



Pakistan on the Brink: The Future of America, Pakistan and Afghanistan

Public Affairs Program

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Introduction

JOANNE MYERS: Good morning. I'm Joanne Myers, director of Public Affairs Programs, and on behalf of the Carnegie Council it is my pleasure welcome you all here today, including those of you who are sitting upstairs in the boardroom and those who are watching this via live webcast. Thank you all for joining us.

I am delighted that Ahmed Rashid is back here once again, because each time he visits he expands our understanding of a part of the world that most of us know too little about, and we should know a lot more.

I first met Ahmed about 12 years ago, when he [spoke](#) to us about the [Taliban](#). I knew then that he had something special, as the way in which he introduced us to this brutal regime was an eye-opener and it was compelling.

Since that time, his stature as a journalist has only grown, which I believe can be attributed to his uncanny ability to report on the story of the moment, with nuances that not only reflect the rocky political landscape, but warn us of impending trends.

It is not surprising, then, that he has built a well-earned reputation for independence, courage, and as an authoritative chronicler of events in Southwest and Central Asia.

Following the publication of his *New York Times*-best-selling book [Taliban](#), he wrote [Descent into Chaos](#), which is considered one of the standard reference books on the region's history in the years after 9/11. [Pakistan on the Brink](#) is his latest work, which he has said effectively concludes this trilogy. However, unlike the others, this is neither an historical epic nor a comprehensive history. Instead, it focuses on the current crisis and on the solutions that are needed to ensure future peace.

Since the publication of these books, Ahmed has continued to write numerous articles for major newspapers, such as the *Financial Times* and *The New York Times*.

Today, as the U.S.-Pakistan relationship spirals into a virtual meltdown, as the Pakistani elite fails to respond to escalating domestic crisis, and as the political situation in neighboring Afghanistan deteriorates in preparation for our 2014 withdrawal, we are very fortunate to have the opportunity to listen to someone who has never been afraid to speak his mind about Pakistan or Afghanistan without thinking about how it can be improved.

What Ahmed will tell us is based on his diagnosis, one acquired not only from events he has witnessed but through conversations he has had with leaders in Pakistan, Afghanistan, and the United States, which all provide a solid foundation for a discussion on where we are now and what we should be thinking about for the future.

Please join me in welcoming Pakistan's premier journalist, my friend Ahmed Rashid.

Remarks

AHMED RASHID: Thank you very much, Joanne. After that I should just go home. I don't have to say anything. With that buildup, I hope I don't let all of you down.

Thank you all very much for coming this morning. It is very kind of you.

I will speak about both Afghanistan and Pakistan. This book essentially covers the region, but this time less on Afghanistan and more on Pakistan, which I see as a much graver crisis. Basically, the time span is the [Obama presidency](#) and relations between the Americans and these two countries.

Let me start off by talking very briefly about this [strategic compact](#) between Afghanistan and the United States that was signed the day before yesterday [April 22]. Obviously, it is very important for giving the Afghans a sense of security in the long term. It commits American help and aid and a presence until 2024, which is 10 years beyond the withdrawal. But let me just raise a few points which this agreement has not raised and does not cover and which are absolutely vital for 2014.

The first issue is that there is very little movement on getting the regional neighbors together. The Obama presidency came in promising that Afghanistan's neighbors, who have constantly interfered in that country, would be brought together on a common platform. Several countries, including Turkey, have played a major role in trying to do that. But we have not seen any progress. In fact, things are far worse now than when [Obama](#) came in.

Really, there doesn't seem to be on the American side any significant discussion about how to get these regional talks moving. As you know, relations with Iran are terrible because of the nuclear issues. Relations with Pakistan took a complete downturn; for six months there has been no talking, no dialogue, between the two sides.

The second issue that this really does not discuss is the economic future of Afghanistan. I think that is absolutely critical and has been neglected enormously by the Americans and by NATO. When I say economic future—yes, there are 100,000 troops in Afghanistan. Tens of thousands of Afghans service these troops. When these troops leave, the very best and brightest of your new Afghan generation are going to be left jobless because, frankly, there is no indigenous economy that has been built up in all this time.

Both Obama and [Bush](#) had an anathema to the words "nation-building." But the fact is that there has been a lot of nation-building in Afghanistan, with the roads and all the rest of it, but not an indigenous economy.

The third issue is there is no element here about what could really end this war, which is talking to the Taliban. The State Department is involved in trying to talk to the Taliban.

There is a deep division within the U.S. administration on this issue, which is, in my opinion, becoming quite serious and could stymie the talks now almost forever, unless there is a breakthrough. The military is opposed to the talks and the military is opposed to many of the confidence-building measures that the Afghans and that the State Department and the National Security Council would like to take. Unfortunately, this agreement offers you no panacea or no future path towards what the Afghans' and the Americans' intentions are towards these talks and how to move forward.

