



CENTER FOR ASIA PACIFIC POLICY

CHILD POLICY
CIVIL JUSTICE
EDUCATION
ENERGY AND ENVIRONMENT
HEALTH AND HEALTH CARE
INTERNATIONAL AFFAIRS
NATIONAL SECURITY
POPULATION AND AGING
PUBLIC SAFETY
SCIENCE AND TECHNOLOGY
SUBSTANCE ABUSE
TERRORISM AND
HOMELAND SECURITY
TRANSPORTATION AND
INFRASTRUCTURE

This PDF document was made available from www.rand.org as a public service of the RAND Corporation.

[Jump down to document](#) ▼

The RAND Corporation is a nonprofit research organization providing objective analysis and effective solutions that address the challenges facing the public and private sectors around the world.

Support RAND

[Browse Books & Publications](#)

[Make a charitable contribution](#)

For More Information

Visit RAND at www.rand.org

Explore [RAND Center for Asia Pacific Policy](#)

View [document details](#)

Limited Electronic Distribution Rights

This document and trademark(s) contained herein are protected by law as indicated in a notice appearing later in this work. This electronic representation of RAND intellectual property is provided for non-commercial use only. Permission is required from RAND to reproduce, or reuse in another form, any of our research documents for commercial use.

This product is part of the RAND Corporation conference proceedings series. RAND conference proceedings present a collection of papers delivered at a conference. The papers herein have been commented on by the conference attendees and both the introduction and collection itself have been reviewed and approved by RAND Science and Technology.

U.S.–India Strategic Dialogue

Rollie Lal, Rajesh Rajagopalan



CENTER FOR ASIA PACIFIC POLICY



Observer Research Foundation (ORF), New Delhi (India), and the RAND Center for Asia Pacific Policy supported the conference proceedings described in this report.

ORF is a public policy think-tank that aims to influence formulation of policies for building a strong and prosperous India. ORF pursues these goals by providing informed and productive inputs, in-depth research and stimulating discussions.

The RAND Corporation is a nonprofit research organization providing objective analysis and effective solutions that address the challenges facing the public and private sectors around the world. RAND's publications do not necessarily reflect the opinions of its research clients and sponsors.

RAND® is a registered trademark.

© Copyright 2004 Observer Research Foundation and RAND Corporation

All rights reserved. No part of this book may be reproduced in any form by any electronic or mechanical means (including photocopying, recording, or information storage and retrieval) without permission in writing from the copyright holders.

Published 2004 by

Observer Research Foundation
20 Rouse Avenue, New Dehli, India
ORF URL: <http://www.orfonline.org>

To order copies of this report or any other publications by Observer Research Foundation, contact
admin@orfonline.org; Telephone: 91-11-30220020; Fax: 91-11-30220003

RAND Corporation
1776 Main Street, P.O. Box 2138, Santa Monica, CA 90407-2138
1200 South Hayes Street, Arlington, VA 22202-5050
201 North Craig Street, Suite 202, Pittsburgh, PA 15213-1516
RAND URL: <http://www.rand.org/>

To order RAND documents or to obtain additional information, contact
Distribution Services: Telephone: (310) 451-7002;
Fax: (310) 451-6915; Email: order@rand.org

PREFACE

On December 10-11, 2003, the Observer Research Foundation (ORF) and the RAND Corporation held a “strategic dialogue” in New Delhi. The meeting brought together scholars, diplomats, and functionaries from the governments of India and the United States to discuss policy issues important to both countries. The dialogue was co-organised by ORF’s Institute of Security Studies, headed by General (retd.) V.P. Malik, and the Center for Asia Pacific Policy, under the International Programs division of the RAND National Security Research Division, headed by Jerrold Green. This report summarizes the discussions that took place over these two days. It should be of interest to high-level policy makers in the Indian and US governments, as well as scholars, journalists, and security analysts.

TABLE OF CONTENTS

Preface.....	1
Table of Contents.....	2
Acknowledgments.....	3
Introduction.....	4
<i>Panel 1: National Security Strategies and the Future of US-India Relations</i>	7
<i>Panel 2: The Campaign Against Terrorism</i>	12
<i>Panel 3: Pakistan’s Internal Security and Politics</i>	18
<i>Panel 4: Post- War Afghanistan</i>	23
<i>Panel 5: Political Trends in the Gulf Region</i>	27
Appendices.....	31

ACKNOWLEDGEMENTS

ORF and the RAND Corporation would like to thank both the Indian and US governments for encouraging this dialogue. Representatives of several departments of the Government of India contributed their thoughts at various stages of the process. Similarly, the US embassy in New Delhi actively encouraged and participated in the dialogue. The continued support of both governments will make this exchange of ideas both richer and increasingly more fruitful.

General V.P. Malik, PVSM, AVSM (Retd.)
President, Institute of Security Studies
Observer Research Foundation
New Delhi

Dr Jerrold Green
The RAND Corporation
Santa Monica

INTRODUCTION

Rollie Lal (RAND) and Rajesh Rajagopalan (ORF)

Relations between the world's two largest democracies, India and the United States, have encountered many obstacles over the years. Until recently, the two countries had limited interactions and few cooperative endeavours. However, the relationship has improved dramatically over the past several years, and today is better than at any previous point in history. Through dialogue on a number of issues, at various levels of government, academia, and the press, the current relationship has achieved great depth and maturity.

This is the kind of interaction that both India and the United States will need to keep working at rather than take for granted. Candid exchange of ideas is the key to ensuring that natural differences of interests and perspectives do not lead back to the estrangement that characterized the relationship between the two countries for the last half a century.

With this objective in mind, the Observer Research Foundation in New Delhi, and the RAND Corporation in Santa Monica decided in 2002 to launch a "strategic dialogue"—informal discussions between high-level scholars and officials on critical issues at the top of the US and Indian policy agendas. The hope was that these unofficial conversations would inform and perhaps influence the official dialogue between the two nations. The first such dialogue organized jointly by ORF and RAND took place in New Delhi on December 10-11, 2003.

