DEFINING NATIONAL AND ECONOMIC SECURITY OF PAKISTAN POST 9/11 ERA

Zulfiqar Hussain

Abstract

All macro and micro indicators of the economy of Pakistan show that it is passing through a critical phase of its economic security. This has been adversely affected owing to Pakistan’s participation in the US-led War on Terror, started after 9/11 incident. Pakistan’s economic security is going through inbuilt paradoxes since the beginning of war on terror. The economic fundamentals indicate that the economic security of Pakistan needs serious efforts by the policymakers, having responsibility for leading the sluggish economy towards revival, strengthening and ultimate sustainability. This paper would be an effort to draw attention of the scholars, intelligentsia, academia, intellectuals, experts and policy-makers towards effects of the post 9/11 scenario and subsequent after-effects of the war on terror and performance of the Pakistan’s economy. It goes without saying that owing to the War on Terror, our industrial growth and export potential received serious upheavals. Nevertheless, Pakistan is located in a region, which has a history of involvement in wars against rival ideologies. Now, as a result of rising militancy, the economic security of the country is not stable rather it is in doldrums. Recent dreadful drone attacks in northern part of the country, Pakistan’s actions against militancy has resulted in unprecedented growth of terrorism that has shaken the foundations of Pakistan’s economy.

Introduction

All the indicators have been showing that the economic security of Pakistan is jeopardized after the decision of the participation of the country in the global war on terror. The development of non-conventional weapons, undoubtedly, has
given an unprecedented boost to the national security of Pakistan. However, lessons learnt from the modern history of war and Soviet invasion of Afghanistan remind us that mere nuclear capability, without economic security, is not enough for defence of a country. Former Soviet Union had thousands of nuclear weapons, missiles and latest warheads, but it collapsed without firing a single shot despite having all the might of WARSAW pact and latest weaponry in its hands. The Soviet economy collapsed like a house of cards and as a result of, thereof, the world changed from bipolar to the unipolar phenomenon.

In this era of challenges and crises for Pakistan, it may not be in the fitness of event that the policymakers and the experts may forget the historic lesson learnt from the fateful collapse of one super-power that simply ignored the most critical factor, which was the economic stability. The writing on the wall may not be overlooked that living beyond means for an individual as well as for a nation is dangerous and leads towards instability and ultimate failure.

**Developing Concept of Security**

Economic security is an important instrument of national security, which cannot be ignored for a longer time by any sovereign state. The growth rate of economy of Pakistan when compared with other regional countries such as China 9.7%, 2010-11\(^1\) and India 6.1%, 2010-11\(^2\); indicates that our economic security has fallen prey to the vicious circle created by the global war on terror (GWOT) in the post 9/11 era, that has adversely affected the foundation of national security resulting into the jeopardizing human security, under-development, increased unemployment ratio and unbridled poverty leading towards the overall depression. In view of this, it would be appropriate, if we may, in the first instance, analyze the historic development of the concept and define the security and scrutinize our quest for national security.

Security is one of the most prominent problems being faced by the humanity. State, which is the highest form of
political order, is responsible to provide security to individuals, but these states have not yet been able to sustain permanent relationship and coexist with each other in complete harmony. Historically, each state remained insecure from another state and pursuit of national interest by one state resulted in antagonism by another state, and ultimately resulted into a horrible war. Now having the nuclear weapons and powerful military technology at the disposal of a state, war is the most imminent threat and a constant danger to the general masses.

Traditional Realist School of the International Relations, pioneered by E.H. Carr and Hans Morgenthau, favours the concept of the power. "Victory is the paramount concern of warring nations."³ Realists may observe certain rules of conduct with regards to the victims of warfare. Realists will not forgo the use of all the weapons, which have been produced owing to their warfare technology. The observance of prohibition of the use of poisonous gas in WW-II is an apparent exception in the scenario.

Realists argue that their concept has already attained the fundamental pattern of capabilities in international arena, but also connected with the prime motive for the behaviour of actors. They attained the wealth of insights attached with longstanding study of 'power in politics'. On the other hand, the approach of the Idealist School of thought is peace. They argue that their approach leads them to see the problem in a holistic manner. Idealists approach focuses on the essential issues of war. Barry Buzan⁴ argues that the two aforementioned approaches (realists and idealists) have dominated the thinking about the national security issue and have done so, for decades, if not for centuries. In view of this, a fully developed concept of security can exist between the concept of power and peace.

