

# **CENTER FOR AMERICAN PROGRESS**

## **TURMOIL IN PAKISTAN AND AN ASSESSMENT OF U.S. POLICY**

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BRIAN KATULIS: It's a real honor to host this event today, and I really want to get right into the meat of the discussion because I think we have a lot to cover. We want to engage you in the discussion and give you an opportunity to ask some questions.

But one of the reasons why we had this event is that I think there's a strong and healthy debate about Afghanistan and what are we doing next and how's the surge doing, but given everything that's happened in Pakistan, and given I think what has been a strong focus of the Obama administration to try to shift the dynamics in Pakistan, what I thought we would do today is take a little bit of time and focus on the many issues in Pakistan and the many complicated issues.

This event, I must say, is the brainchild of my colleague Caroline Wadhams, who is, I think, watching from Kabul, Afghanistan right now on live streaming. The Center for American Progress has a couple of staffers in Afghanistan and more will be parachuting into the region as part of some of our in-depth research that we're doing on the policy dynamics and aimed at trying to shape the debate here.

But what I want to do today is first introduce the panel, kick it off with a very general set of questions about where are we right now, spend about 45 minutes in a discussion with our panelists and then open it up to you.

So, first, and in alphabetic order, we have Shuja Nawaz, who is the director of the South Asia Center at the Atlantic Council. His book, "The Crossed Swords" is essential reading, and if you have not read it yet, take a look at it, buy it, and learn something about the Pakistan security establishment. This is his 3<sup>rd</sup> panel of the day. He was at New America, I believe, and at the Atlantic Council. He's still standing. He's a man in demand and he's called upon by many people to give his advice.

Sitting to my left is Haider Mullick, who is the fellow at the U.S. Joint Special Operations University and the Institute for Social Policy and Understanding, and since last August he has conducted research informing Gen. David Petraeus at CENTCOM on Pakistan's efforts to implement counterinsurgency. And he'll talk a little bit about that and what's going on there.

And then last but not least, we are very honored to have Moeed Yusuf, South Asia advisor from USIP, who came in at the last minute yesterday and is replacing another panelist. And we're very lucky both Moeed and Haider were just in Pakistan last week. So, given the changed dynamics on the ground and the flood and everything that's happened in the last month or so, we'll benefit from their, I think, unique insights from being on the ground.

And I wanted to open it up with a very general discussion about one question: Where are we in terms of U.S. policy in Pakistan? The Obama administration placed Pakistan I think on a higher priority. They talked about changing the relationship, fostering a partnership, implemented a strategic dialogue, which we've had the latest round I think in Pakistan.

But what's your assessment, Haider? Where do things stand? What's good, what's bad and what needs to be improved?

HAIDER MULLICK: Thanks, Brian. It's my pleasure to be here. This most recent trip was my third trip in the last 10 months, and one of these trips I also had the opportunity to travel to India. This most recent trip, you know, I have been focusing on this question, and what I want to do is in my opening statement kind of break it down very briefly in the good, the bad and the ugly.

I think the good – you know, since you started with our surge, the American surge in Afghanistan, it's also very important to look at the Pakistani surge that basically started the end of spring of last year, focused on the Swat Valley and then South Waziristan. Unfortunately, now it has been suspended because of the floods.

I think that's a great success story of the U.S.-Pakistan partnership, especially the security partnership because when you look at the Pakistani Frontier Corps or the XI Corps or the Army in general, the training, the equipment, the way they were able to go in the Swat Valley, clear it, and they've been holding it for more than a year now. They've been holding South Waziristan for about 10 months – unprecedented if you look at the baseline of 2000 – operations conducted between 2002 and 2008.

I mean, this was a nuclear-armed country, predominantly Muslim country, where 80 percent of the north was under Taliban control. Now, unfortunately, one-fifth of it is under water. So it's a never-ending, sad story but it's important to look at the surge in that.

Now, there's a reason why there's also some success in the flood relief efforts in the north, primarily, again, because of the success of the Pakistani surge and the capabilities of post-conflict stabilization, specifically related to the internally displaced people there.

So, the funds that USAID, that we've been able to inject into the north have a better chance because of better absorptive capacity versus the south, specifically southern Punjab and southern Sindh, which is not very promising because they don't have that.

I think, generally speaking, the rhetoric in Washington changed with President Obama. Some would argue that it never really translated into action, but it was important to at least pinpoint that this is not a transactional relationship; this is at least a medium-term partnership.

What that actually means on the ground I haven't really seen, and my metric is very simple: the recipients, the people of Pakistan, the civilian administration, and even to the military to some degree. You have amazing coordination and common purpose on the top inside Islamabad and the general headquarters of the military but very little trickle-down. Folks don't really understand. They still see a lot of inconsistency in U.S. policy, and that's part of the bad.

The second part, of course, is the floods. Everything related to it is bad. It creates an open space for the insurgents and their, you know, affiliate groups that do some kind of relief

efforts to come in and fill that space. It creates an environment where people are like, we're sick and tired of this civilian government. We're missing some form of a military dictatorship because at least the military is more effective. It leads to massive discontent, and that's even more dangerous than any insurgency that the Pakistanis are fighting.

I think the ugly part is that if this gets really bad – I mean, you have areas in the north, most of them in effect being run by the military. The south Sindh, for example, has yet to invite the military in, but once they do and the situation in Karachi gets worse – Taliban start attacking the Karachi port; that hits our supplies – this could really spiral out of control and some form of not overt but covert military intervention could come in. And that's a wild card that we haven't really looked at. I mean, are we prepared for it? What will be our options in that kind of situation?

Southern Punjab is also one of the areas that has not been touched. So the Pakistani surge was fairly successful in the north but nothing has been done in southern Punjab, especially areas around powerful groups like Jaish-e-Muhammad, Lashkar-e-Taiba. They're training. They've, you know, built more compounds. I got extensive briefings from the ISI. They've got some assets inside these groups that are hoping to not have the same kind of situation they had in the Red Mosque – be able to stop that.

I think what's most important in all of this and that colors everything else is that there is still major lack of communication between the two countries. And the real question comes in, well, you know, we're Washington, we're the National Security Council or the State Department, DOD; we deal with our counterparts.

Well, the problem with that kind of thinking is that the military is recruited from the people. The people put a lot of pressure on the government in Islamabad, and if you can't reach the people for a long period of time, in the short run you can deal just cleanly with your counterparts in the case of Pakistan, but in the long run you have to have a very effective strategic communication, public diplomacy.

Pick your, you know, sassy terminology, but the bottom line is people need to know – a regular Pakistan should be able to answer three basic questions: Why are the Americans here? Why are we friends with the United States? What will happen if we're not friends with them? I mean, that's the bottom line. It colors everything and not just the Pakistani people and the civilian government but also a lot of people inside the Pakistani military, junior ranks.

We talked to the captains and majors. They have a very different understanding. And on the other side, the Pakistanis somehow believe that when the Americans come down, they blow up expectations, they don't make an effort to explain how Congress works, or they'll be like, we're going to give you a lot of money but it's going to come 18 months from now. They don't understand that so you almost have to kind of talk to them.

So that, I think, is the most important part. So you can – that colors almost anything that we will look at, and we need to have – move away from that, have a roadmap to making the

U.S.-Pakistan partnership – the civilian part, the military part, the economic part – transparent; have to have some straight talk with the Pakistanis.

And it's not just Washington that's at fault here; it's also Islamabad because Islamabad has made a concerted effort to hide this partnership because they want to take all the responsibility for something good that happens and they divert all the blame. So that has to – because it's just not sustainable. It's not something good that we need to do; it's just not sustainable; it's counter to our national security.

And if you're going forward, we need to look at, you know, items like the possibility of a U.S.-Pakistan nuclear deal, look at different economic pacts, trade pacts and things of that nature, and then simultaneously be talking about the short and medium term, knowing that this is a very, very volatile situation that will require constant adaptation.

