

**THE CARNEGIE ENDOWMENT
THE NATIONAL BUREAU OF ASIAN RESEARCH**

**“WHAT ARE THE MAJOR INTERNAL AND EXTERNAL FORCES
DRIVING GRAND STRATEGY IN SOUTH ASIA?”**

**WELCOME AND INTRODUCTION
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RICHARD ELLINGS: Could everybody take a seat please. We're only 16 minutes behind schedule. I'm ecstatic. Well, the real star of the show, Jessica Matthews, is not able to join me in welcoming you like she did last year. I think she's giving a talk right now elsewhere. We had an earlier agenda that had her on here. This explains why I'm only on here, so I'm sorry to disappoint. But I am pleased, to say the least, to be here again and to welcome all of you to what has really been an annual event now for a number of years, in which we launch our Strategic Asia volume, the latest volume, which as you know in each year has a different theme.

This year's theme is on South Asia. But before I say anything about that, let me just mention a couple of things about the program and thank some of those who make it possible. As most of you know, the purpose of the strategic Asia program is several-fold. One is to establish a careful record of what changes are taking place in the region that are of interest in the areas of national security, U.S. policy, our interests and to not only create this track record but then annually conduct research that also looks forward, tries to anticipate, uncover trends, maybe anticipate developments that may not be on a trend line but may surprise us.

So it's a very important undertaking. It is the principal effort outside the United States government to track strategic events there, so we don't take this responsibility lightly. Fortunately we've had just absolutely the best people that are available to contribute to this, so we're extremely honored and proud of that fact. There are several sponsors I want to mention. First and foremost, the National Nuclear Security Administration, Department of Energy, which has supported this program for six years, maybe seven years now. Absolutely critical support. Second, the Lynde and Harry Bradley Foundation, which has helped establish the program from the get-go and which has hung in there with us, so we are so deeply appreciative to them. And the GE Foundation, which on a number of occasions, including this year, has supported this program, also did very early on.

This year's focus on domestic affairs and drivers that affect strategies in the region is a fitting complement to the topics that we have taken in past years. We looked at military modernization, we've looked at the relationship of international economics and domestic economics on the strategic environment in the region. We have looked at how the region is dealing with and responding to shocks in the system, especially terrorism. We've tried to understand the essential balance of power in the region and how changes in that balance of power are affecting dynamics, and how well the system of states in the region is responding to the tremendous dynamism, represented of course most vividly by the rise of China, but also the rise of India, the mercurial nature of the Russian Federation, and the reassertion of Japanese policy in the region.

This year's focus seems to me is not only important from the perspective of understanding the strategies in the region, but also as a contribution to studies of domestic affairs and their effect on policy more generally, simply because less has been

done in terms of case studies on Asia in this regard. Lots of comparative political studies in Europe historically, in the United States, but this is a fantastic new set of case studies that focus on the area of the world that we now must focus on because it's of incredible importance, the concentration of useable military power, not to mention the economic wealth that's accumulating so rapidly in the region.

Now that's all I'm going to say. If I get any substantively deeper than that, I'm going to completely show my ignorance. I'm going to turn this over to who I've likened to many things in the past, but when you go to India with Ashley these days, it's hard to imagine kind of a Michael Jackson or rock star in the political, foreign policy field, but that's what it's like. His cell phone's ringing and it's the foreign minister. The cell phone rings again, it might be the prime minister. You never know. We were together there in December and I got a taste of it.

Of course we know from his incredible contributions here in America just how important his work is and what his talents are. But if you don't know Ashley Tellis at this point then let me say besides being this rock star in international affairs, he happens to be also, in my view, America's greatest contemporary specialist on India, on regional relations. He has headed for several years now our strategic Asia program, been research director, and of course is an important figure here at Carnegie, not to mention all these activities in and out of government, whether it's with State Department, National Security Council, and so on.

So without further ado, let me hand this over to Ashley Tellis.

ASHLEY TELLIS: Thank you, Richard. It's a pleasure to be here with all of you this afternoon and to welcome you on behalf of the Carnegie Endowment as well. Our president, Jessica Matthews, is actually chairing an important meeting on Russia, literally below us, which is a meeting with a whole series of ambassadors and Russian officials, and so she can't be present in person.

I want to move very briefly to talk about the substance of the volume itself because we want to end this meeting exactly sharp at 2:00 o'clock, and so I want to give maximum time for my speakers to present the substance of their chapters and also comment on issues of contemporary importance which are obviously important to all of us.

What we did this year in the Strategic Asia volume was actually to look at domestic politics as a very serious research issue in terms of its effect on how countries plot their national strategy. Domestic politics is important. Everyone knows that. The challenge was to try to and craft a research agenda that would focus on some enduring features of domestic politics, as opposed to simply issues of process. It is very often when you get discussions about domestic politics, the discussions tend to focus exclusively on personalities, or on what we think of as the vicissitudes of normal

process—something happened today, something will happen tomorrow—and the story is told in those terms.

For a book like this to have enduring value, I thought we needed to push beyond issues of personality and process to questions of structure. And so what I asked my contributors to do is to try and think of domestic politics in a particular way, and the way they thought about it was really to take as the central organizing principle the idea that domestic politics is ultimately about the relationship between rulers and the ruled, and that there is a compact between rulers and ruled, whether that compact is consensual or whether it's coercive. And that this compact essentially defines the choices that elites, that decision makers have, because there is an assumption that people who are in positions of power and authority are deeply concerned about maintaining their power and authority, and that the first business of a ruler is to make certain that somebody does not replace him in that position if he can help it.

So if one uses that as an organizing principle then it at least enables us to look at what forces affect the choices of key decision makers in each of the Asian states that we focused on. I just want to very briefly highlight what I think are three important propositions that come out in different ways through the chapters that are in the volume. And I encourage you to read the chapters because almost every one of them is superb because it goes beyond what I think of as just the headlines of the day, to uncover what are the deeper structural forces that are more enduring.

Let me get on to the propositions that I just want to leave for you. I will illustrate by reference to some developments in South Asia. The first proposition is that it is safe to say that when you think of domestic politics, the first business of rulers is to hold onto power. They care about power. They want to make certain that they are not ejected from office. And of course this calculus is different in democratic regimes and it is different in authoritarian regimes. But the basic problem still remains the same. It's a question of how one holds onto power, how one uses power to essentially enhance one's own particular interest. From this follows a simple but important position that is often forgotten, that the objective national interest of countries as viewed from the outside can be quite different from the national interests as implemented by people in power because when people are in power, they view the national interest as essentially what is it that conduces most to keeping me where I like to be. When people look at the issues of grand strategy from the outside, the first question is, what is the rational thing for the country to do. And these are two different questions. So when one thinks of domestic politics, it's important to pay attention to this difference.

The second proposition that I would highlight when you look at grand strategy from the perspective of domestic politics is that producing good grand strategy is not automatic and it's not easy. It's not friction-free. It involves making very hard choices about how one best extracts and mobilizes national resources, but how one does so without imperiling one's own hold on power because whenever one gets into the

extraction and mobilization business, what you end up doing is helping some constituencies and alienating some constituencies. And so the task for the statesman or for the political leader is to pursue the extraction mobilization process in a way that not only enhances the country's interests but also enhances his own enduring lock on power. And so you recognize, when you think of grand strategy and national policy from the perspective of domestic politics that it is an arduous enterprise and that there are costly trade-offs, and that very often the outcomes are sub-optimal. You don't get the perfect outcomes that everyone would want to have.

