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AFGHANISTAN AND PAKISTAN: UNDERSTANDING AND ENGAGING REGIONAL STAKEHOLDERS

HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY AND FOREIGN AFFAIRS

OF THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

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AFGHANISTAN AND PAKISTAN: UNDERSTANDING AND ENGAGING REGIONAL STAKEHOLDERS

TUESDAY, MARCH 31, 2009

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY AND FOREIGN AFFAIRS,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2154, Rayburn House Office Building, Hon. John F. Tierney (chairman of the subcommittee) presiding.

Present: Representatives Tierney, Flake, Duncan, Van Hollen, Welch, and Driehaus.

Staff present: Elliot Gillerman, clerk; Dave Turk, staff director; Andy Wright, counsel; Alex McKnight and Anne Bodine, Pearson State Department fellows; Steve Gale, Brookings fellow; Brendan Culley, GAO detailee; Margaret Costa, graduate intern; Mariana Osorio, legislative assistant; Dan Blankenburg, minority director of outreach and senior advisor; Adam Fromm, minority chief clerk and Member liaison; Dr. Christopher Bright, senior professional staff member; and Glenn Sanders, minority Defense fellow.

Mr. TIERNEY. Good morning. The Subcommittee on National Security and Foreign Affairs hearing entitled, "Afghanistan and Pakistan: Understanding and Engaging Regional Stakeholders," will come to order.

I ask unanimous consent that the chairman and ranking member of the subcommittee be allowed to make opening statements. Without objection, so ordered. And I ask unanimous consent that the hearing record be kept open so that all members of the subcommittee be allowed to submit a written statement for the record. Again, without objection, so ordered.

There were some caucus meetings scheduled at the same time and they weren't scheduled until late last night. So some of our Members may be either late in coming or coming in and out. Certainly no disrespect to the members of our panel, who are esteemed and appreciated and all the members of the subcommittee will of course have an opportunity to read your remarks and then see the transcripts as well. So we want to thank you for that.

This is the subcommittee's continuing, hopefully broadening and in-depth oversight of the U.S. efforts in Afghanistan and Pakistan. We are seeking to examine the vital role of regional players today, including India, China, Russia, the Central Asian republics and

Iran. We want to see how they get involved in achieving lasting security, peace and prosperity in what we all recognize is a very troubled area of the world.

As you can see on the maps, there on the monitors on the side of the room, Afghanistan and Pakistan share about 1,600 miles of border, the so-called Durand Line. The two countries in turn are bordered by six independent nations, Iran and Turkmenistan on the western flank, Uzbekistan and Tajikistan on the north and China and India to the east. Beyond those immediate borders are the regional powerhouses like Russia, Saudi Arabia, Persian Gulf states that have and continue to have significant sway on both Afghanistan and Pakistan.

For too long, the role of regional players has not been on the radar screen, quite frankly, of U.S. policymakers. But one need only take a cursory look at the histories of both Afghanistan and Pakistan to know how vitally important outside influences have been and continue to be. Afghanistan, for example, has been the chessboard for international and regional power struggles between the United States and the Soviet Union and between Pakistan and India. To truly understand what makes Pakistan tick, you must first examine its relationship with its eastern neighbor, India.

Understanding the role of these regional actors is not new to this subcommittee. For example, we held hearings more than a year and a half ago on the need to engage Iran, and we concluded that there was a better way beyond Sabre rattling. In fact, our past hearing entitled, "Negotiating With Iran: Missed Opportunities and Paths Forward," explored the cooperation that Iran provided after 9/11 to drive the Taliban out of Afghanistan.

Today I hope is a new day in Washington, as a regional security approach to South Asian security appears to now be on everyone's mind. More importantly, President Obama just released a new Afghanistan-Pakistan strategy this past Friday that makes regional security a priority.

Central to the Obama administration's new approach is that we must treat Afghanistan and Pakistan as two countries but one challenge. The President has also made it absolutely clear that we must "pursue intensive regional diplomacy involving all key players in South Asia." Further evidence about the new focus on regional actors can be found in the appointment of Ambassador Richard Holbrooke, an accomplished diplomat and dealmaker, as a special envoy to Afghanistan and Pakistan. Today I hope is also a new day on the international scene.

As we listen today to our distinguished panel of witnesses, an 80-member strong U.N.-sponsored international conference is convening in the Hague on South Asia regional security. Secretary of State Clinton and Iranian representatives will be in the same room.

Last week, the Shanghai Security Organization, consisting of Afghanistan's six neighbors, met in Moscow with the United States in observer status to examine regional security issues. That is the first time that has occurred. Unless all regional actors are engaged with and ultimately view a stable Afghanistan and Pakistan as being in their own best interests, these neighbors will continue to exert behind the scenes pressure and up front material support to

the Afghan proxies. It is hoped that one day these regional actors will not only withhold from playing harmful roles, but will in fact play positive and constructive ones.

There seems to be emerging consensus that Afghanistan will be unlikely to emerge as a nation in control of its own borders above to serve its own citizens and head down the road toward prosperity unless regional players are engaged and supportive. And Pakistan will not be able to truly come to terms with its terrorist challenges until a more mutually beneficial arrangement can be had with India.

In short, there is no realistic option. There will be no long-term security for either Afghanistan or Pakistan other than through the cooperation and support of the region's other countries. We have come a long way from looking at Afghanistan and Pakistan in isolation. The role of regional security is now front and center. But that is just one step. We must go beyond just recognizing the vital role of regional players and examine how the United States and our allies can constructively engage them.

What is the best way to proceed? What are the top challenges? What are the easy wins and where are the red lines? As we move from words to action, we must truly strive to understand how these regional players see their own national interests and we must explore what will motivate each of these neighbors to play constructive roles. I am pleased that we have such a fantastic panel of esteemed experts in South Asian affairs to help us with this endeavor today. All of you bring a wealth of scholarly knowledge and practicality of on-the-ground experience ranging throughout the region.

I look forward to hearing your testimony. Thank you for being here, and I will defer to my colleague, Mr. Flake, for his opening remarks.

[The prepared statement of Hon. John F. Tierney follows:]

Tuesday, March 31, 2009
Defense and Security

Hearing on Afghanistan and Pakistan: Understanding and Engaging Regional Stakeholders

Opening Statement of John F. Tierney

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Statement of John F. Tierney
Chairman
Subcommittee on National Security and Foreign Affairs
Committee on Oversight and Government Reform
U.S. House of Representatives

Hearing on "Afghanistan and Pakistan: Understanding and Engaging Regional Stakeholders"

As Prepared for Delivery

March 31, 2009

Good morning and welcome. Today the Subcommittee on National Security and Foreign Affairs broadens our in-depth oversight of U.S. efforts in Afghanistan and Pakistan by examining the vital role of regional players, including India, China, Russia the Central Asian Republics, and Iran, in achieving lasting security, peace, and prosperity in this troubled part of the world.

As you can see on this map and on the monitors on either side of the hearing room, Afghanistan and Pakistan share a 1,600 mile long border with each other, the so-called "Durand line." These two countries, in turn, are bordered by six independent nations: Iran and Turkmenistan on the western flank, Uzbekistan and Tajikistan to the north, and China and India to the east. Beyond these immediate borders, other regional powerhouses like Russia, Saudi Arabia, and other Persian Gulf States have had, and continue to have, significant sway on both Afghanistan and Pakistan.

For far too long, the role of regional players has not been on the radar screen, quite frankly, of U.S. foreign policymakers. But one need only take a cursory look at the histories of both Afghanistan and Pakistan to know how vitally important outside influences have been and continue to be.

Afghanistan, for example, has been the "chess board" for international and regional power struggles between the U.S. and Soviet Union and between Pakistan and India. And to truly understand what makes Pakistan tick you must first examine its relationship with its eastern neighbor, India.

Understanding the role of these regional actors is not new to this Subcommittee. For example, we held hearings more than a year and a half ago on the need to engage Iran and concluded that there was a better way "beyond saber rattling." In fact, our past hearing entitled, "Negotiating with Iran: Missed Opportunities and Paths Forward," explored the cooperation Iran provided after 9/11 to drive the Taliban out of Afghanistan.

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Unless all regional actors are engaged with and ultimately view a stable Afghanistan and Pakistan in their own best interests, these neighbors will continue to exert behind-the-scenes pressure and up-front materiel support to their Afghan proxies. It is hoped that, one day, these regional actors will not only withhold from playing harmful roles, but will, in fact, play positive and constructive ones.

There seems to be emerging consensus that Afghanistan will be unlikely to emerge as a nation in control of its own borders, able to serve its citizens, and head down the road towards prosperity unless regional players are engaged and supportive. And Pakistan will not be able to truly come to terms with its terrorist challenges until a more mutually beneficial arrangement can be had with India.

In short, there is no realistic option ... there will be no long-term security for either Afghanistan and Pakistan ... other than through the cooperation and support of the region's other countries.

We have come a long way from looking at Afghanistan and Pakistan in isolation. The role of regional security is now front-and-center ... but that's just step one.

We must go beyond just recognizing the vital role of regional players and now examine how the U.S. and our allies can constructively engage them. What is the best way to proceed? What are the top challenges, easy wins, and where are the "red" lines?

As we move from words to action, we must truly strive to understand how these regional players see their own national interests, and we must explore what will motivate each of these neighbors to play constructive roles.

I am very pleased to have with us today an esteemed group of experts in South Asian affairs to help us in this endeavor. All of you bring a wealth of scholarly knowledge and practical on-the-ground experience ranging throughout this region. I look forward to learning and to hearing your specific recommendations.

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Mr. FLAKE. Thank you, Mr. Chairman. This is our fourth hearing on Afghanistan in this subcommittee. We have discussed many of the aspects leading to the conflict and I think this is the most important hearing so far, given the timing, with the President announcing his new strategy just last week. He described the situation in the region as increasingly perilous. I think I would like to hear from the panelists as they speak if they share that concern. But it seems from all the testimony we have heard in other hearings that is the case.

He reported that al Qaeda and its allies are actively planning attacks on the United States and their bases in Afghanistan and Pakistan. President Obama's plan relies on using existing alliances, forging new ones and to fundamentally change conditions in Afghanistan and Pakistan. He described, as the chairman mentioned, a regional approach to address the global threat that al Qaeda poses to both westerners and Muslims alike.

This is the first hearing of any committee in the House on this topic since the President announced his strategy. I just want to compliment the chairman for having the foresight to have this hearing at this time, and also welcome our very esteemed group of panelists here, and look forward to your testimony.

[The prepared statement of Hon. Jeff Flake follows:]

EDOLPHUS TOWNS, NEW YORK
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Opening Statement

Jeff Flake
Ranking Member
National Security and Foreign Affairs Subcommittee

Hearing on
"Afghanistan and Pakistan: Understanding and Engaging Regional Stakeholders"

March 31, 2009

Thank you, Mr. Chairman.

This is our fourth hearing on Afghanistan. We have discussed many aspects of this conflict during these previous hearings, but I believe that this is the most important in the series so far.

As we all know, this is not just an academic discussion. Just last Friday, President Obama announced his strategy.

He described the situation in the region as "increasingly perilous."

He reported that al Qaeda and its allies are actively planning attacks on the U.S. from their bases in Afghanistan and Pakistan.

President Obama's plan relies on using existing alliances, and forging new ones, to fundamentally change conditions in Afghanistan and Pakistan. He described a regional approach to address the global threat that al Qaeda poses to both westerners and Muslims alike.

This is the first hearing on this topic in any House committee since the President announced his strategy.

Because of the Chairman's foresight, we now have the first opportunity to examine some of the Administration's assumptions and recommendations.

It is appropriate that our subcommittee examine this strategy closely. President Obama calls for a "whole government" approach to U.S. efforts in the region. Our committee's unique jurisdiction allows us to explore the interagency challenges that he will face and gives us the authority to recommend reorganizing antiquated national security structures.

The experts joining us today are well suited to discuss the effectiveness of the President's proposed strategy towards Afghanistan and Pakistan. They are also able to help us to understand how we may better support our nation's efforts in that region.

I look forward to a future hearing with the Administration to examine the specific details of their Afghanistan and Pakistan strategy.

I also look forward to, under the Chairman's leadership, examining the national security lessons we have learned in the past and exploring how they can be applied under this new plan.

Mr. Chairman, thank you again for your efforts in organizing this hearing. I look forward to our witnesses' testimony.

Mr. TIERNEY. Thank you, Mr. Flake. And as I say, we have been a couple of years in the making on this tack of recognizing that there is a need for regional activity here. Mr. Sadjadpour I think joined us in one of the previous panels about Iran in particular on the same issue. So we thank you for coming back.

I would like to introduce the members of our panel before we get started. On my far left is Ambassador Wendy Chamberlin. She is currently the President of the Middle East Institute. She served as U.S. Ambassador to Pakistan during the September 11th attacks from 2001 to 2002 and played a key role in Pakistan's initial cooperation following the attacks. From 2002 to 2004, Ambassador Chamberlin served as Assistant Administrator for Asia and the Near East at the U.S. Agency for International Development, where she directed civilian construction programs in Iraq and Afghanistan.

She has also previously served as director of global affairs and counterterrorism at the National Security Council. Ambassador Chamberlin holds a B.S. from Northwestern University and an M.S. from Boston University.

Next to her is Ms. Lisa Curtis, who is a senior research fellow for South Asia at the Asian Studies Center of the Heritage Foundation. Prior to joining the Heritage Foundation, Ms. Curtis served on the professional staff of the Senate Foreign Relations Committee, as a Senior Advisor for South Asia for the U.S. Department of State, as an analyst for the CIA and as a foreign service officer in the U.S. embassies in Pakistan and India. Ms. Curtis has also testified before the subcommittee previously and we welcome you and thank you for coming back.

Next is Dr. Deepa Ollapally, who is Associate Director of the Sigur Center for Asian Studies at George Washington University's Elliott School of International Affairs, where she focuses on South Asian regional security. Dr. Ollapally previously directed the South Asia Program at the U.S. Institute of Peace, was an associate professor of political science at Swarthmore College and headed the International and Strategic Studies unit at the National Institute for Advanced Studies in Bangalore, India. Dr. Ollapally holds a Ph.D. from Columbia University.

Dr. Sean Roberts is the director of the international development studies program at the George Washington University's Elliott School of International Affairs. Dr. Roberts is a former senior-level official with the U.S. Agency for International Development, with significant expertise and experience in Central Asia and the author of a blog entitled, "The Roberts Report on Central Asia and Kazakhstan." Dr. Roberts holds a Ph.D. from the University of Southern California.

And as I mentioned earlier, Mr. Karim Sadjadpour, who has been kind enough to be with us before, is back again. He is an associate at the Middle East Program at the Carnegie Endowment for International Peace. He is also the Chief Iranian analyst at the International Crisis Group in Tehran. Mr. Sadjadpour is a leading researcher on Iran and has conducted dozens of interviews with senior Iranian officials and hundreds of Iranian intellectuals, clerics, dissidents and others. Mr. Sadjadpour holds an M.A. from Johns Hopkins School of Advanced International Studies.

I want to thank all of you for making yourselves available today and sharing your expertise. It is the practice of this committee to swear in witnesses before they testify. So I ask if you would be kind enough to please stand and raise your right hands.

[Witnesses sworn.]

Mr. TIERNEY. Thank you. The record will please acknowledge that all of the panel members answered in the affirmative. And I would just tell you, I think some of you already know, your written remarks in their entirety will be placed in the record, fully in the record. We ask you to try to contain your remarks to about 5 minutes. We will be a little more lenient in that as we can but we do want to have the opportunity for everybody to get their statements out, to have some questions from the panel before we get interrupted with floor votes and things of that nature, so that we don't tie up your whole day.

So with that, if we may, Ambassador Chamberlin, would you be kind enough to start with your testimony?

STATEMENTS OF AMBASSADOR WENDY J. CHAMBERLIN, RETIRED, PRESIDENT, MIDDLE EAST INSTITUTE; LISA CURTIS, SENIOR RESEARCH FELLOW, SOUTH ASIA, ASIAN STUDIES CENTER, THE HERITAGE FOUNDATION; DEEPA M. OLLAPALLY, PH.D., ASSOCIATE DIRECTOR, SIGUR CENTER FOR ASIAN STUDIES, GEORGE WASHINGTON UNIVERSITY ELLIOTT SCHOOL; SEAN R. ROBERTS, PH.D., DIRECTOR, GEORGE WASHINGTON UNIVERSITY INTERNATIONAL DEVELOPMENT STUDIES PROGRAM; AND KARIM SADJADPOUR, ASSOCIATE, MIDDLE EAST PROGRAM, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

STATEMENT OF WENDY J. CHAMBERLIN

Ms. CHAMBERLIN. Thank you very much, Chairman Tierney and Ranking Member Flake, other members of the committee.

It is indeed true that when the chairman first took the first steps to organizing this committee, the President had not rolled out his strategic review. So I think we can indeed say the chairman was prescient. Because of that review, it can best be described as an original approach. Ambassador Holbrooke summed it up when he said, "the strategic review contains a clear and unambiguous message. Afghanistan and Pakistan are integrally related. You cannot deal with Afghanistan if the situation in Pakistan is what it is today."

I would add that to understand Pakistan one must understand Pakistan in the context of its relationship with India. Mr. Chairman, I have very distinguished colleagues at the table today and they will talk about Iran and Afghanistan and its other neighbors in Central Asia. I have been asked to talk briefly about Afghanistan's western neighbors, Pakistan and India, and the historical relationship with its western neighborhoods, which I will try to do very briefly.

India and Afghanistan have enjoyed historically good relations with Afghanistan up until the point, really, through the Soviet occupation. India highly valued its relations with Afghanistan as a gateway for trade and to flank its traditional adversary in Paki-

stan. Relations were severed during the Taliban period, and during that period, India supported the Northern Alliance in its civil war with the Taliban.

