

Testimony of Dr. Samina Ahmed, South Asia Project Director, International Crisis Group, to the Senate Committee on Foreign Relations on “Assessing U.S. Policy and Limits in Pakistan”.

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I want to thank Chairman John F. Kerry for holding this important hearing and inviting me to testify on behalf of the International Crisis Group on an assessment of U.S. policy towards and challenges in pursuing a constructive partnership with Pakistan. The killing of Osama bin Laden does not lessen that challenge but may well offer new options for each side.

The Crisis Group has been in South Asia since December 2001, and has published reports on these issues. We have repeatedly emphasized the importance of broadening U.S. engagement with Pakistan beyond a narrow focus on counter-terrorism and security to a long-term all-encompassing approach, in particular by strengthening civilian institutions and democratic functions. Such an approach, we have argued in our reports, would help to stabilize a fragile state and a volatile, crisis-prone region critical to U.S. national security interests. It was precisely that core philosophy that we were pleased to see reflected in the Enhanced Partnership with Pakistan Act introduced by the chairman and the ranking member of the committee, and now U.S. law.

By emphasizing political and economic interests, as well as the security aspects of the relationship, the KLB legislation remains a welcome step forward. Pakistan-based Islamist militants are threatened by this policy because it delegitimizes their actions against the Pakistani state and their efforts to undermine U.S. military efforts to stabilize neighboring Afghanistan. These homegrown jihadis have demonstrated an interest --and are gaining capacity to threaten -- the U.S. homeland. They are seeking, along with Pakistani political opportunists and spoilers, to use American strikes against violent extremists and intelligence gathering operations to turn Pakistani public opinion against the U.S. Slow and uneven disbursement of U.S. assistance further undermines efforts to win over an increasingly skeptical Pakistani public.

However, the U.S. administration and Congress must not construe the failure to see immediate results on the ground as failure of the changed approach. Instead, sustaining the broad-based relationship over the short, medium and long term, and exercising patience in its implementation will pay political and security dividends.

Let me summarize some of the key policy options that we believe the U.S. should pursue:

- Continue to condition military support on demonstrable steps to combat violent extremists and end the longstanding policy of support and sanctuary to such elements, Pakistan or foreign.
- Continue to require but also provide additional oversight on the State Department certification of Pakistani cooperation in dismantling nuclear supplier networks, combating terrorist groups, and ending support by the military or its intelligence arms to extremist groups.
- Continue to insist that the “security agencies of Pakistan are not materially or substantively subverting the political and judicial processes of Pakistan” and provide stronger support for civilian law enforcement agencies in combating jihadi groups including prosecuting the small percentage of madrassas that engage in jihadi terrorist training.
- Recognize that the Pakistani government, not the military alone by any means, are critical interlocutors in the on-going process of advancing a transition in Afghanistan, including an end game that includes political negotiations, while maintaining certain red lines which include breaking ties with al-Qaeda as well as Pakistani al-Qaeda linked extremist groups.
- The U.S. must play a more active role in supporting the efforts of the Pakistani and Indian governments to achieve long-term stability and peace in South Asia.
- Support the civilian government and the combined political party reform effort to end the second class status of the FATA and provide its citizens both the full rights and civilian law enforcement protection of the Pakistani Constitution.

## **BACKDROP**

The U.S. administration is understandably concerned about Pakistan, a country of some 170 million people with perhaps more than 100 nuclear weapons. Al-Qaeda and affiliated Afghan insurgent groups such as the Haqqani network have an established presence on Pakistani territory. Over time, links between al-Qaeda, Pakistani jihadi groups and their Afghan counterparts have expanded and consolidated to create a nexus of terror threatening American security and interests at home, in the region, and globally.

After September 11, the U.S. relationship with Pakistan was adversarial at first, with Washington, DC warning General Pervez Musharraf’s regime -- partnered with the Afghan Taliban and oblivious to al-Qaeda’s presence on its territory -- that Pakistan was either with or against the U.S. As Musharraf’s regime started countering al-Qaeda’s presence, and scores of al-Qaeda leaders were killed, detained or extradited to the U.S., the U.S. decided to back Musharraf and his military in the misguided belief that they alone could deliver the counter-terrorism goods. But in propping up Musharraf’s military regime, the U.S. alienated its natural partners, Pakistan’s moderate majority. Regaining the trust of the people of Pakistan has not been an easy task.