The third proposition that I would like to commend to your attention is that when you are in authority, when you are in power and you have to make choices about national strategy, you are always put in a situation where you have to triangulate between what I think of as the near enemy and the far enemy. The near enemy are those competitors that you have among your elites who are seeking your position, as well as those who exist among the ruled, broadly understood, whose decisions affect your ability to hold onto power. That's the near enemy because the people in your own country who essentially want your job, or who can make decisions that affect your job. And there's the far enemy, and the far enemy is what the world of neo-realism traditionally has focused on, which is other countries, their elites and their decision makers.

It's not always obvious, a priori, which of these forces actually is most important to a decision maker at any given point in time. And so when one thinks of the intersection between domestic politics and national politics, I think you'll get some very interesting combinations where you can imagine elites in a state aligned with elites across national boundaries to deal with what may be very pressing challenges to their own authority from within. You can imagine situations where the masses align with one another across national boundaries because they have common threats in terms of the elites that rule them.

So there is no a priori kind of solution with respect to what is the optimal strategy for a ruler in order to maximize his power and his authority. And so a great deal of political research must be very sensitive to actually mapping carefully what the bases of support are in any political system, and being attuned to the kinds of things that leaders will do to protect their power in what is obviously a very complex social environment. You see all this very clearly, for example, in the two big issues that confront us in South Asia today. There are many, but if you think on the Indian side at the civil nuclear agreement, and you see the kind of complications that are currently manifesting themselves in Indian domestic politics, and you ask yourself what does all this mean, you see very clearly the importance of domestic politics. Because from an objective national interest perspective sitting on the outside, it's very easy to say, what are the Indians complaining about? They should be accepting this deal because this is very good for India and it's the best deal they're going to get. But from the perspective of someone who actually has to rule India and has to think of his own capacity to stay in office, there

may be things that are actually more important for his own survival and for his own power than even a civil nuclear agreement may not turn out to be the best deal.

You look at Pakistan and Pakistan's dilemmas in the war on terror, you begin to say, of course it should be obvious to General Musharraf that rooting out Islamist extremism in a sense is objectively the right thing for Pakistan to do. But there are very burdensome private costs that accrue to the president of Pakistan personally if he were to do this in the manner that, you know, some of us want and some of us expect. And so the dilemmas between private costs and public costs, the dilemmas between private benefits and public benefits in a sense become manifest across the board when you look at any of the big issues confronting U.S. policy in South Asia.

Today we have a very distinguished group of analysts to speak to you on these subjects. I have asked Raja Mohan to speak about India, to summarize briefly his chapter and then relate the chapter to some of the contemporary challenges. He'll be followed by Frederic Grare, who will talk about Pakistan and Bangladesh, doing essentially the same thing. And then we have Ambassador Schaffer, and Dan Markey, who will spend 10 minutes in terms of commentary. And then I want to really open it up to the floor for questions, comments, and any kinds of suggestions.

So without further ado, Raja.

RAJA MOHAN: Thank you, Ashley, and I hope you'll remind me about the time because Indians don't know when to stop, so it's good to keep control on time here.
(Laughter)

The chapter I have in this book is called "Poised for Power: The domestic roots of India's slow rise." It's a mouthful but I think it was designed to capture the essence of the chapter. One, we are making the assumption that India's potential is now becoming a reality, that India's rise as one of the great powers of the international system is now inevitable. This is too optimistic for many Indians and for much of the world, but for a whole generation, three generations of Indians who have grown on Indo pessimism, optimism is a difficult commodity. But I think the argument here is that the inevitability of India's rise, its relative improvement of its standing on the international system is rooted in what I think is a structural change of the sustained high growth rates that we're beginning to see in India. Seven to eight percent was conservative estimate a few years ago. Now it's close to nine percent and eventually they talk about going to ten percent.

So if this is the assumption that we have a structural change in the Indian economy, then the question of India becoming a great power then presents itself and it's no longer a wish or a desire, but it is rooted in the change in the character of the Indian economic growth. So that's the fundamental assumption.

Then we put in a caveat when we say the domestic roots of India's slow rise—there's a bow to the pessimists—that the argument that there are constraints, political constraints on India's rise, that however much the economy might be booming, that there are a whole range of factors that constrain or slow down India's emergence as a power on the international system. Here I've identified about four or five basic factors which point to—examine some of these constraints. One we talk about—put them all together, it's essentially you might call it a democracy tax—that the nature of the Indian democracy, the extraordinary fragmentation of its political parties and the utter chaos of its 24 by 7 by 24—24 by 7 is time, and 24 is the number of languages we have, so you can multiply the cacophony 24 times all over again—that this chaotic, noisy democracy imposes significant constraints on the ability of India to take full advantage of its new circumstance on the international stage.

What I would like to move on to is, instead of getting into too much of these details on the nature of the democracy tax in India, I would just like to pose one central proposition to you, which is, it is generally assumed that we governments and fragmented polities find it impossible to make big foreign policy moves. And I think that's a reasonable assumption that most of us political analysts make. But we have a paradox in India today, that probably one of the weakest governments in the history of India today is in the middle of a major negotiation with the United States, and most probably the government is going to see its term come to an end pretty soon, and everyone is expecting elections early next year. Yet you see this government, a government led by the Congress Party that invented socialism with Indian characteristics, as well as the notion of nonalignment, that party of 100-plus years old today is ready to go to the polls on the ground that it has a good deal with the United States.

By any stretch—I think if anyone had wanted to bet on this prospect, that the left-of-center traditionalist Indian political party today is out there defending a relationship with the United States—that tells you about the nature of the change that has taken place within, and the importance of understanding how, in spite of India being politically fragmented, that in fact it has taken initiatives on foreign policy which have proven to be utterly controversial.

I would like to deal with three accounts of India's foreign policy, three of the biggest accounts. One is the U.S., one is Pakistan, the other is China. The proposition there is that all the three relationships, there's been historic change of direction in the Indian foreign policy. This is not merely accommodation or movement in one direction, but the three core issues that define India's international engagement. In all the three, there is a fundamental change of direction and a breakthrough of sorts in terms of how we think about the relationship with all the three countries.

Let me go into these three sets of issues, how domestic politics—how the shifting nature of domestic coalitions is producing interesting outcomes. In the case of the United States, you've seen the kind of scrutiny that Indian media and Indian public debate has

put this deal to. I don't think anybody would want to waste their time reading the Hyde Act of the length it might be, or to read every minutiae of text relating to nonproliferation agreements. But there you are, the Indian press, the Indian public is so focused on finding out about every little section 1b of what Hyde Act is.

This is not—there is a—(inaudible)—text. That's something cultural, but the deeper problem, it is not about the text. It's actually that the nature of the relationship with the United States is fundamentally changing. Therefore, it's going to be put to an extraordinary scrutiny. It was never really about the nuclear deal in itself. The nuclear deal was meant to be a way of changing the India-U.S. relationship. But in the process of doing it, that every single accumulated suspicion of the United States, every single accumulated wariness of the United States has to be now laid out in public, thrashed out, and making sure that what India does is the right thing. And if you look at the structural change here, as I said, a left-of-center Congress Party is actually a squarely different entity. You have the left and the right both opposing it for different sets of reasons. Yet you see this deal most probably going through.

So how is it, what has changed within the domestic politics? My sense is if you look at India's attitude to the West, or the U.S. in general, you have three sets of players who are opposed to the United States and the West. One you might call the nativists—the BJP comes to your mind—the traditionalists we find in all the non-Western societies, who generally think West is a bad idea and kick them out, that's generally good. The other section we've had traditionally opposed to the United States was the anti-imperialists. They're the loudest these days. The dissent of the anti-colonial movement morphed into an anti-imperialist movement post-independence, and that you have the left liberal intelligentsia in India questioning the motivations of the United States as a way that the U.S. can do no good to India. And in the middle you have the security establishment, which was deeply suspicious of the nature of the U.S. relationships with India's neighbors (and) therefore, was unwilling to trust what the United States did.

