THE BROOKINGS INSTITUTION

INSTANT CITY: LIFE AND DEATH IN KARACHI

Washington, D.C.
Tuesday, November 29, 2011

PARTICIPANTS:

Moderator:

JOHANNES LINN
Nonresident Senior Fellow, The Brookings Institution
Senior Resident Scholar, Emerging Markets Forum

Featured Remarks:

STEVE INSKEEP
Co-host of *Morning Edition*
NPR

Panelists:

ALAN BERUBE
Senior Fellow and Research Director, Metropolitan Policy Program
The Brookings Institution

STEPHEN COHEN
Senior Fellow
The Brookings Institution

SHUJA NAWAZ
Director, South Asia Center
Atlantic Council

* * * * *

P R O C E E D I N G S

MR. LINN: It's a great pleasure to welcome you all at Brookings. My name is Johannes Linn. I'm a nonresident fellow here at the time but have been associated with Brookings for quite a few years and it's great to be here with all of you.

As you know, the topic of today's discussion is a new book, which some of us have already read and all of us up here I think who have done so think it's a terrific book. And so we're delighted to have Steve Inskeep, the author, introduce it to us today. And then we have a great panel to discuss it. The book is *Instant City: Life and Death in Karachi*, which you either already have or certainly should have. If you're here and interested in Karachi or urbanization or Pakistan or development in general, it's a great book. So I can highly recommend it. I read it in 24 hours and it displaced a book about Old Rome, a mystery story about Old Rome that I was reading. And actually, this was almost better. A lot of similarities, by the way, which I mentioned to Steve and he was intrigued.

Anyway, Steve Inskeep needs no introduction. As one says, you've heard his voice but you may not know his face. Here he is. He's, of course, the co-host of *Morning Edition*. Keeps us sort of going in the morning. Steve, thank you for the many times.

But actually, I remember listening to you way back when you started, 1996 I think it was. And I always enjoyed your stories. A lot of them about economics I seem to recall actually. I want to come back to that perhaps at some point. Now you seem to be more into politics and history and stuff like that which you did in your book. So, welcome.

Steve has a very distinguished personal history in radio and, of course, has been with NPR since 1996 and with *Morning Edition* since 2004. And I understand that the current, sort of lively nature of *Morning Edition* has a lot to do with Steve's efforts of actually bringing it up-to-date and keeping it alive. So thank you very much.

MR. INSKEEP: Actually, it's just the coffee.

MR. LINN: Now, let me just say we all know you can talk up a story.

We've heard you. But it turns out you also, in your first book which you just now published, you also write up a storm. Congratulations.

Instant City, from my perspective having read it, is thoroughly researched and at the same time thoroughly readable which is sort of a rare, I think, phenomena even for Brookings. And it has really everything in it that you might want to know about Karachi. But what I found particularly -- for somebody like myself who has worked on urban issues off and on for 40 years, what I found most interesting and most intriguing about it was the fact that it has a human dimension to it. Very much the human dimension to it. And said set in the broader context of Pakistan. Pakistan's history in politics, which I'm not that familiar with but I thought your way of bringing it to me was very, very helpful. And also, of course, set in the context of the broader urbanization phenomenon that we all are part of now and is very much, I think, a phenomenon for the 21st century which I think your book helps to set the stage for and understand a bit better.

So with this as my sort of personal introduction, welcome, Steve. Let me also welcome our panelists, who are really outstanding experts. One of them, Alan Berube from Brookings, is an expert on urban matters and he is -- Alan is -- let me just make sure I get your title right -- research director at --

MR. BERUBE: Brilliant is in the title somewhere.

MR. LINN: Brilliant senior fellow. Senior brilliant fellow and research director at the Metropolitan Policy Program at Brookings. He has many publications on urban and metropolitan issues. Before coming to Bookings in 2001, Alan was at the U.S. Treasury.

Stephen Cohen to my right, far right here, senior fellow at Brookings, also since 1998, and a really outstanding expert on South Asia including especially Pakistan with many publications on the topic. And before he came to Brookings he was professor of political science and history of the University of Illinois. Thank you for joining us, Stephen.

Finally, Shuja Nawaz, who I realize we go back, way back, when we both

were working for some international institutions -- he for the IMF and I for the World Bank -- where we interacted a couple of times. He worked at the IMF for many years but since then has been very active in the think tank world. He is, himself, a great expert also on South Asia and indeed, he is now the director of the South Asia Center at the Atlantic Council in Washington, D.C. He also spent two years at the International Atomic Energy Agency as a director.

So with this as introduction, let me say let's enjoy this afternoon. We have, first, Steve giving us a bit of an introduction into his book. We then have brief comments from the panelists. Maybe a bit of a going back and forth among them and then we'll throw it open because Steve, for sure, and all of us I think want to hear your views on the topic also. Steve.

MR. INSKEEP: Thank you, Johannes. I appreciate that very much. Thanks for the introduction. I am more used to listening than making pronouncements, particularly before an audience like this and with a panel like this. There's so much knowledge in a room like this when I've been in them before that I look forward to hearing from you guys.

There are two people on this panel from whom I have learned in between my trips to Pakistan. These gentlemen over here to the right who have a book themselves coming out that you're involved in. What is it called again?

SPEAKER: *The Future of Pakistan*.

MR. INSKEEP: The Futures of Pakistan?

SPEAKER: Future.

MR. INSKEEP: Okay. Future or Futures? One or two?

SPEAKER: Singular.

MR. INSKEEP: Okay. *Future of Pakistan*.

SPEAKER: There were 15 of us who wrote it.

MR. INSKEEP: About 15. Okay. Well, maybe it should be "Futures." But in any case it's coming out in the very near future so you can look for that. And I've read both of their past writings in the past and learned a great deal from them.

I have been a reporter for about 20 years, give or take. A little more even now. And have over the years found myself again and again and again coming back to questions of cities and the way that they grow and change. Maybe that simply comes from the fact that I was a student in New York City and read Robert Moses -- the book about Robert Moses by Robert Caro, *The Power Broker*. And discovered that the landscape around me which sometimes seemed to permanent was not at all and was changing at a phenomenal rate.

In 2002, I spent -- 2001 and 2002, I covered the war in Afghanistan and was amazed to see that even in that war-torn landscape that there were questions of growing and changing cities, urban development. In Kandahar, in early 2002, I discovered that there was a real estate book going on as people began returning at that brief moment of optimism at the beginning of 2002 in Kandahar. Not very long afterward I paid my first visit to the city of Karachi. My first assignment there was court proceedings for the man who had been accused of killing Daniel Pearl, but I covered other stories while I was there having to do with the city and began to learn a little more about this place that initially I didn't like very much. It was just too huge to understand. It was a dangerous city. It felt dangerous. Just crossing the street seemed like a scary experience, frankly. And it didn't seem that appealing.

But I returned not very much later and began seeing some of the British Colonial buildings that were spread among the hotels from the 1960s. And then you move out to the neighborhoods and you just see these masses and masses of people in thousands of home and you begin to wonder how this city got here and what people are doing there. And I began to realize over the years that the story of this one city illuminates the human side of some of the great issues of our time. I think that you learn a lot in a place like this about Pakistan. It is commonly called a microcosm of Pakistan and I think that that is fair to say it is in many ways true.

It is also, huge as it is, a microcosm of our urban world. There are numbers that will probably be familiar to many of you in the audience, according to the United Nations. If you go back to 1950 and compare it to now, the urban population of

the world has gone up by something like 2.7 billion people. It has been a phenomenal change. It is one of the great changes in human history, one of the great mass migrations in human history. As you know well, that's not the only reason for the increase but it is a major reason for the increase.

I ended up writing about a city that in 1947 was approximately, give or take, 400,000 people. The U.N. estimate for 2010 is over 13 million and people in Karachi consider that estimate to be very low. They will give an estimate that is several million higher.

As some of you may know, Pakistan, by law, has a census every 10 years. The last one was 1998. And they'll get around to the next one soon. They've actually been counting this year. I haven't seen the results. I think perhaps they're due now, next year, and we will learn how vast this city is.