As the movement for democracy in Pakistan gained strength, the U.S. did attempt to make amends. Reaching out to the country’s political leadership -- particularly former

Prime Minister Benazir Bhutto -- the U.S also pressured Musharraf to step down and thus influenced the Pakistani generals' decision to distance themselves from their army chief. The U.S. can therefore claim some credit for Musharraf's decision to hold elections and transfer power to civilian hands.

With the Pakistani people winning their fight for democracy and elections resulting in the formal transfer of power to an elected civilian government, the U.S. Congress wisely decided it was in America's interest to support democracy and economic development in Pakistan through a multi-year partnership. The Enhanced Partnership with Pakistan Act, signed into law by President Obama in October 2009, redefined U.S. priorities in Pakistan, including by making security-related assistance -- including arms transfers -- contingent on the security forces respecting political and judicial democratic processes.

Three years later, many in Pakistan appear skeptical about U.S. support for Pakistan's democracy; just as many in U.S. policy circles appear skeptical about the ability of Pakistan's civilian institutions to stabilize the Pakistani polity and prevent the spread of violent extremism. Undoubtedly the Pakistan Peoples Party (PPP)-led government has failed thus far to curb violent extremism and civilian institutions have yet to meet the needs of an increasingly impatient public. However, the Obama administration and Congress must not expect a transitional democracy to deliver miracles overnight. Instead, the effectiveness of U.S. policy towards Pakistan must be assessed in the context of a young democracy that needs time to mature and stabilize, with incremental civilian control over national security policy taking Pakistan back to its moderate mooring.

## **UNDERSTANDING THE CHALLENGE**

For some observers, Pakistan stands at the edge of an abyss beset with internal turmoil, with a deadly countrywide militant presence and a floundering economy that undermines the state's ability to deliver basic services to its citizens. Violent extremism, a rapidly expanding nuclear arsenal and a history of war with neighbors is more than sufficient reason to worry about the country's future. The answer, some Pakistani watchers believe, lies in ensuring that security takes precedence over governance. In their thinking, the Pakistani military might not respect human rights and promote fundamental freedoms, but it is the only institution that is organized, capable and strong enough to hold the country together. Yet the answer for Pakistan's ills does not lie in its praetorian past.

The military's repeated interventions have only widened internal fissures, straining a fragile federation almost to breaking point. The denial of democratic rights and freedoms by successive military rulers resulted in the dismemberment of the state in 1971. The social contract with the citizenry was painfully rebuilt by civilian rulers, with the basic law of the land -- the 1973 constitution -- helping to restore trust in the state. However, successive direct or indirect military interventions -- the latest by General Musharraf -- weakened the civilian edifice and the ability of civilian institutions to deliver good governance and development that is so badly needed today.

The military's perception of national interest has also starved the state of resources it requires for development. Instead, already inadequate fiscal resources have been diverted to sustain the eighth largest army in the world, one that boasts a massive array of conventional and nuclear weapons, primarily aimed at confronting India. By cultivating jihadi proxies to weaken India and to dominate Afghanistan, Pakistan's military is also responsible for a countrywide jihadi blowback that could, if not countered now, become more and more difficult to contain. These military-backed homegrown extremists have also forged links with transnational terrorist groups -- including al-Qaeda -- and with regional insurgents such as the Haqqani network. The resultant terror nexus is linked to terror plots aimed at the U.S. and bears direct responsibility for the deaths of U.S. soldiers and American allies in Afghanistan. Finding Osama bin Laden behind a 200-foot long walled compound very close to the Pakistan military academy also should raise additional questions about the Pakistan military's quite differentiated policy of counter-terrorism.