MR. KATULIS: Great. That's a good, I think, jumping-off point. And, Moeed, it's the same question, in essence. The Obama administration talked about moving beyond the transactional relationship with Pakistan. Where are we in that? I think what was presented by Haider was a mixed bag and it's still very much a work in progress – based on your trip there, and you just got back there and are still suffering from the jet lag. Where do you think things are and what are the biggest red flags for you?

MOEED YUSUF: Thanks. Thanks again, Brian, and thanks for sort of inviting me to come in and talk.

Let me perhaps focus on what Haider has mentioned more in passing, and that is sort of the non-traditional security element of the Pakistan-U.S. relationship because I think one of the problems in the discourse on Pakistan is really that when we start talking about this relationship and a long-term engagement, you spend two minutes and you're back to terrorism, and I think that's really a problem for a thinker and a policy-maker who's looking to forge a long-term relationship.

As far as where we were and where we are, I think there's a net positive, if I may say, and that is on what clearly has been the priority for both sides, the engagement on terrorism. I think where we started off with the Obama administration, there was a very clear realization on two aspects, and I think those two aspects were critical:

One, goals in Afghanistan have to be modest, and that's a change from the Bush administration. And, second, that we cannot continue to hope that Pakistan's strategic paradigm will change because we feel like changing it. You have to incorporate and internalize that paradigm and try and work within that to achieve whatever sort of commonality you're going to find on Afghanistan.

And I think both of those I see happening. I know there is a lot of debate in Washington. There is still talk whether we should talk to the Taliban, the Haqqani Network, et cetera, but I think there is an in-principle understanding on both sides that ultimately the solution really has to

be political, it has to be negotiated, and Pakistan and the U.S. both have to be on board in whatever comes out of it.

And I think in terms of the endgame in Afghanistan, this is a clear positive to me. Many people disagree with this and many would want to get the maximum out of this campaign in Afghanistan, but realistically speaking, I think this is a move in the right direction.

In terms of where this partnership is and will go, let me point to, at least conceptually, two major areas where I think, again, we don't consider this enough. One is the obvious question of what is going to hold this relationship together? Is it just terrorism which is going to keep us going for the next 20 years? If so, then we are really hoping that terrorism doesn't disappear, and that's not a good way to look at it.

Or, is it going to be something broader than that? We keep on talking about this broad-based relationship but the real question – and this is perhaps the bad in Haider's the good, bad and the ugly – the real question to my mind is what is there to make this relationship broader, right? So let's look at mutual interests, which people say will keep the United States engaged with Pakistan.

And, by the way, I agree that the United States will remain engaged, but what are those things? Nuclear weapons in Pakistan? Terrorism – the threat from that? The China and India and Pakistan sort of trilateral relationship? The energy corridor perhaps, Pakistan's geostrategic location? These are the three or four things you hear all the time.

The problem here is that each one of those are built on some negativity emanating from Pakistan. Nuclear weapons; terrorists will take over. Terrorism; big problem, right? China – well, Pakistan and China borders the Indo-U.S. alliance in some ways. The energy corridor, how are we going to get there until Afghanistan is secure, until Central Asia is actually capable of transmitting this?

So, the point here is if you look at across the globe and across time, you will find that relationships that sustain themselves have positive energies combined with whatever dangers or negativities they have in them. And in Pakistan's case, the real thing that's going to hold this relationship together to my mind really is the economic aspect of this relationship; the trade, the business ventures, the investment capacity.

And there I think both sides have failed abysmally – the Obama administration and the Zardari administration – as much as the previous administrations had. Some of them of course you can't work with them. I mean, Pakistan doesn't have the kind of export potential that you would like it to have for this relationship to be bolstered to a new level.

But there are others. Pakistan has been talking about textile trade for years now. I think there hasn't been enough movement on that. That's something that can cement this relationship beyond terrorism. Pakistan's investment potential. I mean, we had all sorts of things about security but, I mean, look at countries like Sri Lanka. They managed 6 percent growth for years on end while the LTD (ph) was doing this.

So I think there is a dichotomy in the way we are thinking about Pakistan. On the one hand there is this rhetoric about broad-based. On the other hand, the real elements which are going to make this a sustainable broad-based relationship, there's not enough emphasis on either side, either in Pakistan or in the U.S.

And the great example for that, I mean really, is the floods. I mean, it didn't take the world too long after the floods to come to this question of why should we give money to these people; they're not helping us enough? There is not enough of a focus on Pakistan for Pakistan's sake. You know, there's too much of a terrorism issue, to my mind, which is overwhelming this.

And let me then go to the ugly, if you will. And to me, this is the single most important and the single biggest challenge for both sides – and I think Haider alluded to this towards the end – and that is the public diplomacy angle.

The problem in this relationship since day one – and, Haider, I disagree with you where you say that Islamabad is hiding this. I think this is a deal deliberately made by both sides that we will hide the actual relationship because we don't want our people to know what is happening. And the reason we don't do this straight talk is not a coincidence; it's really because we know that straight talk is not going to go down well with the people on both sides.

So, if you look at the press coverage of these two countries in each other's town, there is a consistent thread of negativity – Pakistan and the U.S. and U.S. and Pakistan. And there the problem – I think the understanding in the very beginning post-9/11 was as long as the two governments work together, we're fine. We can keep the people – you know, we'll give them whatever information we want to give.

With the Pakistani media where it is, with the vibrant role of the U.S. Congress, this relationship is already being taken over by the people rather than the governments, and if either government thinks that they can continue this relationship, a broad-based, long-term partnership, without bringing people on board and without getting the confidence of the people, it simply is not going to happen.

Part of the reason, the response to the floods in this country, as this: that all you hear about Pakistan is this terrorism business. I'm involved in a project on, you know, looking at U.S. options vis-à-vis Pakistan should a Times Square-type incident succeed, and what you hear again and again really is that if it happens, this relationship may rupture.

And my question really is that if this relationship is being held by such a sort of thin threat that one such event can rupture this relationship, clearly this is not heading towards a broad-based sort of partnership. And the reason for that rupture is going to be people. The U.S. Congress, responding to its constituents, and the Pakistani people, who are already very anti-American, for various reasons, good and bad and the ugly, who perhaps will take over the two governments trying to keep this relationship going.

And I've written an entire sort of piece brief on this which I think is outside, really arguing this: that if you don't bring transparency into this relationship, you're actually going to end up shooting yourself in the foot, and you're already seeing that. There are a number of things that the U.S. and Pakistani governments want to do in Pakistan but you can't, simply because there's so much public opposition.

And so I think there, if you're talking three years from now or five years from now, my final sort of concluding comment would be that you need to bring in as much transparency as possible into this relationship, and if the counter-argument is, well, if we tell people they won't let this happen, then that policy needs to change. I think that's the answer to this if you wanted to make it long term.

And, other than that, I think broadening really lies in the economic realm. I understand it's much more difficult to do but we've got to start moving on these two other keels while keeping or focus on terrorism, which I agree is clearly the single most important thing at this point.

MR. KATULIS: Great. Thanks, Moeed.

And, Shuja, what's your take on where we're at right now? And I know you've written a lot about efforts to try to boost the civilian government. And something you wrote, I think, at the end of last month in reaction to the flood – and we'll get to the flood and the full range of issues here, but something you said really struck me in one of your articles where you said, "The real risk is that the U.S.'s main partner in Pakistan, the civilian government at the center and in the provinces, may fail to deliver" and effectively provide this aid as we're trying to make this transition.

And I think it's genuine to try to shift the relationship, and we'll get into the strategic communications and public diplomacy aspects of it. What's your assessment on how we're doing? You know, the Obama administration talks broadly about smart power and investing in other types of power through the State Department and USAID, and I see Pakistan as an ultimate test case of this. What's your assessment a year and a half into this shift on how we're doing?

