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THE FUTURE OF PAKISTAN

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Opening Remarks

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PANEL 1 - PARADOXICAL PAKISTAN

Moderator:

TERESITA SCHAFFER
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Panelists:

C. CHRISTINE FAIR
Assistant Professor, Georgetown University

WILLIAM MILAM
Senior Scholar, Woodrow Wilson International Center for Scholars

SHUJA NAWAZ
Director, South Asia Center, The Atlantic Council

MOEED YUSUF
South Asia Advisor, U.S. Institute of Peace

PANEL 2 - PAKISTAN: WHERE TO?

Moderator:

JOHN R. SCHMIDT, Moderator
Professorial Lecturer, The George Washington University

Panelists:

PAMELA CONSTABLE
Staff Writer, *The Washington Post*

BRUCE RIEDEL
Senior Fellow, The Brookings Institution

JOSHUA T. WHITE
Ph.D. Candidate, Johns Hopkins University, SAIS

MARVIN WEINBAUM
Scholar-in Residence, Middle East Institute

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P R O C E E D I N G S

MR. COHEN: Good afternoon. I'm Stephen Cohen of the Foreign Policy Studies Program at Brookings, and I'd like to welcome you this afternoon to Brookings for the American launch of *The Future of Pakistan*. There will be an Indian and a Pakistani edition. I don't know if there will be launches there, but we want to head this, the formal launch.

The book had its origins about a year and a half ago. It's the outcome of a project that had its origins shortly after I finished a book called *The Idea of Pakistan* in 2004. It was clear that under General Pervez Musharraf's leadership Pakistan was not dealing effectively with a number of economic, political, and governance problems.

One of the many paradoxes of Pakistan is that there are more than enough competent Pakistanis to operate a really effective, impressive country. I did not think Musharraf's leadership was effective or that he could overcome the institutional barriers that block good governance.

There were also strained relations with India and the United States. Nevertheless, Pakistan is important for many reasons: its size; its resources; its professedly Islamic identity; its quarrels with several of its neighbors, including Afghanistan and India; its nuclear program; and its status both as a sponsor and as a victim of terrorism.

The project that led to this book was an attempt to look up ahead five to seven years beyond the immediate crisis. I've written that Pakistan is marinated in crisis. From the time I've been studying Pakistan in 1977, it's been one crisis after another. So, we wanted to take a medium-range view of Pakistan, so we assembled a diverse and expert group that were Pakistanis, Americans, Europeans, and Indians. Some were former government officials or retired ambassadors -- three were retired ambassadors in fact -- some were academics, and there were some young scholars as well. To each I

posed two questions: How did they see Pakistan in five to seven years from that date, which was a year and a half ago; and in their judgment were the key factors that might shape Pakistan's future? So, really, it's two simple questions that drove the book. Their answers to these questions are in the book.

We want to thank the Carnegie and Rockefeller Foundations, the Norwegian Peace Building Foundation, U.S. Institute of Peace, and several individuals for their support. The individuals include Azim Achima, Arram Hider, and Tino Xavier, my present research assistant. Nolan Hughes was the editor at the Brookings Press. And above all, I want to thank the contributors to this book.

Today we're fortunate to have several of the contributors with us and also several people who've recently written their own books on Pakistan, including Pamela Constable, John Schmidt, and Teresita Schaffer. They've all recently published excellent books on Pakistan. There are others we could have invited, but we simply didn't have the time or the resources to do that.

Given this rich assortment of talent, we decided to make this a longer than usual book launch, with two panels instead of one. So, if you paid your money to get in here, you get two for the price of one, or two cups of coffee for the price of one.

I've asked the panel chairs, Ambassador Teresita Schaffer, a Brookings nonresident fellow, and John Schmidt, to ask the panelists to briefly state how recent events might change their judgment about the futures of Pakistan. In other words, give them an opportunity now to assess what they wrote a year ago, or a year and a half ago in some cases, about the future of Pakistan.

Before we go to the first panel, let me ask one of the contributors, Ambassador William Milam, to say a few words in memory of one of the project's participants, Sir Hilary Synnott, who was a source of wisdom and insight.

MR. MILAM: Thank you, Steve.

Yeah, Hilary was a dear friend of mine from the time we served together

in Pakistan before 9-11, actually, in those years which we now look back on as maybe halcyon years of our relationship. They weren't that great then, however.

If I think of Hilary -- sorry, is that better? When I think of Hillary, I think of several words: stoicism, rectitude, pragmatism, insight, and candor. He was a very private person until you got to know him, and then he was a very warm person. And he was very multitalented. He started life as a naval engineer and served in submarines, and then decided to surface I guess in the diplomatic corps, and after serving in Europe became of the foreign officers leading officials and experts on South Asia. He found his home, I think, in the diplomatic corps; served in India, Pakistan; and was head of the FCO Office that heads South Asia.

His last position, however, I think was one that took him way out of his line of endeavor and, in fact, was probably the worst time of his professional life. He was, for six months, the head of the British administration in Basra starting in the summer of 2003 after the military part of the Iraq conflict had wound down.

He wrote about this last period in a book called *Bad Days in Basra.* And I don't think I need to tell you that the book was not a very good appreciation of either our effort or the British effort in Iraq, and for a year or so afterward, he remained rather, I should say, bitter about the experience.

He also, however, wrote two books about South Asia, one about the advent of nuclearization of both Pakistan and India, and his last book I think was the transformation of Pakistan, which is a very optimistic book about what could be the future of Pakistan, I think, but also he didn't dodge trying to tell the truth about Pakistan's deficits.

He, I think -- and Steve has written this in the foreword to the book that we're launching, but I thought he showed his insights, among other things, by using a term I hadn't heard before. He said that, well, many people think that when you're reviewing Pakistan you either come from a glass half full or a glass half empty. He said,

in fact I think it's a glass too large." And that was, of course, to try and propound the idea that Pakistan may have set out in life with more ambition than it had resources to fulfill.

I want to talk a little bit, our final communications. I saw Hilary a lot in the last few years. Last June, only a few months ago, when I arrived in England, I sent him an e-mail saying I'm here, and for the first time I got an e-mail back saying, gee, I'm sorry, I can't meet with you, but I hope your visit goes very well, et cetera. We had two or three more exchanges of e-mails, and he was always very cheerful, very chipper, very upbeat. I told him I was writing a paper on public opinion in Pakistan. He said he'd love to see it just as soon as he got out of the hospital. And he literally was on his death bed when he wrote those things. And, by the way, I think his last writing for publication was about a five-paragraph thing in foreign policy on -- and I think the title was "Yes, be angry with Pakistan's treachery, but don't go nuts." Anyway.

This is perhaps a bit too long, but it's my memorial to a very dear friend, who, I would say in Shakespeare's words, "reflected the constant service of the antique world where people serve for duty," and he was not, I think, in a sense, for the fashion of our times.

Thank you.

MR. COHEN: Thank you, Bill.

I could add that it was Sir Hilary who warned me off the idea that we were a Delphi panel, which was the original concept of the group that met. He pointed out that the Oracle in Delphi was a woman and she often -- her predictions, when accepted, often led the person to disaster. So, we describe the notion of Adelphi now.

Let me now turn the panel over to Ambassador Teresita Schaffer, whose own recent book with her husband is probably I think one of the five best books on Pakistan, *How Pakistan Negotiates with the United States*.

And we have about an hour for the panel presentation and the discussion, then we will bring the second panel up here and conclude the meeting no

later than four.

Thank you. Teresita.

MS. SCHAFFER: Thank you very much, Steve. Thank you for inviting me to participate in this. I still remember, with some regret, your having initially invited me to participate in the book project, which I wasn't able to do, so I'm getting dessert without having had the main course.

And thank you, Bill, for those lovely remarks about Sir Hilary Synnott, who certainly, in my recollection as well, was a decent and thoughtful and creative public servant of a sort one doesn't see that many of.

It is my pleasant duty to introduce my fellow panelists. Before I do so, I wanted to give you kind of a thought to frame the discussion.

I've encouraged each of the panelists to focus on some of the things that their particular chapters in the book brought in that were unique to them or are under-discussed issues. So, I very much hope that that is what you will get.

If I were going to be a panelist, which I'm not, I would have focused on Pakistan-U.S. relations, which are of course going through a particularly awful time right at the moment. The central thesis of the book, which I wrote with my husband, is that Pakistan's prime negotiating tactic with the United States is what one might call the art of the guilt trip. One of my more eloquent Pakistani friends referred to it as playing the victimization card. This doesn't necessarily mean that the guilt trip is inappropriate or the victimization card misplaced, but it is a way of dealing with the relationship, which, frankly, has been very difficult for both sides and which is at a high point of difficulty for both sides now.

I assume that this will form part of the backdrop of some of the presentations you're talking about, although this is not, in the first instance, a book about U.S.-Pakistan relations.

So, let me introduce the panelists, and I will introduce each of them as

he or she comes up. And the first one to my immediate left is Dr. Christine Fair, assistant professor in the Center for Peace and Security Studies at Georgetown University School of Foreign Service, who has a distinguished career in political science, data analysis; an embarrassingly to the rest of us long list of distinguished books. But the one I don't see on this otherwise splendid bio is the *Cuisines of the Axis of Evil*. (Laughter) And I think that your understanding of Chris Fair will be incomplete unless you delve into that as well.

Christine, you can talk about *Cuisine* or something else. The floor is yours for the next five minutes.