When we are discussing a strategic compact, military to military, Afghan military to American military, without these other political components being part of it—and, frankly, I am not expecting these political and economic components to be part of this agreement—there is so little discussion about this. Everyone just assumes that there is going to be this robotic transition, that somehow the Americans will get up from their trenches and move out and the Afghans will move into the trenches, and the Afghans will resume firing at the Taliban where the Americans left off.

It's not going to happen like that. I think many people believe that the Afghan forces are really not equipped at the moment to do that kind of thing.

The main thrust of my argument on Afghanistan in this book is, simply, that we have to end this [war](#) before you leave. If the Americans are serious about reducing the conflict, reducing the threat from the Taliban, it will not be done through military means. It will only be done through dialogue with the Taliban.

The quicker the military realizes that there is no victory in Afghanistan, there is no success—you can kill 10,000, 20,000 Taliban, only more will come. Pakistan has 40 million Pashtuns of the same ethnic group as the Taliban, and many of them are already fighting in Afghanistan. It is an endless supply of militancy. So there is absolutely no military solution.

Unless the president and Secretary [Clinton](#) and the senior staff get seriously behind these talks, I think we are going to be faced with a real crisis come 2014. It is only a year and a half away. That crisis will be that there will still be this ongoing civil war, which, the moment the American withdrawal starts, will intensify enormously.

I have three issues that really have to be resolved. The international commitment has to show more money on the table, as it were. The international community, which includes Europe and Japan and Australia and many countries who have contributed to Afghanistan in the past, have to put their money where their mouth is, as it were, for serious economic and political commitment to Afghanistan, to make it effective.

That may not happen. Given the [economic crisis](#) today—god forbid if tomorrow Spain goes under or Portugal goes under—forget about any European aid to Afghanistan. I think we have to prepare for that.

Clearly, America is not going to bear the whole burden of funding the Afghan army, funding Afghan development for the next five or ten years. So there is an international question mark about really how serious this

commitment can be, given the global economic crisis.

The second issue is the regional issue. I mentioned this earlier. It is much worse. There are, for example, no countries in the region who support this strategic compact, except perhaps India, and we don't know yet how these countries are going to react to President [Karzai](#) for having signed this agreement.

The essential conundrum was that these countries—Iran, Pakistan, Russia, the Central Asian republics—were essentially saying, "Look, either you trust the Americans and you sign this compact and you become fortress America in the midst of our region, or you trust us and you make links with us and we give you this security guarantee that we will not interfere, but we help you, we protect you, we guard your borders and all the rest of it."

Clearly, the mistrust between the neighboring countries and Afghanistan has led to President Karzai, and probably a large section of the Afghans, agreeing with the strategic compact with the Americans. But the consequences of that in the region we still have to see.

First of all, I think some countries are going to go out and sabotage this agreement, quite plainly. I cannot imagine for a moment that Iran would like to see American forces in Afghanistan for the next 15 years. The same goes for Pakistan.

I think China will be extremely nervous about this. China was looking at 2014 as the exit of America from Afghanistan. Don't forget, Afghanistan borders China.

As I said, there does not seem to be the kind of political action here being taken by the State Department and lower diplomats, et cetera, to try and bridge this enormous gap of mistrust that is now going to be in the open, now that the Afghans and the Americans have signed this strategic pact.

The third crisis I will talk briefly about is the domestic crisis inside Afghanistan. I just want to focus on three issues. The first is that there is no doubt that the ethnic divisions in Afghanistan have increased enormously in the last few years.

Much of this has revolved around talking to the Taliban. The Pashtuns in Afghanistan are more or less in favor of Karzai's decision to talk to the Taliban. The non-Pashtuns, those who inhabit northern and western Afghanistan, are vehemently against. They spent the whole 1990s, if you remember, [fighting](#) against the Taliban, and they are not going to accept any kind of power-sharing deal now, which I will discuss later, with the Taliban.

So the ethnic divisions have grown. Ethnic divisions have grown for all sorts of reasons. For example, the Americans have spent 10 times as much money in the south, in the Pashtun areas, to subdue the south and to win hearts and minds, rather than in the north. There is enormous resentment at that.

Secondly, the ethnic groups in the north are heavily influenced by neighboring countries—India, Iran, Russia—and there is a danger that interference from these countries through their northern allies could again disrupt the applecart.

The second issue that I mentioned is the economy. We still in Afghanistan do not have an indigenous economy which is equivalent to the economy that Afghanistan had in 1978. Now, can you imagine \$600 billion has been spent, and we are talking about a primitive, primitive economy, which I saw with my own eyes in 1978, which was essentially that 3 percent of the population had electricity.

Of course, that is better now. But there was food self-sufficiency, which is not the case now; there was an exportable surplus of food and a cottage industry, which was quite famous. If you remember your hippie days, Afghan rugs and jackets and all that kind of stuff; there were exportable surpluses.