Political scientists, scholars in the field of international relations, former and current diplomats, government officials, and military leaders came together for these two days to address policy issues ranging from national security strategies, to the geopolitical situation in key countries in South Asia, to counter-terrorism. The main objectives of the forum were (a) to elicit the major areas of agreement and disagreement between the two countries on each issue, and (b) to identify areas where they might work together productively in the future.

Continuing the Exchange of Ideas and Perspectives

Before organizing the first meeting, ORF commissioned a study of previous such Indo-US strategic dialogues. Several key findings emerged. First, the study suggested that the exchange of viewpoints between leading intellectuals from the two nations should be an ongoing process rather than being limited to an event or two.¹

Objectives of the Conference Report

The ORF study also recommended that conference organizers make it a priority to reach out to the policy communities in both India and the United States, so that the results of the exchange of ideas between participants can feed into the policy-making process in both countries. This report is designed in part to accomplish that objective. We hope that it will keep decision-makers in Washington and New Delhi—as well as others interested in improving US-India relations—informed of the current thinking of leading intellectuals on timely issues, acquaint them with areas of consensus, and provide insights that will help them understand how each country’s strategic perspective on each issue could affect the bilateral relationship between the two nations.

The Conference

Topics of discussion were organized in five panels:

Panel 1: National Security Strategies and the Future of US-India Relations

Panel 2: The Campaign Against Terrorism

Panel 3: Pakistan’s Internal Security and Politics

Panel 4: Post-War Afghanistan

Panel 5: Political Trends in the Gulf Region

For each panel, the conference organizers invited two presenters—one from RAND and one from ORF—to deliver a short paper on the topic at hand. The speakers from RAND were to represent the strategic perspective from the United States, while the speakers affiliated with ORF were to represent the Indian viewpoint. These prepared presentations were followed by open discussion among all participants present at the panel.

¹G. Balachandran, *A Study of US-India Track II Dialogues* (New Delhi: ORF Occasional Paper No. 1, forthcoming)

The Report

This report follows the structure of the conference programme. For each of the five panels, the rapporteurs, Rollie Lal of RAND and Rajesh Rajagopalan of ORF, provide summaries of the two opening presentations, and then of the discussions that followed. To capture the many different viewpoints that emerged during these exchanges, the summaries of the discussions are presented in bullet form. Each section then ends with a set of broad conclusions and recommendations drawn by the rapporteurs from the discussions. These represent the main points of agreement among the participants. The appendices contain a list of the participants and their affiliations, along with the conference agenda.

PANEL 1

NATIONAL SECURITY STRATEGIES AND THE FUTURE OF US-INDIA RELATIONS

SUMMARIES OF PRESENTATIONS

Ambassador James Dobbins

Director, International Security & Defense Policy Center, The RAND Corporation

In the past, the United States' national security strategy strongly emphasized multilateralism and international institutions. The strategy of the Clinton Administration, for example, was to expand relations with many countries. In contrast, the Bush Administration's strategy was not that well articulated at the outset. As a result, it was largely a reaction to the Clinton Administration's strategy. Bilateralism frequently supplanted multilateralism, with countries like India and Mexico benefiting. The Bush administration also took unilateral steps.

September 11 definitively shifted the relationship within the administration between the multilateralists and the unilateralists. This was the first attack on the US since Pearl Harbour, and it was unilateral. The response of the United States was also unilateral. In the past, US leaders had emphasized the imperative to intervene on behalf of a broad coalition of nations. After September 11, the administration did not need to demonstrate that the response was a broader effort.

The United States' national security strategy after September 11 is far more positive toward China and Russia than it had previously been. In a marked reversal, the United States now refers to China as an ally rather than a strategic competitor. However, as Mexico and India were not as critical to the war on terror, their relations with the United States did not change in a similarly significant way. In fact, for Mexico, the war against terrorism was a setback for relations. For India, the problem was Pakistan. Pakistan was central to the war on terror, both as a central location of terrorism as well as an ally.

The most important strategy in the war against terror is pre-emption. The primary arguments for this strategy have been threefold: 1) the proliferation of weapons of mass destruction, 2) the emergence of terrorist networks, and 3) rogue nations. There is recognition that existing international norms are not adequate for dealing with these problems.

In the upcoming US presidential elections, foreign policy and security policy will play a greater role than they have in previous elections—particularly the issues of the Iraq war and the global war on terror. In fact, Iraq will probably be the single most important foreign policy component of the debate, and the Democrats will argue that the war there was unnecessary. The Democrats will contend that the Bush administration has overemphasized military action as a tool of foreign policy. Democrats and Republicans will also debate the use of multilateral vs. unilateral force.

Strategic relations between the United States and India have expanded considerably in the past few years. The emergence of terrorism as a major security threat to the United States created a situation where the primary national security interests of the two countries converged. At the same time, both the United States and India are formulating new approaches for dealing with a growing China. As a result, the two countries have valuable opportunities to cooperate—both in combating terrorism and fostering stability in Asia. Military and political initiatives for such cooperation are underway. However, India's tensions with Pakistan pose a challenge for US policy formulations. The security situation in Afghanistan is another critical area for both the United States and India.

India's efforts to liberalize its economy have led to greater opportunities for economic collaboration and trade with the United States. Moves in this direction will lead the economies of the two countries to become more interdependent. Bilateral merchandise trade in 2001-2002 was \$15 billion, with \$11.8 billion in Indian exports to the United States and \$4.1 billion in US exports to India. Ultimately, the two countries' common interests in counter-terrorism and economic growth will be the focus of their relationship.

Ambassador Naresh Chandra

Former Indian Ambassador to the United States

There are some clear constraints on relations between the United States and India. One is the nuclear Non-Proliferation Treaty (NPT). The two countries need to find a way around this issue. In the 1990s there was a general Western conviction that the nuclear non-proliferation regime was working well for the world. Yet it was India's impression that the members of the nuclear club were in a different situation than other nations. The non-proliferation regime had worked in several areas, but India felt that the proliferation in its neighborhood was not being controlled. There was also a growing asymmetry. As a result, India concluded that it resides in a dangerous neighborhood.

