



## Challenges before the Imran Khan Government

*Dr Ashish Shukla\**

After the successful conduct of the July 25 general elections, Pakistan moved towards the second consecutive peaceful transfer of power from one elected civilian government to the other. The 2018 general elections were conducted under the shadow of Panama Papers Trial and “unspecified” corruption charges that led former Prime Minister Nawaz Sharif and his daughter Maryam Nawaz to jail days before the scheduled election. Pakistan Muslim League-Nawaz (PML-N), under Shahbaz Sharif, had hoped to garner public sympathy by playing what many termed the “victimisation card.” However, PML-N’s electoral performance in both the National Assembly and provincial assembly of Punjab was not impressive enough to put the party in power. After the final vote count, Imran Khan-led Pakistan Tehreek-e-Insaf (PTI) emerged as the single largest party in the National Assembly and on August 18, the cricketer-turned-politician took oath as Pakistan’s 22<sup>nd</sup> Prime Minister.

The recent elections, notwithstanding the allegations of pre-poll rigging, were important. Firstly, after a long time, Pakistan witnessed the rise of a new political force, as the mainstream politics until recently was primarily dominated by Pakistan Muslim League-Nawaz (PML-N) and Pakistan Peoples Party (PPP). Secondly, the PML-N and PPP carry the weight of dynastic politics; the emergence of PTI appears to have brought some fresh air in the system. Thirdly, at least a significant percentage of Pakistani youth who participated in the recent elections do not have a personal memory of military rule in the country. This stands out as a small achievement for a nation that has been under direct military dictatorships for long periods in its history.

With the change of guard in Islamabad, many within the country hope that the new government would deliver on its promises. During his electoral campaign for *Naya Pakistan*, Imran Khan had promised to create 10 million new jobs, build new schools, hospitals and five million homes for the downtrodden section of the society. He had also proclaimed to rebuild the country by bringing in huge amount of investments and expertise with the help of affluent

overseas Pakistanis. Whether the incumbent government would live up to the expectations of its people or not is obviously not possible to say at this stage. Nevertheless in addition to pressing domestic concerns, a changing geo-political and geo-strategic reality also pose various challenges to the new government in power.

Soon after taking oath, Imran Khan sworn in a 21-member federal cabinet consisting of 16 ministers and five advisors. Shah Mehmood Qureshi has been given the Foreign Ministry, whereas Pervez Khattak and Asad Umar were handed over the charges of Defence and Finance, respectively. In his first address to the nation on August 19, Prime Minister Imran Khan shared his vision for *Naya Pakistan*. During his maiden address, he underlined some of the monumental challenges before him which he intends to address. These include *inter alia* fixing Pakistan's ailing economy, public health, corruption, justice and police system, education, environment, pollution, tourism, National Action Plan (NAP), and foreign policy, especially Pakistan's relations with neighbouring countries.

Although the federal government has not even completed a month, some analysts have started raising doubts over Prime Minister Imran Khan's preparedness for power.

### The Political Chessboard at Home

In a 342 member National Assembly (272 directly elected through adult franchise + 60 seats reserved for women and 10 for minorities which are allotted to parties following a proportional representation method), PTI has 151 seats followed by PML-N (81) PPP (54), and MMA (15). To govern uninterruptedly and effectively, any political party needs to have the support of 172 members in the lower house.

Political Party/Alliance	General Seats	Women Seats	Minority Seats	Total
Pakistan Tehreek-e-Insaf (PTI)	119	27	5	151
Pakistan Muslim League-Nawaz (PML-N)	63	16	2	81
Pakistan Peoples Party (PPP)	43	9	2	54
Muttahida-Majlis-e-Amal (MMA)	12	2	1	15
Muttahida Quami Movement-Pakistan (MQM-P)	6	1	0	7
Balochistan Awami Party (BAP)	4	1	0	5
Balochistan National Party (BNP)	3	1	0	4
Grand Democratic Alliance (GDA)	2	1	0	3
Pakistan Muslim League-Qaid (PML-Q)	2	1	0	3
Awami Muslim League-Pakistan (AML-P)	1	0	0	1
Awami National Party (ANP)	1	0	0	1
Jamhoori Watan Party (JWP)	1	0	0	1
Independents	4	0	0	4

**Source:** National Assembly of Pakistan, <http://www.na.gov.pk/en/index.php>

As such, the PTI is short of 21 seats for which it is dependent on smaller parties—Muttahida Qaumi Movement-Pakistan (MQM-P), Pakistan Muslim League-Quaid (PML-Q), Awami Muslim League (AML), Balochistan Awami Party (BAP), Balochistan National Party (BNP), Jamhoori Watan Party (JWP), and Grand Democratic Alliance (GDA)—and independents who have pledged their support in favour of the government. Rewarding coalition partners for their support, Imran Khan gave 6 out of the 16 ministries awarded, thus far. The MQM-P received two, whereas PML-Q, AML, GDA and BAP were given one each.