DR. FAIR: Actually, Pakistan is in the book. There is -- you know, it's the first book ever. I got paid something like 13-, $15,000 to write the thing before it was written. It was fabulous. But Pakistan, along with Israel and India, they're all included in the book as a part of the NPT Plus Three States. So, the Pakistan chapter is called "A Dinner in Hayatabad, A Night With the Taliban." Anyway, it's a real cookbook. I actually cut my finger off working on the Iraq chapter. Don't drink and blend is my advice to all of you.

All right, so when Steve asked me to come on board, the time -- I think it was difficult in 2009 to be terribly optimistic about Pakistan and its foundational challenges, which was my charge, and in the wake of the recent years' events it's even more difficult to be even less pessimistic than I was. So, in the chapter I wrote for Steve I laid out what I think are a number of foundational challenges.

There's a tendency in Washington and, quite frankly, elsewhere to look at the Pakistani problem set of the day. So, for example, there's the FATA problem; there's the democracy problem; there's the army problem; there's the terrorism problem. But when I look at the Pakistan problem set, in my view it largely reduces to what I think is the fundamental failure of constitutionalism. Whether we're looking at FATA -- what is FATA? FATA is a failure of constitutionalism. Looking at civil military relations, another example of failure of constitutionalism.

And so that was the optic that I had for the chapter. And the specific issues that I discuss, I think there are few that I'd like to adumbrate upon today.

The first is the source of terrorism. Now, I don't want to rehash what we all know. I mean, anyone who's been watching the news should have a fairly big clue that Pakistan uses its nuclear umbrella with impunity so it can use jihad as its primary instruments of coercion. We all kind of get this. Many of us have also understood that many of Pakistan's erstwhile proxies have turned against the state.

Now, when I looked at the literature of these militant groups, I'd like to draw your attention to perhaps a trend that's less obvious to some of you. You all have been perhaps noticing the Sufi shrines that have been increasingly under attack. Well, this is really quite new in the history of Pakistan. And when we talk about sectarian violence -- and I'm going to include, now, this violence on Barelvis, also known as Sufis -- we're really talking about one perpetrator, and that is a group of Deobandi militants. They're a network of groups. They overlap.

But I think one of the most singularly disturbing trends in Pakistan is the ability of these Deobandi groups -- who numerically, quite frankly as far as we know, remain a minority -- to declare who is or is not Munafiqeen, someone who causes dissent in the Uma -- and then to persecute them and prosecute deadly violence. This is absolutely new. Pakistan has seen killing of Ahmadiyyas. Pakistan has seen the slaughtering of Shias, senseless though it may be. But the idea that a minority musliq or sectarian tradition in Pakistan has arrogated to itself the right to say who is not a Muslim is really something that's quite new.

One of the things that has very much depressed me as someone who's had a longstanding relationship with Pakistan is that there is no ownership of this problem and how it arose. If there can be no ownership, there can be no solution. Everyone talks about the silent majority. You know what? I don't think there's a silent majority. I don't know, I think for those of us who were in Pakistan during the Taseer killing, people that

we had known for decades justified the killing of Salman Taseer for being a blasphemer. There were things I heard people say that I'd known for so long that I never want to hear those folks say again.

So, for those of us that have been in Pakistan during these times of crises, it's really shocking what you think the silent majority would say. But I suspect that if the silent majority were to open up their mouths, you'd ask them to shut up.

Similarly, I was in Lahore teaching last summer when Data Ganj Bakhsh was attacked; very clearly, Lashkar-e-Jhangvi, one of these Deobandi affiliates. I went to the old city where I had been a student, talked to some folks that I'd known for decades. In their assessment it was the Indians that did it.

So, you have these proxies gone wild that's literally tearing the fabric of the state apart and the tendency is not to diagnose the problem, which is the deep states' reliance upon Islamist militants under its expanding nuclear umbrella but rather to externalize this problem anywhere and everywhere it can. Even of late following the recent debacle in U.S.-Pakistan relations, you'll find people saying what's wrong with our jihad when you have imperialism? Now, you know, whether or not we have imperialism is an issue that we can debate, you know, perhaps over a lubricating beverage, but the very fact that it's not an embarrassment to say that we have a jihad strategy but rather this is a counterpoint or a counterstrategy toward to imperialism.

And I think you see this in the platform that Imran Kahn brings to the table. Imran Kahn is exciting because he is enervating the -- denervating, actually, the Pakistani polity, particularly the youth. But the way in which he is doing so I think is not terribly a cause for civil society activists to be hopping up and down with glee, right? He is taking Pakistan to a very bizarre notion of Islam. You know, he had his period as a rakish gentleman, you know, sowing his seeds throughout the West, and now of course he's excoriating the West as he turns to embrace Islam. And he's doing this as a way of recooperating Pakistan sovereignty.

In the course of doing this, of course, you know, he's got the blessings of GHQ, so we should not be mistaken that this, you know, ex-lothario cricket player is going to be anything other than business as usual. He's very soft on the Pakistan Taliban. He's very soft on the Afghan Taliban. And by "soft," I mean doesn't really think that they're a problem.

So, you know, if you kind of looked at how Pakistan is dealing with both Islamist violence on the one hand -- and there's really no way of getting at this -- then you also have to look at the debates that are taking place in Pakistan about who the state is for. And in this sense I think Farzana Shaikh has perhaps written the best book about these fault lines of the state and the nation. Who is Pakistan for? What roles are there for -- obviously, Ahmadiyyas got kicked out pretty quickly. What role is there for Shia in the state? Obviously, you know, non-Muslim minorities. But as I said, increasingly these Barelvis as well are coming under the gun from Deobandi militants.

So, at the end of the day when I look at this, I really see -- and I could go on with these various points -- we have fundamental issues that Pakistan can't resolve. And in a functioning state, we would have political parties that would be the mediator of resolving fundamental issues about constitutionalism: Who is the state for? What's the relationship between the center and the provinces? But, as you know, in Pakistan these -- and I don't care whether they're religious. Oddly enough, the most Democratic Party is the Jamaat-e-Islami, a religious party. They're all, to one degree or another, vertically integrated personality cults, right? They don't aggregate national interest.

And so when you look at Pakistan's fundamental challenges and you try to line up well, here's what it would take to resolve some of these issues, the elements of statesmanship and electoral politics, which is of course driven on patronage, don't really seem to be in alignment to address these fundamental challenges.

And so where I conclude the chapter where Steve is actually where I concluded a piece in 2009, and there's a luminary that's picked up on this, Bruce Riedel,

and that is containment. I think that in the last 10 years of trying to assuage Pakistan to behave differently with allurements, mostly financial allurements and weapons systems, should have disabused us that these are adequate to change Pakistan's strategic calculus in the way it makes its decisions in terms of its actions in the region.

So, in the last several talks I've given, I've put forth what I think is a model that we can debate. It's not a perfect model, but it's the Soviet Union, right? During the threat of the Soviet Union, we had no illusions of friendship, right? We were adversaries. We wanted different things for the region. Our goals were completely orthogonal. And we operated against one another more than we operated with each other, right? But we didn't cut off military relations. We didn't cut off diplomatic relations. We stayed there, but we understood the goal. We understood the problem set. We invested in civil society, not with this notion of necessarily being transformative, but one day when the system breaks open, there'll be people to work with.

And then the final point that I'd like to leave for your consideration -- and this is where I get myself most in trouble in talking about this -- is that we learned that the Soviet Union could fail, right, that the nuclear problem would be handled, that the world was not going to end. And going to Ambassador Schaffer's remarks, ultimately Pakistan is able to drive the system of international relations because of its fear that it will fail. And so I think we actually have a lot to learn from the Cold War about how we might manage our future relationship with Pakistan. (Applause)

MS. SCHAFFER: Thank you very much, Chris.

Our next speaker will be Ambassador Bill Milam, senior policy scholar at the Woodrow Wilson Center in Washington and once ambassador in Bangladesh, where he was the successor by a few to my husband, and subsequently in Pakistan. Before any of that, however, we were colleagues in the U.S. Foreign Service where Bill was the shining light among economic officers. And I'm hoping he will let some of that light shine through his presentation this afternoon.

Bill.

MR. MILAM: Well, the light may go out halfway through this, but let's see.

Anyway, I do plan to devote most of my remarks, or at least the last part of my remarks to the economy. But because I did -- evidently I was one who covered that in the book in a very, very superficial and not very helpful way, and I think maybe that does bear looking into, because in all of the talk that we've had, a lot of talk we have about Pakistan, one rarely hears mention of the economy, which a shambles. But let me just say first that these papers were written first a couple of years ago, revised for the Brookings website, and then revised again about six to eight months ago for the book. So, they're, you know, revisions of the revision. But, you know something? I think it shows how fast things are moving with Pakistan in almost always that we want to stand up here -- at least I want to stand up here and tell you what I would have done differently had I been writing it today. And I'll go very briefly through those.

The first is in an early part of my chapter I write something that I thought was quite illuminating at the time, that there was certainly going to be a political solution in Afghanistan. Well, anybody who reads that now thinks where has this guy been?

The second thing is I write a section called "The Lost Generation," which I thought was not too bad, and it did catch the exclusionist elements that Chris talked about. But had I been writing it now, I would have translated those into the enormous volatility and the power of public opinion in Pakistan, which drives everything, including probably I'm sure the latest downturn in our relationship.

And I would have also written in the part on U.S.-Pakistan relations that were I writing it now I would have played down to almost zero, if you will, the importance of our economic assistance that Kerry-Lugar-Berman built. It was a great idea, but I think it's not the solution and never was to the relationship. We need bigger ideas I think, or different ideas, maybe not bigger.

