

# **PAKISTAN TODAY**

## **THE CASE FOR U.S. - PAKISTAN RELATIONS**

Shahid Javed Burki &  
Shirin Tahir-Kheli



**FOREIGN POLICY INSTITUTE**  
**STUDIES IN POLICY**

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## ABOUT THE AUTHORS

The two authors of this timely study build on their different academic backgrounds and work experiences to explore an important area of the U.S. public policymaking: How should Washington view Islamabad?

In this study the authors suggest that given its location, the youth of its population, and the faith of most of its citizens, Pakistan must occupy an significant place in the world-view of the incoming U.S. administration as it settles down. For decades, Pakistan needed the United States to help it with the resources necessary to develop its economy and to increase its military strength. Not able to save much from its own resources, Pakistan looked outside for help. The country's policymakers viewed their external environment as hostile, necessitating military preparedness. The U.S. was often ready to help. But its involvement was predicated on its own strategic interests. These changed over time, which gave its relations with Pakistan a stop-and-go quality. With globalization, the rise of China and the near-collapse of the old world order, U.S. relations with Pakistan need to be redefined. The authors make a convincing case that in this transformed world the U.S. needs Pakistan, while the latter now has more options available to it.

**Shahid Javed Burki** is an economist by training and spent most of his working life at the World Bank, involved in finding solutions to the myriad problems faced by different parts of the developing world.

**Shirin Tahir-Kheli**, a political scientist by training, spent many years in the U.S. government at the National Security Council and Department of State respectively helping to formulate and execute her adopted country's policies in the wider world arena.

Both are American citizens originally from Pakistan.

## TABLE OF CONTENTS

### 1. BEGINNING WITH THE CONCLUSIONS . . . 1

### 2. PAKISTAN'S PAST ENGAGEMENTS WITH THE UNITED STATES AND HOW WASHINGTON VIEWED ITS OLD ALLY . . . 7

Introduction . . . 7

The Ayub Khan period (1958-1969) . . . 8

The Zia ul Haq period (1977-1988) . . . 12

The Pervez Musharraf period (1999-2008) . . . 16

The post-Musharraf period and the Obama years (2009-2017) . . . 21

### 3. PAKISTAN'S POLITICAL DEVELOPMENT . . . 27

### 4. PAKISTAN'S ECONOMY: A STORY OF RESILIENCE, MISSED OPPORTUNITIES AND FUTURE PROSPECTS . . . 31

National Priorities in Pakistan . . . 32

### 5. THE WOMEN OF PAKISTAN TODAY . . . 37

### 6. THE ROLE OF THE MILITARY IN PAKISTAN'S ECONOMY AND POLITICS . . . 41

### 7. NUCLEAR SECURITY AND POLICY . . . 45

### 8. PAKISTAN'S RELATIONS WITH SOME OTHER COUNTRIES AND REGIONS THAT WILL AFFECT ITS DEALINGS WITH THE UNITED STATES . . . 47

Introduction . . . 47

India and the Kashmir dispute . . . 48

Afghanistan and the U.S. Withdrawal . . . 51

China: Bringing the Asian giant into Central Asia . . . 53

Russia's arrival in South Asia...58  
Saudi Arabia and assertion of its Sunni identity...60  
Iran's reemergence and its influence in the Middle East and Central Asia...61  
The Muslim World and Pakistan...62

**9. CHALLENGES FOR THE NEW U.S. ADMINISTRATION...65**

**10. FIXING U.S. FOREIGN POLICY INFRASTRUCTURE...69**

**11. CONCLUSION...71**

**ENDNOTES...75**

**1. BEGINNING WITH THE CONCLUSIONS**

We will adopt an unconventional approach and begin this short study on U.S. relations with Pakistan by briefly summarizing our main conclusions. Our analysis of where the world stands today and the various challenges that the new U.S. administration will face suggests a number of departures from the past. When new policymakers move into office on January 20, 2017, they must account for a number of these factors as they shape Washington's approach to the world. We will focus on several of these matters.

One: The world is changing faster than ever before and this change will need to be managed well. This is the main theme explored by Shahid Javed Burki, one of the authors of this work, in a recently published book.<sup>1</sup> In many ways, the world of 2016 and 2017 is not much different from what it was in 1944 and 1945. Now, as then, significant realignments are taking place among the world's major powers. Two countries that had waged war to carve out their positions in the global order were decisively defeated in highly destructive global conflicts. Germany had deployed its military might to bring all of Europe under its control, and Japan had attempted the same strategy in Asia. Both failed, leaving themselves, as well as the rest of world, in ruin. Millions of people were killed, millions more were displaced from their homes, and trillions of dollars worth of economic assets were destroyed. At the end of World War II, the victors took a stance different from the one they had adopted at the conclusion of the World War I, when the defeated powers faced economic punishment after their battlefield defeat. These consequences of the 1914-1918 global conflict generated enormous instability on the European continent, eventually leading to World War II. The British economist John Maynard Keynes made his reputation by analyzing the victor's economic policies towards those who were defeated and came to the conclusion that Germany's economic treatment after World War I led to World War II.<sup>2</sup> Showing extraordinary leadership and the influence of Keynes's thinking, the United States—backed by Britain—laid the foundations of new political and economic orders that would become the basis of global governance. These orders were based on two basic principles: cooperation among nations and rule of law. These principles were embedded in a cluster of international institutions. The United Nations and aligned

## 1. BEGINNING WITH THE CONCLUSIONS

agencies were created within the political and social domains. In the arenas of economics and finance, the World Bank and the International Monetary Fund (IMF) were established. Half a century later, the World Trade Organization (WTO) was added to complete the global structure.

Two: The situation resulting from recent changes in several parts of the globe calls for realignment among nations and the world's many regions. This must not result from global wars, but from deft handling by the many nations that are now important players on the world stage. This is not to say that battlefields will not be involved in bringing about the needed reconfiguration in the global order. Several "mini-wars" are being fought at this time and more will be fought in the years to come. But major conflagrations of the type seen in the 20th century are not likely to occur. The United States, still the world's richest economy (though possibly not the largest) and by far the strongest militarily. This will require it to work with other nations, some big and some relatively small. China, having seen its economy grow at unprecedented rates and over an extraordinarily long period of time has—by one system of accounting, the purchasing power parity rate—overtaken the United States to become the world's largest economy. According to the IMF, this change occurred in the last quarter of 2015. China seeks a larger role on the world stage, but so do India and Russia. Meanwhile, India will overtake China in a couple of decades to become the world's most populous country.

Russia is diminished after the collapse of the Soviet Union in 1991, but it is not prepared to see its role written off; it too wants a continuing and important role on the world stage. Given Russian interests in its own neighborhood Vladimir Putin, the Russian president and his colleagues seem to have come to the conclusion that the candidate of the Republican Party would better serve their interests than the candidate put up by the rival Democratic Party. It remains to be seen how the incoming U.S. administration interacts with Russia for peace and security in Syria or in support for Washington's preferences in Iran and elsewhere.

Three: Continuing with the "world stage" metaphor, it should be recognized that a number of smaller actors are also vying for roles in the unfolding drama. Pakistan, the main subject of this inquiry, belongs in this second category. Meanwhile, Iran is re-emerging from a long period of isolation with the ambition to become a regional power. This ambition will be challenged by the Kingdom of Saudi Arabia, which has a complicated history with Iran, the area's rival Muslim power. Each of these nations considers itself the custodian of one of the two large sects of Islam that have been in

conflict, often bloody, since the founding of the religion some fifteen hundred years ago. The outcome of the internal wars being fought in Afghanistan, Iraq, Libya, Syria and Yemen will also impact the global future. All of these are in Muslim majority areas. In the current war in Afghanistan, Pakistan is an active participant. There is pressure on Islamabad by the Saudi Kingdom to come to its aid in the Yemen conflict.

Four: The world's future will be defined not only by the dynamics between these large and small powers, but also by a highly disruptive force that has emerged in the last few years—that of "radical Islam." The growing influence of this branch of Islam, many analysts believe, is the consequence of the mistaken approaches adopted by the United States in countering it; even with a very narrow reach, radical Islam has been able to draw the world's attention by employing extreme brutality as its *modus vivendi*. While this should not be viewed as a "clash of civilizations" à la Samuel P. Huntington,<sup>3</sup> its presence cannot be belittled. This phenomenon—the rise of extremist Islam and its attempt to gain influence in Muslim nations—needs global attention.

Five: In this new state of global turmoil, the United States has a leadership role to play. In crafting its approach to the world, Washington must reflect on the strategic interests of those it wishes to partner with to manage global affairs. It has its own strategic compulsions, but so do the countries it needs to work with. In the past, the United States has largely tended to ignore what its partners wanted for themselves from the relationship. We will argue in this work that in this changed world, Washington will have to balance its strategic interests against those of other powers. This, according to our analysis, has been an important shortcoming in the way that successive U.S. administrations in the post-World War II era developed their approach towards the world. Even where relations between large and small powers are concerned, the interests of the latter must be given due recognition. This has not always happened. In the next section of this study, we will briefly discuss how relations between the United States and Pakistan were managed during the three periods when the two countries worked as close allies. The military was in charge during these three periods and gave very little attention to public sentiment. Normal Pakistani citizens did not receive appropriate attention, and they developed strong opposition to the way that Pakistan's policymakers accommodated U.S. interests. This steadily declining public view of the United States has been recorded in some detail by the successive surveys carried out by the Washington-based Pew Research Institute. The recent deterioration of relations between the United States and the Philippines is another example of the point we are underscoring: the need for different management of relations between large and small nations.

## 1. BEGINNING WITH THE CONCLUSIONS

Six: There are many reasons why Washington should pay close attention to Pakistan. Its location is important for the United States. It borders Afghanistan, China, India and Iran, four countries that will figure prominently into U.S. relations with the world. Islam, the religion followed by the vast majority of Pakistan's citizenry, is destined to become the world's largest in about half a century. The world's current state of exceptional turmoil, which is destabilizing the international order, requires engagement with the world of Islam in productive interactions despite a preference to clump Muslim states with "Radical Islam."

Seven: There is the way Pakistan has developed politically. Despite some recent hiccups, Pakistan could be an important ally for the United States in the years—perhaps decades—to come. It is alone among the countries in the western part of the Islamic world—the part that stretches from Morocco in North Africa to Bangladesh in South Asia—that has had some success in developing a modern and relatively inclusive political system. It has also succeeded up to this moment in balancing relations with many large Muslim countries, especially with its rivals, Iran and Saudi Arabia. The United States should be interested in encouraging and facilitating Pakistan's development so it can serve as a model for the restive Muslim world to follow.

Eight: Until recently the process of "globalization" was generally applauded. The rise of Donald Trump in the United States, Britain's successful campaign for Brexit, increased political presence of right wing parties in many European nations, and the arrival of millions of foreigners in European nations—not only from the Muslim Middle East but also from the continent's poorer nations—has eroded confidence in this process. Even though some highly respected economists, such as the Nobel Prize winner Joseph Stiglitz, had pointed out that globalization would produce its "discontents," even they did not expect the reaction to be so severe.<sup>4</sup>

Those in power will need to recognize that to produce a safer and fairer world, this process will have to be properly managed. Added to the economic deprivation caused by globalization is the progressive loss of ethnic and cultural identity felt most acutely by some populist segments of white populations. Movements such as Trumpism, Brexit and France's Pennism are attempting to turn the clock back. Arlie Russell Hochschild, the author of *Strangers in Their Own Lands*, describes a feeling of lost opportunity as the "deep story" not only of rural communities in the United States, but also of the country's deindustrialized parts.<sup>5</sup> When leaders such as Trump talk of "making America great again" or "taking back our country," this suggests cleansing populations of people of color. Such sentiments have given rise to movements such

as Islamophobia and xenophobia. In order to prevent such movements from taking heavy political and social tolls, the West will need to work with Muslim countries such as Pakistan to keep the world from slipping back into relative darkness. It is not often appreciated that among large Muslim nations, Pakistan has the largest proportion of its population residing in the diasporas formed over several decades in Europe, North America and Australia. These communities need to be better integrated into Western societies. Of the roughly 60 million Muslims living in Western nations, Pakistanis have the largest presence, with about five to six million residing outside their country of origin. There are some encouraging signs: London elected as its mayor a person of Pakistani origin earlier this year.

In order to explain these conclusions, we will divide this study into several parts. While strictly limiting our attention to the present and the future, we will explore some of the earlier engagements between the United States and Pakistan. This discussion will help our readers to understand the approach we are presenting that could be followed by the new administration in Washington. We will then suggest that the new set of policymakers must fully understand half a dozen circumstances that define Pakistan's policy imperatives. These are: one, the state of its economy; two, its policy towards the development of its nuclear arsenal; three, the role its military plays in Pakistani political and economic life; four, the situation of women in Pakistan and how that may have some influence on the rest of the Muslim world; five, relations with India, China, Afghanistan, Iran, Russia and Saudi Arabia, the first four of which directly border Pakistan; and six, Pakistan's place in the Muslim world. We will conclude this study by suggesting how Washington should manage this relationship. The emphasis should be on appealing to Pakistan's citizenry in an effort to turn around the trend towards increasing disapproval of the United States among Pakistan's general population. This would require greater rather than less United States engagement with Pakistan and with people of Pakistani origin.

## 2. PAKISTAN'S PAST ENGAGEMENTS WITH THE UNITED STATES AND HOW WASHINGTON VIEWED ITS OLD ALLY

### *Introduction*

Pakistan's relations with the United States deteriorated significantly in the final years of Barack Obama's presidency. The outgoing U.S. president felt that foot-dragging by Pakistan did not help him to deliver on his ambition and legacy: withdrawal from the wars initiated by his predecessor George W. Bush. The two wars—one of which began with the U.S. intervention in Afghanistan in October 2001 and the other with the March 2003 invasion of Iraq—are the longest fought by the United States in its history. Taken together, the two engagements have lasted for twenty-eight years, and there is no end in sight. President Obama and his administration believed that Islamabad could have done more to eliminate the sanctuaries in Pakistan's tribal areas, from which various groups of dissidents attacked Afghan troops. By remaining active, Pakistan-based insurgent groups compelled the United States to extend its stay beyond the timeline envisaged by Obama when he took office eight years ago. The president, anxious about his legacy, has expressed a great deal of frustration at the way Pakistan had conducted itself. He expressed his unhappiness in a series of interviews he gave to Jeffrey Goldberg of *The Atlantic*, resulting in an article in that magazine detailing on how the U.S. president viewed the world as he was preparing to leave the White House. President Obama saw Pakistan entirely through the prism of U.S. strategic interests in Afghanistan. In this respect, his views aligned with those of many of his predecessors.

The past is not a barometer for future engagement between the U.S. and Pakistan. But we must not forget the prolonged positive interaction between these two countries through periods of close relations (1955-1965, 1980-1988, 2001-2007). Even through times of difficulty when ties were downgraded (1965-1975, 1990-1995, 2011-2016), Washington and Islamabad stayed engaged, recognizing shared goals of a stable and prosperous South Asia. The turbulence we witnessed over time has coincided with periods of civilian rule, wars with India, nuclear impasse, and most recently, the Afghan/Indian prism through which Washington now views Pakistan.



While this fluctuation in relations has denied a solid base for common understanding, diminution of focus on Pakistan today allows for a more nuanced relationship that goes beyond cycles of assistance and sanctions. As a result, areas of common goals can move forward despite important disagreements on some key issues. Both countries have learned to live without fully embracing the other. We believe that both understand that Pakistan and the United States do better when they are collaborating on a shared agenda on multiple fronts, even as areas of differences remain.

In order to understand how the United States' relations with Pakistan reached such a low point, it will be useful to examine the nature of the past three deep engagements between the two countries, each under military rule.

### ***The Ayub Khan period (1958-1969)***

For more than fifty years, politics in Pakistan have revolved around the tension between its political leaders, who critically helped bring the country into existence, and the military that rapidly came to see itself as the guarantor of Pakistan's statehood and indeed its very existence.

Pakistan's formative years thus were shaped in the twin-pronged struggle to define the state and set up rules of the political game and at the same time to deal with what was generally viewed as a hostile India. The long struggle to finalize a constitution lasted nearly a decade after independence in 1947; when the constitution was finally adopted it had a shelf-life of only two and half years. It was abrogated in October 1958, when General Ayub Khan took control of the country. Complicated power sharing emerged in a complex environment of ethnic, regional and linguistic divisions. Divisions whose legacies were enhanced by the partition of the subcontinent, which divided the country into two wings, East and West Pakistan, with a thousand miles of India in between.

