

**RESEARCH PAPER****An Assessment on Internal Security Threat to Pakistan and Impacts of Terrorism on Economy****Muhammad Iqbal**

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***Corresponding Author:** Mjawad1971@hotmail.com**ABSTRACT**

This paper focuses on internal security threat to Pakistan and impacts of Terrorism on Economy. The multifarious threats to the security of Pakistan whether external or internal, have intensified in the 21st century. Previously, security was conceived in military terms alone. No longer true, in the matrix of national security, military threat is merely one constant. Other factors like law and order, economy, terrorism etc are all now reckonable constituents which, either alone or in combination, can trigger internal security catalysts or cause destabilization of a country. Whereas external and ideological dimensions of threat are being handled aptly by the government with appropriate responses, it is the internal dimension of national security that presents a daunting challenge to our policy makers. In this context, this paper addresses various forms of sectarianism and its impact on Pakistan's economy in line with the US relations with Pakistan and reflections on its economy.

KEYWORDS: Internal Security, Pakistan, Terrorism, Pakistan's Economy, Threats**Introduction**

After Presently, Pakistan is passing through a critical phase of its history. The internal fabric of the society is badly damaged. The economic disparities are inculcating a deep sense of deprivation amongst a major segment of the society. The dawn of democracy has been accompanied by same customary ills, which this nation has witnessed previously. The religious intolerance, ethnic divide and growing extremism have further compounded the problems. If already, there were not enough security concerns existent for this country, the fate has now laid latest challenges and fears in the form of varying geopolitical compulsions since the incident of 9/11. At such a crucial, decisive and a critical juncture of our history, the requirement of unity, cohesion and harmony among all segments of society is much more than ever anticipated. There is a dire need to critically analyze the problem areas and forthrightly implement suitable measures before the situation blows out of proportion.

The militancy of religious, ethnic groups, increased incidents of clashes amongst various factions, political instability and protest / long march culture are not only affecting the national economy but also resulting in loss of faith of the common citizens in the government. If the ongoing state of insecurity is not checked with prudence and sense of purpose, threat to national security will increase. Foregoing in view, an assessment is carried out to in-depth analysis of Pakistan's internal security issues emanating from the sectarian, ethnic and political polarization prevailing in the country suggesting suitable short- and long-term measures to combat them effectively. The main focus of this paper is to analyze the objectives of this long-term economic development with the help of points: (i) Understanding of the ground realities in which Pakistan joined the US coalition / sided with US since its independence till date; (ii) The situation of Pakistan's economy when it joined the US led coalition against terrorism; (iii) Either the

economic assistance given to Pakistan was conditional to the US support on war against terrorism or to improve the basic economic and social conditions of Pakistan?; (iv) What were the expectations of Pakistan and how it was treated by the US government?; and (v) What should be the future strategy for the improvement of economy and to give the economic benefits to the masses? (vi) Effects of US sanctions / terrorism on Pak economy in last three decades.

Sectarian and Ethnic Problems

The liberty of fair play in religious, racial and political criterions has been seduced by the concerned group of dissidents. These groups of terrorists / political opponents have either compounded themselves within unyielding mental corridors or they play to the tunes of seemingly invisible foreign donor agencies or operators in accomplishment of foreign agenda. The response by Pakistan's ethno-sectarian leadership coupled with ineptitude of country's political as well as administrative government, has become a potent threat to sovereignty of the state as it has been seen in past history of 1970-71 debacle. A great deal of discourse and dialogue has been carried out on the subject by intellectuals of Pakistan and of those countries facing alike issues. In principle, all thinkers on the subject agree that such problems are outcome of socio-economic squeeze of society, frequent closure of political vents, obsessive religious rhetoric and state's administrative/institutional mal governance. Owing to the sensitivity of the problem, it has been well exploited by evil minded politicians, so called religious leaders and state pillars greatly to their benefit, by hostile agencies in alliance with their friendly country agencies. After having analyzed the problem the gist of various solutions seems to be lying in educating the masses and implementing a comprehensive administrative reforms package ensuring effective countering of the very origins of the problems.

