

Sharif faces up to saving Pakistan from collapse

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By Ahmed Rashid

On becoming prime minister of a troubled [Pakistan](#) earlier last month, [Nawaz Sharif](#) and his cabinet spent 90 per cent of the first few weeks discussing how to turn around the plunging economy and the 18 hours a day of no electricity that has shut down industry and agriculture.

His first change of track as he realised the depth of the crisis was from defiantly rejecting all help from the International Monetary Fund to [accepting a \\$5.3bn bail-out](#) from the organisation and possibly \$4bn more from other institutions such as the World Bank.

Then in a series of meetings - a [five-day trip to China](#), the visit of British prime minister David Cameron and a US-led investment conference in Dubai - Mr Sharif and his ministers were bluntly told that nobody, certainly not foreign investors, wanted to come to Pakistan due to the continuing terrorist violence and lack of security. An orgy of blood letting across the country has led to 170 people including nine foreigners being killed in [terrorist attacks](#) since Mr Sharif came to power. More than 100 more have died in fighting between the Pakistani Taliban and the army.

Mr Sharif realised he had to simultaneously construct a security strategy to counter the violence before he could get investment and the economy moving. The result has been intense daily discussions led by Mr Sharif with the powerful military, intelligence agencies, experts and others on how to create a civilian-led national security strategy and even the setting up of a national security council under the prime minister - a first for Pakistan.

At the same time the countries with the most interest and potential of trading and investing in Pakistan - China, India and the UK - made it clear that Mr Sharif had to improve the country's abysmal foreign policy and its isolation in the region - partly due to terrorists from all its neighbouring states, including the Afghan Taliban, hiding out in Pakistan.

Thus in the past few weeks Mr Sharif, a former businessman and twice a failed prime minister in the 1990s, has moved from a simplistic one-track [desire to tackle the economic crisis](#) to linking hopes for an economic revival with the need for a counter-terrorism strategy and a radical change in foreign policy.

A comprehensive strategy linking economics, terrorism and foreign policy is now on the anvil, but Mr Sharif still has to prove that he can deliver. It is Pakistan's only hope if it is to survive as a viable state and not be torn further apart from a mess of problems and violence that even makes the situation in [Afghanistan](#) pale in comparison.

The previously elected Pakistan People's party government led by a series of non-descript prime ministers and overseen by the controversial [President Asif Ali Zardari](#) had failed on all counts. It had declined to evolve any economic strategy, while handing over all security and foreign policy decisions to the army, which in turn constantly griped that the civilian politicians took no responsibility for counter terrorism. The need for zero tolerance of terrorist groups and the loss of sizeable control of territory to them was ignored by the PPP government.

Mr Sharif on the other hand is trying to put the civilian government at the centre of this new strategy. He appears willing to take responsibility for policy making and its implementation, rather than handing over security policy to the army. Yet he still has to take the army and its ubiquitous Interservices Intelligence fully on board.

Given the depth of the crisis the army is for the moment proving to be a partner rather than a rival. It has suffered huge losses fighting terrorism, but it still has to accept the need for zero tolerance of Islamic extremist groups across the board. The problem is that many of these groups were created by the ISI in the first place either to fight in Indian Kashmir or Afghanistan, but now these groups are out of the agency's control.

Mr Sharif also faces problems for a zero-tolerance policy. He has been soft on vicious Sunni sectarian groups that

have killed thousands of Shias, but who are headquartered in Mr Sharif's home province of Punjab where he garnered the most votes in the elections.

(One early contentious issue may prove to be [improving relations with India](#). Mr Sharif is adamant to do so, but the last time he tried in 1999 he was ousted in an army coup led by General Pervez Musharraf. In initial high-level contacts Pakistan has told India it wants to reopen negotiations on the disputed territory of Kashmir. New Delhi wants Islamabad to quickly approve Most Favoured Nation status on India - which New Delhi has already bestowed on Pakistan - so there can be an increase in trade, but for the time being the Pakistan army opposes it. India also wants rapid movement to punish the Pakistani perpetrators of the 2008 terrorist attack in Mumbai who are on trial and it wants Mr Sharif to take action against Lashkar-e-Tayyaba, an army-backed extremist group that over the past two decades has conducted many attacks against India including the Mumbai massacre.)

The answer for Pakistan is a comprehensive counter-terrorism strategy that brings together military operations, political initiatives, reconciliation and economic development - something that has never been tried and certainly not since the growth of violence after September 11 2001. For the first time there is also hope that such a strategy will be led by a permanently staffed national security council that brings together the military, intelligence, bureaucrats and civil society experts.

If such a strategy is led by a civilian government that takes its responsibilities seriously, it could dramatically help put democracy and civilian supremacy on the rails in Pakistan for the first time. A great deal is at stake for Pakistan and the entire region especially as the Americans and Nato prepare to pull out of Afghanistan next year.