Now, in regard to the economy, one of the reasons one doesn't hear about it much these days is because for some reason -- hard to know why exactly -- things evidently seem pretty good in Pakistan there. People are not complaining. They seem to have -- they're working hard to fix their energy problem, to fix their monetary problem. But, in fact, I think most economists who are familiar with Pakistan would tell you that Pakistan is driving over an economic cliff, and who knows when the edge of that cliff will be reached.

But things are not likely to be able to stay as they are very much longer. They have, as you well know because it's been old news now for several months, decided that they have no more -- we all have no more truck with the international monetary fund, which means that in fact they begin paying back the fund next month I think, and of that great amount of what they call reserves, which comes into the foreign exchange reserves, most of it belongs to the Fund and that that doesn't belong to the Fund belongs to other lenders such as China.

So, there will come a time in the near future, unless things change somehow, where they will be down to a very few months' imports, and they will begin to panic and the exchange rate will begin to deteriorate even worse than it is. So, you know, in that sense they are heading for shortages on imports, shortages of things like energy imports, or actually pulling in their horns and going back to the IMF.

But what would the IMF mean? The IMF would mean that they would have to agree to some very, very difficult conditions, difficult economically and probably more difficult politically. They'd have to agree to pay much more in taxation. Their tax-GDP ratio is now like about 8 percent. That makes ours look good. And in fact they have no intentions of, although they claim they do -- their plans to raise taxes are -- raise the revenue base do not look very feasible given the political situation.

So, then they've also adopted a monetary policy, which in the teeth of inflation doesn't make much sense at all, because they seem to be, as far as I can tell,

increasing the money supply, which is -- so, sooner or later you will get to some sort of spiraling inflation, driving food prices up as well as the prices of everything else, as well as again having a spill-back effect on their foreign exchange rates.

So, I don't think I'll go into exquisite detail on this, but I think the next big crunch in Pakistan, certainly coming soon -- well, I've got a whole minute left, how about that, but I don't need a whole minute -- the next big crunch in Pakistan will be on the economy. And how it comes out, I am not sanguine, unless they put their tail between their legs, their hands together -- not in the begging bowl, but in this position -- and go to the international agencies -- the IMF, the World Bank -- and plead and promise, really, that they will make structural changes in return for a little help. We'll see if that happens, but I wouldn't bet on it.

Thank you. (Applause)

MS. SCHAFFER: Thank you, Bill.

And our next speaker is Shuja Nawaz, who was born in Pakistan and has been, since January 2009, the first director of the South Asia Center at the Atlantic Council, having had an eclectic and distinguished career before that with various think tank stints at the IMF, the World Health Organization, and at various publications. And he's probably best known in this town for his book, *Cross Swords: Pakistan, Its Army and the Wars Within*, which is a history of Pakistan, told largely, but not entirely, through the prism of the Pakistan army of whose importance in Pakistan's daily life we are given daily reminders.

Shuja, the floor is yours for the next five minutes.

MR. NAWAZ: Thank you, Daisy. And I do want to add my praise for Sir Hilary Synnott, somebody that I worked with when I joined the Atlantic Council, and in fact he was one of the small teams that we put together that produced the very first publication that my salvation center released in 2009.

(Interruption; technical difficulty)

MR. NAWAZ: All I can do is echo the comments that were made earlier about Hilary. (Laughter) That's where the feedback was coming from.

SPEAKER: That's right.

MR. NAWAZ: My chapter was called originally "The Futures of Pakistan: The Clash of Interest and Objectives," and then it was reduced to "The Clash of Interest and Objectives." And the reason why I had originally chosen "Futures" was that it was a bit like the Yogi Berra quote about Pakistan coming to a fork in a road and taking it. And the reason for that is that in Pakistan there's a great tendency for politicians and leaders to state purely tactical and call it strategic.

There isn't a great deal of appetite for strategic thinking or planning. So, as a result, Pakistan's economic future is a matter of great concern. And I won't go into all the details that Bill has just already talked about, but I do want to remind people that in spite of all of this, there was a World Bank Study that looked at the period 1980 to 2007, at the developing world, and the remarkable result that emerged from that was that the one country that came out with the highest average growth rates over that period was China at 9.9 percent. And the country that came in second was, surprisingly, Pakistan at 5.8 percent. And I cite this purely in support of my contention that growth and development in Pakistan occurs in spite of government and in spite of the state, which means that there are sinews of strength in Pakistani society, which, if they're allowed to operate, would be able to bring the country back on an even keel.

But it faces huge challenges, and I was asked to focus on the demographic shifts, and so those of you that were here last week when we discussed Steve Inskeep's book on Karachi, my apologies if I repeat some of these ideas, but with a population of about 180-85 million, today Pakistan has a median age of either 18 or 21, depending on who's counting. And so you have something like 90 million youths that are going to be fed, educated, and given gainful employment.

This particular pyramid structure of Pakistan's population is going to

remain over the next 15 years, and another huge challenge that is going to occur is that something like 80 million youths will be added to the job stream by 2050. And Pakistan is no longer on the trajectory that would allow it to stay ahead of this population growth goal.

Moreover, and this is something that's already upon us, the country is increasingly urbanized, meaning that what used to be small rural towns now have all the characteristics of large cities, and the large cities are now mega cities on a global scale, of which Karachi is a great example, again, depending on whose statistics you look at, a population of either 13 million or 18 million, larger than most European countries and totally ungovernable.

So, the question is what will happen when the current census, which is already underway, is completed? And if it is completed correctly and if under its rules the country then changes its political boundaries, there's likely to be a political shift from the countryside to the cities, because most of the populations are now gravitating to the cities.

Now, there has been a tendency in Pakistan's history for the centers to acquire power and to take it away from the provinces so that what started off as federation essentially became a centralized state where all the power was centered normally in the military rulers or even in the civilian rulers when they took over in the interregnum between long military rule.

The good news is that somehow after something like 18 years of debate, there was an agreement between the center and the provinces and the National Finance Commission Award was agreed to last year under which they reordered the sharing of revenues between the center and the provinces and tried to make up for what had been, obviously, shortcomings in the previous formula. This was accompanied by the 18th Amendment of the Constitution and the devolution of power to the provinces. But there was no planning for the implementation of the devolution, and to this day that whole

process has been caught up in the squabbles between the center and the provinces with the center basically saying to the provinces these ministries are yours, you handle all these sectors, and the provinces saying we don't know how we're going to find the resources to manage them. But then they understood that there was a model that the center had followed, which Bill had alluded to in his comments, which is that of deficit financing.

So, they also saw that the Punjab government had something called the Punjab Bank, which was an ATM machine to which they went, and they were not responsible for filling it; somebody else was responsible for filling it. So, now you have requests from all the other provinces to set up their own banks so they can go in and carry the deficits and then go into the center and say please go ahead and pay this bill.

An interesting sidelight to this demographic shift is the fact that even in the military, the population that has moved closer to the cities or is in the cities is now increasingly being recruited by the military, particularly in the officer class. So, when I was doing my book, I did a very quick and dirty analysis that showed that in the decade ending 2005 more officers were recruited from Karachi than from Jhelum. And then in a paper that Chris Fair and I did, we saw a shift in some of the recruitment to districts that are more in central and southern Punjab but also districts that are quite impoverished.

Now, when we say Central and Southern Punjab, remember this is also where the most militant Punjabi groups are recruiting. So, that juxtaposition is likely to create a problem.

Within the bar structure of Pakistan, we noticed a shift also from what used to be a Troika in the 1990s to a pogo-stick under Musharraf, where he had to do a balancing act to stay involved, but he was all in all to essentially a kind of in-balance, four-legged stool now where you have the military still, you have the civilian president and prime minister on one side, you have an emerging judiciary, and then you have the media representing civil society and the rise of civil society.

So, where does the future take Pakistan? A lot will really depend on whether there is a debate within the country, whether that debate, you know, which was inspired by the so-called silent majority that may or may not exist but which they need to have in order to determine what kind of Pakistan they want to be. If not, it will continue to be a clash of the old interests and you will simply have a kind of musical chairs from one party to the next. Some of the actors may change, but the basic principles will remain the same.

Thank you. (Applause)

MS. SCHAFFER: Thank you very much.

And the final speaker on this panel is Moeed Yusuf, South Asia advisor at the Center for Conflict Analysis and Prevention, which is part of the United States Institute of Peace. It's absolutely not fair for Moeed Yusuf to have such a long and distinguished list of publications and career stops at his tender age, but he does. And I would add that he and I had the pleasure of work together on the groups that went to Moscow last summer to talk with Pakistan and Afghanistan's specialists from the Russian academic establishment. Moeed has made something of a name for himself trying to look beyond the immediate future in Pakistan, and that is what I'm hoping he will help us enlighten us on this afternoon.

MR. YUSUF: Thanks. Thanks, Ambassador, and thanks, Steve, for inviting me and having me as part of the project.

My chapter in this book is called "Youth and the Future," and I essentially look at the time horizon which for Pakistan doesn't exist in this town, a decade, getting away from the day-to-day firefighting. And so some of the things I talk about -- people who've come back to me and challenged me on the assumptions essentially tell me exactly what I wanted to get away from, which is did you see what happened last weekend? And my answer is I really don't care, because if I'm looking at this young generation, you've really got to move away from what preoccupies us.