In addition to the problem of non-proliferation, there is insufficient US business interest in India, with American investment in India coming too slowly. The two countries also need to find a way to talk about China and the Chinese role in the region. And finally, Pakistan poses a major stumbling block in US-India relations. India cannot support the United States to the extent that Pakistan can, and does—for example, giving territory that the United States can use as a platform for operations. Currently, the United States is trying to meet an urgent short-term target at the expense of the long term. The Pakistani generals can respond quickly to these counter-terror contingencies, but if expediency becomes the basis for making critical decisions, then democracy in Pakistan will never be possible. People are currently arguing that democracy in Pakistan is not useful. However, this issue needs to be debated.

After September 11 and the war on terror, people in India thought that the United States would realize what India had been going through with Pakistan. Although Pakistani military cooperation was very useful to the United States because of Pakistan's strategic location, the campaign in Afghanistan cannot rely solely upon the cooperation of the Pakistani military. Like the United States, India also believes the campaign against terrorism must succeed. It has high stakes in the success of counter-terror efforts too.

On the issue of pre-emption, it is clear that only a strong state such as the United States can take pre-emptive action. No other nation has such capability.

Discussion

- India's security interests are different from those of the US. It continues to face the problem of proxy war and terrorism, and territorial disputes with its neighbours. Iraq has become a particularly complex issue. With regard to Myanmar, India cannot simply adopt the US perspective, as it has long-term strategic interests in that country.
- Reform of the UN Security Council is also a critical issue for India. India has the status of a nuclear power and has a strategic role to play in that capacity in the future.
- Since the dissolution of the Soviet Union, the United States has become a very important factor in India's strategic calculations about national security. But India does not hold the same degree of importance in US strategic thinking.
- The United States sees the war on terrorism in the context of immediate threats to its national security from weapons of mass destruction, international terrorism, and religious fundamentalism. All three of these threats can be found in India's neighborhood.
- India recognizes that terrorists are a threat to the United States. It acknowledges that the United States needs to achieve important short-term objectives in Pakistan with regard to al Qaeda. However, India also recognizes that the United States has not abandoned important issues such as WMD.
- With regard to terrorism, the US should not constrain India's right to respond to threats to preserve its own interests.
- There is growing interest in India in relations between India and the United States. September 11 marked an important point in the relationship. The Indian Prime Minister's offer of bases for the United States to use in Operation Desert Storm was a significant factor. When the United States lifted sanctions on India, it opened the way for more trade and other cooperation between the two countries.

- Certain aspects of India's foreign policy are relatively new, for example the relationships with the Middle East and Iran. There are also stories of Pakistani nuclear assistance to Iran that are at odds with the political relations between Iran and Pakistan. The Iranians are concerned with Pakistan on its eastern border, as well as its relations with the Taliban.
- The US has not applied its own value system in its foreign policy. The invasion of Iraq would have had more legitimacy if it had had an international coalition behind it. Strengthening international organizations to deal with such issues is important. Unless the United States is responsive to the concerns of other countries, there will be no stable world order.

CONCLUSION AND RECOMMENDATIONS

1. Both the US and India need to place a greater focus on areas where they share security interests, such as the war against terrorism.
2. The interests of the two countries may differ on a given issue, such as Pakistan, making unified policies difficult to implement.
3. The US has short-term objectives with regard to Pakistan and al Qaeda that require cooperation from Pakistan. However, US long-term interests in controlling WMD in the region remain central.
4. The US should garner international support for policy actions abroad through international organizations.

PANEL 2

THE CAMPAIGN AGAINST TERRORISM

SUMMARIES OF THE PRESENTATIONS

Steven Simon

Senior Political Scientist, The RAND Corporation

The “War” on Terrorism is a misnomer. “War” is just a mobilizing term. The war is more specifically against particular terrorist groups—especially those with a global reach. It does not include primarily local groups such as the Basque ETA (Euskadi Ta Askatasuna or Basque Homeland and Liberty) and the Sri Lankan Tamil LTTE (Liberation Tigers of Tamil Eelam). Similarly, it does not target Hizbullah, which the United States regards as the “A” team of terrorism and which functions as Iran’s “aircraft carrier” for force projection.

So the war is primarily against al Qaeda. And the anti-terror coalition is truly multinational. There have been 3,200 arrests related to al Qaeda worldwide.

Al Qaeda is essentially a Jehadi group, composed of two intersecting elements. The first is a dedicated cadre, including individuals who personally pledged loyalty to Osama bin Ladin, were trained in al Qaeda camps in Afghanistan, or were recruited by the al Qaeda leadership or others inducted by bin Ladin. This cadre consists of mid-level managers who can spur operations, have access to funds, know local militant leaders, use secure communications, travel widely, and can provide pre-operational support for local players. The Bali bombing is a good example: al Qaeda operatives came in to help plan and organize the bombing, but left before it was carried out. This cadre is also capable of procuring and moving large stocks of sophisticated weapons over long distances. They have transported hand-held Surface-to-Air Missiles (SAM), for instance, and used them to attack US aircraft in Saudi Arabia and Israeli aircraft in Africa.

Second, al Qaeda is a global movement mobilized by a common stock of rhetorical themes, inspirational imagery, and a dualistic worldview. Key themes of the movement

are the beleaguered state of *dar ul Islam*, the collaboration of apostate local rulers with infidel powers, the hypocrisy of official clergy, the indispensability of *sharia* for social order and justice, the importance of *jihad* for redressing the precarious condition of Muslim societies, and the existence of interlinked fields of *jihad*, such as Palestine, Chechnya, Kashmir, Iraq, Saudi Arabia, Indonesia, and east Africa.