What you've seen in the last two years in India is actually—there's different sections jockeying, arguing this thing out in public, and what we've seen eventually come out today is that the debate within the government, where the Indian scientists were the biggest victims of the U.S. sanctions policy, took their time saying yes to the deal, and that much of the debate of the last two years was really within the government.

The debate you're seeing today in the public domain is largely a political one, where the last hurrah of the anti-imperialists is out there visible. So the important thing is if you go through this deal, I think you'll mark the fundamental shift in terms of the nature of the domestic coalition and the domestic attitudes to the United States. So in that sense how this deal comes out is going to be significant in terms of how the domestic political coalitions in relation to foreign policy and fundamental attitudes to the West figure themselves out.

The second account I'd like to talk about is Pakistan. One of the accusations against this government has been it's been so obsessed with the United States that it had no time for anything else. That's been a general complaint of foreign policy against the Congress government—boy, if only they know what we've been doing with Pakistan. The day the piece of paper—some day, I don't know if it will ever get to see the light of day—that if the Indian public knows what India has been negotiating with Pakistan in the back channel—(inaudible)—like to junket around the world. This is serious stuff. This is actually empowered envoys of the two governments actually sitting down and negotiating an agreement on Kashmir.

Now those of us—I'm not obliged by any secrecy since I've not seen the paper, and that as someone who writes in the newspapers I can tell you that it has been a fairly advanced negotiation. That the assumption traditionally has been that it would be risky for any political leadership in India to negotiate with Pakistan on Kashmir. That assumption has been proven wrong by two successive governments of different persuasion, actually seeing the importance of finding a reconciliation with Pakistan. And that we are pretty close to that reconciliation. Of course like so often, the last mile might never be crossed given the political circumstances, but the fact is that India and Pakistan have a piece of paper that looks at a potential settlement on Kashmir, you could see that it was fairly reasonable, significant progress has been made.

Similarly in the case of China. Again, I think the boundary dispute with China has been one of the most difficult things India has faced from the very beginning, but just as India's attitudes on Kashmir have changed because of the shifting nature of the domestic coalitions, similarly on China too there is a fundamental change in terms of how we construct the nature of our boundary dispute with China, though we've not made as much progress in relation to China. But some of the very basic assumptions of how to deal with the boundary dispute have changed.

So let me conclude by saying that I think to think about any understanding of how India behaves in the future cannot be judged by India's past, that the changing India, the rising India is willing to take risks, is willing to take initiatives in spite of domestic political fragmentation, in spite of the apparent weakness of the governments. There is a new consensus within India that reconciling the two boundary disputes with Pakistan and Kashmir and defining a new relationship with the United States are critical to India's own rise and India's own potential role on the global stage. Thank you. (Applause)

FREDERICK GRARE: Well, I'm afraid the story I have to tell this morning is not as optimistic as the one that Raja just brilliantly presented, as usual, because what I have to speak is the political convergence between Pakistan and Bangladesh. And who would have thought just a few decades ago that there would have been some convergence between the two? I mean, the two countries seceded on a story of cultural nationalism and this is an element which I believe is still very much there but which has been eroded on the one side, and certainly suffered from phenomena that we have seen elsewhere. In

other words, the emergence of Islamic organization and their gradual move toward extremism. But this is not what I want to say.

What I want to talk about, or more precisely what I want to talk about is why this is so, and where the similarity of trajectory is. And the similarity of trajectory is largely in the fact that both countries have been failed by their respective elites. And I'm not saying that either Bangladesh or Pakistan are failed states. This is something that I would certainly negate, but the fact that they have been failed, that they are today in the present situation they do experience, this is largely the fault of their elites.

What I want to argue also, if we see such a rise of extremism in both countries, this is precisely a lack of democracy and not the other way around. In other words, I'll state from the very beginning my conclusion, supporting dictatorial regime in order to prevent extremism is totally counter-productive and, I would seriously argue, in the short-, medium-, and long-term absurd.

What have we seen in those two countries? We've seen Islamic organizations which have been filling the political space left by the state in the social, political field and so on. And we have seen also this same Islamic organization in both cases propped up by the state apparatus, and the military in both cases. But also by the civilian organization. So I really will use the term elite and not just one category of them.

So we can identify three categories of actors in this context, just to come to the fourth one which is perhaps emerging today, which perhaps will give us some reason to hope, which is—(inaudible). And of course is the—(inaudible). In both cases we have seen the army taking over as early as '75 in Bangladesh. That was four years after independence. And because these elites were in need of support, were in need of legitimacy, they did immediately bring to groups which had been totally discredited in the war for independence due to collaboration with Pakistan.

On the other side, we've seen extremist organizations being propped up also by the Pakistani apparatus, also for reasons of legitimacy and support—if you think of Zia al Haq—later on used, and that's probably the big difference between Pakistan and Bangladesh, used to pursue foreign policy objectives. So there is a direct responsibility in what we see and this is a fact that we can't ignore. So we can't deal with governments which at the same time are the source of the problem pretending that they are the solution to it.

But I mean, they are not by any means the only responsible in that situation. I mean, the political parties—that is, the traditional elite—did play a role in the process as well. We've seen in Bangladesh, for example, political parties which adopted from the very beginning to client-patron relationship, which have let themselves be corrupted immediately after independence, and which have adopted immediately after independence, even later for some of them, but by dynastic politics. But this is true to a

large extent in Pakistan, where you do see dynastic policy, where you do see corruption, where you do see total inability of the political elite to answer the demand of the population.

So in that context the situation was ripe for the most radical organizations to progress because they did play a very effective social role at the beginning. I mean, if you consider movements such as Jamaat-i- Islami, for example, in both the countries – and I’m quoting this example precisely for that reason – they have done a remarkable job socially, and we’re lucky that they didn’t become stronger than they are, and it is due essentially to their own political mediocrity because they were never able, in both cases, to translate their social agenda into a political one. Their political one was tainted with purely ideological considerations. Therefore, it was not reflecting the demand of the population that they were able to meet on the ground. At the same time, they decided themselves to lock themselves up into sort of a sociopolitical ghetto, with by and large the upper and lower middle class, which didn’t really allow them to become a mass organization. And for that reason they were never able to really become significant politically yet. I mean, the possibility was there and they did progress in that way.

And it is precisely the elite who brought them in and brought them up first, in Pakistan because they were given a role in the management of the Afghan conflict, later another organization was given a role there. Similarly, they were given a role also in Kashmir. They were never given that role—that’s probably again the major difference between the two countries in Bangladesh because there was no, I would say, regional agenda on the part of Bangladesh army. But in both cases were also used by the political parties. They were also used by the political parties because it was convenient to conclude alliances with them in order to consolidate yourself in power, or in order to just weaken your opponent. That is the situation where we were.

And we have seen where it led. We have seen a situation which today in Pakistan is totally disastrous, not necessarily the biggest risk for the regime is coming from that side, contrary to what we tend to believe, but there is undoubtedly a serious problem on the radical side. We’ve seen also the problem of extremism rising in Bangladesh, moving gradually from political organization to more militant ones. And I won’t name them all, but I mean, we can speak to the Jamaat-ul-Mujahideen in Bangladesh, for example. We can mention the—(inaudible), we can mention other organizations as well. These organizations were not present so far, so in both cases we recognize the same process. Legitimation of the most radical elements, integration in the political system. They did move from there to increase their political space, gain additional legitimacy, gain autonomy of their own, and in some cases in both countries they are readily becoming unmanageable. Not for all of them. This is not total loss of control, but yet we do have a problem on that side. That’s perhaps one of the limitations that would go to Raja’s optimism.