SHUJA NAWAZ: First of all, thank you for inviting me, and I'm glad I made it in time. I thought I would be late because of traffic, among other things.

At the Atlantic Council we issued a new document which I think may have reached your offices before I got there, which was looking at the U.S.-Pakistan relationship, and it's called "Pakistan in the Danger Zone: A Tenuous U.S.-Pakistan Relationship." That essentially captures my assessment of where things stand and agrees with what Haider and Moeed have been talking about also.

But I think the reason why it's tenuous is partly historical and partly because of weaknesses inside Pakistan's own polity. And when we tend to look at this relationship, quite often we tend to focus from the American point of view. I mean, what is it that the U.S. wants? You have to see it in terms of what is it that Pakistan wants and what Pakistan needs, and to

make sure that your rhetoric then is followed up by reality and with actions that will support a common objective.

The problem inside Pakistan has always been, in this relationship – as Moeed referred to it – the fact that the governments are hiding things from their people, or that they're doing things without taking the people into account, which takes you back into the '50s when the U.S.-Pakistan military relationship was born and yet it was being described by an assistant secretary of state as a hoax.

So, it's kind of a con game. And more recently, with President Musharraf's regime, the same words more or less were being repeated again, that the Pakistanis are playing a double game with the United States.

So there is this enormous residual suspicion and mistrust that remains that is bought out of historical experience, that the U.S. will talk the talk in terms of long-term relationships but will be unable to walk the walk because it has a shorter attention span, it has domestic considerations that are working on a very different timetable from the timetable that U.S. politics demands – you know, every two years elections for Congress, four years for the president and so on.

And they forget that memories in Pakistan tend to be much longer than they are in the United States. I mean, I've often referred to the fact that in Pakistan the word for yesterday and tomorrow is the same word – kal. Until you understand the psychology and the philosophy behind that approach to life, you really can't deal with the people of that country.

I think one has to recognize, A, that Pakistan does have a strategic location. And it's not just negatives; I think it's the positives of that strategic location. Pakistan has to be, at some point, the conduit between India and Central Asia because then the whole region is going to prosper.

It does sit on the commanding heights of the Gulf and it's not bound by the Chatal-Arab (ph) and, you know, the Straits or Hormuz or any kind of constraint. It's on the Arabian Sea, so it can offer an outlet for Central Asia, for Afghanistan, for Iran, for China and of course for Pakistan itself.

But we have to recognize that the key challenges inside Pakistan remain three parts. There's governance, there's the economy and there's the militancy. And you have to take those into account in forging this relationship, and you also have to recognize that Pakistan's demographics are a huge ticking time bomb with a median age of about 18 and a population of 180 million.

Unless they can maintain a 6 percent growth rate, they're going to be left behind. And if they're going to be left behind, there are going to be a lot of young people that are going to be jobless and that are going to be very susceptible to all kinds of messages that are now globalized and very easy to reach them with.

And then we have to recognize that there will be sudden events. The Mumbai attack was one such event. Thank god for good sense prevailing on both sides of the border in India and Pakistan. It could have been much worse, but perhaps a second such event may be even worse than a second Times Square event, so maybe Boyd (ph) can launch another project looking at that as a possibility.

The floods – nobody expected them and yet they were expected. The government's own national disaster response plan, which was set up after the earthquake of 2005, actually talked about the possibility of a flood and gives you a timeframe during which these things happened and has a very comprehensive framework for how the central government can set up a mechanism through the provincial governments to actually have things ready so that you can reach the people and help them in their hour of need, and none of that happened.

The prime minister basically signed off on it and said, we hope these ideas will be implemented, and left it to god to implement them and the people didn't do anything. They could have declared a state of emergency and did not because the government is weak at the center, didn't know that it could bring the provincial governments on board because when you have a state of emergency, the provinces have to cede powers to the center. Not only that, but it then gives much greater authority to the military too.

And so, what you have now is a de facto military running the country because that's the only way in which the relief supplies are going to get to people, and that's what people are seeing, and that's why you have all these stories now emanating out of Western media, out of Britain and other places, that perhaps a coup is in the making.

MR. KATULIS: Right.

MR. NAWAZ: I think these are sort of the danger signals that – you're talking the long term, the Kerry-Lugar bill; great idea; five years commitment, maybe a 10-year commitment; reaching the people; creating an enabling environment for them so they can order their lives and achieve growth and development and security; helping Pakistan in the fight against militancy; in FATA, giving them the equipment, which does seem to be working now.

But it took a while and they wonder, now that the endgame in Afghanistan seems to be on us, whether this is also going to be like the '50s and the '60s, that suddenly, you know, we are not the flavor of the month and the U.S. is now going to focus on Yemen –

MR. KATULIS: Yeah.

MR. NAWAZ: – or Somalia, and Pakistan will be then forgotten and Congress will say, why are we sending 1.5 billion (dollars) a year to Pakistan, you know? Couldn't we do this somewhere else and isn't the need greater somewhere else?

So it remains a tenuous relationship but I think there are possibilities in which the U.S. can help Pakistan create a much more stabler polity, create an economy that can be stabler and can actually grow, and one way is to use the strategic relationship with India that the U.S. now

has to reduce that threat in such a way from India that you achieve some normalcy in that relationship, perhaps opening with trade relations, linking India, Pakistan, Afghanistan and Central Asia, and creating growth through that mechanism, which would benefit both India and Pakistan and will certainly benefit Afghanistan.

So, I mean, I end up being positive in what's possible. The question is, are we going to be caught up in the game of timetables, whether it's July 2011 or whether it's the elections that are taking place this November in the United States that will certainly create a shift one way or the other, or whether it's the 2012 reelection campaign that will affect this direction.

I think Moeed is right. You have to take into account what the people of Pakistan want, and if they see the U.S. as helping them, as they do now during the floods – they see the Pakistan army and they see the U.S. military working side by side. If that can be translated into much longer-term relationships, then if they can also be translated into a relationship that is not confined to one individual or an institution, whether it's the civil or the military, then the people of Pakistan will look at the U.S. much more positively.

I go back to the famous polls – you know, the recent polls which indicate that 64 percent of Pakistanis would like to have a better relationship with the U.S., and I think that's the group that we should be aiming ourselves at, not at the minority that want to leverage opposition to the U.S. as a way of getting into power in Pakistan.

MR. KATULIS: Good. Thank you. And you mentioned India, and it's a question I wanted to get back to and bring to the security situation and maybe ask Haider. There was a recent ISI assessment that stated that the militant groups in Pakistan were a greater threat to the Pakistani state than India. Do you see this as a genuine reorientation? I take from your comments the answer is yes, that there has been a surge, but I want to delve into it and maybe tie the issue of how the military is used not only in response to the insurgency but also the flood, and tie it back to the broader effort to reform the civilian agency.

But do you see this – first question – as a genuine shift in the threat perception and is it real, because I think this is a key question people at the White House and in the U.S. are really wondering. Has the leopard changed its spots, in a sense?

MR. MULLICK: I think what's important is to look at the last 18 months – and, again, my baseline is from 2002 to 2008 where the ISI did a phenomenal job going after al-Qaida – degraded it, dismantled it almost. There's a reason why we feel so comfortable about al-Qaida proper. What they didn't do is go after the other groups.

So the shift is real. It doesn't go far enough when it comes to what we would like, what the United States would like. And a little bit of history is very important. Gen. Kayani was a former head of the ISI. He comes into office; he realizes that the country is losing the war. He sets up a commission. There are different generals that are told to look at training reform, education reform, intelligence reform, military intelligence, ISI, FIA, intelligence bureau.