There is vibrant internal debate on these themes among the Islamic clergy, though the United States cannot participate in this debate. Although bin Laden is not a cleric, he has been an important player in this debate. Until bin Laden intervened, the focus of Islamic militants was the “near enemy”—their own governments rather than foreign governments. But bin Laden argued that you cannot get to the “near enemy” without attacking the “far enemy,” the United States. The emigration of Salafist preachers and teachers from the Persian Gulf and the growing worldwide presence of the Internet have reinforced this trend toward a more uniform and confrontational face to Islamic belief and practice.

Military action against al Qaeda has made some headway in eroding the organization, but at the same time, the group has regenerated. There is some misconception of what al Qaeda is: The US administration considers it to be a group that can be destroyed. Another misconception is that it is state-related, which may stem from the fact that US officials are accustomed to looking for state-sponsored terrorism because of the history of such terrorism against the US.

From an American perspective, the war on terrorism has been successful at least insofar as it has staved off renewed attacks on US territory. Of the senior al Qaeda cadre, three have been killed and at least 10 captured, but 12 are still at large. Some of these are allegedly being sheltered by Iran, including bin Laden’s son.

Despite unprecedented intelligence and law enforcement pressure on the *jihad* movement since September 11, 2001, Jihadis have been remarkably active, continuing to demonstrate a high degree of creativity, resilience, and persistence. Since September 11, they have staged, attempted, or were known to have planned nearly 20 major attacks. They have also conducted two wave attacks, demonstrating coordination between various Jihadi groups in many countries.

Al Qaeda, in particular, remains interested in acquiring chemical, biological, radiological and nuclear (CBRN) materials for weapons production. The group appears to be making progress in this domain, owing its success to the recruitment of technically skilled personnel. The group is also recruiting third-generation Muslims in Europe, as well as Christian converts to Islam, in order to thwart counter-intelligence and law enforcement efforts to identify Jihadists both within countries and at border crossings.

The Iraq war has made relations between the United States and the Islamic world worse because it validates al Qaeda's claims about the United States and the West.

Mr. B. Raman

Distinguished Fellow and Convenor, Chennai Chapter, ORF

India and United States have different understandings of al Qaeda. India considers the group to be made up just of Arabs, but to include a number of allied organizations—though at the same time these groups jealously guard their autonomy.

While a strategic triumph is nowhere in sight, the post-9/11 campaign against terrorism has seen some tactical victories for the US. But these victories have not been able to prevent serious terrorist incidents against western, Australian, Israeli, and Jewish targets and foreign interests in Karachi, Islamabad, the Northern Area of Pakistan, Bali, Mombasa, Riyadh, Casablanca, Jakarta, and Istanbul. Elements belonging to either al Qaeda or the local components of the International Islamic Front (IIF) are suspected to have carried out these strikes. Since April 2003, there have been indications that to compensate for the weakening of the command and control in al Qaeda and the IIF, the Lashkar-e-Toiba (LET) has been playing a leadership role in the orchestration of *jihadi* terrorism world-wide.

In fact, the international terrorist situation has deteriorated since the beginning of 2003 because of the resurgence of a re-grouped, re-trained and re-armed Taliban, the US involvement in Iraq, and the increased activities of al Qaeda and elements associated with it in Saudi Arabia.

Since 1993, practically all terrorist incidents in different countries of the world involving al Qaeda, the various components of the IIF, or other *jihadi* elements have had

a Pakistani connection. Some, if not all, of the perpetrators either have been Pakistani nationals or persons of Pakistani origin; have trained in Pakistan or Afghanistan (to which they had transited through Pakistan); have studied in Pakistani *madrasas*; have received funds, arms, and ammunition from State and non-State elements in Pakistan; or have taken sanctuary in Pakistan.

While ostensibly co-operating with the US against al Qaeda terrorists, Pakistan has avoided action against other *jihadi* terrorists that it has sponsored and used for its operations in Afghanistan and India. The Karzai Government in Afghanistan has complained repeatedly about the assistance the Taliban receives in Pakistan and the sanctuaries it finds there. Pakistan has consistently refused to hand over to India terrorists wanted for trial in India, and has provided sanctuaries to terrorist leaders of both Sikh and Kashmiri groups—including the leader of a criminal enterprise associated with bin Laden. In addition, Pakistan continues to support certain groups like the Harkat-ul-Mujahideen (HuM), which the United States has classified as a Foreign Terrorist Organisation (FTO), while ignoring the activities of such groups as Lashkar-e-Taiba, which are banned in Pakistan but operate under new names and which provide an infrastructure for Kashmiri terrorists operating in Pakistan. The declaration banning some of these groups has not been extended to apply to such parts of Pakistan as the Federally Administered Tribal Areas (FATA) and Pakistan-occupied-Kashmir.

Pakistan has also been reluctant to operate to contravene terrorist funding activities internally. For example, at the time that bin Laden's three Pakistani bank accounts were frozen, they had very little money in them, suggesting that there was enough time for him to move his money before Pakistan took action.

Despite General Musharraf's commitment to Richard Armitage, the US Deputy Secretary of State, that Pakistan would allow no more infiltration of trained terrorists into Jammu and Kashmir, the level of infiltration remains high. In fact, there was more infiltration in 2003 than in 2002.

As for Afghanistan, the US is making a mistake in that country, focusing on the warlords of the Northern Alliance and ignoring the warlords in the South close to Pakistan. Musharraf thinks that he is safe as long as he protects American interests, but this is a short-sighted policy.

DISCUSSION

- In the view of some participants, it is important to define terrorism, even though this is no easy task. In contrast, others felt that we all have a commonsense understanding of what terrorism is and definitions are too difficult.
- Preventing terrorism is also an important issue. But it does not appear as if poverty, for example, has been a factor in promoting terrorism, especially the global variety.
- The United States trusts General Musharraf much more than he deserves, some Indian participants argued. But American participants suggested that there is a healthy skepticism in the US about how much Gen. Musharraf can do. He is useful in the war on terrorism, but only up to a point.
- Indian concerns on the issue of General Musharraf are not always taken seriously in the US because of the perception that India complains excessively about Pakistan.
- Indian forces discovered some surface-to-air missiles in Kashmir in the 1990s, and this information was communicated to the US. However, the US did not take this into serious consideration at the time.