Pakistan's democratic transition faces many challenges but it also offers the U.S. important opportunities to craft policies that advance U.S. goals in a sustainable and strategic manner. Rather than reverting to another exclusive and short-sighted partnership with Pakistan's military establishment, the Enhanced Partnership with Pakistan Act's strategically comprehensive approach must continue to guide U.S. policy.

## **OPPORTUNITIES AND CONSTRAINTS**

With the right policy choices, the U.S. could play a major role in helping stabilize Pakistan's democratic transition which would in turn help to stabilize the volatile region in which it is situated. In making these policy choices, the U.S. administration must bear in mind that the democratic transition is still in its nascent stages, and will, at least in the near future, also place limitations on the pursuance of policies and strategies that would advance U.S. goals.

Soon after the PPP-led government was formed under Asif Ali Zardari's leadership following the 18 February 2008 elections, domestic and international observers believed that it would be short-lived. Although the government has stumbled from crisis to crisis, it has survived against all odds, and is now in its fourth year in office. With the support of its parliamentary opposition, the ruling party has also spearheaded reforms that have set Pakistan back on the democratic path. Key among these is the 18<sup>th</sup> constitutional amendment, passed unanimously in parliament and signed by the president into law on 18 April 2010. A landmark bill, which restores parliamentary supremacy by removing the constitutional distortions of military rule, the amendment also strengthens federal democracy by meeting long-standing demands for the devolution of power from the center to the federal units. Other major democratic reforms include the passage of the National Finance Commission award on redistributing financial resources by the federation to the provinces, the first such award agreed upon by all stakeholders since 1997.

For the ruling party, one of the greatest challenges to enacting democratic reforms lies in its dependence on an unwieldy coalition. With a slim majority in parliament, it has been forced to include some unreliable partners in the federal and provincial governments, including the Muttahida Qaumi Movement (MQM), a former member of Musharraf's military regime. This lack of a stable parliamentary majority, combined with resistance to economic reform from coalition partners and the parliamentary opposition alike, has resulted in the failure thus far to gain legislative approval for enacting many pressing reforms. Under IMF pressure, the government is reducing subsidies (e.g. on energy consumption), fuelling domestic discontent. As the 2011-2012 budget approaches, the government will be between a rock and a hard place: pressured by the IFI's to enact pressing economic reforms and pressured by the opposition to make concessions that could further weaken a fragile economy.

The U.S. should continue to urge the government of Pakistan on economic reforms but the U.S. should not make economic support contingent on such measures. Indeed, strings related to transparency and efficacy should be attached to U.S. assistance, to ensure that taxpayers' money is well spent and accounted for. However, the Obama administration must also step up the disbursement of Congressionally-appropriated funds provided for by the KLB law to help to shore up a young democracy by supporting economic freedom and development.

Currently, the pace of disbursing the \$7.5 billion over a five-year period has fallen far behind schedule. The Pakistani finance minister recently disclosed that Pakistan had not even received \$300 million of the \$1.514 billion allocated for FY 2010. The multi-agency quarterly and oversight report of the civilian assistance program (December 2010) identified ongoing security threats as impediments to monitoring and implementation — while substantive sums were reallocated to target flood recovery and assistance. Yet USAID must push the pace, understanding that the failure to meet raised expectations only benefits spoilers. At the same time, the generous funds allocated for Pakistan's conflict-hit tribal agencies -- such as for the South Waziristan or Malakand Agency's quick impact programs -- is money ill-spent. USAID-funded programs in the Federally Administered Tribal Areas (FATA) work through an unaccountable military and civil bureaucracy and local elites, severely limiting aid effectiveness. Rather than encourage, this assistance impedes democratization by empowering the very forces opposed to the extension of full constitutional and political rights to FATA.

