

Pakistan and the Crescent of Crisis

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Situated at the intersection of many American and European concerns, Pakistan has been linked to terrorism, nuclear proliferation, and Islamic extremism; it is politically unstable and economically problematic, and has recently undergone a series of crises, some with nuclear overtones, with India. Pakistan is also located at a geostrategic crossroad, bound to India by geography, culture, and chronic enmity; a self-proclaimed Islamic state with many ties to the Muslim and Arab worlds; long-standing ambitions in Afghanistan and West and Central Asia, and enduring military and strategic ties to China and North Korea.

The Bush administration announced a comprehensive “South Asia” policy on March 25, 2005—the first-ever such policy promulgated for the region in recent decades. Briefly, it announced that an unspecified number of F-16 aircraft would be sold to Pakistan; simultaneously, it announced that it had cleared the path for expanded military, advanced technology, and even civilian nuclear and space cooperation with India, permitting American firms to join with Indian partners in the manufacture of advanced military equipment. Subsequently, a trio of administration officials spoke on the record—although without identification—further elaborating the policy.¹

However, both the original March statement and subsequent elaborations are incomplete. The administration managed to overcome opposition to this new policy from within its own ranks, but there is possible concerns in Congress, and is still much to be

¹ For the new policy see U.S. Department of State, Office of the Spokesman, “Background Briefing by Administration Officials on U.S.-South Asia Relations, March 25, 2005,” For an extended discussion of U.S. policy and Pakistan see Stephen Philip Cohen, *The Idea of Pakistan* (Washington: The Brookings Institution Press, 2004), Chapter Nine, “American Options.”

done before Washington can be said to have assembled a coherent policy towards Pakistan.

In this context, there are certain questions that need to be answered. What are American interests in Pakistan? What are the potential linkages to European interests and policies? Where does the newly announced U.S. policy run the greatest risks? Before turning to those questions, there are four major problems that have to be addressed: Pakistan's linkage to terrorism, its nuclear weapons program and proliferation activities, its domestic disorder, and its relations with key neighbors, notably Afghanistan and India.

Terrorism

After the 9/11 attacks Pakistan was compelled to cooperate with the United States in tracking down al-Qaeda operatives, though it was less enthusiastic about dealing with remnants of the Taliban. After the border confrontation with India (2001-2), under heavy American and Indian pressure, it also moderated its support for terrorists targeting India. (A significant fact to keep in mind is that Pakistan-based terrorist groups that target the West or which operate in Pakistan itself cannot be separated from those that have attacked India.)

The administration's new policy provides one powerful lever that it could use to persuade Pakistan to further reduce and eventually terminate its support of terrorist groups, close the training camps, improve surveillance along the Line of Control (LoC), and counter extremist propaganda. This lever is military sales and assistance. While Pakistan regards these groups as important political and strategic assets, it regards a military relationship with the United States that provides access to advanced American hardware as more important still. As the Pakistan military remains at the center of political power new military sales should be linked to good performance vis a vis terrorism. If Pakistan carries through on its assurances to clamp down on terrorism and extremism and demonstrates vigor and competence in such matters, this could be *increased* from the levels now being discussed. Indeed, while American officials publicly state that there will be no "linkage" made between military sales and good Pakistan performance on terrorism, privately they admit that the linkage is there.

Second, to combat the population's growing alienation from the Pakistani state, which feeds into support for extremism. Pakistan should be encouraged to improve its notorious police forces, since support for terrorist groups is partly a byproduct of a bad law-and-order environment. President Musharraf should also be encouraged to move beyond rhetoric to give content to his notion of "enlightened moderation" by supporting liberal and moderate trends in Pakistani society. Some of these steps are described below in the section on reshaping the domestic agenda.

Third, Pakistan's willingness to move against terrorists operating in Kashmir will have to be linked to normalization with India since Pakistan will not want to unilaterally strip itself of a vital policy instrument. The US should actively support the ongoing dialogue with India, but should not be reticent about linking at least a part of its new strategic relationship with New Delhi to a positive response to Pakistani concession. .

Finally, with Pakistan's economy now in somewhat better shape, positive inducements in the form of *economic aid* should be continued -- the economic threats that were so effective after 9/11 are no longer useful, yet that aid should be linked—explicitly and publicly—to genuine reform in Pakistan's economy.