You look at some of the major issues that are in the news and I feel that I'm exploring in this city the back story of those issues. If you're talking about the global economy and the way that it's changed, these cities are a side effect of that and they're also producing the global economy as they go. If you are concerned about global warming, these cities are immense consumers of energy which in some ways is a good thing. It means economic growth. It means demand for cars. It means demand for computers. It means manufacturing. But, of course, there's all the downsides. If you were concerned as demonstrators have show in the United States the last few months about income inequality, it is spectacularly on display in a city like Karachi.

I wanted to take those large issues and approach them, as you graciously said, from a human perspective by telling stories. I think of a man who identified himself to me as Afridi. I found him by mistake. I was in an area called SITE Town, which is basically a manufacturing zone, although it's also residential, all mixed up together in Karachi. I went up the wrong stairway and ended up in this wholesaling business that was part of the textile industry. There were people in there folding sheets and putting them in plastic bags and preparing them to be shipped off for retail. The guy who ran the business, Afridi, was around 20 years old. He was from a village in the Swat

Valley in northwestern Pakistan, which, of course, is going to be familiar to some of you because you're experts in Pakistan and it will be familiar to all of you from the news. There had been in the last couple of years fighting between militants and the Pakistani army. Large parts of the valley were evacuated entirely. Many people became refugees and a certain number of people in that circumstance aren't able to find work, aren't satisfied with their conditions, and want something more.

This man, Afridi, decided that he wanted a better education than would be available to him in the Swat Valley. Persuaded his parents to send him down to Karachi where there were relatives because you've had decades of migration to this city. Got into a government school. Didn't like the government school very much but had learned enough that he was conversing with me in English. His English was not perfect but it was far better than my Urdu which I've studied to very little success.

But in any case, this was a guy who ended up running his own business because he said elders in his village were impressed with him and sent him money to invest opening a business, which then became a benefit for the entire village because other young men over the succeeding years had come down to Karachi and were working in this place that he was running. And so it was the kind of thing that fed upon itself. It was a pattern that fed upon itself.

And I think that's important to underline because we have a very negative perception of vast megacities like Karachi and maybe Karachi we would have some of the most negative perceptions of all, but this is in some ways a place of optimism, which is part of the reason that it grows. You have people in disparate circumstances who do not have access to the education they want, do not have access to the jobs they want, do not have access to security and they seek it elsewhere. They seek it in a city. And as violent and as unstable and as difficult as life can be in a major city like Karachi, it is an improvement for them.

The other side of the story, of course, is that we are dealing with a severely troubled city where people get the benefits of what I call an instant city, these rapidly growing cities. But do so at tremendous cost. You have cities where the entire

economy seems in certain areas to have grown beyond the rule of law. And many of you again will be familiar with this from Karachi or other cities that you have visited where you have real estate development that takes place in an extra legal manner. You have people who are essentially real estate developers or who become real estate develops, seize a chunk of what is essentially public land. It may be designated for a park. It may be designated for a school. It may be the edge of a hospital campus. It may be vacant land near a village that's been used for very little up till now. They will chop it into lots and sell them. It has become such a regular business that the police are involved.

Of course, you have to bribe the police not to notice any of this activity. And by 2010, when I was visiting there, the business had become so ordinary that there was a standardized bribe of, I believe 5,000 rupees per home lot, which is 50-some American dollars. You would go to the head of the nearest police station. You would pay the standardized bribe and your home lot or home lots would be legal until such time as that guy was transferred. And then it was assumed that you would have to pay again to become legal again.

So you have people who are living beyond the rule of law, beyond the protection of the law. You have a lot of different kinds of ethnic groups that have come together, language groups as they would be more likely referred to in Pakistan. People speaking different languages who see their interests differently, who may have small or great cultural differences, and who in any case are led by rival political parties who settle their differences quite often beyond the rule of law which is why over the summer in Karachi you had hundreds of people murdered in a series of what are presumed to be political killings, although I have to be frank. AS with most of these there are theories, there are ideas, there is evidence of who is being killed by whom but you never really, really know.

And there's one more overarching problem in a city like Karachi. Karachi perhaps has it especially so, although it applies to other cities in a different way, and that is the instability of the national government which comes to relate to some of the news events that we've read about just this week and that we can talk about as we get into this

discussion. We have a country that on the national level every few years has been called upon essentially to start over. It began in 1947 as what was expected to be a democratic country. Eleven years later there was a military coup. All the rules were rewritten. It was a time to start over. And then a pattern began in which there would be a military ruler who would start off with either good intentions or a good PR campaign, depending on the military ruler. Would impose new systems. Then protests would build up against the military ruler. He'd be thrown out and they'd start all over again. And we're in yet another period right now of having started over in 2007-2008 when Pervez Musharraf was thrown out of power and you have a democratic country, a democratic government let us say, that is struggling to establish power over the military and you have this constant struggle and maybe at some point democracy will firmly take hold or maybe at some point we'll start over yet again.

Consequently, there has not been as much progress even as you would see in next door India in building institutions. Now, having said that let me emphasize that India has -- I think people who spend time there would agree -- many of the same problems as you see in Pakistan. If you go to Mumbai you will see many of the same conditions I just described in Karachi but there has been less economic progress and less civil progress because of this constant process of starting over. This is not entirely unique to Pakistan if we follow the news from Egypt. I think we see something similar happening right now and I would not be the first person by any means to draw a comparison between Egypt and Pakistan. Although there is one disturbing difference at the moment, they're at different points in the cycle. Right now in Egypt you have civilians who after the revolution, after the overthrow of Hosni Mubarak are struggling to reign in and get control of the military. Pakistan went through that phase most recently in 2000-2008 -- 2007-2008, but I think it's fair to say that what's happening now is you have a military that is straining to make sure that it has firmer and firmer control over the civilian government and over the civilian populous.

This has consequences for the United States. It has consequences for the people of Pakistan. It has consequences for this instant city of Karachi which we can

talk about. If people only drew one thing from this book I suppose I would like it to be that there are millions of human lives at stake. I think that there are a lot of Americans who don't have a properly complicated view of Pakistan right now. Understandably so, given some of the news events but there is simply more to learn. I think if I can say so respectfully that there are Pakistanis who perhaps do not have a properly complicated view of their own country and of some parts of what is happening there. I think that there are huge opportunities in a city like Karachi. It is so diverse. It is so dynamic. It is so interesting. It is connected to other parts of the world. It could be more deeply connected to other parts of the world.

If Pakistan is to get out of its human troubles, Karachi could lead the way there but right now it serves as a symptom of many of Pakistan's problems. And I'll stop there.

MR. LINN: Great. Thanks very much, Steve. That's a terrific, I think, quick introduction to the book.

Alan, you're our urban expert here. We'll come to the Pakistani experts in a minute. So the kind of question that went through my mind is so what do we learn from this book? First of all, of course, you know, about how do you do a city better given the constraints? But also are there lessons to be learned from sort of first world history of urbanization, that I some ways perhaps ahead. London, I remember, you know, drowning in horse dung or whatever 200 years ago, 150 years ago. So are there lessons that can be brought to bear today on Karachi's sort of helping in some way thinking through? But alternatively, are there lessons from Karachi that we should be thinking about in this country or elsewhere for that matter that given especially, of course, the book? Sure. Go ahead.

MR. BERUBE: Well, I want to begin with a confession which is that I am the only person on the dais right now who has not been to Pakistan or Karachi for that matter. So with that I should probably yield my time to the other panelists but since I have the floor I'll make a few comments along those lines. I was actually, to my great pleasure, asked to read the book by your agent or your publisher as part of a "virtual

book tour" which didn't require either Steve or me to leave the confines of our offices.

SPEAKER: You shouldn't listen to those people.

MR. BERUBE: But it got me into a book that I might not have picked up otherwise but I'm very glad that I did because I think there is a lot there about, you know, as Steve was referring to and as I saw in reading the book, about cities as microcosms and as representatives, and a great way to understand nations through the prism of their great cities. And as I did that, and as Steve brought up a few times in the book, I thought about our own instant city in the United States of a similar size. And at least through part of the 20th century a similar trajectory, which is Los Angeles. About the same, at least by the official statistics, have about the same amount of people today.