Today we do not have a country that is self-sufficient in food. There is very little exportable agriculture, unfortunately. Afghanistan is a rural country, and the major investment should rightfully be, and it should have been, in agriculture and the industries associated with agriculture, like canning and freezing and all the rest of it. Frankly, none of that has happened.

So this economic crisis I see as being really the lack of an indigenous economy. It is certainly going to have an enormous effect.

Nobody was asking the Americans to put up a computer chip factory in Kabul. But basic investment in basic things that the Afghans could do, which would create a number of jobs. Again, agriculture creates hundreds of thousands of jobs because agriculture in Afghanistan is quite primitive.

The third issue is this whole issue of governance. President Karzai is due to step down in 2014. There is still significant doubt that he may not. I hope he does.

In fact, there is the suggestion, which he himself has also talked about, about bringing the elections forward by one year. I have been someone who has been advocating that for more than a year now. If Karzai was to bring them forward to 2013, there would be a new president by 2014, a new cabinet, a new Afghan face to win the trust of the international community, and Karzai could give his blessing to that process, and it would be enormously productive.

What we don't want to have is a withdrawal taking place in 2014 and a presidential election taking place at the same time, and of course trying to secure both from the Taliban.

The internal crisis, of course, has been made worse by continued accusations about corruption, incompetence, the conflict between Karzai and the parliament, and his position on issues which appear so contradictory to one another. Every day there seems to be a statement coming out of the presidency that contradicts the statement of the day before. That has created a lot of problems.

The last major issue, of course, is Pakistan. Pakistan houses the entire Taliban leadership, and has done for the last twelve years. It has supported the Taliban. It helped launch the Taliban in Afghanistan. The military and the ISI [Inter-Services Intelligence] worked closely with the Taliban since 2003. Factions within the Afghan Taliban have been either more or less loyal to work closely with the intelligence services of Pakistan.

Now, in the last couple of years, Pakistan has clearly stated that it wants a peaceful resolution to Afghanistan; it wants talks between the Taliban and Karzai and between the Taliban and the Americans. But the key issue, again, is this constant rhetoric but absolutely no delivery on the ground.

What the Afghans need and what the Americans need is access to these Taliban who are in Pakistan. That access has still not been made available. To me that is the most critical component of Pakistan's lack of strategic thinking, if you like.

Initially, in 2003, when the Taliban retreated from Afghanistan and they were housed in Pakistan, there was a certain logic to what Pakistan was doing. The logic was simply that there is this [Northern Alliance](#) government in Kabul which is anti-Pakistan. India had arrived in Kabul and there was enormous suspicion of India's role in Afghanistan. The idea was that, hopefully, at some stage the military would be using the Taliban as a lever to persuade the Americans and the Karzai government to take back these Taliban and to reconcile with your enemy, et cetera, so that Afghanistan could follow a peaceful path.

I think what happened in 2003 was simply the [Iraq War](#), the belief that the Americans might leave Afghanistan now because they had started this war in Iraq. So, instead of offering the Taliban as a kind of peace-building measure, the Taliban decided to go in for an insurgency.

Now, I think, the Taliban really want to talk. Pakistan wants to talk. But I think the key issue for Pakistan is its inability to really grapple with the real strategic issues in the region. The Americans are leaving in 2014. The Afghans have appealed desperately—not once, but a dozen times—for Pakistan to facilitate talks with the Taliban, and so far it has not happened.

The talks that are going on between the Americans and the Taliban are talks that actually bypass Pakistan. The Americans found an avenue to be able to talk to senior Taliban members without Pakistan.

Actually, the Taliban asked for this. The Taliban did not want to talk through Pakistan. First of all, the Taliban do not want to appear as stooges of Pakistan. They don't want to be accused by Karzai, as they are frequently, that they are working behind Pakistan's shadow, et cetera, et cetera. The Taliban asked for this dialogue with the Americans through Germany and Qatar, who played a big role in bringing the Americans and the Taliban together.

Let me just say about the Taliban that we have a situation where the Taliban really do, in my opinion, want talks. We have to test them. What the Americans in the last nine months have really failed to do, through having CBMs [confidence-building measures] with them, has been to test them.

Are they serious about de-escalating the violence? Are they serious about moderating their position on various constitutional issues—education, women, et cetera? Are they serious about sharing power with Karzai and living at peace with the rest of the Afghans? All this has to be tested through, as I see it, a series of confidence-building measures between the Americans and the Taliban and then between Karzai and the Taliban. But we are not there yet, unfortunately, and we are very far behind schedule on this issue.

Now, let me just briefly talk about Pakistan. Pakistan is in a very deep crisis. I consider it far more serious an occurrence than what is even happening in Afghanistan.