Some of the figures were mentioned. I just wrote a couple more. Why the upcoming generation is as important as it is: 67.1 percent of Pakistan is below the age of 30. And in proportional terms, that's second only to Yemen, but Yemen, of course, the total size is miniscule compared to Pakistan. So wherever this particular cohort decides to take Pakistan, that's going to be the destiny of this country.

What I did in the chapter was essentially look at whatever data is available or whatever has been written about what the youth are seeing their country do, what they wish the country to be, and how they're molded in seeing Pakistan's future. Then compare that with what are likely to be socioeconomic realities that they have to deal with.

And I'll just throw four or five sort of future-oriented projections, of which I have in the chapter and you'll have to go back and look at it on how I get there. But essentially if you look at what the youth are thinking, what youth perceptions are today, three or four stand out.

One, it's still a highly conservative generation that is coming up, not to be confused with extremism, but it's acutely aware of its sex and ethnicity, which may or may not be a change from the older Pakistan. In times of politics, it's increasingly frustrated, discontented with the leadership, the political leadership, be it the current government or whether it's been ruling them in the past. They're very impatient for change. They do support democracy more than not, but there's no real philosophical commitment to democracy as being the only system available to go with.

If you look at the historic trend, one could argue that once that frustration level rises to a point, a backing up of the system is fair game, and that tendency seems to remain. But the most interesting aspect that I find over and over, even my anecdotal evidence of talking to people across Pakistan in this generation, they're frustrated, they're willing to criticize, but none of them is willing to touch politics, because it's dirty business.

So, the obvious question is you want change, you want positive change,

you're not willing to change anything yourself. Who does it? And then you go back to the same leadership. So, I think this is an unresolved paradox for Pakistan.

And third, with the current mindset, the mindset is anti-extremist. Terrorism is not popular, contrary to what many would believe but, at the same time, avidly anti-U.S. as well. And these two coexist and I think will continue to coexist, as I'll mention briefly later.

But these three I think stand out for what I want to say here. In terms of the realities they're going to face, I think some of them are just structurally set for Pakistan in the next five to seven years. Education, the quantity, the quantitative part of education, all indicators are looking up; qualitatively not so much. In fact, Pakistan's stratified education system is essentially producing three societies within a society. The public education system, mainstream conservative bias, the private elite education system, which is one end of the spectrum, and then the seminaries, really, quite frankly, few in number compared to the attention they get without throwing out a very different kind of mindset. And if you look at the narrative in social media now, it's essentially a polarized and divided society, one thing to the other for the problems Pakistan faces.

The right wing sentiment seeing sort of this elite as being part of the problem, Western-oriented, sold-out Pakistan kind of mentality, and they are looking at the right as one step below and back where they don't understand what needs to be done. So, it's inherently seeds for polarization are found within the way they are being educated.

Second, I think I don't need to talk about the economy anymore, but the next five to seven years of projections are fairly grim. So, you can add these youth and the number put out coming out in the market and not finding the requisite kind of outlets required. What that would lead you to is something I call in the chapter and elsewhere the expectation they already disconnect. You're throwing out people with a certain amount of education and degrees and essentially under-employing them and leaving

some out of the force.

Now, I don't buy this argument that has been made by most that while you're poor you're socially economically deprived and thus you will fall to extremism. But I don't buy that, except in Pakistan's case the problem is not the supply side, which is most of the literature's focus; it's the demand site. The demand for militancy in some ways has trumped the supply. The access to militancy is quite open at this point, and it depends how Pakistani was to see whether that disappears or not. But it's not too difficult to be brought in to the kind of narrative that's being thrown out by the ultra right in Pakistan.

Let me very quickly throw out five sort of projections, if you will.

One, there's going to be a tussle that will continue between the traditional and the more organizing forces. But the traditionists seem to have the upper hand at this point, given the way the youth mindsets are set up and what the socioeconomic realities may be.

Second, there is a likelihood of an increasingly fractured in polarized society, and I think the narratives are already pointing in that direction. And I go into some detail on why I make that case. There are various outlets that empirical evidence points to. You could word what's crime. You can simply be disillusioned and not doing anything. But in Pakistan's case I think the extreme sectarian, ethnic, and sort of provincial affiliations that they are very aware of do add additional cleavages. And all of this can come together in various ways. What one can say in terms of prediction is that none of them look very pretty. And it depends on how bad it gets looking 10 to 15 years ahead.

Politically, I think you can just look at the last 60 years and project forward. And I don't think there's much change there. Democracy is the preferred option, but if the political leadership continues to fail, and of course the military has a role in contributing to that failure I think, but if they continue to fail I don't rule out a systemic

change in them either going back to military or coming up with some kind of creative model that doesn't really reflect a democratic dispensation.

The problem is that the frustration levels are so high and the structure problems are so deep that no government -- any prediction that I do, I don't come out with any scenario where any government can perform well enough for the people. So, there's always this expectation we already disconnect with pushes and anti-incumbency sentiment among the youth.

Now, there is one change that is happening, and we don't know how that will play out, and that is the organization in Pakistan. Fast organizing, if you have a census, you know, they're estimates, anywhere from 35 percent to 50 percent. But the whole of the feudal elite is shaky. There's no question about that. Whether the next generation or the urban bourgeoisie, who become more prominent, have a different take on politics, is questionable. Technically, you would argue yes. But in Pakistan's case, my argument -- in mine there's been -- but it's not the landlord and the feudal holding that's the problem; it's the feudal mindset, which from the edge both the ruler and urban elite. And in some ways the urban elite, you know, I think surpassed the ruler once. And so whether that will bring positive change or not we have to wait and see.

And, finally, I think Pakistan, given again the mindset and the realities, Pakistan's internal divisions are deep enough that they will not allow a consensus to be forged on any platform in terms of politics -- neither a pro-Taliban platform nor an anti-Taliban platform. But what is more likely is for the ethnic and the provincial and the class-based differences to keep trumping any message that the Taliban sends out for too long do fall into this trip of a Talibanized Pakistan. I really don't see that as the real danger. What will happen, though, is that the narrative of the extreme right will continue getting conflated with anti-Americanism and this imperialism that is being enforced upon the region and Muslims in Pakistan.

So, that conflation, I think the trajectory is anti-extremist, anti-U.S. at the

same time. And if you translate that into what it means for the Pakistan-U.S. relationship, I think you go from crisis to crisis -- your terrible spouses who don't want to get divorced for all the child care costs attached to it. But you basically go from a fight to the next one.

Thank you. (Applause)

MS. SCHAFFER: Thank you very much, Moeed.

We still have a little bit of time for questions. Let me urge who wish to ask questions, first of all, put your hands. I will try to recognize people as I see them. I believe there are microphones walking around. Hold the microphone close enough that we can hear you. Identify yourself and your affiliation -- I hesitate to say this in a gathering on Pakistan -- try to be brief so that your friends and the rest of the audience have a chance to ask their questions as well.

SPEAKER: (inaudible) Pakistan is the substitution of the state as the state starts sitting. Look at urbanization and education, security, water supply. In all of these areas the state is failing, but if you go to Pakistan, you are surprised by the private effort across all of Pakistan in each of these areas. Education -- the private sector is diverse, it is progressive, and is making a substantial substitution for the (inaudible) of the state. Water supply -- Karachi, the water supply is failing. No problem. The water supply is given by the private contractors who provide supplies. And finally, security, and most of them (inaudible) in the cities, security is provided by private forces. So, the question that I am asking at the state phase (inaudible) state in Pakistan are becoming very important and probably with a bit of limitation to that.

MS. SCHAFFER: Thank you very much. Important observation about the apparent substitution of private -- for state efforts.

The gentleman in the blue shirt behind him.

MR. SYNNOTT: My name's Tony Synnott and I had the opportunity to meet Ambassador Hilary in Baghdad some years ago. He referred to me as "cousin,"

although I don't know that there was a direct lineage, but I wish there were.

I wanted to ask you just two easy ones. With regard to recruiting in the Army, and we know the Army has a strong influence, I'm not sure I grasp completely, but you've mentioned the recruiting in Karachi out-straps that out of other areas, and I'd like to know what the effects might be from that institutionally, and then it's especially as it relates to international relations.

And then can you -- can somebody tell us a little bit more about the level and character of education of the upcoming generation? And in particular, what's the philosophy that's prevailing there? Is it secularism? Is it tolerance? Is it intolerant? I heard conservatism. Can you expand upon that as it relates to the education of the youth?

MR. NAWAZ: I'll just talk about the military recruitment, and maybe Chris can add something to that, because he's done some more work on this beyond our initial study.

The fact that there is more recruitment from, say, Karachi than from the district of Jhelum, which was traditionally a main area of recruitment of the Pakistani office of Gorand soldiers was surprising. But there's been tremendous and total migration within the country, so we have no way of really pinning down the nature of the change that has occurred. However, by the very fact that people are now living cities, they're acquiring all the trades of urbanization and the points of view of those that live in city as opposed to those that live in the countryside and grow up in the countryside. So, that will have an effect over time.

In terms of the effect on the military's politics, I think they're as increasingly conservative as the rest of the country now. A lot of the traditional recruits into the military are not going into the military. So, we'll have to wait to see where the urban petite-bourgeoisie are going to head and who is going to influence them most.

I'm going to leave it to Chris and to Moeed to share a little more light on

this.

DR. FAIR: Yeah, so, I've had the privilege of working with Shuja using some of his army data, and I rassled up a team of economists and he put together a very large set of panel data that actually allow us to take a look at those districts that are producing officers.