But, you know, how did these places evolve? Well, I think in some ways they evolved in parallel, some of the same forces at work. But at the same time they're diverging in very distinct ways, and for reasons that I think bear some scrutiny as we think about the growth and development of cities in other parts of the world. So, you know, today about the same size. Los Angeles tripled in size over the last 50 or 60 years. Of course, Karachi grew by about 30 times by the official statistics. But as they did, they were growing and developing and incorporating. So the new places outside the proper city center. Right? So you added North Karachi and Korangi, New Karachi, lots of other both formal and informal suburbs around the city just as Los Angeles was adding -- not the city of Los Angeles proper but Long Beach and Pasadena and many other communities, not just in Los Angeles County but in Orange County as well, so that today it's sort of merged into one big metropolis, hundreds of cities and towns but really one metropolitan economic unit.

These places are both great centers of migration, a strong theme in Steve's book about after partition, the massive migration of Indian Muslims, Muhajirs, to Karachi, but also people from other parts, more rural parts of Pakistan seeking economic opportunity, just as Los Angeles through most of the 20th century drew in whites and blacks from the eastern and southern parts of the United States, Latinos from Mexico, Central America, South America, followed by Koreans, Chinese, Indians, Iranians,

Armenians. It's really our most diverse city in the United States today, and these people were coming for economic opportunity on the one hand, political refuge in some cases, all seeking a common sort of dream in terms of home ownership, owning a car, maybe two or three cars if you're in Los Angeles.

And these places are centers of commerce for their nations, right? Manufacturing, textiles, and steel in Karachi, the gateway port to Central Asia. The financial and media capital of Pakistan, just as Los Angeles, a $800 billion metropolis annually produces our most visible international export. Right? Film and television. But it's also home to our nation's largest port. The Port of L.A. and Long Beach combine the fifth largest in the world. These places are both centers of our education and culture, as well as, of course, centers of conflict and protest, the struggle over the direction of their respective societies. We think about things like Watts in the '60s, South L.A. in the '90s, and the recent immigrant tensions that have boiled over in Los Angeles.

So I think, you know, while there are parallels, I think L.A.'s growth also embodies and reflects very different dynamics than Karachi that in some ways are more indicative, I think, of what cities actually do. Why more than half of humanity today is living in cities. And when you think about the growth pillars for cities we refer to four things. We talk about innovation, infrastructure, human capital, and quality of place.

So innovation. Well, why innovation? Well, firms benefit. They've moved to cities. They exist in cities because they benefit from being around other similar firms in terms of exchanging ideas, translating ideas into differentiated products and services. This is what Hollywood does. This is why there is a Hollywood. But in Karachi, this heavy hand of the state of the military and commercial affairs seems, in Steve's description, to sap a lot of the potential innovative capacity of Karachi to grow firms and to grow ideas and to transfer ideas among different firms.

Infrastructure. So cities share things. They get goods to market, people to jobs, information to businesses and to consumers. Not just the port in L.A.-Long Beach but the highway grid in Los Angeles, a growing transit system, a very sophisticated energy and telecommunications grid. The suburban development that's

occurred in Karachi, in many cases providing really inadequate housing and commuting options that get people from where they live to where they might work. And you've got this -- it's occurring in these very economically isolated communities. A lot of instances where they are in and the city center lights are going out for several hours a day, a recurring theme in the book as well.

Human capital. So, of course, in a place like L.A. you've got dozens of institutions of higher learning. But not just that. You've got learning that occurs in firms. People are transferring knowledge among themselves, especially from different backgrounds and perspectives that help them solve problems. This is why research shows that cities actually produce higher wage earners and people who experience higher growth in their wages. Karachi, in Steve's description, lost a lot of its highly educated population after partition as the Hindus moved to India. You've got these deep seated religious and ethnic conflicts that limit collaborative work among people from different backgrounds. And you also have a lack of the sort of large enterprises that bring these people together, promote the exchange of ideas, at the same time as others I'm sure will describe massive underinvestment. It's just the building blocks, the schools, that go into an educated society.

And final the quality of place, building and experiencing places that bring people together for commerce or leisure. Of course, in L.A., you're blessed with mountains and ocean, that's all great. That's the luck of the draw in some ways. But also you've got manmade places. You've got Santa Monica, you've got Pasadena and Newport Beach, Koreatown, Glendale, even downtown L.A. now.

Karachi, these public places are always sort of under a constant threat of violence. The Shera Parade that Steve describes in his book, the arson at Bolton Market, or under threat of development of what were once public lands as Steve just described. In a way, the urbanization is not necessarily calming and socializing in the way that there could be in the Los Angeles context, but as Steve Cohen has described brings these previously separated groups into quite close proximity with sometimes very unfortunate consequences.

So I think the successful instant cities of the world, and Los Angeles among them, through either luck or intention, have been able to foster these different pillars for growth. So as you think -- I think about the challenges for Karachi, which are, of course, immense. They're multifaceted but ultimately represent those for the whole Pakistani state. I think about these things, about innovation and human capital and infrastructure and quality of place in terms of how Pakistan at large can foster those things, as well as how Karachi itself can help to foster those things.

MR. LINN: Thanks, Alan.

Stephen, from sort of your perspective having read the book. Can you tell us a bit about how you see in the context of Karachi and Pakistan, the prospects of a city like that? What do you see happening down the road but maybe starting with a history because you see it also?

MR. LINN: Maybe starting with the history because you see it, also.

MR. COHEN: First, let me say that there are very few books that I've read in one gulp. Actually, in this case, two gulps. It's an amazingly graphic and readable book. I've been to Karachi a number of times but never as long as Steve has been there. I first went there in 1977. Now, I think I understand a little bit more about the city than I did before. I knew nothing about it in that sense. The book is very valuable.

It reminds me very much of *The City of Joy*, the book about Calcutta. But it also raises the question which we discussed, Shuja and I and others discuss in the book which we're going to launch here on this platform next Monday. That is, where is Pakistan heading? Where is Karachi heading? And our collective judgment, I think, are about 16 of us who wrote and tried to answer that question.

Pakistan is not headed in the right direction; it's headed in the wrong direction but we're not going to see any rapid change in the future of Pakistan. I would say that's true of Karachi. For the next five or seven years it will probably look pretty much the way it looks now. But when you look underneath the system, the variables to education, environment, and business and so forth, it's weakening all over. In fact, I'm curious as to whether there is one area you saw better now than I want to say 5 or 10

years ago in Karachi. In the case of Pakistan as a whole, I find it hard to find many, yet I don't see any rapid, sudden transformation of Pakistan.

In most countries this wouldn't make much of a difference but Pakistan is a country with strong enemies, the United States included now perhaps, and of course, India. And the international revolutionary movement in the form of Islamists, ethnic breakaway groups, especially the Muhajirs in Karachi and also 200 nuclear weapons by that time. So it's not a trivial question; it's the future of Pakistan.

I go back and quote one of the contributes to the book I edited, Sir Hilary Synnott. And we had a long discussion at a conference where we discussed the chapters in the book, whether the glass was half full or half empty. And Sir Hillary said, "As an engineer he said it's too big a glass. That is Pakistan is trying to do too much with its resources. And I'd say that one of the critical paradoxes is of Pakistan. And this is a country rich in Paradoxes. Fabulous list of paradoxes. The very good people of Pakistan are separated from political power. There's an air gap between them and power. And this is between them and power. And this is in large part because of the political structure of the dominance of the military. If you trace the role of the military in Pakistan back, it's because of their obsession with India. So you could argue that the original sin, the partition of India into India and Pakistan and the continuing hostility between those two countries doom Karachi from the start. That no matter how many Ford Foundation missions there were, how many studies there were, no matter what the intentions were, Karachi could not overcome this enormous immigration. And now it's at a point where it's losing its best people.