In comparison to the ruling PTI, the Grand Opposition Alliance—which included *inter alia* PML-N, PPP, MMA, and ANP—too have almost equal number of seats. However, at present, the opposition seems to be too divided to pose a challenge. This was evident in the National Assembly itself, when Shahbaz Sharif could get only 96 votes, against Imran Khan's 176, despite the fact that the combined strength of PML-N, PPP, MMA, and ANP was above 150. Another test of the opposition unity was September 4 presidential election. However, the opposition has failed to put up a consensus candidate against PTI's Dr Arif Alvi, practically giving him a walkover.

Although, the weather appears to be favourable to PTI, it is difficult to ascertain how long it is going to last. In case, the three main opposition players (PML-N, PPP and MMA) resolve their differences and decide for tactical reasons to work together, PTI would find the situation quite difficult to handle. It has been pointed out that in the present National Assembly the opposition is possibly the strongest than at any time since Benazir Bhutto's first government in 1988.

### **Averting an Economic Crisis**

In March 2018, the Executive Board of the International Monetary Fund (IMF) held its first Post-Programme Monitoring discussions with Pakistan. Though the Board was convinced about a favourable growth momentum, it also raised questions regarding the weakening of macroeconomic situation, declining foreign exchange reserves, and widening fiscal imbalances all of which cumulatively increase risks to financial outlook and medium-term debt sustainability.<sup>1</sup> This was also echoed by the World Bank in April 2018. The Bank underlined the relatively high Current Account Deficit (CAD), which was 4.1 percent of country's total Gross Domestic Product (GDP), as well as the deteriorating fiscal deficit, which stood at 5.8 percent of GDP, in the financial year of 2017.<sup>2</sup> This downward trend continues unabated. At the end of the fiscal year in June 2018, the CAD peaked with \$17.994 billion which accounts for 5.7 percent of Pakistan's GDP.<sup>3</sup> Imran Khan has stepped in power at a time when the nation is struggling to deal with a teetering economic crisis. Taking note of the situation, he had, in his victory speech, made it clear that "The biggest challenge we are facing is the economic crisis, we have never had such a huge fiscal deficit."<sup>4</sup> The free fall of Pakistani rupee against the US dollar has become a common phenomenon. Presently, one US dollar equals to 123.14 Pakistani rupees. In the run up to the general elections in July, Pakistan's Foreign Exchange Reserve had plunged massively to reach an alarming level. The weekly data released by the State Bank of Pakistan (SBP) showed a meagre \$9063.6 million in foreign currency reserves with it on July 13, 2018.<sup>5</sup> The situation slightly improved after the elections and the foreign currency reserve touched to \$10349.7 million on July 27. In order to arrest the decline, China announced a \$2 billion loan of which over \$1 billion was

immediately transferred to the SBP. While this has improved the situation for the time being, Pakistan needs to find ways to address the critical economic crisis. The common perception is that Pakistan will have to approach IMF. Given the antagonistic posture adopted by the Trump Administration, it may not be easy for Islamabad to get a bailout package. In case it successfully negotiates one, tougher terms and conditions might dent the popularity of the government at home.

### **Keeping the Deep State Satisfied**

In Pakistan, the all pervasive and powerful military institution considers national security as its exclusive domain. Imran Khan has also been soft on indigenous outfits involved in sectarian as well as terror-related violence. In fact, he in the past was a staunch supporter of dialogue with Tehreek-e-Taliban Pakistan (TTP) and other such groups because of which people started referring him as “Taliban Khan.” Since mid 2014, the military has been pursuing a hard-line approach; at least against those outfits it considers “bad jihadis or bad terrorists.”

This brings us to the critical issue of civil-military relations. To many, the incumbent Prime Minister appears as the latest blue-eyed boy of the security establishment. Imran Khan will however have to find a way to enjoy continued support from the military and appear not to be its junior partner at the same time.

### **Addressing Key Foreign Policy Issues**

Although, Prime Minister Khan has not clearly laid out a specific roadmap regarding the course his government would take with respect to country’s foreign policy, Foreign Minister Shah Mehmood Qureshi made a half-hearted attempt at their press conference on August 20. He underlined that the new government’s foreign policy will “begin and end at Pakistan.”<sup>6</sup> Imran Khan’s *Naya Pakistan* however requires him to bring some fresh perspective to the foreign policy domain. To re-orient its foreign policy however, especially with regard to neighbours carries the risk of enhancing friction with the military.

