

## Positive Developments in Pakistan Need Reinforcement

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After a dramatic end to 2014, Pakistan has gradually moved towards greater political and economic stability. This has been largely due to its successes in reducing terrorism, which injected new hopes about the country's ability to handle crises. The turning point was the December 2014 terrorist attack on the Army Public School (APS) in which over 150 people, mostly children, were killed.

Before the APS attack, protests by the opposition party, Pakistan Tehreek-i-Insaf, against vote rigging in the 2013 elections had entered a fifth month — putting considerable pressure upon the government. The tragedy at APS not only led to the end of those protests but also united Pakistan. The government convened an All Party Conference, which approved a National Action Plan (NAP) aimed at intensifying the country's fight against terrorism. The 20-point NAP remained at the centre of the government's actions throughout 2015.

The Pakistan Army increased operations against militants in the Tribal Areas. By the end of the year, there was a notable decline in terrorist attacks. This was due, in part, to the removal of a moratorium on the death penalty and the establishment of military courts to allow for fast-tracked trials of terrorists.

However, an even more significant outcome of the APS incident was a fundamental change in the perception of Pakistani people and ruling elite towards the religious extremism. Following the attack, there was widespread anger across the country, which enabled the government and key institutions such as the Supreme Court and the military to take more effective measures to address the challenge of extremism. Crucially, in the wake of the APS attack the Pakistan Army stopped differentiating between 'good' and 'bad' Taliban and intensified operations against them across the board.

At the same time, debates over the appropriate role of proxies, such as jihadi groups and the Taliban, in furthering Pakistan's foreign policy goals gained momentum. The low level of sympathy for religious fundamentalists that had previously existed in Pakistani society due mainly to ignorance and fear began to disappear. This changing mindset augurs well for the future of Pakistan.

The improved security situation brought the country's most popular sport, cricket, back as Zimbabwe toured Pakistan. This was the first visit by an international sports team to Pakistan in six years, following an attack on Sri Lanka's cricket team in 2009. The country also held the Pakistan Day Parade after a hiatus of seven years.

More fundamentally, greater political stability as well as improved law and order could provide opportunities for economic development. However, no significant improvement was seen. However, Pakistan's foreign reserves reached record heights; this was mostly due to extensive borrowings from the IMF and the World Bank. In fact, a crippling energy crisis, coupled with bad governance, nepotism and lack of clear government policies badly affected Pakistan's economy. This led to decline in both exports and foreign investment. Even a sharp decline in international oil prices could not give a major boost to economy.

The most significant development in 2015 was the establishment of the China–Pakistan Economic Corridor (CPEC). During his visit to Pakistan in April 2015, Chinese President Xi Jinping allocated US\$46 billion for the construction of the CPEC, which analysts argue could be a ‘game-changer’, for not only Pakistan but also the entire region. The two countries have already started a number of energy and infrastructure projects as part of the CPEC. Many of them are likely to be completed during 2016.

Pakistan’s foreign relations remained on an even keel. The army’s indiscriminate operations against militants helped in restoring trust with the United States. Relations with Russia, which had been tense in the past, improved at an amazing pace. Moscow, a traditional ally of New Delhi, not only removed arms sanctions but also provided weapons to Islamabad. These ties are likely to further grow in the future, given the changing regional environment.

Pakistan was able to abstain from participating in the Saudi–Yemen conflict, without hampering its ties with Saudi Arabia — a decision that prevented the country from going down a disastrous path. Relations with the Muslim countries remained traditionally close.

By the end of 2015, relations with Afghanistan and India also began to improve. Pakistan agreed to play its role in stalled Taliban–Afghanistan talks. While Indian Prime Minister Narendra Modi’s visit to Pakistan in late December thawed the frosty relationship, leading to the resumption of dialogue. Improved relations with Afghanistan and India could have a long-term positive impact on the overall political and economic situation in the country.

If Pakistan can reinforce these positive developments during 2016, it could go a long way towards addressing its myriad crises.

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