

The 2014 ISAF pullout from Afghanistan: impacts on Pakistan

By Safiya Aftab

■ Executive summary

Pakistan's internal dynamics are likely to be affected by the situation in Afghanistan after 2014, because the latter's continuing unrest has affected security and the economy in Pakistan for some decades.

If unrest continues in Afghanistan or the country is plunged into civil war, the activities of Pakistani militant groups, including the Tehrik-e-Taliban Pakistan and its affiliates, are likely to gain in intensity. Unlike in the 1990s, the possibility of a civil war spilling over into Pakistan cannot be precluded. The civilian administration is likely to all but withdraw from the restive border region, which will likely serve as a base for key warring factions to regroup, rearm and withdraw to if necessary. The authority of the state will continue to erode in other parts of the country. The situation in Balochistan could become extremely fragile if nationalist elements decide to take advantage of the chaos to garner external support for their struggle. Pakistan's indigenous crime networks, many of which are now linked to militant groups, are likely to benefit from increased insecurity. Pakistan may also be burdened with an influx of refugees.

Introduction

The withdrawal of the bulk of International Security Assistance Force (ISAF) forces from Afghanistan at the end of 2014 will be significant for the region in general, and for Afghanistan's neighbour, Pakistan, in particular. Afghanistan's continued instability over the last few decades has had significant impacts on Pakistan's politics, economy, security profile and relations with the world community. This expert analysis focuses on how Pakistan's internal dynamics may be affected by the situation in Afghanistan after 2014.

As of late 2013 Afghanistan's central government continues to face strong resistance. The quality of personnel in the Afghan National Security Forces (ANSF) and high desertion rates remain issues, but these forces now provide security to almost 90% of the Afghan population (AFPS, 2012). Presidential elections are scheduled to be held in the country in April 2014, while elections to the parliament, or Wolesi Jirga, are due in 2015. While parliamentary

democracy struggles to take root, much of Afghanistan is locally governed through informal power networks. *Shuras* or *jirgas* of local notables and elders operate as both decision-making and judicial bodies at the local level, and provide a form of representative government (although not for all sections of the population). This tradition of holding a *jirga* (or meeting of elders) has been codified in Chapter 6 of Afghanistan's 2004 constitution. Although Afghan government leaders, including President Karzai, have offered rhetorical support for peace and reconciliation talks with members of the Taliban insurgency willing to give up armed conflict and rejoin the political process, there is little detail to date on how such a settlement process might work in practice.

In 2011 (the last year for which reliable data is available), Afghanistan's gross domestic product was estimated at \$20.3 billion.¹ The World Bank also said in the same year that 36% of the Afghan population falls below the poverty line. The economy is heavily donor dependent, with

¹ World Bank estimate; see <<http://www.worldbank.org/en/country/afghanistan>>.

government revenue accounting for only 48% of total operating budget expenditures (World Bank, 2011: 9). The development budget was funded almost entirely by donors. Economic conditions are unlikely to improve in the short run, even under optimistic scenarios, and may even worsen if external aid is curtailed and the war economy shrinks. The withdrawal of combat troops will lead to a dent in the logistics sector and will affect some services that are heavily dependent on the presence of ISAF forces. The country will need significant inflows of development assistance from bilateral and multilateral sources, concessions in trade and finance, and greater foreign investment in the exploration of mineral resources if the economy is to maintain a reasonable rate of growth.

The country has a significant illegal economy based on trade in drugs, arms, timber and antiquities. In the event of a breakdown in the constitutional order and the withdrawal of most foreign donor support, the non-agricultural licit economy is likely to wither, leaving criminal activity and narcotics as two of the few viable economic options remaining. Post 2014 the country will very likely continue to experience conflict, which in a worst-case scenario could evolve into a full-scale civil war.

Impacts on Pakistan as of late 2013

In 2011 the Pakistani government estimated that the decade-long militancy in Pakistan, which began after the ISAF forces entered Afghanistan, had caused the deaths of more than 35,000 civilians and 3,500 security personnel (MoF EAW 2011). Pakistani citizens are thought to have perpetrated nearly all the violence, but many homegrown militant movements have also forged links with international terrorist groups who had entered the region during the Soviet occupation of Afghanistan and then during the civil war in that country. As such, although the security issues in Pakistan take myriad forms, many of them can be linked to the Afghan war.