In the past, Afghanistan has alleged that Pakistan’s interference in its internal affairs has had destabilising effects on the governing structure. Pakistan’s relationship with terrorist outfits like the Haqqani Network and Afghan Taliban is no longer a secret. The deep state wants a pliant regime in Afghanistan that could be used, especially against its eastern neighbour, to further its interests in the region. In his first press conference as Pakistan’s Foreign Minister, Shah Mahmood Qureshi expressed his desire to improve relationship with Afghanistan by revamping the bilateral agreement based on five tracks.<sup>7</sup>

On India, he added that dialogue was the only way to move forward.<sup>8</sup> Given the contentious history of India-Pakistan relations, this will require sustained efforts and genuine political will on both sides to move forward. Besides, Pakistan’s civil-military elites need to come on the same page in dealing with neighbours like India and Afghanistan. As far as India’s

approach towards Pakistan is concerned, it wants a meaningful dialogue and is ready to go to any extent, provided Pakistan at least respects India's sensitivities and responds accordingly.

Pakistan's relations with the United States are at a historic low. This view was further strengthened with the recent US statement on the possible bailout package from IMF to Pakistan, and controversy over the telephonic conversation between Prime Minister Imran Khan and US Secretary of State Mike Pompeo. In the past, Imran Khan, while in opposition, has been responsible for stoking up anti-Americanism in Pakistani society. That phase seems to be over now. There is no doubt that the two countries need each-other for a variety of reasons. However, in a changed geo-political and geo-strategic environment they are finding it difficult to adjust. Islamabad cannot afford to antagonise Washington for a long time. The real challenge before the Pakistani policy makers is to smoothen up the rough edges before the relationship suffers irreparable damage.

Presently, Pakistan enjoys good relationship with China, which it would like to strengthen further. The much touted \$62 billion investment under China-Pakistan Economic Corridor (CPEC) is an example of the growing relationship. During his victory speech on July 26, Imran Khan had categorically mentioned the huge investment opportunities offered by CPEC.<sup>9</sup> China, too, is quite eager to take the relationship to the next level under the new Pakistani dispensation. It is not a coincidence that within a few days of the election results, China offered \$2 billion loan to Pakistan so that it could avoid a looming fiscal crisis. All this suggests that Beijing is looking positively towards the new government. The challenge before the new government is to utilise the opportunities offered by this relationship in a way that address Pakistan's vital and immediate interests without compromising its long term interests.

\*\*\*

*\* Dr Ashish Shukla, Research Fellow, Indian Council of World Affairs, New Delhi.  
Disclaimer: The views expressed are that of the Researcher and not of the Council.*

## **Endnotes**

---

<sup>1</sup> IMF (2018), *IMF Executive Board Concludes First Post-Program Monitoring Discussions with Pakistan*, IMF Country Report No. 18/78, Washington D.C.: International Monetary Fund, p. 1.

<sup>2</sup> "The World Bank In Pakistan," April 17, 2018, available at <http://www.worldbank.org/en/country/pakistan/overview>

<sup>3</sup> Siddiqi, Salman (2018), "Pakistan's current account deficit peaks at \$17.99b," *The Express Tribune*, July 20, 2018, available at <https://tribune.com.pk/story/1762078/2-pakistans-current-account-deficit-peaks-17-99b/>

<sup>4</sup> The victory speech by Imran Khan, July 26, 2018.

---

<sup>5</sup> “Foreign exchange: SBP's reserves fall to alarming level after 4.4% decline,” *The Express Tribune*, July 19, 2018, available at <https://tribune.com.pk/story/1761848/2-foreign-exchange-sbps-reserves-fall-alarming-level-4-4-decline/>

<sup>6</sup> “‘Pakistan first’ at the core of new foreign policy, asserts Shah Mahmood Qureshi,” *The Dawn*, August 20, 2018, available at <https://www.dawn.com/news/1428173>

<sup>7</sup> Ibid.

<sup>8</sup> Yousaf, Kamran (2018), “Pakistan's foreign policy will be made at Foreign Office, says Qureshi,” *The Express Tribune*, August 20, 2018, available at <https://tribune.com.pk/story/1785114/1-dialogue-way-forward-india-say-queshi/>

<sup>9</sup> The victory speech by Imran Khan, July 26, 2018.