

OVERVIEW

To describe the preceding year (2022) as tumultuous for Pakistan, is perhaps an understatement. In fact, it was a year of poly-crisis, where country experienced political, economic, climate, security and social upheavals, unseen in decades. After 1971, it was perhaps the first time that Pakistan faced multitude of challenges, which have coalesced to produce a systemic challenge to national cohesion, economic functioning, and security of the state while at the same time dealing with devastating floods.

On the political front, year started with Imran Khan led PTI government finding its feet after a civil-military spat with army over appointment of new DG-ISI. United opposition under the banner of Pakistan Democratic Movement (PDM) sensed an opening as the military avowed neutrality in political affairs, and started preparing for ousting the PTI-government through a Vote of No-Confidence (VoNC). In March VONC vote was officially tabled with voting to be held on April 4. As PTI's political allies deserted it, Imran Khan claimed a foreign conspiracy was afoot to oust him from office. A diplomatic communication – Cipher – sent by Pakistan's Ambassador to the US, was used as a proof of the conspiracy. Though PTI sought to invalidate VONC motion and dissolve assembly, judicial intervention led to a vote on the motion for VONC and on April 9, Imran Khan was ousted from office.

A week later, Shehbaz Sharif, PML-N President, took oath as the new prime minister leading an 11-party coalition government. PTI walked out of the National Assembly, and tendered resignations from 124 seats. The former ruling party later launched a protest drive across the country as Imran Khan sought early elections. However, by the end of year, PTI after failing to force elections, vowed to dissolve Punjab and Khyber-Pakhtunkhwa assemblies to pressure the government to accede to its demand. Imran Khan held former army chief directly responsible for the ouster of his government. Meanwhile, PTI sought to influence selection of the new army chief. In late November, Gen Asim Munir, who had previously served as DG ISI under Imran Khan but was prematurely removed from office, was selected as new military chief, and this appointment injected a dose of stability in the fractious polity. Now PDM government vows to complete the remaining term of the national assembly and claims that next general elections will be held in October 2023. In this, PTI-Army and PTI-PDM political conflict, polarization has deepened with dire consequences for the national cohesion and stability of both state and society.

In the economic realm, 2022, saw Pakistan's back-and-forth with lender of last resort, IMF as successive PTI and PDM governments sought to direct the economy. Economy suffered badly because of political turmoil as balance-of-payment crisis kept economic direction uncertain. Imran Khan sensing his ouster froze oil prices in Pakistan while international market was marking increase in the midst of escalating Russia-Ukraine conflict. The incoming Sharif government, rushed to the IMF to revive the stalled

programme. It took new administration five months before IMF programme could be brought on track. In the process, inflation peaked and new taxes were introduced, leading to depletion of political capital of the government. Miftah Ismail, the finance minister, was then replaced by Ishaq Dar, who again took populist measures and put IMF programme in jeopardy. Meanwhile, government continued to make attempts to secure additional funds from bilateral creditors to finance record current account deficit and make debt repayments while stabilizing macroeconomic fundamentals. In the end, public discontent only intensified, in the face of contracting economy with declining exports and remittances, weakened rupee and piling up external payments. Yet, prospect of a sovereign default looms large.

Like 1971, in the summer of 2022, Pakistan experienced worst floods in its history, impacting over 33 million people. The death toll crossed 1700 with extensive loss of crops, damage to infrastructure and housing. Over 8 million people were displaced, who faced a health crisis in the winter. Official estimate record total damages of nearly USD 15 billion and total economic loss of about USD 15 billion. PDM government with collaboration of international partner sought to raise funds for rehabilitation and reconstruction. The target was nearly USD 16 billion, while pledges of USD 9 billion have been made. Immediate relief efforts have ended; however, recovery is years-long process.

On the security front, 2022 saw rise of terrorism, particularly, by Tehrik-i-Taliban Pakistan (TTP) and Baloch militant groups. The TTP targeted law-enforcement personnel across KP, while negotiations were underway. First Imran Khan government sought to appease TTP and allowed them to relocate to former tribal areas. As TTP ended ceasefire, terrorism incidents increased manifold. Meanwhile, Pakistan's border forces also experienced pressure from Afghan Taliban administration. Clashes took place and border fence was uprooted from several places. Besides, Baloch militant groups continued to target security forces and Chinese citizens in Pakistan. 2022 proved that return of Taliban government gave a fresh impetus to militancy inside Pakistan.

On the foreign policy front, Pakistan continued to oscillate between West and the Rest (Russia and China) in 2022. On the eve of Russia's announcement of 'Special Military Operation' against Ukraine, then PM Imran Khan was in Moscow on a bilateral visit. While PM Khan claimed neutrality in the Russia-Ukraine conflict, weeks later, then Army Chief Gen Qamar Bajwa termed it 'Russian invasion of Ukraine'. However, PTI and Khan's narrative of US conspiring to oust their government severely impacted foreign policy. The new PDM government after assuming office engaged US government at various levels to rebuild confidence and seek cooperation in dealing with economic and security challenges. Meanwhile, in the region, relations with India remained on ice, while Pakistan engaged Taliban government. Bilawal Bhutto Zardari, the current foreign minister, focused on expanding engagements with countries across different regions through bilateral visits. These trips have, so far, only produced limited political good will. Tangible results are yet to be seen. Besides, Pakistan economic woes and repetitive

turning to bilateral partners – China, Qatar, Saudi Arabia and UAE – made securing financial assistance a key focus of foreign policy during the year.

It is with a bleak outlook that Pakistan ventures into 2023. A crucial focus of Pakistan during 2023 would be to ride out multiple pressures threatening to tear apart political and economic fabric of the country while undermining internal security and complicating conduct of foreign policy.