So I think that structurally Karachi shares a lot with Pakistan. That unless a radical transformation happens soon -- and I don't see this happening soon -- you're going to see the steady diminution of its integrity as a place to live. And also this affects the larger country. Karachi was responsible for 25 percent of the Pakistan economy. Something like that.

MR. INSKEEP: They give even larger numbers. I'm not sure I trust any number that I get but they'll give like the majority of the economy or whatever.

MR. COHEN: So if Karachi declines and Pakistan declines, what do they do for a living? What does a country do to get by? And I don't know. It's unlike Calcutta, which is analogous in many ways. Calcutta is buoyed up by a prosperous state. Calcutta is sinking slowly into the mudflats of the Hooghly. But Karachi doesn't see any bright opening for it. I'd also compare Karachi unfavorably with Chicago, my hometown. And two great books on Chicago: Mike Royko's book called *Boss*, and your colleague Scott Simons' book, *Windy City*. And they argue -- they both make the point that despite Chicago's problems, that one thing they did well, at least the *Windy City*, is manage this ethnic rivalry. And that is what's tearing Karachi apart. The Muhajirs want to leave Pakistan. They want to go back to India. The Sindhis and Punjabis -- the Sindhis in Pashtun hate the Punjabis. The Punjabis regard the city with disdain. So Chicago managed this ethnic balance in the way that Karachi has not.

Finally, there's another important point, both Calcutta and Karachi, both have lost their larger economic role. Karachi in the case of the Middle East and Calcutta in the case of Southeast Asia. And it doesn't look as if either will be revived in the near future. So you have these formerly great cities, major imperial cities, especially Calcutta, but to some degree Karachi, in a sense becoming dead cities. So what do you do with a dead city? I'm not sure.

MR. LINN: Thanks, Stephen. Shuja, you know, the place perhaps better than all of us combined. What's your sense, both the past and the future? Where is it going?

MR. NAWAZ: It's ungovernable. I think that's probably the best starting point, but that's because Pakistan is ungovernable. And as Steve mentioned, Karachi has to be seen as a microcosm of Pakistan because the population of the city represents the population of Pakistan, not in the exact proportions that the various ethnic groups would like it to be but in a very interesting mélange which has created many of the dynamics that Steve has captured so beautifully with his prose and his stories in this great book.

Bear in mind that Pakistan now has a population of -- depending on

whose figures you believe -- 185 million, median age of 21. So a youth cohort of more than 90 million, which is poorly educated or not educated at all, largely jobless, and the way the economy has been going, not many prospects of jobs either. So Karachi kind of exemplifies all the issues that the country as a whole is facing.

Some other interesting details, which may not be evident to everyone in this room but to many, I'm sure, Karachi has more Pashtun living in it than live in FATA, in the borderlands where the military has been engaged in a campaign since the invasion of Afghanistan. So depending on the count, maybe between 4- and 5 million Pashtun living in Karachi. And the population mix in Karachi has been changing dramatically over the last few decades. Steve refers to some of that in his book but it's interesting to see how the native Sindhis, who once were the majority, are now a very small minority. And you have the Pashtun and then you have the Muhajir population or descendants of the Muhajir who came over from India, primarily from what's now known as Mumbai, in that area. Unlike the other Mujahirs who came into the rest of Pakistan who were transplanted from Eastern Punjab or some other contiguous territories, these people actually didn't make the journey, or most of them didn't make the journey by land. They came by sea. So it's a very hearty breed and they've expanded beyond Karachi into the interior, into cities like Hyderabad and have become a political force.

Steve referred to the census. It was supposed to have taken place last year. But it was postponed and it's supposed to have taken place this year but I think they've done some pre-census work and I'm not sure it's going to be completed until next year. And the aim of the current government is probably to make sure it doesn't get completed because if it is properly conducted and if the demarcation of the political constituencies is redone, there will be a huge shift in the polity of Pakistan because the country is now fairly heavily urbanized. Not just Karachi, which according to some estimates now is 18 million people and not the officially cited 13 million but other megacities, which have become urban agglomerations across the landscape. So if you travel from Multan to Lahore to Rawalpindi you basically are n the same city. It's all one massive connected urban agglomeration, very similar to the California agglomeration that

Alan was referring to.

And by all accounts, urban population will probably be close to half the population. And then you have the peri-urban population. And the more I travel in Pakistan and the Punjab in particular, northern Punjab in particular from where a lot of migration took place to the Gulf and to England, there's been direct transfer of wealth which has transformed what we knew as villages, including my own village, into small towns and cities. And they're all connected. So I recall traveling from Rawalpindi to my village, which is about 60 miles to the south and east. And you basically didn't have much habitation between the main town of Jalem and my village, which is 22 miles away. Now, the moment you leave my village you start getting development. And it's nonstop all the way to Jalem and you turn left and to go Islamabad and it's all nonstop. And you turn right, go to Lahore, it's all nonstop urbanization. So it's going to be very difficult to define urbanization in this context.

Now, in Karachi, if they redefine the political boundaries it will change the map of the politics of Sindh, the province in which it is located, and the politics of Pakistan. Because the Pashtun, if they get their 5 million in reasonably well-defined and not gerrymandered constituencies, instead of having 2 members of the provincial assembly, we'll have maybe up to 8 or 10. And they will become powerbrokers in the province Sindh. They would also have representatives duly elected in the National Assembly. And then, of course, in the Senate. And so now you have a pretty large Pashtun representation in the center -- in the Senate and in the National Assembly. That changes the politics of Pakistan.

And so at the moment what we are seeing is a tremendous battle which is going on to delay the census so that the current establishment remains. Or if it has to be completed, to somehow gerrymander the constituencies to greater advantage or to create ghost lists of voters so that you can have an edge. And this is going to be a serious problem for Pakistan.

Now, as somebody who grew up in a small, sleepy cantonment, a military town of Rawalpindi, Karachi always kind of attracted me. And if anything, it's

probably the most livable city in Pakistan because of its diversity and vitality. In many ways it may not be like L.A. but it's more like New York or Shanghai because of the vitality, the business interests that have grown. Smalltime traders are now near billionaires. And Karachi also has to be seen not only as the gateway to Pakistan but it is the port for Afghanistan, and it is the port for Central Asia. And I think one has to see it in that regional context.

It also is -- if nobody from OFAC and Treasury is sitting here -- the port for Iran because a lot of trade occurs between Iran and the rest of the world across that very open, porous border through Karachi. And there was a time, for instance, when you could buy great Iranian carpets and they would be stamped "Made in Pakistan" because they were re-exported through Karachi. Of course, Pakistani Persian carpets are equally as good Pakistanis will claim but you could. And so Karachi serves a role as a magnet for the whole region, the hinterland that extends way beyond Pakistan. And so what happens in Karachi is essentially going to be what will happen in Pakistan.

The other issue which I want to talk about is governance. Because of the lack of governance in the central government of Pakistan, because of the continuous military rule which over time took power away from the provinces, the provinces felt disenfranchised. And Karachi by most accounts, when you compare its size, say to countries in the Middle East or even in Europe, is the size of a country. I lived a couple of years in Vienna and Austria and Karachi has more people than live in Austria. And yet it is treated as a city. They try and govern it by the same rules as if they would govern a city of 70,000 or 80,000 in the hinterland and it's just not possible. So the good thing that has happened during the current regime, which may have been an unintended consequence of their activities, was that they actually devolved power back from the center to the provinces in theory.

Now, in practice it's going to be a huge test whether that power will devolve and whether fiscal authority will go along with it and whether that will be exercised in a proper manner by the provinces and, in the case of Karachi, by the city. And that remains a test. The big battle in the province of Sindh will be whether Karachi,

like the rest of the country, if they divide the provinces into smaller, manageable units which will balance each other off, whether Karachi becomes a province unto itself, which is probably something which is eminently desirable because it cannot be governed from the inside of the province of Sindh. And it certainly cannot be governed from Islamabad. That's the challenge for Pakistan.

MR. LINN: Thanks, Shuja.