It doesn't go far enough. There are limitations – limitations as far as resources are concerned. A lot of people are fired. The ISI alumni network is a real problem – people that were fired but the state just does not have enough resources to have 24/7 surveillance for these people. Many of them became contractors and consultants to groups like al-Qaida, were paid really well and have been traveling. These are the really dangerous folks there.

But as far as ISI proper, major reforms did take place, especially under Gen. Shuja Pasha, and I think more than anything else it was the fundamental mission of the ISI where the former proxies – some of the former proxies were now put on the enemy list.

For example, you look at al-Qaida was the only enemy, and then Pakistani Taliban was put into that list after all. Many of the groups that I talk about – Lashkar-e-Taiba, Jaish-e-Muhammad – are not monolithic. They've got splinter groups. Many of those splinter groups were put in. Some of the Afghan Taliban, including a Quetta Shura brother, was a good example.

So the shift did happen. I think the shift is real. I think we had a lot to do with it as far as pushing for it and providing better equipment, communication gear, and then really working with the ISI in FATA, then had to work very closely with military intelligence and the Frontier Corps. But they have a long way to go and they frankly need to put more bad guys on the list.

Their argument is, we can only do so much; we're already overstretched. After the floods, everything is up in the air. So we're hoping that at least the shift that they did make 18 months ago, they're going to sustain that and slowly be able to go after the other groups.

MR. KATULIS: Yeah, and this question – Moeed and Shuja, think about it – how do we actually, from a U.S. policy perspective, when you look at the crisis of the insurgency – and it has claimed thousands of lives in Pakistan – and you look at the floods and you see the institutions that work most effectively are the military institutions, how do you, from a U.S. policy perspective – if your goal in the long run is to boost civilian governance, how do you implement the response to these urgent emergency situations without doing business the same way that we've done business for decades in Pakistan, in that non-transparent way in the backroom deals?

And I'm not implying necessarily that's what we're attempting to do right now, but there seems to be a path dependency in times of crisis to rely on the institutions that have, to at least some extent, provided some results, as Haider has talked about with the surge and other things. What do we need to do? What recommendation would you provide to make sure that there is some sort of balance there?

MR. YUSUF: Well, I think this is actually a very, very serious dilemma for the U.S, and I wouldn't want to be in President Obama's shoes on this simply because there is a reality that history tells us, if you don't allow the civilian government space, democracy in Pakistan does not flourish; you go with the dictatorships, and time and again it fails and there is a lot of sort of negative perception that develops in Pakistan for the U.S.

At the same time, realistically the military is the institution that is functioning better than all others, so if you've got to get work done, as they would say in the jargon, well, then, you know, you go to the military. And a lot of that – frankly, the mil-to-mil relationship that we talk about, partly the reason is it is so strong is that the other limb is so weak, which is the civilian government.

So, a lot of the things that you would ordinarily go to the civilian government for in other countries you still end up going to the military. With the floods it's the same thing. I mean, the military is the most efficient.

And I think there is another dimension of that which is that the Pakistani people are also used to seeing their military out and about doing relief after such sort of devastation and not the civilian government, you know, so the credibility of the civilians goes down even further.

So I think this is a very serious dilemma. I don't think there is any neat way of separating what you do with the military versus what you do with the civilians. The only realistic way, to my mind, from a policy perspective, is to work with the civilians on every single thing needed to prop them up further while also approaching the military to do whatever is required in the short term. I think part of the problem in the past has been we've done an either/or thing –

MR. KATULIS: Right.

MR. YUSUF: – and here it has to be both, and both together, although this is easier said than done.

MR. KATULIS: Shuja, it's not an either/or thing. What is our leverage, from – this is a question I hear from U.S. officials all the time, and very senior ones who have to engage regularly with Pakistan. What do you think is our most important leverage? I think we've had the carrot of Kerry-Lugar and trying to send a signal. We've heard some sticks, especially after the Times Square bombing attempt. What do you see as our most important leverage, from a U.S. policy perspective?

MR. NAWAZ: Brian, I am personally very allergic to the use of the words “carrots” and “sticks.”

MR. KATULIS: Yeah.

MR. NAWAZ: Unfortunately, in Washington it seems to be almost a de rigeur way of dealing with friends. You don't deal with friends with carrots and sticks. You deal with friends on the basis of mutual self-interest and common interests, and you need to recognize what Pakistan's interests are and work within those interests. And so, Pakistan's interests are to have a stable polity, to have a civilian system that works, and to have a military system that continues to work, and to have a reasonable balance between the two.

After all, you're trying to change something that has been around for 63 years, most of which the military or quasi-military role in Pakistan has eviscerated the civilian system, the

bureaucracy, and the political parties themselves have morphed into money-grubbing machines – I mean, family businesses rather than political systems that would give them a direct source of support from the people of Pakistan. And they have shot themselves in the foot repeatedly.

Now, the reality on the ground, based on my own recent travels to Pakistan and talking with people in the military across the country is that the military does not appear interested in coming back into a political path but they certainly do understand the importance of their role and they're not going to relinquish that role in making sure that the system doesn't go off track.

Which means that relationships with India on the Kashmir issue, the nuclear issue, and Afghanistan, these are the three foreign policy issues or defense issues on which the military will continue to play a role until the point that the civilians show, A, an interest, and, B, an ability to have a dialogue with the military on these issues and be able to show them that they are able to make decisions by bringing the military in and directing them in the best way possible so that they're all on the same page.

Unfortunately, even in the fight against militancy – and there, there has been a huge shift within the Pakistan army from conventional to irregular warfare. You know, they still call it low-intensity conflict and not counterinsurgency, but it's the same thing.

And I don't know how accurate that report was about the ISI, but regardless, I think the immediate threat is the internal militancy, and that is the way it's seen by the military. India remains a hostile presence and a very large, looming presence.

Until that situation changes and India is in a position of showing what my friend Peter Jones at the University of Ottawa calls "strategic altruism," Pakistan will continue to be on guard on the eastern border and the military will continue to look over its shoulder even while it's concentrating on the militancy inside.

So, what are the options for the U.S.? I think the options are very clearly to have a dialogue with both the civilians and the military and to help strengthen the role of the civilians in fighting the militancy.

I should point out that in the recent past, the civilians lost a great opportunity because you can't have a counterinsurgency without a counterterror operation, and they have to work hand in hand. But, you know, over the years the military has established its own counterterror operations. The ISI has, in each of the provinces, its own brigadiers. And then you have the military intelligence with its own presence in all the provinces.

And the civilians really had almost none, and they decided to set up a counterterrorism agency in the Ministry of Interior and the minister of interior, for whatever reason, made sure that it didn't get any oxygen. And so, the person responsible for it, after a year or two or trying, basically quit, and so that's not available now.

And so, you don't have that very important partner that the military needs where you can get information and intelligence at the police level, at the tasil (ph) and the district level, and

work with the military to get hold of the militancy and snuff it out before it becomes a huge national threat.

So, it's important to convince the civilians that they have a responsibility to their own country and that you are willing to help them fulfill that responsibility the same way that you are willing to help the Pakistan military fulfill its responsibility.

MR. KATULIS: Great.

MR. NAWAZ: But it has to be Pakistan-centric and not U.S.-centric.

MR. KATULIS: Yeah.

I'm going to open it up in a second to questions, but one last question to all three of you, and as the Obama administration heads into its review for the fall, and I think in some of the discussions I've had with people in the administration, they want more focus on Pakistan, and there's some concern that maybe even the portfolio is over-invested in Afghanistan.

If you had one recommendation on a policy front of what needs to be done differently in Pakistan, what would it be? Because if I, you know, collectively take your judgments about where we are right now, it's very much a work in progress. There's been some steps forward but the relationship is still very tenuous and it's on a thread.