Collective security is a term that has specific meanings. This concept is being applied to many dissimilar arrangements. Originally collective security means that all nations could be secured if all were guaranteed their territorial
integrity and existing political independence against external aggression by any state or states. In the cold war era, we can see many examples of collective security such as NATO, WARSAW, SEATO and CENTO.

John Hers introduced the idea of 'security dilemma' in early 1950s. He indicated a structural notion in which the self-help practice by the state automatically looked after their security. It leads to rising insecurity for others as each state interprets its own measures as defensive and the measures taken by another state as threatening. The idea of security dilemma is widely acknowledged in the literature but aside from some notable work by Robert Jarvis, there has been almost no attempt to build on it.

Leonard Beaten has emphasized for the urgent need to expand conceptions of security, outwardly, from the limits of parochial national security and to include the range of systemic considerations. On the other hand, Stanley Hoffmann stresses for the need to begin "turning national security into an aspect of world order policy." Hedley Bull emphasizes against excessive self-interest in approaches to national security, and underscores the need for a broader view in which common interests and linkage among national securities would receive greater attention. More generally, L.B. Krause and Joseph Nye have observed that "neither economists nor political scientists have paid enough attention to the complexity of the concept of security." Besides, the Brandt Commission has called for a new concept of security, which would transcend the narrow notions of security of military defence and look more towards conditions conducive to peaceful relations. The common theme underlying these voices is that a notion of security bound to the level of individual states is inherently inadequate. Such a notion creates the dangerously ambiguous symbol outlined by Woofers, "while appearing to offer guidance and a basis for broad consensus permitting everyone to label whatever policy he favours with an attractive and possible deceptive name." In this scenario, it drives the concept of security to such
strength that it begins to look like the model of those who see international relations as a continuous struggle for power.

**Defining Security in Modern Era**

In the first instance, it would be appropriate to define the concept of security in the modern age. The Oxford Dictionary defines security as "security means, simply, the absence of threats." Here the word absence indicates the possibility of being safe from danger as well as conveying psychological feelings of safety. On the other hand, Waltz's observed "in anarchy, security is the highest end." While Michael Howard points out, "discussion regarding security is frequently marked by conceptual standards: "pronouncements about military power and disarmament are still made by public figures."

Amitai Etzioni suggests in his book "Security First" that foreign policy, drawing on the principle of the primary life, is pragmatic. Its core value is the recognition that all people have the right to security. The concept includes freedom from deadly violence and torture. This right is more fundamental than all the other rights. Here indication is that freedom from violence and torture are included in the fundamental rights. Hence, security is foremost requirements of man and the foreign policy is to focus on primary life of human beings.


Buzan Barry in his book, "People States and Fear: The National Security Problem in International Relations" calls security as the core concept in international relations and defines security for a state is "the pursuit of freedom from
Defining National Security and Economic Security of Pakistan
Post 9/11 Era

thwart”. He argues that a whole range of phenomena which are usually studied separately, such as arms race, the arms industry, international trade and investment, foreign policy working, state system dynamics and sovereignty can be connected into a meaningful pattern by real concept of security. He emphasizes that purely military approaches cannot solve the issue, because they do not encompass the issue of security comprehensively.

In the afore-mentioned backdrop, we can develop our own definition that security is freedom from threat; in military terms, it is protection from war; in political terms, security from aggressor’s oppression and for territorial integrity of a state; in economic terms, security from poverty and hunger; in social terms security from discrimination and equal opportunity for human rights; in cultural terms, security from persecution and for just and equitable treatment, and in environmental terms, security from devastation of the climatic change.

After going through the concept of security, now it would be appropriate, if we may examine briefly the question of Pakistan’s quest for national security.

