position that India be included in the bilateral and trilateral transit trade agreements between Pakistan and Afghanistan and to which Pakistan is totally opposed. President Ghani during his current visit to India stated (24th October) this Afghan position bluntly when he said that Pakistan would have no access to Central Asia if Afghanistan did not have access to Wagah Attari. Frequent closures of the Pak-Afghan border have also contributed to the steady decline in Pakistan exports to Afghanistan and have also adversely impacted Afghan exports to India which traditionally transit through Pakistan. In the current year, the Pakistan Afghanistan border crossing either at Chaman or Torkham has been closed at least four times. Overall, the deteriorating Pakistan Afghans relationship has reflected itself in bilateral trade figures. Pakistan exports to Afghanistan had reached an all-time high of \$2.4 billion in 2010-11. It remained above the \$2 billion mark in the following two years - 2011-12 and 2012-13. Since then, exports have started falling and were only \$1.43 billion in 2015-16. In the first two months (July-August) of the current financial year in Pakistan, exports were from Afghanistan recorded at \$213.47 million USD. If this trend continues a radical decline in Pakistan Afghanistan trade can be anticipated.

**India:** National Security Adviser Ajit Doval paid a visit to Afghanistan on 16 October. A joint statement issued after the visit "welcomed the opportunities created by the new US strategy for bringing peace and security in Afghanistan" and that it was "agreed to further strengthen strategic dialogue and consultations for achieving the shared objectives".

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*(The views expressed are personal)*

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