The society in Pakistan is a highly polarised one, with ethnic, sectarian, political instability, linguistic, social injustice and economic differences amongst the various sections of the society now assuming exceedingly dangerous dimensions. The very fabric of our National Integration has battered under the bitter differences among the various divides. Two major problems have, however, outclassed the other differences viz, Sectarian rivalry and Ethnic intolerance. Lately, that is to say over the last two decades, these have taken the shape of militancy and insurgency. Balochistan, Khyber PakhtunKhwa, GilgitBaltistan and Tribal Areas are facing deteriorated law & order situation and troubled areas have resulted into internal displacement of populace and their settlement in urban areas. There is all the probability that if not addressed immediately with an objective mind these problems may take the form of a civil war. An effort has been made in this paper to identify the root causes of these problems and to analyse the present situation with a view to suggest/recommend measures to combat these effectively.

The first Pakistan (East & West), created in 1947, survived for 24 years. That is too short a shelf-life for a nation, perhaps the shortest in the history of nations. Would the second Pakistan (West) survive even that long? It is a depressing thought, even more depressing is the thought that we are talking about a nation that does not lack talent, resources and resilience to overcome the odds. The tensions peculiar to Pakistan are centralist and regionalist conflict between the federal authority and three of the four provinces, linguistic conflicts within all the four provinces, sectarian conflicts spearheaded by the fundamentalists of all the major sects and weaponised assertion of political clout by various parties particularly, all political parties alliance Pakistan Democratic Movement (PDM) vs Pakistan Tehreek e Insaaf (PTI).

In the various phases of its history, Pakistan has been affected by numerous problems with the potential of developing into permanent internal threats which have

gained priority over external threats to handle with. These are prolonged political corruption, sectarianism, ethnic diversity, economic and social divisions. We live in an environment of full-blown and nascent civil war looming around us and sectarian strife throughout the country. External elements are already, actively, involved in widening the chasm. Our unity is being threatened and our capabilities are considered dangerous. The provocations of political, sectarian and ethnic issues are the main concerns by our adversaries so as to de track us from the path of achievement and development with only ideology as centre of gravity.

Pakistan is a Muslim country having 77% Sunnis, Shiahs 20% and remaining 3% are the Hindus, Christians and Sikhs etc. Communalism, religious intolerance, ethnicity, class segregation and sectarian violence are scourge of any society and repugnant to the teachings of Islam. The switch over of the sectarian violence and political instability in four provinces and Northern Areas, clearly speaks the manipulative and antagonistic religio-socio-political culture, which has become the culture of Pakistani society. The true factor for the rise of sectarianism in Pakistan is the Religious intolerance.

Sectarianism signifies activities of the religious sects, which operate in the society. The conventional rivalry between Shia and Sunnis is the major reason of fanning the sectarian strife in Pakistan. Both sects stood daggers drawn against each other to adversely pollute the religious and political climate of the country. A number of writers and analysts who are of the view that sectarianism and religious intolerance received a boost because of the massive funding to the Deeni Madrassas of a particular sect by Zia-ul-Haq and even the foreign funding from Kingdom of Saudi Arabia (KSA), Middle East and Iran respectively but the actual seeds of Shia-Sunni hatred were sown by General Dyer in 1916 in Balochistan by using Hazara Tribe against the Sunnis. (Asia report 2005).

Genesis of Sectarianism and Sectarianism in Regional Context

Soon after the creation, founding father faced dilemma as Pakistan was inhibited by Shia and Sunni Muslims, further sub-divided into different sects. Though all sects professed to follow "The Quran and Sunnah" but consensus on a unanimous interpretation of Quran and Sunnah did not exist. The Sunni-Shia strife and the Bareilvi-Deobandi-Wahabi strife erupted and subsided but all these had one focal point, the Qadiyani sect, which was finally declared as non-Muslim in 1977 through a constitutional process.