Pakistan’s Quest for National Security

Since the inception of Pakistan, hegemonic and hostile Indian designs created a sense of insecurity in the minds of Pakistani policy makers, who were constantly looking for the pursuit of defence and a struggle for the survival of Pakistan as a sovereign and independent state. New Delhi always refused to resolve the outstanding issues including the core issue of Kashmir, in line with the principles of equality, justice and fair play. Pakistan had to face the wrath of hegemonic Indian attitude, whether, it was the issue of transfer of assets, flow of rivers or the succession of princely states. India tried her best to impose her will to utter disregard to the agreement of partition. Having disparity of resources, India created hurdles in resolution of outstanding issues through peaceful manners and never dithered to use force or threat of using
force. Indian refusal to honour the solution of Kashmir issue, as per the resolution of the UN Security Council, created a sense of urgency and quest for stability in the minds of Pakistani leadership. History witnesses that Pakistan has always responded Indian sheer show of force, humiliating dictations and egoistic behaviour in unprecedented classical style. Pakistan has left no stone unturned in search of stability and reliable friendship. It has always been looking for formidable allies and ways and means to strengthen the “sinews of statehood” and has been constantly striving to protect its sovereignty and security against the hostile India. In this view, Pakistan had been striving to equip herself with sophisticated weaponry, looking for arms for its security, and assistance for economic development and substantial growth.

In short, Pakistan remained in quest for security throughout her history. Pakistan has always looked for balancer against archrival India and succeeded in establishing all-weather friendship with China. In the search of security, Pakistan started nuclear programme in 1970s and went for nuclear tests in May 1998. Pakistan declared to use its nuclear capability as a deterrent. The development of non-conventional weapons, undoubtedly, has given an unprecedented boost to the national security of Pakistan. However, the lesson of the modern history reminds that mere nuclear capability, without economic security, is not enough for defence of one’s country.

**Economic Security of Pakistan in Post 9/11 Era**

On September 11, 2001, the deadly terrorist attacks on the World Trade Centre and the Pentagon started conversion of world politics with far-reaching impacts as the hijacked planes crashed into America’s most brilliant symbols of trade and military power. Approximately, 3,000 people got killed in these fatal attacks. Material losses were estimated over $100 billion. The un-imagined and exceptional attack on US mainland was more devastating than Japanese attack on US marine at Pearl Harbour in 1941. The American nation infuriated and wanted revenge. President George W. Bush
showed a ferocious determination to hunt down the wrongdoers, who were responsible for organizing and planning the terrorists’ brutal attacks. The whole world, utterly shocked, severely condemned the brutality and explicitly expressed heartfelt condolences and showed unconditional unity and solidarity with American public. President of Pakistan immediately issued a strong worded condemnation statement and showed sympathy with American people. He expressed unwavering resolve to join US to combat terrorism in the region. US Media pointed out the name of Osama Bin Laden as architect of the most dreadful attacks and implicated Taliban government as well. Now, writing on the wall became as clear as crystal that Taliban government would have to face serious consequences.

On September 13, 2001, US Deputy Secretary of State Richard Armitage summoned the Ambassador of Pakistan and conveyed a list of seven steps to be taken by Pakistan. Pakistan was given the choice that either it was with US or not? The seven steps included breaking of relations with the Taliban government, if the evidence found Bin Laden and Al-Qaeda guilty and the Taliban continued to harbour them. Islamabad indicated a positive response, when US request was received.

In this backdrop, the economic security of Pakistan has been facing the grave consequences of the global war on terror (GWOT). The factor of macro and micro economic solidarity and stability is most important for the generation of new jobs and improvement in quality of life. The economic security of Pakistan is under dire duress and facing the continuous upheaval of the war on terror. The worst global oil and financial crisis had added insult to injury. In addition, internally the country suffered from the adverse effects of unparallel calamity of devastating and destructive super floods in 2010. The worst floods ruthlessly damaged the economy at tune of US $10 billion caused for reduction in the growth rate of already sluggish economy by another 2%. As per World Bank and Asian Development Damage and Needs Assessment, 9.6 million people were adversely affected.
in Sindh and Baluchistan owing to these rains. Total damages to essential sectors amounting to Rs.324.5 billion (US$3.7 billion)\textsuperscript{23}. Other losses including all the crops at 50,000 Sq. km were abysmally washed away. During the period 2010-11, oil prices went up from $70 barrel to $125\textsuperscript{24} barrel, resulted into serious threat to the macro-economic structure in Pakistan.