Steve, would you like to come back on some of what you just heard?

MR. INSKEEP: Yeah, absolutely.

MR. LINN: Let me stop you just a moment. Could you comment a bit on -- the impression that I took away from the comments, namely that it's almost like a supertanker with nobody -- or at least too many, perhaps nobody really at the steering wheel, heading for a big iceberg. And, you know, what's the rest of the world doing? I mean, there's a lot of aid flowing into Pakistan. Is any of that devoted to actually help Karachi in this context? That question and then we'll throw it open.

MR. INSKEEP: Sure. Let me make two or three points. First, I did not actually pay these gentlemen to say such nice things about the book. This is very gracious of them to do so. Not that I know of. Maybe I'm going to be handed a bill later.

Let me take a few things in turn here. I'm delighted that you brought up other cities in this conversation. That is one of the things that fascinates me, is thinking about the outcome in this city compared to others. Los Angeles is an interesting one to make a comparison to. I also write a little bit comparing Karachi to Hong Kong, which on a superficial level, maybe a deeper level, has many parallels. This is also a city that began changing very rapidly after World War II. This is also a city that received large numbers of effectively refugees. In Karachi's case, people moved from India after partition. In Hong Kong's case, people moved from Shanghai and many other places in China after the Communist takeover there. You, in both places, had so many people they had nowhere to go. You had people living in camps. You had questions about what the economy was going to be and you had some of the very challenges that you laid out that cities face, questions like how to deal with the infrastructure, how to encourage

innovation. And if you look at a city like Hong Kong you can argue that that city managed those challenges. They enacted a housing program after a tragic fire that left tens of thousands of people homeless. They managed a degree of law and order. There is the rule of law in Hong Kong, although you have the same problems with corruption that you'd have in many places. They managed to encourage innovation. There were industrialists who came from Shanghai and moved their businesses there and it became, in addition to being a port, a great manufacturing center. And as the economy changed, Hong Kong became the home of corporate headquarters because it was a place that you could live.

And so you have a city that had some of the same fundamental problems but managed them better. And one large thing as well, even though Hong Kong was next to this giant nation next door that had reasons to be hostile with its British overlords, they managed that relationship through the wisdom of the Chinese, through the wisdom of the British, whatever it was. Pakistan has not managed its relationship with India and it becomes this phenomenal distraction as the gentleman on my right mentioned. I love the comparison with Chicago because Mike Royko's book that you referenced has a great passage in which he describes how when Chicago was going through its phenomenal period of growth from the 1830s to maybe the 1940s or '50s, you had ethnic neighborhoods that you could not leave without necessarily risking yourself. And Royko has a passage. Maybe it's a little hyperbole but I think there's also a lot of truth. There would be a specific streetcar line, a specific street, a specific park. And if you moved to the other side you would have gone from the Irish neighborhood to the Italian neighborhood and somebody would be throwing a brick at you.

But in the end, as you mentioned, Mr. Cohen, that has been managed. It has been kept under control. It has evolved over time. The confident view is that a city like Karachi, or any other number of cities we could mention in the developing world, will manage that problem. But it's a huge problem now. Karachi's great potential lies in its diversity. It's ethnic diversity, attracting different people from all across this huge country. Its religious diversity. And it still has some. There are still Hindus in Karachi today, which

was a majority Hindu city up until the partition of India. There are Christian institutions which are still part of the fabric of Karachi life. There's an elite Catholic school that has graduated a number of people, including prime ministers and military dictators and the current president. Something to be proud of, I suppose.

And you have a very diverse place that could present a very different face of Pakistan to the world than the face that we tend to see in the news now. You have tremendous potential there but it's a question of managing it.

Now, you asked about development. I have to answer this anecdotally rather than analytically. I don't have a ton of information about development there but let me lay out an impression. And I bet there are experts in this room who will tell me that I'm wrong or tell me that I am wrong. My impression is that less attention is paid to major urban areas like Karachi than rural areas necessarily. Rebecca Winthrop, expert on education, introduced me to the term when we were batting around e-mails on this of rural bias. That there seems to be more interest in trying to help rural areas, perhaps even try to encourage people to stay in rural areas rather than migrating to these seemingly overpopulated cities. That is an interesting and worthy goal but I think it's a challenge. Doug Saunders, who wrote an excellent book called *A Rival City,* which looks at migration to urban areas around the world, really excellent book, argues that to some degree that kind of thinking is misguided. If you want a better life for your family and you live in a poor village, the number one thing you want for you or for your kids or for your grandkids, however long it takes, is a good education. And you're not going to get it in a rural village. It's just not going to happen. If you want a richer cultural experience, you're not going to get it in a rural village. There's a very specific thing you can get in a village. I wouldn't degrade a village, but lots of people are going to want something else and they're going to want to move to cities. And it's fair to pay attention to those areas.

So I would put out the hypothesis, which others can knock down, that we've paid less attention to urban areas in the developing world and in this particular country than is warranted.

MR. LINN: Thanks, Steve. I now throw it open. What I'd like you to do

is to introduce yourselves -- there will be microphones that will be coming around -- to introduce yourselves so we know who is talking and we'll also take two or three questions perhaps at a time and then let the panel come back.

Let me start in the back there, gentlemen with the hand up. Do we have a microphone? There it is. Okay.

SPEAKER: Yes. My name is (F). I'm the (inaudible) and I went to school there in Swedish Pakistan Institute of Technology. And my question is about exploitation of Sindhis. You know, I can compare Sindh with India, that India was exploited by so many foreign nations, including European, Greek, and Muslim. A similar thing is kind of about Karachi and because of this exploitation I found many Sindhi students, my colleagues, they were more pro-India than pro-Pakistan because all bureaucracy (inaudible) Punjabi, Karachi was divided into four subzones and I think all (inaudible) they were all Punjabi. So what do you (inaudible) now? I'm talking more like 25 years ago but how is the situation now? Thanks.

MR. INSKEEP: Let me give a little bit of history on that and the experts will chime in or tell me where I get things wrong. For those who are not intimately familiar with Pakistani history, when you talk about the Sindhis, you're talking about the province that includes Karachi. Obviously, there was a time when the majority of Karachi's residents would have counted themselves, or a lot of them anyway, would have counted themselves as Sindhis. These other groups speaking different languages have flooded the city ever since 1947. Sindhis have greatly resented that, felt in many ways the city was taken from them.

In the 1970s, there was a period of ethnic nationalism or ethnic nationalisms in Pakistan. And one of the results of that were that Sindhis got a law passed that made it require that Sindhi be the language of education. That's an illiterate way to say that but in any case. This actually led in Karachi specifically to riots and to other ethnic groups rising up. And I think you can trace back the ethnic warfare that I described to that moment. We can go back further but you can look at those language riots and see the rise of a party known as the MQM, which represents the Muhajirs, the

people or the descendents from India. And you see that today. I mean, I can meet someone from -- who is ethnic Balochistan in Pakistan, who will tell me that -- actually, will look -- you notice the border between Sindh and Balochistan is very close to Karachi and actually Karachi is a Baloch city; it's not a Sindhi city. And the Sindhis took it from us before somebody else took it from the Sindhis.

And as an outsider, I mean, on some level I need to respect that but I think that the challenge of the city is to get beyond that. To get in a place where, like New York, for all of the chaos, for all of the occasional riots and other terrible things that happen in New York, that the city's diversity is put -- is harnessed and made of strength rather than a weakness. It should be a strength of that city that there are people from all over the country who have commercial connections all over the country who speak every imaginable language, who have connections to the United States and elsewhere. That should be strength rather than something that causes constant resentment and warfare.

So I understand your question. I understand the grievances but I wonder if the energy is directed in the wrong place.

MR. LINN: Let's go back there. Yes. The gentleman. I'll work my way forward. The other way around.

MR. ASHMANI: Hi. My name is Halid Ashmani. I am from (inaudible). Thank you very much for this enlightening seminar.

MR. LINN: Can you stand up?