The absence of state institutions and the Frontier Crimes Regulations 1901 (FCR), a colonial-era law, has isolated the region from the rest of the country, giving it an ambiguous constitutional status, denying political freedoms and opportunities to the population, and allowing militants to exploit the resultant vacuum to gain significant power. On 14 August 2009, President Zardari announced a FATA reform package, which would have lifted restrictions on political party activity, curtailed arbitrary detention and arrests under FCR and audited funds for FATA. This first basic step to bring FATA into the mainstream was stymied by the military. One of the clearest signs of a policy that supports civilian democratic institutions would be for the U.S. to endorse the combined political party reform measure that would end the colonial status of FATA,

providing its citizens with all the rights of constitutional protection, with civilian law enforcement agencies allowed to protect those citizens and to confront the full range of domestic and international jihadi forces which still find sanctuary in North Waziristan.

The military has also undermined the government's reconciliation efforts in Balochistan, bordering on southern Afghanistan, where grievances against the center's exploitation of provincial resources and indiscriminate use of force have resulted in a province-wide insurgency. Instead, continued military operations -- including targeted killings and disappearances of political dissidents -- have further alienated the secular and moderate Baloch, who could play an invaluable role in helping to counter the extremist forces that are bent on destabilizing the state. Should the democratic transition stabilize, there is real potential to bring the Baloch back into the political fold and to enact meaningful democratic reform in FATA, thereby strengthening the federation and marginalizing extremists.

Should the democratic transition stabilize, democratically-elected civilian governments could also assert greater control over national security and defense policy. The two largest political parties, the PPP and the Pakistan Muslim League-Nawaz (PML-N), support peace with India and Afghanistan. At present, however, Pakistan's generals exercise considerable control over all sensitive areas of policy, which is shaped in accordance with the military's perceptions of national interest. Therefore the military continues to back Islamist proxies to undermine Indian security and to promote perceived interests in Afghanistan. That still raises the most serious threat for generating a full-scale war in South Asia.

The U.S. is concerned about the safety and security of Pakistan's nuclear arsenal but there is a far greater risk in a conventional conflict between India and Pakistan escalating to the nuclear level. When Pakistan-based jihadis attacked Mumbai in 2008, India exercised considerable restraint. However, New Delhi could opt for a far more robust military response should another such attack occur, a likely prospect because of the Pakistani high command's continued support for al-Qaeda-linked groups such as the Lashkar-e-Tayyaba, renamed Jamaat-ud-Dawa (LeT/JD), and the Jaish-e-Mohammad, the former supported by the Pakistan military and the latter actually formed by that military through its intelligence arm, the ISI. It is unlikely that Osama bin Laden's death will affect those ties since these organizations share al-Qaeda's international goals.

Army chief Ashfaq Parvez Kayani claims that his military is committed to eliminating violent extremists and has broken their backbone. But Admiral Mullen's recent publicly-stated concerns are accurate and well-founded; Pakistan's continuing terror attacks, which claimed more than 2,500 Pakistani lives in some 67 suicide attacks in 2010, show that militant organizations continue to flourish. Nor is there any proof that the tribal borderlands are now firmly under the state's control. On the contrary, ongoing operations in FATA agencies against some tribal militants have been accompanied by peace deals with equally violent extremist groups such as the Pakistani Taliban's Gul Bahadur group in North and the Maulvi Nazir group in South Waziristan agencies. Linked to the

Haqqani network, these Pakistani militants are actively involved in attacks against American troops in Afghanistan as indeed are the Punjab-based al-Qaeda affiliates.

India-oriented jihadi organizations in Pakistan's heartland, particularly the Lashkar-e-Tayyaba, now have global ambitions and an increasing global reach, posing a direct threat to the U.S. homeland. Despite billions of dollars of U.S. security assistance, the Pakistan high command still sees the LeT/JD as an asset in its proxy war with India. The controversy over a CIA contractor killing two Pakistanis, reportedly low level operatives of the military's intelligence arm, the Inter-Services Intelligence Directive (ISI) in Lahore, stemmed in large part from the military's sensitivity about U.S. intelligence activities in the Pakistani heartland, where the LeT/JD and other al-Qaeda linked India-oriented jihadis are based.

Despite a partnership with the U.S., of which the military, since September 11, has been the main financial and political beneficiary, the Pakistani generals appear willing to use elements of the media to whip up anti-U.S. sentiment. The military high command is also strongly critical of U.S. drone attacks when its tribal allies are the targets. On 27 March, for instance, army chief Kayani, for the very first time publicly condemned a U.S. drone attack, most likely because it targeted the military-backed Haqqani-linked Gul Bahadur group.