It would be in the fitness of thing to make a comparative study and to judge the adverse impacts of the war on Sri Lankan economic security against the Liberation Tigers of Tamil Eelam (LTTE) for the period from 1990 to 2004. Sri Lanka suffered from imposition of extortion by LTTE, brutal violence against general masses, creation of sensitive security zones, hurdles in free fishing, planting of land mines, practical stoppage of highways, diminishing transport facilities, enormous internally displaced persons, shortage of electricity, scarcity of health and teaching professionals and suffering from dearth of physical security for general masses. Moreover, “embargo imposed by the Government of Sri Lanka from 1990 to 2001 was the most important cause of the economic and social decline.”\textsuperscript{25}

Participation in global war on terror, on behest of the sole superpower on the globe i.e. USA, and frequent drone attacks, serious internal threats by the extremists/fundamentalists against the security of Pakistan, worsening law and order situation in the country, led to depressive growth rate, which remained the lowest at 3.7% in 2011-12. Unquestionably, the growth trajectory can be improved, having a lot of potential in the manufacturing and agriculture sectors, which are also adversely affected by power shortage and unprecedented floods. Unwarranted war on terror imposed on Pakistan being a non-member ally of NATO in pursuit of the terror in North West of Pakistan has proved economically detrimental and unfavourable decision. It may also be mentioned that failure of chief crops, such as cotton and rice depressingly affected a minus 4 per cent growth in the particular sector in 2010-11. In the financial year 2011-12, major crops growth rate remained as 3.2 per cent\textsuperscript{26} only.
In the complex system of international trade, through multi-national agreements, mutual inter-dependence and availability of natural resources etc, the freedom to follow choice of policies to develop a nation’s economy in the manner desired, forms the essence of economic security. Economic security today forms, arguably, as important a part of national security as military security. The manufacturing sector growth was negatively affected by a number of reasons including terrorism and ever worsening law and order situation, governance issues, flight of capital, unprecedented floods and severe energy crisis. That is mainly due to circular debt trap. However, manufacturing sector growth rate remained as 3.1 per cent for the year 2011-12. The services sector has performed poorly with 4.0% against the target of 4.4% during 2011-12. Public Sector Development Programme (PSDP) have to be slashed down owing to the diversion of utmost needed resources to rehabilitation of poor flood affectees. By taking certain austerity measures, some of the effective initiatives regarding macro-framework and extra resource mobilization, the overall loss to the exchequer was tried to be mitigated. Nevertheless, more bold initiatives are still required to re-establish the reforms agenda and to rebuild the confidence of the development partners. State Bank of Pakistan has warned that the real fear is the rising prices of oil. If political uncertainty remains and spreads further in the Middle East/North Africa region, oil prices could increase even more sharply than the recent past. “Although this trend will hurt the global economy quite severely, the impact on Pakistan could be disproportionately larger.”

Owing to excessive expenditures on flood victims, relief in power and energy sector, subsidies in petroleum products, deteriorating law and order situation as a result of intensive GWOT and growing militancy, it has become imperative for the government to make public investment at massive level. In the same line, overall investment remained at the lowest ebb as compared to the recent past. Inflationary pressures are likely to remain strong through the rest of the financial year 2013. State Bank of Pakistan indicates, "The trend in core
inflation is worrying because of the likely implications, if Pakistan experiences same conditions later this year.\textsuperscript{30}

The most critical challenge of GWOT since its inception has been hindering development and adversely affecting the overall performance of the economy. The corrective measures adopted by the government, yet, could not contribute for sooner recovery and recommencement of growth at an accelerated pace. The budget deficit, one of the key indicators of macro stability of economy, has touched unique figure as a result of the complicated state of affairs. The budget deficit reached to the level of 5.3\% of Gross Domestic Products (GDP) in budget 2012-13. The vicious circle of the circular debt crippled the whole energy sector and government had to pay Rs.120 billion as subsidy to the power sector, in spite of all resource constraints. So, budget deficit pushed to overall 6\% deficit. If the prevailing circumstances, such as dreadful continuation of war on terror, the budget deficit would further increase diametrically in the forthcoming years.