Nuclear Concerns

Islamabad's rapidly expanding *nuclear program* involves it in a nuclear arms race with India, and has spread nuclear technology to Northeast Asia, the Persian Gulf, and the Middle East. This threatens vital American interests. Pakistan has taken some steps committing itself to a tough nonproliferation policy and supplying the International Atomic Energy Agency and perhaps other entities with samples of their nuclear enrichment program in order to verify (or disprove) Pakistan's links to the Iranian program. However, The A.Q. Khan network may still be intact, and even more worrisome, there may be other Pakistan-based networks that could not only acquire, but spread nuclear and missile technology.

The American policy response must be tougher, and Washington should be prepared to escalate. Again, as the administration privately acknowledges, military aid will be contingent upon the utmost nuclear restraint. However, sticks are needed along

with carrots. Washington should indicate privately that that if Pakistan again leaks technology to hostile states or sub-state groups, it would face the prospect of renewed American sanctions, possibly direct American action, and even a strengthening of India's strategic and nuclear capacities, not just a cut-off of military sales.

Washington should also indicate that Pakistani adherence to the restraints implied in the NPT and other nuclear and missile restraint regimes, notably the Proliferation Security Initiative and the Container Security Initiative, could lead to *enhanced* military and strategic cooperation. This may be seen to be rewarding Pakistan for past bad behavior, but this is a lesser evil when compared with the prospect of even worse behavior in the future.

Washington should not assume that this will be an easy task for Pakistan. Domestically, the nuclear program is still wildly popular, as reflected in the hero-status of A.Q. Khan. As part of the process of becoming a responsible nuclear power, the Pakistan government should be encouraged to carefully, but systematically, roll back the public linkage between nuclear weapons and Pakistani identity.

Failing Pakistan?

Pakistan is a state chronically teetering on the edge of failure. Anti-Americanism is endemic, the economy remains problematic, and the political system is incoherent and incompletely institutionalized. Outsiders cannot be a substitute for Pakistani vision and leadership, but they can take steps that might help avert disaster. Key problem areas here are the persistence of Islamic extremism, the lop-sided economy, and two-steps forward, two-steps backward approach to human rights, democratization and political openness.

Islamic Extremism

Islamic extremism has flourished in Pakistan because of decades of support from foreign sources and Pakistan's intelligence services. This extremism has a strong component of anti-Americanism, has become widespread because of encouragement from Islamic extremists, perceived and actual American actions and intentions, and governmental inaction. Today, Pakistan can be considered one of the most anti-American

states in the world, and this poses a threat to US interests in the region and beyond. This threat therefore cannot be left unchallenged, and must be dealt with in three ways:

First, America must mount a vigorous defense of its own principles via the press, academic exchanges and public information programs. It abandoned the field to those who oppose it, by closing down the American Centers and cutting back many exchange programs. The US seemed to be uninterested in ideological engagement with an increasingly anti-American society. The American Centers should be reopened and staffed with Pakistanis if the danger to Americans appears to be high. The academic exchange programs have been marginally increased, but few Americans are going to Pakistan. Simultaneously, it has become increasingly hard for Pakistani students to come to the US because of issues related to visas and registration processes. While security remains a concern, the US government should encourage private academic exchanges, a book subsidy program, and translations into the vernacular of documents and studies that explain American policy. Such information programs are relatively inexpensive, but are an essential part of a policy of prevention, they should be seen as an investment that protects American interests, lives, and property.

Second, with regard to the Islamic parties, Pakistan should be encouraged to let those that seek power through peaceful means meet an electoral test in a free and fair contest; they are far weaker than the centrist mainstream parties, and their victory in two provinces did not represent a national trend—except to the degree that they were strengthened by anti-American feelings that are prevalent throughout Pakistan.

Third, Pakistan should be encouraged to reconsider its plans for educational reform.. Until now, Washington has focused on the madrassas, seeing them as schools for terrorism, while Islamabad continues to emphasize the importance of technical education, and has started another scheme to massively train scientists and technicians. The model is the huge military-educational-industrial complex already in place. The Pakistani leadership cares little for the complete breakdown in education in the study of law, the humanities, social sciences, and the arts. This is an educational vision appropriate for a totalitarian state, not for one that aspires to be a free society.

At the graduate and post-graduate levels the planned expansion of science and technology will be beneficial, but it is no less important to restore the public universities and private institutions that once thrived in Pakistan. This includes church-related schools (such as the newly revived Forman Christian College), and the liberal arts, humanities, and social science programs in Pakistan's formerly respectable state universities and colleges. The problem here is that the military leadership sees such programs as irrelevant, even dangerous.

