

STRATFOR has published multiple reports over the last 3 days. Here are a few samples of our analysis of the situation and the forecast of what could unfold in the weeks and months ahead.

Pakistan: The Post-Bhutto PPP

Stratfor Today » December 30, 2007 | 1826 GMT

Summary

Bilawal Zardari, the 19-year-old son of slain former Pakistani Prime Minister Benazir Bhutto, has been named the new leader of her Pakistan People's Party (PPP), and Bhutto's husband, Asif Ali Zardari, will co-chair the group. Given Zardari's reputation for corruption and relative unpopularity, and Bilawal's inexperience, the PPP is going to have trouble maintaining its position as Pakistan's largest and strongest opposition force.

Analysis

The Pakistan People's Party (PPP) on Dec. 30 held its first leadership meeting to decide its future in the wake of the assassination of leader and former Pakistani Prime Minister Benazir Bhutto. Bhutto's will appoints her husband, Asif Ali Zardari, as her replacement. However, during a press conference the same day, Zardari declined the post and instead appointed the couple's son, 19-year-old Oxford student Bilawal Zardari — whose name will be changed to Bilawal Bhutto Zardari — as PPP chairman. The party's central leadership committee has ruled that Zardari will serve as co-chairman. At the press conference, Zardari also said that the PPP has decided to run in the planned Jan. 8 parliamentary elections.

By participating in the polls despite Bhutto's death and the major riots sparked by her killing, the PPP is attempting to take advantage of the current political climate, in which there is a greater degree of support and sympathy for the party than before. Meanwhile, the second-largest party, former Prime Minister Nawaz Sharif's Pakistan Muslim League-Nawaz, has reversed its boycott and said it will participate in the polls. It is unclear at this point whether these elections can or will take place on time. The government of President Pervez Musharraf has come out in favor of delaying them and already has issued reports intended to justify pushing them back until at least March — with some within its ranks even suggesting postponing them until after the month of Muharram. Muharram begins in approximately 10 days and is known to be fraught with significant Sunni-Shiite violence, which could compound the country's problems, given the unrest and insecurity there.

Musharraf prefers to postpone the elections because of the growing public perception that elements within the country's intelligence establishment, together with the PPP's militant and political opponents, were responsible for Bhutto's death. The pro-Musharraf faction of the Pakistan Muslim League (PML) is fearful that anti-government sentiment, which has gained momentum in the aftermath of Bhutto's assassination, could deliver it a political defeat. The party wants to delay the vote in order to block the possibility of a

PPP victory, as well as any further weakening of the ruling PML and the Musharraf regime that accusations of foul play might bring.

Though the PPP's political capital currently is increasing, its leaders realize that Bhutto's death has created a major leadership void. There has never been a PPP without a Bhutto at the helm. When the founder of the party, Zulfikar Ali Bhutto, was executed in 1979, his wife took over as chairwoman — though Benazir Bhutto, who served for a long time as the party's co-chairwoman because of her charisma and youth, exercised the real power.

The appointment of Bhutto's son as chairman and her husband as co-chairman is the party's attempt to retain the Bhutto dynasty's leadership — which it needs to sustain itself as Pakistan's largest political force. This is the reason for naming Bhutto's young son to the post and the insertion of "Bhutto" in his name. However, given Bilawal's youth and political inexperience, Zardari likely will be the effective leader until his son completes school and matures.

But Zardari alone cannot lead the party, especially since he also has little experience as a leader. (Others always have had more prominent leadership roles in the PPP than his, even during Bhutto's term as chairwoman, and Zardari also spent a long time as a political prisoner and had some health issues.) He also has a reputation for corruption. Therefore, Zardari will share power with Bhutto's chief deputy, Makhdoom Amin Fahim, who headed the PPP while she was in exile. Fahim's presence at the press conference speaks volumes about his major role in the party. Zardari was never a candidate in the scheduled Jan. 8 parliamentary elections, and it is not clear whether he will run now. This means that, in the event of a PPP victory, Fahim could once again lead the party's parliamentary group and even become prime minister.

Ultimately, this multi-person leadership could bring with it internal disagreements and weaken the PPP. However, for now, the party plans to participate in the upcoming elections — regardless of when they are held — in order to gain the maximum possible from the recent tragic circumstances.

Pakistan: Photos of Bhutto's Killers?