Soon after the start of the war in October 2001 Pakistan faced increasing international pressure to intervene in the sensitive border region of the Federally Administrated Tribal Area (FATA) and flush out elements linked to the Afghan insurgency. Initially, the government tried a conciliatory approach in consonance with a military offensive, and peace accords were signed with the tribes, the key provisions of which revolved around the presence of “foreigners” in FATA and the need for tribal elders to guarantee that foreign nationals (mainly Afghans and Central Asians) would not be allowed to use Pakistani territory to carry out terrorist attacks anywhere in the world. In return for such guarantees the army pledged to assist the local population to reconstruct infrastructure destroyed during its operations and to pay monetary compensation for the loss of lives.

The Waziristan Accords yielded some early successes, most notably against militants affiliated with the Islamic Movement of Uzbekistan. These peace efforts broke down in July 2007, however, after the army took action against extremists operating out of the Lal Masjid (or Red Mosque) in Islamabad. The siege of the mosque, which according to official sources resulted in just over 100 deaths, was the basis for the intensification of militant campaigns against security forces, government offices and installations, and a range of soft targets (shrines, markets and other public spaces). More significantly, the siege led to the formation of a coalition of Pakistani militants under the umbrella of the Tehrik-e-Taliban Pakistan (TTP).

Although the militants who led the Red Mosque confrontation with the government were Pakistani nationals with a set of demands related to changes in Pakistan’s systems of law and governance, they were known to have had ties with the Afghan mujahidin in the 1980s and took a strong stance against Pakistan’s provision of logistical assistance to the U.S. in the post-2001 Afghan war. The TTP brought together groups of Afghan Taliban sympathisers with an agenda that included demands for the enforcement of sharia law in Pakistan, a halt to military operations in FATA, and an end to any form of assistance to ISAF forces in Afghanistan (Abbas, 2008). At the time of the formation of the alliance its leader, Baitullah Mehsud, pledged allegiance to the leader of the Afghan Taliban, Mullah Omar.²

As the state’s perceived authority erodes, the TTP’s capacity to inflict damage has steadily increased. The group has either been implicated in or has admitted to carrying out several high-profile attacks, including in one case an attack that occurred outside Pakistan (the Camp Chapman attack in Khost in 2009 in which six CIA operatives were killed). The TTP’s links with the Afghan Taliban are complicated. While it has repeatedly expressed solidarity with the Afghan insurgency and opposes the provision of Pakistani logistical support to ISAF forces, its focus on attacks on the Pakistani state has not been endorsed by the Afghan Taliban leadership (Yusufzai, 2008). At the same time the Afghan Taliban has been hesitant to publicly break ties with the TTP, possibly because of its reliance on the coalition to provide fallback positions in Pakistan’s tribal areas and raise an army of volunteers for the Afghan insurgency. In the final analysis the successive leaders of the TTP continue to reaffirm their allegiance to Mullah Omar. While the TTP’s relationship with the Afghan Taliban may be complicated, its allegiance to al-Qaeda is in no doubt and its attacks on the Pakistani state are thought to have the support of al-Qaeda, which has repeatedly called for jihad against the state of Pakistan and Pakistan’s military.³

The ongoing unrest in the country is fueling older conflicts that have been simmering for some time. The province of

2 See details at <<http://www.stanford.edu/group/mappingmilitants/cgi-bin/groups/view/105>>.

3 In a recent statement the former amir (leader) of the TTP, Hakeemullah Mehsud, claimed that the TTP leaders would be willing to “get our heads cut off for Al Qaeda” (*The News*, 2012).

Balochistan, for instance, remains in the grip of both an increasingly violent secessionist movement and sectarian and ethnic conflict. Although successive Pakistani governments have alluded to the fact that the nationalist movement in the province, which dates back to the late 1940s, is being supported by neighbouring countries (a thinly veiled reference to India and Afghanistan), no evidence has been produced and the Baloch nationalist movement denies any such links.