We often hear people ask what Pakistan might have become if its founding leaders, Mohammad Ali Jinnah and Liaquat Ali Khan, had not died so soon after independence. This is one of the several "what ifs" we can ask about Pakistan's history. Jinnah died in September 1948, barely a year after the country he founded became independent. Liaquat, who assumed the mantle of leadership after death of Jinnah, was assassinated three years later. Certainly it would have made an immense difference for the steady hand of a respected national leader to guide the country through the thicket of its turmoil to lay the foundation for political stability. We need also to remember that partition was a bloody affair with the largest transfer of people across borders

in history, as detailed in an extensive discussion of the period by Burki, one of the authors of this study, and Yasmin Khan.<sup>6</sup>

During that time, the United States was aggressively seeking friends and allies to join it in combatting what Washington perceived as the communist menace. Pakistan's geographical location gave it strategic heft beyond its capabilities. While we can argue whether India was the actual prize for U.S. engagement, Jawaharlal Nehru, India's first prime minister, was firmly unwilling to be sucked into the vortex of East-West rivalry. He was also attracted to Soviet methods for managing the economy. He was a man in great hurry, anxious not only to quicken the pace of economic growth but also to distribute its rewards more evenly. He believed—wrongly, it turned out, when the performance of the Soviet economy came to be better understood—that the state rather than private initiative had the most important role to play in realizing the twin objectives of rapid growth and income equality. Borrowing Lenin's phrase, he put the Indian state on the "commanding heights of the economy." Giving significant power to the state stifled the country's economy and produced what the Indian economists themselves called the Hindu rate of growth: an increase in GDP at the rate of 3 to 3.5 percent a year for about forty years.<sup>7</sup> This was one-half of what was recognized as the country's potential. Under Nehru, India was set to go the Soviet way rather than follow the path of liberal capitalism favored by the West, and particularly by the United States.

Thus Washington's choices were limited and Pakistan became what its first military dictator, General Ayub Khan, called "America's most allied ally."<sup>8</sup> When Ayub declared martial law in October 1958 in Pakistan, he abrogated the constitution and dismissed political leaders as he dissolved legislatures. Of course, as Pakistan's first indigenous army chief (having taken over from British Indian Army General Douglas Gracey on January 17, 1951) Ayub played a large role in developing Pakistan's links to the United States and pursuing its entry into U.S. defense agreements, such as the Southeast Asia Treaty Organization (SEATO) and the Central Treaty Organization (CENTO). As we note from numerous studies of Pakistani foreign policy at that time, Ayub was completely aware of Pakistan's limited set of options for immediate armament as a check against potential Indian action. After all, India and Pakistan had already clashed in Kashmir in 1948, resulting in the division of that state with no lasting peacefully acceptable solution in sight. The "might makes right" lesson that the Pakistani military took away from the early confrontation provided a crucial component to its links to Washington as a key supplier of materiel and a helping hand in the development of Pakistan's economy.



Water, a major issue of contention between India and Pakistan after partition, was addressed to some extent by U.S. mediation and World Bank assistance. The Indus Waters Treaty between India and Pakistan was signed by Indian Prime Minister Nehru and Pakistan's military President General Ayub in Karachi on September 19, 1960. Agreement on the terms was facilitated by their U.S. architect David Lilienthal, a former head of the Tennessee Valley Authority and U.S. Atomic Energy Commission who approached the water dispute as an engineering problem to be resolved by engineers. Ultimately, this solution gained political acceptance.

The agreement gave India control over the three eastern rivers, Beas, Ravi and Sutlej. Pakistan received control of three western rivers, Indus, Jhelum and Chenab. This Solomon-like division was accompanied by a protocol for water sharing, since almost all of Pakistan's waters originate in India. The Kabul River, an important tributary of the Indus River, was the only major river in the agreement that did not traverse Indian territory.<sup>9</sup> The treaty established mechanisms for legal procedures in the settlement of most disagreements and disputes. The fact that this most successful water-sharing agreement continues in a region plagued by perpetual disagreement and sporadic conflict is a testament to what is possible in the management of South Asian disputes. It could be argued that in managing this difficult relationship where engineers and technocrats are not afraid to trek, politicians will later follow. The U.S. role in the initiation of this critical treaty is without parallel. In other words, the requirement for a stable subcontinent requires productive involvement by the United States and makes a case for engagement. Absent the Indus Waters Treaty, water-sharing disputes would be one more cause for war and instability between India and Pakistan.

President John F. Kennedy welcomed General Ayub on a state visit to the United States in July 1961. We get a glimpse of the warmth of that welcome from the fact that Kennedy personally greeted Ayub and his daughter planeside upon their arrival in Washington. In his welcoming remarks, the U.S. president noted: "We're glad to have you here because you come as the head of an important and power country which is allied with us in SEATO, which is associated with us in CENTO, which represents a powerful force for freedom in your area of the world." Ayub was feted in the U.S. press as a "champion of a free people," even as he suppressed democracy in Pakistan and belittled political leaders at home.

The possibility that postcolonial South Asia's brand of democracy inhibited economic progress was supported by a number of social scientists including Gunnar Myrdal, the Nobel Prize winner from Sweden. In giving him the award, the Nobel Committee cited

his three-volume study, *Asian Drama*, as having contributed significantly to economic thought.<sup>10</sup> In this work, Myrdal developed the concept of the "soft Asian state" which was the predominant form of government in the Indian subcontinent. Its democratic structure made it difficult to make hard decisions. Ayub Khan's intervention in the messy Pakistani state had strong analytical backing in Western academic circles. The advent of his military rule was not condemned, as was to be the case for his successors.

We need not examine the full history of the Cold War to find intersecting points for U.S.-Pakistan relations. Pakistan's geography made it important to U.S. interests in the post-1945 period and a helpful partner to Washington despite domestic Pakistani civil-military complications. Successive military coups (in 1958, 1969, 1977 and 1999) brought in a head of the army as president. However, the intervening years saw political parties form, elections fought and transfers of power from military leaders back to elected representatives. At the time of this writing, the fall of 2016, it appears that Pakistan has set itself on a course of political development in which the military is prepared to allow a fair amount of space to elected representatives of the people.

When Pakistan's relations were warm with the United States, as has been the case at least three times in Pakistan's almost seventy-year history, the country served well several U.S. strategic interests. This happened first in the late 1950s and the early 1960s, when General Ayub Khan was president, the first military man to rule Pakistan. Ayub Khan, having served in the civilian government that preceded the one he established himself, understood his country's economic limitations. He realized that Pakistan did not have the resources needed to build the kind of military he thought it required to serve the nation's strategic interests. Pakistan's leadership had only one concern: what was perceived as an existential threat posed by India. Those who governed in Pakistan had convinced themselves that India was bent on destroying their country, or at least weakening it to the point that its neighbor would become a client state.<sup>11</sup> The only way the perceived threat from India could be countered would be to strengthen militarily. However, that would require the commitment of large amounts of resources but these the country did not have. When General Ayub Khan removed the civilian government and took over the country's administration, he went looking for help from the outside. The United States was willing to assist. It was then governed by the administration of Dwight Eisenhower whose Secretary of State and Director of the Central Intelligence Agency, brothers John Foster Dulles and Alan Dulles, were suspicious about the intentions of the communist regime in Moscow.<sup>12</sup>

Under Ayub Khan, Pakistan was prepared to partner with the United States in the latter's aim to contain the spread of communism. The United States was anxious to prevent communism from reaching into the heart of the Asian mainland. Pakistan's role in this enterprise would be to join a couple of defense agreements—CENTO and SEATO. Pakistan became a member of both organizations, and as a part of its commitment, Islamabad allowed the United States to develop a couple of bases in its territory that Washington could use for its own purposes. It was from one of these bases that Gary Powers flew the U-2 spy plane that Russian fire brought down, an incident that soured Pakistan's relations with Moscow for decades. It is only recently, as we will note later in this study, that Moscow has begun to show some interest in Islamabad.

In return for Pakistan's support, Washington provided large amounts of military equipment to Islamabad. The United States also built two military cantonments in Pakistan, at Kharian near Islamabad and at Multan. This association was terminated when India and Pakistan went to war in September 1965. Pakistan had made a commitment that it would not use the U.S.-supplied equipment if hostilities were to break out with India. This promise was not kept. In fact, the U.S. F-4—at that time the most advanced fighter plane available in the U.S. arsenal—played an important part in giving Pakistan command over its skies and those of northern India in the 17-day September 1965 war.

### ***The Zia ul Haq period (1977-1988)***

The United States' pursuit of its strategic interest again pulled Pakistan into the U.S. orbit a decade and a half later. This time, Washington wooed Islamabad over the Soviet invasion of Afghanistan. Pakistan, after a brief civilian interregnum, was back under the rule of the military. In 1978, General Muhammad Zia ul Haq removed Zulfikar Ali Bhutto, a popular leader who had been elected in 1970, and installed himself as president. Jimmy Carter, who was then the U.S. president, offered Pakistan economic and military support if it would work with his country to expel the Soviet Union from neighboring Afghanistan. General Zia played hard to get; he rejected the U.S. offer, famously calling it "peanuts." Whether or not that rebuff was intended to serve that purpose, it hit home—President Carter was a peanut farmer in the U.S. state of Georgia and was not happy that the crop he grew was belittled in political discourse. Ronald Reagan, Carter's successor in the White House, was prepared to be much more generous. The terms of engagement were agreed and Pakistan was handsomely rewarded. As a part of this program, with financial help from the United States and Saudi Arabia, Pakistan agreed to create a new fighting force to challenge

the Soviet Union. These young mujahedeen included some foreign fighters, but they were mostly students from the scores of madrassas established in the refugee camps that housed some three million Afghan refugees. They had left their homes and moved to Pakistan to escape the scorched-earth policy pursued by the Soviet invaders. They bitterly opposed the occupation of their country by the "godless" Soviet Union. The fight against Moscow lasted for a decade, until the Soviet Union pulled out its troops in 1989.<sup>13</sup>

Most of the 1980s saw Pakistan once again in alliance with the United States. The Soviet invasion of Afghanistan brought the two countries into close collaboration in fashioning and executing the response to the Soviet Union's invasion of Afghanistan. The Reagan administration pledged strong support for Pakistan's economic well-being and military upgrading—always a key goal of Pakistan's military leadership. Finally, there seemed to be a shared goal uniting U.S. and Pakistani foreign policy. By upping the Carter offer of \$400 million to a \$3.2 billion five-year program, Reagan found immediate resonance with Zia. Yet even at that time, some voices in Pakistan cautioned Zia that responding to events in neighboring Afghanistan with the vehemence required by U.S. policy, as in the mid-1950s, would not serve Pakistan in the long run.<sup>14</sup> This was the position that Zulfikar Ali Bhutto, Ayub Khan's prime minister took before resigning from the government. He was unhappy that the general had aligned himself and his country so closely to the United States. Sensitive to his foreign minister's criticism of his pro-U.S. posture, Ayub Khan tiled his political autobiography, *Friends Not Masters*. Bhutto, never prepared to be beaten in an argument, published his own book under the title, *The Myth of Independence*.<sup>15</sup> However, Zia was the ultimate decision maker and touted the fact that two "God fearing" countries had come together to expel the "godless communists."<sup>16</sup>

Pakistan willingly became the "front-line" state to accomplish the U.S. goal of expelling the Soviets.<sup>17</sup> As U.S. funds began to flow into Pakistan, Afghan resistance leaders became headquartered there and the Inter-Services Intelligence (ISI), Pakistan's premier intelligence agency, played favorites in dispensing the funds. Jamaluddin Haqqani and Gulbuddin Hekmatyar were the two favored commanders of the ISI. Both were to play important roles in Afghan affairs. U.S. largesse created a more muscled Pakistani intelligence apparatus, and intelligence coordination remained close between the United States and Pakistan. Zia held to the goals set by the United States in UN-sponsored talks: the preservation of Afghan sovereignty, territorial integrity, political independence and non-aligned character; the right of the Afghan people to select their own

form of government, political and social system; the immediate withdrawal of foreign troops; and the return of Afghan refugees, about 3 million of whom were in Pakistan.

In private and official conversations with U.S. officials, Zia talked of the duty of every Muslim to support the jihad in Afghanistan. He welcomed numerous leaders from the Muslim world and proudly spoke of Pakistan's responsibility to be a part of the Umma in support of Muslims. He felt that Pakistan would weather the dislocation caused by the Soviet invasion of Afghanistan and cleanse itself of Western culture, even as he took assistance from the West. The Arab "mujahedeen" were welcomed as brothers-in-arms. No thought was given to the future impact of their integration into the culture of the northern areas of Pakistan, which sowed seeds of the havoc that followed decades later in terms of the Pakistani body politic.

Because of goals shared by the two countries, U.S. motives were not really under fire in Pakistan at the time. Friday sermons in mosques dimmed their anti-U.S. rhetoric—after all, the mujahedeen were Muslims and the United States was their benefactor. The Soviets were "godless" intruders. Given that U.S. aid started as a covert affair, the ISI Directorate was the funnel for the assistance; Zia kept the ISI's profile low and focused on the Afghan effort. His director general of the ISI, General Akhtar Abdur Rahman, was a favored colleague who fully towed the president's line. Zia directed Rahman to remain in close contact with the then CIA director, William Casey.<sup>18</sup> This relationship was vividly chronicled by George Crile in his book, *Charlie Wilson's War*.<sup>19</sup> Coordination between the U.S. and Pakistan on Afghan policy continued throughout the 1980s. High-level talks were a frequent occurrence and collaboration extended to a range of issues beyond the war in Afghanistan, bringing a new dynamism into the relationship.

The war against the Soviets intensified. More resources poured into Pakistan. As a result, the ISI became more powerful. Zia kept tight control over the ISI and its funding, weapons distribution to the "freedom fighters" and the training of combatants in Pakistani military camps. Billions of dollars were poured in by the United States and by friends in the Arab world, in particular Saudi Arabia. Transparency and accountability seemed out of the question.

One of the direct consequences of this period of U.S.-Pakistan relations was the development of a "Kalashnikov Culture" in Pakistan. Weapons and drugs moved freely into the country from Afghanistan via porous tribal areas. A percentage of items destined for Afghanistan's war ended up in local arms bazaars. A significant proportion

of the Pakistani population became addicted to drugs made from crops grown in Afghanistan.

Even more lethal was the continued slow conversion of Pakistan's northern areas to a Wahabi version of Islam. The Arab fighters, extolled by Reagan as brave 'freedom fighters,' were beginning to seize control of local mosques and influence those who prayed there. Always socially conservative, Pashtuns were facing even more control under the new emerging culture of jihad. In the vast refugee camps in Pakistan where Afghans lived, women often spoke of suffocating restrictions they faced under the newly acquired Wahabi cultural norms. They had felt less constrained in Afghanistan, where they lived in their own villages before the onset of the Wahabi culture.

The Pakistani army, and perhaps even more the ISI, created a fighting machine in which they trained illiterate but religiously motivated fighters to use modern weapons such as Stinger missiles. Pakistan coordinated with the United States in talks through the UN to seek the total withdrawal of Soviet troops. These talks accelerated in 1986, as the offensive against the Soviet occupation of Afghanistan began to pay off. Shortly thereafter, President Reagan reached out to the Soviet leader Mikhail Gorbachev to begin talks that led to the Geneva Accord calling for the withdrawal of Soviet troops.<sup>20</sup> After complicated negotiations that lasted six years, the Geneva Accord was signed on April 14, 1988. Soviet troops left Afghanistan shortly thereafter, with no interim government ready to take charge in Kabul. Various estimates put the cost of the Afghan invasion and occupation at over \$70 billion and Soviet military leaders noted that the war had cost nearly 14,000 soldiers dead and some 35,500 wounded. The war cost nearly 200,000 Afghan and Arab supporters their lives; another 80,000 were wounded. Afghanistan suffered enormous physical damage as well, leaving its elementary infrastructure in tatters. Arable land was destroyed, lives were uprooted and nearly one-third of the Afghan population were left as refugees, mostly in Pakistan and Iran.

Zia's death in an air crash in 1988, which also took the life of a popular U.S. ambassador, Arnold Raphel, created a sense of camaraderie in the loss on both sides.<sup>21</sup> At the time, then Secretary of State, George Shultz, noted, "United States relations with Pakistan rests on long standing shared purposes and common goals." At Pakistan's request, a team of experts was dispatched from the United States and worked alongside the Pakistani team investigating the crash of the usually very reliable C-130. The inquiry did not point to any sabotage, but it also did not completely rule it out. As a result, conspiracy theories became rampant in Pakistan.