With the fall of the Taliban in 2001, India was one of the first at the table at the Bonn talks to offer a significant reconstruction assistance package, $750 million, which it increased to $1.2 billion frankly as a reaction to the bombing of its embassy in 2008. Those aid projects are valuable, well received, very visible and important in Afghanistan.

Pakistan was also at the Bonn talks, has also provided aid, but has had historically a much more difficult relationship with Afghanistan. Now, this is not uncommon of two countries with a colonial border that splits an important ethnic group right down the middle, that is the Pashtuns. Pashtuns on both sides of Pakistan and Afghanistan, many of whom consider themselves Pashtun first and then only secondarily their identity as an Afghan or identity as a Pakistani. Historically, there has been a great deal of friction across that border, the Durand Line, a border, incidentally, which Afghanistan has never recognized. In the past, prior to the Soviet invasion, the Pashtun activists have argued for the creation of Pashtunistan, which would largely be cut from the Pakistan area. There have been incidences of Pakistani meddling in Afghanistan and of assistance from Afghanistan to Baluch separatists and anti-government groups in Pakistan. So it has been a rough relationship.

The best way to understand the current relationship between Pakistan and Afghanistan now is through the lens of Pakistan's relationship with India. Pakistan has been quite, I would say, distressed that the Indians have reestablished themselves so well, so strongly in Afghanistan after 2001. It had hoped that a friendly government, more friendly to Pakistan, could be created and it wouldn't have to face its adversary on both sides, on the western border and the eastern border. This has not been the case and it has become sometimes exaggeratedly upset about Indian aid projects along its border, about Indian road construction, etc., and has been fearful that India is using its foothold in Afghanistan as a platform for a spy network. It has accused India of launching some anti-government assistance to group within Pakistan from India.

It is disappointed to have lots its defense strategy of strategic depth. Pakistan is a very narrow country. It has always feared that if attacked by land on its eastern border that it would need to be able to retreat with the army and equipment into a friendly Afghanistan. And that is what is called strategic depth. It would like to keep that. It has a rough relationship with President Karzai at this point. Some experts have said, and I would like to hear what Lisa says, that the covert assistance now to the Taliban today is part of Pakistani, some in the Pakistan army wishing to have a hedge by maintaining good relationship with Pakistan to see what happens in the future, with the idea of reestablishing a strategic depth defense strategy.

With regard to Pakistan and India, the heart of the hostility of course goes back to the unresolved issues of Kashmir left over from the partition periods. What is important for us to understand today

is that over the last many years, several years, Pakistan has been covertly supporting Kashmir terrorist groups, now they are called Punjabi terrorist groups, to harass India in Kashmir. Lashkar-e-Taiba, Jaish-e-Mohammed are some of these groups. Indians regard them as just as much a terrorist group as al Qaeda and certainly the horrific attack at Mumbai is evidence of that.

What has happened recently is whatever control the Pakistan army, ISI, thought they had over these groups is certainly not there any more. Yesterday's attack, believed to be by Lashkar-e-Taiba on the police station in Lahore is evidence that these groups have now turned against official Pakistan, the army, the police, the near enemy, if you will. They have moved some of their folks to the Afghan border and formed this alliance with al Qaeda, this loose network along the Afghan border. It is very alarming to all of us.

In conclusion, Mr. Chairman, I think it is true and it is certainly recognized in the President's strategy that the traditional frameworks for these relationships don't work any more. That in fact, if we are all very honest with ourselves, Afghanistan, Pakistan, India, the United States are all facing the same enemy in this region, and that enemy is al Qaeda and the al Qaeda-like terrorist networks that are attacking both us, the far enemy, and the local governments, the near enemy. These old rivalries face this common threat.

So this new era of India and Pakistan and Afghanistan, it is quite correct to approach it in a regional approach. That doesn't mean it is going to be easy, and it presents a major challenge to our diplomacy. I think we have the right guy to do it in Ambassador Holbrooke. I have worked for him personally, I think he is one of our best diplomats. But he has a challenge. One of the larger challenges is to persuade the Pakistani army that its enemy is first and foremost the enemy within, rather than its traditional enemy of India, and that it needs to re-tool and change its doctrine to meet that enemy.

The challenge to our diplomacy further, and I am almost finished, with regard to India, is to certainly congratulate them and encourage them in the restraint that they showed after the attack on Mumbai. But to understand that they may get attacked again, these groups are just building in strength, and that we will need to work in a way that doesn't further destabilize the region.

And with Afghanistan, I personally am skeptical that you can negotiate with extremists. Nor can you eliminate them militarily. What will be required on our part is perseverance to stay there until the region is stabilized enough that it doesn't present threats that can come back to us, to convince the people of the region that we will not abandon them. It will require a long, hard slog providing protection for the people, security in their own communities, jobs, education and a sense that they are protected with a judicial system and good governance as well.

We have a big role to play, but we must play it in cooperation with those in the region.

Thank you very much for this opportunity.

[The prepared statement of Ms. Chamberlin follows:]

Testimony

Wendy J. Chamberlin, Ambassador (Retired)

President, Middle East Institute

Before the

United States House of Representative

Committee on Oversight and Government Reform

Subcommittee on National Security and Foreign Affairs

March 31, 2009

Thank you Chairman Tierney, Ranking Member Flake, and members of the Subcommittee for the opportunity to appear before you today.

When the Chairman took the first steps toward organizing this hearing it was quite clear that President Obama regarded Afghanistan as one of his top foreign policy challenges. Last Friday, President Obama presented the new Afghanistan strategy to the American public. Mr. Chairman, your call for a hearing on Afghanistan in its regional context was both prescient as the President's strategy emphasized a regional approach. In the words of Ambassador Holbrooke, "The strategic review contains a clear and unambiguous message. Afghanistan and Pakistan are integrally related and you cannot deal with Afghanistan if the situation within Pakistan is what it is today. "

Mr. Chairman, my colleagues on the panel are expert on Afghanistan's relationship with Iran and with its northern neighbors. I will focus my remarks today on the complex yet critical interplay of relations and interests between Afghanistan's two neighbors to its west -- Pakistan and India. I will endeavor to place these relationships in the context of the President's regional approach to Afghanistan.

INDIA –AFGHANISTAN

India values good ties with Afghanistan as a gateway to central Asia trade, particularly with an eye to accessing a rich natural gas source. Afghanistan is also important strategically to India to flank its adversary in Pakistan. Indian-Afghan relations are old. For many years, and much to Pakistan's consternation, India and the King of Afghanistan had long shared warm relations. The strong Indian presence in Afghanistan basically continued throughout the Soviet occupation. Under the extreme rule of Islamist Taliban, India found itself without a patron in Kabul. India joined with Iran and Russia in an anti-Taliban alliance to support the Northern Alliance of non-Pushtun ethnic groups in the long civil war throughout the 1990s. Pakistan hoped to permanently end Indian influence in Afghanistan and supported the Taliban.

With the fall of the Taliban in 2001, India was quick to re-establish good ties with government that emerged from the Bonn Talks. India supported the candidature of Hamid Karzai for President and opened consulates in Herat, Mazar-e-Sharif, Kandahar, and Jalalabad. India also pledged $750 million in

reconstruction aid. Delhi reacted to the 2008 terrorist bombing of its embassy in Kabul, believed to be with Pakistani intelligence collusion, by increasing aid to $1.2 billion.

India is now the second largest aid donor to Afghanistan. Its reconstruction assistance program is visible and effective. India feeds 1.3 million school children daily, provided over 500 well-marked buses for public transportation, built schools, roads, clinics, telecommunications facilities and helped build the new Afghan parliament building. India trained Afghan police, diplomats and civil servants. By 2006, there were about 4,000 Indian aid and security personnel in Afghanistan.

PAKISTAN'S VIEW OF INDIA IN AFGHANISTAN

Pakistan is deeply distressed by growing Indian influence in Afghanistan. In a very short period, India made deep inroads into Pakistan's western neighborhood. The growing Indian influence at the expense of Pakistan is perceived in Pakistan as a consequence of President Musharraf's policy of allying with the United States to oust the Taliban from power.

Pakistanis feel the Indian threat from several angles. They regard India's investment in the Iran port at Chadabar as an effort to cut into Pakistan's exclusive trade routes to its land-locked neighbor. And they were right. Pakistan does not permit Indian goods to pass through its ports on the way to Afghanistan (although it permits Afghan products to move to India). The Indians, therefore, are intentionally developing trade routes through Iran to assure the free passage of their goods. Undoubtedly the Indian-built highway to an Iranian port will compete with the new port in Gwadar, Pakistan built by the Chinese.

Pakistanis believe India uses its foreign assistance projects as cover to launch spying operations and channel support to anti-government extremists. The United States understands that a red line for Pakistan would be deployment of Indian combat troops in Afghanistan and has blocked troops. Still, Indian has offered security assistance and has provided training for the Afghan National Army. The arrival of a company of Indian paramilitary troops to protect Indian road workers close to Pakistan's border is deeply troubling to the Pakistani military. The Pakistan Army feels squeezed on both sides of the border. The Army believes its mission to defend its nation is compromised by the loss of special ties to Kabul.

Both Afghanistan and India believe the attack of the Indian Embassy in Kabul last summer was a warning shot from the ISI. The attack killed 40 people including the Indian military attaché. Following this incident, Pakistan replaced the Chief of ISI, some say partly to ease tensions with both India and Afghanistan. Others see the nomination of General Pasha as head of ISI as no more than Chief of Army Staff, General Kiyani's placement of a trusted ally in a critical position.

PAKISTAN –AFGHANISTAN

Mr. Chairman, tensions between Afghanistan and Pakistan are not uncommon where a national border splits an important ethnic group. Greater Pushtun nationalism and demands to create "Pushtunistan" cut from Pakistan has bedeviled relations between Kabul and Islamabad since the founding of Pakistan over 60 years ago. To this day, Afghanistan has not recognized the Durand Line as the border. Strained relations have been the norm. Earlier Afghan rulers supported Baluch separatists in Pakistan. Pakistan, in turn, meddled in the affairs of its smaller, landlocked neighbors. But to fully understand the troubled relations between the two neighbors, one must see it from the perspective of Pakistan-Indian hostilities. As long as Pakistan views the major threat to its existence emanating from India, it believes it must have a

friendly state on its western border. Pakistan Policy Working Group report prepared for the Council of Foreign Relations concluded that the "transformation of Pakistan Afghanistan ties can only take place in an overall context of improved Pakistani-Indian relations."

Pakistan felt squeezed by a strong Indian presence on both borders. The routing of the Soviet regime in Kabul in the eighties presented an opportunity for Pakistan to develop a friendly regime at India's expense.

Pakistan adopted the defensive doctrine known as "strategic depth" to compensate for its military and geographic vulnerability. Military strategists reasoned that as a narrow country, Pakistan would not be able to defend against an Indian land attack across its eastern border. Pakistan, therefore, sought the capability to pull back its troops and equipment across its western border into Afghanistan. Maintaining good terms with the government in Kabul is more than a diplomatic advantage. It is a defensive requirement.

As you recall, Mr. Chairman, during that 1980's, Pakistan was a close ally of the United States in our efforts to drive the Soviets out of Kabul. The Pakistani Army, through its Inter-Service Intelligence branch (ISI), channeled American and Saudi funds to a network of Afghan mujahedeen fighters. Pakistan maintained contact with many of these same mujahedeen groups throughout the nineties. It also developed strong ties with the emergent Taliban regime that controlled Afghanistan in hopes of finding a government friendly to Pakistan and to the exclusion of its rival India.

When President Musharraf first agreed to abandon Pakistan's support for the Taliban after September 11, he envisioned a stable Afghanistan, friendly to Pakistan. It was important to President Musharraf in those early days that the new Afghan leader be ethnically Pushtun. Again this was an expression of Pakistan's fears that an Indian ally from the Northern Alliance would assume power. Now, seven years later, any hope that Pakistan may have had after 9/11 for a stable, friendly Afghanistan under the leadership of pro-Pakistan government has not realized.

It is not hard to understand that strategic depth is an irritant to Afghanistan. Afghan President Hamid Karzai is openly critical of Pakistan Army interference in internal Afghan affairs. He has accused ISI Army intelligence of undermining his government. Indeed, some of the same mujahedeen leaders from the earlier anti-Soviet period such as Gulbudin Hekmatyar and Jalaaluddin Haqqani, today lead extremist groups that attack U.S., NATO and the legitimate forces in Afghanistan from safe havens inside Pakistan. Afghan's also found it suspicious that the ISI is unable to locate and arrest Afghan Taliban leader Mullah Omar, who many say operates from the Pakistan border city of Quetta. Pakistan has denied that Mullah Omar is based in Quetta. It asserts, with merit, that hundreds of Pakistani troops have lost their lives defending the Afghan border region. Pakistan has suggested a number of initiatives to staunch extremist movement across the border including efforts to mine the area, build a fence, impose tighter border crossing controls, and launch aggressive combat activity in the tribal areas. Most of these measures were inconclusive, but not without criticism by the Afghan government and eliciting hostility from Pushtun clansmen on both sides of the border.

Based partly on its history of support for the Taliban and failure to staunch cross border raids, there are persistent media reports that the Pakistan Army today is "infiltrated" with Taliban sympathizers. I believe it far more complex. To be sure, the lower ranks of the Army reflect the anti-American sentiment of the

population as whole. Rather than an "infiltration" by extremists, more attention should be given to the Army's reluctance to abandon the strategy of holding a Pushtun proxy force for the time when Pakistan may have to re-establish its influence.

Diplomatic ties between Kabul and Islamabad improved somewhat with the return of civilian government in Pakistan. Trilateral talks between the United States, Afghanistan and Pakistan are now held on a regular basis and Ambassador Holbrooke has pledge to maintain them. He has further agreed to consult with India periodically on the progress of these talks. These consultations and a more concentrated effort at intelligence exchanges promised by Director Panetta on his recent trip to the region will do much to go allow sunlight into the murky regional rivalries. In the long term, regional stability will continue to be elusive as long as Pakistan fears it is surrounded by adversaries and continues its support to non-state groups in cross border operations.

PAKISTAN-INDIA

At the heart of the bitter Pakistan –Indian conflict is the unresolved issue of Kashmir left over from the time of partition that created the nation states of Pakistan and India.

For years, successive U.S. Administrations have avoided efforts to mediate the Kashmir conflict. It is appears the Obama team is inclined to continue that tradition. Ambassador Holbrooke made clear that he was the Envoy for Afghanistan and Pakistan and explicitly, not India. Any effort at international involvement in Kashmir would very likely provoke a fierce negative Indian reaction and would certainly be counterproductive. At the same time, it must be understood that progress in Kashmir is both desirable and not beyond reach.

Regrettably, the Mumbai terrorist attack threatens to set back the recent progress made toward a trade agreement and progress on Kashmir. Indeed, dashing progress toward normalized relations could well have been the objective of those who perpetrated the Mumbai attack. We now know that the Mumbai terrorist operation was conducted by Lashkar-e-Taiba, one of the several Kashmir terrorist groups supported by the Pakistani ISI to violently disrupt Indian interests in Kashmir. Some Indian analysts believe elements of the Pakistani ISI may have been behind the attack in order to turn attention away from fighting fellow Muslims along the Afghan border. Instead, they would want to keep attention on what they believe is Pakistan's existential threat, India. Undercutting this view is the fact that some terrorist groups have broken away from Army control in recent years. These groups have allied with the al Qaeda network along the Afghan border, and turned their violence on Pakistani officials, including the Army.

As progress is made in the future we can expect to again see desperate acts from spoilers. India reacted with admirable restraint in the aftermath of the Mumbai attack. We all hope India will not be tested again. But if and when it is, New Delhi must be encouraged to again exercise restraint. Not because we wish to protect the terrorists, but rather because it is the strongest response to desperate actions of those with weak and failing causes.

PRESIDENT OBAMA'S NEW STRATEGY – A REGIONAL APPROACH

The Administration's strategy for Afghanistan represents a notable departure in U.S. policy. Ambassador Holbrooke addressed the difference, "The Bush administration had three separate policies-

for Afghanistan, Pakistan and India. We have integrated Afghanistan and Pakistan and consult India on these issues."

The President's regional Afghanistan-Pakistan policy was well received by both Afghan President Karzai and Pakistan's President Zardari. That should come as no surprise. The policy builds on the more successful elements of the Bush Administration strategy, but goes beyond to attempt to address the fundamental needs and fears of each of the countries affected.

Afghanistan: To Karzai's satisfaction the U.S. acknowledges insurgent attacks emanate from Pakistan. The administration also recognizes that the most urgent need of the population is personal security and protection. The Administration pledges to provide General McKiernan with most of the additional troops he requested both to train Afghan National Army and police forces and to provide an important margin of security while Afghan forces can be brought to strength. The plan also seeks to eliminate those funding-sources that enable the extremists, namely the opium trade, and corruption. Finally, Afghanistan is cheered by the prospect of a more focused approach to development.

Pakistan: The new strategy acknowledges that more can and should be done to create jobs, encourage trade and assure good governance for the Pakistani people. The civilian government of Pakistan is encouraged by the Administration's support for the Kerry Lugar authorization legislation to triple aid to civilians and with the Reconstruction Zone bill to boost trade, economic development and jobs along the border region. The Pakistan Army can also take some comfort that the strategy acknowledges its grievance that Pakistani forces alone can not be held solely accountable for securing the porous mountainous border. Additional US and NATO troops, and eventually strengthened Afghan security forces will also be needed on the Afghan side.

India: New Delhi can be encouraged by the administration's tougher line. India has been critical of the U.S. "soft approach to Islamabad" in the past and should be encouraged by the notion that the U.S. will think in terms of bench marks for Pakistani performance in counter terrorism efforts. India should appreciate the tougher line regarding Pakistan's perceived tolerance for the Kashmir terrorist groups and greater pressure to cooperate on the Mumbai attack investigation. India has long argued that the terror inflicted by the Kashmir groups such as Jaish e Mohammed and Lashkar-e-Taiba are no different from al Qaeda. The horror of the well organized Mumbai attack was graphic evidence of this position. Ambassador Holbrooke will continue the trilateral talks between Afghanistan, Pakistan and the United States and has pledged to consult with India on a more regular basis.