But perhaps more interesting are what are the prospects for political reform in the two countries. That brings me to the foresight that I was speaking about before. We've seen—it's still difficult to see where Bangladesh is going. At the time when we started the papers when we were asked to write them, we were in a situation where when Bangladesh was emerging from almost total ignorance by the international community because there was a major problem, because we were facing a quasi-constitutional coup by—(inaudible)—parties, and people were—Bangladeshi officials were coming here describing a situation. And as much as—(inaudible), I speak here under control of people much better informed than I am, there was probably a sense of relief when in December 2006 the army effectively took control of whole situation. Since then we have seen the situation degenerate, and this summer we have seen a lot of trouble happening in Bangladesh—rejection of army power and so on, without so far any prospect of them giving up where they are now.

In Pakistan there is no need to describe the situation. Yet it's interesting to recall what the past few months have been showing. The past few months have shown two things. First of all, a society which largely rejected the military regime on the occasion of the sacking of chief justice after March 9. But the same population, while showing incidentally that it was by and large pro-democracy, whatever that means, it doesn't necessarily mean exactly what we understand by the same word here, but yet by and large pro-democracy. And at the same time, we saw a few months later on the occasion of the incident at the Red Mosque the same population supporting the regime for moving quite strongly against the radicals. And the same population which is pro-democracy was also anti-radicalism, and in both cases we had a majority of the people supporting these two items. That should tell us a lot about the reality of that society, and perhaps of the need to trust them a little more when it comes to what political choice we make with regard to those countries.

Now, what does it tell us about the present situation? I mean, does it make the prospect for democratization in any of the two countries any better? And I'll speak here essentially of Pakistan because this is very much in the news today and we don't know what's going to emerge. I mean, every kind of scenario are still possible. First of all, we don't know what the decision of supreme court will be. I mean, the debate seems to be a little hard and definitely not easy. It's not clear that—although everything started with the question of the constitutionality and the re-election of President Musharraf, it's not clear where the supreme court will go. Even if the supreme court goes in one specific direction to say, for example, that it is constitutional, all kinds of scenarios are still open. They are still open because the fact that he may keep, for example, his job as chief of army staff will definitely complicate again. They'll be able to put some weight in the game, to put pressure on the various sectors, and therefore again difficulty imagining what it is. It will be difficult to predict also because the very rigging machinery which have been put in place in September 2005 during the local elections is still very much in place and can be re-activated whenever necessary.

It's unclear even if the question of re-election was decided one way or another, there will be still other constitutional matters regarding the opposition leader which have not been settled. It's unclear also because it's not—even if we imagine the possibility of, let's say, an agreement, which has been very much talked about this summer, so far nothing seems at least to have materialized. It's extremely difficult to see why we would get more than just a window of opportunity if we had, let's say, sort of an agreement between Mr. Musharraf and Mrs. Bhutto, and this window of opportunity would close very quickly, and it will close even quicker if the whole thing seems to come out of sort an earlier agreement between somebody who is largely rejected by some people, and somebody who seems to be ready for any compromise. I won't even add anything regarding any foreign sponsor. So the situation there is very unclear.

But we will have this situation where the population has chosen, where the population has rejected military regime, but at the same time is not defining itself totally with the political parties. And this is, again, something which is quite scary because it can lead to a status quo, it can lead to some form of political accommodation, but it could also lead at some point to complete instability. Not of the scenario, especially the worst one, are clear and could be taken for granted, but this is a possibility that we should not dismiss too quickly.

So what are the possible implications of all this, especially if we do consider that in both cases, in both countries the links between the radical organization may develop, with or without being sponsored by their respective states. And there is perhaps also a difference there between the two countries, which is not clear, for example, that a Bangladeshi state is doing anything in this regard. And there are constant rumors that a Pakistani state is doing a lot in this question, that it seems to be opening up its front. I mean, Kashmir being quiet at the moment, it doesn't make sense to continue harassing India. From what has been another very fashionable expression strategic depth over the past few years makes much better sense anyway than nuking the other side, but it is still the continuation of the same problem, which is relations with India and the need to accommodate it from an international point of view, while at the same time continuing pursuing the same objectives. That's one aspect of it.

Then from there you can imagine all kinds of situations, starting for question of social cohesion, who is in Pakistan? Through the question, of course, of the Bangladeshi legal or illegal immigrant and the question of—(inaudible). I mean, the figures do not make much difference. The question is, the potential development of —(inaudible)—of one category of population there. That's one other issue. The other issue which is being raised, either directly or indirectly—I think I'm being told to close as soon as possible—is the division also of surrounding countries between Muslim and non-Muslim. And this is something, for example, that India has always been very sensitive to. I mean, this is not something that will be perhaps totally in a position to manage. And from there you can again enlarge the overall situation.

What does it mean to have a globalizing India if it's surrounded by countries which are preventing its expansion beyond its own region? And this has been a problem, a serious problem in the past, especially if you remember the end of the '90s, when—(inaudible)—India's growth was quite remarkable already and was looking for alliances in foreign policy, which was extremely ambitious to—(inaudible), but it was seriously constrained in South Asia itself. I mean, to that extent if there was anything good out of it, I think that the Kargil War and the 2002 standoff were a useful reminder that nothing could be done unless the region itself, in particular Pakistan in that case, was engaged, and that's exactly what happened.

So I'll stop with that. I think it's quite clear that unless something is done internally, and I believe that democracy, which is a process and nothing else but a process, shouldn't lead to excessive expectation, but is nevertheless important. Unless this is seriously addressed in any of those countries then we may face some problems against which are not necessarily of the worst kinds that we imagine, but we cannot be dismiss, even for the worst case scenario. And I'll stop here. (Applause)

TERESITA SCHAFFER: Thank you, Ashley. Thank you for including me in this august gathering, and my apologies to you and to everybody else. I very efficiently wrote down the right day, and the wrong time. I am glad I got here in time to hear all of what Raja and Frederic had to say, and most of what Ashley had to say. What I want to do is to focus on the nexus between domestic politics and foreign policy, which is some but not all of grand strategy.

Let me start with India. I fundamentally agree with Raja Mohan's basic contention that the critical transformation that makes it possible to think in global terms about India's role is the change in India's economy. He spoke of more rapid growth. I would add another element to it, and that is energy dependence, which is perhaps a less comfortable element, but has certainly made economic issues into a major driver of Indian foreign policy. The fact that all this was taking place as the Cold War ended and India's traditional relationship with the Soviet Union was automatically becoming less important obviously gave a boost to it.

If you look at India-U.S. relations, normally one speaks of economics and security as being two key elements of it, with the nuclear deal of course being the big action point now. I'd like to add a third to it and just talk very briefly about how I think they fit into the context of this morning's discussion. First of all, the economic relationships, and Raja has correctly pointed out what are some of the domestic controversies connected with economic policy. At the end of the day what matters in the India-U.S. relationship is primarily whether India's own domestic economic policy can keep up the pace of growth, the pace of investment, the pace of trade. The private relationship works better than the government-to-government one. Government-to-government bilateral works vastly better than government-to-government, multilateral. So that while the huge

increase in trade and investment is definitely a plus for India-U.S. relations, the rest of the economic dialogue is actually kind of complicated.

On the security side, again, I think that the big controversy over the nuclear deal now is not actually about the nuclear deal. It's about the United States, and the nuclear deal is a target of opportunity. The interesting thing about the security relationship, though, is that you have a somewhat similar dichotomy to what I talked about on the economic side. You have operations, exercises, the possibilities of defense trade, stuff where things happen in fairly specific terms and you can define what has happened or not happened. That part of it, the exercises are working very well. The defense trade has everybody a little bit nervous at the moment but hopefully there will be something there to quell all this great anticipation.