Stratfor Today » December 29, 2007 | 2048 GMT

Pakistan's only English-language news channel, Dawn News, broadcast pictures Dec. 29 of a man who is being described as the gunman who shot former Prime Minister Benazir Bhutto on Dec 27. The photos were received from an amateur photographer. The grainy pictures show a man in a dark Western-style suit with sunglasses standing in front of another individual, who is being described as the suicide bomber. The second man is in a salwar kameez and is wearing a drape around his face and traditional headgear. In a separate picture, the man in the suit is shown pointing a gun from behind Bhutto's vehicle.

There is no way to verify that these pictures are authentic. But they add to the ongoing debate about the likely perpetrators of the assassination — whether they were jihadists,

Pakistani intelligence or a strange mix of both. Almost every jihadist of whom we have photos who has carried out an attack in Pakistan since the insurgency began in 2006 has been a rural individual wearing local garments and engaging in suicide bombing. Thus, these pictures also fuel growing accusations of a government cover-up. There is a widely held view that Bhutto was killed by gunshots, and that the suicide blast that came seconds later was meant to eliminate any evidence of the shooter. Such theories feed rumors that the assassination was a complex collaborative operation involving jihadists and elements from within the Pakistani establishment.

We do not know whether these pictures are real. Additionally, the video footage of the shooting shows a very different individual, who is not wearing a suit or sunglasses. So we are left with more questions than answers: What is this photo? Who is it showing? Where did it come from? Why is it being shown?

Pakistan: Day 3 After Bhutto

Stratfor Today » December 29, 2007 | 1630 GMT

Summary

The third day of riots in Pakistan since the Dec. 27 assassination of former Prime Minister Benazir Bhutto saw a marked decrease in social unrest.
Analysis

The third day of riots in Pakistan since the Dec. 27 assassination of former Prime Minister Benazir Bhutto brought a marked drop in the level of unrest. The total death toll in the country over the last three days of rioting stands at 38, with another 53 injured. According to Interior Ministry spokesman Javed Iqbal Cheema, rioters have torched as many as 174 banks, 370 cars and 765 shops in several cities. Railway stations and police stations have been damaged, and transportation has been brought to a standstill in the most volatile areas as Bhutto supporters have ordered cars and buses off the road to protest the assassination. Mobs armed with Kalashnikovs continue to intimidate shopkeepers, forcing them to keep their businesses closed, and the ports of Karachi and Qasim have both been shut down.

Despite continued rioting and looting, sources in Pakistan's worst-hit city, Karachi, say the area slowly is limping back to normalcy. Shops are beginning to reopen for a few hours so residents can get basic supplies, and some gasoline stations have temporarily opened in Islamabad and Karachi to help ease the country's fuel shortage. Pakistan International Airlines has resumed international flights to and from Karachi, and domestic flights are expected to resume soon. There have been very few incidents of rioting outside Sindh province, and the level of violence within the province gradually is subsiding. Parts of interior Sindh, including the city of Hyderabad, likely will take longer to bring under control. The army continues to patrol the streets in Sukkur, Larkana, Badin and Hyderabad. In Karachi, however, troops have been deployed in only two neighborhoods.

Though shoot-to-kill orders have been given to security forces in the most volatile areas, the government intentionally has held back from cracking down full-force on rioters in order to allow Bhutto supporters to release steam in the immediate aftermath of the assassination. The emotional wave is dying down with time, but the government still has bigger problems on its hands.

Allegations about the government's complicity in Bhutto's killing are flying left and right across Pakistan. The accusations range from charges that the government did not provide her with adequate security to rumors that the intelligence apparatus was directly involved in the assassination plot. Though the government is making a concerted effort to place the blame squarely on the al Qaeda-Taliban nexus, the leadership of Bhutto's Pakistan People's Party has rejected government statements that the assassination was the work of jihadists. During a press conference, Cheema cited a transcript of a phone conversation that purportedly took place between Pakistani Taliban commander Baitullah Mehsud and an al Qaeda associate as proof of the Taliban and al Qaeda's involvement in the attack. Mehsud, however, has denied these accusations and now is saying that he never had a problem with Bhutto and is grieving her death (despite allegedly issuing a death threat against her in October).

The government's evolving and contradictory story about the cause of Bhutto's death is only adding more fuel to these allegations. The original government version of what happened Dec. 27 said Bhutto was killed by gunshot wounds to the head and neck. That story then shifted to say that Bhutto had no gunshot wounds, and that shrapnel from the suicide blast was the cause of death (despite claims to the contrary by her top aide, Sherry Rehman, who said she saw a bullet wound when Bhutto's body was being prepared for burial). By Dec. 28, the story had evolved once more, with the government asserting that she was killed neither by gunshots nor shrapnel but instead by a skull fracture that occurred when she hit her head on her sport utility vehicle's open sunroof.

