

Testimony before the House Committee on Homeland Security's Subcommittee on  
Counterterrorism and Intelligence on

**"The Threat to the U.S. Homeland Emanating from Pakistan."**

By

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Mr. Chairman, Ranking Member Speier, members of the subcommittee, I am honored to speak before you on this critical subject that is of concern to the United States, Pakistan, and the rest of the world. Indeed, I spend much of my time addressing this issue in the day-to-day work of our South Asia Center at the Atlantic Council that is designed to "wage peace" in our area of responsibility that includes South Asia, The Gulf, Iran, Afghanistan, and Central Asia. The death of Osama Bin Laden, a man who brought death and destructions to thousands around the world, does not change the underlying causes of militancy and unrest around the world but especially in our area of responsibility: Greater South Asia. Indeed, the long and costly campaign to bring him to justice is a good example of how long festering conditions in authoritarian societies give rise to terrorism with its attendant pain and suffering.

I believe that the issues of militancy and terrorism have to be examined both from a national and a regional perspective. They arise out of complex underlying conflicts and national and regional narratives. There is no Silver Bullet answer to the perplexing problem of terrorism in Pakistan and other countries in its wider neighborhood today. Throwing money at the problem does not offer a solution, as our nearly a trillion dollars in Iraq and Afghanistan have proven. As a youth of the 1960s, I can assure you that the Beatles were correct when they sang "Money can't buy you love". We must recognize that our friends and partners in many parts of the world are looking for respect, consistency, and honesty in relationships. As does the United States. America does not like being taken for a ride. In short, it needs to think long-term and act even in the short-term with those longer-term objectives in mind rather than being distracted by shorter time horizons.

Pakistan today is a magnet for terrorists from around the globe. It has an internal conflict, a weaponized society, and a defunct educational system that is not preparing its youth adequately for the 21<sup>st</sup> Century. We have contributed to that condition since the 1980s by pulling out of the region abruptly, leaving a military dictatorship to deal with the debris of war in the neighborhood and its blowback. In supporting an autocratic military regime, we ignored the needs of the people of Pakistan and led to their disenfranchisement by a civil and military elite that increasingly began to see itself as the arbiter of the country's future, without reference to the needs and the will of the people.

Pakistan took on a deeper regional role in our absence, focusing on its historical rival India and fomenting uprisings across the eastern border in Kashmir. These chickens came home to roost in later years, as the armed warriors for this "jihad" outgrew their controllers' grasp and widened the scope of their activities beyond Kashmir to India proper and now perhaps to Europe and

North America. When the Pakistani authorities distanced themselves from the Jihadi groups in order to seek peace with India in 2004-2005, there was no plan to demobilize, disarm, and de-radicalize these groups. They simply cut them loose.

Meanwhile the sudden appearance of globe-shrinking technologies and the ability to raise funds from across the globe and to train people, using the latest internet-based systems, allowed these groups to advertize their wares and attract fanciful warriors from the homelands in the West. A continuous stream of a selective historical narrative about the Western and Indian “other” fed the young minds in Pakistan. The military regime that we supported in the 1980s left a legacy of Islamicized education systems that degraded learning institutions, stunted administrative machinery, and relied on political engineering or manipulation to manage the polity to its liking.

Today we face a huge challenge inside Pakistan. A demographic time bomb is ticking. With a median age of about 20 years, roughly 60 million youth out of a population of 180 million between 16 and 25, and are largely illiterate and unemployed. They see and hear what is happening across the globe and in their neighborhood. They dream big dreams. And they are looking for an opportunity to become part of a successful dream. But they live in a Rentier State that has spawned unbridled kleptocratic behavior among its leaders. The elites of Pakistan have conspired to live off the state’s decreasing asset base, giving little in return. Only 2 million of them pay income taxes. Leading political figures sometimes pay none or less than \$100. According to one report based on the Election Commission of Pakistan data, the Prime Minister and many of his senior colleagues in the cabinet had not paid any income tax for the five years leading up to the 2008 elections.<sup>1</sup> According to The New York Times, “The country’s top opposition leader, Nawaz Sharif, reported that he paid no personal income tax for three years ending in 2007 in public documents he filed with Pakistan’s election commission” while he was in exile.<sup>2</sup> This is the example that Pakistani political leaders are setting for its people!

A vicious cycle persists: government fails to deliver services. People refuse to pay for services or even taxes that would allow the government to provide them with services. Even the parliament and government refuses to pay power companies for electricity, forcing them to shut down their power generation plants, reducing energy in a country whose industries are operating at half capacity, as a result.

Our “investments” have been in governments of this nature for decades in Pakistan. And the bulk of our assistance has been to the military in order to garner its support for our war in Afghanistan. The United States offered cash in return for this assistance and then demanded receipts. Then we rejected the validity of some receipts, and held up payments. The result: an ever-growing Trust Deficit that cannot be removed by short-term measures or statements of intent, nor by outsiders. Pakistan has to start by taking charge of its problems and once it begins dealing with them, then external assistance can and should play a positive role.