What is the number-one recommendation that you would offer to make this shift, to deepen the relationship and to put it on more solid footing at this stage? Who wants to go first?

MR. NAWAZ: I can give you a very short phrase as an answer, and that is stay the course. I think the U.S. has the makings of a very sustainable policy. The U.S. Congress, on a bipartisan basis, has supported a longer-term relationship with Pakistan, recognizing its strategic importance to the region without taking away from relationships with Afghanistan or India, that Pakistan can play a role in the region and should play a role in the region.

And I think the current administration has spoken directly about the need to connect with the people of Pakistan. The president's West Point speech actually had two paragraphs which I thought were critical, one addressing the people of Afghanistan and the other directly addressing the people of Pakistan: We are not going to leave you, we are not going to abandon you; we are going to be there.

So, my suggestion would be stay the course and don't be sidetracked by bumps that will – you know, you're going to hit on this road –

MR. KATULIS: Yeah.

MR. NAWAZ: – and there will be stuff coming out of left field. Just get over it and just stay the course. And if people in Pakistan see the U.S. staying the course, that's 64 percent that want a longer-term relationship with the United States and an improved relationship with the

U.S. will be strengthened in that view, and they're not going to be displaced by the 20 or 30 percent, you know, or even less fringe elements –

MR. KATULIS: Right.

MR. NAWAZ: – that are saying that the U.S. is the enemy and that, you know, we should try and break ties with the U.S. and go our own way.

MR. KATULIS: Okay. Haider? Moeed?

MR. MULLICK: I will have to respectfully disagree. I think I wouldn't say stay the course – before the floods maybe, not after. I think the last 30 days have dramatically changed the situation.

The biggest gamble that Congress and President Obama financed and supported was of course Kerry-Lugar. That is, in effect, a relief fund now. There is no Kerry-Lugar the way it was written. All those funds are moving fast and with the country – you know, most of the country in the south and the north devastated, that's where the money is going to go. So, A, you need a new big package, just sheer number of things that need to be fixed.

The second thing is it cannot – it's not sustainable if the people are not on board. So, an invisible policy is a counter-productive policy in the long term. Here we are nine years into it, in the most important war after 9/11, Pakistan – not Iraq, not Afghanistan. I've always believed this is our vital interest, with nuclear weapons, very strategic.

So, A, you have to almost double that amount of money that's going in, but more than that you have to have better monitoring. And if you give – the gamble was that – the Kerry-Lugar was the insurance policy for Pakistan civilian government. They've never had it. We've never supported a civilian government in Pakistan since 1947. The first time we ever gave this much money to a civilian government was with Kerry Lugar.

The insurance policy was as follows: We're going to put very stringent words in it to deter a military coup. Now you have a situation where people don't care, where the military is running out of time. You have about six months for this civilian government to really turn the page and it's highly unlikely. That gamble did not work. It's been diverted into relief funds.

A, you need to expand that pool of money. B, you need to also have a longer-term, more secure – a package for the Pakistani military that makes it even more secure, so almost kind of a competing military version of the Kerry-Lugar, and then have to admit the fact that we do have political leverage inside Islamabad and try to work with – help – Pakistan-led, obviously, but help the process of a civilian – civil-military kind of a hybrid disposition over there so that they can, you know, create a baseline and say, you know, 10 years from now eventually the power will tilt from the military to the civilians.

What we did with Kerry-Lugar – again, we wanted overnight results. We had a country that's been pretty much controlled, directly or indirectly, by the military – most effective

institution, least corrupt, the institution we go to to get things done. Overnight, we thought, we going to give this insurance policy and have the civilians out there and then they'll start delivering.

Not only did the not deliver, but this terrible flood has really, really – and I don't blame them at all. I mean, if this was the natural process of democratization – everybody likes that little space. You go, you fail, you're voted out, then you're voted – a new party is voted – we cannot afford that with Pakistan.

They have nuclear weapons, okay? That's the place where the next 9/11 could be planned. We just don't have that kind of leeway when it comes to Pakistan. So we have to admit the fact that we have political leverage, push both sides – civilians and the military – to come up with a disposition that we will then handsomely support.

So I think that's the fundamental difference the morning after the November elections, that the Congress has to come in and tell the president they need to change course.

MR. KATULIS: Moeed?

MR. YUSUF: Let me, with your indulgence, disagree with both, respectfully.

MR. KATULIS: Great. (Laughter.) We like debate here.

MR. YUSUF: I would disagree with this idea of staying the course. I mean, I think the finish line should be the same, which is keeping good relations and a broad-based partnership with Pakistan for 30 years, but if we stay the course we are going, it's a crash course. So I think we need to recalibrate what we are doing.

I'll say five things, if you really want, you know, words. One is more transparency, and I think all three of us agree on that to some extent. That has to happen.

Second, where I would disagree with Haider, I am not ever comfortable with this paranoia that exists in this town about Pakistan. You wake up in the morning, check the map. Is Pakistan there or not? It's not going anywhere. And I think this has been counterproductive because the Pakistani government, both Musharraf and the present one, have used this to tell Washington, look, if you don't support us in everything, good and bad, this country is going. It's not going anywhere.

And what this paranoia does to us is that it forces us to micromanage Pakistan; you know, to go there 20 times a year and figure out, is everything okay? Yes, things are bad, but we also need to realize that we in Washington simply don't have the capacity to micromanage a country of 180 million. We've never done it successfully and we won't be able to do it with this country.

So I think there has to be a balance between keeping a check, keeping accountability, and also giving that space for mistakes and failure. I think there is space. I think this idea that they have nuclear weapons and thus tomorrow there's a launch, I'm not so sure about that.

Then I think you need to be sure, as I think Mr. Nawaz has also said, that we have to play within the Pakistani interests – the paradigm of the Pakistani interests.

MR. KATULIS: Yeah.

MR. YUSUF: Those interests are not going to change. Yes, you have a story that India is not as important. That's only because something else has become much more important, but that doesn't mean India has become any less important for Pakistan, I think, in the long run. So I think we have to be careful. Whatever Pakistan's interests are, policies have to be made within those interests. Otherwise you will keep on getting this double-game rhetoric that comes out.

And, finally, I'll repeat what I said earlier. If you want this relationship to be broad-based and long term, the economic aspect of this relationship has to increase multifold. That's really where you're going to make it long term. And when we say that, you know, Pakistanis are not sure that this relationship is going to last over the longer run, my question really to people in Washington is, is there anybody here who's sure? And if you're not, then how can the Pakistanis be sure? So I think that's what we need to work on.

MR. KATULIS: Great.

MR. NAWAZ: I should leap in –

MR. KATULIS: Sure.

MR. NAWAZ: – to correct what is obviously a misunderstanding of what I meant when I said stay the course.

MR. KATULIS: Stay the course, yes.

MR. NAWAZ: I am taking a strategic view and not a tactical view.

MR. KATULIS: Right.

MR. NAWAZ: So it's not a question of the current mix of policies or the program; it's having a longer-term relationship which is seen as longer term.

MR. KATULIS: Right.

MR. NAWAZ: Within that, I'm already on record at the very outset the day the floods occurred as stating categorically that the Kerry-Lugar bill needs to be completely reshaped. And I have suggested on the record that the Kerry-Lugar money be frontloaded so that it's not going to be trickling out at 1.5 billion (dollars) a year –

MR. KATULIS: Right.

MR. NAWAZ: – but 7.5 billion (dollars) in the first two years perhaps, in a manner in which it reaches the rehabilitation, reconstruction efforts very rapidly. I think that's the kind of tactical part of the longer-term strategy.

But staying the course means that the U.S. is seen as being committed to Pakistan as a partner in the region. Until and unless that realization takes hold inside Pakistan, you will find any number of small events that will derail this relationship.

MR. KATULIS: Yeah.