It had serious negative psychological effects on Shias. Thus they formed an organisation Tehrik-i-Nifaz-e-Fiqah-e-Jafaria (TNFJ) in 1979. The extroverted visibility and militancy of Shias in turn gave rise to Sunni reactions. As a reaction to increased Shia militancy in Pakistan, Anjuman-e-Sipah-e-Sahaba Pakistan (ASSP) came into existence in September 1984 in Jhang District.

The regional scene emerges out to be as under:

Role Played by Foreign Agents. From 1947 to the early eighties, Islamic fundamentalism was promoted by the west, partly, as part of their anti-Islam strategy and partly to arrest the radicalisation of Arab states, particularly those staunchly opposed to Israel. The Islamic revolution in Iran, Soviet invasion of Afghanistan, Iran-Iraq war and process of Islamization in Pakistan caused Shia-Sunni strife.

Indian Policy towards Sectarianism: The emerging pattern of sectarian incidents in southern Punjab is also indicative of Indian penetration in both the main sectarian outfits. Indian government purports to use sectarian card in order to destabilise Pakistan politically and to drive a wedge between Pakistan and Muslim

Countries like Iran, Saudi Arabia by operating their agents under cover of sectarian outfits.

Iranian Revolution and Rise of Sectarian Violence in Pakistan: The Iranian revolution had a particular impact on neighbouring Pakistan. Initially it was welcomed but with its support to Shias lost its favour among the Sunni community in Pakistan. As a response to this development the gulf countries provided support to Sunni groups. Consequently, it resulted in the sectarian violence in Pakistan as Shias were being supported by Iran. The drag between Iran and Gulf States adversely affected religious harmony in Pakistan.

Afghanistan Civil War and Its Impact on Pakistan (1979-1989): The war in Afghanistan also contributed towards religious tension in the country. Many conservative Muslim factions started supporting the militants in Afghanistan and when the war was over in Afghanistan; militants spill over to Pakistan created security problems in Pakistan, especially militant alliance of Tehreek e Taliban Afghanistan (TTA) and Tehreeke e Taliban Pakistan (TTP) vis a vis TTP alliance with Baloch Sub Nationalists (BSNs), Balochistan militant organizations including Baloch Liberation Army (BLA), Baloch Republican Army (BRA) and Baloch Liberation Front (BLF). Since the 1990s as the Taliban phenomenon gain ascendancy in neighbouring Afghanistan, Shia-Sunni conflict in Pakistan has intensified. (Ali, Banuazuzi&Weiner, Myron, 1987).

Infestation by Al Qaida and War on Terrorism: Violence in Pakistan has increased manifold in the backdrop of 9/11 incident. Al-Qaeda operatives have infiltrated deep in our society, and these have links with many sectarian leaders. Due to this reason the sectarian violence has also increased, especially in Balochistan against Hazara Community and in GilgitBalitistan (GB) against Shias. Table: Casualties War on Terrorism.