What happens in Afghanistan stays in Afghanistan in that sense. It doesn't really impinge on the whole region. Unfortunately, whatever happens in Pakistan has an immediate impact in the West. We are the hub of terrorism, and all these terrorist groups who are operating in Europe and the United States even, Pakistan is still the main training base for that.

Whatever happens in Pakistan affects relations with India and stability on the sub-continent, it affects Afghanistan, it affects China, and it affects the Mideast. So stability in Pakistan and growth and development is critical.

What I try to do in my book is I try to think, "How the hell did we get into such a mess?" Many academics and writers have gone back to [partition](#) in 1947 and the British, and it's all blamed on [Mountbatten](#), how Mountbatten divided India. I haven't done that.

Others go to the [Bangladesh War](#) and say: "In 1971 we lost East Pakistan. It was a trauma we have never got over."

What I really say is I think the benchmark of the present failure is actually the end of the [Cold War](#). The end of the Cold War was highly significant for third world countries, who were either allied with one side or the other. For the first time they had to break off their dependency on one or the other superpower and stand up on their own feet.

That meant several things: you had to reform your economy; you were not going to receive any more handouts from the Americans or from the Soviets. You had to reform your economy, you had to build neighborly ties, you had to build regional alliances like ASEAN [Association of Southeast Asian Nations] or the EU [European Union]; and you had to have good neighborly ties to enable trade and prosperity to grow.

Pakistan does just the opposite. First of all, the whole Cold War, whatever the benefits were, all the strategic thinking that should have taken place never happens.

The military runs foreign policy. The military throughout the 1990s, the very period when the whole [Clinton](#) message was that the world was making all these dramatic changes, the military was fighting two covert wars. One war was being fought in Kashmir through Pakistani militants who were fighting the Indians in Kashmir. The other war was supporting the Taliban. We had hundreds of army personnel inside Afghanistan in the 1990s fighting with the Taliban against the Northern Alliance, who were being backed by Iran and India.

In the 1990s, at this precise moment, there were two covert wars being waged. Obviously, there is absolutely no space or time or energy to be given to thinking strategically about how we should develop economically.

The military effectively takes about a quarter to a third of the budget. After you do debt servicing and returning your loans, there is very little left for the social services.

You have a situation now where economic growth is around 2 percent. India's economic growth is about 7 or 8 percent. The economic crisis in Pakistan is now absolutely telling—there is no gas, there is no electricity. I have not had gas in Lahore for six months in my house, in the whole city, a city of 12 million people. Electricity is off, not on, 18 hours a day.

Industry has collapsed. Industry is moving out of the country rapidly to Dubai, to Singapore, to Malaysia, all over. There is the whole growth of the Pakistani Taliban and extremist groups who are threatening civil society. The army has been fighting them, but it seems that they continue to grow and expand. There have not recently been major bomb blasts in cities outside the northwest, but in the northwest, where the Pakistani Taliban are most active, they have expanded, without a doubt.

The real problem now is that many of the militant groups in other parts of Pakistan have joined up with them. So, for the first time, we have a prospect of a real nationwide, if you like, extremist terrorist movement. I wouldn't call it a political movement but a terrorist movement.

Then you have the breakdown of relations with the United States over a period of about a year. I think there were huge mistakes made by the United States and by Pakistan. I am not going to go into the history of this. But the point is that in the last five months there has been no dialogue. The dialogue has just restarted.

As a result of this breakdown, we closed the main road that provides major supplies from the port of Karachi to Afghanistan. There is a whole range of issues which have to be discussed, which includes opening the road, drones, and the provision of continued military aid.

At the same time, there is enormous anti-American hostility in Pakistan, in the army in particular. For the first time, I think, the high command of the army is very worried by the mood lower down in the army, which is both Islamist and anti-American. Many of the measures that have been taken by General [Kayani](#), the army chief, are a result of pressure from below rather than strategic thinking which he is doing himself.

The whole problem now in Afghanistan is that if there is an anti-American wave in Pakistan, there is equally an anti-Pakistan wave in Washington. Congress is more reluctant than ever before to give aid. The military is totally fed up. The U.S. military is essentially saying, "We will humor Pakistan until 2014, but after that it is over." This would be a very dangerous proposition for Pakistan, because, clearly, then the tilt would be almost decisively in favor of India. That could only increase tensions in Pakistan and anti-Americanism in Pakistan.

So we have to get this relationship back on an even keel. But it is not going to get back on an even keel unless the military turns the ship of state around. For 30 years we have supported extremists as an arm of our foreign policy. Why I say it was after the Cold War, is that after the Cold War, that should have been impossible. That should not have been the main thrust of foreign policy. But it remains so.