The United States should massively increase its support for the Pakistani education system, but should spend as much at the top as the bottom. In doing so, it should follow the principle that any assistance for education will be linked to permanent Pakistani increases in the education budget. This has grown in recent years, and the present Minister of Education (a former ISI chief) claims that it may grow faster, but Washington should make substantial grant aid conditional on permanent increases in the education budget. It should also press for a reform of the Pakistani educational establishment, and a reduction in the number of generals who have been placed in key positions in the state educational infrastructure.

At the lower levels—elementary and secondary education—aid must be highly conditional upon actual achievement in literacy levels and teacher training, with specific and measurable benchmarks. At all levels the Pakistan government must increasingly assume the responsibility for funding. If the government's spending on education is cut, or is not increased steadily, then Pakistan should pay the price in terms of reduced military and economic aid.

At the higher level, Washington should fund a few flagship projects, which would represent a permanent contribution to Pakistani higher education. These could be an MIT-type of institution, comparable to the Indian Institutes of Technology (IITs) in India, designed to train world-class engineers and scientists, or a high-quality university modeled after the American land-grant institutions that combine "practical," scientific, and arts education of a very high order, and serve huge numbers of students at modest

cost. One precedent is the agricultural universities that were established in the 1960s in Pakistan and India.

While some faculty can be trained in the United States, Pakistan should also be encouraged to send some advanced students to India and comparable states for technical and non-technical training. Such programs might well be sponsored by SAARC, the regional cooperative organization, which may make them politically more palatable while strengthening regional institutions.

The Weak Economy

Pakistan's economy was in a state of near-collapse before being rescued by massive aid and debt write-off after 9/11. Macro economic performance is much better now, topping 8% in recent years, and some cities are visibly more prosperous, but poverty continues to grow as does the rich-poor split. Four policies would be helpful.

First, macro-economic aid and debt relief should continue but Pakistanis must see tangible evidence that its government's tilt in favor of the United States is bringing significant benefits to all social-economic strata. Specific projects in the arena of high technology, technical aid to improve indigenous manufacturing and R&D capabilities would demonstrate that a globally competitive Pakistan is considered to be in America's interest.

Second, Washington should encourage (possibly through incentives) American companies to invest in Pakistan. They are likely to be wary, given the security problems and uncertainties, but it is important that American companies invest in areas that are seen to be important for balanced Pakistani growth. No step would produce such growth more (and do more to ease rural social and political tensions) than a serious approach to land-reform, which is noticeable by its absence. However, the present Pakistani leadership is unlikely to be interested in such reform.

Third, Japan should be closely consulted on economic matters regarding Pakistan, as it is the country's largest foreign investor and aid donor.

Finally, accountability is essential. Pakistan is consistently near the top of Transparency International's corruption list, economic assistance should be linked to evidence that the money is being properly spent.

Democratization and Repoliticization

Secretary Rice has toughened up American policy regarding Pakistan's democratization but it will be difficult to persuade the present Pakistani government to democratize. She has recently publicly stated that the United States expects the elections of 2007 to be a turning point. The military are afraid that a return to complete civilian government means a return to policies inimicable to the army's conception of "the national interest." Nevertheless, the US should insist that the Pakistan government allow the mainstream political parties (the Pakistan People's Party and the Pakistan Muslim League) to function freely. The desired end point should be a spectrum of moderate parties, Islamic and secular, who are willing to operate within a parliamentary context, and who are tolerant of sectarian and other minorities.

Those who argue against democratization are placing their bets on the army and a gaggle of Islamist parties. The former cannot effectively govern Pakistan and the latter may see democracy as a short cut to absolute power, but their capacity to govern is questionable and their antagonism to the West is palpable. The army needs the radical Islamists as the "threat" to hold up to its Western supporters, the Islamists are biding their time, burrowing into many Pakistani institutions while building their own infrastructure in the form of chains of madrassas throughout the country. *Unless Pakistan democratizes, what is likely to emerge is a coalition of the army and Islamist forces and the potential radicalization of Pakistan.*

Pakistan's Environment

Pakistan has close ties to several important East Asian states (China and North Korea), as well as to some of the most important Gulf states (notably Saudi Arabia). It will continue to seek a role as an intermediary between the two regions, a policy that threatens vital American interests only when it involves the transfer of dangerous

technology or radical ideology. More immediately, it has problematic relations with its neighbors to the immediate east and west.