Balochistan's capital, Quetta, has been in the news for the past decade and is cited as the headquarters of the exiled Afghan Taliban leadership. The former ISAF commander, General Stanley McChrystal, said that the so-called "Quetta Shura" was the greatest threat to ISAF forces (Woodward, 2009). The existence of the *shura* – or, indeed, the supposed presence of the Afghan Taliban leadership in Quetta – was denied by the Pakistani authorities, but in December 2009 the then-defence minister made an oblique reference to the entity, saying that the *shura* had been destroyed by Pakistani security forces and was no longer a threat.⁴

Whether or not the *shura* exists, the insecurity in Balochistan can be easily exploited by militant groups and there is growing evidence that this is happening. The TTP has made inroads into the province, using a network of madrasas in Baloch areas, and may have helped originally Punjab-based sectarian groups to recruit locally for their increasingly ferocious campaign in Balochistan.⁵ At the same time the emergence of groups like Jundullah, which follow a nationalist yet extremist and sectarian ideology and operate on both sides of the border between Balochistan and Iran, has added a new dimension to the conflict in the province.

Karachi, Pakistan's largest city, main port and commercial centre, has been the centre of unrest for more than two decades. Over the years the violence in the city has grown to include ethnic and sectarian groups, political rivals, and – more recently – turf wars between criminal gangs. Within this morass, however, there are elements that can be linked to regional politics. Karachi houses some prominent madrasas, in particular the Deobandi seminaries,⁶ some of which have been closely linked to the Afghan Taliban movement from the very beginning. More recently, the city's ethnic and political balance has been disturbed by an influx from northern Pakistan of internally displaced people (IDPs) from both Khyber Pakhtunkhwa (escaping the ravages of the floods of 2010 and 2011) and FATA (escaping U.S. drone attacks and army operations). In the case of IDPs from FATA, in addition to refugees, the influx is thought to include militants seeking to take advantage of Karachi's vast slums and burgeoning illegal economy to hide out, network with other militant groups and raise

financing for terrorist attacks. An investigative report in a Karachi-based newspaper pinpointed specific locations in the city where the TTP's leaders are said to congregate, hold quasi-judicial courts to settle local disputes and have offices (Zaman & Ali, 2013). That the TTP is gaining strength in Karachi is also evident from the high-profile attacks on security forces that the city has witnessed from 2010 onwards. As 2013 ends Karachi's perennially uncertain security situation is more precarious than ever.

The economic impacts of Pakistan's growing security problems have been severe. As of 2011 the Pakistani government has estimated the cost of its cooperation in the war on terror to be in the order of \$67 billion (MoF EAW 2012). This includes direct costs such as those related to rebuilding infrastructure and compensating victims, as well as indirect costs such as production losses, losses in revenue collection due to the non-accessibility of certain areas, the economic cost of uncertainty, and so forth.

While these estimates can be debated, tracing the mechanisms through which the situation in Afghanistan affects Pakistan's economy reveals that in addition to the costs due to militant activity, lawlessness in Afghanistan is linked to a range of illegal economic activities in Pakistan. This undermines the authority of the state in a variety of ways and is creating the means for further financing of terrorism. Losses to the public exchequer because of damage to infrastructure or smuggling are thus only a small part of the potentially devastating impacts of the war in Afghanistan.

A key economic loss is through the Afghan transit trade (ATT), through which Pakistan acts as a trade corridor for land-locked Afghanistan. The ATT mechanisms are frequently abused and are a major source of smuggling. According to an investigation carried out by the Pakistani Federal Tax Ombudsman's office in January 2011 (FTO, 2011), a number of items facing high tariffs in Pakistan, such as vehicles, auto parts, cigarettes and electronic goods, are smuggled from Afghanistan to Pakistan. The report states that about 75% of the total volume of smuggling into Pakistan takes place through the ATT. In recent years the problem has been compounded by Pakistan's role as a transit country for ISAF/NATO supplies. While cargo transported under the ATT is classified as commercial, ISAF/NATO and U.S. military supplies are considered non-commercial and are processed under a different set of rules. The FTO's (2011) report found that smugglers have been mislabeling containers as ISAF/NATO supplies or even supplies for agencies such as USAID and have been utilising loopholes in the system or co-opting customs officials to smuggle goods into Pakistan.

⁴ See, for example, *Daily Times* (2009).

⁵ Interview with journalist Shahzada Zulfiqarat at the Quetta Press Club. See also Rana (2012).

⁶ Religious schools following a particular interpretation of Islam. The school of thought gets its name from the Darul Islam Deoband, a prominent seminary in Deoband, India.