We need to recall this background in order to understand the connectivity in U.S.-Pakistan relations. When the two became partners against potential communist threats in the mid-1950s, they could not actually predict the Soviet Army's bold move southward into Afghanistan. Ronald Reagan wanted to challenge the Soviets and in the process to destroy the Soviet Empire, and Pakistan came in handy in the implementation of that desire. Early engagement thus offered critical links when they became needed decades later. Similarly, we can stipulate that engagement today would provide insurance against unforeseen future events.

President Zia, more than the civilian leadership, understood the dynamic created by the war in Afghanistan. In a conversation with one of the authors (Burki) on July 30, 1988, Zia explained why he had dismissed the government headed by Muhammad Khan Junejo, whom he had chosen to lead the civilian government as a part of his political design: to gradually return the country's administration to the people's elected representative. Junejo was elected in the poll held by Zia in 1985. The prime minister was keen to bring to an end Pakistan's involvement in Afghanistan. He found the war there to be a distraction; ending it would mean he could concentrate his country's limited resources on developing the economy. He supported a negotiated settlement in Afghanistan that would involve not only the warring Afghan parties but also the foreign powers that supported them. Geneva was chosen as the venue for these discussions. But Zia did not support his prime minister's Afghan policy. "A quick pullout by the Soviet Union will leave a political vacuum that would not be easily filled by those who had fought the Soviet Union," Zia told Burki. "It is important that we work with the mujahedeen groups and have them agree on a political settlement. There must be full understanding among those who were opposed to the Soviet presence in their country as to how they will govern once the invaders are gone."

These fears turned out to be well founded.

### ***The Pervez Musharraf period (1999-2008)***

Pakistan figured prominently into U.S. strategic interests for a third time when it was again being governed by a military man, President Pervez Musharraf, who then presided over Pakistan's fourth military-dominated administration. He obtained that position in 1999, after a clumsy and botched attempt by Prime Minister Nawaz Sharif to fire him as Chief of Army Staff. His senior colleagues foiled the attempt while he was flying back from Colombo, Sri Lanka. As was the case when General Zia ul Haq overthrew a democratic government, Musharraf's coup against an elected prime minister did not sit well with the West. By the time Musharraf made his move,

a consensus had developed among U.S. political thinkers that "history had ended," that the Soviet Union's collapse had established Western liberal democracy as the only meaningful system of governance. This case was made by the political scientist Francis Fukuyama in his highly influential book, *The End of History and the Last Man*. Musharraf, by dislodging an elected government, was bucking the trend. He was shunned by the West. Then 9/11 happened, and within a few hours of the terrorist attacks on New York and Washington, U.S. Secretary of State Colin Powell indicated to Musharraf that Pakistan had no choice but to support Washington's "war on terror." Among other things, the United States wanted Pakistan to grant it the right to use its air space for firing missiles into Afghanistan. These missiles were to be launched from the ships the United States had positioned in the Arabian Sea. Musharraf agreed instantly without consulting his colleagues. Only a military leader could have moved that quickly, unhindered as he was by political processes.<sup>22</sup>

Following the return of democracy to Pakistan, the degree of freedom under which the military leaders operated was not available to those who came into positions of leadership via the electoral process. The civilian authorities had to keep in mind how the people felt about the countries with which Pakistan had developed close relations and what these countries wanted in return from Pakistan. As revealed by the periodic surveys of public opinion conducted by the Washington-based Pew Research Institute, the United States figures very low in the Pakistani citizen's view of the world. China, on the other hand, ranks very high.<sup>23</sup> These sentiments could not be ignored by Islamabad's policymakers. While Islamabad seems to have frustrated Washington for several reasons, those in charge of public policymaking in the United States have not realized that the countries they are dealing with also have their compulsions. They cannot accept U.S. strategic interests as the final determinant of policymaking in foreign affairs.

Post-9/11 engagement between Pakistan and the United States focused on U.S. demands for combating terror in Afghanistan in a coordinated successful fashion. General Pervez Musharraf faced immediate U.S. ultimatums for Pakistani compliance on combating terror. But although the choices facing Pakistan after 9/11 were stark, in President George W. Bush's mind Pakistan opted for good over evil. Bush understood that nations always have a choice and can make the wrong one. As he noted on more than one occasion: "When I asked, Musharraf decided to stand shoulder to shoulder with the U.S. For that, I give him credit." Tahir-Kheli, one of the two authors of this study, served in the White House National Security Council at the time and



noted that the president's view was not often shared by many senior U.S. officials, who complained that "the president himself is the Pakistan desk officer."

When U.S. Secretary of State Condoleezza Rice visited Pakistan for a brief stop en route back to Washington from New Delhi in 2005, she noted that the United States had committed to a broad relationship with Pakistan, supporting economic and educational reform. To this end, the United States pledged approximately \$3 billion in assistance over a five year period, and Rice echoed President Bush in praising Musharraf "for his courage and vision in promoting peace and stability in the region and for his concept of enlightened moderation."<sup>24</sup> Rice told the audience at the same press conference in Islamabad that the United States would "continue to work with Pakistan and we look forward to the evolution of a democratic path toward elections in 2007 for Pakistan." She noted that Pakistan had come a long way since September 11, 2001. She attributed that improvement to Musharraf and his advisors along with the people of Pakistan, who moved toward democracy and pluralism while shunning extremism.

To some, U.S. policy, as evident in Rice's visit, still reflected the U.S. terrorism agenda and the need to move aggressively against al Qaeda. The close link with Musharraf was not always popular in political circles. Many complained that beyond the occasional rhetoric, the U.S. administration did little to push Musharraf to allow democratic politics to play a role in the country.<sup>25</sup> Over the years, the civilian toll taken by the use of U.S. unmanned aerial vehicles created an enormous amount of resentment in the northern parts of the country. This helped Imran Khan, the cricketer-turned-politician, to cultivate the support of people of the region in the 2013 elections. Khan's party, the Tehrike Insaf, won in the Khyber-Pakhtunkhwa province and has continued to govern it since then. When U.S. assistance was cited, Pakistanis felt that much of it was transmitted via beltway bandit contractors who siphoned off the majority. Thus there was never much to show for it and there was little in the way of transparency or accountability.

The better part of the cooperation was in intelligence and for fighting in border areas. As military and intelligence agencies drove that agenda, an opportunity was missed to work with political leaders and the younger generation. The man-in-the-street perception was that U.S. financial support for Pakistan's military had given a free hand to Musharraf and his generals. Washington did not dwell on the Pakistani military's decades-long association with the mullahs fighting proxy wars in Afghanistan and in Kashmir. By the end of Bush's first term in 2004, there was still a possibility for

Musharraf to break with the mullahs and cooperate with Benazir Bhutto and her party, the Pakistan People's Party (PPP), which at the time was a staunchly anti-mullah party with a solid popular base of support. Instead, Musharraf made it look as though he was not one for power-sharing. Instead, the military's steady usurption of the function of civilian governance along with expanded perks continued apace. The existence of press freedom, which had persisted much to Musharraf's credit, gave a new voice to the varied opinions prevalent in Pakistan. Yet, there was no outlet for the political give-and-take that a robust political system would offer and demand.

A "king's party" was launched and Musharraf went about touting his belief in "enlightened moderation" and in "isolating the extremists," tasks he claimed only a military ruler could undertake. Pakistan's opposition shunned the Musharraf exercise and offered no support. The brutal murder of journalist Daniel Pearl earlier in 2002 was another reminder of the darker side of the rapidly changing Pakistan.

Thousands of extremists were jailed following the Musharraf antiterrorism speech of January 12, 2002, a few months after the 9/11 attack. None was tried even then, a time when there was adequate support for a moderate Pakistan. Some said that the army wanted to keep the focus on winning the parliamentary elections set for October 2002. Others in Pakistan were of the view that the military had begun to distinguish between jihadists who were useful in any enterprise aimed at Afghanistan and India and those who were not because they targeted the homeland. The political map of the country was redrawn with constitutional amendments enhancing the power of the elite—that is, Musharraf's presidency—and banning previous prime ministers from holding future office. The military again imposed the literacy requirement for elected office holders with the justification that it would raise the caliber of the political leadership; an exclusionary clause in a country with barely 54 percent literacy. Disingenuously, however, madrassa education was given parity with the formal educational structures. Given the country's press freedom, the storm of criticism seemed to catch its military by surprise.

Washington, however, saw these steps as indicative of Musharraf's desire to move toward democracy. His push for increased participation by women was lauded by a U.S. administration that had begun to talk of women's empowerment regularly and felt that Muslim women were harbingers of better trends in their respective countries. In Pakistan, the U.S.-Pakistan alliance was mockingly referred to as the "Bush-Mush" pact.

Throughout the George W. Bush presidency, Pakistan was an important focus for the War on Terror. Even as economic and military assistance was restarted, the problems facing U.S. policy in Afghanistan were the main movers. There was a great deal of frustration on both sides. Washington wanted Pakistan to do a great deal more against the Taliban, in particular denying them sanctuary and support for the war in Afghanistan. It wanted strong military action in the tribal areas, particularly in North and South Waziristan. It pushed for the capture and extradition of al Qaeda, including Osama bin Laden and his lieutenants. Islamabad felt far too much was being asked of Pakistan, especially given the prevailing view that India was the main focus of interest for the U.S. and Pakistan was simply an ally only in need and also one seeing itself as the "most sanctioned." Many chafed at U.S. demands to flush out al Qaeda operatives in the country's tribal belt, saying that the region's rising Islamic fundamentalist activity was "blowback" from past U.S. actions in Afghanistan. Bush identified Pakistan as the nexus of terrorism and nuclear weapons and therefore "the single largest threat to U.S. national security." Co-existing within Pakistan, both these elements represented a nightmare scenario for U.S. policy.

Over the years, many U.S. policy officials worried about the state of the Pakistani nuclear program and its rapidly developing arsenal. Bruce Riedel, who served as Senior Director for Near East and South Asian Affairs in President Clinton's National Security Council and led President Obama's review of Pakistan policy, later wrote of India and Pakistan mentioning that the 1999 Kargil War in the high mountains of Kashmir threatened to start a nuclear war. Once again, it was the United States and the U.S. President's personal diplomacy that moved the subcontinent back from the brink.<sup>26</sup> Even as Riedel chastises Pakistan for thwarting U.S. goals in Afghanistan, he notes that Pakistan remains a key to attaining U.S. objectives.<sup>27</sup> At the same time, Riedel recognizes that Pakistan has made an important stride in political and economic matters and merits Washington's engagement.

By far the most important impression on the U.S. side was that policymakers in Pakistan had been devious: they had promised action against the groups of radicals who had used sanctuaries in the country's tribal areas to launch attacks on Afghanistan. This troubled President Barack Obama a great deal. He had set withdrawal of his country's troops from Afghanistan and Iraq as one his top priorities. He believed that leaving his country without ongoing wars would be his most important legacy. Pakistan was not seen as helping with the realization of this objective.

### ***The post-Musharraf period and the Obama years (2009-2017)***

Each time democracy returned to Pakistan, the United States applauded. But political leaders were difficult interlocutors. For example, Zulfikar Ali Bhutto, who came into power after the 1971 war with India and the independence of Bangladesh, used anti-U.S. sentiment to further his agenda domestically and abroad. He also reached out to Moscow and Beijing for their political and economic support. Although the Soviet Union agreed to finance the establishment of a steel mill in Karachi based on imported scrap, Beijing was more forthcoming. With the conclusion of a border deal which gave Beijing control of some areas to its west, Bhutto laid the basis of what was to become an "all weather friendship, higher than the Himalayas." His daughter, Benazir Bhutto, came into office in 1988 with a great deal of goodwill and fame as the Muslim world's first female prime minister. She was dismissed in 1990 by President Ghulam Ishaq Khan for alleged corruption under an amendment in the constitution that gave that authority to the president. Article 58.2(b) was the price the political establishment paid to General Zia ul Haq, to be allowed to be admitted in political space. She was back in power after winning the election in October 1993. Burki, this study's coauthor, then advised Moeen Qureshi, the caretaker prime minister, and was struck by her lack of interest in economic matters. Burki presented the economic recovery plan he had written for the country in a four-person meeting held in the prime minister's residence and attended by Bhutto; Vaseem Jaffrey, her economic advisor; and Qureshi, the prime minister. Bhutto showed much greater interest in the modalities of the forthcoming election than in economics. She was in power for three years, until she was dismissed once again under Article 58.2(b). This time the ax was wielded by President Farooq Leghari, her protégé.

Her second term as prime minister from 1993 to 1996 saw positive interactions with the United States. Her familiarity with U.S. institutions and players helped bridge the gap in understanding. However, the military remained an arbiter of Pakistan's growing nuclear program, and that effort finally resulted in another break in relations.

U.S. law precludes assistance and limits options to nations pursuing nuclear weapons capability. Despite a cutoff in aid, the United States remained keen to ensure the safety and security of Pakistan's nuclear arsenal. That capability was openly demonstrated as a response to the Indian nuclear test in 1998. Since then U.S. officials have sought to continue a dialogue on nuclear safety and security when possible.

The Obama years have widened the drift in relations between Pakistan and the United States. There are several reasons for this development. First, we believe that frustration



with Pakistani military/intelligence control over relations with Afghanistan and the use of surrogates to keep the pot boiling in Afghanistan led to dismay and distrust in Washington. A president who came in vowing to bring all U.S. soldiers home from wars in Iraq and Afghanistan found towards the end of his two terms that residual U.S. force was needed in Afghanistan (and Iraq but Pakistan is not involved there) simply to keep the Taliban from over-running key places.

Second, Obama's close relationship with Indian Prime Minister Narendra Modi became a zero-sum game for the United States where Pakistan was concerned.

Third, Pakistan's nuclear weapons status causes serious heartburn to Washington's planners as they witness the arc of crisis covering the region of which Pakistan is an important component. We find the most recent competition between Iran and Saudi Arabia, which pits Sunni Arab Islam against Shia Iran, Pakistan is a fertile ground for mischief-making by both sides. U.S. unhappiness to differing degrees with each of these players further complicates Pakistani options and U.S. attitudes. The fact that domestic politics in Pakistan are now a genuinely multi-party, multi-regional environment has further frustrated U.S. requirements. In a world where many people in the United States genuinely want some relief from engagement in conflict ridden regions, Pakistan appears often as the magic key to ending Taliban influence in Afghanistan, restoring peace in that war-torn country and returning all U.S. soldiers.

We believe that, despite these handicaps, the United States should welcome broad engagement with Pakistan. Compared to so many countries of the Muslim world, Pakistan's trajectory is bending toward democracy. A better economic picture is contributing towards improving employment prospects for its burgeoning population and especially for those below the age of twenty-five, who comprise nearly half of the population of the western Muslim world.

With a combined population of 1.2 billion Muslims, Pakistan has a history of political engagement with its people, a political class, institutions set up for democracy and debate, a free press, and a growing middle class. Women have also made important contributions in Pakistan, serving as prime ministers, leading economic entrepreneurs and professionals, on down to the managing of village water-sharing arrangements. What separates Pakistan from so many of its Muslim neighbors, from Morocco to Bangladesh, is the opportunity for its citizens, albeit sporadically delivered.

We notice that despite many a setback, Pakistan has also produced leaders of renown: Benazir Bhutto as the first female prime minister of a major Muslim country; Abdus Salam, who in 1979 won the Nobel Prize in Physics and who made critical contributions to Pakistani science; and Malala Yousafzai, who at the age of seventeen became the youngest person ever to receive the Nobel Peace Prize.

Pakistan's next general election is slated for May 2018. The government, led by Prime Minister Nawaz Sharif of the Pakistan Muslim League (Nawaz), is counting on improved economic factors to take it forward towards re-election. We hear from senior ministers in government that they are confident that economic challenges will be met in time. Included in this assessment is an assumption of satisfaction in the energy sector, which is currently plagued by shortages across the country. According to an exhaustive study by the Energy Expert Group, Pakistan's economic indicators are more stable today but the "crisis in the energy sector remains."<sup>28</sup> Per the group's analysis, "real GDP growth for the proposed Integrated Energy Plan period (2015-2025) is projected at an average of 5% per annum. This compares with a historic average real rate of economic expansion of approximately 3.5% over the past five years. To attain this growth rate through to the year 2025 and to meet its objectives of greater self-reliance in energy, Pakistan at the very least needs to increase its primary energy supply twofold and its electricity generation capacity/supply three times."<sup>29</sup>

Can the Sharif government meet its goals of doing away with the electrical "load shedding" now plaguing Pakistan and demonstrating the benefits of its policies to average Pakistanis? The government's expected completion of a natural gas pipeline from Iran (allowing the import of liquid natural gas and continuing eventually to India if positive relations continue) and Chinese access to Pakistan for resources and collaboration on joint projects are all aimed at reducing shortages for an energy thirsty-nation.