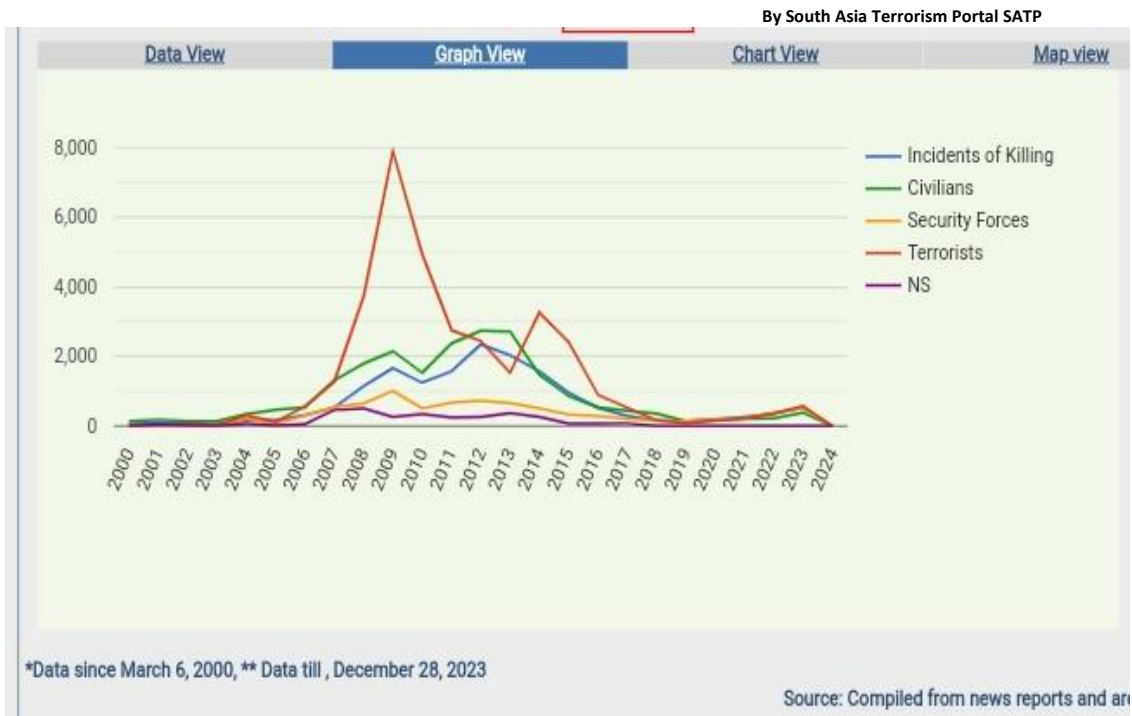
Table 1
Yearly Fatalities – Data Pakistan War On Terror 2001-2023

Advance Search						
Data View		Graph View		Chart View		Map view
Year	Incidents of Killing	Civilians	Security Forces	Terrorists/Insurgents/Extremists	Not Specified	Total
2000*	65	137	8	20	1	166
2001	110	190	31	26	48	295
2002	103	148	20	65	24	257
2003	55	137	23	29	8	197
2004	168	347	208	302	68	925
2005	166	465	79	124	18	686
2006	317	541	301	568	56	1466
2007	531	1311	548	1271	464	3594
2008	1149	1796	647	3724	516	6683
2009	1665	2154	1012	7884	267	11317
2010	1246	1537	512	4945	348	7342
2011	1573	2371	674	2752	253	6050
2012	2347	2743	734	2444	267	6188
2013	2034	2713	665	1541	375	5294
2014	1569	1471	508	3268	263	5510
2015	950	866	339	2407	73	3685
2016	526	541	291	897	68	1797
2017	294	439	216	533	81	1269
2018	164	363	158	162	10	693
2019	136	142	137	86	0	365
2020	193	169	178	159	0	506
2021	268	215	226	223	0	664
2022	365	229	379	363	0	971
2023	521	384	530	571	0	1485
2024	0	0	0	0	0	0
Total**	16515	21409	8424	34364	3208	67405

*Data since March 6, 2000, ** Data till , December 28, 2023

Source: Compiled from news reports and are provisional.

Table 2
Yearly Fatalities – Graphical Representation Data Pakistan War On Terror 2001-2023



Ethinism in Pakistan

The term “ethnic” is used to refer to the way individuals or groups characterize themselves on the basis of their language, race, and place of origin, shared culture, values, and history. Muhajirs mainly Urdu-speaking refugees though only a small percentage of the population, exercise considerable influence. Sindhis, Balochis, Saraikis and Pashtuns are the major majority groups. The major ethno-linguistic problems confronting Pakistan are:-