A couple of things. I've got a paper coming out where this is sort of summarized more or less accessibly.

The first that's interesting is that increasing the partisan army is drawing from districts that are less educated. Now, like all armies, they weed out the jackalopes, right? I mean, that's what our Army does. So, there's going to be this minimum threshold, but what we're seeing, the districts that are producing these officers, they're -- increasingly, the army's not getting recruits from those districts that are the best educated. And that's probably because even though it's a higher levels of the officer corps, the prerequisites are, you know, pretty appealing. But for junior officers, it's not that great. So, if you think about a family making an investment in education allocation, if a family goes beyond a certain point, it makes sense -- let me go into the private sector, not into the army.

So, there we see a sweet spot in terms of education for the military. Even though they are coming from districts that are less well educated, they're still coming from areas that are more socially liberal, and you can perhaps quibble with how we define social liberal, but we define social liberal as those districts where the gap between male and female education narrows. So, you know, in extremis you had a generally liberal district. You would have women that were more educated than men. And the other thing that we used to look at this was the age of first marriage. So, when we look at those two metrics -- and you can dispute whether or not those are reasonable metrics for social liberality -- those metrics seem to be predicting this.

And the interesting thing about that finding, and this is something that

Shuja and I wrestled with in our piece -- by the way, you can find it, journalist strategic studies from last year, and it's also on our social science research network -- the urbanization in the social liberal finding was kind of interesting, because for those of you who know Pakistan, actually it's in the urban areas where political Islam thrives. This is not purview of the villages as a lot of people I think are under the belief.

That's it for my comments.

MS. SCHAFFER: Moeed, do you want to --

MR. YUSUF: Yeah, very briefly.

You know, I see the Pakistani education system as very comparable to the rest of South Asia, which is to say it's terrible. And there's an obvious conservative bias, a nationalistic bias, but that's what you would see across the region for the most part. Where I think we missed the point is talking about education in isolation. The context is more important. And the context -- the young Pakistani generation is now coming up in -- is not conducive to tolerance. It's becoming more and more intolerant. I don't think it's becoming extremist in the sense that we use the term. But it's certainly becoming much more intolerant and polarized.

MR. ALADAD: My name is Yad Aladad, former director of operations at the World Bank, and I'd like to direct a comment and then an embedded question to Shuja.

Shuja, you touched upon devolution, and I bring up this thing because the government amongst its few successes is actually doubting this particular thing as a great success.

My contention is that it's really mired down in capacity shortage. Both of the individual levels -- perhaps not so much at the individual but certainly at the institutional and even more so at the policy level. So, if this institution capacity and other forms of capacity were lacking at the center, what chance is there that one should devolve where the capacity is even less that this should be successful at all.

Your comments on that actually -- first of all, if you agree with my contention; and, number two, if you do, what can be done about it?

MR. NAWAZ: I think I did mention that the idea was a good one but that there was no planning for the implementation. And in my brief comments, I didn't go into the details of that, but this is exactly it. The capacity was not there at the center and it's certainly not there in the provinces. So, what you've done basically is more a whole set of responsibilities to the provinces, including a whole chunk of bureaucracy that you physically shifted to the provinces, like no means of being able to put them to good use. So, this will be a very difficult transition for the provinces. But, still, the very idea that Pakistan is now reverting to its roots as a federation rather than a centralized government that successive dictatorships, civilian and military both, could take advantage of in Islamabad is a good thing. And so maybe there is some hope. But to go back to Sir Hilary's comment, the glass is too big, and the question now is how do we fill it?

DR. MASUD: Hi, my name is Dr. Shahil Masud. I'm a visiting journalist from Pakistan. I just want to make a comment to what Dr. Fair said.

The Salafies or the Wahhabis or the Deobandis, blasphemy is not their issue. Blasphemy is issue of the Barelvis. And that's why the guy who killed Governor Salman Taseer was a Barelvi by the name of Qadri.

In Pakistan, we have probably two types of military organizations. The Barelvis are the ones who are -- the Barelvi militant groups, they are more towards India. The Kashmir site (inaudible) or the Lashkar or whatever. So, the follow the Barelvi sect.

And the Deobandis are the ones who are towards the rest of the (inaudible), which is (inaudible) and Taliban and they follow that sect.

So, that was my point that blasphemy is the issue of the Barelvis, it's not the issue of Salafies or Wahhabis or Deobandis.

DR. FAIR: If I need one, very briefly you are absolutely wrong on virtually every single point that you made. I don't need to say anything else. We can talk

about this offline. In fact, what people were shocked at when the Barelvis came out in support of blasphemy and the killing of Taseer, that was their problem for failing to understand who Barelvis were in Pakistan, but they are not the issue by any means. And in fact they're not even the ones that are supporting these militant groups. So, what he's -- false, false.

SPEAKER: Hi, my name is Halid Hashmani. I'm from (inaudible). Isn't the question that Pakistan narrative has really failed from the beginning? Pakistan, although, created in the name of Islam, was really supposed to be, based on the founder of Pakistan, to be a country for everybody. And since that narrative has consistently failed and the establishment of the people who feel threatened that Pakistan is threatened, they are trying to find new ideology, a new narratives, which will keep Pakistan together. And I want your comment whether the spread of fundamentalism and extremism is fanned by that fear that without Islamic bind, cement, Pakistan is going to disappear.

MS. SCHAFFER: I'm going to exercise the privilege of the chair and attempt to respond to that.

The question, Pakistan was of course founded as a homeland for the Muslims of the subcontinent and the Quaid-i-Azam Muhammad Ali Jinnah) spoke eloquently on what he believed that this meant. And I'm sure you're all familiar with the quotation from his speech just before Pakistan's independence. But I think it's fair to say that no issue has been so hotly and consistently contested in Pakistan as the issue of what that means, what it means to be the homeland for Muslims, what it means to be a Muslim country, and so on. And it would take far longer than we have available this afternoon for me to attempt to introduce the two different sides of it.

What does this all mean for Pakistan's future? I think you're seeing this play out against a backdrop that is not just religious. It is also social. It also reflects developments that are happening around the world between Muslims and non-Muslims

and within the Muslim world, and all of these things are coming together in a, I think, rather dangerous brew that ultimately the people of Pakistan are going to have to sort out. And those who wish Pakistan well from other countries are probably going to have some difficulty dealing it.

With that, I thank my panelists and Steve, our valiant convener. And I think the decision has been made that we are not going to have a break. We are simply going to shift panels. So this panel will do its best to get out of the way as quickly as possible and to let the next distinguished group take our places. (Applause)

MR. COHEN: Let me remind everybody to please turn your cell phones on when you leave at 4:00, okay? We've been fortunate so far in that only one went off, but please turn them on when you leave.

Let me introduce John Schmidt, who's a retired American Foreign Service officer who served in Pakistan for several years and is the author of a fine book on Pakistan and militants in Pakistan. And John will then introduce the panel.

John?

MR. SCHMIDT: Thank you, Steve, and welcome everybody to "The Future of Pakistan, Part 2." I'm going to launch right into speaker introductions. We'll get them out of the way and then we'll have them introduce their remarks.

Immediately to my left is Pamela Constable, who's currently a staff writer for *The Washington Post*. She has extensive experience in covering Pakistani affairs, having served as South Asia bureau chief for the *Post* from 1999 to 2002. That's when I got to know her. She was also bureau chief in Kabul from 2002 to 2004. She's continued to follow events in the region very closely, as reflected in her new book, *Playing With Fire, Pakistan at War with Itself,* in which she paints a vivid portrait of the country and its many problems.

Bruce Riedel, on my far right, is a senior fellow here at Brookings and himself a leading authority on South Asian affairs. A career CIA officer, Bruce has served

in many senior positions in the U.S. Government, including as senior director for Near East and South Asian affairs at the NSC, during the Clinton administration. He was an advisor to the Obama presidential campaign on South Asia, and chaired an interagency review of U.S. policy towards Afghanistan and Pakistan during the early months of the Obama administration. And he's the author of his own recent book on Pakistan, entitled *Deadly Embrace, Pakistan, America and the Future of the Global Jihad*.

On my far left is Joshua White, the youngster of our panel. He's a Ph.D. candidate at the Johns Hopkins School of Advanced International Studies and a Jennings-Randolph Peace scholar at the U.S. Institute of Peace. He's spent extensive time in Pakistan doing research and has presented his findings in numerous academic and policy forums, and in a testimony before the Congress. He's also an active participant in several high level U.S.-Pakistani Track II strategic dialogues. His current doctoral work focuses on decision-making in Islamic parties in Pakistan.

And last, but certainly not least, to my right is Marvin Weinbaum, who's a scholar in residence at the Middle East Institute and a professor emeritus of political science at the University of Illinois, where he was director of the program in South Asian and Middle Eastern Studies. He's also served as analyst for Pakistan and Afghanistan in the Bureau of Intelligence and Research at the State Department, where I first got to know him. He's written extensively on Pakistani topics for a wide variety of foreign policy journals and book anthologies. He is and has long been one of this country's leading authorities on Pakistan.

So, as with the previous group, I'd like to invite our panelists to gaze out at the next five to seven years of the future of Pakistan, predict where it's headed. It's now been a year and a half since the Bellagio Conference was held and arguably the biggest change that has happened in the region during that period has been the dramatic downturn in U.S.-Pakistani relations. And I would ask our panelists to try to funnel that phenomenon into their five-minute remarks and discuss where things may be headed in

that relationship, which suddenly seems likely to have an enormous impact over Pakistan over the short to medium term.