The involvement of a shooter at such close proximity in the attack raises suspicions of agency interference. Hence, the government appears to gradually be moving away from the shooter story, regardless of the holes in its other version. Needless to say, Bhutto supporters are not buying it.

The Taliban-al Qaeda leadership in Pakistan is more than happy to see the government take the heat. Normally, these jihadist factions are eager to claim responsibility for attacks — particularly successful ones. But by keeping quiet, issuing public denials of the government's story and acting as if Bhutto were a dear friend, the jihadists are pursuing their strategic aim to further destabilize the Pakistani regime. The riots thus far have been, for the most part, unorganized and spontaneous, but growing public anger at the government is creating an extremely charged atmosphere in the country that could give way to a much more organized opposition.

Pakistan: Al Qaeda's Break with Al Jazeera

Stratfor Today » December 29, 2007 | 0119 GMT

Summary

Al Qaeda's Dec. 28 claim of responsibility for the killing of Benazir Bhutto was not conveyed through the group's former medium, Al Jazeera. The shift probably resulted from negotiations between the United States, Qatar and Saudi Arabia.

Analysis

Al Qaeda's Dec. 28 claim of responsibility for the assassination of Benazir Bhutto was not transmitted through the organization's usual messenger, Al Jazeera. This change probably resulted from a deal between the United States, Qatar and Saudi Arabia. Rather than using Al Jazeera, al Qaeda spokesman Al Qaeda Mustafa Abu al-Yazid — likely working through elements connected to Pakistan's intelligence apparatus— transmitted a message via phone to Italian news agency Adnkronos International (AKI) and Hong Kong-based Asia Times Online. Asia Times Online previously has published several articles quoting both Pakistani intelligence and jihadist sources.

The other announcement concerning al Qaeda's involvement in the attack also originated in the Pakistani security establishment. The Pakistani Interior Ministry said the government intercepted a conversation in Pashto between Baitullah Mehsud, Pakistan's most prominent Taliban leader, and an al Qaeda commander identified as Maulvi Sahib in which both men congratulate each other for the "spectacular job." With blame already being cast on the government of Pakistani President Pervez Musharraf for the assassination, the government evidently is taking great care in trying to clear itself of any involvement in the attack.

Both AKI and Asia Times published a message by al-Yazid saying that "We terminated the most precious American asset which vowed to defeat [the] mujahadeen." Both news agencies also reported that al Qaeda deputy leader Ayman al-Zawahiri made the decision to kill Bhutto in October.

A new recording from Osama bin Laden produced by al Qaeda's As-Sahab media arm further illustrates al Qaeda's apparent break with Al Jazeera. The full 56-minute recording entitled "The Path to Foiling Plots in Iraq" soon will be posted on an Islamist Web site, though whether in audio or video format remains unclear. The Web site announcement included a statement reading "May God expose the cover-up by Al Jazeera, the channel of the infidels."

The fresh criticism against Al Jazeera stems from a shift in the Qatar-based channel's coverage of al Qaeda activity. In late October, al Qaeda sympathizers posted a flurry of denunciations of Al Jazeera on a popular Islamist Web forum. The bulk of the messages focused on how Al Jazeera purportedly has misrepresented al Qaeda in Iraq by emphasizing excerpts in which bin Laden criticizes insurgents in Iraq and urges them to

admit mistakes and unify — and by illustrating the divisions al Qaeda in Iraq is experiencing as its support base among the Sunni population erodes.

The shift in Al Jazeera's al Qaeda coverage probably resulted from negotiations between Doha, Qatar; Riyadh, and Washington. The Qatari government has come under pressure from the United States and Saudi Arabia to rein in Al Jazeera and aid in Washington's and Riyadh's efforts to undermine support for al Qaeda in Iraq. Al Jazeera's modification follows a recent rapprochement between Qatar and Saudi Arabia that emerged in a December deal between the two governments with several breakthroughs that included the return of Saudi Arabia's ambassador to Qatar. (Saudi Arabia has not had an ambassador in Qatar since 2003, when the Saudi ambassador was withdrawn over an Al Jazeera broadcast critical of the Saudi royal family.) The deal also included Saudi King Abdullah's attendance at the Gulf Cooperation Council in Doha in December. (King Abdullah has boycotted the meeting since it was last hosted in Doha, in 2002.) Finally, the deal provided that Qatar would ensure future Al Jazeera broadcasts no longer would "undermine" or campaign against Saudi Arabia; in exchange, Saudi Arabia would permit the network to establish a bureau in Riyadh.

