

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is centered in the narrow neck of the hourglass. The top bulb is filled with a dark blue color, and the bottom bulb is filled with a light blue color. The globe is centered in the narrow neck of the hourglass.

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*Pakistan and Terrorism: A Summary*

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**Abstract.** This report provides a summary review of issues related to Pakistan and terrorism, especially in the context of U.S. interests, policy goals, and relevant assistance. The outcomes of U.S. policies toward Pakistan since 9/11, while not devoid of meaningful successes, have neither neutralized anti-Western militants and reduced religious extremism in that country, nor have they contributed sufficiently to the stabilization of neighboring Afghanistan. Many observers thus urge a broad re-evaluation of such policies.

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## CRS Report for Congress

# Pakistan and Terrorism: A Summary

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### Summary

This report provides a summary review of issues related to Pakistan and terrorism, especially in the context of U.S. interests, policy goals, and relevant assistance.<sup>1</sup> The outcomes of U.S. policies toward Pakistan since 9/11, while not devoid of meaningful successes, have neither neutralized anti-Western militants and reduced religious extremism in that country, nor have they contributed sufficiently to the stabilization of neighboring Afghanistan. Many observers thus urge a broad re-evaluation of such policies. This report will be updated periodically.

In the wake of the September 2001 terrorist attacks on the United States, President George W. Bush launched major military operations as part of a global U.S.-led anti-terrorism effort. *Operation Enduring Freedom* in Afghanistan has realized major successes with the vital assistance of neighboring Pakistan. Yet a resurgent Taliban today operates in southern and eastern Afghanistan with the benefit of apparent sanctuary in parts of western Pakistan. The United States is increasingly concerned that members of Al Qaeda, its Taliban supporters, and other Islamist militants find safe haven in Pakistani cities such as Quetta and Peshawar, as well as in the rugged Pakistan-Afghanistan border region. This latter area is inhabited by ethnic Pashtuns who express solidarity with anti-U.S. forces. Al Qaeda militants also reportedly have made alliances with indigenous Pakistani terrorist groups that have been implicated in both anti-Western attacks in Pakistan and terrorism in India. These groups seek to oust the Islamabad government of President Gen. Pervez Musharraf and have been implicated in assassination attempts that were only narrowly survived by the Pakistani leader and other top officials. In fact, Pakistan's struggle with militant Islamist extremism appears for some to have become a matter of survival for that country. As more evidence arises exposing Al Qaeda's deadly new alliance with indigenous Pakistani militants — and related conflict continues to cause death and disruption in Pakistan's western regions — concern about Pakistan's fundamental political and social stability has increased. In his January 2007 State of the

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<sup>1</sup> Sources for this report include, *inter alia*, the U.S. Departments of State and Defense, congressional transcripts, intergovernmental and nongovernmental organizations, regional press reports, and major newswires.

Union Address, President Bush said, “We didn’t drive Al Qaeda out of their safe haven in Afghanistan only to let them set up a new safe haven in a free Iraq.” Yet many observers warn that an American preoccupation with Iraq has contributed to allowing the emergence of new Al Qaeda safe havens in western Pakistan.

## U.S. Policy and Concerns

South Asia is viewed as a key arena in the fight against militant religious extremism, most especially in Pakistan and as related to Afghan stability. In November 2006, the State Department’s Under Secretary for Political Affairs, Nicholas Burns, said, “It is in South Asia where our future success in the struggle against global terrorism will likely be decided — in Afghanistan and Pakistan.”<sup>2</sup> *The 9/11 Commission Report* emphasized that mounting large-scale international terrorist attacks appears to require sanctuaries in which terrorist groups can plan and operate with impunity. It further claimed that Pakistan’s “vast unpoliced regions” remained attractive to extremist groups. The Commission identified the government of President Musharraf as the best hope for stability in Pakistan and Afghanistan, and recommended that the United States make a long-term commitment to provide comprehensive support for Islamabad so long as Pakistan itself is committed to combating extremism and to a policy of “enlightened moderation.”<sup>3</sup>

In January 2007 Senate testimony assessing global threats, the outgoing Director of National Intelligence, John Negroponte, captured in two sentences the dilemma Pakistan now poses for U.S. policy makers: “Pakistan is a frontline partner in the war on terror. Nevertheless, it remains a major source of Islamic extremism and the home for some top terrorist leaders.” In what were surely well-calculated remarks, he went on to identify Al Qaeda as posing the single greatest terrorist threat to the United States and its interests, and warned that the organization’s “core elements ... maintain active connections and relationships that radiate outward from their leaders’ secure hideouts in Pakistan.”<sup>4</sup> This latter reference was considered the strongest such statement to date by a high-ranking Bush Administration official. Throughout the opening months of 2007, Administration officials, U.S. military commanders, and senior U.S. Senators issued further incriminating statements about Pakistan’s assumed status as a terrorist base and the allegedly insufficient response of the Islamabad government.