Despite an early promise of review and forward movement, the Obama period coincided with a period of considerably reduced interaction with Pakistan over the full term of the administration. An early promise of a "Strategic Dialogue" covering multiple fronts lost focus, even as issues such as energy and education were added to broaden the spectrum of relations.

During the tenures of Hillary Clinton and John Kerry as Secretary of State, lines of communication remained open and the U.S. administration tried to focus on the fact that elected civilian governments held office in Islamabad. But no one believed that

the elected prime ministers held sway over security policy. It was the military and intelligence services that carried the day on issues of critical importance to the U.S.: namely, managing terrorism from Pakistan into Afghanistan; the India equation; and the nuclear weapons program.

Over the past decade, Pakistani officials did not spend time cultivating public opinion in the United States or with U.S. representatives in Congress. In contrast, the India lobby was able to use its strength against Pakistani policies. A hearing on Capitol Hill in the summer of 2016 clearly showed the extent to which anti-Pakistan sentiment was cultivated by both the Indian and the Afghan lobbies, which blamed Pakistan for U.S. failure to secure Afghanistan and to “bring the American boys home.”<sup>30</sup>

Past moves by Pakistani leaders played against their stated desire to cooperate on the terrorism front with the United States. For example, the 2009 agreement with religious conservatives in the Swat region of Pakistan, only 100 miles from Islamabad, allowed extremists breathing space and control. Shocked, Secretary of State Hillary Clinton commented “I think that the Pakistan government is basically abdicating [power] to the Taliban and to the extremists,”<sup>31</sup> a statement that could well be repeated elsewhere. Neither current Prime Minister Nawaz Sharif nor his predecessor, President Asif Zardari, would eschew future deals if Islamabad ever felt another such deal would offer it respite, however short-lived, from the constant stress of governing in an area of turmoil.

Asking the government to give its full attention to these issues as well as to extremism in the border areas is asking for—as one among the elite noted—a “mission impossible.” Pakistan would benefit if the U.S. understood that systematic intimidation through targeted killing—both by the extremists and occasionally also the government—has changed the moderates from a so-called “silent majority” to a “silent minority” far less willing to speak out or act against those espousing radical Islamic ideology. It is clear that the extremists would also like to destroy all civilized, centuries-old Sufi-like moderate traditions in Pakistan.

Once Obama has left the White House, could Islamabad hope to reset its relations with Washington? It could be done if the policymakers in both capitals understand each other’s strategic interests. Washington has often operated in the belief that what really matters are its strategic compulsions, not those of its partners around the globe. A durable relationship must be constructed on the basis of finding common ground between the nations that want to work together.

The administration that will assume office in Washington on January 20, 2017, should begin work by defining the objectives it will seek to achieve during its tenure. Overall strategic interests will not be noticeably different even if the style of the Trump administration is appreciably at odds with its immediate predecessors. What will differ a great deal are the means that would be adopted by the new administration to achieve these objectives.

### 3. PAKISTAN'S POLITICAL DEVELOPMENT

There are more than a dozen areas of concern and interests that figure prominently in the shaping of U.S. foreign policy. In several of these Washington should have interest in working with Islamabad. The most important of these is preventing the creation of havens in which anti-U.S. elements can plan moves against the United States. According to the previously cited article by Jeffrey Goldberg in *The Atlantic*, Obama indicated that he was prepared to use force only in those circumstances in which he felt that his country's security was threatened.<sup>32</sup> He did not see such a threat even when the Syrian president Bashar al-Assad used chemical weapons against his own people. Obama had defined the use of such weapons as the red line Damascus would not be allowed to cross. The line was crossed but, after agonizing over his options, Obama chose not to act. However, in the rise of ISIS he saw a threat to his country's security and has sent U.S. troops to guide those who are fighting the militants. An attack on Mosul, Iraq's second largest city, began in mid-October 2016 and was underway when most of this work was prepared. Although the Iraqi military and its police force led the fight for Mosul, the United States was heavily involved in planning the assault.

Overall, the new administration will need to give a very high priority to ensuring that conditions do not develop in the Muslim world that would encourage some groups in these countries to move in the direction of the ISIS. There is a good reason why the leaders of this movement call it the "Islamic Caliphate." This is in order to increase the appeal of ISIS to Muslim communities around the world.

There are reasons why the United States should take note of Pakistan's political development. It is important for Washington to understand why, unlike India, its sister state, Pakistan has taken a long time to move towards the development of a sustainable and viable political system. Pakistan could serve as a model for the western part of the Muslim world for developing a political identity that produces internal stability, for keeping at bay the forces of Islamic militancy, and for developing good working relations with the Western world. In many recent writings by political scientists, a good

understanding has developed about both the process of political development and political decay. The U.S. scholar Francis Fukuyama has devoted two volumes to these subjects.<sup>33</sup> After the 1992 publication of his highly influential book *The End of History* in the period of euphoria that followed the collapse of European communism and the disintegration of the Soviet Union, this influential academic changed his mind about political development.<sup>34</sup> In his 1992 work, he had taken the “one-size-fits-all approach,” according to which the end of communism in Europe had brought the realization that Western liberal democracy was the only way to govern. No other system of governance would produce the stability people crave. In the later work, he saw the development of viable systems as difficult tasks that take ages to produce satisfactory results. Also, political development is not unidirectional. It can be reversed and result in political decay.

In *Why Nations Fail*, the economist Oran Acemoglu and the political scientist James Robinson made the powerful argument that only inclusive systems that cater reasonably well to all segments of the population can be sustained. Systems that exclude are inherently unstable. These analytical insights help us to understand why much of the Muslim world remains politically underdeveloped. Tens of thousands of aggrieved young men and women there are now gravitating towards extremist causes, largely in reaction to the relative failure of their political and economic systems. This trend is a source of worry not only for the Muslim world, but also for the Western world and large countries as China and India. The Muslim world’s successful political development, therefore, must figure prominently into the strategies of all countries interested in the geographic areas where Islam is predominant.

It is useful to briefly explore why Muslim countries have developed poorly in political terms. We should perhaps begin with a counterfactual. What would have happened had the Muslim world not been occupied by the European powers? We define the European occupation to include the Ottoman Empire. When the Europeans came, this region had functioning political, economic and social systems. Their development would have persisted and their institutions would have continued to satisfy their populations. When the Europeans moved in, their interest was not in developing domestic institutions, but in exploiting the areas they brought under their control. This exploitation required the cooperation of the Muslim world’s elite, who were bought over with economic compensation. Looking back at this history, it is a matter of some wonder that the Europeans were able to gain the support of the elite sometimes with only a piece of paper as compensation. In colonial India, for

instance, loyalty was bought by issuing knighthoods and titles such as “Khansahib hoods” and “Khanbhadar hoods.”

The end of colonialism did not prompt institutional development, with the exception of the Muslim areas in the Indian colony. Even in their case, the pace of development, with its twists and turns, was hesitant and not sure-footed. Pakistan and Bangladesh, for instance, are decades behind India because they did not have mature political organizations for managing political processes. It took half a dozen years of extreme political wrangling before it was able to adopt a constitution, but that constitution had a very short shelf life—only two years. The one that followed survived for only seven years. As of this writing, the country is guided by a constitution that was promulgated in 1973.

The Arab world followed a different trajectory in terms of institutional progress, concluding what could be appropriately called the “grand bargain.” This involved the understanding that a small elite could continue to rule over their people as long as they continued to serve Western interests. A good part of the elite came from the armed forces. In most of these countries, the conduit to power was not through political processes but through the military. The grand bargain included provision of oil at reasonable prices, noninterference with shipping in the area’s narrow sea-lanes, and tolerance for the existence of the Jewish state of Israel. This bargain survived until 2011, the advent of the “Arab Spring.” What produced this phenomenon will continue to guide political, economic and social progress in the Muslim world. This is where Pakistan enters the picture. Its tortuous political route helps us to understand why there is crisis in the country at this time. It also explains why the country could become a beacon of hope for politically, socially and economically backward Muslim societies. It also points to the areas in which the help of the West—in particular that of the United States—could prove critical.

#### **4. PAKISTAN'S ECONOMY: A STORY OF RESILIENCE, MISSED OPPORTUNITIES AND FUTURE PROSPECTS**

It is important for us to devote some space to the discussion of Pakistan's economy while dealing with the subject of this country's relations with the United States. The main conclusion we will reach here is that for Pakistan to achieve a relatively high rate of sustainable economic growth, it must not depend on the flow of resources from the United States. Economists now recognize the close links between political and economic development, and Pakistan can only achieve economic growth by relying on domestic savings, maintaining close relations with China, improving the quality of its abundant human resources and developing a new growth paradigm. It will also require political stability. But causality runs in both directions: politics influences economics and economics impacts politics. An interesting recent illustration of this relationship is in the convulsions that globalization has produced in the United States and in much of Europe. The openness that came with globalization resulted in the deindustrialization of some parts of economies in Europe and the United States. Jobs were lost, and wages for several segments of the population either stagnated or increased insignificantly. This resulted in a voter backlash and the Brexit move in Britain, the rise of nationalist parties in several parts of Europe, and the electoral win of Donald Trump as the President and emergence as a political force in the United States.

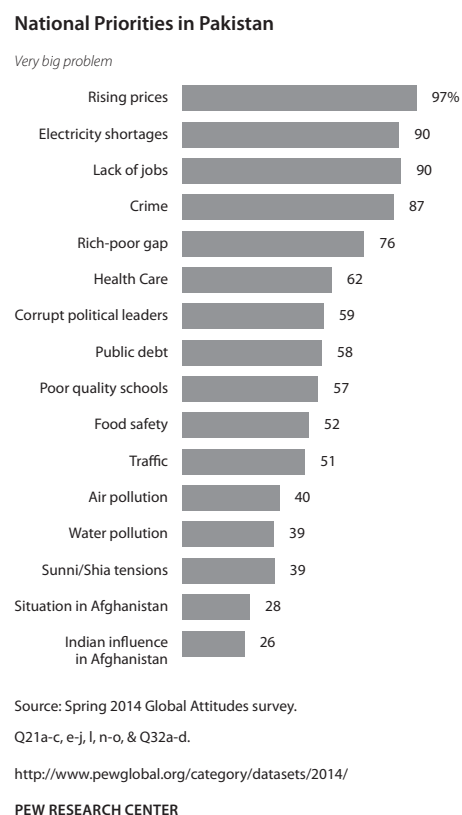
Economics has influenced politics in Pakistan in different ways. Much of the impact was on foreign affairs, in particular on relations between the United States and Pakistan. Pakistan's relations with China and India were also affected by the manner in which the country managed its economy. This is the subject of the discussion in this part of our study.

It is interesting to note that when Pakistani citizens take stock of what their nation's priorities should be, ten of the sixteen concerns in the graph on the following page—issues such as rising prices and electric power shortages—are almost four times greater than worry about the situation in Afghanistan.



### National Priorities in Pakistan

Pakistani specialists writing about the state of their country's economy and its future prospects mostly deal with the present. Their emphasis is on the problems that Pakistan faces at this time and what the government must do to deal with them. This was also the focus of the quarterly reports issued by the International Monetary Fund (IMF) when the country was subject to periodic reviews by the Washington-based agency. By and large, the IMF was satisfied with how the economy has been handled by its current set of managers. The organization was pleased that the nation had pulled out from the economic plunge it took under the government that held power from 2008 to 2013. The IMF continued to release quarterly tranches under the terms of the \$5.3 billion loan it negotiated with Pakistan in July 2013, a couple of months after the country's present government came into power. The completion of the arrangement in 2016 was an achievement, given that several previous IMF programs were canceled after the release of a few installments. There are, therefore, good reasons why policymakers in Islamabad are happy at what they have achieved in the three years they have been in power. The IMF expects that Pakistan's annual rate of economic growth could approach 5 percent in the next few years.



Our approach in this study is different. Rather than focus on the present, we read the past; by looking at the 70-year-old history of the Pakistani economy, we draw some lessons that can be applied to the future. It is our belief that the country could do much better than the IMF analyses have implied. With good management and some luck, it could begin to approach the rates of growth that have become common for Asian nations. History is both a guide as well as a pointer to the future. This perspective leads to the type of analysis economists call "path dependence."

What does Pakistan's rich economic history tell us about its present and future? Looking at the past, we notice several attributes that have enormous relevance for future

policymaking. First, the country and its people have shown great resilience and fortitude in dealing with a series of problems that have hit them repeatedly. Most were successfully dealt with, and the way they were handled left deep impressions on the state of the economy. Second, policymakers often chose easy ways to find the resources needed to grow the economy. Third, they found it hard to break from the past when sustained progress could only be ensured by moving along different paths. Fourth, those in power often did not appreciate opportunities available outside the country. Fifth, the policymakers did not fully factor in their country's enviable location in thinking about the future. Sixth, not enough attention was paid to making the country's rich human resources an important determinant of economic growth and social betterment. And seventh, the country's rich agricultural endowment was not used to produce rapid economic growth and increase exports. Long treatises can be written about each of these attributes; we will, however, cover them quickly and briefly.

There is very little recognition of the exceptionally difficult circumstances in which Pakistan was born almost 70 years ago. The country had nothing: there was no capital city, no government, no currency, no central bank, not much of a banking sector, very little industry, and great deal of poverty. On top of all this, eight million refugees, mostly destitute, arrived from India. They had to be accommodated in a population reduced to only 24 million as a consequence of the departure of six million Hindus and Sikhs who went to India. When Pakistan took its first population census in 1951, one out of every four of its citizens was born outside the country. Human history has no other example of the absorption of so many by so few. And yet this was done within a matter of a few months.

But there was more to come. India, Pakistan's sibling state, made it hard for the new, predominantly Muslim state to stand on its economic feet. New Delhi refused to release to Pakistan what were called the "sterling balances." This was the amount of compensation London agreed to pay the Indian colony for contributing to the war effort. Pakistan's share was left with India since Karachi, then the country's capital, did not have a central bank to receive the amount. When Pakistan had made the needed arrangements, New Delhi under Prime Minister Jawaharlal Nehru refused to send the money across. It took a visit by Pakistani Prime Minister Liaquat Ali Khan and Minister of Finance Ghulam Muhammad, as well as interventions by Lord Louis Mountbatten and Mahatma Gandhi, before the amount owed to Pakistan arrived in Karachi. This story is well told by the historian Stanley Wolpert, who has written extensively on various aspects of South Asia's history.<sup>35</sup>



But the Nehru administration went even further to hurt Pakistan. It cut off electricity to Lahore, which partly depended on power from a coal-fired plant that was now on the Indian side of the border. It began to reduce the flow of water into Pakistan from the canal headworks, which were also now in India. The final blow came in 1949, when India declared a trade embargo to punish Pakistan for not devaluing its currency with respect to the United States dollar as was done by all other members of the British Commonwealth. "India will not pay 144 of its rupees for 100 of those of Pakistan," Sardar Vallabhbhai Patel, the powerful home minister in the Nehru cabinet, said as India closed the border with its neighbor.

Thus jolted, Pakistan began the search for external support to purchase the goods and commodities it needed to operate its economy. Two things happened to assist the country in this time of need. The Korean War began in 1950 and lasted for three years, creating a large demand for some of the commodities Pakistan had in surplus; jute, cotton and leather exports shot up. Additional export earnings could be spent on critically needed imports. The second development was the realization by the United States that it needed to work with other nations to stop the advance of communism into Europe and Asia. In Korea, the United States with the help of sixteen members of the United Nations stopped the communist advance at the 38th parallel. With that as its experience, Washington launched other multilateral defense agreements.

Pakistan became an active member of two of the three organizations sponsored by the United States—CENTO and SEATO. Thus allied with the United States, Pakistan received large doses of economic and military assistance. Much of the economic miracle under President Ayub Khan, when the gross domestic product increased at the rate of almost 7 percent a year, was supported by U.S. aid. The rate at which the Pakistani economy expanded was twice that of neighboring India. Two other periods of high rates of growth followed in the 1980s and 2000s, and both were aided by foreign capital flows, most of which came from the United States. A pattern had been set: for Pakistan to grow its economy it needed external capital flows. Pakistan has found it difficult to reduce the dependency on foreign aid. Economic performance has depended on the content of foreign policy, a linkage that has had enormous consequences for Pakistan's development. A fundamental reform of fiscal management is needed to have the country rely more on its own resources for developing the economy.