CONCLUSION

Analysis of the interwoven interests and perceptions of the three regional powers leads to the same inextricable conclusion. India, Pakistan, Afghanistan, and for that matter the United States, are fighting the same enemy.

It is a delicate balancing act. The challenge to U.S. policy makers is to avoid defining our objectives in terms of U.S. interests alone. Rather we must use our diplomacy to unite all regional actors around the common objective of denying terrorist the space to operate. Success requires cooperation.

The Pakistani government and Army must be persuaded that its priority should be to dismantle and destroy the Kashmiri, Taliban and al Qaeda terrorists groups on its soil because it is in their own interests.

Allying with others in pursuit of this goal should not be viewed as an affront to national sovereignty. Accepting the view that domestic extremist groups are a threat to Pakistan's democracy and vision of Pakistan as a moderate Islamic state will not come easy or quick.

Within Afghanistan, the objective should be to create sufficient positive momentum toward stability and economic prosperity that all groups find cooperation in their interests. No negotiation will persuade Taliban leaders to act against their interests. Nor is a decisive military defeat of the Taliban likely. Rather our eventual success will come after a long, hard, slow, slog toward creating a more secure and prosperous environment for people.

India would be wise to avoid provoking Pakistani suspicions by aggressive activities along its border in Afghanistan. If its intentions are straightforward, it must act transparently.

The U.S. must accept that it may take time and sensitive diplomacy to realign national perceptions after years of competition and confrontation. It will be a challenge for Pakistan, India, and Afghanistan to overcome patterns of distrust and to reach an understanding that cooperation and not confrontation is the best route to meeting objectives. The Administration's strategy shows every promise that the United States will not abandon the mission. Sustain, consistent, constant engagement will be the key to success.

Finally, the US does not and should not take sides in complex and historical regional conflicts. When we have tried to see absolute truths in complex diplomatic relations, we invariably do harm.

In this testimony, I have tried to present a sketch of the national views on regional relations. There is truth, deception and inadvertent misperceptions in each of the national views. What I hope has emerged is a strong case for encouraging all parties to work in transparent, cooperative manner as they face enormous national challenges.

Mr. TIERNEY. Thank you, Ambassador. You used Ms. Curtis' time, so we will move right along. [Laughter.]

Ms. Curtis, you are all set, please.

STATEMENT OF LISA CURTIS

Ms. CURTIS. Thank you, Chairman Tierney, Ranking Member Flake and the rest of the distinguished members of the subcommittee. I am delighted to be here today.

I will also focus the majority of my remarks on India and Pakistan, and I will try to not repeat Ambassador Chamberlin. I think she covered a lot of the territory and I agree with her points, particularly on Pakistan. I will also discuss the need for the countries of the region to change their own security perceptions, particularly Pakistan. And I will suggest ways for the United States to encourage such a shift in thinking.

Of course, one of the key planks of the Obama strategy is to intensify regional diplomacy with a special focus on a trilateral framework between Afghan, Pakistani and American officials to engage at the highest level. A regional strategy involves identifying and nurturing allies while isolating those intent on undermining the international coalition's goal in Afghanistan.

Now, this raises the critical question which Ambassador Chamberlin also addressed on how to create an effective partnership against terrorism with Pakistan when we do have elements, some elements within the Pakistani security establishment that are unconvinced that a Taliban-free Afghanistan is in their own national security interest. And our policies need to reflect this very hard reality. Yet we also need to shore up the Pakistan military in its fight against extremists, especially along the border with Afghanistan. Events over the last 5 days in Pakistan, including a suicide bombing at a mosque in the tribal areas last Friday that left over 50 dead and a gun attack on a police training facility in Lahore on Monday that killed at least 26, demonstrate the increasingly precarious situation in Pakistan. As Ambassador Chamberlin mentioned, early reports suggest the Lashkar-e-Taiba, which also conducted the attacks in Mumbai, may have been responsible. So here we have an example, Pakistan and India facing a mutual threat. I think there is a sense that there is a loss of control with these groups that Pakistan had formerly supported.

So we need to support Pakistan and see it through this transition. So long as Pakistan understands that these terrorists are also a threat to itself and is willing to address that, we certainly need to be there for Pakistan and shore it up in this fight.

The United States must dedicate its diplomatic resources, as I said, to changing security perceptions. This won't be easy. But we need to support those people who are working toward this effort. And in this vein, I note Pakistani President Asif Ali Zardari has demonstrated his interest in developing a new vision for Afghan-Pakistani ties and we should strongly support him in this endeavor.

The Congress, to do its part to support this new vision for Afghanistan-Pakistan ties, needs to immediately pass the Reconstruction Opportunity Zone legislation. This would provide U.S. duty-

free access to items produced in industrial zones in the border areas of Afghanistan and Pakistan.

President Obama has called for the passage of this legislation. We have had the Pakistani and Afghan ambassadors jointly support the initiative, arguing that it would draw the Afghan and Pakistani economies closer together and increase their cooperation. So this is absolutely critical legislation.

Let me talk about Pakistan-Indian relations, because this is a key part of this puzzle. One of the major reasons we are continuing to have our difficulties in Afghanistan is because of Pakistan's lack of confidence when it looks east to its larger neighbor, India. So we need to find ways to increase that confidence in Pakistan's perception of its regional position.

However, Washington should avoid falling into the trap of trying to directly mediate the decades-old Indo-Pakistani dispute over Kashmir. The United States is more likely to have success in defusing Indo-Pakistani tensions if it plays a quiet role in prodding the two sides to resume talks that had made substantial progress from 2004 to 2007, even on Kashmir. These talks, of course, were derailed by the terrorist attacks in Mumbai last November. And their resumption hinges on whether Pakistan takes steps to shut down this group, which of course the attack on the police training facility indicates that they may be moving in this direction, and prosecutes individuals involved in the planning and execution of those attacks.

Continued Pakistani ambivalence toward the Taliban stems, as I said, from its concern about India trying to encircle Pakistan by gaining influence in Afghanistan. Pakistani security officials calculate that the Taliban offers the best chance for countering India's regional influence. Pakistan also believes that India foments separatism in its own Baluchistan province.

Given these concerns of Pakistan, I think it is India's interest to ensure that its involvement in Afghanistan is transparent to Pakistan and the United States has a role to play in ensuring this. We, of course, should address forthrightly Pakistan's concerns, yet at the same time, dismiss any accusations that are unfounded.

India has built close ties with Afghanistan over the past 7 years and has become, I think, the fifth largest donor to the country, pledging over $1.2 billion. It has helped build roads, it has provided assistance for the new parliament building. However, many of India's workers have been killed in attacks and New Delhi blames those attacks on Taliban militants backed by Pakistani intelligence. And in fact, credible media reports reveal a Pakistani intelligence link to the bombing of India's embassy in Kabul in July of last year.

So the United States needs to work with Pakistan to develop a new strategic perception of the region based on economic integration and cooperation with neighbors and tougher policies toward terrorists. But the United States must also respond when information comes to light that Pakistani officials are supporting the Taliban and other extremist groups. One way to respond to this is by conditioning future military assistance to Pakistan. I have spelled out some ideas in my written testimony and would be happy to elaborate further.

I don't think conditioning aid to Pakistan is easy, when we also want to shore up the forces against extremists that are attacking the Pakistani state. So the idea is to implement a calibrated carrot and stick approach that both strengthens Pakistan's hand with the extremists while at the same time ensuring Pakistan finally breaks those links with the extremists that it supports to further its own strategic objectives.

That concludes my remarks. Thank you.

[The prepared statement of Ms. Curtis follows:]

Testimony before the Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs, U.S. House of Representatives, "Afghanistan and Pakistan: Understanding and Engaging Regional Stakeholders"

Lisa Curtis, Senior Research Fellow, The Heritage Foundation[1]
March 31, 2009

I will discuss elements of a U.S. regional diplomatic strategy to help stabilize Afghanistan and Pakistan, focusing most of my remarks on India–Pakistan tensions and how we might encourage confidence-building between these historical rivals. I will also discuss the need for Pakistan to change its regional security perceptions and suggest ways for the U.S. to encourage such a shift in thinking.

In his speech last Friday, President Obama provided a clear signal that his Administration intends to dedicate the time, resources, and, most important, U.S. leadership necessary to stabilize the region and contain the terrorist threat in South Asia. President Obama presented a well-reasoned case for why the U.S. needs to remain committed to the region, reminding the American people that terrorists responsible for the attacks on September 11, 2001 (and subsequent international attacks) are still in Pakistan and continue to threaten regimes there and in Afghanistan. Until Pakistan and Afghanistan are stable and no longer vulnerable to these extremist forces, vital U.S. national security interests will be at risk.

Administration officials said the new plan reflects a shift in U.S. strategy toward more regional diplomacy and civilian aid to both countries. In reality, the plan builds on many of the same policies the Bush Administration pursued, although the Obama team appears more focused on establishing benchmarks for the Afghan government to root out corruption within its ranks and for the Pakistan

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[1]The Heritage Foundation is a public policy, research, and educational organization operating under Section 501(c)(3). It is privately supported and receives no funds from any government at any level, nor does it perform any government or other contract work. The Heritage Foundation is the most broadly supported think tank in the United States. In 2008, it had nearly 400,000 individual, foundation, and corporate supporters representing every state in the U.S. Its 2008 income came from the following sources:

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government to improve its efforts against terrorists within its borders. President Obama supports a vast increase in non-military assistance to the Pakistani people (even in the midst of the global economic downturn), but also explained that the U.S. would no longer provide a "blank check" to the Pakistani military and would expect more cooperation in combating the Taliban and other extremist groups. The President called the Pakistani tribal areas the source of the greatest danger to the American people.

A regional strategy involves identifying and nurturing genuine allies in the effort to stabilize Afghanistan, while isolating those intent on undermining the international coalition's goals. General David Barno, in his testimony to this subcommittee last Thursday, framed a regional strategy in a similar way, saying we need to "expand U.S. influence with a regional circle of friends and diminish the influence of enemies of the U.S."

This raises the difficult question of how to create an effective partnership against terrorism with Pakistan when some within the Pakistani security establishment are unconvinced that a Taliban-free Afghanistan is in their own national security interest. The links to Taliban elements within Pakistan's security forces occur even as Pakistani soldiers fight extremists along the border with Afghanistan and Pakistani civilians and security forces alike suffer from repeated terror attacks across the country. Events over the last four days in Pakistan, including a suicide bombing of a mosque in the tribal areas last Friday that left over 50 dead and a gun attack on a police training facility in Lahore on Monday that killed at least 26, demonstrate the increasingly precarious and volatile situation in Pakistan. Still, there remains a gap between U.S. and Pakistani expectations for Afghanistan. Pakistan still views parts of the Taliban as supportive of its own regional interests, especially in the event the coalition forces depart Afghanistan. This gap undermines U.S. goals in Afghanistan and threatens the viability and long-term sustainability of U.S.–Pakistan ties.

Transforming the Pakistan–Afghanistan Relationship

President Obama has committed to pursuing a trilateral framework with Afghan and Pakistani leaders. The meetings in Washington between the U.S. Secretary of State and the Afghan and Pakistani foreign ministers last month was a useful first step in the process. This framework recognizes that Pakistan and Afghanistan are inextricably tied through shared borders, history, culture, and commerce, creating an opportunity for greater collaboration between the two nations in the interest of stability and prosperity. The strategy further recognizes that cross-border extremist movements present a serious threat to both nations. Al-Qaeda's growing capabilities and the insurgency in Afghanistan cannot be addressed effectively until the sanctuaries in Pakistan are shut down. In turn, Pakistan cannot expect to address growing internal terrorist threats or to expand economic development without a stable and friendly Afghanistan.

The U.S. must change security perceptions in the region, turning Afghanistan and Pakistan away from zero-sum geopolitical calculations that fuel religious extremism and terrorism and toward a focus on enhancing cooperation and regional integration. Efforts such as the Peace Jirga process started in 2007; the trilateral military commission between NATO, Pakistan, and Afghanistan; and the establishment of border-crossing centers that are jointly manned by NATO, Afghan, and Pakistani intelligence and security officials are useful initiatives that can begin the process of changing regional security perceptions.

India–Pakistan Ties

A transformation of Pakistan–Afghanistan ties can only take place in an overall context of improved Pakistani–Indian relations that enhances Pakistani confidence in its regional position. Washington should avoid falling into the trap of trying directly to mediate the decades-old Indo-Pakistani dispute over Kashmir, however. The U.S. is more likely to have a positive impact in terms of defusing Indo-Pakistani tensions if it plays a quiet role in prodding the two sides to resume talks that had made progress from 2004 to 2007. Through this dialogue, the two sides strengthened mutual confidence by increasing people-to-people exchanges, augmenting annual bilateral trade to over $1 billion, launching several cross-border bus and train services, and liberalizing visa regimes to encourage travel between the two countries.

There was even progress on the vexed Kashmir issue. In 2006, then-President Musharraf and Prime Minister Singh had begun to craft their statements on Kashmir in ways that narrowed the gap between their countries' long-held official positions on the disputed territory. For instance, Musharraf declared in December 2006 that Pakistan would give up its claim to Kashmir if India agreed to a four-part solution that involves 1) keeping the current boundaries intact and making the Line of Control (LOC) that divides Kashmir irrelevant; 2) demilitarizing both sides of the LOC; 3) developing a plan for self-governance of Kashmir; and 4) instituting a mechanism for India and Pakistan to jointly supervise the region. Musharraf's plan followed Singh's call in March 2006 for making the LOC "irrelevant" and for a "joint mechanism" between the two parts of Kashmir to facilitate cooperation in social and economic development.

The resumption of India–Pakistan talks now hinges on Pakistani steps to shut down the Lashkar-e-Tayyiba (LeT), the group responsible for last November's terrorist attacks in Mumbai. If Pakistan takes decisive action to close this group down and to prosecute the individuals involved in the attacks, Indo–Pakistani talks would likely resume, and the two sides could pick up the threads of where they left off in early 2007.

India's Role in Afghanistan

Continued Pakistani ambivalence toward the Taliban stems from its concern that India is trying to encircle Pakistan by gaining influence in Afghanistan. Pakistani security officials calculate that the Taliban offers the best chance for countering India's regional influence. Pakistan believes that ethnic Tajiks in the Afghan government receive support from New Delhi and that India foments separatism in Pakistan's Baluchistan province from its Afghan consulates near the Pakistan border. It is in India's interest to ensure that its involvement in Afghanistan is transparent to Pakistan. The U.S. also has a role to play in addressing forthrightly Pakistani claims about India's role in Afghanistan and dismissing those accusations that may be exaggerated or misinformed.

India has built close ties with Afghanistan over the past six years and has become a major donor for the reconstruction of the country, pledging over $1.2 billion. New Delhi has developed a wide array of political contacts and provided assistance for the new parliament building and a major highway in Afghanistan's Nimruz province. An estimated 4,000 Indians are currently in Afghanistan working on development projects. India has sent about 500 Indo–Tibetan border police to guard its workers following attacks, such as an April 12, 2008 suicide bombing that killed two Indian engineers in Nimruz. India blames the attacks on Taliban militants backed by Pakistani intelligence.

India shares the international community's goal of promoting a stable democracy in Afghanistan that is free of Taliban influence. U.S. diplomacy must demonstrate that collaboration between the U.S., India, and Afghanistan to fight terrorism does not mean the three sides are colluding against Pakistan.

Gauging Pakistani Counterterrorism Cooperation

A central part of the Obama Administration's strategy is focused on establishing benchmarks, or metrics, to gauge Pakistan's role in fighting al-Qaeda and Taliban terrorists. The U.S. should work with Pakistan to develop a new strategic perception of the region based on economic integration and cooperation with neighbors and tougher policies toward terrorists, including severing official ties with all militant organizations and taking steps to close down militant training camps. Washington needs to demonstrate that it is interested in establishing a long-term partnership with Pakistan but will not abandon efforts to build strategic ties with India as well. The U.S. should indicate that it values its relationships with Pakistan and India equally and will not choose between the historical rivals.

The re-doubling of U.S. efforts in Afghanistan should help convince Pakistanis that America will not repeat its past mistake of turning its back on South Asia like it did in the early 1990s. This fateful decision still haunts U.S.–Pakistani relations and perpetuates a debilitating distrust between our two countries.

In turn, Pakistan must end its dual policies of fighting some terrorists while supporting others. The front-page story on continued Pakistani links to the Taliban and other terrorists targeting coalition forces in Afghanistan that ran in the March 26 *New York Times* indicates the enormous challenge the U.S. faces in seeking a counterterrorism partnership with Pakistan. U.S. officials have long been aware that Pakistani security officials maintain contacts with the Afghan Taliban and related militant networks. Pakistani officials argue that such ties are necessary to keep tabs on the groups. There is growing recognition by U.S. officials, however, that Pakistan's contacts with these groups involve much more than "keeping tabs" on them. There is mounting evidence that Pakistani security officials support, and even guide, the terrorists in planning their attacks and evading coalition forces.

This disturbing fact was brought home last spring when U.S. intelligence agencies apparently intercepted messages in which Pakistani army chief General Kayani referred to Afghan militant commander Jalaluddin Haqqani as a "strategic asset." Jalaluddin Haqqani is a powerful independent militant leader who operates in the border areas between the Khost province in Afghanistan and the North Waziristan agency of Pakistan's tribal border areas. He has been allied with the Taliban for nearly 15 years, having served as tribal affairs minister in the Taliban regime in the late 1990s.