The other part is strategic dialogue and there's a lot talked about strategic dialogue. I think the content of it is still at a fairly rudimentary stage. I've been fascinated—I'm actually working on a book on the future of U.S.-India relations and trying to find out to what extent we've actually talked about the areas where there are obvious overlaps in India-U.S. interests. I'm finding there's a lot less than I would have expected, even though everyone agrees that this is important and a good thing.

The third element which I am sort of adding to the list is, where does India fit into the region, and what is the region. Just to give you a very shorthand notion of what I'm talking about, when I was in India last winter we heard from one speaker after another—private, government, ex-government—that the East is the land of great opportunity, great possibilities. India wants to build up its relationships. The West, the Middle East, Iran, Central Asia, Afghanistan, Pakistan is trouble city. An interesting way of looking at the region, because they have a very Lord Curzon-esque view of the region. It's big. But it certainly divides into areas with a very different dynamic.

Final thought about where Indian politics merges with foreign policy is that India and the United States, even as we speak, are undergoing a mutual crash course in how their different democracies work. For India, the instructional material came from the passage of the nuclear legislation, the Hyde Act last winter. At the time that went through, Republican president, Republican Congress. No problem. The president submits his bill and it passes, right? You're not laughing. Maybe some of you are crying. I think there was some shock in Delhi. And now the shoe is on the other foot. The Indian parliament is less able than its American counterpart to mess up the budget, but much more able to mess up the government in very fundamental ways, and that's what we're looking at. This is the beginning of learning to work together.

Let me turn now to Pakistan and Bangladesh. I'm struck by the fact that Frederic's presentation really focused on the domestic scene much less than on the foreign policy scene. That's right because that's where the existential problems are in both countries. In Bangladesh, I would suggest to you that problems of governance,

which have been around for quite some time and which have been growing for quite some time, have for the time being basically submerged foreign policy. They've accentuated some foreign policy problems, such as the fact that India is the big neighbor everybody loves to hate. I've suggested to some Indian friends that in this case India is collectively the gringos of South Asia. We know something about being in that situation.

But apart from still having to live next to India and being nervous about what India will do, Bangladesh has been focused on its domestic problems, and until the governance bit is a little bit closer to being fixed, I think it's going to continue that way.

In Pakistan you have governance problems, you have problems of institutions, you have political problems, but the causality works in both directions because certainly, while I don't think that the relationship with the U.S. or with Afghanistan has created Pakistan's problems, it has certainly exacerbated them and it has put the United States right in the middle of dealing with them. I agree with what Frederic said about the problem of violent extremists being a much bigger part of Pakistan's existential challenges now than I think ever in the past. I also agree with his comment that the U.S. will pay a price for having gotten so deeply involved in a domestic fix-it effort that was built around one person. Dan is probably going to argue with me, but I'll give him a chance to do that.

Where we go from here – I'm on the same wavelength as to the ultimate desirable solution but I think it's going to be extremely messy on the way, and keep your seat belts fastened.

DAN MARKEY: It's a real pleasure to be here and I want to thank Ashley for also including me on this panel. I want to start by saying that I can really—I had a chance to read the chapters and I can really commend them to you. They're comprehensive, they're insightful, they really go through a lot of issues that can't possibly be addressed in a forum like this, so I can say only please read them, they're well worthwhile. And I wasn't paid to say that.

Let me just spend the time I have to raise a few questions that I had about them, about the chapters, and to take note maybe of something that I saw in the way of a theme that unites them. First, with respect to Raja's chapter on India, the thing that struck me about the chapter, and also to some degree about his comments, is that despite what I would say were kind of tantalizing hints, I could never really figure out, to put it very bluntly, what does India want to be when it grows up. Raja talks about things that India wants to avoid, things India wants to escape. It doesn't want to have to face this two-front problem, he calls it, the China-Pakistan problem. He says that it's looking to avoid outright conflict with China, while still engaging in some competitive measures. It's looking to avoid being a junior partner to the United States.

And he also hints that India aspires to something greater, right? He talks about at one point that it's looking for regional influence through economic integration, that it's looking for expeditionary capabilities for its military, and that it wants to improve its ties with all the major powers. I guess the question it still leaves me is, what will India do, say, if it is capable of achieving this greater power, this greater room for maneuver, this holding onto its latitude for independent, autonomous activity, and all these strong ties with other partners? Raja talks about—he calls it, and I think quite rightly, calls it a defensive strategic culture in India, that India tends to be more reactive than pro-active when it comes to framing its interests, to framing its grand strategy.

But I have to think that as India becomes more powerful it will probably shift that. The balance will shift toward a more pro-active vision for what it can do, and then I'm left wondering, you know, suppose it achieves a higher profile position in global governance, say on U.N. Security Council. What would it do with that? What would be its top issues to address? Aside from assuring itself a continued role in that position, what would it do with these expeditionary forces that it might be putting together? What would it see as legitimate targets for the use of Indian force in the future?

And if we really fast-forward, I guess the bigger question is, how would the world and the system of governance that we have in regimes, international regimes, and norms and so on, look different with a very powerful India, an India that has risen as compared to the India that we have now? Those are some questions that I would just raise for Raja.

With respect to Frederic's chapter on Pakistan and Bangladesh, he talks about the extent to which this rising Islamist threat is really very much the product at some point of military rule, and I think he emphasized that here this morning. And he suggested in both countries the militaries, and I think here he's absolutely right on the mark, the militaries have been the central and dominant political forces and institutions within the two countries. And the Islamists, especially in Pakistan, have been harnessed as a tool by the militaries to pursue the militaries' ends.

And he even at one point, and this is also a kind of little hint and he goes back and forth on this, suggests the extent to which he believes that Pakistan is now using these militant groups, but now in Bangladesh, as a strategic path to try to keep pressure in a kind of two-front move on India, and that's something that I think deserves follow-up.

But he also talks about how he thinks that the way to confront this rising tide of Islamist threat is a democratic one. Here he made that plea again very forthrightly, that the only way to address this is through strengthening of democracy. But then in his chapter he goes through and basically explains in excruciating detail at points why this is very, very hard to do, why the political parties are themselves—and I think here he said to blame for a lot of the weakness that they face. I think this may be why Ashley in his intro to the book calls Frederic's analysis dispiriting because it leaves you wondering,

well, if democracy is the way forward but democracy is so weak, what are we left with? And that's the question that I'm left with.

I'm concerned whether, if we ask ourselves a very serious question, whether there's any realistic chance in the very near term of seeing democratic forces and political parties organize forces that would be empowered and capable enough to act as a real bulwark against the real threats that Frederic points out in terms of the Islamist threats, whether that's simply something that we should rule out for the moment. I'm sure that he doesn't want to believe that, and I don't think any of us want to believe that. But the question is whether that's the world that we're living in. And if so, how we need to respond to it. I say this more to be provocative than to say that that's necessarily where I come down, but I left his analysis very dispirited and in precisely that place.

Let me just in a couple of minutes just pick up on this broader theme, and that is the aspect of political parties in all of these three countries as being really central, and political party structure and that dynamic as being central to the way that the parties – sorry, the countries pursue their international agendas. And the parties are really, I think, are the central and most relevant feature. We go back to India. It strikes me that Raja's analysis in his chapter, one of the things he really focuses on, is how Congress and to some degree also BJP, as national parties, are facing almost an inexorable tide, an ebbing of their power to regional parties and smaller parties, single-issue type parties that are really sort of sucking the life out of these large national parties. And I think this weakness of the Congress is central, you know, as he pointed out to the problems that it's facing right now on the nuclear deal. And it seems that part of the problem that Congress faces right now is if it looks to elections, it can't be certain that it can win and can cobble together these regional parties that really hold its fate in their hands. In other words, it has to sort of pull together all kinds of regional parties and make sure that it has success at the center. And it's a very different game than Congress trying to win voters directly, and it's a much tougher game and a much more uncertain game. And I think it's hamstrung by that.