The Balochistan Movement: The Baloch have been remarkably successful in preserving their separate cultural identity in the face of continual pressures from strong cultures in neighboring areas. In Pakistan by contrast Baloch insurgents have waged an on-again, off-again guerrilla struggle ever since the departure of the British, culminating in a brutal confrontation with 80,000 or more Pakistani troops from 1973 to 2015. The social base of the movement was primarily confined to the traditional tribes and a very small educated middle class. In 1973, the Pakistani Balochs were not fighting for independence but rather for regional autonomy. By the time the shooting subsided in 1977, however, separatist feeling had greatly intensified. Ignoring this emergence of sub-nationalism tends to think of Baloch society solely in terms of its traditional / tribal character and organizational patterns. RAW involved in supporting / regrouping Baloch Sub Nationalists (BSNs) and Tehreek e Taliban Pakistan (TTP) alliance. RAW played an important role in unifying the Baloch Militant Groups with TTP / Al-Qaida by financing / imparting training to these groups in Afghanistan. The arrest of Commander Kulbhushan Yadev alias Hussain Mubarak Patel on 03 March 2016 operating from Iran inside Pakistan through Balochistan revealed his contacts with Baloch separatists and militants, fueling sectarian violence in Balochistan and Karachi.

Pashtunistan Movement: The Pashtuns, feel that colonialism cheated them out of their birthright. It added insult to injury when the British imposed the Durand Line in 1893, formalizing their conquest, and then proceeded to hand over their ill-gotten territorial gains to the new, Punjabi-dominated government of Pakistan in 1947. The

KhudaiKhidmatgar movement, which had raised the banner for an independent state of Pashtunistan at the time of the formation of Pakistan, was transformed into a provincial autonomy movement for the North-West Frontier Province. Pashtun nationalism focuses at large on alleged economic discrimination against the Northwest Frontier Province (NWFP) today (KPK) in allocations of development expenditures both in industry and agriculture. The war on terror starting from 2001 till date has affected KPK dynamics to the great extent. The population of FATA area faced in displacement from FATA to other parts of KPK and Sindh. Total of 430 drone attacks were conducted from 18 June 2004 till 04 July 2018 by unmanned aerial vehicles (Drone – MQ-9 Reaper) by US Air Force under operational control of Central Intelligence Agencies Special Activities Division. Most of these attacks were on targets in FATA along Afghan border. These attacks were commonly referred as Drone War in media resulting into approximately 2500-3000 casualties. In December 2013, National Assembly of Pakistan unanimously approved a resolution against US Drone Strikes in Pakistan calling them violation of UN Charter on International Laws and Humanitarian Norms.

The Sindh Problem: The province of Sindh is made up of the Urdu-speaking Mohajirs and Sindhis. The conflict between the Sindhis and the Mohajirs is rooted in a constellation of factors such as demographic, territorial, linguistic, economic, and representational and electoral.

Impact on Pakistan's Economy

In analyzing the government of Pakistan's policies towards USA in the war against terrorism, this article focuses on Pakistan US relationship and US assistance to Pakistan for economic development. The main concern is to understand the environment of mistrust between the two states and need to analyze that Pakistan's economic development should be based on sound long term economic policies.

In the region of South Asia, Pakistan has the most delicate and critical strategic position. The Russian invasion of Afghanistan during cold war period and in the post-cold war era, the other world-shaking events, the terrorist attacks on World Trade Centre have witnessed that these developments profoundly affected Pakistan's strategic position. The incident of 9/11 affected Pakistan's defense and strategic concerns, its national cohesion, domestic stability and economic condition.

Economic Impact of War on Terror: According to the Prime Minister of Pakistan's interview in Washington Post since joining US and becoming a front line state on war on terror, Pakistan has suffered the losses of \$150 Billion. Besides 70000 Pakistani casualties including civilians and Armed Forces Personnel. Though the US provided \$20 Billion in aid but the losses suffered by Pakistan in terms of financial aspect are much more than the aid received. Moreover, loss of 70000 civilians and internally displacement of FATA in particular and KPK in general have suffered socio-economic problems in addition to financial losses.

In the wake of 9/11 incident, once again Pakistan got the status of a front-line state, because immediately after the attacks on WTC, the US government approached Pakistan and presented stark choices. It had to either make common cause with Washington in its war against terrorism suspected Bin Laden and his Al-Qaida network based in Afghanistan with the support of Taliban regime, or the second option was to persist with its pro-Taliban Afghan policy and live with international condemnation and isolation from the rest of the world. Washington gave Pakistan twenty-four hours to decide, whether it would be on America's side or not and according to a news report the next day on September 13, President General Pervaiz Musharraf gave green signal to the US state department that Pakistan would extend its "unstinted cooperation" to the international coalition against terrorism.