MR. ASHMANI: I have lived myself in Karachi for two years. I come from Sindh province. Actually, I was brought up in the city of Hyderabad, which is about 100 kilometers. And when I was a young child, you know, eight, nine years, the partition has just about, you know, been about four or five years back, I had eight beautiful parks within walking distance. And within a span of 10 years, one was taken over to build a market, a shoe market because there were a lot of immigrants coming from India so they had to clear the thing. One big park was taken over by the military because it was really close to the cantonment area and they made the plots and sold those plots. And this was a military scheme. One became -- was absorbed by traffic because it was felt it was

more difficult to maintain than to build a traffic island or something like that. Another large park in front of the largest school in Hyderabad, a commercial building was built.

So this is sort of standard. Sindh, Hyderabad, even Karachi were cities where you had a lot of facilities of parks and sense of city how you lived it. Unfortunately, after partitions, you know, that sense was lost and it became purely commercial. What I wanted to ask question was that you haven't commented on since partition how the resources from Sindh have been diverted to the north (inaudible) of the country, first by changing the capital, as you know, and through a scheme which the federal government -- you know, in Pakistan, all the taxes, all the revenues are generally collected by federal government and then through a scheme they give back a portion of those back to provinces. And how the central government -- and obviously you commented on how centralized the system is -- they have been discriminating against -- especially the province of Sindh, which has contributed only Karachi 25 percent but (inaudible). So you should comment on some of the central conspiracy and schemes by which Karachi has been (inaudible) and Sindh have been (inaudible).

And I think there was a misunderstanding that the living standard is higher and there is a priority at the life -- standard of life is better in rural areas. Sindh -- rural areas of Sindh, once the United Nations called it abject poverty worse than the sub-Saharan region. So that's the condition you've got. As a matter of fact, if anything, resources have been going to the cities.

I wanted to comment. Sindhi will never stand for separation of Karachi. I tell you. Karachi is the heart of Sindh. It will never happen no matter what. I can tell you that. Sindhis will die by scores but will never have their hearts separated from Sindh.

MR. INSKEEP: Thank you. Let me comment on a couple of the points that you made. First, if anybody said that the standard of living is higher in rural areas, we would have misspoken. The United Nations Human Development Index, just to give you one number, which just measures the quality of life based on health, income, and education, consistently finds large, you know, terrifying, polluted, nasty, urban areas to be better for people than rural areas. And that is true according to some 2003 figures from

the government of Pakistan that I saw that broke down Pakistan district by district. It's better in cities. And in fact, it's better in Karachi than in most other cities, even with all of its violence, all of its trouble.

Your point about the overwhelming power of the federal government in Pakistan is absolutely true and that is why after this presidential campaign, Rick Perry plans to go to Pakistan and he's going to fix that. (Laughter)

MR. LINN: Shuja probably has a point.

MR. INSKEEP: Shuja will probably want to say something on the fiscal.

MR. NAWAZ: I think to be fair again to the current government, after 18 years of debate and discussion among the provinces on this revenue sharing, which Mr. Ashmani was referring to, there's a new formula that was adopted last year in which the shares of the peripheral provinces, which include Balujistan and Sindh, were increased. And the shares of the larger provinces, meaning the Punjab and Khyber Pakhtunkhwa were proportionately decreased. And the largest decrease was that for the Punjab, which had the largest population of all the provinces.

The idea, and I can understand the emotion and the sentiment behind the creation of new provinces, the idea of rebalancing the provincial structure inside Pakistan is one that is being discussed again. And there are probably some good reasons behind it so that you don't have this domination of the country by a single province like the Punjab. That you have almost a kind of Nigerian-type solution, that you have many smaller entities that are responsible for themselves. And they live with each other in a much better manner and it's not on the basis of ethnicity or language alone but it may well be on the basis -- and I don't know what solution will emerge on the basis of administrative divisions inside Pakistan. So these are all possibilities simply in order to make governance much more attainable.

MR. LINN: Let me see. Anybody on this side? It seem -- okay. Let's go over here. Then I'll come back.

MS. FOSTER: I'm Kate Foster. I'm a visiting fellow in the Metropolitan Policy Program here at Brookings. I'm also a professor of urban planning. I haven't been

to Karachi. I just came back from New Delhi though and so much of what you said sounds familiar.

I'm wondering, struck by the figure that was given by one of the panelists about the median age being 21 years old, and I know it was 25 or something like that in India. Could you, perhaps through a story you tell in the book, tell us something about what, let's say, the prospects for a 15-year-old in Karachi are in terms of education, in terms of prospects for employment, in terms of that large sort of frog and the snake that's moving through the Pakistani culture. What does it mean to be in Karachi now, to be a 15-year-old?

MR. INSKEEP: Well, it's more like a porcupine and a snake at this point moving through.

I'll say something and others may have something to add. I gave you the story of Afridi, which is something of an optimistic story. I mean, on balance, the numbers suggest that it's better to be in a city than to be in a rural area even for a kid. There's just a greater availability of education. There's a greater availability of jobs. The 3- or 4- or $5 a day job exists in Karachi; doesn't exist elsewhere.

But I also was back in Karachi in October and did a little bit of reporting for *Foreign Policy*, which with respect I'd commend to people. And I ended up spending some time looking at schools in Orangi, which is sometimes described simply as Asia's largest slum, although I've learned that there are several areas that compete for the title. And I think it's kind of an unfair title. There's actually a lot of vibrancy, a lot of life. It's an interesting place with a lot of newcomers.

And you have schools that have operated inconsistently or not at all for years for a variety of reasons, and I've heard discussion on this very stage of ghost teachers and corruption, people who pay to get a teaching job and never show up. There's also the matter of violence. And I visited a government primary school, which in my mind symbolizes the very kind of question that you're asking. And this is October. And there's desks stacked in a corner all covered in dust. No one has been there in a while. It's open to the weather. There's trash piled up in the yard outside and someone

has written on the blackboard the date May 31, 2011. You know, we're two or three months into the school year and no one has showed up this fall. And in fact, people in the neighborhood thought that perhaps a teacher had gone in and written that date just so that no one would catch them not showing up to school. They hadn't been there in a long time. The reason being that many of the students were ethnic Pashtun and lived in the neighborhood, of course, and many of the teachers in the government schools tend to be ethnic Muhajirs, live in other neighborhoods and can't necessarily in a time of violence come to that neighborhood, come to work because they would fear being shot for what they are.

So it's almost like, in my mind, a 51-49 situation or a 52-48 situation. It is better for some people. For many other people the opportunity is missed and, you know, you've always got that risk that at some point it tilts over to being a 48-52 situation.

MR. LINN: Steve, could I take a few questions maybe together so then you can sort of bundle your responses because we -- I've got 15 minutes.

MR. INSKEEP: Oh, good. Anything you'd like. Anything you'd like.

MR. LINN: More people to talk. Yes. Up front here.

MR. INSKEEP: Or I'll answer more briefly. Or I'll turn it over to my colleagues up here.

MR. LINN: We'll just pull a few questions together.

MR. FLETCHER: Yes. Frank Fletcher. When I was studying in Mexico in 1985, Mexico City, of course, even at that time, many sociologists felt and other people, that the society was being overwhelmed and the in-migration ringing the city beyond the capacity to provide the kinds of services needed. But objectively speaking, there was more opportunity there. A very good education system up through university level, although less so in the newer areas. But some people had proposed at that time that they needed to encourage more development in other cities and might this be a model with something like high-speed rail obviating the need to have to live in the capital city. Of course, the Cuban model was to neglect Havana altogether and sort of let it fall apart because they didn't want that kind of in-migration. So that's another type of urban

policy.

But even in Karachi, if you were to provide all the kinds of services needed, it's a paradox. Or like in Mexico City, if they went into the shanty towns you'll then attract even more people.

MR. LINN: Great. Thanks. Let's go back. The gentleman in the white hair.

MR. SHAKA: Hi. Thanks. Alex Shaka. Thanks very much for this terrific discussion.