CONCLUSIONS AND RECOMMENDATIONS

1. While defining terrorism might have some uses, definitional problems should not hold up international cooperation on terrorism.
2. Similarly, though root causes of terrorism are important, much of the international community now accepts that no underlying cause is an excuse for terrorist attacks.
3. Pakistan's commitment to the war on terrorism remains spotty. While Pakistan has cooperated effectively in countering al Qaeda, there are questions about its continuing support for the Taliban and terrorist groups operating in Kashmir. Pakistan should be encouraged to make a fuller commitment to the war on terrorism.

4. While the US has won some impressive victories in the war on terrorism, al Qaeda remains an active threat. The Iraq situation may have worsened the American image in the Islamic world, indirectly aiding al Qaeda.

PANEL 3

PAKISTAN'S INTERNAL SECURITY AND POLITICS

SUMMARIES OF THE PRESENTATIONS

Dr. Rollie Lal

Political Scientist, The RAND Corporation

Pakistani domestic politics has always been dominated by the military. Despite several attempts by civilians to govern the country, the military has managed to manipulate the domestic political process as well as foreign policy. In the past few years, the inability of the military government to institute political institutions capable of dealing with the public, the fundamentalists, and the basic needs of the country has led to a situation of increasing political instability. This domestic instability has serious implications for the future of Pakistan as a viable state, its relations with India, and the war on terrorism.

Musharraf assured the international community that his intention was to preserve democracy in Pakistan after taking power. However, subsequent parliamentary elections did not produce a democratic government. Prime Minister Zafrullah Khan Jamali retained his position at the mercy of the Army and President Musharraf, and the President holds the authority to dismiss Parliament. Indeed, the military's dominance in politics has radicalized political debate in Pakistan. For example, to validate its massive budget, the military for decades has had to consistently emphasize the conflict in Kashmir. The chances of a dialogue between India and Pakistan would improve with a civilian, democratic government in Islamabad.

The increasingly unstable situation in Pakistan demonstrates that terrorism will continue to flourish until serious democratic reforms are undertaken there. Since the US's Operation Enduring Freedom, Taliban forces displaced from Afghanistan have found both a refuge and a place to regroup in neighbouring Pakistan. While Pakistan says it has arrested more than 500 al Qaeda and Taliban members—including several high-profile operatives such as Khalid Shaikh Mohammed—some some Pakistani militants have

continued attacks against Westerners and given support to al Qaeda, particularly in the tribal areas along the border with Afghanistan.

Historic ties between the Taliban, Pakistani militants, and Pakistan's Inter-services Intelligence (ISI), along with Pakistan's lack of effective control in the Northwest Frontier Province area bordering Afghanistan, have further complicated this situation, making interdiction efforts extremely difficult.

Poor education is one key factor contributing to the popularity of fundamentalist thought and support for militant groups. With a shortage of government schools, families often have no choice when it comes to their children's schooling, and instead send them to *madrassas*, where they are taught fundamentalist ideologies.

Because it precludes broader political expression, the constrained political environment in Pakistan also encourages the population to turn to fundamentalist Islamic parties. Al Qaeda has tried to capitalize on the frustration over political repression in Pakistan by adding its voice to those calling for President Musharraf's overthrow. Al Qaeda senior official Ayman al-Zawahiri recently released an audiotape appealing to Pakistanis to install an alternative government.

If more significant measures are not taken to help implement democracy in Pakistan and enable Musharraf's opponents to seek change peacefully, extremists may take matters into their own hands, potentially ousting Musharraf and installing an Islamic government.

The possibility of an Islamic overthrow of the current Pakistani regime will persist as long as Musharraf does not allow political participation by the moderate secular parties. Musharraf has argued that if he were to step down as President or allow free and fair elections, radical fundamentalism would follow. However, an Islamic party has never won a majority in a national election in Pakistan.

A long-term solution to systemic political instability will require Pakistan to undertake serious reforms with the support of the international community. Requiring the military to be subordinate to the civilian leadership would be a primary initiative. Establishing a democracy with checks and balances, along with an independent judiciary, would serve as the necessary political foundation for a stable country.

Indian assistance will be needed to move the process of domestic reform forward. If relations between India and Pakistan improve, the argument for military governance in Pakistan will lose its lustre. In contrast, renewed conflict between India and Pakistan would ensure that a hard-line military government stays in power in Pakistan. The international community could play an equally positive role in promoting reform by encouraging democratic norms in Pakistan, providing incentives for Musharraf to open the political arena, and urging better communication and dialogue between India and Pakistan.

Vice Admiral (Retd) K.K. Nayyar

President, ORF

To accommodate multifarious interests and aspirations, a state requires dynamic political parties, which can articulate, and more importantly, mediate differences. To sustain the democratic process, a state requires institutions like a powerful legislature, independent judiciary, watchful media, a devoted and impartial bureaucracy, and disciplined armed forces.

It is conceivable that under normal circumstances, the political process in Pakistan would have gradually matured and the power of the Pakistani army would have been kept in check. But Pakistan was not a nation when the Pakistani state was formed. During the Cold War, the help given to the Pakistani Army by the US and the Chinese sealed Pakistan's fate. The political process never really matured and consequently, the Pakistani national polity was never established.

General Musharraf picked Mir Zafarullah Jamali to be his Prime Minister, but never trusted him fully because Jamali is a civilian. As a backup plan, the General created a quasi-constitutional provision called the Legal Framework Order (LFO), which gives him the power to supersede every democratic institution in the country, including the Premiership.

The Army in Pakistan has always united against any non-military intrusion into its area of command. The MMA² could be viewed as a serious threat to General Musharraf, but it cannot stand up to the unified might of the Pakistani Army. Yet at the same time, the army is not invincible. It is continuously fighting against religious groups and civilians. A transformation will occur, but it will be in the form of a religious coup overthrowing the military. A gentle transformation is not possible.