And then we get 9/11. Surely, after 9/11 you cannot support extremism as a means to conduct foreign policy, whether it's with India or whether it is Afghanistan and the Taliban. And yet Pakistan continues to do so. Good friends, close friends whom we owe a great deal to—China, Turkey, Saudi Arabia—tell us exactly this, to stop doing this, it doesn't work. The military just seems incapable, or unwilling, to be able to turn the ship of state around and to get back at a new level.

The tragedy is that as long as we continue to maintain extremist groups willing to fight in Kashmir, we make no attempt at reconciling them with society, bringing them in, educating them, providing them with new skills—which has been done in several of the Gulf countries in their battle with [al Qaeda](#)—unless we are prepared to do that, unfortunately, I find that this is the main strategic conundrum that Pakistan faces.

You cannot have a foreign policy based on supporting extremists, whether at home or whether abroad. Clearly, right now the Americans are feeling it in Afghanistan and elsewhere. But it remains an immense danger for Pakistan. Who is going to invest in Pakistan under these conditions? How can you develop education and the social services in Pakistan under these conditions, when the fundamentals take over schools, they take over mosques, and turn them then into bastions of hate and extremism?

So we have a huge problem to combat. I still believe that it is possible. I think there is enormous goodwill in Pakistan. There is a very strong youth movement. Remember, 60 percent of the population is under 25. The youth really want change. They are fed up with the existing political parties. They are fed up with the military domination of foreign policy. They really want change. They are coming out and taking part in politics for the first time in a generation, basically. They have expressed their anger at the existing political parties.

Finally, they have been very active in all sorts of new developments, which is taking the Pakistani society forward, whether it's music or art or writing or whatever. So I think the youth movement is a very positive factor. The only problem at the moment is that there is no leadership for this youth group. I can just hope it emerges.

But ultimately what is going to determine the country's future is going to be the lack of money, the lack of cash and the lack of an economy. Even the military have to pay their soldiers' salaries. If those salaries are not going to be made available, I think that we will be forced to turn it around.

The economic reforms that every other country carried out in the 1990s, including the former Soviet Union, we have failed to carry out. There has been no land reform, there has been no tax reform. One percent of Pakistanis pay income tax. The elite refuses to even pay for itself.

This whole situation has to turn around. Essentially, I hope I do this in this book, but at the same time I point out what can be done in a positive way.

Thank you very much indeed.

Questions and Answers

QUESTION: Warren Hoge, International Peace Institute.

Ahmed, in this very, very volatile situation you just described, and also in the absence of any progress on either side, you haven't mentioned nuclear weapons. How worried should we be? I am very worried, having heard your speech this morning, about the security and the possibility of misuse, reckless use, of the nuclear weapons that Pakistan has. Should I be?

AHMED RASHID: The safety of the nuclear weapons is directly related to the cohesion of the military. It's the army that controls the nuclear weapons. So far the military has been cohesive. We haven't had colonels' coups. There hasn't been any leakage, as far as we know, for the last so many years.

The [Bush administration](#) after 9/11 certainly gave a lot of money to Pakistan—we don't know how much and we don't know exactly what for—to actually safeguard the nuclear weapons. There seems to be a dialogue between the Americans and the Pakistanis. How much that dialogue has now been affected because of the breakdown of relations, I don't know.

The bottom line is that the military is taking care of the nuclear weapons. As long as the military hangs together, then those nuclear weapons are safe.

There is another worrying development. [A.Q. Khan](#), the great proliferator, is being touted to join one of the political parties and come into politics. I think that would be a very negative and a very dangerous move. And

clearly, he would not be doing something like that without clearance from the military. If that happened, that would raise many more questions about Pakistan's nuclear program and really alienate the West, I think, from Pakistan also. This is not a man you want to see as your next prime minister or president, or even anything else.

JOANNE MYERS: I have a question here from the webcast: "I would like to ask Ahmed Rashid whether, given the historical feudal nature of Pakistan's social organization, there is any immediate hope for democracy."

AHMED RASHID: Yes, I think democracy is the future. I hope we will have elections next year. I hope those elections may even be brought forward by six months to the end of this year. I hope the military will allow these elections to take place without rigging them, as they did rig them in 2002, which created a huge internal crisis for General [Musharraf](#) at that point in time.

Really, I think the ability for people to change their government is still the clarion call for many Pakistanis. The fact is that we have never had a government that has been changed with a vote. All the civilian governments that were elected have never fulfilled their term in office. They have been either ousted or there has been a military coup. We need election after election.

Yes, this government is considered corrupt, inept, incompetent. But we can hope that the next government will be slightly better and the government after that will be slightly better. This is a process that has to be allowed to continue. The military have to be convinced that this process is allowed to continue.

I think this is the only answer, frankly. This will bring in new politicians, it will bring in the youth, it will bring in a whole range of new factors.

You know, one thing people always say is, "Why have you got these dynasties and the [Bhuttos](#) and the [Sharifs](#)?"