The United States also remains concerned with indigenous extremist groups in Pakistan, and with the ongoing “cross-border infiltration” of Islamist militants who traverse the Kashmiri Line of Control and other borders to engage in terrorist acts in India and Indian Kashmir. Many analysts consider such activities conceptually inseparable from the problem of Islamist militancy in western Pakistan and in Afghanistan. Domestic terrorism in Pakistan, much of it associated with Islamist sectarianism, has become an increasingly serious problem affecting major Pakistani cities. Separatist violence in India’s Muslim-majority Jammu and Kashmir state has continued unabated since 1989,

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<sup>2</sup> “U.S. Policy in South Asia,” Nov. 27, 2006, at [<http://www.state.gov/p/us/rm/2006/76984.htm>].

<sup>3</sup> *The 9/11 Commission Report*, at [<http://www.gpoaccess.gov/911/>]; Pervez Musharraf, “A Plea for Enlightened Moderation,” *Washington Post*, June 1, 2004.

<sup>4</sup> Statement before the Senate Select Committee on Intelligence, Jan. 11, 2007, at [<http://intelligence.senate.gov/hearings.cfm?hearingId=2467>].

with some notable relative decline in recent years. Many experts reject efforts by the Pakistani government and others to draw significant distinctions between U.S.- and Indian-designated terrorist groups fighting in Kashmir and those fighting in western Pakistan and Afghanistan, and in Pakistan's interior. India blames Pakistan for the infiltration of Islamist militants into Indian Kashmir, a charge Islamabad denies. The United States reportedly has received pledges from Islamabad that all "cross-border terrorism" would cease and that any terrorist facilities in Pakistani-controlled areas would be closed. Similar pledges have been made to India.

Numerous experts raise questions about the determination, sincerity, and effectiveness of Pakistani government efforts to combat religious extremists. Doubts are widely held by Western experts, many of whom express concerns about the implications of maintaining present U.S. policies toward the region, and about the efficacy of Islamabad's latest strategy, which appears to seek reconciliation with pro-Taliban militants.<sup>5</sup> Islamabad is adamant in asserting that it serves its own self-interests through closer relations with the United States since 2001, that there should be no doubts about the sincerity of its anti-terrorism policies (with a corollary that any failings in this area are rooted in Pakistan's capabilities rather than in its intentions), and that solely military efforts to combat religious militancy are bound to fail. Instead, Pakistani officials aver, the so-called "war on terrorism" must emphasize socioeconomic uplift and resolution of outstanding disputes in the Muslim world, including in Kashmir, Palestine, and Iraq.<sup>6</sup>

The outcomes of U.S. policies toward Pakistan since 9/11, while not devoid of meaningful successes, have neither neutralized anti-Western militants and reduced religious extremism in that country, nor have they contributed sufficiently to the stabilization of neighboring Afghanistan. Many observers thus urge a broad re-evaluation of such policies, including a questioning of a seeming U.S. reliance on the institution of the Pakistani military and on the person of President Musharraf, along with a shifting of considerable U.S. assistance funds toward programs that might better engender long-term stability in Pakistan.<sup>7</sup>

## Congressional Action

In June 2003, President Bush hosted President Musharraf at Camp David, Maryland, where he vowed to work with Congress on establishing a five-year, \$3 billion aid package for Pakistan. Annual installments of \$600 million each, split evenly between military and economic aid, began in FY2005. In the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108-458), the 108<sup>th</sup> Congress broadly endorsed the recommendations of *The 9/11 Commission Report* by calling for U.S. aid to Pakistan to be sustained at a minimum of FY2005 levels and requiring the President to report to Congress a description

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<sup>5</sup> See Paul Wiseman, "Is Pakistan Doing Its Part in the War on Terrorism?," *USA Today*, Sept. 20, 2005; Pamela Constable, "Pakistan's Awkward Balancing Act On Islamic Militant Groups," *Washington Post*, Aug. 26, 2006.

<sup>6</sup> Author interview with Pakistani government officials, Embassy of Pakistan, Washington, DC, Mar. 14, 2007.