A study conducted for the UN Office on Drugs and Crime in 2011 estimated that the trade in drugs and precursors, where Pakistan acts as both a destination and a transit country, is generating proceeds of up to \$1.2 billion (SDPI, 2011). When the proceeds of crime are of the scale estimated for the drug economy alone, they cannot but have an impact on society, local governance and the performance of state institutions in general. Funds from the proceeds of crime fuel corruption, can be used to undermine law enforcement agencies, and can even distort public policymaking if funds are made available to certain lobbies or even to certain election campaigns.

In terms of positive flows, Pakistan's decision to support the war in Afghanistan had immediate impacts in terms of increased support from international financial institutions and bilateral donors. And the domestic trucking and logistics systems have received a fillip from the transportation of NATO supplies and the increased volumes of the ATT.

What lies ahead?

In the shorter term it is safe to assume that at the very least the Afghan Taliban insurgency will continue at current levels of intensity. As such, the activities of allied groups, including the TTP and its affiliates, are likely to continue or even gain in intensity.

Unlike in the early 1990s, however, constituent parties of the Afghan conflict now have a network of militant supporters in Pakistan who are not only in a position to support possible conflict in Afghanistan with funds and foot soldiers, but are also able to target the Pakistani state to extract concessions. In the event that Pakistan deviates from its stated position of neutrality and joins what will probably be a regional contest to promote various outcomes in Afghanistan, Pakistani militant groups will benefit from the trickling down of funds made available to fighting factions in Afghanistan, as well as from arms supplies and covert training in warfare. The distinction between the Afghan Taliban and the TTP will blur in the event of an Afghan civil war, because each faction will want to benefit from the conflict expertise, fund-raising potential, organisation and recruitment potential of the other. Again, unlike the 1990s, the possibility of an Afghan civil war spilling over into Pakistan cannot be precluded, because warring factions are known to have the capacity to launch cross-border attacks. In addition to increased insecurity in the FATA border regions and cities such Quetta and Peshawar, which are closest to the conflict area, a civil war in Afghanistan could destabilise Karachi to a dangerous degree. This probability stems mainly from the city's increasing significance as a hub for the financing of terrorism and organised crime.

As U.S. combat forces withdraw and control is handed over to the ANSF, cross-border attacks from Afghanistan are expected to increase. If the post-2014 central government

in Afghanistan is suspicious of Pakistan's motives, then the attacks may be given further impetus. Pakistan's security forces are thus likely to become further embroiled on the western front. The civilian administration is likely to all but withdraw from the FATA region in the event of a civil war in Afghanistan and the region is likely to serve as a base for key warring factions, who will use FATA to regroup, rearm and as a base to withdraw to if necessary. With the country in the grip of increased insecurity, the authority of the state will also continue to erode in other parts of the country. The situation in Balochistan could become extremely fragile if nationalist elements decide to take advantage of the chaos in Afghanistan to garner outside support for their struggle – something for which there is little proof so far, but which is not outside the realms of possibility.

The ISAF withdrawal is likely to spur on the Afghan Taliban insurgency, at least part of which will need to be funded by the drug trade, the smuggling of timber and antiquities, and other forms of criminal activity. Pakistan's position as a transit country for such trade will put it in a vulnerable position. The spinoffs of this illegal activity, which include the establishment of criminal networks overseeing the transit process in Pakistan and the further development of *hawala/hundi* markets, will further undermine law and order in Pakistan. The country's indigenous crime networks, many of which are now linked to militant groups, are likely to benefit from increased insecurity. Law enforcement agencies will continue to be stretched thin and crime rates, particularly for bank robberies and kidnappings for ransom, will rise.

In the event of a substantial escalation in the Afghan conflict, Pakistan will also be burdened with an influx of refugees on a scale not seen since the 1980s. These refugees could place a further strain on scarce resources and may foment unrest in host communities.

Conclusion

Not all of Pakistan's problems stem from the war in Afghanistan and many will persist regardless of how Afghanistan fares. Nevertheless, events in Afghanistan have had discernible effects on Pakistan's domestic security, politics and economy, particularly in the last decade. The only positive scenario for Pakistan is one where a consensus government is in power in Afghanistan and a process of reconciliation and peacebuilding begins in that war-ravaged country.

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