MR. YUSUF: Let me also add perhaps just the final word, which is that while that is true – and I would, you know, say the same thing and I've said it, let's not also, again, raise expectations on the other end because we may want this but there are a number of folks on the Hill, and I've talked to them, who would take exception to this fact that Kerry-Lugar is now going to become a flood relief sort of effort.

That wasn't the intention. I think they'll have to fight a very long battle before this becomes that. And if you're going to tell the Pakistanis, hey, wait a second; this is now going to come to you next year, you're going to have another problem.

MR. KATULIS: Yeah, and the whole issue of strategic communications and public diplomacy that you talked about and managing expectations – I remember one of my earlier trips to Pakistan; people talked about Biden-Lugar –

MR. YUSUF: Yeah.

MR. KATULIS: – and assumed that the money was already approved. And how it was portrayed, I think, in the Pakistani media, they assumed that it was there, and then when they didn't see results – and now they saw – I think just this summer was the first time that Secretary Clinton, after all of this long slog and haul that our friends at the Senate Foreign Relations Committee and in the House had in getting this through, Secretary Clinton announcing the first tranche of projects just this summer. So it takes some time in communicating that – I think is a major challenge.

We're going to open it up to questions, and we've got a little under a half an hour. I'd like to give, you know, the privilege to anybody from the media first, if there's anyone from the media that wants to ask a question. And if not, we'll move more broadly.

When you raise your – raise your hand if you have a question. State your name, and if you have an affiliation, share it with us, and then please do ask a question rather than a statement. So, any questions? Here we go.

Q: Hi, I'm Adam Elkus (sp). I'm a grad student at the Georgetown School of Foreign Service. A question to Mr. Mullick. You mentioned earlier the problem of logistics in Karachi. My question is, is there a current or potential as in future-oriented danger to NATO's strategic logistics through Pakistan right now? Thank you.

MR. MULLICK: Yeah, there has always been, you know, some danger and you've always – you know, you hear news stories about a couple of trucks being hit, you know, supply trucks or the Taliban attacked a strategic place on a road. What I was talking about was something bigger than that.

I was in Karachi last week. Not only was I looking at the devastation in Quetta and Sindh but also inside Karachi where you have this very, very difficult situation with various political parties, and there's an ethnic tension, there's the Pashtuns, the Muhajirs, and then you also have the infiltration of the Taliban. And if you're a smart insurgent, you want to open another front, and the best thing you can do is really go for the jugular, which is the Karachi port or other places.

So, talking to not only folks over there but also intelligence people, there are many reports coming in in the ISI and FIA that are looking at, you know, the potential of an attack like that. That just has an amazing effect because you have to divert a lot of resources. The military is already overstretched. About 77,000 troops have – some of them have been moved from the 147,000, which is part of the 2009 Pakistani surge, and then they're doing all kinds of relief efforts.

And there is a real push because the main force over there, the paramilitary forces, are the Rangers, and once they declare that we can't control this anymore, you have to come in, that would be a real problem and that could lead to – but, generally speaking, the Pakistanis had a very, very good success rate of, you know, keeping the supply lines open. I think there is a 0.01 percent attrition or something of that nature. So, overall they're doing a very good job keeping the supply lines open.

MR. KATULIS: Great. Next question? Right here.

Q: Hi, my name – hi, can everyone hear me? My name is Sapna Zadium (ph), the corporate security at Deutsche Bank. I was wondering, with regard to the issue of transparency and the need to move – well, presumably the need to move towards a civilian government that represents the people more than closed conversations, whether it's the military or another arm of the government.

Where are political parties right now in Pakistan? And I don't just mean like the MQM and AMP and the Karachis, Haider, you're alluding to with regard to the targeted killings, but are the parties and their apparatus respectively, on a national scale, in a position to look at the interests of their constituency and then come together and represent that in a cohesive way when they're making policies, whether it's not just the terrorism but floods, as you guys have discussed already too, and then foreign policy and the relations of countries like the United States?

MR. KATULIS: It's a great question. Who wants to take it?

MR. MULLICK: It's a real enigma. You know, you would think you're a politically elected party like, say, MQM, AMP or PPP and Sindh – and I'm traveling there and I can't see a single elected official. Everybody is screaming at me and they're like, you know, we've got the army here; they're helping us. We've got these big flour bags with the American flag. We've got these cooking oil with the American flag. We really don't care.

I was like, aren't you, like, anti-American? How do you feel? He's like, right now I just want to eat. And that's when you have – you know, history gives you very few moments when you can literally reboot the entire relationship. This is one of those times when you can do that. When a regular Pakistani says that to you, you know that this is a golden opportunity.

When you look at these political parties, that's the enigma because you would expect them to be everywhere. Now, they would say, hey, you know, the military is working for us; the military is under the civilian government, you know, quote, unquote, "in theory," but the military does an amazing job by, you know, distancing themselves. They have their own photo shoots. They have their own PR. They have their own TV programs and they don't want to do anything with the civilians.

The civilians say, hey, we're already there; we don't have to physically be there, to show up. But you would expect more Pakistanis politicians to be going there. And I just saw a very fraction of that. All I saw was colonels, lieutenant colonels, a major pulling people out, amazing war stories – you know, stories of survival but all related to the military, even less so as far as, you know, law enforcement agencies and others.

So, I don't understand that. I mean, you would expect the politicians to be there so that they could get votes and they don't get voted out. So, if, like, eight months from now there's a possibility of a military coup that leads the people to, you know, remember that these people came and we don't want a military coup, but unfortunately I just didn't see enough, and I was just really surprised. It's almost they're asking for this kind of failure. It's a self-fulfilling prophecy.

And this Pakistani yin-yang of dictatorships and democracy, you just have to understand this is not new. I mean, we'll be talking about this 10 years from now. And, in fact, the joke is you can actually predict the next coup because it's usually – you know, it's in certain time periods. It's been happening since 1947. So, it's a real enigma: Why weren't they there?

And as far as the political parties having that kind of a national platform where they can sit down and discuss this in a national security council, like Shuja Nawaz has said so many times, there is no national security council. The last national security advisor is a good friend of both of us, and after he was fired, I mean, they never really set it up afterwards, so nobody really sat down.

I went to the National Disaster Management Authority – which, by the way, has four other groups that are involved with it. They all start with National Disaster Council, National Disaster All Parties (ph) Council. All you've got to do is open – you know, go there and talk to them. There are five different groups. They're not talking to each other. None of them – five of

them don't even exist. One of them that does exist is, again, subservient to the military when they actually have to implement this.

The politicians are nowhere to be seen. People are watching that. They're asking all these questions. You look at all the media and that's what you see. So they're almost asking for at least a covert form of military influence that will displace this current political situation.

MR. KATULIS: Do you gentlemen agree, and what are medium- to longer-term implications for the politics of Pakistan on this, because it's obviously such a bread-and-butter issue? And earlier today I had some provincial-level officials from Pakistan visiting me, and I actually heard from somebody who's from Southern Punjab – represents Southern Punjab complaining to me about how another party was taking credit and then also not allowing assistance to come to his part of the province.

And that, to me – and we've seen, you know, tensions already in the media between different towns, but – I know it's hard to predict but this has got to have seismic implications beyond the point that you're making of demonstrating the ineffectiveness of civilian politicians or the civilian government.

MR. YUSUF: I think, one, it's quite difficult to go below zero in terms of credibility, and the civilian government was pretty close to it if not already there. So I'm not sure how much this really does. Yes, the army gains a bit more in terms of its image. It's been in an image-building role since Gen. Kayani took over.

So, I mean, that part I think I completely agree with, with, you know, just the disclaimer that let's envision a perfect scenario where you had a very capable civilian government. What would they have done differently? If it's about their representatives sitting there and taking, you know, pictures of themselves, yes. But let's face it; it's the army that does it in every crisis in Pakistan and they're out there again.