The undoing of Pakistan is happening on other fronts as well. The increasing conflicts between the provinces over how to share natural resources and the demand in the outlying provinces for an autonomous region for Pathans could pose far more serious threats to Pakistan than India can. When the Pakistani per capita GNP falls to 20% below that of India, India will very likely face illegal migration from Pakistan as Pakistanis flow into the country, particularly into Punjab.

The recent attacks on the religious sites of the Shias in Pakistan show how continuing sectarian battles have been left to simmer and burn. The state of the economy is another disturbing consideration. Many Pakistanis no longer have any real stake in the system. As far as they are concerned, both the moderate and liberal elements have failed them. Maulana Fazlur Rahman and Qazi Hussain Ahmed's call for a truly Islamic system and Lashkar-e-Taiba's *jehadi* rhetoric find far greater resonance than General Musharraf's enlightened moderation.

The problem likely to be most intractable in Pakistan in the coming years is not the military threat from any of Pakistan's neighbours, but a declining economy and a rapidly burgeoning population. Pakistan's redemption lies in returning the Army to the barracks and letting the democratic process take root.

DISCUSSION

- There are many obstacles to nation-building in Pakistan. Islam has not been able to hold Pakistani society together. The differences and rifts between the Shia and Sunni communities are a serious challenge, as is Pakistan's treatment of Mohajirs. Ethnic issues such as the dominant role of the Punjab in politics

² A coalition of Islamic parties.

has also created strains. Last, the failure of democracy and the persistently dominant role of the Army have been serious roadblocks to building a stable polity.

- The US needs to encourage gradual changes in Pakistan, including the build-up the civilian bureaucracy and civilian jurisdiction over the police force. India and the US could move forward together by working on a common vision for Pakistan. It is important to minimize military assistance and focus on a grassroots approach to strengthen other civilian sectors and governance.
- Despite hope that a transition in Pakistan could be peaceful, it is much more likely that there will be violence and Pakistan could travel the route of Iran.
- Both India and the US have a stake in Pakistan. Both countries need to help Pakistan become more stable by improving its economy, education and health systems.

CONCLUSIONS AND RECOMMENDATIONS

1. Domestic political reforms that reinstate democratic norms in Pakistan are necessary to ensure stability.
2. The dominance of the Pakistani Army in politics has had a detrimental effect on the Pakistani polity. Institutions such as political parties, judiciary, legislature, and a free media need to be established and sustained to ensure a viable state.
3. Efforts to achieve peaceful relations between India and Pakistan support the long-term objectives of stability and democracy in Pakistan.
4. Economic stagnation poses a greater threat to Pakistan than foreign adversaries such as India.

PANEL 4

POST-WAR AFGHANISTAN

SUMMARIES OF THE PRESENTATIONS

Ambassador Satinder K.Lambah

Former Indian Ambassador to Hungary, Germany, and Russia

To understand the situation in Afghanistan today, one must keep in mind the history of US involvement in that country. The US supported the Taliban in the 1990s because it was anti-Iranian and anti-Shia. But 9/11 changed all that. In Bonn, US and Iran played a crucial role in crafting Afghanistan's future.

Pakistan is crucial to that future, both as a problem and a solution. Pakistan wants to maintain a foothold in Afghanistan, which can create difficulties. Except for during the Taliban period, Pakistan has never had good relations with Kabul.

There have been 10 negative developments in Afghanistan since 9/11:

1. The re-emergence of the Taliban. The Taliban have captured the Barmal town in Pakhtia province and have gained strength in Nangarhar, Pakhtia, Pakhtika, Helmand, Kandahar, and Zabul.
2. Continuing outside interference in Afghanistan, especially from Pakistan and its Inter-Services Intelligence. The Taliban are freely holding meetings along the Pakistan border, and are being assisted by the ISI.
3. The de-facto strengthening of the warlords, especially in the South. The promised disarmament measures are not working and most warlords are keeping their weapons and troops.
4. Kabul's inability to assert itself in provincial areas of the country.
5. The lack of quick-impact projects that can demonstrate the benefits of peace to ordinary citizens.
6. The failure to resolve the issue of Pashtun leadership.

7. The continued security focus on Kabul alone, with little attention given to the outlying areas and other provinces.
8. The increase in the production of narcotics. Despite this increase, the US appears to be downgrading this issue as a priority.
9. The failure of the promised international aid to come in.
10. Minimal progress in integrating the various security forces in the country despite some progress in building up the Afghan Army and police forces.

But there have also been important positive developments:

1. The commission drafting the Afghan constitution has finished its work. Afghanistan has been able to hold to the benchmarks of the Bonn Agreement, including the convening of the constitutional Loya Jirga.
2. The reduction in terrorism originating in the country.
3. The emergence of a younger leadership.
4. The return of the former King.
5. The establishment of a government after a gap of several years.
6. The beginnings of a political process. President Karzai has issued a decree on the formation of new political parties and there has been some movement toward that end.
7. Improvements in the position of women.
8. The re-starting of schools.
9. Improved healthcare. There are now no shortages of medicines.
10. The beginning of the reconstruction of the country. But this also depends on how much of the promised international aid actually comes in.

DISCUSSION

- The discussion compared Afghanistan with other nation-building cases, such as the former Yugoslavia, and debated similarities and differences between the varied cases. Afghanistan and Yugoslavia exhibit strong similarities, but also significant differences. Yugoslavia was a strong state destroyed because of internal divisions. Afghanistan, on the other hand, is a weak state that has been torn apart by its neighbours. The challenge in Yugoslavia was persuading the different ethnic communities to forget centuries-old differences and live together peacefully. Afghanistan did not have such troubles. Instead,

the challenge in Afghanistan has been to persuade Afghanistan's neighbours to stay out of Afghanistan's internal affairs.

- Yet, although preventing external intervention is the key to stability in Afghanistan, making Afghanistan a formally "neutral" state is not the answer because the problem is not other countries trying to make Afghanistan their ally.
- Similarly, compared with Iraq, Afghanistan is more benign and malleable. The United States has paid more attention to Iraq than Afghanistan because Iraq is economically and strategically more important.

