



PROJECT on Middle East Democracy

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Middle East Institute

62nd Annual Conference: U.S. Middle East Policy: Pathways to Renewal

National Pres Club, 529 14th St, NW, 21 November 2008

Opening remarks by **Michael Ryan**, Vice President, Middle East Institute

Keynote address: **Aitzaz Ahsan**, Senior Advocate, Supreme Court of Pakistan; President of the Supreme Court Bar Association of Pakistan

Introduced by **Marvin Weinbaum**, Resident Scholar, Middle East Institute

Aitzaz Ahsan spoke about the unfinished agenda of democracy in Pakistan, and the struggle for the supremacy of the constitution and an independent judiciary. He began by noting that it has been a mistake to equate terrorism exclusively with the Middle East and Islam. He said terror is not tied to a particular religion or region, but stems from movements of national liberation born of a sense of being occupied.

He said the U.S. believes it can induct an elite group into power in Pakistan that will welcome U.S. intervention in its country. Moreover, The U.S. believes it deserves thanks for this. Ahsan said this policy requires change and renewal, because if the U.S. loses local support, it will lose the war. He said he is optimistic about the rhetoric of Barack Obama and Joe Biden, which has emphasized civilian aid and people-friendly policies toward Pakistan.

He then discussed the recent Lawyer's Movement in Pakistan. **He said the movement is the largest and the only liberal, democratic, plural, and peaceful popular movement in Pakistan's history.** The lawyers spearheaded the unrelenting pressure on former President Musharraf to relinquish his generalship and subsequently resign from office. Ahsan discussed the five-month period in which Chief Justice Iftikhar Muhammad Chaudhry was placed under house arrest with his wife and children. Ahsan expressed his anger that the U.S. administration did not say a word, and lamented the "studied neglect" of U.S. officials at every level of government.

Ahsan discussed the reasons why an independent judiciary is critical to Pakistan's future. First, Pakistan is not a Middle Eastern state, but a South Asian state. **Like its neighbors, it shares an Anglo-Saxon legal tradition, and a deep aspiration for an independent and autonomous judiciary.** Second, **he said an independent judiciary is crucial to prosecuting the war on terror.** He said the rule of law is the most effective obstacle to oppression and repression. If universal justice is absent, people will embrace the brutal justice of the Taliban. He noted the increasing demand for the extension of legal jurisdiction into FATA. He said "timid and timorous" judges are against it. Third, no democracy in history has survived without an independent judiciary, which must supplement an active parliament. Last, **he said only an independent judiciary with fearless jurors can instill the confidence that will recruit much-needed foreign investment.** He said very few countries have a stable investment environment and an arbitrary, despotic justice system.

Ahsan said that when we fight for the reestablishment of the independent judiciary, we represent the universal values of justice, fair play, and rule of law that are so important to winning the hearts and minds of the populace in a war zone. He said he hopes the new U.S. administration will not turn a blind eye to this issue, which would leave Pakistan unstable and internally divided. He said the movement carries only the weapons of the precepts of the constitution. It is a plural movement in which all faiths, sects, and ethnicities are represented, and which seeks a culture of tolerance and coexistence. The movement needs the support, solidarity, and cooperation of the world.

Panel 1: “Afghanistan and Pakistan: What is Victory? Where is Victory?”

Moderated by **Wegger Strommen**, Norwegian Ambassador to the United States

Steve Coll: President, New America Foundation

Maleeha Lodhi: Fellow at Harvard’s Kennedy School; former Pakistani ambassador to U.S.

Shuja Nawaz: Author of *Crossed Swords: Pakistan, Its Army, and the Wars Within*

Steve Coll said there are three important reviews of Afghan strategy currently underway: The Bush administration review to recommend strategy to the incoming administration; Gen. Petraeus’s Cent-com review; and a review under the auspices of the Chairman of the Joint Chiefs. **The aim is to create unified plan for Afghan war, as none exists now.**

Coll discussed issues that any review must address. He said we must judge if next year’s scheduled elections are a strategic necessity or not; he believes they will be judged necessary in order to reinforce the legitimacy of the Afghan government. He said it will be critical how the Taliban will play its hand in the elections.

Next, we need to address how to build an effective Afghan army. **He said the consensus is the ANA is capable but too small, and ANP is incompetent and inadequate. Both suffer from lack of resources due to the shifting focus on Iraq, and an absence of a sense of urgency in Afghanistan.** Coll stressed the centrality of the experience of the Afghan population in security, governance, and basic needs. **He said a strategic failure of U.S. aid was its focus on large infrastructure projects rather than building up indigenous capacity.** Finally, he said the reviews should emphasize regional diplomacy.

Maleeha Lodhi said the problem for Pakistanis is that the U.S. sees Pakistan for its tactical advantages in the war on terror or in Afghanistan, rather than for its intrinsic value. However, **Barack Obama’s election has trumped the natural cynicism of the Pakistan people in their relationship with the U.S. Lodhi wondered how the new administration will capitalize on this rare and widespread public goodwill.** She said the war in Afghanistan was a war to avenge 9/11, and wars of vengeance have no coherent strategy. She said a series of strategic errors and military missteps pushed the insurgency into Pakistan. An Afghan troop surge will be inadequate without a new strategy, as the military is seen increasingly as part of the problem rather than the solution.