Owing to the civil war in Sri Lanka, northern provinces adversely suffered during the period 1991 to 2005. The north provinces economy altered to a services-oriented economy from the agrarian economy. Hence, 70 per cent of the provincial gross domestic product (PGDP) had to depend on the services sector only. The biggest contributor to gross domestic products in the north provinces remained public administration and defence related sub-sectors. Although agriculture sector share reduced to 20 per cent, yet 56 per cent population employed in this sector only. In terms of livelihood, "agriculture was the dominant sector in the north in Sri Lanka."\textsuperscript{31}

Federal Budget for financial year 2011-12 has been presented by the Finance Minister, Dr. Abdul Hafeez Shaikh, in the National Assembly on June 1, 2012, showing total outlay of Rs.3,203 billion; indicating that the size is 15.8\% higher than the size of budget estimates of 2011-12. To meet expenditure, bank borrowing has been estimated at Rs.484 billion. Expenditure on general public services is estimated at
Rs.1,877 billion — 71.9% of the current expenditure — which is an alarming figure in the budget 2011-12.\textsuperscript{32} State Bank of Pakistan has pointed out that some of the key risks to real sector performance originate from persistent energy shortage, rising prices for oil and industrial inputs as well as “further reductions in development spending due to fiscal constraints”.\textsuperscript{33}

Owing to the war against terrorism, unprecedented distressing floods, imbalance in revenue and expenditure sides as well as below fiscal performance, fiscal development has been adversely affected. Moreover, policy readjustment, owing to the rising prices of energy globally, has to be made by the government. The estimates and expectations need to be revised due to hard realities of time. Preliminary assessment indicates that alarming fiscal deficit is expected to be 4.7% \textsuperscript{34} of GDP in the current financial year. GWOT is the main cause, including increase in security related expenditure and important need to mitigate the impacts of the distressing super floods. Other causes including increasing trend of subsidies, undue delay in stern tax measures, monopoly by a few petroleum companies and vicious trap of the circular debt. It is high time for broadening the tax base, austerity measures at the state level and expenditures are needed to be rationalized. Now government is following the strict statutory requirements and restricting bank investment in government securities. To attain the purpose, extensive marketing efforts are being undertaken to sell off the government securities to non-banking institutions and individuals. Moreover, National Savings mechanism is being strengthened to activate non-bank resources.

It may be stated that in Sri Lankan eastern provinces production of onion, rice and chilli increased during the period 1980 to 2001, while the production of such commodities abnormally decreased in the northern part of the country for the same period. Despite all efforts by the Sri Lankan government, north provinces could not attain the level of production of pre-conflict years. Furthermore, "due to
impacts of December 2004 tsunami, production of crops declined in Eastern Provinces as well."

Global war on terror promoted terrorism domestically, which resulted into 36,120 deaths with serious consequences to the socio-economic security of the country. Although there were a few incidents of violence in the country before 9/11 events, yet their intensity increased over the time. In 2003, 189 persons were killed including 140 civilians, 24 security forces personnel, and 25 terrorists/insurgents. Cumulatively, from 2003 to 2010 a total of 36,120 persons were killed, which comprises 12,273 civilians, 3,517 security forces personnel and 20,330 insurgents. There was an increase in the overall death toll during 2009 but there is substantial increase in killing of terrorists mainly due to military operation in Swat, Dir, and Buner districts of Khyber-Pakhtunkhwa (KPK). The year 2011 was the worst hit by a plethora of crises while during 2010, there was decrease of 21, 15 and 16 per cent in the number of terrorist attacks, killed and injured persons, respectively to the previous year.

Terrorism and increasing conflict in different parts of country is the result of GWOT. Growing terrorist attacks with new tactics have become more common phenomena. Khyber-Pakhtunkhwa (KPK) has become an epicentre of the terrorists. Table 1, given below, shows the nature of reported assaults by terrorist attacks, followed by clashes between security forces and militants, operational attacks by security forces, ethno-political violence, inter-tribal clashes, drone attacks and border clashes, and as a result increasing injuries and death toll in Pakistan.