Afghanistan is not making the news as frequently as Iraq because there are fewer casualties among the foreign troops in the country—not necessarily because there are fewer casualties in general.

- Afghanistan represents a wasted opportunity, because the aid going in to Afghanistan is not enough to make a real difference. Less investment means less output.
- There is some uncertainty about the Loya Jirga. First, there is doubt about the role of the President. There appear to be no checks and balances to contain his power. Second, the nature of the state—whether it will be Islamic or non-Islamic—is unclear.
- There is an effort underway to split the Pashtuns, and move them away from the Taliban. Bringing the Pashtuns into the government will be controversial. At the same time, the government cannot run without them.
- A serious problem in Afghanistan is that the Taliban were not completely defeated. They simply melted away to fight another day. India is concerned about the reports of a "moderate Taliban". It will be a tragedy if the Taliban return and the process undertaken in Afghanistan is not completed.
- We should focus on shaping not a moderate Taliban, but a reformed one. But even a reformed Taliban can be dangerous and their usefulness in the new

government is unclear. If a reformed Taliban fails, Afghanistan could become trifurcated.

- The US appears to have lost interest in an oil-pipeline through Afghanistan. But the US does have other interests in Afghanistan and its commitment to the country is long-term. The number of troops the United States has pledged is low and can be sustained indefinitely.
- The US does not view the Taliban in the same light as it views al Qaeda. The US sees Afghanistan as having been hijacked by al Qaeda and considers the Taliban as simply a state supporter of al Qaeda's terrorist activities.

CONCLUSIONS AND RECOMMENDATIONS

1. There has been remarkable progress in Afghanistan since 9/11 for the US, including the overthrow of the Taliban regime. But much work still remains to be done.
2. Afghanistan appears to have fallen as a priority for much of the international community. But ignoring Afghanistan at this critical juncture can be disastrous.
3. Much of the international aid that Afghanistan was promised has not been delivered. The governments should be encouraged to fulfill their commitments.
4. The US and international forces that have been deployed to protect the Karzai government should expand their security forces beyond just Kabul. Providing security to the other provinces is an urgent task.
5. Opium cultivation is re-emerging as a major problem after the fall of the Taliban. The international community, and the US in particular, need to pay greater attention to this problem.
6. The re-emergence of the Taliban in the border region between Pakistan and Afghanistan is a major threat. The group needs to be countered.
7. Although the Pashtuns need to be adequately and appropriately represented in the new Afghani government, neither the so-called reformed nor moderate Taliban may be the best representatives of Pashtun interests.
8. One of the major problems facing Afghanistan is interference by its neighbours. Afghanistan's neighbours should be asked to stop interfering in the country's internal affairs.

PANEL 5

POLITICAL TRENDS IN THE GULF REGION

SUMMARIES OF THE PRESENTATIONS

Dr. Jerrold Green

Director, International Programs & The Center for Middle East Policy, The RAND Corporation

Political violence is ubiquitous in the Middle East. September 11 is one aspect of this state of affairs. The growth of Islamic groups is a function of the development of states in the Middle East. These groups provide an avenue for expression where expression is not permitted, often being the sole means of political expression available. Most states in this region support democracy only so long as it supports the goals of the states.

Iraq has changed the direction of US foreign policy. The Bush Administration started with no real interest in the Middle East, but September 11 led the Bush Administration to think differently about the region. Liberating Iraq from Saddam Hussein was a good goal, but the idea that Iraq was key to solving the problems of the Middle East was inappropriate. Ultimately, it was a mistake to go into Iraq. But it would be more of a mistake to walk away from it.

In Saudi Arabia, the Saudis would like to appease their religious sector. Of the 18 hijackers, the fact that 15 were Saudi Arabians is significant. Many of these individuals were actually deported to other countries from Saudi Arabia. There are problems in the US-Saudi relationship, and these need to be repaired. The Saudis need to do much of this.

With regard to Iran, it is not appropriate to assert that countries do not exist, as the United States is doing. The US deals regularly with North Korea and should also deal with Iran. Neither the US nor Iran have made the moves to allow this to happen. The two countries are having difficulty understanding one another.

In the Arab-Israeli conflict, the US supports the creation of a democratic Palestinian state. It is imperative to solve the Palestinian question. Although resolution of the issue will not remove the other political problems that exist in the Middle East, it will resolve a main issue in relations between the US, Israel, and the Arab states. Israel over time has become a virtual single-party state. Both Israel and Palestine perpetuate the problems between them through their leaders.

There are several other challenges that must also be addressed in the Middle East. Counter-terrorism is an imperative for the US. Morocco, Saudi Arabia, and Turkey are all trying to deal with this challenge. Regime succession is another critical issue. While in many countries in the region, it has occurred smoothly in recent years, it is important to continue to give the issue attention, as smooth transitions are not necessarily a regular process. Development is a serious problem, and failure in leadership is common. Lastly, the proliferation of weapons of mass destruction is a concern. Iran already has a programme, and others may be pursuing WMD capabilities.

Ambassador M. Hamid Ansari

Distinguished Fellow, West and South East Asia Programme, ORF

The Persian Gulf has been an area of turbulence for more than two decades, with the epicentre in the northern Gulf. Recently, the situation in Iraq has overtaken other considerations in the region. The failure of the Coalition Provisional Authority (CPA) to establish control, inspire public confidence, rejuvenate the economy, provide jobs, and give impetus to reconstruction has aggravated matters. Questions pertaining to US intentions and capacity are being raised in government and public circles throughout the region and elsewhere.

In the aftermath of the war in Iraq, domestic stability and the possibility of externally induced de-stabilization have become a matter of concern for both Iran and Saudi Arabia. In Iran the constitutional tussle between the President and the Majlis on one side, and the conservative religious establishment on the other, has yet to reach its peak. In the meantime, civil-society initiatives and pressures continue to develop.