The Haqqani network has reportedly been behind several high-profile attacks in Afghanistan, including a truck bombing that killed two U.S. soldiers in Khost in March 2008 and the storming of the Serena Hotel in Kabul during a high-level visit by Norwegian officials in January 2008. Credible media reports, quoting U.S. officials, further reveal a Pakistani intelligence link to the Haqqani network's planning and execution of a suicide-bomb attack against India's embassy in Kabul last July that left over 50 Afghan civilians and two senior Indian officials dead. So while Pakistani military leaders may consider Haqqani a "strategic asset," the international coalition considers him a ruthless terrorist enemy of the Afghan people and of the coalition forces fighting to protect them.

Continued links between extremists and elements of the Pakistani security establishment have led to confusion both within the security services and among the broader Pakistani population about the

genuine threat to the nation. This ambivalence toward extremist groups fuels conspiracy theories against outsiders (mainly India and the U.S.) that are aired in the Pakistani media and lead to a public discourse that diminishes the threat posed by terrorists.

To end this vicious cycle, the Pakistani army must fully break its links to terrorist groups and recognize that its own interests as a unified and stable institution will ultimately be jeopardized unless it reins in individuals who are pressing an extremist agenda.

Strengthen Pakistani Democratic Forces

Even as the Obama team sets benchmarks to gauge the Pakistani military's commitment to uprooting terrorism from the region, it needs to promote civilian democracy and demonstrate its support for the common Pakistani. In the current environment of extremism and terrorism, Pakistani politicians are often powerless to bring change for fear of violent retaliation. The assassination of former Prime Minister Benazir Bhutto on December 27, 2007 is a stark example of the dangerous forces at play in Pakistan.

The capitulation of the government of Pakistan's North-West Frontier Province (NWFP), led by the Awami National Party (ANP), to the pro-Taliban forces in the Swat valley is another example of the violent intimidation of the secular forces in the country. Prior to the Swat valley agreement, several ANP politicians, including party leader Asfandyar Wali Khan, were targeted for assassination by pro-Taliban forces. Until the security situation improves in Pakistan, it will be difficult for civilian politicians and civil society leaders to make bold policy moves toward building civil society and democratic institutions. Pakistani civilian leaders need and deserve U.S. assistance. Tripling non-military assistance to Pakistan, as President Obama has supported, is a critical component of bolstering the Pakistani state against the forces of extremism.

Pakistan is at a critical juncture. The Obama Administration is demonstrating a willingness to invest significant resources to help the country become a prosperous, peaceful and thriving state. But achieving this goal requires Pakistan's leaders to adjust their own regional security perceptions and to view the internal terrorist threat as urgently as their counterparts in Washington do. Only through a strong and trusting U.S.–Pakistan partnership can Pakistan stabilize its economy and face down extremists bent on destroying its tolerant traditions, retarding its growth and development, and isolating the country from the global community.

What the U.S. Should Do

The U.S. should take a more active role in ensuring Indian activities in Afghanistan are transparent to Pakistan. The U.S. should seek to allay Pakistani concerns, yet make clear that it will not tolerate perpetual and unfounded Pakistani complaints and accusations. If and when bilateral Indo–Pakistani talks resume, Washington should encourage both sides to identify Afghanistan as a key plank of those discussions. Eventually, Washington should facilitate joint Indo–Pakistani development projects in Afghanistan as well as trade-transit agreements that begin to integrate the three countries economically.

The U.S. Congress should—immediately—pass the Afghanistan and Pakistan Reconstruction Opportunity Zones Act (ROZ) that provides U.S. duty-free access to items produced in industrial zones in the border areas of Afghanistan and Pakistan. President Obama

called for the passage of the ROZ legislation in his speech last Friday, and the Pakistani ambassador to the U.S., Husain Haqqani, and the Afghan ambassador to the U.S., Said Jawad, have jointly supported the initiative, arguing that the establishment of ROZs would draw the Afghan and Pakistani economies closer together, increasing their cooperation and integration. Initiatives like the ROZ Act will give each country a vested interest in the stability of the other and help defuse conflicts that fuel support for radical ideologies and terrorism.

The U.S. Congress should condition future military assistance to Pakistan on Pakistan's efforts to fight terrorism and permanently break the links between its security services and elements of the Taliban and other extremist groups. The "Enhanced Partnership with Pakistan Act 2008" introduced last year in the Senate Foreign Relations Committee seeks to simultaneously bolster support for democracy and economic development in Pakistan by tripling non-military assistance, while strengthening Pakistan's commitment to fighting terrorism by tying military assistance to preconditions. Beginning in fiscal year 2010, the bill would require the Secretary of State to certify that Pakistan is making concerted efforts to prevent al-Qaeda and associated terrorist groups from operating on its territory before the U.S. provides additional military assistance to Pakistan.

Conditioning military assistance to Pakistan is necessary to demonstrate that the U.S. will not tolerate dual policies toward terrorists—and that there will be consequences for Pakistani leaders if elements of the security services provide support to terrorists. Such consequences are necessary to stem regional and global terrorism. Rather than requiring certification of Pakistani efforts, however, the U.S. Congress can stipulate that all military assistance to Pakistan would come under immediate review if information comes to light that Pakistani officials have provided assistance to such groups or individuals. Assistance should be suspended until such time as the U.S. determines the Pakistani government has taken action against the individuals providing support for terrorism.

The inherent political instability in Pakistan and continued domination of the country's national security policies by the military will make it difficult to carry out a delicate policy of conditioning aid. It will require close coordination and consultation between the executive and legislative branches in order to understand clearly and respond quickly to developments inside Pakistan. In this regard, the inclusion in the legislation of a national security waiver that allows the executive branch the necessary flexibility to play its role as chief executor of the foreign policy of the United States is essential.

Conclusion

A key aspect of the Administration's effort to uproot terrorism from South Asia must include initiatives that encourage regional integration and cooperation among the Afghans, Pakistanis, and Indians. This will require more frequent, intrusive, and intensive interaction between U.S. officials and their Afghan, Pakistani, and Indian counterparts. More specifically, the U.S. will have to consider whether there are initiatives that reduce Pakistani fears of Indian hegemony and how Washington can improve ties to New Delhi without setting off alarm bells in Islamabad.

Mr. TIERNEY. Thank you very much. We appreciate that.

Dr. Ollapally.

STATEMENT OF DEEPA OLLAPALLY

Ms. OLLAPALLY. Good morning, Mr. Chairman Tierney, Ranking Member Flake and members of the subcommittee. I want to thank you for inviting me and my colleagues to my right have already covered several points that I was going to make, so I am happy for that.

I will focus my remarks on the competition between India and Pakistan in Afghanistan as I was requested to do so, as well as say a few words about what I think are the differences that we need to understand about the way extremism and terrorism is different from the Middle East to South Asia.

As noted, there are a number of historical, strategic and identity factors that drive the Indo-Pakistan competition in Afghanistan. I am going to emphasize more on India, because I think it is important to understand what is driving the country's national interest in Afghanistan.

One of the more counter-intuitive things that we immediately see is that despite the common religion, Afghanistan and Pakistan have actually been at odds for almost its entire history except for the Taliban period. Now, there has been, since 2001, there has been a low level competition going on in Afghanistan between India and Pakistan which sharply escalated and went into entirely different directions in July 2008 with the deadly suicide bombing of the Indian embassy in Kabul. And as mentioned, there is credible evidence to suggest that Pakistan's powerful intelligence agency, the ISI, helped plan the bombing.

For the Afghan government, which has repeatedly been talking about playing a bridge role in the region, and which has been gaining significantly from India's development assistance, I think Pakistan's objective of shutting out India one way or the other from Afghanistan is a huge problem. So far, the U.S. Government has refrained from including India in regional political efforts in Afghanistan, basically bending to Pakistan sentiments. India has obviously not been happy with this state of affairs, but it has pushed ahead with development assistance instead. The new plan that was announced on Friday, which will include an international contact group which will have India involved, I think is a step in the right direction.

The current strategy, which has been to allow Pakistan veto power over India's involvement in formulating regional solutions to the Afghan crisis is not working, and frankly, it rewards Pakistan for its behavior so far.

Now, we have heard a little bit about the strategic depth argument for Pakistan when it looks at Afghanistan. And I think the argument has been made that it is mostly directed at India. I think that is only part of the issue. I think the other concern that Pakistan has is the Pashtun problem, the need for having a friendly government in Kabul. So the sponsorship of radical groups for foreign policy purposes in Afghanistan and in India has been a kind of signature foreign policy of Pakistan, one that is relatively low-cost and, as we can see gives rise to a level of plausible deniability.

Now, post-2001, Afghanistan and India have increasingly spoken in one voice, although more muted on Afghanistan's side, about the threat from violent extremists being supported by or tolerated by Pakistan. Both countries have talked about Pakistan's dual policy, in Afghanistan and in the war on terrorism. And we see that it is coming back to haunt Pakistan but we are still not sure, even at this stage, that in fact the Pakistani military has made a decisive break. And of course, the Lahore bombings is a clear indication, but then we have to remember that in 2004, there were attempts against President Musharraf himself. And still, it has taken a long time to see any movement.

The two countries that are most impacted by Pakistan's proxy wars are India and Kashmir and Afghanistan. So it is very important that we look at it in a composite way.

As already mentioned, relations between India and Afghanistan have been close, and in fact, some of the top leaders in Afghanistan, including President Hamid Karzai and other members of the leadership have studied in India. They fled to India during the civil wars and the Soviet wars. Culturally, India's Bollywood, music, films, are a big staple for Afghan society as well as now Indian soap operas, apparently, are a big attraction.

So what we see is a convergence of interests between India and Afghanistan on the strategic, economic and even cultural. Clearly, the strategic element is prompted by a common threat perception about Pakistan, but there are other benign factors, such as economic interests, that drive India and Afghanistan together. But I think from Pakistan's policy point of view, they see it as a zero sum game, and therefore, once again, Afghanistan is the one that stands to lose. It is caught in the middle.

One of the things that we have to understand is that Afghanistan is basically trying to walk a fine line between its eastern neighbor, Pakistan, whose goodwill it is entirely dependent on for immediate security, and India, who holds out the longer-term attraction politically and economically that Afghanistan wants to tap into.

Now, we have already heard about India's development assistance. It lost very little time after 2001 to build strong ties with Afghanistan. India has emerged as the largest regional donor. It is also, what distinguishes India from any other donors is it has undertaken projects in almost all areas of Afghanistan. It has relied on the government and local groups, rather than international NGO's, which has been the case with other donors.

In fact, many observers have noted that Indian assistance is one of the best from any country, designed to win over every sector of Afghan society. So their projects go from hydroelectric projects to training and women's training sectors. And of course, it is done, designed to undercut Pakistan's influence along the way. There is no question.

India has also forged relations in a different way, that is by being the strongest backer for Afghanistan to join SARC, which is the regional economic organization. But like most, these steps by India have given rise to a spiraling kind of competition and I think that is one of the reasons that Pakistan has been trying to keep India out of any kind of regional equation. India does not have

transit rights through Pakistan to reach Afghan borders, although Afghanistan can send goods into India.

Now, we have also noted that the Indian consulate, India has four consulates in Afghanistan along with an Indian embassy. So Pakistan has accused India of using some of these consulates to gather intelligence and even to provide assistance to Baluch insurgents now, a charge that we have not verified. But we do hear from close observers, such as Ahmad Rashid, Pakistani journalist, who has noted that the ISI has generated enormous misinformation about India's role in Afghanistan, such as telling Pakistani journalists that there were not two but six Indian consulates along the border.

India has not participated in any military operations with multinational forces. I think that has brought on some goodwill from the Afghan population. But regional stability, and I will conclude with this, regional stability is critical, not just for Afghanistan as a post-conflict society, but also for India as a rising power in the region. And the real issue is how to bring Pakistan, how to structure its incentive in such a way that it too realizes that. I think the hope lies in the three democratic governments working together in a tripolar situation.

Thank you.

[The prepared statement of Ms. Ollapally follows:]

Statement by Dr. Deepa M. Ollapally, Sigur Center for Asian Studies, Elliott School of International Affairs, The George Washington University

at the Hearing on "Afghanistan and Pakistan: Understanding and Engaging Regional Stakeholders"
for the
Subcommittee on National Security and Foreign Affairs, U.S. House of Representatives March 31, 2009
2154 Rayburn House Office Building

Good Morning, Mr. Chairman and Members of the Subcommittee. Thank you for your invitation to testify on the regional aspects of the challenges in Afghanistan. As requested, I will focus my remarks on the competition between India and Pakistan in Afghanistan, as well as briefly give some comparative observations about extremism and terrorism in South Asia versus the Gulf and Middle East.

I. Afghanistan and the Competition between India and Pakistan

There are historical, strategic and identity concerns that drive the competition between India and Pakistan in Afghanistan. One of the more counter-intuitive factors we can immediately observe is the failure of Islam to serve as a cement between Afghanistan and Pakistan. The Pakistan government's record of trying to control the Afghan state, directly or by proxy, has created deep distrust in Kabul that will not be easily overcome. On the other hand, relations between India and Afghanistan continue to be strong and friendly for historical, strategic, economic and cultural reasons.

Since the overthrow of the pro-Pakistan Taliban in 2001, there has been low level competition between Pakistan and India in Afghanistan, which sharply escalated in July 2008 with the deadly suicide bombing of India's embassy in Kabul, killing more than 50 persons. U.S. authorities have concluded that Pakistan's powerful intelligence agency, the Inter-Services Intelligence (ISI) helped plan the bombing. For the Afghan government which has repeatedly talked about being a "regional bridge," and which has been gaining significantly from India's development assistance, Pakistan's objective of shutting out India one way or the other from Afghanistan, is a huge problem.

So far, the U.S. government has refrained from including India in regional political efforts in Afghanistan, bending to Pakistan's sentiments. Although dissatisfied with this state of affairs, India has pushed ahead with development aid instead. President Obama's new plan for an international contact group that will include India (along with Russia, Iran and China) is a step in the right direction, and an acknowledgement of the importance of regional actors in stabilizing Afghanistan's security and economy. The current strategy of allowing Pakistan veto power over Indian involvement in formulating regional solutions to the crisis in Afghanistan is clearly not working.

Historical Factors

Until the collapse of the Afghan state in 1980, Afghanistan's foreign policy was non-aligned, but leaning toward the Russians. From the start, relations between Afghanistan and its eastern neighbor Pakistan, were fraught with tension and even clashes. The 1893 Durand Line border dividing the Pashtun regions of Pakistan and Afghanistan, still remains contested. For decades, the Punjabi dominated, over-centralized Pakistan state faced a restive Pashtun population in its Northwest Frontier Province, and wants to thwart any moves toward Pashtun integration under a "Pashtun Afghan" state. Successive Pakistan governments believe that a client state in Kabul is the best strategy, leading to historically rooted resentment and fear in Kabul. In the 1960s, there were open border conflicts between the two states. The only interruption in this history of mistrust was the Taliban era of 1996-2001.

The Pakistani military establishment has pointed to the "strategic depth" argument for the importance of Afghanistan—i.e., the need to have control over the border with Afghanistan and the government in Kabul in the event of war with India. But the more relevant argument seems to be the need to control cross-border Pashtun nationalism. For the Pakistan government during the 1980s, radical pan Islamism was the preferred antidote to regional identity challenges such as Pashtun identity. The sponsorship of radical groups for foreign policy purposes has been a signature strategy of Pakistan, one that is relatively low cost, with some level of plausible deniability. Post 2001, Afghanistan and India have increasingly spoken in one voice (though more muted in Afghanistan's case), about the threat from violent extremists being supported or tolerated by Pakistan. Both India and Afghanistan have repeatedly referred to Pakistan's suspected dual policy in Afghanistan and in the war on terrorism. They are the two countries most impacted by Pakistan's proxy wars—India in Kashmir and Afghanistan on its border regions with Pakistan and within the country itself.

Relations between Afghanistan and India have been longstanding and close, and India supported successive Afghan governments until the Taliban. During the anti-Soviet war of the 1980s and its disastrous aftermath, many from the Afghan elite and professional classes fled to India. Among those who studied in Indian universities are President Hamid Karzai and several high ranking members of the Afghan government. Relations between members of the Northern Alliance and India (which supported and backed the Alliance's struggle against the Taliban) have been particularly strong. Culturally, India's Bollywood movies and music have long been a staple of Afghan society, and have made a remarkable comeback after 2001, notwithstanding periodic Islamist rebukes. India's new soap operas offer yet another cultural attraction for the Afghan masses.

There seems to be a clear convergence of interests between India and Afghanistan—whether strategic, economic or cultural. While the strategic element is prompted by common threat perceptions about Pakistan, there are other more benign factors that drive the relationship too. But for Pakistani policymakers, Afghanistan is a zero sum game vis a vis India. And once again, Afghanistan stands to lose.

Afghanistan Caught in the Middle

Overall, the post 2001 period in Afghanistan has been one of waning Pakistan influence and rising Indian presence. This is partly to do with India's narrow competitive objective of deepening and consolidating its ties with Kabul during this period of decline for Pakistan, but it has also to do with recasting regional dynamics for India's longer term economic gain as a rising major power. At the same time, New Delhi benefits from Afghanistan's own calculations about the strategic and economic advantages to be had from moving closer to India.

The Afghan government's strategy for protecting its independence has been to slowly diversify and strengthen its relations with other neighboring countries, especially India and Iran. It undoubtedly looks to India as a potential counterweight to continuing pressure from Pakistan. At the same time, Kabul recognizes that one of its biggest attractions is its location, and has tried to play the regional bridge, especially as a transit route to the natural gas and oil reserves of Central Asia. Without Indian involvement, such plans have far less viability. Karzai has taken an active policy toward India, and has made numerous high level trips with large high profile delegations, and received the prestigious India Gandhi Peace Prize. During his 2006 visit, Karzai announced his idea of a "tri-polar structure of cooperation," with India and Pakistan. He specifically singled out curbing terrorism as a priority, and his remarks were directed at trying to bring together traditional adversaries India and Pakistan. The Afghan government is trying to walk a fine line between its eastern neighbor Pakistan whose goodwill it is dependent on for immediate security, and India who holds out longer term attraction politically and economically.