Development thinking in Pakistan has never recognized its enviable location. The country sits on top of India, and it is also a link between China and the energy-rich

countries of the Middle East. To the north are six landlocked countries of Central Asia with large landmasses, small populations and enormous mineral wealth. Peter Frankopan, in his work on this region, paints well its importance. "It is a region characterized in western minds as backward, despotic and violent. . . . For all their apparent 'otherness,' however, these lands have always been of pivotal importance in global history in one way or another, linking east and west, serving as melting-pot where ideas, customs, and languages have jostled with each other from antiquity to today. And today the Silk Roads are rising again – unobserved and overlooked by many."<sup>36</sup>

The China-Pakistan Economic Corridor (CPEC), a Beijing-funded initiative launched in 2015, is a part of this adventure. Connecting Pakistan to its asset-rich neighbors was never previously considered to be a major determinant to economic growth, there has been much recent talk about Pakistan's isolation. It is correct for Pakistanis to worry about this, but breaking out of it should mean more to Pakistan than courting the West; it should include a rethinking of its relations with Central Asia. A very rough calculation suggests that properly executed over a decade, CPEC could add 1.5 percent to the country's GDP growth by 2025, bringing it to the level achieved by India in recent years.

Pakistan's demographic problems are well known, as is the failure of its past governments to commit much to developing its large and growing human resources. The population is poorly educated and poorly trained. Since it is very young—half of Pakistan's almost 200 million people are below the age of 23—turning public attention to them would create a potentially rich human asset. The author's rough estimates indicate that in the megacities of Karachi, Lahore and Islamabad-Rawalpindi, some 75 percent of the population is below the age of 23. This is a highly restive segment of the population that needs to be catered to with some urgency. To use a cliché, Pakistan needs to develop its human resources on a war footing, with full engagement by both the public and private sector.

Agriculture is another ignored asset in the country. Pakistan has the largest contiguous irrigated area in the world. It was initially developed by the British in the late nineteenth and early twentieth centuries to provide grain to the food-short areas in the east of its Indian colony. That objective was obtained and once the virgin lands of Punjab and Sindh were in full production, famines in east India were largely controlled. But Pakistan has remained stuck in this history and not used its water resources to full advantage. According to World Bank estimates, water productivity is very low in Pakistan. Measuring in what it calls "crop-per-drop," the institution has calculated

#### 4. PAKISTAN'S ECONOMY: A STORY OF RESILIENCE, MISSED OPPORTUNITIES AND FUTURE PROSPECTS

that Pakistan produces one dollar in output per cubic foot of water compared to two dollars for India, four for Indonesia, nine for China and 93 for Germany. Significant changes in cropping patterns could measurably increase productivity and increase the country's export earnings.

These, then, are some of the features that should figure into Pakistan's badly needed growth strategy. Islamabad should base its plan on self-reliance; use of the country's location to better interact with the world outside; and an improvement of human resources enabling youth to support economic development and modernization, tapping the vast potential of the nation's agricultural sector. There is no reason why such a strategy will not help Pakistan to achieve the "miracle rates of growth" attained by so many countries in Asia. But this will happen only with good economic governance.

#### 5. THE WOMEN OF PAKISTAN TODAY

While often still sidelined, the emergence of women on the Pakistani economic and political scene is a welcome development which resonates positively in Washington, making it an area of easier engagement for a new U.S. administration. Pakistani women understand that their participation in all facets of development is critical for sustainable economic development. Political representation at local, regional and national levels helped to launch Pakistan's National Plan of Action and National Policy for Development and Women's Empowerment.

Legislation to deal with gender-based violence, exemplified in the West by the attacks on Mukhtara Mai or Nobel awardee Malalala Yousufzai, has improved in the 2006-2016 period. Remarkably, both Mai and Yousufzai turned their misfortune to help the education of girls and make the case for educating boys to help change mindsets in Pakistan. As each sets out to make the case in the United States for a different path for women's empowerment in Pakistan, they were received at the highest levels of U.S. leadership. Those links, which transcended Washington's partisan politics, make the case for engagement between Pakistan and the United States early in the new administration. Each told the story of personal hardship that led to a pledge for expanding opportunities for girls.

Sharmeen Obaid-Chinoy, a two-time Oscar-winning producer and director, focused international attention on the terrible practice of so called "honor killings" of girls by members of her family, presumably for defaming the family name. Her work and collaboration with a growing number of politically active women and growing support among some male political leaders led to the unanimous passage of the first comprehensive law to remove a loophole that allowed murderers in such cases to escape justice with forgiveness from the victim's family. The October 6, 2016, law allows the relatives of the victim to forgive the convicted, but the law requires the convicted to still face a mandatory life sentence. The accompanying anti-rape law makes a twenty-five-year jail sentence mandatory for the perpetrator. According to Sughra Imam, a young female former legislator who initially put forward the bill, "Laws are supposed

## 5. THE WOMEN OF PAKISTAN TODAY

to guide better behavior, not allow destructive behavior to continue with impunity.” The above is noteworthy not only because some 500 women annually are subject to this barbaric treatment, but also to demonstrate that within the Muslim world, Pakistani women are blazing their own path to modernity in a conservative society.

Despite declining investment in education for girls by the government, their engagement with civil society has resulted in a parallel system of education. Over 50 percent of the female population of Pakistan is illiterate. While figures vary between different provinces and even between urban and rural parts of respective provinces, women who have access to education are finally making slow strides towards literacy. Men remain better off, but the literacy gap is narrowing.<sup>37</sup>

Girls and women have excelled in the growing number of fields open to them. Ayesha Farooq is the first female fighter pilot who, along with five other women, fly fighter jets in the Pakistan Air Force. There are others of note: Samina Khayal Baig is the first Pakistani woman and the youngest Muslim woman to climb Mount Everest; Musharraf Hai, a powerful woman executive, became the second Pakistani to head Unilever in the country, and the company’s current CEO for Pakistan is another woman, Shazia Syed. Women are entering the top echelons of software entrepreneurs. Shaan Kandawala, Shama Zehra and Sana Khan are part of a new generation of investment bankers, from global companies such as Goldman Sachs and Morgan Stanley, that is now bringing innovation to Pakistan. As artists, media personalities and educators, Pakistani women are trailblazing in ways that help civil society to make a real difference in an important Muslim country. They can serve as role models for other parts of the Muslim world.

The personal stories and the institutional trends of these and other exceptional women make for a real point of collaboration in the present and future relationship between Pakistan and the United States. In today’s world of instant communications, women’s empowerment networks in both countries are using electronic tools to connect, supplementing government-to-government ties in key areas.

Though the 2016 U.S. election failed to provide the first female President of the United States, the Donald Trump presidency could mark important points of collaboration. President-elect Trump has given his daughters a critical place in the Trump business organization. That record will spark interest and offer opportunity

to hone in on U.S. partnership with the women of Pakistan in key areas such as economic opportunity, education, health and justice for women. U.S. funds for these areas can help achieve cascading gains that push civilian capacity inside Pakistan for fifty percent of its population.

## 6. THE ROLE OF THE MILITARY IN PAKISTAN'S ECONOMY AND POLITICS

If the writ of Pakistan's political leaders had lasted through the nation's early turbulence, and if it had found a formula for power sharing between the two wings of the state, the accomplishments would likely have curtailed the military's rise as both judge and arbitrator. The launch of Pakistan's military in the 1950s, initially with British officers as service chiefs, was projected as a proud moment in the history of the nation. Demonstrations with parades and flag-waving in the country's first decade aimed at cultivating a sense of pride. This was also the era when women were inducted into a battalion of National Guard to march alongside male members of the military in ceremonial formations. It was a heady time, and Pakistan's future possibilities seemed endless.

Civil-military relations remain complicated, and Pakistan's move toward a permanent representative system depends on management of relations with its military. As painted into variations of its future by Zbigniew Brzezinski,<sup>38</sup> Pakistan has been a military-run state many times already. Each successive period of military rule—1958-1971, 1977-1988 and 1999-2008—included a different version of military, bureaucratic, technocratic and semi-political rule. Further, the military dictator each time chose to switch out of uniform and into a political role, beneath the banner of some civilian initiative: Ayub's plan for "basic democracy" in 1962; the revival of the Pakistan Muslim League (PML) and Zia's appointment of Mohammed Khan Junejo as prime minister in 1985, even as Zia continued his push for Pakistan's Islamization; and the establishment of a King's Party by General Pervez Musharraf, who in 2002 organized elections to revive some democratic practices.

There is the issue of "intent" versus "opportunity" for interference by the Pakistan military. We saw that despite failures in governance laid at the feet of the political leadership of both political parties in the 2008-2016 period—the PPP of Asif Zardari (2008-2013) and Nawaz Sharif's PML (2013-present)—the previous Army Chief Ashfaq Parvez Kayani (2007-2013) tried to distance military leaders from political ones. He also withdrew large military contingents from various departments of the civil administration where they had been ensconced for a number of years. Despite causing problems with

## 6. THE ROLE OF THE MILITARY IN PAKISTAN'S ECONOMY AND POLITICS

Washington in what was perceived as his unwillingness to move against terrorists working on Pakistan's soil against India and Afghanistan, Kayani threw his support behind the government that brought the PPP to power after the 2008 election, noting that "the army fully stands behind the democratic process and is committed to playing its constitutional role." When differences emerged between Zardari and Sharif in 2009, Kayani tried to arbitrate rather than overthrow the political system.

Under, General Raheel Sharif, Kayani's successor as army chief, the army's professional focus moved away from political takeover in favor of a major push to rebuild security inside Pakistan. He launched the Zarb-e-Azb operation in June 2014, whereby security forces undertook a joint military offensive against all militants in northern Waziristan close to Pakistan's border with Afghanistan. He also pressed the political parliamentary leaders to formalize and launch the national plan—the National Action Plan (NAP)—to ensure security inside Pakistan itself and to implement it. Pakistanis have supported the military's operation to bring greater security through a diminution of terrorist attacks. The NAP received the support of all political parties.

Tension between the military and civilian leadership re-emerged as this study was being prepared. In a front-page story signed by Cyril Almeida—a respected columnist of *Dawn*, the country's most widely read English-language newspaper<sup>39</sup>—unnamed sources asserted that harsh words were exchanged in a meeting in the Prime Minister House between the senior members of the civil and military establishments. At issue was the belief among some members of Nawaz Sharif's administration that the military was deliberately avoiding action against certain the Punjab-based extremist groups, some of which had launched attacks on Indian military posts just across the border. These operations had derailed the Sharif government's attempt to improve economic relations with Narendra Modi's India. The story upset the military high command, which called it "fabricated." It was said that the story had emanated from the Prime Minister House, possibly inspired by Mariam Nawaz, the prime minister's daughter and the head of her father's "information cell." The military demanded an inquiry and one was ordered. Coinciding with this episode was a separate move by Imran Khan, who with his Tehrike Insaf party demanded another inquiry into the creation of a number of paper companies in Panama by immediate members of the Sharif family. The family accepted that such companies had indeed been formed by the prime minister's sons and daughter. These were entirely legal. Khan was not happy that this explanation demanded a judicial probe. If his demand was ignored, he threatened to "lock down" Islamabad on November 3, 2016. However, the situation

was saved a day before Khan was to move by the Supreme Court, which promised to investigate what had come to be called "Panamagate."

The military's power and influence results to a considerable extent from how the citizenry views the dangers that the country sees from forces operating outside its borders. As Foreign Minister Sartaj Aziz pointed out, Pakistan worries that the Afghan National Directorate of Security (NDS) is collaborating with the Research and Analysis Wing (RAW), an Indian intelligence agency, to promote terror inside Pakistan. In August 2016, two coordinated suicide bombings of a hospital in Quetta killed 93 people, mostly lawyers who had come to protest the murder of the head of the Baluchistan Bar Association. Here was the two-front nightmare scenario Pakistan has always feared.

General Mahmud Ali Durrani, who fought in wars with India and later served in security and diplomatic posts, held a unique front-row seat as military secretary to General Zia ul Haq in the 1982-1986 period. He notes that the move toward Islamization of the military by President Zia has left a lasting legacy. Following Zia's demise, politico-religious parties used Islam to promote a more aggressive interpretation, "and it was considered kosher for these parties to conduct jihad across the international borders, at times without the approval of the State."<sup>40</sup>

Today's Pakistan Army is further influenced by a major development in pursuing the War on Terror. Durrani notes: "The strategic military planners today are faced with a two-pronged threat. The conventional threat posed by the Indian military from the east and the internal threat posed by the Taliban based in Pakistan's northwest tribal areas. The internal threat posed by the Taliban forced the Pakistan Army to retrain to fight a sub-conventional war."<sup>41</sup> In order to do so, the Army High Command established training camps and institutions to retrain its senior leaders and rank and file against a threat from within, and it developed an appropriate doctrine for this newer threat that many saw as more severe than the threat posed by India.

A third development affecting the Army over the years is the "progressive regression of civilian institutions of Pakistan to the point that today the only functional institution, despite its weaknesses, is the Pakistan military."<sup>42</sup> While civilian institutions have been trampled on by political leaders who often become autocrats, Durrani cites democracy as critical for Pakistan's future, which means that the Army stays out of taking over the government, no matter the frustrations of all. The call upon the Army to help in natural and manmade disasters interferes with the professionalism of the institution and short-circuits democracy, both are negative for Pakistan's future.



## 6. THE ROLE OF THE MILITARY IN PAKISTAN'S ECONOMY AND POLITICS

Washington knows of existing tensions in civil-military relations that have spanned decades and led to military takeovers in Pakistan. Current frustration with Pakistan comes from a desire to get maximum cooperation on the war against terrorists bordering Afghanistan. The Army has to carry the burden of the operation on its northwest frontier even as it diverts resources from the traditional eastern border with India.

Thus, we can begin to understand the complexities of Pakistan's engagement with its military. Most Pakistanis argue that the time has come to put Pakistan first by expelling terrorist threats to ensure its own survival as a modern Muslim state. This is at the same time that the U.S. Congress and Defense Department decided to withhold the \$300 million under the Coalition Support Fund (CSF) that Washington has paid since 2002 in support of joint goals against terrorists operating along the Pakistan-Afghan border.<sup>43</sup> U.S. displeasure and Congressional action in March 2016 stymied U.S. funding for Pakistan's purchase of F-16 fighter aircraft. Key senators and congressmen have questioned whether Pakistan shares U.S. goals in fighting terrorism inside Afghanistan and convincing the recalcitrant Afghan Taliban, with whom Pakistan is said to have considerable sway, to play along with Kabul's wishes.

The U.S. Congress moved to end the Coalition Support Funds for the Pakistani Army based on a critical evaluation that not enough was being done. The termination of compensation could lead to a further decline in military action against the Taliban and other elements working against Afghanistan. A spiral in charges and counter charges will likely be one of the first areas of focus for the incoming administration in Washington.

## 7. NUCLEAR SECURITY AND POLICY

Pakistan considers its nuclear weapons arsenal the jewel in its security crown. While the United States worries about Pakistani nuclear weapons falling into terrorist hands, Pakistan's establishment insists its cache of arms is secure. Its best interactions with outside powers in this sphere are discussions between U.S. and Pakistani experts about the security of nuclear weapons. These talks take place in third countries. As leaked diplomatic cables showed, Pakistani officials used the public nature of the nuclear arsenal discussions to make it virtually impossible for U.S. experts to provide any assistance in securing the weapons or ensuring the reliability of the personnel who oversee them.<sup>44</sup>

Pakistan's stockpile of enriched uranium, originally supplied by the United States under the Atoms for Peace program, now sits in an aging reactor. It cannot be moved to the United States, because of public sentiment in Pakistan that amounts to near-unanimous support for its nuclear program. The nation's deep suspicion of U.S. policy, especially in the de-hyphenated era of U.S. closeness to India, makes collaboration impossible. That situation is unlikely to change anytime soon. Within Pakistan, the nuclear arsenal is perceived as the absolute guarantor of Pakistan's security. The official position of the government will remain unapologetic about the nuclear program and the existing measures to ensure the arsenal's safety.

Given perceptions that nuclear capability is the sole remaining guarantor of security in an uneven match with adversaries, especially India, a change in the existing Pakistani reliance on its nuclear capability is unlikely. On a visit to Pakistan in the summer of 1992, Burki, one of the authors of this essay, had a detailed discussion with the then-President Ghulam Ishaq Khan and got an impression of the importance the leadership in the country assigned to its nuclear arsenal as a deterrent. The discussion with the president took place a few months after India and Pakistan had ended an eyeball-to-eyeball confrontation along their long border in 1991, following a terrorist attack on the Parliament building in New Delhi. India believed the terrorists belonged to a group closely aligned with the ISI, Pakistan's premier spy agency. New Delhi



## 7. NUCLEAR SECURITY AND POLICY

wanted to punish Pakistan. Worried that this confrontation could result in an all-out war between the two countries, President George H.W. Bush asked Robert Gates, at that time deputy director of the Central Intelligence Agency, to interrupt his visit to Moscow and travel to Pakistan and India in an effort to ease the growing tension. “I told Gates to tell the Indians not to move even an inch into the Pakistani territory. We’ll use whatever weapons we have to hit back,” the Pakistani president said he told the U.S. official. The obvious reference was to the use of nuclear weapons. Khan said he couldn’t talk openly about the use of these weapons since Pakistan then was not a declared nuclear power. He believed that the message was conveyed and received and, soon after the Gates visit, the Indians began to pull back their troops from the border.