India

Pakistan's *hostile relationship with India* impinges on short and long-term American interests. The Bush administration boasts that it has a South Asia policy, but when it comes to the still-uncertain relationship between India and Pakistan, this is more a matter of hope than anything else, and hope is not a policy. It is impossible to claim, as Bush administration officials repeatedly do, that it has "delinked" its India policy from its Pakistan policy; while America may have somewhat different strategic objectives vis a vis each, there is no escaping the fact that a future crisis between these two nuclear armed powers would be a compelling event, and that the United States must do its best to avert such a crisis. Washington can take four steps to address the pathologies of India-Pakistan relations.

First, it should continue to encourage unofficial dialogues on Kashmir, nuclear issues, and areas of cooperation and conflict management. Private foundations should expand their support for such programs, including meetings of parliamentarians and the media, and educational programs that bring younger Indians and Pakistanis together.

Second, the disparity in power between India and Pakistan *is* something that the United States can influence. Washington is again in the position of having its finger on the balance-scales via its sale of military equipment and technology to both India and Pakistan. Military sales and assistance to Pakistan should *not* be a commitment to supporting both sides of an open-ended arms race, it should only be provided if it does not cause India to reassess its dialogue with Pakistan, and if it gives Pakistan the confidence to negotiate, and make significant concessions to India. Thus, it would be useful to have an objective assessment of the actual conventional and nuclear balances, edging India and Pakistan towards some kind of understanding of the parameters of military acquisition and its influence on the India-Pakistan peace process.

Finally, the United States must go beyond mere lip service and be somewhat more proactive in its support for the present peace process. A peace process that periodically showed results, while moving steadily in the direction of mutual accommodation would do much to undercut Islamic extremists and it would make the army less central to Pakistan's future; in the long run, it would also be in India's interest. A peace process between India and Pakistan should attempt to redefine the issue from its fossilized debate over sovereignty, law, and territory to one of improving the lives of Kashmiris. Framing the conflict in terms of human rights puts the right kind of pressure on India, but will allow Pakistan to save face after more than five decades of irredentist policies. A solution to, or amelioration of, the Kashmir problem will be difficult to achieve, but its long-term resolution should be an American goal.

If the United States were to engage more actively in the ongoing normalization process, would India respond? New Delhi would like a weak and pliable Pakistan, but it could wind up with a radical, armed state, bent on fostering an Islamic revolution in India. New Delhi can do more than any other state to steer Pakistan in one direction or another. While it seems willing to take the rhetorical first step, it has historically been reluctant to take the substantive second step. The US could do much to persuade India that it is in its long-term strategic interests to have a positive and productive relationship with its neighbor.

Afghanistan

Any comprehensive policy towards Pakistan must also address Pakistan's relationship with Afghanistan. The two states have a long-standing and complex relationship, that took an astonishing turn when American forces removed the Taliban government with Pakistan's reluctant assistance. While the U.S., Afghanistan, and Pakistan now have a tripartite security committee to monitor the progress against al-Qaeda and Taliban, and on paper Pakistani statements regarding Afghanistan are reassuring, many in Islamabad still regard Afghanistan as a potential client state, and given the opportunity some Pakistanis would again interfere in Afghan affairs. Islamabad has legitimate interests in Afghanistan which include the desire to prevent the expansion

of Indian power into Afghanistan in order to keep India from encircling it (it is also concerned about Iran's presence there). Further, there is a fear that the Pakhtunistan movement could be revived on either side of the Durand Line, and radical Islamic groups in the NWFP are especially attuned to developments in Afghanistan.

The best policy is prevention, assuring that Afghanistan does not collapse into chaos and that Pakistan remains supportive of the Karzai regime, or something like it, and allows the *de facto* neutrality of Afghanistan. The process of nation and state building must continue in Afghanistan, and be seen to be continuing with American and international support. Afghanistan needs substantial and long-term outside assistance to help manage its own security and Washington should actively support the process in the knowledge that the greatest danger of an Afghan collapse might be the radicalization of large parts of Pakistan.

Strategic Choices

Getting Pakistan right might just bring it into the category of stable and relatively free states, getting it wrong could accelerate movement towards authoritarianism, radical Islam, regional separatism, renewed hostility with India, or state failure. Policy must balance competing interests, take into account the long and the short term, and recognize the difficulty of fostering change in another state's institutions, all the while preparing for worst-case futures.