India's Role

After the overthrow of the Taliban, India lost little time in re-building strong ties with Afghanistan. It kick-started Afghanistan's Ariana airlines by quickly presenting aircraft, a highly valued symbolic gesture. India has emerged as the fifth largest bilateral donor for Afghanistan's reconstruction, and is now the largest regional donor. India has contributed over $100 million annually, with pledges reaching nearly $800 million by 2008. More than $400 million has been already disbursed.

What distinguishes India from many other donors is that it has undertaken projects in virtually all areas of Afghanistan, in a surprisingly wide range of sectors. One of the attractions of Indian aid is its cost-effectiveness when compared to western programs. The Indian government has also made "local ownership of assets" a top priority, and works through the Government of Afghanistan, rather than outside Nongovernmental Organizations (NGOs) which other international community donors tend to rely on.

Indian assistance runs the gamut: hydro-electric projects, power transmission lines, road construction, telecommunications, information and broadcasting, humanitarian assistance, education and health. India not only helped build Afghanistan's parliamentary building, but it also provided training for civil servants, police officials and diplomats.

Many observers have noted that Indian assistance was one of the best from any country—designed to win over every sector of Afghan society and undercut Pakistan's influence along the way.

More broadly, India has been forging economic ties with Afghanistan through different means. India was the strongest proponent of inducting Afghanistan into the South Asian Association for Regional Cooperation (SAARC) in 2007. Afghanistan can now export a range of products to India at zero import duty. Their bilateral trade has been climbing steadily since 2001 reaching $216 million in 2007.

Spiraling Competition?

Like most competitive situations there have been some beneficial outcomes: for example, competition near the southern city of Kandahar has led to a spurt of road building activities by both India and Pakistan. But for the most part, Pakistan has attempted to frustrate Indian and Afghan cooperation. Currently, Afghanistan has some transit rights for its exports to India via Pakistan, but Indian goods are not allowed to cross Pakistan into Afghanistan. This has stymied Indo-Afghan trade, but it has also stimulated Indian attempts to bypass Pakistan which could boomerang on Pakistan. In early 2009, a critical new roadway that India helped to build linking Afghanistan with a port in Iran, directly challenged Pakistani dominance of trade routes into landlocked Afghanistan. The 135 mile road in southwest Afghanistan runs from Delaram to Zaranj on the Iranian border, which connects to the Iranian port of Chahbahar, and was constructed at a cost of $150 million, funded entirely by India. This holds the potential that Afghanistan's current deep dependency for external trade on the port in Karachi, Pakistan could be broken. Strategically, Pakistan's Gwador port in Baluchistan built with Chinese assistance is being put on notice as well. Diplomatically, India was allowed to open four consulates in Afghanistan in addition to the embassy in Kabul—in Herat, Mazar-e-Sharif, Jalalabad and Kandahar.

While India has been making economic, diplomatic and geopolitical inroads in Afghanistan, it has faced unexpected obstacles on the ground. There has been a pattern of sabotage and attacks against Indian workers, especially road crews. On the Delram-Zaranj road alone, 11 Indian workers and 126 Afghan police and soldiers providing road security were killed, amounting to a toll of nearly 1 death per mile. The Indian consulate in Jalalabad has been compelled to keep a low profile and has had to curtail its development activities due to security concerns. India has blamed Pakistan's ISI and its Taliban partners for impeding Indian aid delivery and worse. For its part, Pakistan has accused India of using its consulates to gather intelligence and even provide assistance to Baluch insurgents—a charge that has not been independently verified. Close observers such as Pakistani journalist Ahmed Rashid have noted that the ISI has generated enormous misinformation on India's role in Afghanistan such as telling journalists that there were not two, but six Indian consulates along the border.

India's lack of participation in military operations with multinational forces seems to have helped it retain its image as a friendly country among Afghans. For the time being,

the Indian government is maintaining its present course of minimal presence of security forces despite provocations such as the bombing of the Indian embassy.

The continuing activity of extremist groups on the Pakistan-Afghanistan border which has increasingly blended together so that al-Qaeda, militant Afghan and Pakistani Taliban, and groups like Lashkar e Toiba end up working in tandem for a pan Islamist agenda, threaten the emergence of plural, tolerant political models—a threat to Afghanistan, India and the democratic regime in Pakistan. A three-way relationship between the democratic governments of these countries regarding Afghanistan needs to be cultivated; India's role in Afghanistan cannot be held hostage to Pakistan's short term military interests.

Regional stability is critical to India's growth, prosperity and rise as a major power; likewise, it is essential to Afghanistan's success as a post-conflict society. A crucial question then is: what will it take to convince the Pakistan military and its intelligence agencies that regional stability is in Pakistan's interest and to forego the temptation and habit to instigate proxy war and competition in a weak Afghanistan or to see Kashmir as a convenient target to contain India? Whatever incentive or disincentive structure that is put into place by the U.S. will have to answer this question head on.

II. Comparing Terrorism and Extremism in South Asia versus The Middle East

It is important not to conflate Islamist extremism in the Gulf and Middle East with extremism in South Asia. If extremism in the Gulf and Middle East is viewed as a bottom up phenomenon, it needs to be noted that in South Asia, it has been top down. Religious groups have traditionally been shut out of politics in the Middle East, thus leading to political mobilization and radical activity at the grass roots level. In Pakistan in contrast, religious parties have been favored political actors by the military, the country's most important continuous power broker. It is the mainstream secular Pakistan People's Party and Pakistan Muslim League that have traditionally borne the brunt of political exclusion and intimidation. So far, no democratically elected government in Pakistan has been allowed to complete its term, whereas military governments have held onto power for years at a time.

When genuinely free and fair elections have been held in Pakistan, religious parties tend to win no more than 5 percent of the votes. Religious parties like the Jamaat I Islami and Jamiat Ulema e Islami win disproportionate political influence only when there are special favors or electoral arrangements, made almost entirely by the military establishment to marshal support against the more popular mainstream parties. But once the religious groups gain political power, the entire political climate gets affected—with religious forces invariably gaining credibility. This chips away at the more tolerant and "secular" fabric of society, but through the back door. The rise of religion based extremist politics in Pakistan can be traced by and large to the permissive conditions provided for it by the Pakistani military's political ambitions, rather than any groundswell of popular demand. This is a critical distinction between South Asia and the Middle East.

Mr. TIERNEY. Thank you, Doctor.

Dr. Roberts, you can see how closely we are adhering to the 5-minute rule, which may be good news for you, because all you have to talk about is Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, Turkmenistan, China and Russia. [Laughter.]

So have it, we are anxious for your remarks.

STATEMENT OF SEAN R. ROBERTS

Mr. ROBERTS. Chairman Tierney and other members of the subcommittee, I would like to thank you for inviting me to speak today at a critical time for U.S. engagement in Afghanistan. As the chairman already noted, I will speak primarily about Afghanistan's northern neighbors, that is Russia, China and the Central Asian states of Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Turkmenistan.

In general, I would agree with the Obama administration's proposed Afghan strategy that promotes engaging these countries. But I also anticipate there being many obstacles to doing so effectively. On the one hand, all these countries would rather see Afghanistan as a potential market than as a source of terrorism and opium. On the other hand, Russia and China are suspicious of the United States' international agenda at best, and the Central Asian states are reticent to become too associated with U.S. efforts in Afghanistan in the event that these efforts fail.

All these countries have reasons to want the United States to succeed in Afghanistan, but they would rather leave the work of realizing that goal to others. That being said, I do think there are opportunities to engage these countries in Afghanistan, if such engagement plays to their interest. In my opinion, China's interests in Afghanistan are an extension of its interests in Central Asia as a whole. They are primarily economic and mostly related to natural resource extraction.

Late last year, China made the largest single foreign direct investment in Afghanistan in that country's history, purchasing the rights to a copper mine for $3.5 billion U.S. dollars. Surely, if Afghanistan stabilizes, China will be equally interested in the country's oil and gas reserves.

Beyond its thirst for energy, China is also very interested in opening up overland routes of commerce. Having viewed Central Asia as an overland gateway to markets in the west, China likely views Afghanistan as the most effective opening for a direct route of commerce to the middle east.

Given these interests of China, the United States should engage it on increasing its direct foreign investment and trade with Afghanistan, which will be perhaps the most important drivers of sustainable development in the country. In doing so, however, the United States must also challenge China to adopt transparent and ethical business practices in Afghanistan. If such investment is to have a positive role, it must complement rather than undermine attempts to develop effective and responsible governance in the country.

The Central Asian states have different interests in Afghanistan. As countries bordering on Afghanistan with majority Muslim populations but secular governments, the Central Asians are very fear-

ful of the spread of Islamic extremism from South Asia. While this fear speaks to Central Asians' desire for stability in Afghanistan, it also makes these states reticent to become too involved in the country.

Despite this reluctance the Central Asian states have much to gain from being involved in Afghanistan's reconstruction. Kyrgyzstan, Tajikistan and Uzbekistan are all countries that are presently unable to offer employment to large portions of their population, making them sources of migrant laborers. Already many Central Asian companies and workers have found business opportunities in Afghanistan's reconstruction, but a formal strategy encouraging such opportunities could go a long way to courting the involvement of the Central Asian states.

Also, there are already at least two major infrastructure projects under development to link Central Asia to Afghanistan. An agreement has been reached to buildup hydroelectric capacity in Kyrgyzstan and Tajikistan in order to feed Afghanistan's needs and plans have been drawn up for a Turkmenistan-Afghanistan-Pakistan-India gas pipeline. If these projects are realized responsibly and effectively, they could bring tangible benefits to both Central Asia and Afghanistan.

Now, Russia, however, I think is a much more difficult nut to crack. While Russia is interested in preventing Chechen separatists from obtaining support and refuge in Afghanistan, it also retains serious issues of wounded pride in connection with the Soviet failure to develop Afghanistan in the 1970's and 1980's. In this context, Russia may not be too happy to see the United States succeed where it has failed.

Furthermore, Russia is extremely suspicious of U.S. interests in Central Asia, and it tends to view U.S. engagement in Afghanistan as part of a larger campaign to get a foothold in the region. Still, Russia's support to Afghanistan's reconstruction is critical. Russia can undermine efforts in the country through its influence over the Central Asian states, which it already has done by encouraging Kyrgyzstan to close the Manas Air Base and it can also use its influence in the Shanghai Cooperation Organization, which seeks a coordinating role for Russia, China and Central Asia in Afghanistan.

As one Russian journalist recently told me, maybe the most positive thing that Russia can do in Afghanistan is to not do anything at all. But I would suggest that perhaps it would be easier to carve out a positive role for Russia than to get them to do nothing at all.

One way to engage Russia may be to involve it more substantively in the large projects that aim to bring electricity and gas from Central Asia to Afghanistan. This may have economic interests of Russia involved and it may also dispel some of Russia's fears that these projects are aimed at drawing Central Asia outside its sphere of influence.

In conclusion, I would like to say that in order to engage these neighbors to the north, the key will be to play to their interests. While it would be important to include these states in highly visible international forums on Afghanistan to obtain government buy-in, I don't foresee any of these states being important donor states or providing substantial bilateral assistance. Rather, they are most

likely to make a difference through their private sectors, whether as a source of direct foreign investment, providers of building materials or a source of skilled laborers. Even in this context, however, Russia may remain a potential spoiler in any effort to gain the support of Afghanistan's northern neighbors in the country's reconstruction.

That concludes my remarks. I think I maybe made it close to 5 minutes.

[The prepared statement of Mr. Roberts follows:]

Testimony before the House Committee on Oversight and Government Reform Subcommittee on National Security and Foreign Affairs

Sean R. Roberts, PhD
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Elliott School of International Affairs
George Washington University

March 31, 2009

Chairman Tierney and other members of the Subcommittee on National Security and Foreign Affairs, I would like to thank you for inviting me to speak today at a critical time for U.S. engagement in Afghanistan. I believe we can all agree that the difficulties facing the United Stats in Afghanistan are daunting. As we approach the eighth anniversary of U.S. military engagement in the country, Afghanistan remains violent, unstable, corrupt, and a major source of both terrorists and opium. To address this situation, the Obama administration is pledging to step up U.S. involvement in the country both militarily and in terms of our civil reconstruction work, a strategy on which hinges the future of Afghanistan.

A part of the Obama administration's proposed strategy for Afghanistan as unveiled last week also includes the increased involvement of Russia, China, and the Central Asian states in reconstruction. In particular, President Obama noted in his press conference that he foresaw the establishment of a new contact group within the United Nations focused on Afghanistan and including these northern neighbors. Likewise, the Obama administration has been busy over the last two months trying to court the cooperation of the Central Asian states in its Afghanistan strategy, particularly with regards to the transport of supplies through Central Asian territory.

These are all welcome efforts, and I would argue that the cooperation of Central Asia, Russia, and China will be critical to success in Afghanistan over the long term. Furthermore, the situation in Afghanistan may actually prove to be an opportunity to work together with Russia and China in ways that the U.S. has rarely done, thus helping to open diplomatic avenues on other issues with these countries. Indeed, it is in the interests of Russia and China as well as of the Central Asian states to establish stability and peace in Afghanistan. All of these regional players would rather see Afghanistan as a location for viable investments and development instead of as a source of terrorism and opium. That being said, it is also important to recognize the limits of the cooperation that the U.S. can foster with these countries, particularly with Russia and China, and the obstacles that they, especially Russia, can create for the United States. As the recent decision by Kyrgyzstan to suspend the activities of the Manas Air Base used by coalition forces shows, Russia retains substantial influence in Central Asia and may undertake acts that hurt the common cause in Afghanistan merely in order to aggravate the United States.

In this context, it is critical that the U.S. engagement of Russia, China, and the Central Asian states on Afghanistan be realistic, cautious, and play to these countries' interests. In order to craft such a strategy, one must begin by looking more closely at each of these different players' interests in Afghanistan, both long-term and short-term. While Russia, China, and the Central Asian states share a common desire to limit the ability of terrorists to use Afghanistan as a base, they each fear different terrorist groups, and they each stand to benefit from a stable Afghanistan in different ways.

China

Chinese officials will note that their primary interest in the reconstruction of Afghanistan is to prevent Uyghur separatists from using the country as a base for terrorism. Although the Chinese government appears to worry incessantly about Uyghur separatists, this particular concern with regards to Afghanistan is not entirely credible. The U.S. recognized several Uyghur organizations as terrorist groups within a year of September 11, 2001, presumably to win China's alliance in the war on terror. Subsequently, U.S. troops detained twenty-two Uyghurs found in Afghanistan early in the war, placing them in the Guantanamo detention facilities. Since that time, however, most specialists on the subject have questioned the validity of any serious Uyghur terrorist threat, let alone one based in Afghanistan.

Five of the Uyghurs originally detained in Guantanamo have been released to Albania cleared of all charges, and the remaining detainees have been cleared of the status of "enemy combatants" since September 2008. A U.S. court last year also ordered that the remaining Uyghur detainees should be released, but a stay has been placed on that order, presumably until the U.S. can figure out where to re-settle them. While last summer during the Olympics, the Chinese government claimed that there were threats of Uyghur terrorism organized by groups based in Afghanistan and Pakistan, the circumstances surrounding those threats were murky at best and did not suggest the existence of a well-organized or well-armed Uyghur terrorist group. In the cases where violence allegedly occurred last summer, the weapons used appeared to be home-made, bringing into question the allegations of outside assistance, and the attacks themselves lacked the sophistication one associates with Al Qaeda or the Taliban.[1] In general, the evidence speaks against the existence of any real threat of Uyghur terrorism to the Chinese state, and, even if such a threat does exist, it does not appear to have support in Afghanistan now if it ever did.

That, however, does not mean that China is not interested in the establishment of a stable and peaceful Afghanistan. China recognizes that the Muslim Uyghur population in its northwest province of Xinjiang is dissatisfied with the Chinese state and continues, like the Tibetans, to desire sovereignty or at least a more substantive autonomy in their homeland. If Muslim militants remain active in Afghanistan, that could have an affect on

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[1] See: Andrew Jacobs, Ambush *in China Raises Concerns as Olympics Near*, New York Times, August 5, 2008.

the dynamics in Xinjiang. Although this logic likely figures into China's desires for the future of Afghanistan, I would argue that it is secondary to economic concerns and, more specifically, China's continual quest for energy resources. In this sense, China's primary interests in Afghanistan should be viewed from the perspective of its interests in the region of Central Asia writ large.

Since the fall of the Soviet Union, China has steadily increased its economic presence in Central Asia, especially in the energy sector. While the Central Asian states are reluctant to offer China prime drilling rights, the Chinese National Petroleum Company has been able to purchase rights to some secondary exploratory sites, particularly in Kazakhstan. More importantly, however, China has made substantial in-roads in finding ways to bring Central Asian energy directly to Chinese markets. It has constructed an oil pipeline spanning 1,300 kilometers from Kazakhstan's oil fields near the Caspian sea into China, and it has agreed with Turkmenistan and Uzbekistan to build a similar pipeline to bring natural gas into China.[2] Furthermore, China has become increasingly involved in infrastructure projects in Central Asia, as it has in Africa, with the goal of improving its ability to secure lucrative energy deals. All evidence suggests that China will be engaged in the Central Asian energy market for the long-term. Central Asia provides a relatively close overland source of energy for China, and the Central Asian states find selling energy to China advantageous since it expands their options and keeps them from being dependent exclusively on energy transport routes through Russia.