This is not to say the civilians shouldn't be, but I think the civilians have a point when they say that, well, the army is there. This is not some other country's army. It is our army and we sort of directed them to go out and do this.

That said, in terms of the longer-term implications, I think this is one more nail in the coffin. This is not the last one by any means. I think the parameters that are stopping the army or any other political party from doing anything extra-constitutional very much remain there.

And so, I don't see, you know, this government sort of disappearing because of this or something, but, yes, they haven't won any sort of brownie points for themselves by doing this, and perhaps there could have been a greater showing. But let's also be careful not, ourselves, while talking about, you know, making the civilians stronger, look at this civil-military divide as if this military comes from some other country.

MR. KATULIS: Right.

MR. YUSUF: I mean, it's their military so they can use it.

MR. KATULIS: Yeah. Shuja, do you have anything?

MR. NAWAZ: Well, I think we have to recognize that the political parties are run as family businesses and that there still is very much kind of a vestige of the old feudal system, even though the demographics of Pakistan are now shifting in favor of the cities. So that, if and when the next census does take place and it's implemented in redrawing the constituencies for parliament will shift power to the cities. That will certainly affect the way people are thinking.

Already, military recruitment has a much higher urbanization rate than the country's urbanization rate, which means that there will be a convergence of the political trends and the recruitment within the military from the same areas. Already much more military is being recruited from Central and Southern Punjab than from the northern tiers of the Punjab, which was the traditional recruitment ground, the so-called marginal districts.

So, all these trends point in the direction of the possibility of some new political establishment emerging, an establishment that is city-based that will recognize that it needs to serve the people in order to be reelected. It doesn't necessarily have to buy people because it has a religious seat or that it has money and will be able to rely on their support.

To add to the anecdotes from somebody who was in the Mushara (ph) Jarsadan (ph) Mardan area, the provincial government just disappeared. They told the people to call us if you need help. First of all they told them that the waters will come and go, so you don't have to worry about it. And then when the waters continued to rise, they said, if there's a problem, call us. And when the people called, they took their phones off the hook.

MR. KATULIS: That didn't happen here in this country. (Laughter.)

MR. NAWAZ: Right. And it was the military that arrived.

But I agree entirely. I think that you can't differentiate between the military and the civilians because they're all from the same stock, and if the culture of entitlement that has destroyed the political system were confined only to the civil, I would say, yes, solve that problem, but that, because of extensive military rule, has also permeated the military.

So they have to be careful at some point people don't turn around and say, you're no different.

MR. KATULIS: Yeah.

MR. NAWAZ: That's why I think there is a very clear desire on their part to distance themselves from the absence of the civilians at a time when people need them.

MR. KATULIS: Good.

Next question, in the back.

Q: My name is Nora Siam (ph) and I'm working for Institute for Multi-Track Diplomacy. My question is, how does the flood affect the insurgent group in Pakistan, and do you think they will give them – (unintelligible) – in their communities if they manage to provide basic human needs or not? Thanks.

MR. KATULIS: Who wants to take that?

MR. MULLICK: We have to be very careful. There are a lot of religious groups or NGOs that are doing phenomenal work. UMA Foundation is one. Islamic Trust is another one. They have nothing to do with groups, you know, like Lashkar-e-Taiba, Jamaat-ud-Dawa and others.

There are, however, groups that do provide high-impact support at a very critical time. I'll give a very good example in north Shera. North Shera, the lieutenant colonel in charge of all relief efforts runs his shop in a very organized way. That always leads to – any broad bureaucracy leads to organizational lags, and that means that there is a process, things have to be accounted for, food, medical supplies, and then a process has to be established.

If you are part of a small group, you know, like Jamaat-ud-Dawa and their group, you're going to cook the food and you're going to go and deliver it right away. So, they're the first ones on the spot, but they're not necessarily bringing a lot of supplies, so they soon run out when the competition comes in, when the military comes in. They will not be able to compete.

But during that time, they always have to keep the critical base alive for that particular insurgent group, for recruitment, for fundraising and other issues. So there are places where this has happened. The Pakistani military, to be fair to them and to be fair to the National Disaster Management Authority, did learn their lessons from the 2005 earthquake and were able to react in a much faster way, especially in the north – A, because of the 2005 earthquake, and, B, because of the success of the post-conflict stabilization that took place in 2009. A lot of capacity was built to take care of these things.

And then floods come every year to Pakistan, never to this degree, obviously. So there's always a system that's there, so they were able to do that. So I think we have to be very careful about the impact of Islamist groups but – some of them have taken advantage of that. And as the military is overstretched and fewer areas are in their effective control, you can see these groups expanding their control and really taking advantage of that space.

MR. YUSUF: Brian, let me just add a one-liner, which is that much of this debate started after the 2005 earthquake where we saw these organizations very active, you know, in the north and doing what they were.

One, the geographical area, especially Southern Punjab and others, you're talking of different organizations this time. And, second, the real reason why you got so many quote,

unquote “recruits” or sort of willing partners was the number of deaths in the earthquake, which was upwards of 77,000.

So you were left with hundreds and hundreds of orphans who were then either forcibly recruited or put in madrasahs or whatever by these people before the government and the military could come in and – you know, then they had to come up with a law saying nobody can sort of adopt children, et cetera because they figured out what was happening.

This time the death count thankfully is very low – I mean, not very low, I’m sorry, but, you know, relatively it’s upwards of 2,000, which means that that problem is not there. And so it’s a lesser concern, but I agree with Haider that it’s not completely a non-issue.

MR. NAWAZ: I think it is a concern but it shouldn’t be exaggerated.

MR. KATULIS: Right.

MR. NAWAZ: And I should go back to an earlier question which you’d raised about the civilian capacity that the civilians did have when they had a bureaucracy in place before various political parties and various military governments eviscerated the bureaucracy. They had the same kind of standard operating procedures for disasters and particularly floods, because it’s a common occurrence in our part of the world, that the military has.

The military has SOPs for coming out in aid of civil power. When the civilians say, we need help because of a disaster, or we need help because a security situation has developed, the military has a very set procedure and they follow the procedures, and they have all the rules laid out so they know and they practice for those.

The civilians also did until – over a period of time, those capacities have been reduced to almost nothing. I was speaking to a senior civil servant, retired now, who remembers being in charge of her district in (Shalikota ?). And the flood warning came because you can get flood warnings with a good eight to 10 hours of advanced notice because the water is coming from Kashmir and you can almost see the wave.

And he was woken up at 3 (o’clock) in the morning by his people and they said, we’ve received a flood warning. And so it was his first posting as an additional district magistrate in charge of this area. And he said, well, what do we do? And they said, you go back to sleep. We’ll wake you in the morning and we’ll tell you where everything is at and we’ve got a whole system. And at that time, (Shalikota ?) had a population of about 3 million in that area. And every one, all 3 million were evacuated before the waters hit. There was no problem in the next morning. Now, of course, their demographic problems have increased on the one hand.

And then the civilian capacity has been denuded so much that you will now be dealing with 15 million people and how do you move them? And you would be dealing with the civilian bureaucracy that doesn’t have those SOPs any longer because you don’t have the people that have gone through that training. You have political appointees and favoritism, cronyism at work.

MR. MULLICK: I want to jump in. It's a very, very critical point that Shuja brought in. It also – the civilian – the lack of civilian capacity to deal with these things directly hurts U.S. interests. In Nowshera, for example, within 72 hours, USAID provided two huge water filtration plants. They were given to the military and the military was told to deliver it to the DCO, the district commissioner.

And they did, with, of course, an added note that by the way, you'll need a bunch of folks to actually run this thing and we will volunteer. And I was there 32 days later. And I went to, I think, six different camps and was all over Nowshera and we could not find them anywhere. And so here is great intention, great USAID and the Office of Disaster, I think, OFDA, yeah, who would jump – just the way the helicopters came within 72 hours.