Even before the thaw in Saudi-Qatari relations, al Qaeda had been wary of using Al Jazeera as its primary messenger. Al Qaeda faces operational security risks in delivering video messages to news agencies. Al-Zawahiri has curtailed his video appearances significantly since the October 2006 missile attack in Chingai, Pakistan. The organization increasingly has become reliant on uploading audio and video files to Web sites, making the statements harder to trace. With its ties cut to Al Jazeera, al Qaeda's trust in its contact with news agencies like AKI and Asia Times Online now will be put to the test.

Geopolitical Diary: The Implications of Bhutto's Assassination

December 28, 2007 | 0058 GMT

Benazir Bhutto, leader of Pakistan's largest political party and the country's former two-time prime minister, was assassinated on Thursday. Bhutto's Pakistan People's Party (PPP) could have emerged as the largest party in parliament in the Jan. 8 elections. She was one of the three pillars of the government the United States was working to put together in its efforts to stabilize Islamabad.

The U.S. efforts are geared toward getting Pakistan back on track in its role as a frontline state in the fight against jihadists. Washington was hoping Bhutto would work out a power-sharing agreement with President Pervez Musharraf and that they, along with new army chief Gen. Ashfaq Kayani, would form a civil-military regime made up of moderate forces that could effectively combat rising extremism and terrorism in the country. Though this was not an outright solution, it had the potential to be the starting point for other solutions. Not that this would have been an effective alignment of forces, but it was the best option given the circumstances.

From the U.S. viewpoint, stability in Pakistan is important because the country plays a critical role in U.S.-NATO efforts to combat the Taliban insurgency in Afghanistan.

Furthermore, over the last five years Pakistan has emerged as the global headquarters of al Qaeda. The United States realized that Musharraf on his own is unable to deal with a growing crisis of governance in the country, much less with Islamist militancy. The solution was to bring Bhutto's PPP into the system in order to stabilize it.

Of the three key pillars of the U.S. plan for restoring political stability in Pakistan, the only one not already in place was eliminated by Bhutto's assassination, and it is likely the hardest to replace. This is a victory for the jihadists, who require that Pakistan descend into chaos — a condition that allows them to flourish. Bhutto's death not only eliminates a potentially serious threat to the jihadists but also creates an opportunity for them.

This raises the question of whether there is an alternative plan to ensure the country does not become an arena for extremists to thrive in. Obviously the first order of business is to contain the unrest, which is the fallout from Bhutto's killing. This task will be extremely difficult, to say the least.

Ultimately once the dust of unrest settles, the country's military establishment and the United States will need an alternative civilian leader to work with. Any election that is free and fair, whenever it is held, could result in a PPP majority, especially now that the party will receive the sympathy vote because of Bhutto's death. But a PPP sans Bhutto (the party since its founding in the late 1960s has always been led by a Bhutto) is facing a crisis of leadership.

In the meantime, Nawaz Sharif, another former two-time prime minister and one who was ousted from power by Musharraf, will try to emerge as the country's main political leader. But Sharif's problem is that his Pakistan Muslim League-Nawaz is mostly limited to the province of Punjab, and is therefore a much smaller political force than the PPP. What we are looking at is an increasing fragmentation of the Pakistani political landscape.

Bhutto's death has created a challenge for the United States in that it no longer has a coherent political force that could act as a partner in its efforts to contain extremism and terrorism. All eyes are now on the Pakistani military. The question is whether it can reach a modus vivendi with the country's sundry political forces and steer the country away from political chaos and religious militancy.

Pakistan: The Architecture of Rioting

Stratfor Today »December 27, 2007 | 2113 GMT

Summary

The Dec. 27 assassination of top Pakistani opposition leader and two-time former Prime Minister Benazir Bhutto has triggered a massive wave of rioting. The question is whether — and how quickly — Pakistani forces can contain the unrest.

Analysis

The Dec. 27 assassination of top Pakistani opposition leader and two-time former Prime Minister Benazir Bhutto has triggered a massive wave of rioting by activists from her Pakistan People's Party (PPP) across the country.

The million dollar question is whether Pakistani authorities can contain the unrest — and, if so, how quickly. The answer has to do with the architecture of rioting in the country. For now, most of the rioting is in its early stages, is unorganized and stems from immediate reactions of anger and anguish at Bhutto's assassination.

But there are early signs that opposition forces are gearing up to take advantage of the post-assassination unrest and oust President Pervez Musharraf. Nawaz Sharif, the leader of the opposition Pakistan Muslim League-Nawaz (PML-N) who after Bhutto's death has emerged as the main opposition leader, has called for Musharraf to step down and has announced his party will boycott the Jan. 8 polls. Meanwhile, the Islamist Jamaat-i-Islami (JI), which is known to be the best organized political force in the country despite its small size and following, has called for a nationwide strike on Dec. 28 protesting the killing of Bhutto.