While energy is the primary economic interest of China in Central Asia, it is not the only one. Not surprisingly, Chinese consumer goods are widespread throughout the Central Asian markets, and China appears poised to continue that trend. Already in the early 1990s, China opened trade routes with Kazakhstan and Kyrgyzstan to help bring consumer goods from China and scrap metal and other raw materials to China. Since that time, China has also opened an overland route to Tajikistan and has even helped to improve that country's internal transportation infrastructure.[3] It has also steadily increased its trade with every Central Asian state annually. In general, China appears to view Central Asia as a critical part of its present and future commerce and as a gateway to markets further west.

In the context of China's long-term interest in Central Asia both for the region's energy and its role as a gateway market to the west, it becomes clear that China's interests in Afghanistan go beyond worries about Uyghur separatists. China sees Afghanistan largely as an extension of Central Asia that can provide more sources of energy and other natural

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[2] The Kazakhstan-China pipeline opened to commercial service in 2006 (*see Kazakhstan-China oil pipeline opens to commercial operation*, China Daily, July 12, 2006, http://www.chinadaily.com.cn/china/2006-07/12/content_639147.htm). The gas pipeline, which will bring gas from both Turkmenistan and Uzbekistan, is began construction in July 2008 (see *Central Asia-China Gas Pipeline To Start Service Next Year*, DownstreamToday.com, July 3, 2008, http://www.downstreamtoday.com/news/article.aspx?a_id=11700).

[3] See David Trilling, *TAJIKISTAN: A CHINESE ROAD TO THE FUTURE?*, Eurasia Insight, August 1, 2007 (http://www.eurasianet.org/departments/insight/articles/eav080107a.shtml).

resources as well as eventually a gateway market to the Middle East. China already began to act on these interests late last year, when it purchased Afghanistan's Aynak copper mine for $3.5 billion U.S. dollars, marking the largest single foreign direct investment in Afghanistan's history. One would assume that China may already be eyeing Afghanistan's oil and gas reserves, but for such investments to be profitable, stability and peace must be established in the country first.

The Central Asian States

The interests of the Central Asian states in Afghanistan are simultaneously more direct and more reluctant than those of China. On the one hand, the Central Asian states bordering on Afghanistan, and particularly Uzbekistan and Tajikistan, are very concerned about the presence of Muslim extremists in the country. The Uzbekistan state has allegedly been targeted by groups who were harbored by the Taliban, and the weak state of Tajikistan could be easily undermined by the return of the Taliban to power in Afghanistan. The other Central Asian states, all of which have majority Muslim populations but secular governments, are likewise worried about an increase in Islamic militancy to the south. They, therefore, have reason to support U.S. and NATO objectives in Afghanistan, but are equally concerned about being associated with those objectives if they fail.

It is particularly interesting to note that the people of Central Asia generally are not pleased with the U.S. State Department's creation of the South and Central Asian Bureau that took place in 2005 with the intention of building ties between Central Asia and a reconstructing Afghanistan. Feeling closer linkages with other former Soviet states than with Afghanistan and Pakistan, many Central Asians have voiced to me a concern that they fear being drawn unwillingly by the United States into the conflict in Afghanistan, which they associate with a military quagmire from the Soviet experience in the late 1970s and 1980s.

While these are important concerns that must be taken into consideration, Afghanistan could also offer substantial economic opportunities for the Central Asian states. Unable to provide jobs to its populations, Tajikistan, Uzbekistan, and Kyrgyzstan over the last decade have increasingly developed into sources of migrant workers for Russia and Kazakhstan. Reconstruction in Afghanistan could potentially provide these countries' unemployed with legal and more lucrative alternatives to the mostly illicit work in which they have been engaged elsewhere. Some workers from these states have already begun working in Afghanistan, but far more opportunities might exist if the situation stabilizes in the country. Likewise, the Central Asian states thus far have struggled to establish their products in foreign markets, and a stable and economically growing Afghanistan could potentially become a market where cross-border access could give Central Asian products an advantage.

The Central Asian states can also benefit from larger projects that are in discussion for Afghanistan. The U.S., for example, is trying to facilitate ways for Tajikistan and Kyrgyzstan to provide electricity to Afghanistan through hydro-electric resources, and

discussions are underway concerning a natural gas pipeline that would travel from Turkmenistan through Afghanistan to Pakistan and India.[4] Such projects could be critical for both Central Asia and Afghanistan, allowing both to reap the benefits of development. Finally, Kazakhstan has the potential to be a serious foreign investor in Afghanistan in the same way it became in Georgia and Ukraine when Russian competition dissipated. Already, Kazakh businesses are involved in the construction projects that are part of the reconstruction, but a stable Afghanistan could potentially attract larger investment from Kazakhstan in everything from real estate to telecommunications. Such investment may appear less likely at the moment as Kazakhstan has been particularly hard hit by the global financial crisis, but if the country's robust financial sector is able to recover, it would be well poised to capitalize on early investments in Afghanistan.

Russia

Finally, the interests of Russia in Afghanistan are more difficult to analyze. On the one hand, Russia would like to see a stable Afghanistan in order to ensure that the country does not become a further refuge for Chechen separatists, who have been waging war against the Russian state on and off for about fifteen years. On the other hand, Russia has its own issues of pride concerning the Soviet failure in Afghanistan. As Putin's Russia identifies itself increasingly with its Soviet legacy, it is may not be interested in seeing the United States succeed where it failed. Furthermore, Russia continues to be concerned about U.S. influence in Central Asia and may view a stable pro-American Afghanistan as helping to facilitate such influence in former Soviet Central Asia. Finally, Russia's economic interests in Afghanistan are less clear than those of China or the Central Asian states.

In this context, Russia is the least likely of the countries examined here to contribute positively to the reconstruction of Afghanistan. That being said, with the correct incentives, Russia could find it in their interests to become involved in reconstruction. Pipelines from Central Asia through Afghanistan to India, for example, could open a new energy market for Russia, and Russian investors may begin eyeing Afghanistan's natural resources as China has begun to do. Russian companies, likewise, could play a key role in some of the larger projects planned for bringing Central Asian energy to Afghanistan. These potential benefits of a stable Afghanistan, however, must compete with Russia's suspicion of the United States and its issues of pride concerning the failed Soviet occupation in the 1980s.

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[4] For the Central Asia-Afghanistan electricity agreement, see Abdul Raouf Zia, *Agreement signed in Kabul on electricity transmission project that connects Central Asia with South Asia*, worldbank.org, November 19, 2007 (http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/TAJIKISTANEXTN/0,,contentMDK:21556974~menuPK:50003484~pagePK:2865066~piPK:2865079~theSitePK:258744,00.html). For the Turkmenistan-India gas pipeline, see *India to Join Turkmenistan-Afghanistan-Pakistan Gas Pipeline*, Independent Bangladesh, April 1, 2008 (http://www.independent-bangladesh.com/200803313829/business/india-to-join-turkmenistan-afghanistan-pakistan-gas-pipeline.html).

Afghanistan's Northern Neighbors and the Shanghai Cooperation Organization

The role of the Shanghai Cooperation Organization (SCO) in any cooperation of China, Russia, and the Central Asian states with the United States and NATO in Afghanistan remains an important question. What began in 1996 as the Shanghai Five, a more informal association of China and the countries of the former Soviet Union on which it borders (i.e. Russia, Kazakhstan, Kyrgyzstan, and Tajikistan), has become a larger, more organized regional security alliance that is seeking to raise its international profile, often by challenging the international influence of the U.S. and Europe in the region. The SCO has often announced anti-American declarations, such as the one made in 2005 calling for the closure of U.S. and NATO airbases in Kyrgyzstan and Uzbekistan, and it has positioned itself as a regional alternative to the Organization for Security and Cooperation in Europe (OSCE) that, unlike the OSCE, does not criticize its member-states for their human rights and democracy record.[5] In this context, one might expect the SCO to undermine U.S. efforts in Afghanistan more than assist them.

This past week, however, the SCO held a summit on Afghanistan in which its members agreed to take a more active role in Afghanistan's reconstruction.[6] With its member-states including Russia, China, and all of the Central Asian states with the exception of Turkmenistan, the SCO would be a logical vehicle through which these countries could coordinate their engagement in Afghanistan. That being said, the varied interests of these states in Afghanistan may make it difficult for such coordination to take place in any meaningful way. The question also remains as to whether Russia will try to steer the SCO to make declarations that undermine U.S. efforts in Afghanistan as they presumably did in 2005.

Suggestions for Fostering Regional Cooperation

Despite their common interests in establishing a stable Afghanistan, China, Russia, and the Central Asian states remain reluctant to become too directly involved in Afghanistan's reconstruction. I would argue, however, that the involvement of Afghanistan's northern neighbors will be a necessity if the U.S. wants to forge the type of international coalition for reconstruction that is required. In engaging these states on Afghanistan, however, the United States should realize that it will be difficult to leverage much in the way of substantive aid. Likewise, involving Russia, China, or the Central Asian states in any military efforts at stabilization would create more problems than it would resolve. Instead, I believe that the United States should engage these countries exclusively in the reconstruction process and do so not via the SCO, but with each country separately. While it will be important to engage them on an international level through the United Nations both to recognize their contribution and to get government

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[5] See Council on Foreign Affairs Briefer, *Shanghai Cooperation Organization* (http://www.cfr.org/publication/10883/).

[6] See *China Calls on International Community to Cooperate on Afghanistan*, Chinaview.cn, March 28, 2009 (http://news.xinhuanet.com/english/2009-03/28/content_11087296.htm).

buy-in, the most positive contributions each can make will likely be through their respective countries' private sectors.

The United States should welcome Chinese investment in Afghanistan and help facilitate that investment if, and only if, China will pledge to invest in a responsible way. This requires ensuring all investments are transparent and do not merely help to facilitate corruption within the Afghan government. It also necessitates China establishing local economic development in the areas where it invests. If China is extracting copper from a mine, it should also help to build up the local economy in the province where that mine is located. The United States must help China realize that such measures are critical if it is to protect its investments by contributing to the establishment of a viable and transparent Afghan state.

Additionally, the United States needs to facilitate the involvement of the Central Asian states in Afghanistan in a way that simultaneously fosters development in Afghanistan and Central Asia. Conscious efforts should be made to use vendors from Central Asia for construction materials and to employ Central Asians as laborers in the reconstruction. Finally, the U.S. should continue to promote planned projects for bringing Central Asian energy to Afghanistan, but, in doing so, it needs to ensure that these projects foster wider development in Central Asia and not merely benefit elites close to the seats of power in the Central Asian states.

Finally, the United States should encourage Russian investment in Afghanistan where possible. This would include direct investment by Russian companies as well as these companies' involvement in larger development projects, such as those aimed at bringing Central Asian energy to Afghanistan.

None of these tasks will be easy. Chinese investment does not have a strong track record of forsaking local corruption and ensuring transparent transactions. Russia remains reluctant to become too closely involved in Afghanistan's reconstruction and retains a certain animosity towards the entire U.S. effort in the country. The United States does not have a strong track record of designing cross-border development projects that benefit both sides of the border. That being said, conscious efforts to achieve these tasks could pay off over the long-term in multiple ways. Not only will they be critical to Afghanistan's reconstruction, but they may also establish a precedent for cooperation involving the U.S., Russia, and China when, as in Afghanistan, the general interests of all three countries coincide.

Mr. TIERNEY. You did a great job. We appreciate it. Thank you. Mr. Sadjadpour.

STATEMENT OF KARIM SADJADPOUR

Mr. SADJADPOUR. Thank you, Mr. Chairman. It is a pleasure to be back, and I just want to commend the committee for their sustained commitment to probing these very difficult issues.

At the risk of stating the obvious, the United States and Iran have very important overlapping interests in Afghanistan. Having accommodated over 2 million Afghan refugees over the last three decades, Iran has an obvious interest in seeing stability in Afghanistan. With one of the highest rates of drug addiction in the world, Iran has an obvious commitment to counter-narcotics, to see narcotic production eliminated, if not eradicated in Afghanistan.

And last, having almost fought a war against the Taliban a little more than a decade ago, Iran certainly has no interest in seeing their resurgence.

A senior European diplomat, fluent in Persian, was recently dispatched to Afghanistan. He was there to study Iranian influence in that country. He came back and he said that if Pakistan's influence in Afghanistan is about 80 percent negative, 20 percent positive, Iran's is probably the inverse, about 80 percent positive, 20 percent negative. That being said, Iranian foreign policy not only in Afghanistan but elsewhere is in many ways a byproduct of U.S.-Iran relations. And when U.S.-Iran relations are most adversarial, Iran sees it as a national priority, foreign policy priority, to try to make life difficult for the United States. And in Afghanistan, I think the most egregious example of that is Iranian flirtations with the Taliban and kind of sort support for the Taliban.

People whom I have spoken to who have seen classified intelligence reports say that the support is too insignificant to make a difference, but significant enough to send a signal to the United States, that don't take Iranian goodwill and restraint for granted. To use a U.S. domestic policy metaphor, I think focusing too much on Iranian support for the Taliban is like focusing too much on illegal immigration from Canada to the United States.

I don't want to exaggerate Iranian goodwill in Afghanistan, and I don't have any illusions about the character of this regime. A good friend of mine, an Iranian-American journalist, has been in prison for the last 2 months and I know that regimes which are intolerant and repressive at home do not seek to export Jeffersonian democracy and pluralism abroad. That being said, a country as decimated and desperate as Afghanistan certainly doesn't have the luxury of shunning aid from a country like Iran. No country obviously has the luxury of choosing its neighbors. And I think given Afghanistan's needs are so rudimentary in terms of building a viable state, I think Iran can play a very important role in that process.

A few prescriptions I would like to conclude with. In my opinion there is very little cost and potentially enormous benefits to engaging Iran on Afghanistan. I would make four specific points. The first is that I think the term which was used vis-a-vis U.S. relations with China, this notion of responsible stakeholder, I think that is the philosophy with which we should try to approach Iran,

not only with Afghanistan but on a broader level, try to compel Iran to be a responsible stakeholder. As I mentioned from the outset, there is very important overlapping interest in Afghanistan. Among other specific points, it would be very useful to kind of engage Iran's agricultural expertise in looking at alternatives to the poppy.

U.S.-Iran direct engagement, meaning an engagement between U.S. forces and Iranian forces in Afghanistan, may be unrealistic in the near term. But I think what the United States can do is continue to encourage our European allies and NATO allies to work with the Iranians on these important issues.

The second point I would make is that I think it is imperative that we make it clear to the Iranians that we are not merely interested in tactical cooperation or isolated engagement with them in Afghanistan. I think this was the mistake that the Bush administration made when trying to engage Iran and Iraq. And by all accounts, those discussions did not bear fruit. I think it was due in part to the fact that Iran felt that the United States was trying to agitate against it on so many other issues, yet it wanted its cooperation in Iraq. Iran obviously said, we are not going to make your life easier in Iraq if that is simply going to allow you more leverage to make life difficult for us afterwards.

So I think we have to make it clear to the Iranians that we are not only interested in isolated tactical cooperation, but if at all possible, we would like to have a broader strategic discussion.

The third point I would make is that I think it is important that we, whereas we understand the linkages between Iran's various foreign policy activities, we should at the same time disaggregate Iranian foreign policies. What do I mean by that? I mean that in the short term, I don't think anyone has any illusions we are going to reach a compromise with Iran on the support for Hezbollah, on the support for Hamas, or I think in the short term, certainly no one has any illusions there are going to be any breakthroughs on the nuclear issue.

I don't think this should preclude U.S.-Iran cooperation in Afghanistan. On the contrary, I think that trying to build confidence in Afghanistan could well have a positive effect on those other issues.

The fourth policy prescription pertains directly to Congress. That is that I think it is unhelpful to try to designate the Iranian Revolutionary Guards as a terrorist entity. And the reason why I say this is the Iranian Revolutionary Guards are essentially running Iranian activities, not only in Afghanistan but also in Iraq and Lebanon. I think by naming them a terrorist entity, we are essentially going to prohibit ourselves from working with the Iranian actors who matter most. So to paraphrase Donald Rumsfeld, we have to deal with the Iranian officials we have, not the ones we wish we had.

Last, there is a debate about how we should go about engaging Iran and some would argue that we have to put the most difficult issues first, like the nuclear issue and Afghanistan and some of these other regional issues maybe are secondary. I would disagree with that, and I think the administration is absolutely on the right track. The reason why I say this is that the nuclear issue, the nu-

clear dispute is a symptom of U.S.-Iran mistrust, it is not an underlying cause of tension. Really, if we go to the very essence of the problems of this relationship, it is this issue of very deep-seated mutual mistrust.

And I think the best way to try to allay this mistrust is to build confidence. I think there is no issue on which the United States and Iran share a more common interest than Afghanistan. If we can try to engage Iran on Afghanistan and establish new tone and context for the relationship, I think those discussions in and of themselves could well have an impact on Iran's nuclear disposition. If indeed Iran's nuclear ambitions are driven or are a reflection of their insecurity vis-a-vis the United States, again, if we are able to establish a different tone and context, the Afghan discussions in and of themselves could impact the nuclear calculations of Iran's leadership.

Thank you.

[The prepared statement of Mr. Sadjadpour follows:]

Statement of
Karim Sadjadpour
Carnegie Endowment for International Peace
March 31, 2009

Mr. Chairman and distinguished members of the committee,

Thank you for inviting me to testify on such a critical issue. I applaud the Obama administration's commitment to stability and human rights in Afghanistan, a country that has endured immeasurable suffering as a result of a longstanding pattern of great power machinations followed by great power neglect.

The administration correctly understands that lasting security in Afghanistan is an enormous challenge that cannot be achieved without the collective efforts and cooperation of neighboring countries. Pakistan, as President Obama recently said, is "inextricably linked" to Afghanistan's future. Likewise, given their deep historical links and cultural and linguistic affinities, neighboring Iran stands to play a decisive role in Afghanistan's future. Effective U.S. diplomacy can help ensure that Iranian influence is decisively positive, rather than decisively negative.