I say, "Look, the military comes into power for 10 years. We've had four blocs of military rule. They exile everyone. They throw everybody else into jail. There are no politics at all in the country. They are ruthless in their ruling and how they rule. How do you expect young people to join politics at such a time? I mean, for 10 years under Musharraf nobody joined politics because the leaders were in exile abroad, other people were in jail. The last thing a young person would want to do would be to join a political party. There is just no future in it."

The military has been the cause of this. So we have to break this logjam and be able to move forward and encourage a new generation of people to come into politics and to come into what many of you understand is service. Politics is not just politics; it is service to the people and to the nation. That concept is totally missing in Pakistan.

What politics means is that you serve yourself. You are corrupt, you make money. The amount you spent on your election campaign, you have to recoup that through various corrupt practices.

That kind of thinking has to end, and that is only going to happen when you get a new generation of people in politics.

QUESTION: Tricia Huntington, Network 20/20.

Do you see from your vantage point any potential leaders waiting in the wings that could step forward in the next few years and actually take control of what you have described as a really, really huge challenge, enough for a [Churchill](#) plus 10 others? Do you see anyone able to do this?

AHMED RASHID: No, I don't at the moment. Because of what I said before, it is not surprising that I don't. I think the political process has to draw up leaders and leadership.

The army has manufactured leaders in the past. But I don't think that is the way to go. I don't think we should be manufacturing leaders or that the Americans should be manufacturing leaders. I think there has to be a political process.

The upcoming elections are going to be a hodgepodge. There is going to be another coalition government. Perhaps that is a good thing to happen. Who will be prime minister? I have no idea. But I hope it is someone new and fresh and someone who can take the country forward.

But I am expecting an election where nobody will get a clear mandate. There will have to be a coalition government. I hope out of that there will be better service and more young people joining politics.

I will give you an example. No political party today, with the two major political parties, the one led by President [Zardari](#) and the other led by [Nawaz Sharif](#)—there is not a single economist amongst them. Now, here is a country which is on an economic precipice. Not a single economist. They can hardly discuss the economy.

Zardari has had four or five finance ministers, all of them bankers. Now, Pakistan is not short of economists. The

World Bank in Washington is packed full of Pakistanis, and so is the IMF [International Monetary Fund]. But nobody wants to come home and join politics. This is the problem.

So how are you going to resolve your economic problems? Bankers can't resolve your economic problems. In fact, bankers would probably make a bigger mess of it than anything else. So what you need are proper economists. We just don't do anything to encourage those kinds of people to come back.

QUESTION: Thank you very much. I am [Nawaf Salam](#), the ambassador of Lebanon.

Since you devoted almost 50 percent of your talk to Afghanistan, I am going to allow myself a question on Afghanistan.

Regarding the relationship with the Taliban, I see your point of view and the larger rationale for engaging with the Taliban. But, as seen from the Taliban's point of view, could you elaborate, please, on why the Taliban, in view of their ideology, would be interested in a compromise. Would they be capable of compromising? And what would be the terms of such a compromise with the Taliban? Thank you.

AHMED RASHID: I think the Taliban wants to compromise. First of all, they have suffered enormous casualties and they are very tired. Many of them have been fighting for 30 years, if not the last 12 years, against the Americans.

They are also fed up with being micromanaged and manipulated by Pakistan. Their first accusation when they talk to the Americans, they talk to the Germans, or Qatar, is the fact that the Pakistanis have jailed them, they have run them. They consider themselves Afghans. They want to be known as Afghans; they don't want to be known as stooges of Pakistan. They want to go back home.

But, most important, there are two or three other points.

The first is that the Taliban do not want to plunge Afghanistan into a civil war after 2014, into a worse civil war. In other words, the Taliban do not want to start a process of conquest, as they did in 1993, and then be confronted by the non-Pashtuns in the north, and then that would prompt an almighty civil war in which all the neighboring states will come in and arm one side or the other—in other words, a repeat of the [civil war](#) of the 1990s.

The Taliban don't want that. And they know that this time they couldn't win like they did last time, because the north is much more developed, more powerful, now than it was before. So it would be an endless civil war that you would be talking about.

I think the third thing is that the Taliban know that if they try to seize power just in Kabul, they would immediately lose all Western support. All the money would go, whatever pledges have been made.

Nobody would back a Taliban seizure of power in Kabul, which means that in six months the Taliban would lose the support of the Afghan population.

They are deeply aware of that. They haven't fought 12 years just to lose their support base because they are not able to feed their support base. If you remember, again, that is what happened in 2000, one year before 9/11. Actually, all the UN agencies had left and the NGOs had left. Afghanistan was starving. Millions of refugees started fleeing out of Afghanistan, even before 9/11, because of problems with starvation and all the rest of it.