And without further ado then, let me turn to Pamela.

MS. CONSTABLE: Can you all hear me? Is this on? How about that? Well, we're sort of at both an advantage and disadvantage in the second panel. A great deal has already been said over the last hour and a half and I don't want to repeat a lot of the points that were being made before. We don't have that much time, if we're true to our schedule, less than 45 minutes. So I'm going to be very telegrammatic here. I'm just going to make some bullet points so that we can have some more time for discussion.

Two things I want to say. First, a previous speaker talked about the fluidity of events, of which I'm certainly a minor victim. I had to revise my recent book something like six times after it was "finished" and at the publisher to accommodate such things as floods covering the country of Pakistan; the extension of General Kayani; the killing of Salman Taseer; and then, worst of all -- for many reasons -- the capture and killing of Osama bin Laden, of which we were only able to get something like one sentence into the final, final, final version of the book.

The second point I want to make is that, you know, in reading through all of these chapters and listening to all of these comments, I'm struck by the extraordinary commonality of the diagnosis. I mean, speaker after speaker, chapter after chapter, everybody seems to agree on a set list of problems that Pakistan has been facing for a very long time, and continues to face.

It's also striking how pretty bleak the prognosis seems to be. I haven't heard much in the way of sort of optimistic forward looking. Places for hope. You know, if you look at the places that people would like to think of as hopeful, there's always a downside, media being one that comes to mind. Media is an incredible potential for positive change in a place like Pakistan, but it also has a terrible downside. It's not only exposing scandals, it's also pandering to the lowest common denominator in many

cases, which is, you know, extreme emotionalism, anti-foreigner, anti-Americanism. Lots of bad things happening with this great new media.

The judiciary, there's been enormous hope in the lawyers' movement in the judiciary. On the Supreme Court a chief justice restored the power; that, too, has had its disappointing side. Not that much has changed as a result of the restoration of Mr. Chaudhry. The lawyers' movement, which had its shining moment several years ago, has been quite a disappointment since then, the nadir of which, I think, was, in fact, the positive reception that Mumtaz Qadri got at the courthouse when he was brought there after having assassinated the appointed governor of Punjab.

So, yes, there are some positive points, but generally speaking I think we all agree, things are not going very well. I want to talk about a couple of things where I think there are some opportunities, possibly, for help, for ways things could be improved.

I want to talk about -- since we're being asked to first -- the U.S.-Pakistan relation. We all know it's getting worse. We all know the reasons why it's getting worse. I want to focus particularly on this issue because I worked a lot about that on the two years I spent researching my recent book, and that is public opinion. It is very, very true that, yes; most Pakistanis do not support terrorism. Most Pakistanis do not support al Qaeda or the Taliban or cutting off people's hands.

But, at the same time, the body of evidence shows that anti-Americanism, anti-Westernism, has never been higher in Pakistan than it is now. It is across the board, and we are not talking, as other speakers have said, we're not just talking about poor, alienated, struggling people. We're talking about all kinds of people. We're talking about a broad public sentiment.

And I would posit that there are two reasons this is happening -- well, three, I guess. One is -- and I've said this in some recent talks and perhaps some of you have heard about what I'm talking about in my book -- what I see happening is this growing confluence of not what I call the al Qaeda school of thought, but of two other

phenomenon, one of which is what I call a growing emotional and very emotionalistic defensiveness about Islam. People in Pakistan, many of them feel that their religion is under threat from the West. I don't necessarily think that's true, but I acknowledge that many people in Pakistan feel that it's true. That needs to be addressed. There needs to be a much more -- one minute, my god -- there needs to be a much more powerful counter narrative from the West and from moderates within Pakistan and their supporters abroad. It needs to be countered.

Pakistanis, especially the youth -- not only the youth -- feel frustration. People feel alienated from the state. People feel they have nowhere to turn; they're getting very mixed messages from their leaders, from television, from politicians, from religious leaders. They don't really have anything to grab onto except their religion. And there are many ways they can go.

I say that the youth of Pakistan is very much up for grabs right now. You know, if you look at just what's happening on the campus of Punjab University and the appeasement that's going on, and the sort of ceding of space to the radical student movement, it's very, very alarming.

Now, we don't have enough time here to talk about solutions, but I think there are many areas where, if you want to put it simply, shoring up moderation, shoring up the traditional version of Pakistani Islam and trying to isolate the extremes in the fringes, whether that happens from within or with help from without, it's really the only thing that's going to make a big difference in the long run. We have to win them over. We cannot destroy them with drones.

Thanks. (Applause)

MR. SCHMIDT: Thank you, Pamela. And now I'd like to turn to Bruce Riedel who is one of the architects of Obama administration policy toward the region, and recently did a piece in *The New York Times* on containment, which Chris Fair mentioned during the first panel.

So, over to you, Bruce.

MR. RIEDEL: Thank you very much. It's a pleasure to be with such a distinguished group.

I want to underscore, first of all, the importance of this project. I've been benefiting from it from its inception, in being able to read all the drafts and I can say very honestly that *Deadly Embrace* would not be the book that it is without having benefited from all those drafts.

And I want to particularly thank Steve Cohen for organizing this project and doing all the hard work to make it come together. We are, once again, in a debt to his leadership.

Because of the time and because of a very sore throat, I'm going to try to make only two points, very briefly, regarding Pakistan's immediate future, the next three to five years.

First is I fear that we are seeing the creeping establishment of Pakistan's fifth military dictatorship underway right now. What do I mean by that? It's not going to be a repeat of the Musharraf or of the Zia era. It's going to be something more subtle and more nuanced than that. But I think in many ways it is another military dictatorship.

And dictatorship means that there is a group in power that makes decisions irrelevant to what the popular vote, what the popular majority is, and what the elected government is. And I think that that's a phenomenon we're increasingly seeing in today's Pakistan.

And Shuja laid out the notion of the four-legged Pakistani political system, which has been in essence for the last three years. I think we're seeing a qualitative change in the power of those four legs underway today.

Now, some will say this was always inevitable, that the Zardari government, because of the nature of who the president was, the nature of how it came to power, was probably doomed to fail, but that's clearer in retrospect than it was in 2008

or 2009. Some will also say Zardari's weaknesses, and they're profound and they go to the very core of the politician, that he is made all of this inevitable. But that, I think, too, is the benefit of 20/20 hindsight.

The new military dictatorship that's emerging in Pakistan, the fifth military dictatorship, will be very different from its predecessors. The façade of civilian government is likely to continue to go on. We'll still have a president and prime minister. There will be a foreign minister. They'll have all the trappings of power, but behind that they'll have very little of the real powers of power.

The media will continue to be very active and alive, except when it criticizes the army too seriously, at which point the journalist who did so will be terminated, thoroughly. The judiciary will be able to do what it wants to do as long as it doesn't challenge the military. Behind the scenes the army will decide the key issues of national security and allocation of resources.

Now, here again, one can say this is not new in Pakistan. It's been going on for a long time, but that was in some dispute over the last three years. There was an attempt by civilians to change that. The civilian government itself and many of its leaders -- and I would say this includes the president -- are increasingly intimidated and, frankly, scared to death of what the military can do.

Memogate is the ultimate illustration of all of this and is a phenomenon that is accelerating this process right as we speak. It's ironic since the whole purpose of the memo in Memogate was to prevent a military dictatorship. It is, in fact, facilitating the development of a military dictatorship. I hope that whoever wrote the memo and I hope that whoever wrote about the memo in *The Financial Times* can live with their conscience about what they have done in the interests of self promotion.

The model that Pakistan is becoming is, I think, unfortunately, is a South Asian version of Algeria. A country -- in Algeria -- where the military rules behind the scenes. It's very hard to even know who in the military is ruling behind the scenes. Le

Pouvoir, an assembly of generals who makes decisions behind curtains, behind false fronts, all the time, not a single powerful (inaudible) person, but a collection of them. In the case of Pakistan it is, of course, the corps commanders.

The good news is I don't think this process is irrevocable yet. I think it can still be turned around. I think Pakistanis, if they want to, can prevent this from happening. I think new elections that produce a strong mandate for a new government could yet turn this around. It is no guarantee by any means, but it's certainly a possibility. But left on the steady drift that it is, I see Pakistan going into its fifth military dictatorship.

The second point I would make is also, I think, one that's probably relatively simple, and that is that the United States and NATO today in Pakistan, on the other hand, are fighting a proxy war in Afghanistan. Now, this has been true since 2005 as well, but many of the veils behind this proxy war are now falling apart, falling very, very quickly. And the Bonn Conference today is the latest example of the veils falling apart.

The entire world, the United Nations, NATO, and the international community is backing the Karzai government, and the Pakistan government, for one reason or another, is not there. It's backing the Taliban and it has been backing the Taliban for some time. The assassination of President Rabbani on September 20th was a defining milestone in this process because it clearly put Pakistan on the side of a force that does not want to negotiate, which is not interested in a political process. Up until September 20th, we could hope that there would be a political process in Afghanistan. When that bomb went off in the turban that hope came to an end.

Pakistan and the United States and NATO find themselves on an increasingly dangerous and escalatory collision course in Afghanistan. There are some breaks built into the system. Whether they will prove to be strong enough to prevent disaster from happening I think is becoming an increasingly open question. (Applause)

MR. SCHMIDT: Thank you, Bruce. And now I'd like to turn to Joshua White.