<sup>7</sup> See, for example, statements by three expert witnesses at a House International Relations Subcommittee on the Middle East and South Asia hearing on Pakistan, Mar. 21, 2007.

of long-term U.S. strategy to engage with and support Pakistan. The premiere House resolution of the 110<sup>th</sup> Congress (H.R. 1, the Implementing the 9/11 Commission Recommendations Act of 2007) was passed in January 2007. Section 1442 of the act contains discussion of U.S. policy toward Pakistan, including a requirement that the President report to Congress a long-term U.S. strategy for engaging Pakistan and making a statement of policy that further waivers of coup-related aid sanctions “should be informed by the pace of democratic reform, extension of the rule of law, and the conduct of the parliamentary elections” scheduled to take place in late 2007. Perhaps most notably, the section includes a provision that would end U.S. military assistance and arms sales licensing to that country in FY2008 unless the President certifies that the Islamabad government is “making all possible efforts” to end Taliban activities on Pakistani soil.

Many analysts view Section 1442 as a signal that a Democratic-controlled Congress may pressure the Bush Administration to review its Pakistan policy, although many also warn that such overt conditionality is counterproductive to the goal of closer U.S.-Pakistan relations. The Bush Administration explicitly opposes the certification provision on such grounds and it instead urges that the certification be replaced with a reporting requirement.<sup>8</sup> A Senate version of the House bill (S. 4) was passed in March, but contains no Pakistan-specific language. In response to U.S. congressional signals of a possible shift in U.S. policy toward Islamabad, the Pakistani National Assembly’s Defense Committee unanimously passed a resolution threatening to end or reduce Islamabad’s cooperation on counterterrorism if U.S. aid to Pakistan were to be made conditional.

## U.S. Government Assistance and Policy Options

**Direct U.S. Foreign Assistance and Coalition Support Funding.** In the years since September 2001, Pakistan has received nearly \$1.5 billion in direct U.S. security-related assistance (Foreign Military Financing totaling \$970 million plus about \$516 million for other programs). Congress also has appropriated billions of dollars to reimburse Pakistan for its support of U.S.-led counterterrorism operations. Some 80% of Defense Department spending for coalition support payments to “Pakistan, Jordan, and other key cooperating nations” has gone to Islamabad. At \$4.75 billion to date, averaging more than \$80 million per month, the amount is equal to more than one-quarter of Pakistan’s total military expenditures. The Bush Administration requested another \$1 billion in emergency supplemental coalition support funds for FY2007, however, H.R. 1591, passed by the full House on March 23, 2007, called for only \$300 million in such funds. The Administration also has requested another \$1.7 billion in coalition support for FY2008. In justifying these requests, the Administration claims that coalition support payments to Pakistan have led to “a more stable [Pakistan-Afghanistan] border area.”

**Arms Transfers.** Major U.S. defense sales and grants in recent years have included advanced aircraft and missiles. The Pentagon reports Foreign Military Sales (FMS) agreements with Pakistan worth \$836 million in FY2003-FY2005. In-process sales of F-16 combat aircraft raised the FY2006 value to nearly \$3.5 billion. (In June 2006, the Pentagon notified Congress of a planned FMS for Pakistan worth up to \$5.1

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<sup>8</sup>David Montero, “Pakistan Faces a Less-Friendly US Congress,” *Christian Science Monitor*, Jan. 29, 2007; Statement of Administration Policy at [<http://www.whitehouse.gov/omb/legislative/sap/110-1/hr1sap-h.pdf>].

billion. The deal involves up to 36 advanced F-16s, along with related refurbishments, munitions, and equipment, and would represent the largest-ever weapons sale to Pakistan.) The Pentagon has characterized F-16 fighters, P-3C maritime patrol aircraft, and anti-armor missiles as having significant anti-terrorism applications, a claim that elicits skepticism from some analysts.

**Security Assistance.** Security-related U.S. assistance programs for Pakistan are said to be aimed especially at bolstering Islamabad’s counterterrorism and border security efforts, and have included U.S.-funded road-building projects in western Pakistan and the provision of night-vision equipment, communications gear, protective vests, and transport helicopters and aircraft. The United States also has undertaken to train and equip new Pakistan Army Air Assault units that can move quickly to find and target terrorist elements. U.S. security assistance to Pakistan’s civilian sector is aimed at strengthening the country’s law enforcement capabilities through basic police training, provision of advanced identification systems, and establishment of a new Counterterrorism Special Investigation Group. U.S. efforts may be hindered by Pakistani shortcomings that include poorly trained and poorly equipped personnel who generally are underpaid by ineffectively coordinated and overburdened government agencies.