So the Taliban do not want to be responsible for a civil war. The Taliban do not want to be responsible for state collapse, which would happen if the West walked away. So much better for the Taliban is to go into partnership with someone like Karzai or whoever the government is and be able to share power with them so that the money would keep coming, and the West would have a government and a face to which it would still remain committed.

The other part of this whole equation, of course, is the really sensitive issue that you asked, which is: What do we do about the constitution, education, women's rights, all these issues?

Yes, the Taliban is still demanding shari'a. They are saying this constitution is liberal, secular, Western, et cetera.

What I believe sincerely is that if these talks with the Americans—two things have to happen: the Taliban are going to be allowed to open an office in Qatar, in which there would be a permanent delegation where you could go and meet the Taliban on a daily basis. Secondly, there would be a prisoner exchange, five Taliban prisoners at Guantanamo for one American that is being held.

Unfortunately, this whole thing is at the moment blocked. If the Taliban were able to open an office, what they desperately need is exposure to the new Afghanistan.

Look, they have been sitting in Pakistan in safe houses. They have no idea of this new generation of Afghans that have come up in the last 10, 12 years—educated, working, women included, people with their rights and who

want to keep their rights. I think that the negotiating process would involve also an exposure process, where the Taliban would be meeting delegations of Afghan students, Afghan women, Afghan educators, Afghan doctors, and so forth, and be educated about what changes have happened in Afghanistan.

I think we have seen some of that. The Taliban in many areas are allowing girls' education. Certainly, they have stopped burning all the girls' schools for the last year and a half. Now, I'm not saying that is a huge development, but in the Afghan context it is. And more could happen if the Taliban would get exposure.

I would like to see women's delegations actually meet with the Taliban and tell the Taliban what they think. But again, that has to be part of the negotiations.

I followed two negotiations very closely; the first one was the [Soviet withdrawal](#). If you remember, the Soviets were talking about a three-year withdrawal timetable and they came down to nine months. The Americans were talking about a three-month withdrawal timetable and they went up to nine months.

The process of negotiation is an educative process. I think in something like with the Taliban it would be a hugely educative process for them. That is why these negotiations have to start as soon as possible. This is not a two-week process. This is not a process that you can run according to the American election timetable. This is a process that has to run for maybe a year or two years or three years before you would arrive at a political settlement.

I think the Taliban are changing. I think they are fed up with their present situation. Ultimately, they are Afghans. Even the jihadist ideology has been turned now, if you see their website, into a much more nationalist "we are Afghans" kind of appeal, rather than appealing for jihad.

QUESTION: Thank you. James Starkman.

The parallels with the Egyptian situation over the last 50 years were very evident as you were speaking. You have a strong military that basically appointed the political leaders in most instances. You have a restless, unemployed youth.

Do you think the youth might come to the fore in terms of an [Arab Spring](#) type of event in Pakistan, or would the military simply crush that? What are the parallels and what are the differences between Egypt and Pakistan in that context?

AHMED RASHID: There are two very big differences with Egypt. One is, of course, that [dictatorship](#) in Egypt crushed Islamic fundamentalism. It crushed democracy also. The [Muslim Brotherhood](#) and these groups were never allowed to function either as official political parties or even as an underground—I mean they were underground, but they were constantly being harassed.

In Pakistan, you had state sponsorship of extremism by successive military regimes. That was a huge difference, whether that state sponsorship extended into fighting in Kashmir or in Afghanistan. That is a very big difference.

I think the other thing is that under dictatorship in the Middle East there was a tolerance and respect for minorities. In Pakistan, unfortunately, again there has been state sponsorship of sectarian groups who have hurt and really damaged the multi-faith process in Pakistan. For example, today, Christians, Hindus, Sikhs, and within the Muslim fold Shias, Ahmadiyyas, Ismailis are all being targeted by Sunni extremists, and the state is doing nothing to stop it, or very little to stop it.

I think these are the two very marked differences, which obviously have affected society.

Now that the Egyptian society has [exploded](#), you've got the targeting of minorities by groups like al Qaeda and others.

The other comparison is, of course, the military. The Egyptian military has a huge economic stake in the country. It essentially followed the pattern of the Pakistani military. The Pakistani military is by far the richest landowners, the richest industrial group, the richest everything as part of the economy in the country. The Egyptian military has followed exactly that same pattern.

The idea of an Arab Spring in Pakistan worries a lot of people because there is a natural leadership for that Arab Spring, and it is not the liberal, pro-democracy, secular youth. It is the fundamentalists.

A movement against the ruling elite right now, be it a movement against the military, against the present government, against the entire power structure—if there was a movement, the leadership of that would fall into the hands of the fundamentalists. They are organized, they have guns, and, even though they don't have widespread support, they are able to bring tens of thousands of people out into the streets as compared to the other side. And they have a kind of leadership.