Now more broadly, it seems like the Indian leadership in the Congress, and this is really where I think Raja's analysis today was interesting, it seems like they're trying to do very ambitious things despite the fact that they don't have that national political base any longer, that they don't have the popular support to do them. What I think is odd is that they seem to be doing it in a way, they're trying to insulate that ambitious project from politics. Rather than, I think, necessarily sort of winning a political force, a pragmatic force behind their politics, they are—the people who are most sort of energetic in pursuing these ambitious goals, including the prime minister, including, say, the national security advisor in the BJP government, are people who are technocrats at heart, who don't get there because of their popularity or their ability to convince everybody in India that what they're doing is right. But they get there because they are themselves insulated within these political parties.

Now if you combine that with the fact that these large political parties like Congress and BJP are losing their support, you wonder whether they can continue to be insulated as you look ahead. Will a prime minister like Manmohan Singh be able to rise to the fore as populist forces and regional forces really dominate politics in India.

Let me just, in the one minute I have left, shift gears and talk about, again, on the Pakistan and Bangladesh side. It really seems that, again, these political parties, the failure of the Musharraf regime to put together an organized political force over the past six years, this PMLQ party, to actually create something that was legitimate, that was able to call upon the popular support of the people and had a base, an organizing base that was actually capable of mobilizing in the future, that failure is the signal failure of his regime in any sense in terms of trying to keep it going into the future. But it also suggests again, and this is where I get dispirited, it suggests if that was not possible, given all the tools that they had at their disposal to create such a thing, if that was not possible over the past six or seven years, what will be possible when all the forces are maybe aligned in different directions? So again I come back to being dispirited.

Then when we switch to Bangladesh, the question that I have for that is, living with this caretaker government, I think that there has been some room for optimism, and the optimism was predicated on the idea that we could potentially escape from the politics that kind of deeply corrupt, increasingly violent and counterproductive politics that we had seen under the preceding iteration of different democratic regimes, that we could somehow get out of that. But I'm left here wondering, what would the caretaker government have to put into place in order to allow itself a soft transition out? Because continued rule by the caretaker government is no one's solution, and so I again come back to, how is it that they can put into place the kinds of institutions? There may be a democratic longing in both Pakistan and Bangladesh, a popular longing, but that longing doesn't readily translate into institutions. I think that's the challenge that we face in both places. Thanks.

MR. TELLIS: We have a very rich menu of choices here before us. I want to thank my presenters for not going through the substance of their chapters but really focusing on what I think are central issues that we need to think about. And to the commentators for really raising structural questions that are important to be answered in the whole context of domestic politics and foreign policy.

I want to leave the door open now for comments or questions from the house. Just two requests, first, that you identify yourself, and two, that you keep the question or the comments as short as possible, as I want to get the maximum number of people the opportunity to interact. We do want to adjourn at 2:00 sharp, so we have about 25 minutes. The floor is open.

Q: Tangucha (ph). I basically gate-cashed. I'm from Bangladesh. I'm former secretary, foreign minister from Bangladesh. When I retired, I came to Washington, D.C.

for a meeting of my own tomorrow at the Asia Foundation on Bangladesh. So I came here to meet my friends at the Asia Foundation, and down I go and there's a beautiful young lady who told that I'm coming to this meeting. I had no idea. So she got a piece of paper and I saw the name of my good friend Raja Mohan. I said, well, that's good enough reason to go and see.

Mr. Chairman, I have two very small comments to make, one on India first. India of course, what he said I entirely agree. I have no problem. And his analysis, I have always found more agreement than disagreement. He and I have met together at Singapore, Geneva. There is one point that perhaps he should have touched on, could have given more depth to what he said, is the fact that, if we remember a report prepared by the Asia Development Bank, that is today's gravitas that has changed towards Asia. And three countries which are given the leadership of that is China, Japan and India, in that order.

It was 1825, most of the goods and services will be provided by these countries and the West was buying from them, and today, again, after 150 years, the gravitas has shifted decisively to Asia. This is a point that I thought that I shall mention. But the rest I agree.

Now Bangladesh. The chairman, I have a problem, but also I have an opportunity because I'm not in the government. So perhaps when I came here I saw the—(inaudible)—embassy, so they might like to say something with this. That's what the government would say. But because I'm not in the government any more, therefore perhaps what I will say or try to attempt to say will be more acceptable, more convincing than had I been in the government.

Mr. Chairman, the huge gap in understanding about what is happening in the country, Mr. Grare's comments I think are rather quite far from what is happening in the country. I do not believe he has been to the country in the recent past. Matter of fact, what Amb. Schaffer has said, she has answered a lot of my preoccupations about your papers. Now the character of the government as a matter of fact has come into place with overwhelming support, 90 percent support of the people of the country. And the military role there is minimal. The military role is minimal in the sense that you see there has not been any coup. We wanted them to come and help the civilian government, which has been formed a caretaker government. This is special—(inaudible)—that we have done in Bangladesh, precisely because of the fact that we want democracy.

Now mind you, this is a country with a Muslim majority. Americans call it something—moderate Muslim country. I mean, it's like saying America that is a moderate Christian country. No. I don't think it is a moderate Muslim country. I say it's a democratic Bangladesh, democratic country which fought a war of independence in 1971 precisely to establish certain norms of moderation, certain norms of democracy, certain norms of we call it anti-communal democratic structure in the country. Our fight

against Pakistan was against army. And I am a former Pakistani diplomat, by the way. So therefore, what I am saying is absolutely the kind of thing I say from my heart.

This is what I'm going to say tomorrow, but I'm not going to tell you exactly what I'm going to say tomorrow morning. But the point is the caretaker government is there with the support of the people of the country. If I remember, while I'm sitting here at this great hall at Carnegie Center, where I'm very proud to be here this morning, that when President George Washington was outgoing, or talking to his colleagues, what is the sense of governance in America while there are still the British forces opposing the U.S. government? Then he said, look, this is the consent, the six-letter word, consent. The consent of the governed is giving us legitimacy.

Today in Bangladesh also, the consent of the governed, the people of Bangladesh, the fact that they are not only asking them, they want them to be there as long as possible. Therefore, the institution that you have talked about, sir, I'm afraid that you are far from the reality because the—(inaudible)—institutions which completely broke down, mind you through democratic process. And this is a country where the—we call it the—(inaudible)—Islamic Muslim culture, they would not like to have anything to do with so-called terrorism or terroristic activities in Bangladesh. And the fact that we are the only country—I'm sorry, Mr. Chairman, I am taking a minute—the only country which has executed six terrorists in the country. The only country in the world, sir. Can you give me any other name in the world?

So do not question the wish or the agenda of the government today. I'm not speaking for the government. I have come here on my own; therefore, what I am saying, sir, I hope that you'll give some credibility. We are going towards a democratic process in the country and election is going to take place in 2008, before 2008 January, maybe. Maybe in October or November. After one year election is going to take place in Bangladesh because we want democracy. Democracy is something that we have fought for.

MR. TELLIS: Thank you. I'm going to give the presenters a chance to respond, but after I take a few more questions. Yes, ma'am.

Q: I'm Helen Rafel (ph), a former Commerce Department international trade economist, and my question is very short. I wonder whether the presenters have any response to Mr. Markey's perplexities.

MR. TELLIS: We will get back to that. That's an important issue.