**Possible Adjustments to U.S. Assistance Programs.** Many commentators on U.S. assistance programs for Pakistan have recommended making adjustments to the proportion of funds devoted to military versus economic aid and/or to the objectives of such programs. Currently, funds are split roughly evenly between economic and security-related aid programs, with the great bulk of the former going to a general economic (budget) support fund and most of the latter financing “big ticket” defense articles such as airborne early warning aircraft, and anti-ship and anti-armor missiles. It may be useful to better target U.S. assistance programs in such a way that they more effectively benefit the country’s citizens. One former senior Senate staffer has called for improving America’s image in Pakistan by making U.S. aid more visible to ordinary Pakistanis.<sup>9</sup>

An idea commonly floated by analysts is the “conditioning” of aid to Pakistan, perhaps through the creation of “benchmarks.” For example, in 2003, a task force of senior American South Asia watchers issued a report on U.S. policy in the region which included a recommendation that the extent of U.S. support for Islamabad should be linked to that government’s own performance in making Pakistan a more “modern, progressive, and democratic state” as promised by President Musharraf in January 2002. Specifically, the task force urged directing two-thirds of U.S. aid to economic programs and one-third to security assistance, and conditioning increases in aid amounts to progress in Pakistan’s reform agenda.<sup>10</sup> A more recent perspective is representative of ongoing concerns about the emphases of U.S. aid programs:

[T]he United States has given Musharraf considerable slack in meeting his commitments to deal with domestic extremism or his promises to restore authentic democracy. The U.S. partnership with Pakistan would probably be on firmer footing

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<sup>9</sup> Lisa Curtis, “Denying Terrorists Safe Haven in Pakistan,” Heritage Foundation Backgrounder No. 1981, Oct. 26, 2006, at [[http://www.heritage.org/Research/AsiaandthePacific/upload/bg\\_1981.pdf](http://www.heritage.org/Research/AsiaandthePacific/upload/bg_1981.pdf)].

<sup>10</sup> [[http://www.asiasociety.org/policy\\_business/india-southasia10-30-03.pdf](http://www.asiasociety.org/policy_business/india-southasia10-30-03.pdf)].

through conditioned programs more dedicated to building the country's political and social institutions than rewarding its leadership.<sup>11</sup>

Other analysts, however, including those making policy for the Bush Administration, believe that conditioning U.S. aid to Pakistan has a past record of failure and likely would be counterproductive. Some add that putting additional pressure on an already besieged Musharraf government might lead to significant political instability in Islamabad.

The Bush Administration has come under fire from some quarters for overemphasizing its relationship with the person of Pervez Musharraf — an army general who came to power through extra-constitutional means — at the expense of democratization processes in Pakistan and, further, for maintaining a single-minded focus on anti-terrorism that has “given a pass” to Musharraf and the Pakistani military in the areas of nuclear proliferation, rule of law, and human rights. For several years, veteran Pakistan watchers have been calling attention to the potential problems inherent in a U.S. over-reliance on President Musharraf as an individual at alleged cost to more positive development of Pakistan's democratic institutions and civil society.<sup>12</sup> In 2006, two former senior U.S. diplomats jointly urged the Bush Administration to move beyond its fairly limited focus on the person of Pervez Musharraf by creating better links with a wider array of pro-democracy civil society elements there.<sup>13</sup>

More substantive military-to-military relations could be of significant benefit to overall U.S.-Pakistan relations and the attainment of U.S. goals in South Asia. Related sanctions imposed on Pakistan in 1990 were in some respects harmful to subsequent U.S. interests in the region. For example, the suspension of military training (IMET) programs meant that for more than a decade there was no exchange between the Pakistani and U.S. militaries. A Washington-based expert on the Pakistani military has insisted that such exchanges are crucial in encouraging a liberal, secular outlook among Pakistan's officer corps, and provide the United States unique access to that country's leading institution.<sup>14</sup>

In apparent response to growing concerns about the course of events in Pakistan and in U.S.-Pakistan relations, Assistant Secretary of State for South and Central Asian Affairs Richard Boucher met with top Pakistani leaders in Islamabad in mid-March, where he lauded Pakistan's role as a vital U.S. ally and announced a new five-year, \$750 million aid initiative for development programs in Pakistan's western tribal regions. The Administration also will seek Pentagon authority to spend \$75 million in FY2007 funds to improve the capacity of Pakistan's paramilitary Frontier Corps.

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<sup>11</sup> Marvin Weinbaum, “Afghanistan and Its Neighbors,” U.S. Institute of Peace Special Report 162, June 2006, p. 18, at [<http://www.usip.org/pubs/specialreports/sr162.pdf>].

<sup>12</sup> See the statements of Ambassador Teresita Schaffer and Dr. Marvin Weinbaum before the Senate Foreign Relations Committee, July 14, 2004.

<sup>13</sup> Teresita Schaffer and Karl Inderfurth, “A US Itinerary for Action in Pakistan,” *Christian Science Monitor*, Mar. 1, 2006, at [<http://www.csmonitor.com/2006/0301/p09s02-coop.html>].

<sup>14</sup> Stephen P. Cohen, *The Idea of Pakistan* (Brookings Institution, 2004), p. 318.