Unfortunately, the Americans sometimes make leaders among the fundamentalists, such as the [bounty](#) that you have just placed on the head of [Hafiz Saeed](#), one of Pakistan's leaders of these extremist groups who carried out the [Mumbai operation](#). By putting this bounty on his head four years after the event, he has now become a national hero because he is seen to be defying the Americans. I think that is a really pretty stupid move on behalf of the State Department.

I don't see a liberal, secular leadership which is there to take on the leadership of a youth movement.

QUESTION: Craig Charney of Charney Research.

What is your take on the rise of [Imran Khan](#), who appears to be becoming Pakistan's most popular politician? What would a government led by his party, the [PTI](#), be like if it comes to lead it after the next elections, and what opportunities might that present for America and the West?

AHMED RASHID: In short, we really don't know. Imran is a very complex mixture of a lot of things right now. What I always say is—I don't apologize when talking to Imran—I think elections and what he says in the elections, if he is elected, what his party does in the post-election, is going to determine that.

Certainly, there is an appeal to the youth because he is talking about internal change. He wants an end to corruption, he wants better governance, and so on. But he really does not question the whole foreign policy/military paradigm that I am talking about. To my mind, the real crisis in Pakistan—you know, countries have foreign policies that reflect their domestic concerns and needs. We have exactly the opposite. We have a foreign policy that has actually destroyed the country and totally undermined any kind of growth and development inside the country.

The essential conundrum is we have to change our foreign policy. We have to make friends with our neighbors. We have to stop these conflicts with Afghanistan, with India. And it obviously has to be a two-way process also.

But you cannot expect to be part of the modern world and at the same time support people like the [Haqqani](#) group and support these extremists who are going around the world bombing people and all the rest of it.

Now, Imran is not clear on these issues at all. He has said nothing about this. He said nothing about foreign policy. To me that is the biggest lacuna. You can talk as much as you like about ending corruption and all that, but if you are not going to change the whole basic paradigm which has caused Pakistan to be in the state of collapse, you are not going to get very far.

So, to me, I think we have to see what he comes up with. Is he going to be capable of turning the ship of state around? Is he going to be capable of convincing the military that the policies that they are pursuing are completely now without any basis whatsoever? I don't know.

QUESTION: Susan Gitelson.

Would you please expand on one of the first topics you mentioned, and that is the Afghan economy? For example, you didn't have a chance to get into drugs, the poppy. But what happened to the policy of changing the cultivation of poppies to normal agriculture?

Also, this country always talks about free enterprise and self-reliance, self-development, and so forth. How is it that, with all the money we have poured into Afghanistan, there haven't been more opportunities for local people, more emphasis on local people developing the economy?

AHMED RASHID: The news on the drug front is really pretty depressing, to tell you the truth. I don't know if you have seen the new UN drugs report, but last year I think, if I am correct, there were 20 out of 34 provinces that were drug-free. This year that number has come down to just 15 provinces that are considered drug-free.

I think what is happening is that, quite simply, the uncertainty generated by the U.S. withdrawal is certainly going to lead to an expansion of drugs production.

Even if you look at the south and east, where all these millions of American dollars are spent—your Marines are there; there was an attempt to beat back the Taliban, and everybody was getting subsidies for their water, fertilizer, everything—all those subsidies will go, that kind of income that the farmers were getting from the Americans would all go, and in place they will start growing opium again because that is the only thing that will generate sufficient income to give them the kind of lifestyle that they have become used to. And this will spread to other provinces.

What we have seen in the last 10 years—remember, in about 2002, 2003, the whole of Afghanistan, in all 34 provinces there was drugs production. That the UN and the Western alliance has steadily beaten down. The best figure was, I think, 24 provinces were declared drug-free about three years ago. Now we are back to only 15 provinces, and by next year it will probably be even less than that. This is a major issue.

If there is no economic replacement for the presence of 100,000 troops—economic replacement meaning for the Afghan people—then, unfortunately, you are going to get drugs production.

On the other thing, I think there are a lot of reasons for that. The Bush administration was very much against what we call nation-building. Even when it did support efforts like road building and building the Afghan army, for example, it started very late in the day and gave very little money towards that.

I think there was a huge effort by the Obama administration because the surge, when it happened, included a civilian surge of experts, agriculturalists, engineers, Americans who would go out and actually help create or build a local economy. But the tragedy was that by the time these civilians got out there, the insurgency covered the whole country. These civilians really couldn't go out and help Afghans start up new businesses and things because the security situation was just so bad.

In one word, why didn't the economy develop? I think in one word it's Iraq. Iraq sucked up so much of U.S. resources, manpower, planning, that really nobody was really looking at Afghanistan for many years.

JOANNE MYERS: Thank you once again for a wonderful talk. We now know so much more about Pakistan and Afghanistan. Thank you.

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