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<sup>1</sup> <http://news.in.msn.com/international/article.aspx?cp-documentid=4426336>

<sup>2</sup> <http://www.nytimes.com/2010/07/19/world/asia/19taxes.html>

## **Domestic factors**

While attention has been focused on the US-Pakistan relationship, I believe the greatest influence on the rise of terrorism in Pakistan is lack of governance. Pakistan's protracted periods of military rule have stunted the political system and eviscerated the superstructure of the government that is provided by the bureaucracy. Government is unable to perform, as a result. Political engineering by autocratic regimes has cumulatively reduced most political parties to opportunistic cabals vying for a share of the spoils that come with being part of government. Not unlike other dysfunctional "democracies", most of Pakistan's political parties are run as family businesses. They do not have internal democracy. Their leadership is decided on a hereditary basis. This widespread condition persists today in the ruling Pakistan Peoples Party, the Pakistan Muslim League (Nawaz), the Pakistan Muslim League (Q), the Awami National Party, among others.

All this would not matter if the economy were growing, and people had enough food, prices were held in check, and energy was abundant for industrial growth. This is not the case. The country faces an economic crisis: due in part to global shocks, but to a larger extent governmental ineptitude and lack of basic reform. Pakistan today is facing rising inflation, close to 15 percent now but rising to 25 per cent, continuous deficit financing that fuels this inflation, and increased dependence on funding from the United States and the International Monetary Fund instead of the markets. Food prices have risen dramatically and since the poorest spend half their income on food, they suffer the most. As a senior minister confided to me not long ago: the government does not have the vision nor the political will to undertake the reforms it promised the IMF. A serious indictment, indeed. The confluence of poor governance and external and internal shocks to the economy and polity have helped created the perfect backdrop to the violent culture of terrorism in Pakistan.

## **The Terrorist threats**

The hydra-headed terrorist threat that has made its home in Pakistan's heartland and in the borderland with Afghanistan is worth identifying in detail.

- Al Qaeda continues to use Pakistan as base, in the cities that offer it a hiding place, and the remote mountainous reaches of the north west. Most key figures of Al Qaeda have found refuge in the towns and cities of Pakistan proper and not in the inhospitable hills and mountains of the border region. Osama bin Laden was no exception, seeking shelter in Abbottabad in a town that was dominated by the military of Pakistan.
- A number of Sunni extremists groups, arising out of the sectarian conflict in the Punjab, including the Lashkar e Jhangvi, Sipah e Sahaba, and Jaish e Muhammad operate autonomously and also as franchisees of Al Qaeda. AQ has also found support from elements in mainstream Islamic parties, including the Jamaat I Islami, some of whose members hid AQ targets. These Punjabi Taliban are a growing menace, since they arise from the area that also now recruits most of the new entrants to the Pakistan army.

Elements of these groups have been reportedly involved in attacks against the Pakistan army.

- The Tehreek e Taliban of Pakistan (TTP) grew out of the movement of Pakistani forces into the Federally-Administered Tribal Areas at the request of the United States. It grew into a potent brand name but now is on the decline, its leadership having been dislocated from the Mehsud heartland of South Waziristan and partially destroyed by the CIA drone attacks. The TTP is at war against the Pakistani state and provides training facilities for a growing number of wannabee Jihadis from Europe, North America, and elsewhere.
- The Laskhar e Tayyaba remains a powerful entity, having grown beyond the control of its official handlers who once trained it to support the uprising in Kashmir against India. It has a vast financial network of support from private Pakistanis and external sources, from the Gulf. Its target is now all of India and more dangerously the globe, wherever it sees enemies of Islam. Reports have linked current or former officers of the ISI to the LeT. Many ISI officials were removed summarily in the mid 1990s when a new director general was appointed in place of an Islamist general and the overtly Islamist elements were let go. But there was no attempt to track or control them. Clearly they found a home in the groups whom they were once handling.
- The Afghan Taliban, including the Mullah Umar group, the Haqqani group, and the Hizb I Islami all operate in the border region, using Pakistani territory as sanctuary, as needed. Their focus is on Afghanistan and fighting the coalition.

Countering these groups is a huge task for which Pakistan has relied largely on military force and only in the northwest, where counterinsurgency operations have been conducted for about seven years. In the past two years, the army has revamped its training regimen to focus on COIN or Low Intensity Conflict. But it does not involve close collaboration with the civil authorities before or after operations, following the US-inspired continuum of COIN operations: Clear, Hold, Build, and Transfer. Hence, the Army has managed to Clear and Hold but successfully Build or Transfer most of the territory it cleared, except in Swat where induction of retired military personnel into the police allowed it to transfer security to civil authorities and exit to some extent.