Q: Thank you. Allen Cronsettt (ph), Congressional Research Service. I wanted to respond to a point that Dan made, raised some really interesting questions. And I fully agree that Musharraf's signal failure apparently came through not being able to cobble together a working system upon which he could rule. However, the way that came about

—I mean, when you have an extra-constitutional overthrow by a commando general of a democratically elected prime minister, and then Musharraf dismisses the president, declares himself to be in charge, becomes president through an embarrassing referendum, it very much seems like a top-down exercise that failed. Maybe we shouldn't just throw up our arms and declare that, you know, a sort of base pessimism about the potential in Pakistan, that it might just indicate that the top-down approach may not be workable. So I just wanted to raise that, and perhaps Frederic might want to weigh in.

MR. TELLIS: Anybody else?

Q: Thank you. I am Howard Schaefer of Georgetown University. One thing that struck me in the presentations was the absence of any serious discussion of the leadership. You spoke about the elite groups, but it seems to me that one of the real problems Pakistan and Bangladesh have faced is that they have not been able, certainly in the past 20 years on the civilian side, to throw up any real convincing strong leader who can rally the country. That makes, it seems to me, a big difference. There have been greater leaders in both places, but they certainly have not been evident over the last two decades, so I'd appreciate some comments on that.

MR. TELLIS: Why don't I actually give the panelists a chance to respond because there was a feel that seems to be emerging around Dan's question, which is Musharraf's signal failure, the failures of process and whether there are alternatives to the strategy that he has followed, which as Allen identified, is essentially a top-down strategy, whether that works. Why don't I give Frederic a chance to answer that one, and the question of Bangladesh.

MR. GRARE: I'll start with the question of Bangladesh because I find it quite interesting that although I didn't use the term coup in my presentation about Bangladesh, except to mention the '75 and '82 events—I mean, you brought it back, and I think which to me may reveal some unease. And you should read the text. I mean, the text precisely goes in your direction. Even public sentiment seems to have turned in favor of having the unrestrained power and take control. That was—(inaudible), so that you satisfy your request. But let me add, however, that what we have seen this summer, and the student violence is something which is quite dispiriting, to use Dan's vocabulary.

On the question top-down approach—(inaudible)—failure and so on. I mean, you cannot have it both ways. You cannot on the one side succeed in building up some serious party support and serious political support when your entire policy is precisely suppressing party politics. And there is a strong difference here, and I want to emphasize that point here in Washington, between good governance and politics, and that's probably where we differ the most. Dan spoke of as an escape from politics, and therefore escaping from violence. I think that is where we differ because I think that if we have a government which for years have been trying to escape from politics, and at the end of it

ended up with violence, and even more intensive violence than we have had for decades. And this is not coincidence.

Politics is about accommodating conflicting interests. Politics is about accommodating people. The definition that the Pakistani military, starting with Musharraf, gave to the word politics, is you politicians comply with what I say or be subdued. And if you remember the declaration of Musharraf to his own support, to his own political party, the PMLQ, where he said you basically are here because I wanted you to be there and you are what you are simply because I made you that—this is not exactly the way you can envisage even in a very imperfect democracy, even in a very imperfect political system, the best way to mobilize people.

Then you cannot have it both ways. I just repeat myself. And the failure of Musharraf was not in failing to re-establish some sort of political support. The failure of Musharraf was in trying to escape the political process, and that's exactly what we're seeing now. And the only way to go back to some semblance of normality is to go back to the political process.

MR. MOHAN: I just wanted to add a brief comment to this. I'm a bit surprised at the pessimism in relation to Pakistan. How bad the situation might look, there have also been some very positive things that have happened, both in Pakistan and Bangladesh. The 7 percent growth rate, that is—I mean, even if you don't trust the Pakistani government's numbers, that clearly the economy has taken some traction in the last few years. And if you look at Bangladesh itself for the last 10 years, close to 6 percent growth rate, and the transformation. You can see it on the ground.

Part of the problem I think from the American perspective is too much of instrumentalization of a single issue focus that tends to drive the policy establishment and not to see the good parts that are taking place in South Asia. I would also say the fact that there is a popular agitation in Punjab, which mostly took place, the judge's struggle that took place in Punjab, the fact that the most conservative, the most backward, the most supportive authoritative tendencies in Pakistan, the Punjab today has been in the forefront of the struggle for democratization. That is a big, big gain.

The problem is, you might have difficulty liberating the right side of the equations, but I am looking ahead. I see the many things we can do to tie up with some of the positive forces both in Pakistan and Bangladesh, so I don't share the kind of pessimism that's been put across on Pakistan and Bangladesh.

AMB. SCHAEFFER: I think we haven't really talked about the challenges involved in getting back to a healthy political system. I'm going to use Pakistan as the example because the issues are clearer. You have loyalty-based parties. This is true in Bangladesh also. You have parties that are in some sense the possession of the person or family who is on top. They have not been able historically to grow leaders from outside

that fold. This has been a problem in India as well, but India at least has some players on the bench.

You have in Pakistan a tradition of king's parties. You have a whole population of politicians that have moved like the water in a listing ship from one side to another, depending on where power was. I remember having dinner in Lahore a few years ago, shortly before the 2002 elections, with a room full of people who referred to themselves as, well, we're the next king's party. And we counted six, was it? Who all considered themselves to be the next prime minister. None of them turned out to be the next prime minister, unfortunately for them.

At the same time, you have an unwillingness, and this is where the role of the military becomes important. No politician who's on top really likes to be challenged by anybody else. But if that politician also wears a uniform, and is accustomed to being able to give orders and have people salute and say yes, sir, they like it even less. And the essence of politics is accepting uncertainty and dealing with challenges in a way that gives everybody at least the opportunity to try to push back.

Finally, you have—and this is as big a problem in Bangladesh as it is in Pakistan—you have an all or nothing system. Even if you have fairly decent elections, whoever wins expects that they will then have all of the perquisites of power, including local administration, including a rake-off on contracts, including whatever might happen to go with that. God knows we have enough trouble with the concept of loyal opposition these days, but as long as the system is set up so that there is essentially no role for the opposition, it's difficult to set up a healthy system.

I still think that that's the direction in which one needs to try to move. You can't do that by trying to abolish politics. You have to somehow bring the politicians in, and that is not easy.

MR. TELLIS: I just want to—one question for Dan. I think you raise an important question about Musharraf's inability to construct the center that he imagined he could. I wonder how much of that is a self-inflicted wound because in the decisions that we made in the last election to in a sense marginalized what was the large two central parties. Whether that opened the door to essentially what Teresita is talking about, the abolition of politics, and attempt to construct a moderate center from forces that are simply not robust enough to survive, when there was in fact a moderate center that was not allowed to participate. Just something to think about.

I want to get Raja to respond to one question that Dan raised which was very important, which is, in India you seem to find structurally weak prime ministers making bold and ambitious policies. How do policies like this survive if they do not have the kind of political strength to sustain what are very ambitious goals? If I could get a sense from you, and then we'll go back to—

MR. MOHAN: It's a good one, but the more interesting one to ask is, it's not just—(inaudible)—national security advisor, or I don't know if there's anybody like that in the current government, if you think the prime minister is doing it himself. But the question is, how did two political parties which were completely different in their intellectual orientation, the BJP and the Congress, why did they both pursue this policy of reconciliation with Pakistan? In spite of car-gill, in spite of 2001, 2002, in spite of repeated terrorist incidents?

The fact is that you can explain—this cannot be explained on the basis of that merely one or two individuals doing it. Two very different political coalitions which put together represent the entire Indian nation, from communists to the lunatics on the right, I mean, that you have everyone being in this government in these two coalitions—why is it that there has been a sustained policy of attempted reconciliation with Pakistan in spite of three wars?