Given that you've all touched upon the importance of institutions to try to mediate disputes and deal with the violence, and from what you're saying and what we know, the government is not about to provide very much in that area. And I wondered whether in your description of the human side of devilment in Karachi that you found a variety of non-governmental organizations or other kinds of institutions that are being developed that might fill in at least until such a time as government begins to operate more effectively.

MR. LINN: Thanks, Alex. All the way in the back.

MR. CUMBER: Hi. Thank you for being here. I have a question.

MR. LINN: Can you introduce yourself, please?

MR. CUMBER: Sorry, Ali Cumber.

MR. LINN: Thank you.

MR. CUMBER: I spent a lot of time in Karachi over the past three years for work and while I was there I met a lot of people like me -- young Pakistanis, educated here, couldn't find jobs, had to move back to Karachi, have started entrepreneurial things. But in meeting them and spending time with them, one of the things I noticed is the subculture that exists of very well educated Pakistanis that are young and highly motivated, that are doing things in IT or opening restaurants or galleries. And a lot of that happens in, you know, Clifton and Defense and the Zamzama Road area. But it's such a stark contrast from everything that you're talking about and the rest of Karachi as we all know it. You know, you could be, you know, there are great parties. There is a great

social life. Amazing restaurants. I mean, how and when does that get reconciled with what's going on? And on the buses and in, you know, in the other parts of town?

MR. LINN: Steve.

MR. INSKEEP: Lots of security between the one and the other in many cases, as I'm sure you recognize. What was your job, by the way, in Karachi during your three years there? CIA looking for bin Laden?

MR. CUMBER: No, but I --

MR. INSKEEP: You don't have to tell us if it's true. No, no. Go ahead.

MR. CUMBER: I was working in security but -- (Laughter)

MR. INSKEEP: A lot of great stuff to address there. Do you want to go? Because you're leaning forward.

SPEAKER: No. No. You're the hero.

MR. INSKEEP: I'll say something and then invite other comments.

You know, I think that there is an entrepreneurial spirit in the city and I'm encouraged actually by what you say. But it was correct as -- maybe it was Mr. Cohen who said -- or no, it was you who said that there is this -- the state gets in the way. The state grabs many of the largest opportunities. The state grabs a lot of the most valuable real estate. And by the state in particular I mean the military, which is a real estate developer as well as being a military force. The head of the Fifth Corps in Karachi, the corps that is based in Karachi, is also the head of a defense housing authority, a public authority with control over a vast amount of land. And so there is a struggle there. Some of that waterfront development, some of which is connected with the state and some of which is connected with entrepreneurs of various kinds has begun to work out rather well. There are lovely glass towers. You probably saw them. There are better and better restaurants. There are interesting things going on. But I mean, I found myself in October eating on this pier called the Native Jetty as it was known from colonial times -- has now been rebranded Port Grand and it's kind of this Disney version of Pakistan with lovely restaurants and shops out on this pier. And of course, because it's a pier it's got water on either side and it's easy to secure. And there are guys with camo pants and weapons

who are guarding you at all times as you eat really delicious kabob looking at the cranes in the port.

You have this divide between the people who are connected to the global economy and the people who are not. The people who are not connected often -- and I think correctly, at least for the moment -- see the knowledge of English, the learning of English, as their pass key to the global economy. And in even the poorest neighborhoods you see -- and I'm sure you saw it when you were there -- little storefront schools that are promising to teach English. And in some places people are getting that opportunity and in other places I think they are clearly not.

Somebody over here asked about institutions. I think non-governmental institutions. I'll mention just one. I could mention several. There's an organization that I write about called Shari'a, which gets into issues having to do with land development, having to do with protecting the environment, protecting parks, protecting the kind of parks that the gentleman talked about that get covered over with devilment. It's actually financed in part by grants from time to time from the National Endowment for Democracy. They've tried to get into issues like training police officers to follow the rule of law. It's a really interesting organization but it's small and it's embattled and you do that kind of work at the risk of your life sometimes.

MR. LINN: Any thoughts on the sort of deconcentration in terms of centers?

MR. INSKEEP: Shuja Nawaz has made an excellent point when he pointed out that there are many urban areas just in Pakistan that are growing simultaneously. You can go to Faisalabad. You can go to a lot of places and find cities that were, you know, market towns, market crossroads not long ago and are now cities of several million people. So you do have this decentralization in a sense happening without an effort being made. Within cities, within Karachi you have an effort deliberately to decentralize the city. Various efforts go back decades. The most recent city plan calls for several urban centers to spread things out, to make it more manageable, to make the commutes less onerous, to deal with a lot of the issues of congestion. But in a city like

that the plan is a plan. And the execution is challenging and there is this tremendous force of human nature of so many people coming at once that makes it really difficult for people to get their hands around everything that needs to be done.

MR. LINN: Okay. Any other comments? Yes, the lady and then the gentleman in front. Yes.

MR. FARRIS: Hi. Claudia Farris, Ph.D. candidate in Public Policy at George Mason University.

This issue of diversity is a big one globally. We're currently faced with the European Union and figuring out how to handle the financial issues there and the model seems to be take it up a notch above the national level. So the question I have relates to the ethnic infrastructure and why -- the experience that we all have belies the fact that we have a negative attitude towards all these megacities because everybody is going to all these megacities. So the question I have is what is it that all these diverse groups are attracted to that have them all valuing being in that area? And how can we structure -- not how can we structure it. It has to do with the notion of joy and celebration as a way of overcoming the differences. These are a war-like people. They have a long tradition of fighting each other. It's a part of their culture. I have found often in argument situations where if you give someone something else to think about, something else to do, it will divert their attention from the fact that they're pissed off, something that validates them.

MR. INSKEEP: You're a parent, right? You do this with -- (Laughter)

MS. FARRIS: As a matter of fact, I'm not.

MR. INSKEEP: It's good for kids, too. But anyway, go ahead.

MS. FARRIS: But anyway, well, so there we are. So there's a human nature thing going on here. Right? And as people who are interested in building government structures, have you read *Governing the Common*? It was written by the woman who won the Nobel Prize in economics? Yes. Love this woman. Love this book. And she says that -- and she has a kind of an emergence notion of what governance is that begins with the proper allocation of governing functions to the proper level of

government. Okay? So that's the question. Can you comment on the value of culture in the formation and how it helps to shape the formation of a community and the role of, you know, self-validation and expression and joy? I'll just use that word, "joy." We have words, "love." They work in ameliorating the angst that has us all fighting each other.

MR. INSKEEP: I hope Shuja will weigh in here because he talked about -- I think you did. You referred to Karachi as being New York-like, which suggests the excitement that people have had from time to time about that city and the opportunity to go to the city.

The only other thing I'll say before I turn it over is this. I think that people in Karachi will tell you that people of different ethnicities have lived together. They still do live together. Sometimes if you ask what kind of a neighborhood is this you'll be told it's mixed. But less so because of security concerns, because of ethnic warfare over the past 20 or 30 years. And that has come from a particularly violent form of identity politics. It's been a tragedy that you have political parties that have aligned themselves and made themselves the representatives of specific ethnic groups in a place like this. It would be more valuable if there were more political parties that were based on ideas, on notions. Hopefully ideas that are grounded in some way in the real world, not utopian kind of ideas, but just that stand for a certain value system rather than a certain ethnicity, which would then take some of the politics out of ethnic combat and leave people in a position to celebrate their differences rather than be afraid of them.

MR. LINN: Thank you. Shuja, I'll ask all panelists perhaps at the very end -- we've got another five minutes or so -- to see whether they want to contribute something in summary.

Yes, the gentleman right here. And then I have one more over there and then I'm afraid I'll have to call it quits.

MR. BERNSTEIN: I'm Jim Bernstein from --

MR. LINN: We can hear you anyway. You've got a good voice.

MR. BERNSTEIN: Thanks. I'm Jim Bernstein from Walkabout Development Solutions. I come to these often and I continue to have the same reaction.

Today I felt -- maybe it's appropriate that I was at a docent tour at the National Gallery of Art. You're a journalist and your book is a description, so that's excellent. Thank you for doing that.