After the higher official meeting, President of Pakistan General Pervaiz Musharraf addressed the nation and presented his policies which were completely in reversed direction. In his television address to the nation on September 19, 2001, he clarified that:

We in Pakistan are facing a very critical situation. Perhaps as critical as the events in 1971. If we make the wrong decision our vital interests will be harmed, our critical concerns are our sovereignty, second our economy, third our strategic assets, (nuclear, missiles) and fourth our Kashmir dispute. All four will be harmed. If we make these decisions, they must be according to Islam. It is not the question of bravery or cowardice. But bravery without thinking is stupidity. We have to save our interests. Pakistan comes first, everything else is secondary. (Dawn, Sep 14, 2001).

The policies presented in the president's speech resulted in withdrawal of Pakistan's support for the Taliban government in Afghanistan and extended cooperation towards USA. Through this speech, he also presented his new strategy to safeguard Pakistan's national interests based on four key objectives. These were security, protection of Pakistan's nuclear assets, settlement of the Kashmir dispute and long-term economic development.

Before discussing Pakistan's macro-economic condition when it became the ally of US led war against terrorism and got economic benefit from US to improve its different sectors it is necessary to discuss Pakistan-US relations as well to understand the environment in which they started a new phase of relationship.

Pakistan- US Relations: the Environment of Mistrust

In the post-cold war period, when US became the sole hegemonic power and changed its policies. The main focus was about the role of USA in the new unilateral world. The US policy was based on the concept of power, security and of course its national interests. In the South Asian region, Pakistan was the only state which promoted US agenda during cold war period and was the most important ally of US government. Pakistan not only lost its former status but India, the traditional ally of Moscow, apparently welcomed by Washington and became the focus of US interests as the dominant power in South Asia. In this scenario Pakistan was not only relegated from the previous status of a front-line state but also to the category of unfavorable nations and alleged to have a tendency towards hostility from the United States and its interests. It has been said that the relationship between both the countries is issue bound and whenever the "issue" loses its importance, it loses all its vitality and vigour and as Dennis Cux observed in his book, that the common struggle during cold war against the Soviet occupation of Afghanistan no longer cemented U.S Pakistan relations and in the absence of a "shared significant national interests" tension between the two nations was becoming apparent. Bilateral relations further worsened when Pakistan detonated its nuclear explosions on 28 May, (1998) and expedited its nuclear and missile program. It was considered that Pakistan is a threat to United States non proliferation motives in the region. (Jaffar,Iqbal,1998).

The American Policy think tanks developed a consensus that Pakistan was not only losing its strategic importance but is also becoming an unreliable "failed State". Apart from the nuclear Pakistan the issues of democracy, growing influence of radical Islam, poor economy, pro-Taliban foreign policy etc were also the major areas of concern for the US officials. Under this environment of mistrust, the September 11, event changed the world scene and opened a new phase of Pakistan-US relationship.

The US media immediately pointed out Osama Bin Laden, the mastermind of those terrorist attacks. Osama Bin Laden with his organization Al Qaida was suspected to have their base in Afghanistan and Taliban government was his supporter. Due to the

geographical proximity of Pakistan with Afghanistan, and a day before 9/11 Pakistan was a staunch supporter of Taliban. It was observed that Pakistan had to face some difficult days ahead. After the stunning attacks of 11 September, (2001) the US started to contour her new strategy to counter the situation. President G.W Bush declared the struggle between good versus evil. (Limaye, Satu, .2001, October 06).

Former foreign minister of Pakistan Mr. Abdul Sattar wrote in his book that US Secretary of State Mr. Colin Powell announced that US expected the fullest cooperation by Pakistan and on 13th September President Bush said, “Those who harbored terrorism would be treated as terrorists”. The foreign minister also mentioned at a press conference on September 13, 2001, that Mr. Bush was asked about any progress in obtaining the cooperation from Pakistan he answered, “we will give a chance to cooperate”.