Since then, Pakistan believes it has added to its deterrence by developing tactical nuclear weapons and short-range missiles to deliver them. This has increased U.S. anxiety since these weapons, placed in the hands of field commanders during periods of crisis, will become less secure. Being portable systems, they are ideal for deployment by terrorist organizations.

A thaw in relations with India could help build better firewalls and greater transparency aimed at preventing inadvertent escalation. Minimally, both countries must continue to abide by their previous agreements for notification of tests and for identification of nuclear facilities. A decline of communal issues in India would help to prevent spill-over in Kashmir and elsewhere of religious rhetoric that always exacerbates relations.

However, new unrest in Kashmir in 2016 once again soured relations between India and Pakistan. The government headed by Prime Minister Narendra Modi took a hard position against Pakistan, accusing Islamabad of fomenting trouble in the parts of Kashmir held by India. The downward spiral in current India-Pakistan relations ensures that Kashmir remains a nuclear flashpoint.

## 8. PAKISTAN’S RELATIONS WITH SELECT COUNTRIES OF NOTE FOR DEALINGS WITH U.S.

### *Introduction*

As discussed in an earlier section, Pakistan’s relations with the United States have been influenced by the changing lens through which Washington has seen the world. Relations were strong during the Cold War when the United States needed Pakistan’s cooperation to counter the threat from European as well as Asian communism, and later when Washington conducted what it called the War on Terror. The situation has now been complicated by the fact that Pakistan itself has broadened its contacts with the world. How Pakistan relates with a number of countries will have implications for the manner in which Washington should deal with Islamabad. In this context, we will discuss briefly Pakistan’s involvement with five countries: India, Afghanistan, China, Iran and Saudi Arabia. The first four are Pakistan’s immediate neighbors. The last is the most influential Sunni country; with the revival of the age-old conflict between the Sunnis and Shiites, adherents of Islam’s two largest sects, Saudi Arabia has acquired considerable influence in Pakistan, which has the world’s second largest Shiite population after Iran. We will conclude this section with a discussion of Pakistan’s relevance for the Muslim world.

Trade is one means of measuring the importance these countries to Pakistan. As shown in the table on the following page, the United States, China and Afghanistan are important export markets for the country. India is relatively minor, even though it accounted for three-fourths of Pakistan’s exports and four-fifths of its imports when the two countries became independent almost seventy years ago. That relationship changed not because of economic reasons, but entirely because of politics.

## 8. PAKISTAN'S RELATIONS WITH SELECT COUNTRIES OF NOTE FOR DEALINGS WITH U.S.

### Pakistan's Trading Partners

PARTNER	2011	2012	2013	2014	2015
<b>Exports from Pakistan (%)</b>					
Afghanistan	29	22	21	22	21
China	19	28	28	26	24
India	3	4	4	4	4
Iran	2	2	1	0	0
Saudi Arabia	5	5	5	6	5
USA	43	39	40	42	45
<b>Imports by Pakistan (%)</b>					
Afghanistan	1	2	2	2	2
China	43	46	46	52	60
India	11	11	13	11	9
Iran	2	1	1	1	1
Saudi Arabia	31	30	27	24	16
USA	12	10	12	10	10
<b>Balance of Payments (%)</b>					
Afghanistan	-41	-37	-33	-15	-13
China	80	80	77	75	89
India	22	24	29	18	13
Iran	3	0	2	1	2
Saudi Arabia	71	75	65	40	25
USA	-35	-43	-40	-29	-17

Source: International Monetary Fund, Direction of Trade Statistics, Washington DC, 2016.

### India and the Kashmir dispute

India and Pakistan, the two states carved out of the British Indian colony in 1947, have not had easy relations since their blood-soaked births. In an earlier section, we discussed how Pakistanis remember how India treated their country when it was established. Here, we will concern ourselves mostly with the long-enduring issue of Kashmir. The dispute over this state has continued to drive India and Pakistan apart, and it is one in which the United States could have a role to play.

Depending on how the count goes, the two countries have fought three or four wars: three if counting only those in 1948, 1965 and 1971, and a fourth if we include the 1999 limited engagement in the Kargil Heights orchestrated by then-Chief of Army Staff, General Pervez Musharraf. Three of these four conflicts concerned Kashmir, the only Muslim-majority state in India claimed by both India and Pakistan. The only one of the wars that did not directly involve Kashmir took place in 1971, when the Indian army assisted freedom fighters in what was then East Pakistan. The former eastern wing of the country went on to become the independent state of Bangladesh. This intervention and the breakup of the original Pakistan confirmed Pakistani policymakers' fears that India posed an existential threat to the country.

Kashmir has erupted periodically. The previous troubles could be blamed on Pakistan, which used well-trained Islamic fighters to slip into the Indian-controlled portion of the state. The most troubling incident, however, took place when the militants attacked not Kashmir, but the Indian mainland. In November 2008, a dozen Pakistan-trained terrorists slipped into Mumbai and attacked a number of sites in the megacity, killing almost 170 people. As told by Khurshid Kasuri in his memoir, *Neither a Hawk nor a Dove*, the two countries were close to resolving the Kashmir dispute when the Mumbai was attacked. Kasuri was then serving the Musharraf administration as foreign minister.<sup>45</sup>

This time around, the uprising resulted from accumulating resentment of the way India has governed Kashmir. Depending on who is keeping the count, Indian security forces killed about a hundred people over the last few months of 2016 and grievously injured more than a thousand. Moreover, a number of the injured were blinded because of riot-control weaponry deployed by the Indian forces. In this context, it would be well to quote at some length an article that appeared in the *Wall Street Journal* on September 12. "Efforts by New Delhi to calm tensions across the mostly Muslim sections of Kashmir it controls have foundered as the violence stretches into a third month, fueling resentment and raising the prospect of return to armed struggle," wrote the newspaper. "Kashmiris have long chafed under Delhi's rule. But

the July killing of Burhan Wani, a 22-year-old militant, touched a nerve, particularly in rural areas.”<sup>46</sup> Wani, in his early twenties, had used social media to garner support for his opposition to the Indian occupation of his land. He had become a folk hero, and his increasing popularity troubled New Delhi. An effort was made to capture him; he resisted and was gunned down. New Delhi is inclined to blame Pakistan, and if it acts militarily, the Kashmir struggle could transform into another major Indo-Pak conflict.

Persistent emphasis on Islam within Pakistan and in its foreign policy cannot logically continue forever without further affecting Kashmir, since that issue involves the lives and future of Muslims. If Kashmir is made an Islamic issue, as it has been in the past, Pakistan cannot really hope to have a sustained improved relationship with India. U.S. interests in Afghanistan cannot be served in the presence of India-Pakistan tensions, as the Pakistani military will not look west when its focus is to the east toward India. Hence U.S. encouragement of India-Pakistan normalization is worth considering. Absent real normalization with India, there will not be any Pakistani focus to confront militancy on the Afghan border. The perceived Pakistani need for the Afghan Taliban and the Haqqani network will continue because they are deemed to be a hedge against what the Pakistani government believes to be Indian ill intent toward Pakistan.

Two attacks on Indian army posts in the summer of 2016, one on Pathankot in Punjab and the other on Uri Camp in the Indian-controlled part of Kashmir, resulted in a sharp deterioration in relations between the two countries. India used its diplomatic muscle to sabotage the meeting of the summit of South Asian Association for Regional Cooperation (SAARC), to convince half of the group's eight members to stay away from the Islamabad summit scheduled in September 2016. Afghanistan, Bangladesh and Bhutan along with India decided not to attend on the grounds that Pakistan had not been serious about preventing the use of its territory for terrorist attacks. Only the Maldives, Nepal and Sri Lanka resisted the pressure. However, the summit was called off. Since then, each country has accused the other of using their diplomatic missions for spying purposes. “Tit-for-tat” expulsions of diplomats took place in October and most recently on November 3. It could be argued that had Washington not been so preoccupied with its elections, it may have been able to diffuse the increasing tension between the two South Asian neighbors.

However, India means business when it stresses that Pakistan cannot sponsor or sanction any terrorism aimed at India. No breach will be allowed. Pakistani governments have always demurred that they are rendering any support of any kind. That absence of support will now have to cover intelligence services that have traditionally

cultivated the use of proxies against India. In turn, India will also need to reciprocate by abandoning the temptation to play against Pakistan in Baluchistan, the country's northern frontier regions or the Afghan regions along its border.

A connection between security and normalization between India and Pakistan remains despite Washington's preferences. Unrest in Pakistan will have dramatic consequences for India and its quest to be the major regional power. Thus, these subcontinental neighbors have a great deal to gain from a mutual reduction of tensions, the opening of borders and trade and the development of joint efforts on energy production and enhanced infrastructure, all of which would benefit both sides of the tense border. Having tried nearly seven decades of enmity, perhaps the next decade will offer a different template for better relations based on some shared interests, even as problems in other areas remain. Religion brought separation to the subcontinent in 1947. Perhaps religion and its misuse by extremist terrorists can bring reconciliation for a more productive peace between India and Pakistan.

### ***Afghanistan and the U.S. Withdrawal***

The war in Afghanistan that followed the 9/11 attacks has cost more than \$800 billion, mostly spent by the United States. U.S. and allied military action coupled with diplomacy has yet to assure a smooth transition after the withdrawal of U.S. troops and the likely diminution of U.S. funds for Afghanistan. At a meeting held in Brussels in October 2016, the donor community committed itself to provide Afghanistan with \$16.5 billion dollars in the period up to 2020. Whether this commitment will result in disbursements will depend on a number of factors, the country's security situation being the most significant. Though much has been invested and much has changed in Afghanistan but peace and stability remain elusive. Further, its relations with its immediate neighborhood remains difficult. Afghanistan's relations with Pakistan will likely carry great weight in establishing security and stability for both nations. Religion plays an undeniable role as a glue cementing the two countries, but Pakistan has a separate identity and history. Its existential fear of India will not vanish as a result of the U.S. decision to decouple the India-Pakistan relationship.

This may be the time for some bold diplomatic action regarding the border between Pakistan and Afghanistan. Afghanistan has never recognized the Durand Line, the border drawn by the British diplomat Sir Mortimer Durand that divided the Pashtun areas of what are now Pakistan and Afghanistan. Given the U.S. stake in the region's future stability, and the relationship Washington still has in Kabul and Islamabad, now may be the moment to push for recognition of the Durand Line. After all, if President

Ashraf Ghani wants to normalize the border and restrict its illegal penetration, a formal border agreement that legally defines the boundary should be seen as a means to help achieve that end. The trilateral commission comprising the United States, Afghanistan and Pakistan that oversees joint operations along the neighboring area cleverly ignores the precise description of the border and its definition as the Durand Line. Yet, a proper legal settlement of this issue will overcome an age-old problem and produce positive ripples in relations between the two neighbors.

The 2016 fighting season began with the mountain snowmelt that enabled the Taliban to hide themselves, and it continued until the snows came back. This period of eight to nine months allowed the Taliban to make significant territorial gains, and they also carried out daring attacks on Kabul meant to demoralize the Ghani government. As the fighting period was ending, one group from within the Taliban signaled its willingness to talk to the Kabul government without conditions. Earlier, the Taliban had said that negotiations could only take place after the complete withdrawal of foreign forces from the country. Speaking for this group in an interview with the *New York Times*, Syed Muhammad Tayeb Agha indicated a willingness to disassociate from Pakistan. In later coverage of the interview, *New York Times* journalist Mujib Mashal assessed the situation:

The new Afghan government of President Ashraf Ghani banked tremendous political capital on trying to persuade Pakistan to bring the Taliban to the table. After just one round of talks in a Pakistani resort town last summer with a Taliban delegation of suspect legitimacy, the process fell apart. Mr. Ghani's government publicly asserts that there is a Pakistani military hand in the Taliban battlefield gains...Pakistani role in any negotiations remains a divisive issue.<sup>47</sup>

In this context, the rapidly unfolding events in Afghanistan will be of critical importance. If the current administration in Kabul is unable to contain the rise of the Taliban and establish control over all parts of the country, there is a danger that an Islamic state may emerge in the country that is likely to destabilize the entire region. At the October 2016 donors' meeting in Brussels, the beleaguered government headed by President Ashraf Ghani secured \$3.8 billion in pledged annual assistance until at least 2020. Whether that money arrives will depend on his government's ability to keep the Taliban at bay. Will he and his government succeed in that effort?

This question has several answers. According to Bill Roggio of the *Long War Journal*, up to half of Afghanistan may be under Taliban control or influence. As if to underscore

this conclusion, an invading Taliban force briefly took control of the northern city of Kunduz on October 3, almost a year to the day since they had seized parts of the city for the first time. After the earlier Taliban incursion, a shaken President Ghani promised no such incident would happen again. To embarrass the Afghan leader, the Taliban returned to Kunduz as Ghani headed to Brussels for the donors' meeting. This time, within twenty-four hours, the Taliban retreated at least from the city's center after the arrival of Afghan special forces and their foreign (mostly U.S.) advisers. Increasingly, the Afghans are being backed by international forces. As the newsmagazine *The Economist* wrote in one assessment of the situation in Afghanistan, "earlier this year, Barack Obama reluctantly relaxed the rules of engagement for NATO's 13,000 strong 'train, advise and assist' mission, known as Resolute Support (previously allowed only to intervene if a catastrophe was imminent). Air support has increased and NATO forces are now more often found with Afghans at the sharp end."<sup>48</sup>

However, there are other ways of looking at the Afghan situation. General John Nicholson, the U.S. commander of Resolute Support, says that while the Taliban do control large expanses of territory, only about 10 percent of the country's population lives in these areas. This may indeed be the case since there has been a large-scale migration of Afghans from the countryside to towns and cities. What should the Afghan policy of the new U.S. president be? There are several Washington-based policy analysts who believe that the next U.S. president must abandon Obama's obsession with finding an exit. Michael O'Hanlon of the Brookings Institution and Anthony Cordesman of the Center for Strategic and International Studies want a much bigger train-and-assist mission, additional troops to help Afghan forces when they are faced with difficult situations such as the one in Kunduz, and more combat air support. "Mr. Obama's successor should heed the military advice he rejected and increase the U.S. contribution to Resolute Support from the current 8,400 to at least 13,000 with no additional deadline for departure."<sup>49</sup>

### **China: Bringing the Asian giant into Central Asia**

The world has yet to come to terms with the economic and military rise of China and its growing influence in the regions that it borders. China's uninterrupted economic rise over a period of two and a half decades—from 1980 to 2007—was the outcome of the change in the way it looked at the world. It shed some of the self-imposed insularity of the years of Mao Zedong (1949-1976) to the relative openness brought about by Deng Xiaoping (1978-1989). Deng was a pragmatist rather than a total ideologue. He was comfortable to draw lessons from the experiences of what the World Bank has called "East Asia's miracle economies."<sup>50</sup> The most important lesson



learned was to build export industries on the basis of cheap domestic labor married to foreign investment and technology. By the time the West was hit by the Great Recession of 2007 to 2009, the size of the Chinese economy had increased 32-fold since 1980 and it had become the world's largest exporter of goods. By one count it had become the world's largest economy. This was an unprecedented change in the world economic order.

The West's older economies are struggling to accommodate themselves to China's rise, and Beijing is now facing problems in acquiring economic assets in the United States and Europe. In late October 2016, Germany withdrew approval for a 670 million-euro takeover of chipmaker Aixtron by Fujian Grand Chip, an investment fund. Together with regulatory delays to ChemChina's proposed \$44 billion takeover of Syngenta of Switzerland, Europe is showing nervousness at China's assertive economic behavior. John Gapper, an economic analyst, does not see any problem with China's vaulting ambition. "It cannot simply stay where it was as light manufacturing shifts to countries such as Bangladesh. It does not undermine the security of the West with its acquisition of expertise in robotics and advanced machine tools. The irritation is that investment flows are becoming unsustainably one-sided. China's economic rise and accession to the WTO in 2001 opened a large trade gap, with China becoming the world's biggest exporter of goods. Germany and other advanced economies previously did not have to worry about imbalances in mergers and acquisitions, but now they do. WTO accession was intended to bring global companies more access to China, and it did so in sectors such as car-making. But China maintains a plethora of formal and informal limits on foreign ownership in healthcare, logistics, telecommunications, and other industries."<sup>51</sup> This attitude is seen as entirely one-sided by the managers of old economies. Meanwhile, Donald Trump liberally indulged in "China-bashing" in the run-up to the 2016 U.S. presidential election.