MR. WHITE: Thank you. It's great to be back at Brookings and see so many familiar faces in the audience. I want to make one brief point per the moderator's suggestion about the U.S.-Pakistan relationship and then three very brief points about what I see looking ahead in Pakistan that came out of the chapter in this book.

The first on the U.S.-Pakistan relationship, Bruce has written a lot in recent weeks about containment, about a shift toward a policy of containment toward Pakistan. Chris Fair mentioned that as well. And I think there's a lot to commend that line of reasoning given the direction that the relationship is moving.

I think at the same time it's not the most helpful construct, and I just want to explain why I think that's the case. I think a lot of people use containment as a shorthand, as Chris mentioned, for limited cooperation on matters of mutual interest in the environment of some discord. And I think that that can be an element of a policy of containment as we saw during the Cold War, but you can also call that any number of other things. You can call that a modest transactional relationship. You can call that limiting the scope of our objectives and what we're going to be able to accomplish and be realistic about the areas in which we disagree.

Another characteristic of containment that's often brought to light is that containment means planning for the worst case. And on this point I would contend that we already do that. We do a lot of planning for the worst case. We plan for realistic worst-case scenarios, nonproliferation or should I say proliferation scenarios that are worst case. We spend a lot of time planning for what happens if there's another Mumbai attack? What is the fallout of that? And there are a number of contributors to this book who trace some of those processes.

We also spend a lot of time planning for highly unrealistic worst-case scenarios. You know, what if the Taliban roll in to Islamabad and decide then to do something there? I think we already occupy ourselves with this kind of planning. And again, we don't need to call that containment as such.

Third, and most important, I think one of the signature characteristics of containment is putting pressure on proxies. That is contestation not directly, but at the periphery. We saw this during the Cold War. And here, again, I think the metaphor doesn't entirely fit because our primary area of peripheral engagement with Pakistan in Afghanistan. It is the proxy engagement that is currently carrying on in Afghanistan and that, if anything, I think is likely to decrease over time. And the one area where we're likely to continue to engage Pakistan at the periphery is in relation to those groups that come from Pakistan to engage in kind of transnational activities, transnational terrorism.

So all that to say, to frame this I think there is something changing in the U.S.-Pakistan relationship. The scope is narrowing. There's more suspicion. There's going to be even more planning for worst-case scenarios, but I think we can call that something other than containment. I think there are other constructs, other ways to think about what's happening.

In my chapter I touch on a number of different things which I saw or which I sort of speculated about looking ahead in Pakistan, and I want to touch briefly just on three of them. The first is what's going to happen with Islamism in Pakistan? I spent a lot of time thinking about this and writing about this. I spent a lot of time talking with Islamist political leaders in Pakistan as I know Pamela has as well. And I'd like to highlight what Chris Fair mentioned, which is that one of the really disturbing, surprising, shocking things has been the vitriol and the violence directed against what has traditionally been seen as a more moderate expression, a more moderate branch of Islam in Pakistan. We've seen that with bombings against shrines, which have increased in the last several years.

What we've also seen, which is even more disturbing, are elements of those supposedly moderate groups that have become violent as well. And this was mentioned by the questioner in seeing the attack on Salman Taseer, which brought to the surface a whole line of -- a whole stream of radicalism that many people hadn't seen

before. And what I take away from this is not that everybody is crazy in Pakistan. What I take away from this is that we have to see the dividing line not so much as between the liberals and the extremists, and always, well, what's the balance today between the liberals and the extremists, but to look inside of all of the groups that we find in Pakistan and to ask some more focused questions, like what do they believe about who can enforce the Sharia? Because a lot of these questions really come down to very focused questions of who can take Sharia into their own hands? Who can take force into their own hands to enforce Islam? And I think as we look to the future the dividing lines between those groups that are going to be more stabilizing and those that are destabilizing will follow on questions like this, not along who's a liberal and who's not.

Second, I mentioned in the chapter, I sort of speculated about the prospect of a center-right government emerging in Pakistan. And at the time I said, well, this may be a Nawaz Sharif government, a Nawaz Sharif-life government which emerges. And I think if I were to adjust now I would say, well, that would be an Imran Khan government or an Imran Khan-like government that would emerge. And we could have, I think, a very interesting discussion about what that might look like and how it might impact U.S.-Pakistan relations. But in short, I think it wouldn't do anything dramatic to the relationship, but it would allow some of the military centers of power and others to deflect even more of their problems with the United States onto the parliament, rendering them moot. And would, I think we would all expect, facilitate a much sort of wider outcry against the United States.

I've also been studying Islamic politics. I talked to some of the Islamist parties about, you know, who they would like to align with in the next election. If it turns out that there is a center-right government I would expect that some of those parties would like to be part of it. And given the devolution reforms of the 18th Amendment, there's now a whole host of opportunities at the provincial level for policy making that didn't use to exist, which is to say there are a host of opportunities for Islamist parties in

coalition to play around with education policy and with health policy and other things in ways that they couldn't in the past.

One final point because I know this has been a somewhat discouraging afternoon, the one -- I don't know if I'll say it's a bright spot, but the one area where I take issue with, with some who are very dour about Pakistan, is when I look at the ethno-nationalist problems of Pakistan. The questions of Pashtunistan or of ethnic fragmentation or of the state sort of spinning apart like an Iranian centrifuge on Stuxnet, you know, all these sort of terrible visions of what the state will become, I'm more sanguine on this point. And that's because I think that Pashtunistan was never, or least in the last couple of decades hasn't been a viable construct to begin with. And, in fact, the most troubling kind of Pashtun nationalism I could imagine is one in which the Taliban actually get really smart and decide to appropriate it for their own purposes, which, to date, they haven't done.

On the other hand, we see the government's done a lot of very positive things. The 18th Amendment devolved a number of powers. The National Finance Commission Award provided -- met a lot of the demands of those in the Frontier Province, for example. There have been little outbursts of demands for a Saraiki Province and a Hazara Province. All of these, I think, are possible over time as part of a grand political bargain. And I think that the state has actually been quite adept -- I realize I just said that Pakistan, the state, has been quite adept -- at dealing with this and at meeting some demands in a minimal sense in order to preclude broader vociferous tendencies in the society. And in this sense, I think, I wouldn't say they borrowed a lesson from what India did in the 1950s and '60s with its state reorganization, but there's certainly parallels to how they have quieted some of these tendencies. And I think in this sense the state is more coherent than people often give it credit for.

Thank you. (Applause)

MR. SCHMIDT: Thank you, Joshua. Now Marvin Weinbaum.

MR. WEINBAUM: Thank you, John. Well, I guess you will come away from this session here saying Pakistan is in crisis, and I can understand why. The trouble is that for so long those of us who have been watching Pakistan have been saying Pakistan's in crisis, so this is hardly a new observation. In fact, the meaning of crisis for Pakistan is perhaps lost.

Certainly what we recognize here is that many of the ingredients that we would have thought would be game-changers along the way just never came to fruition. Whether it was because the vehicles for change were not there, whatever it was, we've tended to focus a good deal -- we've had to -- on a certain resiliency in spite of everything, maybe an inertia, but, in any case, that the spark was not there. And so it's not surprising that when I wrote my chapter and I laid out six possible scenarios, which includes just about all of what we've heard this afternoon, I assigned probabilities to them, and I gave the greatest probability to muddling through. And I don't entirely back away from that. It just seems given what we know about the country, what we know about the propensity for change when all of the same players seem to be on the scene perpetually, everything changes, but nothing really changes, although even with this continuity scenario there will be changes.

Well, we also have word that it's okay because there is a silent majority out here -- we've heard that before -- and that somehow they stand apart here, and if only they had an opportunity to express themselves. And so it's the deep state which has taken this away from them and they are really more reasonable, more likely to be tolerant and so on. And if you don't like silent majority, which is such a vague term, civil society is there. And if you give it time, it's going to be able to step up and put one of my best scenarios for Pakistan, put it certainly on that track.

And so that's where I was when I wrote the chapter. And I say I'm not backing away from it entirely, but I must say that the events of this year have led me to question whether it is going to be business as usual. We've seen a series of

developments here, of shocks to the Pakistan system, to the relationship with the United States, which are really worrying.

For example, what we once thought of as the jihadi narrative, some of the conspiracy theories that were once kind of fringe expressions, you can't leave Pakistan or read Pakistan's media or whatever and not say these have become a consensus. So we come back to a word that was used earlier. Are we seeing something qualitatively different emerge here? I leave open that possibility, that what has happened here is that you can't say, well, it's the army simply manipulating things anymore, because it seems in some ways as if the aware public, the politically aware public, has gone beyond perhaps even where the military wants to be. And, in fact, what we have seen here is that the ability of the policy elites to act with a certain amount of independence here of the public, which they have done right along here -- one story for the public, one as they deal with us -- their degrees of freedom have apparently shrunk.

So I want -- and then I see something like what happened, yes, the media, the free media, and the cable owners apparently met a day or two ago, and they came out in favor of suppressing stories written abroad that were critical of Pakistan. Now, these are the champions of expression. The cable media has opened up all kinds of opportunities, so what I'm really concerned about -- and I think others in this panel have reflected on them one way or another -- is to say are there things in the fabric of society which has been a strong element here of continuity, but is it being torn by the kind of rhetoric that is we're hearing consistently here where this jihadi narrative, which has not just anti-Americanism, but its enemies. Islam is challenged. It's gone further. And if they can -- they don't have to win elections if they've won the soul of the country. And that's the insidious development here.