Pakistan has learned COIN by doing. It has rapidly transformed its training institutions to shift from a focus on purely conventional warfare to unconventional war. It has yet to create a viable nexus between COIN and Counterterrorism.<sup>3</sup> For its COIN operations, Pakistan still needs many tools: helicopters for mobility and drones for tracking and attacking highly mobile terrorists in a difficult border terrain. But in the next phase of this internal war, Pakistan will need help and guidance from many sources as it crafts its own CT operations in the heartland. It will need to learn from the experience of the Saudis, Indonesians, Singaporeans, and others. It will need financing and information.

But most of all, it will need the political will to undertake these efforts inside the Punjab. As a necessary part of that effort will be the need to improve its policing procedures and legal processes so that forensics and evidentiary systems could assist the government in prosecuting alleged terrorists and reduce their ability to get away by taking advantage of lax

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<sup>3</sup> See *Learning by Doing: The Pakistan Army's Experience with Counterinsurgency* by Shuja Nawaz, Atlantic Council 2011

laws and poor police work. The United States is working with some elements in Pakistan civil society to focus on some of these needs. But much more needs to be done with the civil authorities in addition to the military-to-military aid relationships for a stable and more viable CT situation to develop in Pakistan. In that process, Pakistan will need to cut through the undergrowth of a police system with some 19 different federal and provincial agencies tripping over each other, all largely underequipped and poorly trained.

And it will be critical for the government to finally complete work on its National Counterterrorism Authority that has been in limbo for nearly two years now largely because of debate on where it ought to be located. It is currently under the Interior Ministry but will likely not get support from the provinces or the military because of that location. An autonomous entity in the Prime Minister's office is most desirable but there has been no progress on this matter for over a year and especially since the departure of the first director general, who left in frustration.

### **What to do?**

Mr. Chairman, ranking member, members of the committee, the United States can and should play a role in advising and assisting Pakistan as a way of preventing the rise of terrorism that could attack the homeland. But, more important, I believe that it is in Pakistan's own interest to undertake the difficult policy changes that will allow it to focus on all terrorist groups operating inside its borders and not differentiate between them. It cannot control them. So, we must follow a two-pronged policy: helping Pakistan change the socio-economic and political landscape to reduce the ability of the forces of terror to spawn, and by helping Pakistan set up an effective COIN and CT operation that involves both the civil and the military. If Pakistan fails to do this, no amount of external advice or aid will work. We have tried to do a lot with the 13-odd groups that provide the basis for the engagement of the Special Representative's office with Pakistani counterparts and via the Strategic Dialogue. I believe we have to focus on key areas and do them well. Education, for example, which is the focus of a combined British and Pakistani joint task force headed by Sir Michael Barber and Ms. Shahnaz Wazir Ali. The US is participating in this effort. This will give it greater heft and lay the ground for longer term development that Pakistan sorely needs. The US should also invest in signature infrastructure projects that will become a lasting reminder of US assistance. A major dam or two to help Pakistan meet its energy and water shortage, and a highway and railway network linking say the port of Gwadar to Afghanistan would alter the economic landscape of Pakistan's backward Balochistan province and create possibilities for trade with Central Asia.

The largest single potential for improving Pakistan's security and economy both is the normalization of relations between India and Pakistan, a process that is beginning to show signs of revival. Increased trade between the two countries to reach the levels of trade that existed at the time of independence would raise their current trade level from about \$2 billion a year to between \$40 and 100 billion a year and radically change the lives of people on both sides of the border. This would especially benefit the districts that are now the breeding ground of the Punjabi Taliban and that are contiguous with Indian Punjab. The US can use its strategic partnership with both India and Pakistan to encourage and to some extent underwrite projects and moves in the direction of greater regional trade between them and their neighbors in Central Asia. It goes without saying that trade and people-to-people

contact between India and Pakistan will make it difficult for the forces that favor conflict between these neighbors and reduce the need for unproductive military spending. With that in mind we at the Atlantic Council are engaged in a number of projects to examine water conflict between the two countries and to begin engagement between their militaries. A prosperous Pakistan will be a more confident and secure Pakistan. It is not there yet and the obvious lack of trust that was signaled by the US unilateral action against Osama Bin Laden in Abbotabad two nights ago is a good example of the gap that exists between the United States and Pakistan.

Let me end on the words I used in my opening segment: we need to work with Pakistan with respect for an ally, but be consistent and honest in our exchanges and interactions so there is no disconnect between what we say and what we do. Let us agree on longer-term goals. The US and Pakistan have been friends for a long time. As friends, we can disagree from time to time but the vision of a safe and secure world and the growth and development of Pakistan remains key to the success of this endeavor. Counterterrorism often falls into the trap of tactical and technological solutions. I believe we have to broaden the aperture and identify and adopt measures that affect the human terrain and over a longer time frame than our domestic politics sometimes allow. On its part Pakistan must return the favor of honesty and openness, so we can work with it without fear of being deceived.

A stable and secure Pakistan can help create a stable South Asia and a safer United States. I believe it is worth the effort we are putting into it and much more.

Thank you