Common interests, lingering enmities

Despite 30 years of hostilities, the United States has more overlapping interests with Iran in Afghanistan than it does with its allies Pakistan and Saudi Arabia (the Taliban's chief patrons). Given their shared 580-mile border, and having accommodated over two million Afghan refugees over the last three decades, Iran does not stand to gain from continued instability and civil strife in Afghanistan. With one of the highest rates of drug addiction in the world, Iran has a strong interest in seeing narcotics production in Afghanistan eradicated. And given its violent history with the inherently anti-Shia Taliban (whom Iran has referred to in the past as "narco-terrorists"), Tehran has no interest in seeing their resurgence.

Indeed, Afghanistan is one of the very few positive examples of U.S.-Iran cooperation since the 1979 revolution. Tehran supported the opposition Northern Alliance long before September 11, 2001, and according to several senior U.S. officials played a critical role in helping to assemble the post-Taliban government. Like the U.S., Iran has been a strong supporter of Afghan President Hamid Karzai, who has consistently praised Tehran for its support and cooperation.

Yet Iranian activities in Afghanistan (and elsewhere) are often a byproduct of its relationship with the United States. When these relations are most adversarial, as they were during the Bush administration, Tehran has been known to employ tactics that are gratuitously unhelpful—such as abruptly and forcefully repatriating Afghan refugees—and even inimical to its own strategic interests—such as providing arms to the Taliban—

in order to undermine the United States. Those with access to classified intelligence reports explain that Iranian aid to the Taliban was too insignificant to make a difference, but significant enough to send a signal to the United States not to take Iranian restraint for granted.

The Bush administration chose to cast Iran as a source of the problem in Afghanistan, rather than a part of the solution, often to the chagrin of President Karzai and NATO allies. A senior European diplomat, fluent in Persian, who recently spent several months in Afghanistan studying Iranian influence there, remarked to me upon his return that whereas Pakistan's influence in Afghanistan was about "20 percent positive, 80 percent negative", Iran's was more like "80 percent positive, 20 percent negative...and much of their negative activities are a reaction to punitive measures by us." In this context, focusing on Iran's support for the Taliban appears akin to focusing on Canadian illegal immigration to the United States.

To be sure, we should not exaggerate Iranian goodwill in Afghanistan. A government that is repressive and intolerant at home rarely seeks to export pluralism and Jeffersonian democracy abroad. Tehran will certainly seek to assert its influence in Afghanistan by supporting Afghan actors who are sympathetic to its worldview. For the foreseeable future, however, Afghanistan's needs will be far more rudimentary than the creation of a liberal society or a Jeffersonian democracy. Iran can play an important role, both politically and economically, in helping to develop and sustain a viable Afghan state. No nation has the luxury of choosing its neighbors, and a country as decimated, destitute, and desperate as Afghanistan certainly does not have the luxury of shunning their assistance.

Despite Afghanistan's vulnerabilities, Iranian ambitions for hegemony in Afghanistan are tempered by historical experience and demographic realities. In contrast to Iraq, which is the cradle of Shiism—home to the faith's most important shrines and seminaries in Najaf and Karbala—and also the country's majority religion, the Shia in Afghanistan are a distinct minority, comprising less than 20 percent of the population. Moreover, Tehran saw in the early 1990s that a Tehran-centric, minority-led government in Kabul was simply not sustainable and led to more unrest.

How to engage Iran on Afghanistan

Ultimately, U.S. engagement with Iran as a full partner and "responsible stakeholder" in Afghanistan has little cost and potentially enormous benefits. Though Iran will express reluctance at working with the United States, and may couch its cooperation in critiques of U.S. policies, given its desire to be seen as the champions of the Muslim world's downtrodden, it cannot give the appearance that its enmity toward the United States trumps its empathy for the Afghan people.

While direct cooperation between U.S. and Iranian forces in Afghanistan may not be immediately realistic, Washington should support and encourage EU and NATO countries that have attempted to work together with Iran on counter-narcotics,

infrastructure and agricultural development, and using Iranian ports and roads as a supply route for aid and NATO troops.

Critics of engagement cite the fact that the Bush administration's attempts to engage with Iran in Iraq did not bear any fruit. Despite several meetings between the U.S. and Iranian ambassadors in Kabul, U.S. officials saw no improvement in Iranian policies in Iraq and in some cases even claimed that Tehran's support for militant groups opposed to the United States increased despite this engagement.

A fundamental shortcoming of the Bush administration's approach, however, was that it gave Tehran no indication it was interested in a broader strategic relationship. It simply implored Tehran to facilitate America's mission in Iraq because Iraqi stability was in Iran's own interests. As one Iranian diplomat told me at the time, "The U.S. consistently threatens us militarily, encourages our population to rise up, and does its utmost to punish us economically and isolate us politically. And then we're expected to help them out in Iraq? We're not going to be a good Samaritan for the sake of being a good Samaritan."

The Obama administration should continue to make it clear to Tehran that it is not merely interested in tactical or isolated engagement with Iran in Afghanistan, but is genuinely interested in overcoming the animosity of the last three decades and establishing a broad working relationship.

While it's important to understand Iran's sizable influence on issues of critical importance to the U.S.—Iraq, the Arab-Israeli conflict, nuclear proliferation, terrorism, and energy—and the linkages between then, it's also important to disaggregate Iran policies. In other words, while U.S.-Iran tension over Hezbollah or Hamas will not be resolved anytime soon, this should not preclude U.S.-Iran cooperation in Afghanistan.

Given Tehran's policies in Afghanistan (as well as in Iraq and Lebanon) are executed not by the foreign ministry but rather the elite Islamic Revolutionary Guard Corps (IRGC), attempts by Congress to designate the IRGC a terrorist entity, if successful, would severely complicate any diplomatic initiatives with Iran. U.S. officials would effectively be prohibited from talking to the Iranian actors who matter most.

Constructive discussions about Afghanistan could have a positive spillover on the nuclear dispute, which is a symptom of U.S.-Iran mistrust, not the underlying cause of tension. If indeed Iran's nuclear ambitions reflect a sense of insecurity vis-a-vis the United States, building cooperation and goodwill in Afghanistan could set a new tone and context for the relationship, which could allay Tehran's threat perception and compel its leaders to reassess their nuclear approach.

The underlying source of tension in the U.S.-Iran relationship is mistrust. Washington does not trust that Iran's nuclear intentions are peaceful, and has no confidence that Iran can play a cooperative role in bringing peace and stability to the Middle East. Iran's leadership, on the other hand, believes that Washington's ultimate goal is not to change

Iranian behavior, but the regime itself. There is no better forum for the U.S. and Iran to attempt to allay this mistrust and build confidence than Afghanistan.

Mr. TIERNEY. Thank you. This is certainly an impressive panel. We got a lot of information in a relatively short period of time, and we appreciate that.

We are going to go into our question period here where we will give each Member at least 5 minutes to question and go around as much as we all have time for.

Let me start with a rather broad question, if I might. Is it the opinion of each of you that the issues are best dealt with through a sort of contact group approach where the United States tries to convene all of these various parties and deal with issues jointly or is the best approach on a bilateral basis or some mix of that? We will start with Mr. Sadjadpour.

Mr. SADJADPOUR. There is often a concern, whether it is talking about Central Asia or the Middle East from regional countries that U.S. goodwill is a zero sum game and that the United States could sell out Pakistani interests for Iranian interests if it is only a bilateral discussion. So I think a multilateral format works well. And on the side, those bilateral discussions I think are very useful. And Iran is the one country of the neighboring countries in which the United States does not have any formal diplomatic relations, so I think those conversations are probably going to take more time.

But it may be easier for both parties initially to do it in a multilateral setting. And with Iran, we have so many different interests at play, not only Afghanistan but Iraq, the Middle East, the nuclear issue, terrorism. And again, I think we are going to have these conversations on different levels. But I would argue that the multilateral setting may work best.

Mr. TIERNEY. Does anybody disagree with that or is it the general consensus? OK, thank you.

Dr. Roberts, how much of a motivating factor for cooperation, or is it even a motivating factor for cooperation, the concern about drugs and opium going up to those northern countries? How badly are they impacted by that? Is it in their interest to combine with others to try to deal with that? And what could they do in terms of being useful against that problem?

Mr. ROBERTS. On one hand, it definitely is a problem for the Central Asian states. And I would say it is becoming an increasing problem for them. To a certain extent, prior to recent history I would say that a lot of the Central Asian states have dealt with the drug trade out of Afghanistan in a sort of ambiguous way, that there may have been some official benefiting from it and so forth and so on.

But now the volume coming out of Afghanistan is such that I think they are really beginning to wonder whether this is a threat to their own national security, let alone the health of their population. There have been some odd events that took place last summer in Turkemenistan and in true Central Asian fashion, we don't know exactly what happened, but it seemed that there was essentially a battle between drug mafias and the capital city, and it almost closed down the government for a day. They officially said that it was some sort of threat of Islamic extremists, but evidence points more to the drug area.

Now, what they can do in terms of battling the drug trade, I think the most important thing is in terms of U.S. assistance going

to them in this area, of which there is already quite a bit, I think we need to see more political will from the Central Asians in really making the measures that are being taken work.

Mr. TIERNEY [Remarks off mic.]

Mr. ROBERTS. At least to a certain extent on their border posts. And also I have to say, it varies by countries. Like Kazakhstan has much more capacity because it has more resources. Kyrgyzstan and Tajikistan are really the countries that I think have a problem with capacity in this area, both protecting their borders and just in terms of the corruption within those countries and how much might just get through regardless of central governments' wishes.

Mr. TIERNEY. Thank you.

I can't see the clock down there, somebody is going to have to tap me when I get close to my time. OK, thanks. We will have another round on that, too.

Dr. Ollapally, you made a comment about the manner in which India provides its assistance in Afghanistan, how successful they have been on that. Could you just expand on that a little bit for us, and let us know whether or not you think it is a model that the United States and the international community ought to follow as opposed to going through NGO's? We have had quite a bit of controversy on that.

Ms. OLLAPALLY. Yes. India's programs have been designed to give what they call local ownership of assets, and it goes through the government of Afghanistan. So one of the things that we have seen with international assistance is that as little as 15 percent or so of aid actually goes through the Afghan government. That leaves a lot that goes in some other direction. And I think that is a problem that we have seen, whether it is Bosnia or elsewhere, that we tend to give aid through international NGO's. And therefore, those NGO's get, suck up a lot of the resources and also people, skilled people in Afghanistan. It diverts it, I think, from these places.

The other thing that I had mentioned about India is that they seem to have figured out a way of having projects in practically every single province, which is not easy, given the security concerns. I think it partly works because it probably can blend in a bit better in some sense, so that they are not as easy of a target. And they have had longstanding relations, so that these are surprising, India has had investment and so forth there, so they have a little bit more tradition and experience.

But I think it is something that one needs to look more closely at, because that is one of biggest problems, is delivering the aid to those people who need it.

Mr. TIERNEY. Exactly. Thank you.

Mr. Flake.

Mr. FLAKE. Thank you, Mr. Chairman.

Mr. Sadjadpour, you mentioned that Iran has taken in 1.5 million refugees over the time? How many of them remain and do they, are they housed in refugee centers or are they dispersed among other populations? Can you just talk a little about that?

Mr. SADJADPOUR. When I was based in Tehran, I used to go visit the U.N. HCR offices to talk about these things. The numbers are obviously very approximate. But over the course of the last three decades, the U.N. HCR estimates that Iran has accommodated ap-

proximately 2.5 million refugees at one point or another. It is believed that about a million of them have since gone back to Afghanistan after the removal of the Taliban. It is estimated that there is about 900,000 refugees, which are official and about another 600,000 or so who are unofficial.

And their circumstances vary. Some are able to go to school and they are not living in refugee camps. Others have much more difficult circumstances. Oftentimes it depends on their backgrounds in terms of their education, etc. But I think certainly Iran could be doing much more for the refugees, but considering Iran's own economic difficulties, U.N. HCR has by and large commended Iran for taking many of them in.

Mr. FLAKE. Are there active efforts to resettle them back in Afghanistan or is it pretty much status quo?

Mr. SADJADPOUR. Well, the second point I made that Iran's foreign policy is often a byproduct of U.S.-Iran relations, when Iran wants to make life difficult for the United States, make life difficult for the Karzai government, what they have done sometimes in the past is to abruptly and forcefully repatriate these refugees, send them back. So at times they do this, at other times they are more lenient. But in general, I think that given the burgeoning labor force within Iran, I think Iran feels that economically it is just too difficult to accommodate all of these refugees, and if at all possible, I think they would like to repatriate more.

Mr. FLAKE. Thank you.

Ms. Curtis, you mentioned that we needed to have a duty-free zone, free trade with the areas of Pakistan and Afghanistan. What products in particular have some potential for growth as far as export?

Ms. CURTIS. I think they are looking mainly at textiles, particularly in the case of Pakistan. There may be some other items in Afghanistan that they are looking at as well. But I think the majority of these items, and the ones that would have the greatest impact on the economies, is in the area of textiles. There has been interest by outside investors in investing in such zones. So as difficult as it will be in terms of the security aspects, I think it certainly will bring in some outside investment, help to bring jobs to the people of this region. That is why I think this legislation is so important.

I think one of the reasons it has been stalled is because it is——

Mr. FLAKE. Is it more of a signal or is there going to be a substantive change? Are we talking about just at the margins in terms of the economy?

Ms. CURTIS. I think this region, we know, is extremely important to U.S. national security interests. In fact, President Obama said the tribal areas of Pakistan are the greatest danger to the United States. So I think, we don't know for sure if it will bring massive change overnight, but I think what we do know is it constitutes a way to start bringing change. I would carry this over to our assistance programs. A lot of people are arguing that U.S. assistance programs to the FATA are only having a marginal impact. But we have to start somewhere. And in fact, I have received many briefings on these assistance programs, and we are getting access to the region. This is the first step. These are areas that hardly any U.S. officials have even traveled to, let alone U.S. civilians.

So I think that we have to start somewhere, and I think we are likely to see positive impact, maybe not overnight, but over time. It is part of the whole process of integrating this region into Pakistan, creating more cooperation between Afghanis, Pakistanis, creating jobs so that people have an alternative to extremism. That is the problem, they just don't have an alternative right now.

Mr. FLAKE. I agree with you.

Ms. Chamberlin, I think everyone recognizes that of all the regional players, Pakistan has the biggest border, biggest history of cooperation and antagonism in just about everything. What, in terms of our aid and assistance to Pakistan, both military and economic, should we be looking to condition these funds? What kind of strings attached? And we haven't seen, I am sure we will see different iterations of this proposal by the Obama administration. But what is your recommendation? Where do you cross the line between, at what point do the Pakistanis just say, sorry, you need our help as much as we need yours? What do you recommend in terms of conditioning this aid?

Ms. CHAMBERLIN. I think the answer is both and mixed. When I first arrived as Ambassador to Pakistan, one of the loudest bleats that we heard from the population, and we still hear it today is, oh, you Americans are just going to abandon us. You used us during the cold war when you needed us. You used us when the Soviet, you wanted to help them to help us evict the Soviets from Afghanistan. But as soon as the Soviets were out of Kabul, you cutoff your military aid, you cutoff your military IMET programs, you cutoff your USAID development assistance and you picked up and ran. And no amount of explanation ever convinced them that it was conditioned on their moving forward with the development of their nuclear weapons program. That is just as absent from their memory, although it was the reason why we cutoff our military and aid assistance at that time.

You hear that today, the charge that we will just abandon them again. As soon as you get bin Ladin, you will just leave us.

I think to answer your question now, that is the context, to answer your question, I believe we must condition military assistance. I do not recommend that we condition assistance to civilian programs, to USAID programs, to education, to job creation, to health. That ought not to be conditioned. And we ought to use the non-conditioning of aid that goes to people, the people of Pakistan, as evidence that we have no intention of abandoning them, that we recognize that they are in dire need, that we are there for the long term.

On the military assistance, I agree with remarks that the chairman made earlier. There is a history of duplicity and we have to carefully balance the way we work with the army. We need the army. We need the army, let's face it, to be successful in bringing stability not only to Pakistan but to Afghanistan. But we need an army that understands that we are working together. And it is going to require very delicate balanced diplomacy to get there. But I think conditioning, particularly on the big ticket items, F–16s they still want and some of these big weapons systems that cannot conceivably be used in the counter-terrorism arena, but are still

very much geared to their traditional adversary in India, we ought to take a hard look at.

Mr. TIERNEY. Thank you.

Mr. Driehaus, you are recognized for 5 minutes.

Mr. DRIEHAUS. Thank you, Mr. Chairman. I want to thank the panel for excellent testimony. Following the panel from last week, you only further demonstrate how difficult and how complicated the situation is in Afghanistan.

It strikes me that the goals of U.S. foreign policy in Afghanistan are really about denying safe harbor to terrorists, and those terrorists tend to be in the tribal areas that were described in Pakistan. But I guess my question for all of you is, really, your assessment of our resource allocation. At the same time we are trying to build a rule of law in Afghanistan, we are trying to move toward economic development, we are trying to train security forces in Afghanistan, we are also engaged in diplomatic efforts in the Indo-Pakistani relationship, hopefully diplomatic efforts in Iran, diplomatic efforts in the north.

Talk a little bit about the level of our participation and the appropriateness of the current resource allocation and how you might adjust it if you had that opportunity.

Ms. CHAMBERLIN. I think it needs a total scrub. Much has been said in the media about the fact that the United States has provided $11 billion, I think it is now up to $12 billion to Pakistan since 2002, and that most of that has gone to the military. Actually, at least, or over 50 percent of that military assistance has been coalition support funds, which has been rent for the army to subsidize their activities along the border, which haven't been very effective.

But much less, less than 10 percent has gone to these civilian programs that I was talking about through USAID. Yet it is still a lot of money, even 10 percent of $12 billion is a lot of money. And we haven't seen very much impact. I think the comments made by my colleague about Indian aid in Afghanistan where much greater impact, the people have seen much greater impact for their assistance than we have been able to realize in both Afghanistan and Pakistan.