China is not relying only on acquiring high-tech economic assets in the West; it is finding other ways to develop its role in the global economy. One of them is to focus on the development of land-based commerce, both to open up trade with Western nations and to reduce the isolation of its own western provinces and regions. What it has begun to do now in countries such as Kazakhstan and Pakistan is based on the plans that entered development a quarter-century ago. In 1993, then-Vice Premier Zhu Rongji, who then went on to become premier, told Burki, one of the authors of this study, that Beijing wanted to build a corridor through Pakistan that would connect the vast landlocked Xinjiang Autonomous Region with the Arabian Sea. In a conversation, he pointed at a map of China that hung in his office and told Burki,

who then worked as Director of the World Bank's China Operations, that China was the only large country in the world that was open to the sea only from one side, the east. All other large countries such as the United States, Canada, Russia, India, South Africa had much greater access to the sea. The Chinese began to address this problem by working on developing what could be called "long-distance, land-based international commerce."

There is a reason why land-based economic systems have received so little attention in development literature. The European empires were established by the conquerors and explorers who used the sea to reach distant lands. That said, there are some examples in history of the use of land to conquer a great deal of space. This was done by the Mongolian hordes under Genghis Khan and the conquest of India by Babar, the first of the Great Mughal Emperors. However, for the European powers, oceans were generally the conduit of conquest and resulting commerce. It was inevitable that this would lead to use of the sea to transport goods and commodities back and forth between the colonial powers and the territories they controlled.

According to experts writing on the subject, "a land-based economy is by definition rooted in place, animated by its inhabitants, and conditioned by the natural resources that make up the span of its geography, however, that is defined—one day's horse ride, river or mountain boundaries."<sup>52</sup> But this very limited interpretation essentially relies on local consumption to consider a vast subject at the center of productive and efficient land-based commerce. We need to extend development thinking beyond its local impact to include land-based international commerce. Since most international trade moved on sea lanes, land-based economic systems did not receive much attention from the academic community as well as the community of policymakers. It is only recently that land-based economic systems began to be looked at with interest as a source of economic growth and development. If Pakistan makes good use of the promised \$45 billion investment in developing CPEC, it could take the lead in defining this paradigm shift.

This growing focus on land-based trade is likely to occur with President Xi Jinping's Great Silk Road Project, which the Chinese leader announced on a visit to the Kazakh capital of Astana in September 2013. China intends to make large investments in two countries with which it shares borders on its west: Kazakhstan and Pakistan. Since the Xi visit, "Kazakhstan has become a major site of Chinese investment," *The Diplomat* reported. "During Premier Li Keqiang's visit in December 2014, China and Kazakhstan



signed a framework deal that will see the two countries cooperate on infrastructure, energy, and housing.”<sup>53</sup>

However, China's purpose and ambitions in developing these land corridors have not been fully understood. Here, there is a role for Pakistan to play. Once the investments have been made, Pakistan's economy will become a thriving part of the vast landmasses in Central Asia and Western China.

But China recognizes that in the politically troubled Central Asian region, it will need to work simultaneously on two fronts: security and developing sea routes. Most telling are China's efforts to partner with Pakistan and Tajikistan to create a joint counterterrorism mechanism. This is an effort to bolster security in parts of Central Asia and South Asia. On February 29, 2016, China and Tajikistan established a joint counterterrorism center in Dushanbe. A day later, Beijing proposed a joint counterterrorism mechanism with Afghanistan, Pakistan and Tajikistan. It is also working with Pakistan to create a one thousand-man force dedicated to ensuring the security of China's investments in the \$45 billion CPEC program. All these efforts will create a multilateral security framework in which China is the leading actor.

How will this be viewed by other world powers? According to a Stratfor commentary,

... Other foreign powers in the region would have mixed feelings about China's more assertive posture. On the one hand, Russia, India and the United States would welcome the security gains that could come from additional counterterrorism operations. The common perception of China as a free rider that pursues its own economic goals while others bear the burden of providing security would also be weakened. But on the other hand, these countries would view China's intentions with suspicion, interpreting the initiative as an attempt by Beijing to increase its own influence at their own expense... Russia for its part would see China's expanding security role in Tajikistan as a direct threat to its own position in the region which has already been undermined by Beijing's growing economic footprint. India would also be apprehensive of Beijing's enhanced cooperation with a hostile neighbor, Pakistan. New Delhi has long sought to deny Islamabad the strategic depth that greater influence in Afghanistan and Tajikistan would bring, the very thing China and Pakistan would be pursuing through their cooperation. Additionally, India does not want Pakistan to be able to use its burgeoning partnership with China to block New Delhi's access to Central Asia. And the United States would be uneasy

at the prospect of China dominating Central and South Asian security in the long run.<sup>54</sup>

Despite China's security concerns following the deaths of its workers and engineers in Pakistan in 2004, the Chinese have pledged a "mega-network of pipelines, highways and railway lines requiring 24-hour patrolling and surveillance."<sup>55</sup> Pakistan will need to upgrade its business investment climate, its public sector capacity and reforms in the energy sector. The hard work of pursuing a prospective economic corridor with China's help has energized the relationship between Pakistan and China.<sup>56</sup> This will have consequences for the U.S. presence in the area.

Another important priority for Washington is to define the U.S. approach towards an increasingly assertive China under the leadership of President Xi Jinping. The Obama administration is still in the process of deciding how it should approach Beijing. Should China be confronted and contained, or should it become a partner in international action in a number of important areas such as climate change? Soon after assuming office, President Obama was inclined to develop a formal relationship with Beijing to guide the world. At a speech he delivered in Tokyo's Suntory Hall in November 2009 as he headed to Beijing—on the first of the eleven visits to Asia during his eight years in office—he proposed what reported on as a "G2" arrangement for the United States and China to manage global affairs. The Chinese leadership, then working under President Hu Jintao, showed little interest in following this approach, which would have limited their options for increasing China's presence in the Asia-Pacific area. The U.S. political right was also opposed to the idea, which it saw as a U.S. surrender to an upstart opponent. Rather than create an institutional arrangement that would contain the ambitions of two large powers, President Obama had to follow a case-by-case approach.

Obama and Xi worked together to make the December 2015 Paris Climate Agreement possible. However, Washington has been keen under Obama's leadership to protect the U.S. presence in the Pacific Ocean while China is moving to build military infrastructure on a series of maritime features whose ownership is in dispute. This encroachment was challenged by the Philippines within an international tribunal that ruled in its favor in July 2016. However, instead of pressing China to abide by the tribunal's decision, the new Filipino president, annoyed by what he views as U.S. meddling in his country's domestic policies, has indicated his wish to develop a closer relationship with Beijing.

**Russia's arrival in South Asia**

China has not been the only source of challenge for the United States. Russia entered the fray in the last year of President Obama's eight-year tenure, when President Vladimir Putin asserted his country's formidable military power by directly intervening in the Middle East on behalf of Syrian regime leader Bashar al Assad. Moscow sent its aircraft to bomb Aleppo, the largest Syrian city held under siege by regime forces and the rebel groups fighting Damascus. As the United States neared the November 8 presidential election, the humanitarian crisis in the city of more than two million people became seen as the worst since the end of the World War II. John Kerry, the U.S. Secretary of State, suggested that both Putin and al Assad could be tried for war crimes if they did not cease their operations in Aleppo.

This was not the only area of contention between Washington and Moscow. On October 7, U.S. National Intelligence Director James Clapper announced the Kremlin's "senior-most officials" had authorized hacks into the e-mails of U.S. individuals and institutions in an effort to influence the outcome of the upcoming election. It was widely believed that Moscow wanted Donald Trump to win the presidency, but the Russians also wanted to discredit the U.S. political system. In an article in the British newspaper *The Guardian*, Jonathan Freedland summarized what a number of analysts had come to believe were some of Putin's intentions:

Central to the self-image of the US is its status as self-governing democracy. Election fraud is meant to be something that happens in other countries, with the US casting itself as monitor or even referee, determining which overseas ballots are free, fair and legitimate. Trump's claims, pre-emptively challenging the integrity of a presidential election, seek to upend that notion, challenging the legitimacy of America's own system. And they seem to be striking a chord: one survey released on Monday (October 17) found that 41% of Americans believe the election could be stolen from Trump.<sup>57</sup>

Other hostile acts originated from the Kremlin. On October 3, Putin ended participation in an agreement with the United States to dispose of weapons-grade plutonium. Moscow followed that up by shipping nuclear-capable missile systems to Kaliningrad, sandwiched between Poland and the Baltic states, posing an immediate threat to the United States' most exposed NATO allies. Some in the West believed that Putin may test NATO's resolve to come to the defense of its member states under Article 5 by sending a small force across the border into one of the Baltic states. An important question the new American president will, therefore, need to reflect on and ultimately

answer concerns about Moscow's intentions. Ivo Daalder, who was U.S. permanent representative to NATO and now heads the Chicago Council on Global Affairs, listed the actions taken by NATO members in response to provocations by Putin. Russia was put under sanctions after it took over the Crimean Peninsula in 2014 and supported dissidents in Ukraine. The alliance bolstered the defense of its member states in the east, and its European members have begun to reverse a decade-long slide in their defense spending and capabilities. According to Daalder, "none of this adds up to coherent strategy... While the attempt to integrate Russia into the western system was a worthwhile experiment, it failed. Integration is Mr. Putin's greatest fear, because it would undermine his control of the Russian system. Like his Soviet predecessors, he needs the antagonism of the west to protect his standing at home." Daalder recommends revisiting the containment approach developed by George Kennan in 1946, who argued that limiting the spread of Soviet influence was the necessary response to a Soviet system driving towards external expansion because of internal weaknesses. The Kennan-inspired policy of containment produced results after four decades, and the same policy may today require the same amount of time to yield success. "We need to recognize that Russia is an insecure power driven by internal weakness. Containment took 40 years to bring about a change in Soviet behavior and ultimately the collapse of the USSR. Russia is far weaker now than the Soviet Union was then, but it will still take years to change the way it behaves. Like then containment requires patience and firmness to succeed."<sup>58</sup>

The fact that a reordering of the political globe will have consequences for South Asia did not escape the ever-alert Russian president. As Narendra Modi's India accepted with enthusiasm the tight embrace offered by Barack Obama's United States, Moscow saw an opportunity for its interests in South Asia and began wooing Pakistan. It helped that Washington's rebuff had led Islamabad to draw even closer to Beijing. Moscow could partner with the Chinese to bring about a serious realignment in the South Asian subcontinent. For the first time in Pakistan's history, Russia sent a small military contingent to conduct joint exercises with Pakistan's military in the summer months of 2016. Putin joined Xi Jinping in the BRICS summit held in Goa, an Indian sea resort, and the Russian leader refused to go along with Modi in identifying Pakistan as a major supporter of global terrorism.

Russia also began to get closer to China. Officials from both countries who attended the Zhuhai air shows in China in early November announced that Russia would deliver the first batch of four advanced Su-35 fighters to Beijing later in 2016. The \$2 billion deal for 24 jets is expected to be completed in three years. "The Su-35 deal and a

2014 agreement to sell Russia's S-400 surface-to-air missile which could arrive in China by 2018, amounts to lifting of informal ban on selling advanced systems to Beijing in place since roughly 2004," wrote the *Financial Times*.<sup>59</sup> China is the world's second-biggest military spender, with a \$215 billion budget in 2015, according to the Stockholm International Peace Research Institute. It was the third biggest importer of arms between 2011 and 2015, while Russia was the second-biggest exporter.

### ***Saudi Arabia and assertion of its Sunni identity***

If partnerships are not forthcoming, for the sake of Pakistan's own future, the country must cut out the cancer of religious intolerance and acceptance of the power of the mullahs. That requires very strict action against public and private donations, especially from Wahabi Saudi Arabia. On this matter, the Pakistani leadership needs to be firm despite the place Saudi Arabia holds as the "keeper of the Holy Places, Mecca and Medina."

Pakistan has sent its troops to help the Saudis in the 1970s and more recently.<sup>60</sup> In the Pakistani mind, defense of Saudi Arabia is a duty and especially so as the Saudi royal family will underwrite the costs of all secondment.<sup>61</sup> Pakistan's army is a tested fighting machine. The Saudis have no comparable force with which to fight off internal problems or external threats.<sup>62</sup> The current Pakistani Prime Minister, Nawaz Sharif, is close to the Saudis. He spent his 2000-2007 exile at his villa in Jeddah, where he was accorded royal protection and hospitality and business opportunities. It is worth noting that the recent unanimous rejection by the Pakistani parliament of a Saudi request for Pakistani ground troops to fight in Yemen against Houthi rebels is a welcome respite from involvement in inter-Gulf disputes. Pakistan's current army chief smartly avoided entanglement in matters not tied to his country's national interest.

Other links have also developed. "For decades, royal Arab hunting expeditions have traveled to the far reaches of Pakistan in pursuit of the houbara bustard—a waddling, migratory bird whose meat, they believe, contains aphrodisiac powers," wrote Declan Walsh for the *New York Times*. "Little expense is spared for the elaborate winter hunts. Cargo planes fly tents and luxury jeeps, followed by private jets carrying the kings and princes of Persian Gulf countries along with their precious charges: expensive hunting falcons that are used to kill the white-plumed houbara."<sup>63</sup> These hunting expeditions have become contentious because environmentalists claim that the hunts have brought the migratory bird close to extinction. Listening to their pleas, the Baluchistan High Court banned the hunt. This ban did not impress Prince Fahd

bin Sultan Abdul Aziz, the governor of Tabruk province, who along with his entourage killed over 2,100 houbrara over twenty-one years in the 2014 hunt.

In any case, future Pakistani support for Saudi security ought to warrant a reciprocal Saudi commitment to end support for the militant mullahs of Pakistan who have emerged as a result of Saudi funding. These uneducated but messianic keepers of the mosques cite Saudi government and private funding for their mosques and madrasas as a matter of consequence for their role in the political system. Riyadh ought to recognize that further funding of these elements defeats the purpose of getting the Pakistan Army's help in opposing militant extremists within Daesh (ISIS). These are the two sides of the same coin. Pakistan is not yet at the point of easy capture by Daesh, but continued Saudi empowerment of Wahabi-model mullahs could result in greater conflict within Pakistan and hence in its neighborhood.

### ***Iran's reemergence and its influence in the Middle East and Central Asia***

The July 14, 2015, agreement signed in Vienna between Iran, the United States, Russia, China, France, the United Kingdom, Germany and the European Union is a game changer for the region, if implemented as envisaged. Iran's re-engagement with the West could offer more than the economic windfall that comes from the removal of sanctions under the agreement. Given that steps in engagement are tied to Iran's verifiable compliance with the dismantlement of its nuclear weapons capability, a step back from nuclear capability will offer space for regional engagement. Tehran's outreach to Saudi Arabia and the Gulf right after the historic agreement could result in a discourse that lowers sectarian tensions in the world of Islam. But that is not the way the two countries are moving. Rather than helping Iran to get integrated into the global economy, the Arab world, led by Saudi Arabia, views the country as a serious threat to its interests. These concerns are related to fears about Iranian economic and political domination of both the Arab Sunni world and Sunni countries in the non-Arab world. Pakistan belongs to the second group. Looking at the world through sectarian lenses is serving to destabilize Muslim countries.

Iran's open economic engagement with the United States and others could only help to end the unidimensional control of the ayatollahs and the hardline Iranian Revolutionary Guard over key elements of policy. From Pakistan's perspective, further integrating Iran into regional affairs would bring a better chance to deal productively on bilateral issues such as Afghanistan. Facing a porous border to its north, Pakistan will welcome better cooperation with a country with which it shares a hard border and a coastline. Iran's new posture can help in the future of a free Afghanistan. Managing

the border with Iran can also help Pakistan to stem the contagion of Daesh/ISIS threats from the Middle East. The geopolitical stakes are high.

Removal of sanctions will enable energy-short South Asia to access the long reviewed Iran-Pakistan-India natural gas pipeline. The initial phase, which could bring Iranian gas to Pakistan, offers a hydrocarbon incentive to structural development and engagement, demonstrating a tangible benefit of cooperation.<sup>64</sup> As discussed above, Pakistan wants to use its China connection to build its trade capacity on the Indian Ocean. Iran's proximity, if not control, of the Straits of Hormuz offers a chance for cooperation in the functioning of Pakistan's proposed Gwadar naval port as a major hub for trade. An Iran that is willing to build productive relationships in its region will need to help tamp down the severe sectarian tensions inside Pakistan that today are tearing apart major Pakistani cities on a frequent basis.