Although, Pakistan and the US government mutually had the feelings of mistrust, and the US media was presenting Pakistan as a promoter of terrorism. President Musharraf did an effective job of realigning Pakistan with Washington’s bullying policy. President Musharraf’s strategy to be the ally of the US in this war against terrorism was not appreciated throughout the state. National and international media repeatedly highlighted the fact that US could not develop a long-term strategic partnership with Pakistan because of the diversity of their vision and the status of radical Islamic forces in Pakistan. In Los Angeles Times, Selig S. Harrison wrote “the importance of US relations with India as dominant and emerging economic power in South Asia and the right choice for United States is to safeguard its strategic interests in the region” while he stressed that “if Pakistan is an ally of the United States of America, good luck to the United States of America”. But the government of the US knew that a military government having legitimacy crisis could better serve their interests. The Bush administration moved fast in announcing rewards for Pakistan for intended cooperation.

In the next few weeks most of the sanctions relating to May 1998 Nuclear blasts and 10 October, (1999), the military takeover were lifted and it was announced that Pakistan would receive well over one billion dollars as the US assistance and that the US would support Pakistan’s case for additional loans and debt rescheduling. Chronology of events leading to strand relations (i) Drone Attacks from 18 June 2004 till 04 July 2018 (ii) Salala Check Post Attack on 26 November 2011 (iii) Osama Bin Laden Incident on 02 May 2011 (iv) Ramon Davis arrest / release on 27 January 2011 (v) US – expulsion from Afghanistan in after math of Afghan Taliban takeover in Feb 2020 under Doha agreement (vi) Political instability / changeover of government in Pakistan on 09 April 2022 (vii) Inclusion of Pakistan in Financial Action Task Force (FATF) grey list in 2018 till Oct 2022 (viii) IMF deals strategy (ix) Interference of US Diplomats in internal politics / affairs of Pakistan.

Reflections of Pakistan’s Economy

In spite of this uncertain and unreliable environment Pakistan gave a warm welcome not only to the US assistance but also to US policies towards Pakistan. The main reason was the unstable and fragile economy of Pakistan that was the fruit of an unstable political system. The following table, growth performance different sectors in Pakistan would be helpful to evaluate the economic situation of Pakistan at that time.

Table3
Growth Performance of Real Sector

Item	Unit	1980s	1990 1995	1995 2000	2000 2001	2001 2002
A. GDP Growth Rate	%	6.1	4.9	4.0	2.5	3.6
a. Agriculture	%	4.1	4.2	4.9	-2.6	1.4

b. Manufacturing	%	8.2	4.8	3.2	7.6	4.4
c. Large scale	%	8.2	4.7	2.4	8.6	4.0
d. Services	%	6.6	5.1	4.0	4.8	5.1
B. Total Investment	As % ofGDP	18.6	19.5	17.1	15.9	13.9
a. Fixed Investment	%	16.8	18.0	15.3	14.3	12.3
b. Public Investment	%	9.1	8.6	6.4	6.3	4.7
c. Private Investment	%	7.8	9.4	8.9	8.0	7.6
C. National Saving	As % ofGDP	14.7	14.9	12.7	15.1	15.4
a. Domestic Saving	%	7.7	13.9	13.8	16.5	14.7

Source: Economic Survey 2001-2002

Pakistan's weak and fragile economy was heavily dependent on a variety of external capital flow. The main official and private sources of capital flow in Pakistan could be shown as in the table 2

The external capital flow towards Pakistan through the mentioned sources was severely disturbed by its nuclear detonations in 1998. All the official donors to Pakistan like IMF, World Bank, ADB and Japan withheld their support and imposed sanctions on Pakistan's economy. Resultantly, the balance of payment became highly vulnerable and the country's debt situation became worsened.

