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TOP ARTICLE | Keep A Tab On The Funds

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The carnage in Mumbai marks a new phase in the terrorist war against India. The monthly bomb blasts in one major city or another have now been escalated to a full-fledged commando strike at the heart of India's commercial capital.

The politicians have continued to dish out their usual platitudes, either making alibis or pointing fingers at each other, while the intelligence apparatus and the security czars have proved themselves to be utterly incompetent in coping with the challenge. It is high time to bring in new people and new ideas on how to win the war against terror.

Gautam Adhikari argued convincingly in these columns a few days ago that it is necessary to save Pakistan to save us all. Much of the discourse post-Mumbai terror attacks is about what is to be done with our security arrangements at home.

However, nothing that we can do within our borders can be as effective as striking at the base of terrorism in Pakistan itself. But how is that to be accomplished? Surely not by military force. Look at the protracted wars that the world's greatest military powers have fought, and never won, in Vietnam, Iraq and Afghanistan. The military option is not an option at all in Pakistan. The only option available is to stabilise Pakistan, strengthen democracy in that country and help its civil society strike at the heart of terrorism.

India has little leverage to push this, though it would be a major beneficiary of such an outcome. However, it can nudge the US and other global powers towards this shared goal through diplomacy. The IMF has approved a \$7.6 billion loan to Pakistan. Billions of dollars of additional assistance are being planned by the World Bank, the Asian Development Bank and other bilateral donors, adding up to a sizeable aid package.

This gives considerable clout to the Pakistan aid consortium to influence the shape of things to come there. That leverage has been greatly enhanced by the refusal of both China and Saudi Arabia, two of Pakistan's closest and richest friends, to bail out the country from its present crisis. Clearly they want to work together with the international community in Pakistan, not separately. Both countries have serious terrorism concerns. China because of separatist movements in Xinjiang and other parts of western China, and Saudi Arabia because its Faustian bargain with Wahhabi fundamentalism has come home to roost.

How best can the international community use its decisive leverage in Pakistan? It could waste this leverage in narrowly promoting policies for economic stabilisation or it could use the leverage to push for the stabilisation of democracy along with the economy.

The former would be a waste because an economic stabilisation programme can never work when the state itself is either weak or failing. The strengthening of democracy is essential as much for economic stability as for political stability. Strengthening democracy is fundamental for striking at the heart of terrorism in Pakistan. Though an elected government is in power, it has little power vis-a-vis the generals and the ISI. Like the KGB in the former Soviet Union, the ISI is a state within a state in Pakistan, and the civilian government has little control over it.

General Kayani started well in refusing to back his erstwhile patron General Musharraf, keeping the army in the barracks, and withdrawing his officers from senior positions in the government. But would he or General Pasha, the head of the ISI, agree to take their orders from the civilian political authorities? Unlikely. The Indian authorities tested the limit of civilian power in Pakistan in requesting that the ISI head be sent to India to help with investigations in the Mumbai attack. The civilian political leadership initially agreed, only to retract the offer the next day. Evidently, the Pakistani president or prime minister cannot decide whether or not to send Pasha to India.

The civilian government in Pakistan is engaged in an internal struggle to reclaim real power from the generals and the ISI. The international community, in its own interest and in the interest of the people of Pakistan, could greatly strengthen the hands of the civilian government through the instrument of aid.

Pakistan is depending on the billions of dollars of foreign aid for its economic survival. Only the first IMF tranche of \$3.1 billion has been disbursed so far. The rest should be made available on the implicit condition that the defence forces take their orders from the elected government, and that the ISI dismantles its terror infrastructure in collaboration with (read 'oversight of') the US as a representative of the donor community.

The ISI and the army will fight such conditions tooth and nail. Political opponents and even allies of the government may protest that this will infringe on Pakistan's sovereignty. But Pakistan needs that aid and it has to give something in return. It won't be easy, but even partial success would be valuable.

Even the ISI can be tamed by gradually pulling the financial plug in the event of non-compliance. No doubt the ISI has its own sources of revenue, apart from budgetary support visible or invisible but withdrawal of budget support would still hurt. There

will also be attempts to hoodwink the donors. However, Robert Gates, who will continue as Barack Obama's defence secretary and once headed the CIA where he served for over 25 years, should know a thing or two about that. The writer was a director at the Asian Development Bank.