And finally, let me say that it's important here because as we try to dialogue with Pakistan, we like to think that we can work within rational boundaries. But if we face an interlocutor here that is not responding to what we would consider, we'd have

to say non-rational arguments and assumptions. It leaves us to wonder whether really we can reach what we have to -- we recognize we have to. Pakistan is there. We need one another. We've got to find at least those common denominators on which we can find agreement. It's in both of our interests. My concern is obviously how much more difficult that's become now. And without any -- as it's been suggested here, no one has suggested the way out of this.

Thank you. (Applause)

MR. SCHMIDT: Thank you, Marvin. Before opening the floor to questions, I'd just like to add my own cautionary note on U.S.-Pakistani relations. Things are bad now, very bad, basically because our goals in Afghanistan are incompatible. The Pakistanis want a friendly state. They don't think the Karzai is that state. And they're afraid of a growing Indian influence in the country. But if we push too hard, the danger is that things could get a whole lot worse if we were to come, in particular, to blows with the Pakistan army, which, like it or not, is the only force in Pakistani society strong enough to prevent a jihadist takeover of the state. And I would simply leave you with a paraphrase of Colin Powell, who said famously of Iraq, break it and you own it.

So now floor for questions and please identify yourselves when called upon. Naja.

SPEAKER: Thank you. Question for Mr. Riedel. You talk of a fifth creeping coup, which is going to be very different from the sort of coups we've seen in the past. Now, is this going to be a function of the structural changes in the makeup of the Pakistan army, its officer corps, that has sort of taken place in the last 15 years, which we've discussed today in terms of the development of homespun, lower middle class army officers, and the fact that they're not terribly interlinked with the West in view of what has happened in the last 20 years?

And secondly, to what extent is this going to be due to the personality of the army chief? Because army chiefs tend to have different personalities and tend to

play different roles and tend to articulate the interests of their institution in different ways.

MR. RIEDEL: I very carefully avoided using the phrase “coup” because I don’t think you’re ever going to say there was a moment in which there was a coup d’etat in this dictatorship. The process is much more slow-moving than that, much more insidious. It’s a process of power all moving into the hands of the army leadership.

If you look back to 2008, it wasn’t in that case, even in 2009. Are changes in the officer corps leading it? I think changes in the officer corps may affect the tone of what this new dictatorship looks like and it will be more anti-American than ever before. And as anyone who has spoken to young Pakistani army officers knows, the intensity of anti-Americanism among young Pakistani officers is truly astounding and very, very worrisome.

The personality of chief of army staff in this coup is less important in this dictatorship than it was in previous ones. I can see and envision a situation in which Kayani leaves after the end of his tour, but the de facto military dictatorship continues with just a new chief of army staff. I think it’s the collective leadership which is making the decisions now. In that sense, Kayani is a transformational figure in that he doesn’t seek all power in his hands, at least yet. At least yet.

MS. CONSTABLE: Could I add -- do you mind if I add a point? I’d just like to add two quick points that weren’t raised before about the military.

One is that it’s important to remember that the most important thing in many ways for the army leadership is public opinion. They don’t want to be out in front of public opinion, which is why they waited so long to actually move against the Taliban and didn’t until they were sure they had it. Public opinion is getting more conservative and more emotionally Islamic. And I think that’s very important to remember because the same people are there, you know, civilians and military. It’s the same society.

And I think that the army, if you look at what happened after the assassination of Osama bin Laden, they were completely caught off-guard, completely

upset by this at the top. I think the army leadership, we think of it as a top-down institution. I think they're very worried about more extreme Islamic values and beliefs bubbling up from the very bottom of the rank and file. I think that's really important to add.

Thank you.

MR. SCHMIDT: Yes, I would also add that really there's really not that much of a change. I mean, the army's basically always called the shots on national security issues and has been inclined to let the civilians, particularly when civilians are in power, sort of run domestic affairs and particularly economic affairs. So I don't think that there's anything at all unusual about what what's going on now. It's more all a reaction to this current dramatic downturn in U.S.-Pakistani relations which has precipitated all this.

Next speaker right down in front here.

DR. CHAUDHRY: I am Dr. Nisar Chaudhry with the Pakistan American League. I listened to all the panelists in both these discussions and it was very enlightening. Steve writes beautifully what he has written. He always writes his analysis and observation in poetry, and he has done it again. And every time he says this is my last book and I tell him, no, it's your second to last book. (Laughter)

One of my observations, Chris, she had mentioned that Imran Khan is being backed with the Pakistan army. I think tend to and I'm inclined to disagree with her. The only reason Imran Khan is picking up support and is becoming popular is because every political party in Pakistan right now is in power in some shape or the other, so people are frustrated with each leader and every party. So when they look back, they don't see anybody else other than Imran Khan who doesn't have a career to be criticized in politics. He has no experience of governance.

And my question is to Bruce, a very dear friend. A few years ago, when we were having lunch you mentioned your recommendation to the Obama administration is the support of democratic institutions and consolidation of democracies, legislators

(inaudible). And after making their recommendation how do you think the political establishment or the democracy is working in Pakistan?

Number two is that how -- where do you see the silver lining where the war on terrorism could be brought to a closure and the extremists in Islamist military is marginalized? And how can we realign, reinforce, and make this relationship between U.S. and Pakistan more sustainable, which is critical both for not only both countries, even for the region and even for the global peace?

Thank you. And say it without *Insha'Allah*.

MR. RIEDEL: So silver linings are hard to find here today. You ask me how I think the support for a civilian government has turned out over the last three years, and I think I made it clear it's not doing well. I don't think that's the fault of the American effort to back it up, although I think we've made mistakes. I think it has more to do with the dynamics of internal Pakistani politics.

In 2009, President Obama embarked on a policy towards Pakistan which I call -- they don't call it, but I call it -- engagement with drones. That strategy, I think, made sense at the time, but I think in light of the two developments I laid out -- the growing weakness of the civilian government and the growing intensification of the proxy war -- it's time to shift of a policy of engagement and containment. That is to say to continue to engage Pakistan to try to support the development of civilian democratic government, to try to help the Pakistani economy develop, to try to help Pakistanis, but at the same time try to contain the worst ambitions and excesses of the Pakistani army. That's a very, very difficult balance to do. Right now we're not doing enough on the containment part. We're slipping and sliding into it, but without, I think, a coherent framework.

I also want to underscore a point that Pamela made earlier, which is drones by themselves is not a sufficient policy. And I think there's also been a tendency in this administration to become more and more prone to using the drone as the solution

to the problem. Drones are an effective tactical instrument. They are not a strategic policy. And we need to reset out policy towards one of engagement and containment.

MR. SCHMIDT: I think we have time for one more question.

MS. MOHSIN: My name is Jugnu Mohsin and I'm the publisher of the Friday Times from Lahore. My question is to Mr. Riedel.

You mentioned the creeping coup. You mentioned a possible game-changer in new elections. And then you mentioned disaster if the U.S. and Pakistan continue on a collision course. I just want to say as a Pakistani that I believe that new elections will not be the game-changer that we hope they might be because the verdict of the people will be more divided. And I think that, therefore, it will be more easy for those who have crept in by a coup to carry on manipulating the polity and they do at the moment.

So my question is given the probability that we will continue on this course, what do you think "disaster" will be? Could you please spell out what you mean by "disaster?"

MR. RIEDEL: There are any number of disasters out there: another Mumbai attack; a mass terrorist casualty incident in the United States of America that's postmarked Pakistan, like Times Square; more and more conflict on the Durand line between NATO forces and Pakistani forces becoming, in effect, a hot war. It could be a limited hot war, but a hot war.

But, you know, I would prefer not to end on the disasters that are coming because I know it is easy to fall into the trap of extreme pessimism about Pakistan. You're almost always right when you go down that road. (Laughter) I prefer to go down the road of optimism about Pakistan, and I remain an optimist about Pakistan largely because of the Pakistani people and because of what I see written about in Pakistani media. Pakistani media today is filled with a lot of scary, made-up stories, but it's also filled with a lot of thoughtful opinion pieces by people who recognize what's going on in

their country and who lay out things that should be done for its better. And for me, that is a source of optimism which leaves me with a feeling that Pakistan may not muddle along so much, but will somehow get by. And I don't rule out the possibility that we might even have some silver lining some day, *Insha'Allah*, for the people of Pakistan. (Laughter)

MR. SCHMIDT: Your know, my fear is that the United States doesn't necessarily have the ability to make things better in Pakistan, but it sure does have the ability to make things worse, and I hope we act responsibly in our relations with Pakistan in the future.

And with that, I turn it back to Steve.

MR. COHEN: Let me thank this panel and the first panel for what I think was a brilliant series of discussions and enlightened series of discussions on Pakistan. When I wrote my book, *The Idea of Pakistan*, in 2004, I said this could be America's major foreign policy problem by the end of the decade, and I think, unfortunately, I was right. But I'm not -- I agree with Bruce, I think pessimism is not the role.

I worked for George Schultz once and he said hope is not a policy. But then I talked to a Pakistani diplomat friend in Islamabad while preparing for this and he said despair is not a policy either. So somewhere between hope and despair. In my chapter, which had the benefit of reading all these other chapters, I sort of look at the question of is Pakistan irretrievable, not what should we be doing? I hope you get the book, I hope you read the book, and we welcome questions and comments.

Thank you very much.

Also, one more point, my first book on Pakistan and the Pakistan army was banned in Pakistan. I hope, given what Marvin Weinbaum said, this program is not banned in Pakistan. (Laughter and applause)

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