We're living today reading the newspaper in a rather strange time in the world. Money and credit drive growth. Credit is drying up. Europe is about to have a major implosion. This country is cutting everything. And Pakistan has rapid growth, running out of water, and you've described a situation but we're all sitting here in Washington, D.C., and I'm wondering what advice all of you have for the people who represent my money and your money. And what would you suggest we do today in today's world in Pakistan which is totally not under our control?

MR. LINN: Thank you. Let's take the last question. I think the lady right here.

MS. MUSTAF: My name is Merrill Mustaf. I'm a student at Marymount University. First of all, I'd like to thank you for your presentation today. It was really interesting.

MR. INSKEEP: Thank you.

MS. MUSTAF: I was born in Iraq, in Kurdistan, actually, and I go back every summer and I've noticed that over time it's gotten better and better economic-wise and it's gotten to the point where now they call it the Little Iraq because it's so different from the south. It's diverse and it's got some of the same characteristics that you talked about, like Karachi. And I'm wondering what does Kurdistan have that you think Karachi doesn't and that keeps it from, you know, from getting better economically, I guess?

MR. LINN: Thank you. Steve. Sort of those two questions and then we'll quickly ask the other panelists.

MR. INSKEEP: I'll be as brief as I can. What can Americans do? I think that there are interesting and bipartisan things that have been attempted. The Kerry-Luger Aid comes to mind. That is an effort, however tardy, to rebalance the relationship between military and civilians in Pakistan. We've supported one, not so well supported the other, and that is something that goes back to the 1950s. In the book, should you

read it, you'll find a scene of President Eisenhower expressing frustration that they've supported the military to the exclusion of all else and it was the worst possible policy.

We now have a situation where we are attempting, however imperfectly, to aid the country and you have John Kerry, who thinks that's a good idea, and you have Michelle Bachman in a presidential debate the other night saying that it seems to be a good idea. So there's a pretty broad consensus to at least try this, however late it may have been.

I was fortunate to spend a little time in Kurdistan in the north of Iraq in 2004. It was remarkable. You actually see cities growing there. You see glass towers, not really tall, but glass towers in cities there and it's kind of amazing given the horrors of the rest of that country. And maybe that's another opportunity to draw a very simple contrast. You have one art of the country where there was law and order even if it has been provided by gangsters. And there is a degree of room for business to be done even if the government there has not been democratic. And you had people who were focusing on making a little money and improving at least some people's lives. And you have the rest of the country and you can blame the United States for it. We can go back through all the history but the rest of the country that ended up focusing on -- I guess they were religious differences but really it was kind of an ethnic struggle for power between different groups and doing things that were needless and violent and deadly.

MR. LINN: Shuja.

MR. NAWAZ: I just go back to the demographics again and this may answer your question also, that we here in this city and this government and on the Hill talk the talk in terms of long-term relationships and consistent relationships but we don't walk the walk. Most of our actions are very short-term and the horizon is often the next congressional election or the next presidential election. So we have to somehow coach ourselves to thinking and acting longer term.

And when you look at places like Pakistan, you have to take into account that between 2005 and 2030, another 18 million people will be added to the urban population of the country. It's not going to work unless there is proper devolution of

power. Fiscal authority, administrative authority, the ability of city managers to cope with urban poverty, to provide services. And to do so not on the basis of ethnicity or language but simply because these are the people that live there. And to take away from the people at the center who use divisive politics of language and ethnicity in order to retain their control over the system.

Now, Pakistan was described as a country of paradoxes. And one of the interesting ironies or paradoxes that has been emerging in the last couple of years was an attempt by the NQM which started off as a language group and an ethnic group to actually go into other cities in Pakistan and to see if they could form a base of the professional urban lower middle class or middle class, and found great opposition from their own partners in the central government and in the provincial governments.

Now, maybe that is the model for Pakistan for the future where you have politics based on ideas as Steve was saying and not on ethnicity or your brotherhood or Baradari system. I think that change will occur. As I said, the constitutional system has been amended. Devolution is supposed to take place so that Pakistan, which was designed to be a federation, will become a true federation over time. Once the provinces have more control over themselves, then perhaps they will be willing to give more control to the cities also. And then you may have better management. Without that the big cities will become the cockpits of warfare among these different groups. And the interest of countries like the United States or European partners or even the Middle Eastern states that are contiguous to Pakistan or close by should be to try and develop these alternative structures and to help those civic structures like (inaudible), like the Citizens Foundation, like other private enterprises that are setting up schools in these countries so that you reduce the hand of government in the lives of the people. I think that's the solution.

MR. LINN: Thanks, Shuja.

Stephen, you'll have an event here at 2:00 p.m., I think, in this building?

MR. COHEN: That's right.

MR. LINN: Probably even this hall.

MR. COHEN: Monday.

MR. LINN: On Monday, on the future of Pakistan. Is there anything you want to -- from this conversation you want to share?

MR. COHEN: No. If you come then we'll talk about these larger issues. But let me make one quick point actually directed to Steve. There's very little discussion in your book about sports. I don't think there's any. And one thing I discovered through supervising several dissertations about ethnic competition in South Asia, is that things that hold multi-ethnic countries together are sports and entertainment, Bollywood. Should we sell or should we give Pakistan an NBA team? Give them something? Because if you look at the politics of Chicago or Calcutta for that matter, one thing that ties different ethnic groups, different language groups together, are sports. You can always talk to them about the sports team. And also I'd say films. Films are common medium for a lot of people. If you don't know anybody you could always talk about films.

SPEAKER: Do you want to find a home for the Cubs? (Laughter)

MR. COHEN: I mean, I'm slightly facetious but actually quite serious. One thing Pakistan lacks is a common culture. Cricket is there. Cricket is there but usually seen in rivalry with India. But otherwise it's not there.

MR. LINN: That's a brilliant thought. Alan, anything? And then you'll have the last word.

MR. BERUBE: Sure. Just a common thread I think ran through a lot of the comments and the questions was this push and the pull between the rural and the urban. And I think there's one lesson that I sort of take for American cities looking at megacities like Karachi and their growth, is that the forces, the economic and the social forces that pull people to a place like Karachi are very, very strong, such that they're willing to endure a lot of challenges and, you know, not so great environment to seek out a slightly better existence in these places than they could have in their home country or their home community. And in the United States Karachi has arguably not been great at accommodating that growth in the United States. We're too good at repelling that growth sometimes and we keep people out of places like Los Angeles because communities can stop building housing. They can just, you know, shut it off and that's why you get the

growth of Phoenix and Las Vegas and Riverside. But being in a place like Los Angeles makes you more productive, makes you more wealthy, builds a middle class.

And I think we keep people out of cities in the United States and in a developed world at the expense of national productivity and national wealth, and building more inclusive cities, less unequal cities. So I think, you know, just the growth of a place like Karachi, these strong, strong forces that pull people to these places are a reminder that there's something very elemental going on there that we should be trying to take advantage of.

MR. LINN: Steve.

MR. INSKEEP: Wow. I know we've gone a little over time so I'll just mention that my hometown Indianapolis Colts are 0-11 now, I think.

SPEAKER: You can win the Andrew Luck Sweepstakes though.

MR. INSKEEP: That's true. There's the Suck for Luck sweepstakes as it's called. So there are possibilities there. You know, they've already moved from Baltimore to Indianapolis. Maybe they could move to Karachi next year. You never know. I think it's a brilliant thought.

I'll just leave you with one image, something I have yet to see, although I know about in Karachi, and that's a horse race. There was horse racing decades ago in this city. There was a much broader culture than there is today and in recent years horseracing has been revived. It's been moved to a new horseracing track and they've even figured out a way under Islamic law that they're betting without calling it betting. And maybe that is a metaphor for the kind of thing that we're talking about. Not that horseracing is the best thing ever or that gambling is the best thing ever, but finding ways that different people with different ideas can co-exist and move ahead.

MR. LINN: Great. Thanks very much. Steve will sign his book outside. So let's give him a big hand. Well done, Steve.

MR. INSKEEP: Thank you. Thank you. (Applause)

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2012