Table 1: Nature of Attacks during 2010 in Pakistan

<table>
<thead>
<tr>
<th>Type of Attacks/Clashes</th>
<th>Incidents</th>
<th>Killed</th>
<th>Injured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terrorists Attacks</td>
<td>2,113</td>
<td>2,913</td>
<td>5,824</td>
</tr>
<tr>
<td>Clashes between Security Forces and</td>
<td>369</td>
<td>2,007</td>
<td>877</td>
</tr>
</tbody>
</table>
Defining National Security and Economic Security of Pakistan
Post 9/11 Era

<table>
<thead>
<tr>
<th>Militants</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Attacks by Security Forces</td>
<td>260</td>
<td>2,631</td>
</tr>
<tr>
<td>Drone Attacks</td>
<td>135</td>
<td>961</td>
</tr>
<tr>
<td>Border Clashes</td>
<td>69</td>
<td>65</td>
</tr>
<tr>
<td>Ethno-Political Violence</td>
<td>233</td>
<td>660</td>
</tr>
<tr>
<td>Inter Tribal Clashes</td>
<td>214</td>
<td>766</td>
</tr>
<tr>
<td>Total</td>
<td>3,393</td>
<td>10,003</td>
</tr>
</tbody>
</table>

Sources: PIPS, 2011

Physical infrastructure has been severely damaged during struggle against the terrorism, which has serious and far reaching impacts on the economic security of Pakistan. The major targets of terrorists are government and security forces installations. These brutal attacks also include on security forces check posts, police stations, bridges, communication towers, power generation centres, gas pipelines, railway tracks, schools, basic health units, videos/CDs/music and barber shops, etc. The major government agencies under attacks were Special Services Group (SSG) at Tarbella, Army Training Centre at Dargai, Inter Services Intelligence (ISI) at Rawalpindi, Federal Investigation Agency (FIA) at Lahore, Pakistan Ordnance Factory at Wah, Police Training Centre at Hangu and Manawa, Rescue-15 building at Lahore and Islamabad, besides a large number of police and military installations. Meanwhile, terrorists also targeted five-star hotels like Sheraton in Karachi, Malam Jabba, Ski Resort in Swat, Marriot in Islamabad and Pearl Continental in Peshawar.

As a result of rising terrorism, 119 schools, predominantly, girls’ schools/colleges were destroyed only in KPK during 2008. Major incident were reported from Swat, where 90 schools were attacked, which has serious effects on the eco-social security of the country as mentioned in Table 2.
Table 2: Attacks on Schools in KPK during 2009

<table>
<thead>
<tr>
<th>Places</th>
<th>Girls’ Schools/ Colleges</th>
<th>Boys</th>
<th>Co-Education</th>
<th>Total Attacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swat</td>
<td>88</td>
<td>1</td>
<td>1</td>
<td>90</td>
</tr>
<tr>
<td>Peshawar</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Dir</td>
<td>5</td>
<td>0</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Buner</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Malakand</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Mardan</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Bannu</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Charsadda</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Tribal Areas</td>
<td>8</td>
<td>0</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>111</strong></td>
<td><strong>2</strong></td>
<td><strong>6</strong></td>
<td><strong>119</strong></td>
</tr>
</tbody>
</table>

Source: PIPS, 2010

The aforementioned discussion indicates that GWOT and as a result mounting terrorism and militancy particularly in the northern part of the country has not only serious consequences for the national security of the country but also are affecting negatively the socio-cultural and ethnic fibre of society. Destruction of physical infrastructure and particularly educational institutions in KPK is a cruel effort by the militants to plunge the whole society in the darkness of illiteracy and ignorance. It is a desire of extremists that simple people, should be mislead through hollow slogans, to be brought into their fold on the name of religion, and even they are trying to grip their innocent children, in the modern and enlightened world, as they had destroyed hundreds of the modern educational institutions. But nefarious designs of the militants/extremists/fanatics have finally been exposed as their real intention is political power through the sheer force of naked arms.

Comparatively, the Civil War in Sri Lanka adversely affected the industrial sector as terrorism is affecting all sectors of Pakistan’s economy. During the period 1983 to
2003 in Sri Lanka the share of the industrial sector employment reduced to half of percentage of the provincial employment. As far as infrastructure is concerned northeastern region of Sri Lanka had "lowest road density, number of telephones per capita, and households with electricity in the country in recent years."36 Sri Lankan War against LTTE in Eastern and Northern provinces marked disappointingly in environment, education and health sectors, which had been leading towards absolute deprivation and poverty. Environmental degradation has become order of the day. As far as education is concerned northeastern region students scored lowest marks in "primary and lower secondary exams."37

**Conclusion**

Undoubtedly, the scenario of 9/11 has changed altogether the Pak-USA relationship as US, which left Pakistan in a lurch after Afghan debacle in 1990s, came back with fury of revenge and hostility. In her own interest, USA declared Pakistan as the most trustworthy and reliable non-NATO ally in South Asia. Since 2001, United States of America has committed $20.7 billion aid to Pakistan, which is 0.1% share of $3 trillion, the sole superpower is spending on the global war on terror (GWOT). The commitments include security related aid amounting to $14.7 billion, Coalition Support Fund (CSF); socio-economic aid amounting to $6.5 billion and Kerry Luger Bill (KLB) commitment of $7.5 billion38 assistance package for Pakistan.