I would say that something fundamental has changed, and I think that is where the confidence level comes in for the individuals, you know—like in everywhere, the party needs individuals who push policy. But it cannot be sustained. He is right, he said that there's no political—(inaudible). The fact that car-gill in 1999, May, and less than a year and a half later when Majpa (ph) invites Musharraf to Arga (ph) with extraordinary popular support for the notion of a potential reconciliation. That the rapprochement with Pakistan is deeply popular and I think that is something you've got to understand so it is not – it might not be popular in the foreign office and the defense ministry, or in the interior ministry, but each time the leaders did it, they actually short-circuited the security establishment to project this reconciliation with Pakistan, and every time they did that, there was strong popular support.

Second, I think related to this is the question that it is also linked to the core problem of South Asia post-partition, that the reconciliation between India and Pakistan is not just about two countries, that this is also the question proposed in 1947, can the Hindus and the Muslims of the subcontinent live in peace. I think that's a far more abiding process. I think that it has—(inaudible)—or Manmohan Singh who came from beyond Peshawar, deeply feel the moment has come to go beyond partition, to overcome the bitter legacy of partition. And I think that's why what you're doing with Pakistan is going to be so much consequential for the subcontinent, as well as for the world because the fact is 40 percent of the world's Muslims live in the subcontinent and reconciliation of the Hindus and Muslims in the subcontinent will create, will transform the destiny of 40 percent of the Muslims in the world, and that itself will have huge consequences for the rest of the world.

So there is a bigger agenda here. It is not just two individuals running it, and I think there is a national consensus that this can actually be done, and that the last three years of negotiations have shown that the last three years of—(inaudible)—more has

been done than in the previous 50 years, and that can't be done without a stronger— (inaudible).

MR. TELLIS: I'm going to go back to the floor and get a bunch more questions.

Q: (off mike) from American University. I too wanted to come back to something that Dan said, and he asked the question, what would India do if it reached the high table. I don't think there's any question about that. I think this is a very clear objective over the last 60 years, that just as every political party in India, every ruling party has stood for greater social equity at home, it has also stood for greater equity in the international system. And maybe the last—no, not maybe. It is a fact that the last two coalition governments have decided that the international tactics of talking loudly about this and provoking hard slaps from the United States is not a tactic that works.

But I don't think there's any sign that any government of India either has or could give up that goal. After all, we're talking here about the interaction of domestic politics and foreign policy. You look at India's stance on agricultural subsidies and the main argument is that 600 million people depend on agriculture. There's no way that you can have free competition with a subsidized—(inaudible). And so on and so forth.

I'd like to hear what Raja Mohan says about what a risen India might do. That's my view.

Q: Tyler Sandberg, the International Republican Institute. I was wondering if you guys can make a prediction on whether Bangladesh will have elections by 2008 December, and if they don't, what would be the repercussions with the international community, specifically the U.S.? What does that mean for their foreign policy and their relations if they don't in fact have free and fair elections?

MR. TELLIS: Any other questions? Yes?

Q: Abraham Avigdor, formerly with the Foreign Service. In addition to India's relations with China, Pakistan and the United States, could we also get some idea about India's evolving relation with the Russian Federation, please.

MR. MOHAN: We have a good relationship. I find that there are no friends for Russians in Washington, but in Delhi certainly they have still a lot of well-wishers for Russia. But the sentiment alone will not take it far. I think the problem today we have with Russia is that we're buying weapons, we're doing a whole lot of stuff, but our trade with Sri Lanka or Bangladesh is actually larger than our trade with Soviet Russia if you remove the weapons side of it. So the falling down or the erosion of the commercial relationship, that's going to limit the nature eventually I think in terms of what we can do together. Though we have close government-to-government relations with Russia, and

the communist parties are always close to the Russians, there was no natural people-to-people ties that could survive to be built in the post-1991 phase.

So I worry about those because we have no enmity with Russia. Russia is once removed from China and from Pakistan, so it will always be the useful partner for us. But the weight in the Indian calculus I think is declining in a relative sense.

MR. TELLIS: Answer the question of what does India want.

MR. MOHAN: I wanted to say to Dan, if I tell you I'll have to kill you— (laughter)—kind of an American way of answering that. But I think there is a deeper question here. I think it's—Dan's question presupposes that I'm sitting here for a test—that India—I mean, look, this is something all the extant powers have asked the rising powers, yes? You want to come in? Tell me what are you going to do. Are you ready for it? So that this put more nicely as a responsible stakeholder debate, are you grown up for this? Are you ready for this? Will you pass our entry test, please.

Tell me, if you put that question to the United States in 1914, what do you think the United States would have answered? Do you think anybody in Washington had an answer to those questions, of what the U.S.—the U.S. obviously by 1901 was the largest industrial power in the world. And you had a great president, a world vision came back rapped on the knuckles by the Congress because the rednecks keep coming into the regions of leaders.

Now if that is the story of the United States—the U.S. didn't know what it was going to do. It was emerging on the world scene, but it had no clue in terms of what it was going to do. The MI-6 had to do great operations in New York to drag the Americans into the second World War. That was the state of play in the United States. I mean, when the U.S. was forging ahead as the world's number one economic power.

So I don't see that anyone is going to answer that question, no Indian politician will answer the question. But I think I know what the answer is going to be. In fact, it mentions briefly in the chapter that India will look for some kind of a paramount position of the type that British India had, that Delhi would like to be in the paramount position in the subcontinent, but in the Curzonian sense it would want to acquire primacy engendered in the Indian Ocean region. It would want to be a balance in Asia. And at the global level, like all great powers do, it wants to be part of the process that will produce security and order in the international system.

So I don't see where the problem is, but if you tell me that you have a blueprint and a plan, that is—no question that we have such a plan. But my sense is, if you see the history of the other great powers, that power is what power does finally, and that I don't think there's going to be a pre-conceived plan in the drawer. I don't think there is one

but you can adduce that from British India's past behavior, how India dealt with its neighborhood. Some of that can be adduced from historical experience.

MR. TELLIS: You can tell that there is a plan and that Raja has seen it.
(Laughter)

MR. MARKEY: I would just say only one short thing, which is that by no means was I trying to put you on the spot for a test, or to say that India needed to pass a test. But simply to say, you know, in your crystal ball what will it look like? If we had had the same question posed in, say, 1919 about the United States, I agree, there would have been only general things we could have said. But one of them would have been that the character of American ideals and the central role of basically liberalism in America would make it a strange world power in the sense that it would seek things, and the way that it pursued order, it would seek it in unusual ways. Different ways from, say, a Soviet Union or from a China, or from others. That's the nature.

So if India is to be a great power, will it in fact be a great power that has some unusual concern with social justice? Or is that simply something that will be lost as India rises, as it seeks a more narrow conception. These are things more at the margin than at the center. I agree with you that no matter how unusual the United States is, it doesn't violate its supreme national interest on purpose. But it is unusual.

MR. TELLIS: Let me take this opportunity to thank all of you for having come here this afternoon. Take a look at the book outside. I don't know if we have enough copies. By all means you can buy it now or buy it on the web or what-have-you, but it is truly I think a very good survey of the things that will keep us occupied with respect to Asian domestic politics for at least the next few years. So thank you very much for coming this afternoon.

MR. ELLINGS: And let me thank the panelists, all the panelists. I think we have a new topic, by the way, for a kind of a postmortem on this, which is, let's test those American ideas that we in fact have tried—League of Nations, United Nations. I'd say by 1943, though, we had a pretty darned—we had a roadmap. '43, '44 we had a roadmap. Now we deviated sharply a couple of years later and created a different one.

All right, thank you, panelists. That was a great discussion. Thank you all for coming.

(End of session)