The perception that change is unavoidable is widespread in the Gulf region. The under-30 age group is the strongest advocate of change, desiring freedom from political

constraints. The real questions relate to the pace, content, and degree of change, and to the need to induce change within a framework of political and economic stability.

The question of Islamic norms is a troubling one for both the rulers and the ruled. After a 25-year experience with an Islamic state, Iran is now redefining the discourse. Elsewhere, Muslim scholars grappling with the problems of political legitimacy are discovering that the modern norms of “good governance” are in essence not very different from the principles of “proper governance” inscribed in their earliest traditions.

The Gulf is in India’s immediate neighbourhood, and India has vital strategic interests there. Energy security has an absolute priority, given the existing 70 percent import dependency. This dependence on the region is growing steadily. Trade with the region is approximately \$11 billion. There are more than 3 million Indians employed in the Gulf, and they send \$6 billion in remittances back into India annually.

India has friendly relations with all of the Gulf countries, including Saudi Arabia, Iran, and Iraq. Consequently, stability in the Gulf is a concern for India. Iran, for example, is pivotal to the region and India has worked out a carefully calibrated policy toward that state. Yet while India does not have a problem with the regimes in the region, it recognizes that because the political systems in these countries are stunted, political change is needed.

DISCUSSION

- India decided to normalize relations with Israel largely because the US made it possible. India also felt that it had wrongly ignored Israel, receiving little from the Arabs in return. India realized that it could have a positive exchange of information with Israel, and engage in assistance and cooperation on science and technology. Relations between the two countries have developed steadily from 1992 until now. The Israelis were helpful during the hijacking of Indian Airlines flight IC 814 and the Kargil war. However, India has not changed its stand on support to the Palestinians.

CONCLUSIONS AND RECOMMENDATIONS

1. Islamic groups and political violence often provide the only means of political expression in the countries of the Middle East.
2. The intervention in Iraq necessitates that the US remain committed to making it a viable state before withdrawing.
3. It is imperative to solve the Palestinian question. Although resolving the issue will not put an end to all of the political problems in the Middle East, it will resolve a central thorny issue in US-Israeli-Arab relations.
4. Regime succession and development are critical issues for the Gulf region, and require much greater attention from the international community than they currently receive.
5. India has vital strategic interests in the Gulf region, including energy supply and Indian workers. Maintaining warm relations with all of the Gulf countries is therefore a priority for India.

APPENDICES

A. LIST OF PARTICIPANTS

The RAND Corporation

Ambassador James F. Dobbins

Dr. Jerrold Green

Dr. Rollie Lal

Steven Simon

Observer Research Foundation

Ambassador Mohammed Hamid Ansari

Ambassador Naresh Chandra

Ambassador J.N. Dixit

Ambassador Satinder K. Lambah

General V.P.Malik, PVSM, AVSM (Retd)

R.K. Mishra

Dr Amitabh Mattoo

Vice Admiral K.K. Nayyar (Retd.)

Mr. B. Raman

Ambassador M. K Rasgotra

B. CONFERENCE AGENDA

ORF-RAND

United States-India Strategic Dialogue

December 10-11, 2003

Programme

December 10

- 9:30-10:00 AM: Coffee
- 10:00-10:15 AM: **Welcome and Introductions**
- 10:15 AM-12:30 PM: **PANEL 1**
National Security Strategies and the Future of US-India Relations
Chair: Vice Admiral (Retd) K K Nayyar
US: Amb. James Dobbins
India: Amb. Naresh Chandra
- 12:30-1:30 PM: Lunch
- 1:30-3:30 PM: **PANEL 2**
The Campaign Against Terrorism
Chair: Dr. Jerrold Green
US: Dr. Steve Simon
India: Mr. B. Raman
- 3:30-3:35 PM: Coffee
- 3:45-5:45 PM: **PANEL 3**
Pakistan's Internal Security and Politics
Chair: Gen. V.P. Malik
US: Dr. Rollie Lal
India: Adm. K.K. Nayyar

December 11

- 9:00-9:15 AM: Coffee
- 9:15-11:15 AM: **PANEL 4**
Post-War Afghanistan
Chair: Amb. James Dobbins
India: Amb. Satinder Lambah

11:15-11:30 AM:	Coffee
11:30 AM-1:15 PM:	PANEL 5 <i>Political Trends in the Gulf Region</i> Chair: Amb. J.N. Dixit US: Dr. Jerrold Green India: Amb. Hamid Ansari
1:15-1:45 PM:	Summing Up Prof. Amitabh Mattoo
1:45-2:30 PM:	Lunch

For further information on the RAND-ORF “Strategic Dialogue”, please contact:

Rollie Lal, Ph.D., Political Scientist
The RAND Corporation
1200 South Hayes Street
Arlington, VA 22202
rollie@rand.org

Brigadier Gurmeet Kanwal (Retd.) Senior Fellow
ORF Institute of Security Studies
Observer Research Foundation
20, Rouse Avenue
New Delhi – 110002, India
Phone: 91-11-30220020
E-mail: kanwal@orfonline.org

Center for Asia Pacific Policy (CAPP) Projects:

This research project was conducted under the auspices of the RAND Center for Asia-Pacific Policy (CAPP), which aims to improve public policy by providing decision makers and the public with rigorous, objective research on critical policy issues affecting Asia and US-Asia relations. CAPP is part of RAND's National Security Research Division (NSRD). NSRD conducts research and analysis for a broad range of clients including the US Department of Defense, the intelligence community, allied foreign governments, and foundations.

For more information on RAND's Center for Asia Pacific Policy, contact the Director, Nina Hachigian. She can be reached by e-mail at Nina_Hachigian@rand.org; by phone at 310-393-0411, extension 6030; or by mail at RAND, 1700 Main Street, Santa Monica, California 90407-2138. More information about RAND is available at www.rand.org.

The ORF Institute of Security Studies undertakes and promotes integrated policy-related research in politico-military, diplomatic and security issues and studies areas contiguous to India in a substantive and inclusive manner. It focuses on emerging global threats and seeks cooperative security and other alternative approaches to promote secure national, regional and global environment.