In Pakistan's case neither a policy of uncritical alliance, nor one of outright hostility, does justice to the range of important American interests. In the short to medium term Washington must work with Pakistan, encouraging domestic reform and moderation in its nuclear policies and its relations with important neighbors. In the long term this may prove to be impossible, and policy-makers should be aware of various warning signs that things are going badly:

- Failure to adopt a reform timetable. Musharraf is no deGaulle or Napoleon, and the army is less popular now than at any time in the past. A

failure to build political institutions will ensure that Pakistan will be even less stable in the future than it has been in the past.

- Political repression and a new spell of martial law. Blocking secular, provincial, and ethnic channels of expression by a fresh ban on political activities would pry open the door for radical Islamists, who are adept at using the mosques and madaris for recruitment and mobilization.
- A lack of accountability regarding the significant amounts of aid now in the pipeline and planned for the future.
- No significant progress in educational reform. Without a transformed school system the madrassas will continue to expand, spreading hatred of India, Israel, and the United States, and mis-educating their students.
- An inability to confront *domestic* sectarian terrorist groups. This is in Pakistan's vital interest, and is a goal that has often been proclaimed by the Pakistani leadership; if Pakistan is incapable of bringing these groups under control, then that is a particularly grim indicator that the Establishment is losing ground.
- Popular anger at Musharraf and the United States. The continuation of anti-Americanism in Pakistan for a few more years would be a sign that aid and the new political relationship with Pakistan are not working. The next generation of officers, frustrated with Musharraf's secularism, somewhat more Islamized, and even more adamantly opposed to the United States could produce an army chief that would play Islamic and anti-American cards.
- Another major conflict with India. This could strengthen the hand of radical forces in Pakistan and might further weaken the army's now-challenged reputation, and of course, would compel a fresh round of American intervention to prevent escalation to the nuclear level.

- Reversals in Afghanistan. The war in Afghanistan was a major reason for the MMA's success in Balochistan and NWFP. A failure of policy in Afghanistan will spill over into Pakistan, possibly leading to increased anti-Americanism and a new attempt by Pakistan to impose itself on the Pushtun provinces of Afghanistan.

Working with Europe (and Japan)

All of the interests and policies described above are compatible with those of America's closest European allies and Japan. The above agenda is beyond America's capacity, if only because its attention and resources are being diverted elsewhere. Except for a natural commercial and arms sales competition, some differences in emphasis on proliferation matters, and the phenomenon of anti-Americanism, European and American interests and policies track closely. There are, however, differences in policy regarding China, Iraq, and Iran, where some European views may be closer to those of the Pakistani leadership.

Given the essential policy compatibility, there are three ways in which the interests of both the United States and its close allies can be advanced.

First, there needs to be greater official (and unofficial) consultation on Pakistan-related issues. To some degree, intelligence can be more widely shared but it is just as important that perceptions of trends and directions concerning Pakistan are also shared.

Second, it is important that the United States and its close allies present a common front to Pakistan. Whether on nuclear issues, or terrorism, or relations with India, or domestic reform, it is very important that there be a shared message. Pakistan will, as it has in the past (with nuclear issues and arms purchases), attempt to play the US off against its partners.

Third, there may be issues where a division of labor might be more palatable, with Europe (or Japan) taking the lead, while the United States plays a supporting role, or vice versa.

- On nuclear proliferation issues it may be easier for some of the European states to provide technical support that would help safeguard Pakistan's

nuclear assets. Japan, one of the largest aid donors, can also speak to nuclear matters with considerable moral authority.

- In the case of domestic educational reform, the European Union states should establish one or more flagship universities or institutes, as was done in India with the various IITs, and should also adopt high standards for any support to primary and secondary education.
- On the matter of democratization, the EU should assist Pakistan to reform critical sectors, perhaps the judiciary (UK) or the police (Germany), as is being done in Afghanistan.
- As for Pakistan's relations with Afghanistan and India, all of the major EU powers are deeply engaged in the former country, and have a special interest in encouraging Pakistan to continue the present policy of cordial relations with the Karzai government. Relations with India and the Kashmir problem are more complex, but a common strategy needs to be developed that strengthens the current peace process, and which prepares for the contingency of its collapse—and still another crisis in the region.
- The US and some European states must be aware that while they might be competitors for arms sales to Pakistan, they must not exacerbate or destabilize the regional military balance. A joint study of this balance would be helpful.