So far $3 billion under KLB, $275 million and $676 million including flood relief donation of $500 million that is less than half have been released in a two-year time. Out of the committed assistance two-thirds aid relates to military uses, while the remaining one-third to social sector and economic development. While cumulative loss of Pakistan in global war on terror is estimated to $68 billion,39 The imperative grave impacts include abysmally decline in foreign investment, flight of domestic capital, breach of confidence of local and foreign investors on Pakistan, decline in industrial production,
hyper inflation, enormous unemployment and loss of physical infrastructure. Mathematically speaking, the ratio of Pakistan losses against US aid stands at 7:1.

On the other hand, since the start of GWOT, Pakistan has been facing the issues of rising terrorism and extremism, Internally Displaced Persons (IDPs), lowest growth rate, hyper-inflationary trends, trade deficits, severe problems of balance of payment, deficits including budgetary deficit and ever-increasing security related expenditures. Every new day bring new challenges for the nation as sectarianism and extremism is also on rising trend. In recent history, we are passing through the phase of uncontrolled prices of petroleum products. Destructive and demoralizing floods result into unbearable losses of life, crops, livestock and devastating effects on the physical infrastructure. It is the need of hour that the government should show iron determination to overcome these challenges by taking difficult decisions with strong political will and following the pathway of reforms. The economic and fiscal measures, including increase in taxation base, essential constitutional amendment for fixation of limits for government borrowing from the State Bank of Pakistan, tackling menace of poverty by the horns and grants of subsidies to the poorest of the poor, are also needed. Additionally, it is high time to follow the reform agenda at micro and macro levels in sphere of financial and economic sectors including:-

- Essential reforms and restructuring of public sector enterprises including PIA, Railways, Wapda, Pakistan Steel Mills and various other institutions.
- Fundamental debt disbursement and management strategy.
- Introduction of most needed austerity measures to decrease fiscal deficits and strictly compliance mechanism.
- Most needed tight monetary policy to hold the unbridled inflationary trends.
- Taking obligatory measures for sufficient foreign exchange reserves for sound and stable exchange rate.
Introduction of vital reforms for promotion of exportable items.
Overture of indispensable incentives for home remittances.
Strengthening the social fibre of society and safety networks to minimize the impact of poverty.
Adoption of measures for promotion of accelerated growth and promoting domestic savings/revenues.
Most crucial reduction in unnecessary subsidy to reduce ever-increasing pressure on the budget result in more budgetary deficit.
Introducing additional saving schemes for active mobilization of domestic resources.
Introducing immediate measures to take the bull of energy crisis by the horns that are adversely affecting the economic security of the country.

The finance managers would have to adopt macroeconomic stability measures, and to multiply growth rate via innovative growth stratagem/framework. Instead of building markets, people and soft sides of intervention, it is high time that government should concentrate on physical and mental infrastructure. Adequate growth will become possible, when people are educated, healthy and empowered, and their capabilities are enhanced to the level where they can compete boldly at national and international levels. It may be recalled the old maxim that in diplomacy, there is no permanent friend or foe but only permanent national interest. So, imperative decisions on the political and diplomatic fronts, though bitter, may be taken by the leadership at this critical juncture of history, keeping in view all the essential impacts upon Pakistan's national security.