From 1998 to 2001, economic situation of Pakistan remained highly unstable. Foreign exchange reserves were not sufficient¹³ coupled with financial indiscipline. The international rating agencies had downgraded it to a selective default level, likely the September 11, event also directly or indirectly affected Pakistan's economy and it has been said that regular orders were cancelled or got delayed; investors lost their confidence, travel to and from Pakistan became difficult. This is a brief picture of Pakistan's economy when it joined the US coalition against terrorism as a front-line state.

It was observed that as an important ally Pakistan's stability was of vital impotence to the international community. Analyzing this factor, US government offered a strong support to Pakistan's military leader General Pervez Musharraf. The extended support from U.S was related to lifting up the sanctions that had been imposed on Pakistan after its nuclear explosions in 1998 and after General Musharraf's 1999 Coup suspended democracy. In this way the Glenn, Symington and Pressler amendments were lifted up and US government provided legitimacy to General Musharraf's government²⁷. Washington also agreed to reschedule Pakistan's outstanding debt to the United States of about \$400 million and to support loan rescheduling by various financial institution, including the World Bank, IMF and ADB, thus helping to alleviate Pakistan's 38 billion foreign debts.

Washington also offered General Musharraf an aid package of nearly \$1 billion for different purposes including, border control, refugee assistance, poverty alleviation and coalition support fund. By the end of 2001, IMF and Paris Club pronounced they pleased with Pakistan's economic progress and rescheduled much of its foreign debt and extended fresh credits. The Pakistani government was mind full of the importance of its contribution to the war against terrorism. According to Pakistan embassy officials in Washington D.C "Pakistan has deployed more than 70,000 of its troops to the Afghan border and has launched more than 38 major successful operations to flush out foreign terrorists. More than 300 Pakistan army and paramilitary troops have been killed in the war and an even larger number injured, accounting for more casualties than any other US ally in the war on terrorism. Pakistan is the only regional country to participate in the coalition maritime interdiction operations, the maritime component of operation "Enduring Freedom". Additionally, the intelligence provided by Pakistan has led to successes against terrorism around the world. For example, all of the top Al-Qaida leaders captured to date have been apprehended in Pakistan with the government's help, while Pakistan itself has arrested more than 700 terrorist suspects. The country has also

banned or placed on watch lists a large number of sectarian and militant organizations and enacted numerous antiterrorism laws, freezing 32 bank accounts suspected of belonging to terrorist organizations”.

For all the above-mentioned services, Pakistani government was expecting a high level of foreign investment, flow of aid on his own priorities, market access to Europe and the West and long term bilateral economic relationship. A study from 2001 up to December 2006 gives us the real picture and helpful to analyze the costs and benefits of this alliance.

Conclusion

The assessment of internal security threats to Pakistan indicates a multi-faceted challenge encompassing issues like insurgency, sectarianism, religious extremism and terrorism. All factors mentioned above have substantial impacts on the economy, affecting investors confidence, infrastructure and overall political stability. Counter terrorism efforts coupled with implementation on National Action Plan are crucial for safeguarding National security and fostering economic growth.

Recommendations

Following recommendations are suggested to effectively counter problems faced by Pakistan:-

- (i) Political stability and smooth transition of power from care taker government to newly elected government as a result of 2024 General Elections, as this smooth transition will boost and enhance the confidence of foreign investors, international financial institutions, business and stock exchanges.
- (ii) Bringing peace by effectively countering / negotiating with BSNs, anti state elements and terrorist organizations / sleeper cells taking into confidence all stake holders and employing all state resources to root out sectarianism and terrorism. National Action Plan should be implemented in true letter and spirits with zero tolerance and safeguarding Western borders effectively.
- (iii) Dedicated efforts be made to put economy on right track by incorporating effective taxation strategies to increase income, reduce state spending, creating balance between imports and exports.
- (iv) The phenomenon of truth and reconciliation by all stake holders is of paramount importance. All state institutions, establishment, judiciary, media, business community and heads of all political parties need to sit together to make a constructive plan to move forward in a positive direction and bring peace and stability in the country, as peace and stability is key force for economic revival of any country.
- (v) Economic activities, international financial institutions / donor agencies and foreign investor’s confidence is only built through political stability in the country.

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