So I would certainly endorse the comments made that we need to reevaluate the way we give assistance, not through big NGO's and big for-profit organizations, but in more calibrated programs that work from the bottom up. Now, we are beginning to do that in Afghanistan, we are beginning to do that in the FATA, the federally administered tribal areas, where we go in almost like three cups of tea style, into the villages and sit down and talk about what they need. It is also, incidentally, when you go into a village and talk to the people and say, how would you use the money if we were to give you $10,000, it is democracy-building, because they are beginning to work together to make decisions, and leaders come out of that.

But I do think we need a bottom up approach, and I think we need to reevaluate how we give assistance. But the measurements of our assistance must be, do they have impact in the lives of people. I would focus our attention, our assistance and I would elimi-

nate some of the sectors that we deal in. And I would not spread it out as widely as we are currently doing.

Ms. CURTIS. I just want to add to that, one of the problems I think in the past has been even our economic assistance has gone in the form of budget support directly to the Pakistani Exchequer, rather than through programmed through USAID funding. That has changed, and of course, Chairman Tierney played a critical role adopting and introducing and then passing legislation that required certain amounts that funding go specifically toward education projects. So I think that is critical to remember, because you are going to be facing this issue, is it budgetary support, is it programmed through USAID. And that is a very fine balance. I think it is also when you require more USAID officials on the ground in Pakistan, which has a lot of different security implications.

So as we talk about this $1.5 billion, it is a massive increase in our assistance. You have to think through very carefully about how that is going to be implemented, what kind of monitoring mechanisms. Because I know there is even concern among USAID officials that, do we have the capacity, the ability to correctly monitor. We probably do, but we need to make sure of that. And we need to, your subcommittee will be, I am sure, involved in asking all of those critical questions.

Mr. TIERNEY. Thank you very much, and you are absolutely correct. We will be as involved as we can be on that. We think that the capacity issues are serious.

We will be working over the 2-week in-district period to try to set up some hearings with the State Department and others as to what the capacity is and how they intend to meet the goals that the President set out on that. It will be a crucial matter.

Mr. Duncan, you are recognized for 5 minutes.

Mr. DUNCAN. Thank you very much, Mr. Chairman, and thank you for calling another hearing on the issues and problems in Afghanistan and Pakistan.

I voted against the war in Iraq from the very beginning, because I thought it was a terrible mistake and I still think it is a terrible mistake. I remember reading in Newsweek just before the war started that Iraq had a total GDP of about a little over $65 billion the year before we went in there. Just think about that in relation to the massive amounts of money that we ended up spending there and are still spending there. A few weeks ago, we had a hearing in here on Afghanistan and we were told at that time that we spent $173 billion in Afghanistan since 2001. And now because we are moving our troop levels up from 38,000 to 55,000, approximately, we are going to be spending even more there.

Yet just 2 days before that hearing, that hearing of a few weeks ago, the Washington Post had a story in which they quoted General Petraeus as saying that Afghanistan had been the graveyard of empires. And then a few months ago, in this committee, we had another hearing on Afghanistan and I asked the question of how much we were spending in Afghanistan. And it is so difficult, because I have no idea who is right. Former Ambassador Chamberlin just talked about $12 billion since 2002. And maybe that is correct, but at that other hearing we were told that it was approximately $5 billion a year in Pakistan, counting all the different programs

that we have, military and every other program. Maybe they were counting in the operation of the U.S. embassy and various offices, I don't know. It is difficult to pin these things down.

But what I do know is that all this massive money that we are spending in all these different countries, it seems the more we spend in a country, the more resentment we create. And yet, when you are in the Congress, if you don't go along with every massive foreign spending that anybody asks for, you are labeled as an isolationist. And yet I have always thought that we should have trade and tourism with other countries, and we should have cultural and educational exchanges, and we should help out during humanitarian crises.

But we are spending money that we don't have. The Congress voted not long ago to raise our national debt limit to $12,104,000,000. That is an incomprehensible figure, but what it means is that in just a short time, we are not going to be able to pay all of our Social Security and Medicare and our civil service pensions and our veterans pensions and things we have promised our own people. And it seems to me that we have to take another look at what we are doing. We have turned the Department of Defense into the Department of Foreign Aid now. And I know that all those who liked foreign aid, they would frequently leap to point out that direct foreign aid is just a tiny portion of the entire Federal budget, and that is true.

But every department, every major department and agency in the Federal Government is spending huge amounts of money in other countries now. And it just doesn't seem that we are getting very much bang for our buck. I have noticed that any time anybody specializes in what is going on in another country or they have spent much time there, they seem to fall in love with that country or feel that region is the most important in the world, and they always say that we are not spending nearly enough.

But how much longer we can go on spending these ridiculous amounts of money, especially in a time when we are adding $4 trillion to our national debt, this year and the next 2 years alone, I just don't believe that the money is there. And I don't believe we can do it. I think we have to take a really hard look at all of these programs and we have to have, we have to take a hard look, I think, at our policies in the Middle East. Because our unbalanced policy in the Middle East seems to be what is creating the most resentment against us throughout the world.

So thank you very much, Mr. Chairman.

Mr. TIERNEY. Thank you, Mr. Duncan. We appreciate your comments. Thank you.

Mr. Welch, you are recognized for 5 minutes.

Mr. WELCH. Thank you, Mr. Chairman. And thank the witnesses, tremendous testimony.

As I understand it, there is basic unanimity that the Obama effort to reach out regionally and engage diplomatically is wise. And No. 2, the region of the world is very complicated with respect to Afghanistan. China sees it as an economic opportunity, Russia basically hopes we stub our toe there because of their own embarrassment. Central Asians are hesitant to do anything that might irritate Russia. Iran sees it fundamentally through the prism of their

relationships with us on other issues, and Pakistan fears India. So they in some certain ways support a proxy war for the Taliban. And India has an opportunity to create economic and cultural ties.

The question I have is this: what is the impact of the military policy that I think would have to be characterized as escalation for increasing the number of troops on the ground, and that would be an escalation, what impact will that have on the diplomatic escalation that you all support? Just each of you speak very briefly about it.

Ms. CHAMBERLIN. I will begin and Lisa Curtis will mop it up. There was a recent poll conducted in Afghanistan, of the people of Afghanistan, asking them what is their greatest concern. More than economic development, the majority of this population, according to this poll, was concerned about their own security. And they define their own security not as threats from extremists, necessarily, but threats from corruption. So they have a, what I am getting at is that we will not be able to achieve our goals of bringing stability to that region is the people do not feel secure in their own communities and their own homes.

The way I see the President's strategy is an increase in U.S. troops, hopefully for the short term, to train the Afghan national police and the Afghan national army, to a point where they can begin to provide the kind of security that the people need to feel in their own communities. The surge in troops, if you want to call it a surge, will be used for training purposes, but also to provide that cushion while the army and the police are brought up to strength.

Ms. CURTIS. I think it helps our regional strategy in a couple of ways. One is, part of the reason Pakistan continues to have links to the Taliban and support these groups, as Ambassador Chamberlin pointed out, is a hedging strategy, because they don't believe we have the staying power in Afghanistan. So I think President Obama's statement on Friday, a very strong statement of remaining committed to Afghanistan, as well as sending more troops, sends a clear signal on U.S. intent toward the region. I think the last 6 months have been extremely unhelpful. We did this review process, it was necessary, it was the prerogative of the Obama administration. But it also created a lot of confusion about where U.S. policy was going. I don't think that was helpful.

So now I think we have a basis on which to bring people into our regional diplomatic strategy, so I think it does help. It helps with India. India knows that Talibanized Afghanistan is not good for their interests. They will keep moving east, they will threaten India's core interests. So it will help in bringing the Indians along in what we want to see happen in terms of India-Pakistan relations.

Ms. OLLAPALLY. I think we have to be very careful about what the objectives are of the surge in the troops. Because there is no real military solution in my mind there. Therefore, this is just going to be a, it is going to be a short-term help. I think the bigger picture has to be intertwined with the regional approach. I think that is the one approach that we have not tried so far. We have been trying the bilateral.

And even in the regional approach, I think it would help with both, in terms of sending the right signals as well as possibly rais-

ing more funds, in terms of donors to Afghanistan's reconstruction. I think that is a very good start, to have the other countries involved.

But I think we also have to make sure that at the same time that we are having the increased troops that across the border in Pakistan that we also do not let certain other developments happen, such as, for example, the peace agreement in Swat with the militants. I think that is very unhelpful in part because what it does it allows, in the longer term for these extremists to get a breather. Therefore, if we are there for 2 years or whatever, we are leaving behind a scenario that could easily come back to haunt us again. So I think it cannot be, the surge cannot be seen in isolation. It cannot be seen just as a counterpart to the regional. But it has to be seen across the border as well in a total picture.

Mr. ROBERTS. I think for the northern neighbors of Afghanistan there is maybe some discomfort with increased troops. But I think the big issue is whether we have troops in Central Asia. And I think in some ways it may have been a blessing that Kyrgyzstan has removed the base there. Because I think as long as we have a military presence in Central Asia, we are going to get the ire of the Russians. I don't think that it is really beneficial in the long term. Those bases, as I understand it, are not critical to the operations in Afghanistan.

Mr. SADJADPOUR. Well, as my colleagues said, I think the troop increase is part and parcel of a broader diplomatic approach. I don't think the Iranians will have a problem with that. As I mentioned, they are no friend of the Taliban, so they do want to see the Taliban weakened, if not defeated.

But I think they would be opposed, as would Congressman Duncan, to some type of a long-term U.S. presence, troop presence in Afghanistan, because they would probably perceive that as a threat to themselves.

Mr. TIERNEY. Thank you very much.

Just a couple other questions, if I could, well, first a comment on that, going back to the conversation about some of the aid to Pakistan and the amount of it. This committee was able to do its own report, staff did an excellent job putting that together, on the coalition support funds, and of a report from the Government Accountability Office as well. Some $6.3 billion since 2001 going and about 40 percent of which we determined was unaccounted for.

So that they have started to account for, and surprisingly, once they did, they stopped payments, because they weren't being justified and reconciled enough. I think we are certainly going to push, at least a number of people on this committee are going to push to move away from the coalition support funds method of funding, because it can't be accounted for, and because also it is this sort of rental concept that the Ambassador talked about, when in fact we have joint interests there. We will be looking to condition the military money on those joint interests, not so much keeping a score card on the Pakistanis alone, but how is our joint effort accomplishing the ends that we want to, and assure they get continued funding on that to move people along. So that should be something we can look forward to in the debate as we get into the appropriations process on that.

I had just two broader questions I thought would clean things up. Mr. Sadjadpour, would you talk a little bit about the relationship between Iran and Pakistan?

Mr. SADJADPOUR. It is a very peculiar relationship in the sense that I oftentimes wonder why it is not worse than it is. What I am talking about is the last several years in Iraq has oftentimes been described as a proxy war between the Iran and Saudi Arabia. Iran is supporting its Shia brethren, in Saudi Arabia, the Sunnis. And we have seen a deterioration of Saudi-Iranian relations because of that.

In Afghanistan, we see a somewhat similar dynamic in the sense that Pakistan has long been the patron of the Taliban and Iran had long been the patron of the Northern Alliance, the opposition. And yet, we haven't seen a deterioration of country to country relations. Also despite the fact that Iran is quite concerned about the repression of Shiites within Pakistan, and to the contrary, we have seen actual Pakistani cooperation. Some would argue whether it is official cooperation, but A.Q. Khan, Pakistan nuclear scientists, provided huge support to Iran in its own nuclear ambition.

So it is one of those issues, every time you pick up the newspaper, there are so many things wrong in the world, and that is one issue. I wonder why it is not worse than it is, and I think we should be thankful, we should try to contain it, because it has the makings of a very contentious relationship.

Mr. TIERNEY. Maybe we should just leave it alone.

Mr. SADJADPOUR. Yes. [Laughter.]

Mr. TIERNEY. Dr. Roberts, would you talk just a little bit about China? I know you covered it in your written remarks. But if you could just address how intense is China's interest in this area likely to be? Or are they more inclined to sort of observe things?

Mr. ROBERTS. Well, I think, as I mentioned in my testimony, China's interest in Afghanistan I think is more long-term and it is more economic. I don't think they are going to be extremely involved in the short-term right now. I think they see Afghanistan as part of a larger strategy in Central Asia, but they are certainly focused on Central Asia for the long term. I think people in the United States often don't take that into consideration when looking at Central Asia. They see it from Russia. But actually, China is making a lot of inroads. They have oil and gas pipelines going from Central Asia into China. And certainly, they hope that things will stabilize in Afghanistan and that will be another area where they will have extreme influence.

Mr. TIERNEY. Thank you very much.

And last, for our three witnesses on the middle and left hand side, we talked about reconstruction opportunities zones. I think one of the questions about that is what kind of oversight and accountability will there be, how do we ensure that some local chieftain, tribal aspect, is not taking control of a particular industry, or cluster of industries on that basis? And they might not have our best interest in mind, but they reap an incredible profit from taking advantage of that? So if we could just have a little conversation about that. Dr. Ollapally, I don't know if you want to opine on that or pass it on to Ms. Curtis and the Ambassador.

Mr. CURTIS. Yes, I think this is a critical aspect of the issue and I think it is one that the Congress has been debating over. It is going to be difficult, both because of security in these areas, getting U.S. officials out to projects, being able to visit them. I think it will be extremely difficult. We may have to rely on other surrogates, or people who can get into these areas and work with them.

But again, I would come back and look at how we are doing our aid projects in the region. It is very recent, we just started providing aid to the FATA I think a year and a half ago or so. So these are new projects. But we are getting in there, we are working with locals who are very motivated. So there are ways to do the monitoring. You can work with your Pakistani counterparts at the same time.

But it does take a lot of effort and it takes people on the ground. There are going to be security concerns, we can't get away from that. But I think these programs are absolutely critical. So we have to find a way to monitor what is happening, and we may have to be very creative about that.

Again, my best thoughts on the issue come from what we are already doing through our Office of Transition Initiatives at the USAID.

Mr. TIERNEY. We spent some time with those folks not too long ago when we were visiting. I think it is tenuous. It is a nice effort, it is somewhat creative. I think the jury might still be out as to whether or not we are getting the kind of information we need to really determine it. As you say, it is risky out there. Sometimes even the local Pakistanis are considered foreigners and have a difficult time getting close enough to it. We are using some aerial overviews and other measures on that.

So it will be something we have to keep expanding on, I think. I do think it is going to be a real issue, a real problem.

Ms. CURTIS. And it has to go hand in hand with stabilizing the region and bringing back the civil service in the region and the Pakistani governance structures. So I think that is another way to look at it, that we can't really do effective economic development programs without effective governance. It is one of those issues.

Mr. TIERNEY. Thank you.

Mr. Flake.

Mr. FLAKE. Just a couple of questions to finish. Dr. Roberts, you mentioned that Chinese involvement can be helpful if it is done in a responsible way. How can we ensure, or can we do anything to ensure, that China intervenes in Afghanistan in a responsible way?

Mr. ROBERTS. I don't know if we can ensure. I think we can encourage them to. I think there is some, essentially it is in their interest, if they are interested in long-term economic investments in Afghanistan, it is in their interest that Afghanistan become a stable country. China historically has shied away from the idea of giving countries advice on their governance structures and what constitutes good governance. But I think that the Chinese could be convinced that in trying to make any kind of economic investments transparent, and in line with governmental reforms in Afghanistan that is in their interest.

Furthermore, to kind of incorporate some of the corporate social responsibility practices that we see in the west in terms of perhaps

doing some local economic development around investment, so if they are investing in a copper mine they should be doing some things locally to help the population out. Because that also is essentially in their interest, but it is also in the interest of the development of Afghanistan.

Mr. FLAKE. We have seen in areas, particularly in the Pacific, Taiwan competing with mainland China on some of these development efforts. Is there any effort by Taiwan to get involved in Afghanistan?

Mr. ROBERTS. I don't know about that. Yes, I have no information on Taiwan's involvement.

Mr. FLAKE. Dr. Ollapally, you mentioned that with Pakistan that we may need to offer some kind of incentives, I believe you said. Other than conditioning our aid, military and economic, what incentives? Is there recognition, tie it to work on the nuclear issue? I think others have said that our efforts in Kashmir may be counterproductive. What else can we do other than condition our aid?

Ms. OLLAPALLY. I think unfortunately it comes back to two things. One, money, which is what we have to offer for the Pakistanis. And changing the incentive structure for Pakistan military, I think until we figure out what it is that will get them to give up the stronghold that they have on the foreign policy process, I mean, it comes down to a very basic thing. We have to give them more incentive to get out of the political life of Pakistan.

And how do you do that? I think one way is by supporting democratic regimes in Pakistan. I have to say that in the past, we have not been very good at that. Because if you look at the history of Pakistan, every time the democratic governments have been in power is exactly when we have decided to leave. And that tells something to the military, as well as to the democratic regimes.

So I think the stronger we are in supporting Zardari's regime right now, and I think we have to make sure that we are there. The other thing is that I think Zardari is a businessman, I think they have seen that there is a great deal of benefit by cooperating economically with India, and that having the region stable is good for investment climate. It is terrible right now for Pakistan. That is related to the relations with India. And so it is with India.

So I think that is, the economic relationship is what we should be pushing for.

Mr. FLAKE. Thank you.

Mr. TIERNEY. Thank you. I want to thank all of our witnesses today. You have added incredible insight to us, and great perspective on the whole range of neighbors in that area. I think you have been of great service to the subcommittee and to the Congress, and we thank you for that.

Thank you, Mr. Flake, for your participation, and members of the committee. This will be the end of the meeting, we adjourn, with our gratitude.

[Whereupon, at 11:45 a.m., the subcommittee was adjourned.]

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