To sum up the whole discussion, owing to GWOT Pakistan has been facing rising trends of extremism/terrorism, and as a result worsening law and order situation in the country. Consequently, the country has been facing issues like growing poverty, rising unemployment level, shortfall in investment, declining currency value, mismanagement and misgovernance. Private sector is shrinking day by day. The
relationship with the neighbouring countries is in disarray and masses are not comfortable. It goes without saying that we are one of the most strategically important countries of the globe. We have sixth largest dynamic population. There are many opportunities for Pakistan and post-war Afghanistan is one of the boosting factors. We can avail the opportunity through dynamic foreign policy and friendly relationship based on the mutual interest of both the neighbouring states. Secondly, resource-rich Central Asian States are looking forward for the trade-dynamic route for export of petroleum, gas and other natural resource linkages through Gwadar seaport. We are trying to develop friendly relationship with Russia, which is also a positive factor in the region. Thirdly, Pakistan-Iran Gas Pipeline to be managed as a vital source of social and economic development as we have been facing acute shortage in energy arena. Fourthly, Arab awakening needs a peaceful transition for flourishing and democratic future. Fifthly, Indian Ocean Rim from the African Coast, Arabian Sea, and Persian Gulf to the straits of Malacca is an area of growing economic development, and Pakistan has a pivotal role in the region. Sixthly, our immediate neighbour China is fast growing and has become the second largest economy of the world, and Gwadar seaport can become new epicentre of economic development in the region. All these factors indicate that with dynamic economy, vibrant foreign policy and determined political will, the dividends can become quite enormous for Pakistan. Additionally, Pakistan’s geography and demography have great advantage, which provide a foundation stone to the market-based economy, energetic governance strategies, and future development & growth. It may be recalled that South Korea, an economy of $8 billion only in 1970, through better alliances, market economy and good governance, has become economy of over $1,000 billion in 2011-12. All such potential is available with Pakistan. We have to build globally integrated economy having a dynamic foreign policy and wipe out domestically the menace of terrorism. No doubt, Pakistan has a very bright future!
Defining National Security and Economic Security of Pakistan
Post 9/11 Era

Author

Mr. Zulfiqar Hussain is a Ph.D scholar of International Relations at Department of International Relations, Faculty of Contemporary Studies, National Defence University, Islamabad. He is currently serving as Director President’s Secretariat (Public), Islamabad.

Notes


14 Kenneth N. Waltz, *Theory of International Politics*, (Reading Mass, Addison-Wesley, 1979). Realism in this context should not be confused with the philosophical school of thought of the same name.


22 Pakistan Economic Survey, 2010-11, i.

23 Pakistan Economic Survey, 2011-12, i.

24 Pakistan Economic Survey, 2010-11, i.


26 Pakistan Economic Survey, 2011-12, i.


28 Pakistan Economic Survey, 2011-12, ii.
Defining National Security and Economic Security of Pakistan
Post 9/11 Era


32 *Federal Budget 2012-13*, Finance Division, Islamabad, 7


34 Federal Budget 2012-13, Finance Division, Islamabad, 49.


37 Ibid.


The post-cold war era saw the reversal of Pakistan-US relations. The US was no longer willing to underwrite Pakistan's economic development and modernization of its military because it had lost its strategic relevance for the US caused by a host of factors like the Soviet withdrawal and its subsequent disintegration, the absence of competing superpower and a triumph of Western values of liberal democracy and free economy. Threatened with direct political, economic and military consequences for its national security, Pakistan's new unpleasant role for providing all kinds of support as implicit in her commitment to the US to facilitate the US intervention in Afghanistan is a shocking but certainly an involuntary reversal of its foreign policy. post-9/11 wars because it includes not only war appropriations made to the Department of Defense spending in the war zones of Iraq, Syria, Afghanistan, Pakistan, and in other places the government designates as sites of contingency operations, but also includes spending across the federal government that is a consequence of these wars. The United States and the rest of the world face grave security, economic and survival threats in the present and future from climate change caused by greenhouse gas emissions. For example, the largest single element of aid to Pakistan is Foreign Military Financing (FMF) 1. General Country Information. 2. Security situation. 3. Human Rights Situation. 4. Migration, displacement and internal mobility. Awami National Party Political Sunni Deobandi organisation Amnesty International Azad Jammu and Kashmir Twelver school of thought (in Islam) Assisted voluntary returns Assisted voluntary returns and reintegration Religious endowments All Parties National Alliance Arabic term, translated as House of money or House of wealth, a financial institution responsible for the administration of taxes and distribution of zakat in Islamic states. Pakistan's economic situation was dire from the start and politicians struggled to maintain stability. In September 1948 Jinnah died.