The incoming administration in Washington will need to press on with the initiative taken by President Obama by signing the Vienna agreement. Soon after signing the agreement, President Hassan Rouhani was effusive about the possibilities that opened up. "We are not solely seeking a nuclear deal," he declared. "We want to suggest a new and constructive way to re-create the international order." That sentiment did not last long. In his United Nations speech in September 2016 and in the wide-ranging news conference that followed, the Iranian president bitterly accused the United States of failing to live up its obligations under the deal. "He also kept up the war of words with regional rival Saudi Arabia, accusing it of spreading hatred and trampling on the rights of neighboring countries. . . . Some of the difference in tone can be chalked up to Rouhani's facing reelection in six months. He is in campaign mode and his reproachable public stance reflects the letdown felt by many Iranians who believe the economic benefits from the lifting of nuclear-related sanctions have been meager so far," wrote Carol Morello, who analyzed the U.S.-Iran relations for the *Wall Street Journal*.<sup>65</sup> The new U.S. administration will have to work diligently to help calm the numerous tensions that are ripping apart the Muslim world and threaten global stability in several different ways.

### ***The Muslim World and Pakistan***

These are indeed tough times for the Muslim world. As Egyptian-born Nobel Laureate Ahmed Zewail, who in 1999 won the Arab world's only Nobel Prize for Chemistry, noted of recent Arab Muslim history, "A part of the world that pioneered science and mathematics during Europe's dark ages is now lost in a dark age of illiteracy and knowledge deficiency."<sup>66</sup> Thus, Professor Zewail joined Abdus Salam, the Pakistani

1979 Nobel laureate for Physics who also called on the Muslim world to rise to modern science and to "dream big." Salam quoted from the Quran in his acceptance speech in Stockholm, citing the verse, "Thou seest not, in the creation of the All-merciful any imperfection, Return thy gaze, seest thou any fissure? Then Return thy gaze, again and again. Thy gaze, Comes back to thee dazzled, aweary." [67:3-4] Salam added that this, "in effect, is the faith of all physicists; the deeper we seek, the more is our wonder excited, the more is the dazzlement for our gaze."

Today's Pakistan finds itself facing multiple challenges vis-à-vis its Muslim brethren. No longer can there be an assumption of uniform support within the fifty-seven-member Organization of Islamic Conference (OIC). Visits by Pakistani heads of state to Riyadh and Tehran do not result in firm reciprocity of homage to the Muslim world's only nuclear weapons state. In 1973, the organization's entire leadership convened at an OIC Summit in Lahore which showcased Z.A. Bhutto's personal popularity, despite wariness of his policies, an event that would be virtually impossible today.

Yet in many ways, Pakistan continues its tradition of managing a set of special dealings with Saudi Arabia and Iran, the key countries in the Islamic world. Pakistan receives over \$20 billion annually from remittances sent by its international workers, most of whom are in Saudi Arabia and the Gulf states. That transfer of hard currency underwrites Pakistan's needs and keeps ties strong as the workers' families press for good relations.

Pakistan's regional environment looks different today. The competition for friendships now involves a broader set of actors than in the days of Cold War competition.

Regional turbulence is not new to Pakistan's neighborhood. Yet, management of potential conflict is important to both Washington and Islamabad on a number of fronts. For example, China today is stronger and much more engaged, as we see from the details of the China-Pakistan relationship discussed in this paper. The economic corridor that China promised in 2015 is an important factor in Pakistan's development and its integration into emerging economic networks in the region. Diversification of assistance to Pakistan lifts the burden on U.S. support, and it raises the stakes for regional stability and Pakistan's support for a peaceful neighborhood, especially in Afghanistan.

The military dimension of Pakistani policy toward Saudi Arabia today ought also to be of interest to the United States. Pakistan has needed economic support from the Saudi Kingdom in times of stress. While there is automatic public support for the



## 8. PAKISTAN'S RELATIONS WITH SELECT COUNTRIES OF NOTE FOR DEALINGS WITH U.S.

"Keeper and Guardian of Holy Places in Islam," Pakistanis have taken care not to be pulled into regional disputes at the behest of Riyadh. For example, the 2011 uprising against Bahrain's Al Khalifa ruling family by the Shia majority, which claimed systematic government discrimination, resulted in the rulers receiving critical support from Saudi Arabia, which was worried about Shia areas in its own Eastern Province.

There were indications that the Pakistan Army would be asked to help if things got out of hand in Bahrain, but such a request would unlikely be satisfied. Further, as the Yemen war escalated, Saudi Arabia—now under the new King Salman bin AbdulAziz and crown prince Mohammad bin Salman—responded in part by reaching out to Pakistan. Officials across Pakistan's political and military spectrum did not agree to act, however, and Islamabad did not offer to dispatch forces or officers. On April 10, 2015, Pakistan's parliament rejected Riyadh's request for troops to fight against Houthi rebels in Yemen. Instead, the parliament urged a "peaceful resolution of the crisis," even as political parties confirmed the government's commitment to protect Saudi territory. The vote was preceded by a visit to Islamabad by Iranian Foreign Minister Javad Zarif.

Pakistan's military, comprising of 500,000-plus personnel, is a trained fighting force with a consequential capability in a region of conflict. While the military's mission is to defend the homeland, it has links with other Muslim states and with the U.S. military going back decades. In the 1980s, the United States partnered with Pakistan to expel the Soviets. In this moment of global need, Pakistan's partnership with the United States in jointly agreed efforts is a tradition that serves the strategic interests of both countries.

## 9. CHALLENGES FOR THE NEW U.S. ADMINISTRATION

The new U.S. president takes office on January 20, 2017, with full awareness of the various international developments that have occurred in the last decade. These include changes in the positions of three major powers—China, Russia and India. The first two of these three countries are competitors with the United States on the global stage. The third is an emerging power attempting to carve out a role for itself under new leadership. All three are led by strong leaders who have the full backing of the political systems over which they preside.

In addition, there are three world regions that will affect the global system. All are unstable and could, in different ways, disturb the world order. The European Union, once held as an example of how diverse countries could work together to fashion an economic system that would benefit the entire European citizenry, is now under enormous pressure that may retard its progress towards greater regional cooperation. Europe has not found a way to accommodate new arrivals into the member countries, and the refugee crisis that originated in the Middle East has led to the rise of nationalism in several parts of the continent. It was a form of extreme nationalism that led to two bloody conflagrations in the twentieth century. The newcomers to Europe are mostly the followers of a religion that is in a state of exceptional turmoil. It will take time before that religion, Islam, with 1.6 billion adherents, finds peace within itself.

The European experiment has been challenged not only by the unwanted influx of Muslim refugees from the troubled countries of the Middle East, but also by the movement of people within Europe, from the region's less developed countries to those where there are good job projects. Large arrivals of workers from Poland led British voters in a government-sponsored referendum to unexpectedly vote in favor of leaving the European Union, setting the stage for Brexit.

The second region in turmoil is the Middle East. Robert Zoellick, a former World Bank president who also held senior positions in the administration of President George W. Bush, speculated about the world's future shape in a long essay for the *Financial Times*.



## 9. CHALLENGES FOR THE NEW U.S. ADMINISTRATION

The article, “Shaping the post-Obama world,” explored the options that are likely to be available to President Obama’s successor. Zoellick is concerned in particular with the Middle East. “A century-old order in the Middle East has broken down into a brutal struggle for power between tribes and sects,” he wrote. “Arabs, Iranians and Turks manipulate the warring factions as they strive for local hegemony. Countries across the region have stumbled repeatedly as they have tried to establish modern market economies.” While he seemed to lament the passing of the old order, he should have recognized that it was unstable anyway. It could not survive because it was based on the assumption that old colonial powers from Europe, later joined by the United States, could not have sustained their influence in the area.

Central Asia is the third area that must be addressed, even though it does not figure prominently in today’s news. It is made up of the five “Stans” that were once part of the Soviet Union along with neighboring Afghanistan. These six landlocked countries are looking to break out of their isolation. China, Russia and India are the three primary competitors for influence in this region; these powers, along with the United States, make up the multipolar world that emerged after the collapse of the Soviet Union. The most active of the three at this time is China, with its “One Belt, One Road” project, but Russia would like to reassert itself and India is also looking for opportunities to gain a presence. At some point, the United States is likely to join the contest for influence.

In finding its way in this regional thicket, the new U.S. leadership will have to work with individual countries. While Europe has a regional identity, the European Union, the other two have not created institutional mechanisms that could serve their collective interests. How Washington works out its relations with Iran and Saudi Arabia will have enormous consequences for the future of the Middle East and Central Asia. In terms of bilateral relations, Washington will have to find a way of containing North Korea, at this moment the most unpredictable nation on Earth.

All the nations mentioned in this discussion are repositioning themselves in terms of their relations with the United States. This is happening as China develops its own sphere of influence. President Obama initially would have liked to work with China to create a new global order built on top of the one that took shape after the conclusion of World War II. That order worked well as long as its domination by the United States went unchallenged. The challenge came initially from China as that country increased its economic power by growing its gross national product at an unprecedented rate for an exceptionally long period of time. The Chinese economy is now thirty-two times its size in 1980, when it started to open to the world. According to one way of

estimating national income—purchasing power parity—China probably overtook the United States in the last quarter of 2015. Even with a significant slowdown in the rate of increase in its GDP, the gap between the size of its economy and that of the United States will continue to increase. The biggest challenge the new administration in Washington will face when it takes office in late January 2017 will, therefore, be the accommodation of China.

## 10. FIXING U.S. FOREIGN POLICY INFRASTRUCTURE

Traditional tools for making and implementing foreign policy in Washington are broken. In the current era of partisan politics, the consensus building between the executive and legislative branches that is essential to foreign policy looks ever more difficult. Pakistan's case is harder today even though the growing Pakistani diaspora is becoming politically connected.

The incoming administration can take as its starting point the dismantlement of the Office of the Special Representative on Afghanistan and Pakistan (SRAP). U.S. interests in neither country have been served by the amalgamation of the traditional interagency process into SRAP. One can argue that during the tenure of Richard Holbrooke, there was some rationale for creating the office. The energy he brought to the job and the attention he forced on policy needs largely evaporated after his sudden death, however.

Policy toward Pakistan cannot focus on the country's myriad complexities and opportunities if the sole prism is through SRAP tying Pakistan to Afghanistan. As this paper has made clear, there are strategic, economic and other issues that will make U.S.-Pakistan relations important for the next administration to address. An alternate bureaucratic option is to house the work of diplomacy, economic interaction and coordination with Pakistan within the traditional structures of the Department of State's Bureau of South Asian Affairs. Meanwhile, the Department of Defense would maintain the lead in its liaison work with the Pakistani military in pursuit of common objectives inside Pakistan to fight terrorist extremists and other threats.

In the shadowy world of intelligence, the CIA will be the conduit for the U.S.-Pakistan relationship. It is especially important for bilateral contacts in this arena to be of a low profile, given Pakistan's declining willingness to be seen receiving marching orders from Washington.

## 10. FIXING U.S. FOREIGN POLICY INFRASTRUCTURE

Under such a setup, the National Security Council (NSC) at the White House would act to convene the interagency process, which is critical for relations with Pakistan and other countries with a long, complicated history with the United States. Areas of congruence in security and development, especially women's empowerment, can be better managed from the NSC in coordination with other agencies that deal with assistance and economic relations. "Soft power" is more likely to yield results in coming years than past methods of bending countries to U.S. will.

But such a policy would require a far more compact NSC than today's bloated office. As the direct staff of the president, the NSC should consist of experts who have knowledge and experience with Pakistan rather than a parking spot for seconded midlevel officers representing a lopsided intelligence framework.

In addition, public-private partnerships should become part of the official search for resources and commitment for engagement with Pakistan. These constructs would be more likely for issues relating to women, given the growing international linkages supporting women's empowerment.

## 11. CONCLUSION

A change of administration in the United States will not change the dynamic of Pakistan's foreign policy. An exhausted Washington eschewing formal involvement in regional problems can only manage limited engagement from afar. The current emphasis on strategic partnerships with India, Saudi Arabia and Israel may help to set parameters for U.S. engagement, but internal stresses in Pakistan from economic problems, sectarian violence and provincial strains cannot be managed from outside.

U.S. worries persist about the safety and security of Pakistan's growing nuclear arsenal. Thus, the stockpile provides the foundation for a level of cooperation based on a mutual desire to strengthen command and control of nuclear assets. Preventing infiltration of the nuclear infrastructure by increasingly religious elements is not seen to be an issue today. However, given rising rates of religiosity in Pakistan, including in its army today, continued interaction between the United States and Pakistan on best practices is a worthwhile goal for the new administration to pursue.

The lack of close cooperation between U.S. and Pakistani foreign policy is not unwelcome in either country. While the United States has made alternative choices, it cannot be a totally disinterested party as Pakistan's strategic location, its nuclear weapons status, its role in the Muslim world and the size of its population ensure its place as a player in the region and even beyond. Further, the downsized U.S. presence in Afghanistan requires cooperation from Pakistan, where the Taliban got their initial support, and the group will continue to factor into Pakistan's calculations. Talks aimed at achieving an era of peace and stability in Afghanistan require cooperation from the Taliban. And the Taliban require cooperation from Pakistan's intelligence services. While Pakistanis accept diminished U.S. interest in their future, they know their country's geography and history will ensure a continued U.S. role, despite other regional actors with whom the United States is now more comfortable.

The 2016 U.S. election will bring in a new president and an opportunity for better U.S. relations with Pakistan. Given the plethora of problems that will face a new president, we would highlight a few issues for urgent review.

First, the United States has to update its understanding of Pakistan. Washington has dealt comfortably with Pakistan's military for decades, but does it really understand its nature today? Its biases? Its strengths and weaknesses? Would it be a partner or an adversary in the region once U.S. focus has shifted? More energy needs to be spent on this effort. Greater enhanced interaction could offer better opportunities for shared policies. International Military Education Training (IMET) is still an excellent tool. A new administration ought to strengthen funding and expand connections.

Given the abysmal standing of the United States in today's Pakistan, it is important that we understand if and where the United States might have support. Pakistan's younger generation is one vast sector demanding attention. Also important is to understand differing perceptions of the United States in the provinces of Pakistan. U.S. policy is often a "one size fits all" model. Should it better understand the nuances and differences that help identify mutual goals?

Second, the security of Pakistan's nuclear weapons arsenal is critically important to Pakistan-U.S. relations and to peace in the region. Decades of suspicion, plus Pakistani resentment at India's special status in the U.S. scheme, makes it nearly impossible to have meaningful joint programs for protection and personnel reliability. Yet, an incoming administration must continue to engage with the strategic command institutions of the Pakistani military. Dual-tracking nuclear security and safety issues among the top civilian leaders of each country is important to providing them with knowledge and an understanding of their respective roles on these subjects. Minimally, any transfer of nuclear weapons knowledge and expertise would have a devastating effect on the region, and it must be prevented at all levels.

Third, Pakistan's development requires targeted and sustained assistance in key sectors. The United States should make human resource development, regional connectivity, trade and energy the main priorities. Trade offers development through employment and access. Removing the trade quotas for textiles is step that is long overdue. Special interests have stymied past efforts, but a review of existing policies and changes thereto could prove immensely beneficial without jeopardizing the U.S. national interest.

Energy cooperation offers a critical avenue for demonstrable benefits of collaboration between the United States and Pakistan. Such cooperation can occur at two levels: one, where U.S. companies help along a range of energy projects from gas exploration to solar; and two, where the U.S. removal of Iran sanctions allows Washington to end pressure to stop projects such as a natural gas pipeline from Iran to Pakistan, and potentially to India.

Fourth, an incoming U.S. president has a window of opportunity to build on the relationships with India and Afghanistan with suggestions that help reduce tensions with Pakistan. The recognition of the Durand Line as an international border between Afghanistan and Pakistan could help bring peace to the area. Promotion of collaborative projects such as the natural gas pipeline from Iran through Pakistan to India, as well as improved infrastructure for border trade, would rein in negativity and promote better relations.

Finally, Pakistan's women, from a female prime minister to civil society leaders and ordinary women who support the education of girls and work from home to supplement incomes, offer the brightest avenue for development assistance. U.S. assistance programs should make a strong splash with real resources, transparency and accountability as part of a major commitment to lift this key group into economic self-sufficiency. This approach could be a unique experiment in U.S. relations with the world's only Muslim nuclear weapons power.

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