Should PML-N and JI team up with the PPP, which is currently in a state of paralysis because of its leader's death, the three parties can provide leadership and the needed machinations to whip up a sustained protest campaign. Their goal would be to make demonstrations and rioting last so long and be so widespread that the army, led by Gen. Ashfaq Kayani, steps in and removes Musharraf from power.

For that to happen, these three parties would have to coordinate unrest so that it can take place in all major parts of the country and draw in other political forces such as the largest Islamist party, Jamiat Ulema-i-Islam of Maulana Fazl ur Rehman, the secular Pashtun nationalist Awami National Party (ANP), and especially the Mutahiddah Qaumi Movement (MQM), whose stronghold is the urban areas of Sindh (particularly the port city of Karachi).

The extent to which a party can actually manage demonstrations obviously depends upon the state of its organizational structure in a given area and how well-oiled its street machine is. The PPP to a certain degree has good organizational structure and a good ability to move people to the streets, but it now lacks a central leader who can lead the party to a full-on campaign. Sharif's PML has a major grassroots following in Punjab but

lacks the organizational structure. The JI lacks the grassroots support but has the street machine to pull off successful demos.

The PML-N and JI have collaborated in the past and will likely do so again, now that Sharif has joined JI and other smaller parties in boycotting the polls. Should there be a collaboration of sorts among the PPP, PML-N and the JI, massive unrest for a protracted period of time is very likely. JI's student wing, Islami Jamiat-i-Talaba (IJT), plays the main role in any such street campaigns, and they have over the decades during many campaigns gained valuable skills in the art of street agitation.

JI has the local- and regional-level leadership to lead and manage the protests. On its own it has not been able to do much but it has been a driving force in campaigns involving multiple parties. One of the key things in any successful protest is to manage human resources so that most of them protest during the day and take respite at night. Depending on area and bandwidth, separate riot teams are sometimes deployed in certain areas at night.

It will be critical to watch for an alignment of political forces — especially the PPP, JI and PML-N — in the day ahead, as that alignment will determine the trajectory of the unrest.

Pakistan: The Fallout after Bhutto's Killing

Stratfor Today »December 27, 2007 | 1539 GMT

Summary

The killing of top Pakistani opposition leader Benazir Bhutto has triggered a storm of political unrest, which only time and military intervention will calm.

Analysis

The killing of top Pakistani opposition leader Benazir Bhutto has triggered a storm of political unrest in the South Asian country. For now, Pakistan People's Party activists are the ones engaged in rioting and arson against facilities of government and rival parties in the two main provinces of Punjab and Sindh. But soon this violence could lead to clashes between various groups. The situation already is getting out of hand for the police, and it is likely that paramilitary and military forces will be called in to quell the growing disturbances.

As the guarantor of state stability, all eyes are going to be on the Pakistani military to see how quickly it can contain the fallout from Bhutto's death. Given that the country was already going through a period of significant instability coupled with the unprecedented jihadist insurgency, questions remain about whether the army will be able to gain control of the situation quickly. Bhutto's death creates a major vacuum in Pakistan, and will make it difficult to stabilize the situation since her Pakistan People's Party, which is the

only true national-level party, is going to weaken without her. This will lead to a fragmentation of the political landscape and by extension the country.

The Pakistani military is strong and large, and eventually will take care of the situation. It can make a strong showing in the major cities, especially in Punjab. Even so, stout resistance from an urban population is a very challenging thing.

It is highly unlikely that elections can be held any time soon, and the imposition of martial law is also a distinct possibility because that will give the army direct control of the situation. Meanwhile, the double polarization of the country — where Islamist forces are struggling with mainstream ones on one hand and the pro-democracy forces are competing with authoritarianism on the other — will further complicate matters if the army takes direct control of the situation.

Depending on how rapidly the situation deteriorates, army chief Gen. Ashfaq Kayani could step in and take charge. But he will have to tread carefully and work with an array of civilian forces because direct military rule could worsen the situation. There is also the potential for Pakistani President Pervez Musharraf, who could see Bhutto's death as an opportunity, to reinsert himself in a new military junta. Either way, a cooling-off period will be required before stabilization can be achieved.

Kamran Bokhari
Strategic Forecasting, Inc.
Director of Middle East Analysis
T: 202-251-6636
F: 905-785-7985
bokhari@stratfor.com
www.stratfor.com