It took, I think, 20 days for the Pakistani media to even notice that. They were just waiting for the Saudi plane to come. One C-130 came. They gave them three hours of video coverage when I don't know how many C-130s had come where Marines were saving upwards towards 1500 people every 10 hours in Kalam and Swat.

I mean the amazing stories, just completely forgotten, nobody was – so it hurts us when we want to do the right thing, we've got the intention, but we go to the wrong partner and the partner does not A, we're wrong for not monitoring. We should have a better metric system. B, that you know, it doesn't deliver, so you don't see that.

All I saw was the small, blue little kind of like these boxes that you can put a tablet and you can, you know, clear the water. And with the Islamic charities written on top, a gift from us, versus when we needed – we needed a big, you know, recognition for what we were doing. So I mean, you know –

MR. KATULIS: This is a key –

MR. NAWAZ: I may say, though, I did see quite a few things saying AID on them, not –

MR. MULLICK: In Nowshera?

MR. NAWAZ: Not filtration plants, but across the country. So maybe we are improving in that.

MR. KATULIS: I wanted to wrap up this discussion and it's been an hour-and-a-half where we started with a very broad frame and looking at the U.S.-Pakistan relationship, focused exclusively on Pakistan, but I want to close with a question that takes us back to where I think the debate is and where it will be.

And all of you raised, trying to craft U.S. policies that recognize the Pakistani strategic calculus and calculation. I want to circle back to Afghanistan and as the final question for all three of you, what do you see the Pakistani leadership and how do you see their viewing U.S. decisions in Afghanistan heading into the review? How much does it shape their perceptions?

Because I hear mixed things when I go to Pakistan and before the surges of last year, I heard from some Pakistani security officials say, oh, this will make matters worse for us because it will push the threat deeper into our borders. And then I hear the reverse of well, you know, now, later, timelines are bad. You're going to abandon us in the region like the 1990s.

How do you see that important question of how the Pakistani leadership views Afghanistan in that context of everything they're dealing with internally and where do they want the U.S. policy to go in an ideal world? And we'll close it with that.

MR. NAWAZ: I think, first of all, you have to recognize that there isn't a single Pakistani view. There are two separate views. There's a civilian view and there's a military view. And the military will continue to dominate that discussion because they have seen this as part of their mandate develop over the years.

You know, I've mentioned India and the nuclear and Afghanistan – these are three policy areas where the military has very much a strong say. And they are involved with the U.S. in discussions on Afghanistan. Their preference, obviously, is for the U.S. not to leave in a precipitate manner. And if that happens, then they should not be a serious problem.

The continued presence of and support for the Pakistani effort to get rid of the militancy or control it and then much needed support for the military to be able to transfer a lot of these functions over to civilian counterparts, particularly in the border region and continue to do so in Malakand and Swat is going to be very critical, also.

There is always a danger that if the U.S. disengages from Afghanistan in a major way and it doesn't appear to be happening, now, but the fear exists in Pakistani minds that if that happens, then you may find them disengaging from all these other support activities for both the military and the civil in Pakistan.

Which – why I go back – which is why I go back to staying the course, meaning, keep the broader, longer term objective in mind that you want longer term relationship and that the U.S. will recognize Pakistan and other regional players in coming up with whatever the policy in Afghanistan is going to be. It won't just be a U.S.-centric view.

MR. KATULIS: Great.

MR. YUSUF: I will basically say I think, when asked to realize that this double game that Pakistan played really came out of their worry that whatever sort of the American endgame in Afghanistan was going to be was not going to suit their interest.

So I think the first thing, one has to do is Washington has to very clearly signal to Pakistan that that was the old paradigm, perhaps. And whatever the policy is, Pakistan and other powers – their interests will be taken into account. And I think there has been this done in the military-to-military level, but again, I think the civilians and the people need to be brought into that to make that.

But I sense a huge opportunity in Afghanistan. There are three things I think that Pakistan is looking to get out of the endgame. One is a relatively stable Afghanistan because an Afghanistan in chaos is a nightmare for Islamabad.

The second one, oddly enough for some, they are no longer interested in having the Taliban back in power on their own. I've heard countless number of people who I've met in Pakistan confess that the '90s was a mistake so they are willing to move on as much as we are. So I think there's a broad-based government idea that sells in both countries.

And third, I think Pakistan is desperate to get this endgame in place sooner rather than later because the longer this is postponed, the more sort of the problems for Pakistan in terms of its own terrorism, not being able to target TTP openly, et cetera. So these three, to me, really come together in terms of what America is looking for in Afghanistan as well.

Now, of course, the nitty-gritty has to be worked out, but at a broad level, there's clearly an opportunity which shouldn't be missed because the Pakistanis are as constrained as America is. And frankly, that's a good thing. Modest goals are a good thing at this point and we should cash in on that; both sides should.

MR. KATULIS: You have the last word.

MR. MULLICK: I agree with most of what they said, but I think the fundamental problem here is that we can't take anything for granted. I don't think it's a done deal that the strategic calculus of the Pakistanis has moved on one side or the other.

I think it hinges on how we do in the southeast and frankly, when we move to Regional Command (East), Kunar and Paktiya and others. It's a very dynamic kind of calculus when it comes to Afghanistan. It is a very micromanagement-based kind of view of Afghanistan. I think they talk about the firewall, for example.

Pakistanis will talk about their western firewall where they will pinpoint, province by province, district by district, the way they would like their guys, quote, unquote, to be in charge, to create kind of an area where they feel secure. So they don't want the western border to start mimicking the eastern border.

And it all hinges on how well we do and then what kind of – what kind of – I think we've done a great job in the last eight months. We've invited them – we started having, you know, we're talking about talks for the Taliban and the Haqqani network, which is not a monolithic organization.

It is up, you know, there are people inside that that we can talk to that they are pushing for. So I think it's all going to depend on how we deal with something that frankly, we haven't done since our misadventures in Latin America in the 1980s. You know, so I think that's important.

The second thing is even if they say we don't want the Taliban in Afghanistan, the groups in southern Punjab are still a problem and they're just not a problem just for India. They're also a problem for us because these guys are going to be planning the next major terrorist attacks all over – even after we move away from Afghanistan, these groups are still there.

They have, by the way, have evolved. I mean these are the only groups that the Pakistanis have not gone after and frankly, we haven't gone after. We don't have joint strikes in southern Punjab. We're not going after these guys. These guys had the political space. They've evolved, they have developed expertise.

Many of them became consultants to the Pakistani Taliban, TNSM, they're providing all kinds of second-, third-generation IED technology. They're experts at suicide bombings. There's a real threat to the country. The Pakistani military realizes it but it's overstretched. Those groups are going to stay.

So we have to always keep that in count that we will have to have that, again, long-term engagement to continue doing that. And then frankly, it's sad to say this, but the Pakistani state has really marketed itself as a national security state for the last 63 years. So while we want to have the economic, you know, better economic ties, that's what they do and they do really well.

They sell that. They're experts in it. They've done that in the Cold War. They did that after 9/11. That's also a reality you have to deal with and we will only be able to transition from that paradigm into the economic paradigm and then ask tough questions. What can you do? Are you an export market? Import market? What can you do?

And these things, ROZs and other options are there. So we have to have a very tough talk. It's a reality check. It's not something – it's not pretty. But the more we can talk to the American people and the Pakistani people about how complex the situation is, the more we will be able to have an opportunity to get better responses from our players.

MR. KATULIS: Great. Shuja, Moeed, Haider, thank you very much for a very rich discussion. Your work is really informing the debate here and I'm sure our guests will join me in thanking you for this discussion. So. (Applause.) Thanks for doing this.

(END)