This shaping of anti-American sentiment through public pronouncements or the media, especially influential broadcast media, is part of the military's strategy to redraw redlines in the relationship. Drone attacks, in short, are acceptable but not when jihadi proxies such as the LeT or chosen Pakistani or Afghan Taliban allies are targeted.

The U.S. has belatedly drawn its own red lines. Admiral Robert Willard, for instance, expressed concern about the Lashkar-e-Tayyaba's expanding reach and ambitions in testimony before the Senate's Armed Services Committee. The White House Quarterly report on Afghanistan and Pakistan in April assessed: "there remains no clear path towards defeating the insurgency in Pakistan". In a far more explicit and for the very first time public criticism of the Pakistan military's support for homegrown and Afghan jihadi proxies, Chairman Joint Chiefs of Staff Admiral Michael Mullen called for an end for Pakistani backing of the Haqqani network and its local allies. Drawing Pakistan's attention, through media interviews, to the presence of al-Qaeda's leadership in the borderlands and Haqqani's continued presence on Pakistani soil, Adm Mullen stressed that the two countries must work together to eliminate this threat by sharing intelligence. He pointed out that the syndicate of terror on Pakistan soil, including the Haqqani network, al-Qaeda, the Lashkar-e-Tayyaba and the Pakistani Taliban threatened U.S. national security and the lives of U.S. citizens.

The Pakistani military leadership has pushed back strongly, with Kayani rejecting, in the words of his spokesperson, U.S. "negative propaganda". Reiterating opposition to drone strikes and U.S. intelligence operations within Pakistan, using the media to propagate anti-American sentiment, the high command appears to believe that the U.S. will back down, particularly since it needs the military's cooperation to stabilize Afghanistan

militarily and politically. To change the military's behavior and to protect U.S national security interests, and indeed those of the Pakistani people who are victims of extremist violence, the U.S. must follow its advice to Pakistan with action.

#### U.S. POLICY OPTIONS: LOOKING AHEAD

To continue security-related assistance, the KLB Act requires the Secretary of State to certify Pakistani cooperation in dismantling nuclear supplier networks, combating terrorist groups, and ending support by the military or its intelligence arms to extremist groups. Rather than give in to the high command's pressure tactics, the U.S. should condition military support on demonstrable steps to combat violent extremists and end the longstanding policy of support and sanctuary to such elements, Pakistan or foreign.

The Act also requires certification that the "security agencies of Pakistan are not materially or substantively subverting the political and judicial processes of Pakistan". The military should be reminded that future security assistance would also depend on such certification, particularly since the threat of another covert intervention cannot be ruled out.

President Zardari's personal differences with the army chief aside, the military's opposition to the PPP is rooted in a long history of distrust and discord, with a former prime minister Zulfikar Ali Bhutto executed by a military dictator and Benazir Bhutto's government twice ousted through military devised interventions during the 1990s. The current government too could be dismissed through a military-manipulated intervention. The MQM, a former coalition partner of Musharraf's military government, could be persuaded to quit the PPP-led coalition, thus depriving the government of a stable parliamentary majority; and/or encouraging the PML-N to support a vote of no-confidence in parliament. The superior court's ongoing tussle with the executive could also provide the military the lever it needs to remove the government, replacing it with a puppet regime, which would allow it to rule from behind the scenes.

Signals from Washington DC will play a major role in the military's cost-benefit analysis of intervening. The U.S. must resist the temptation of reverting to a reliance on quick fixes which would amount to falling back on a failed policy of engaging with the Pakistani military at the cost of Pakistan's young democracy. A sustained democratic transition will go a long way in stabilizing Pakistan through meaningful political, economic and security-sector reform. The assertion of civilian authority over security policy will also result in a reassessment of the domestic costs of supporting jihadi proxies and a realignment of domestic priorities from military to human security. By strengthening the new civilian order, both the U.S. and Pakistan stand to gain.