Lodhi noted that going forward, U.S. goals must distinguish between what is vital and what is desirable. Avoiding a haven for terrorists is vital; the promotion of democracy and building a centralized state is desirable, and on a much longer timeframe. She said we must avoid turning the insurgency into a war of Pashtun liberation. **A new strategy must include an attempt to decouple al-Qaeda from the Taliban; a shift from bombing campaigns to political accommodation; and bottom-up investment and growth.** Lodhi said that the U.S. must not destabilize Pakistan while pursuing tactical objectives in Afghanistan. **She stressed that aggressive U.S. military action in Pakistan undermines the counterinsurgency and counterterrorism campaign.** She concluded by noting that no regional issue can be dealt with without engaging Iran.

Shuja Nawaz said that Pakistan faces a war within, and a battle between what the government wants and what the people of Pakistan want. He said the wild card affecting Pakistan is the economic crisis; particularly food inflation which is crippling the poorer classes.

Nawaz said that the U.S. went into Afghanistan without a comprehensive plan for winning the war after the ouster of the Taliban. He lamented the shift in resources to Iraq, calling it a completely unnecessary war. **The U.S. can't win in Afghanistan-Pakistan by aligning to any single party or individual, and must elicit the full participation of Pakistan, the Pakistani army, and the civilian population.**

Nawaz noted that the Pakistani army is seen as an alien force in FATA, and is ill-equipped and ill-trained for counterinsurgency. He said the army can't cede the language of Islam to the militants, and any plan for FATA must involve the local population in implementation. However, the locally recruited Frontier Corps has deteriorated, and its members will refuse to fight their own tribes. **Nawaz concluded by noting the enduring centrality of the India-Pakistan conflict in Pakistani military thinking.**

The panel was asked about the challenge of the opium trade.

Steve Coll said the counter-narcotics campaign is a microcosm of the larger conflict, and the opium trade is central to the Taliban economy. He said arguments for widespread aerial spraying or an invasive 'war on drugs' are foolish, and would only create more insurgents.

Maleeha Lodhi stressed that drugs are a regional issue, and Iran's involvement is necessary.

Shuja Nawaz agreed that Iran has an interest in the border region, and it has played a positive role in Afghanistan in the past. He noted that Pakistan has eliminated opium on its side of border. The Afghans must involve and empower the local population, and give them way to make an alternative living.

Panel II: “Economic & Political Developments in the GCC”

Moderated by **Susan Bastress**, Orrick, Herrington & Sutcliffe LLP

Nabil Ali Alyousuf, Dubai School of Government

Amer Awadh Al-Rawas, Oman Mobile

Aamir Rehman, Middle East Institute

Nabil Ali Alyousuf said that over the last four or five years the Gulf has seen a historic change, and learned from the mistakes of investing entirely outside of the Gulf region. Moreover during this time the Gulf has also improved governmental structures, and overall competitiveness.

Citing the Legatum Prosperity Index, a compilation of 44 indicators of economic competitiveness and living standards, Alyousuf said the UAE had the highest score in the Arab world because its citizens enjoy equality and freedom. The same study also ranked the UAE the most likely place in the world “where hard work pays off most.”

He noted that Dubai has been different than other countries in the Gulf. The government is not just a regulator or incentive-provider but best described as “an entrepreneurial government.” The government decided to take the initial risks, and the private sector followed. Tourism, for instance, accounts for 23-27% of the economy, with 8 million visitors last year—that’s more than India or Egypt.

Amer al-Rawas discussed how the Gulf has learned hard lessons from low oil prices in 1986 and 1997, and how economies of the GCC now budget for low oil prices. The first oil boom built the institutions of the Gulf, including the military and educational infrastructure. In those days, everyone had a safe job as a government employee. During the second oil boom, people left for better jobs with the private sector.

Al-Rawas also expressed concern over inflation, calling it “a major concern” for the region. According to the GCC consumer price index, inflation was 6% in 2006, and 13% this year.

He concluded with several questions: What are the long term demographic implications for the region? What will happen to all the tall buildings in the Gulf if the bubble bursts? Will governments still race to liberalize their markets? Probably not, he says, but he hopes they don’t go too far to the left either.

Aamir Rehman spoke about investing in the Gulf. The formula is: sustained prosperity and growth + attractive demographic shifts + ongoing regulatory control = economic opportunity.

Speaking more on demographic shifts, he said the question in the Gulf is not how do we take care of our old people (as it is in the United States)? Rather, it is how do we employ our youth?

On taxation he said while the usual mantra is “no taxation without representation,” in the Gulf it is simply, “no taxation.” **If the Gulf is forced to impose taxation upon its citizens, then it begs**

for a renegotiation of the social contract between ruler and ruled, and thus a possible avenue for reform.

During the Q & A, al-Rawas said a serious impediment to growth, and a deeper understanding of consumer behavior, is the lack of a mature credit bureau in the Gulf. While there is a long “history of credit in the Gulf, there is no credit history.”

In reference to the growth of Islamic finance after the banking crisis, Rehman said Islamic financing certainly has safeguards that would have prevented certain aspects of the crisis, including the phenomenon of “short sales.” Whereas previously those working in Islamic financing sought to imitate the principles of Western banking, the crisis has led many in the field to “rededicate themselves to Islamic principles.”

Panel III: “The Future of U.S.-Egyptian Relations”

Moderated by **Graeme Bannerman**, Middle East Institute

Ambassador Sameh Shoukry, Egyptian Ambassador to the U.S.

Ambassador Francis J Ricciardone, U.S. Institute of Peace

Michele Dunne, Carnegie Endowment for International Peace

Ambassador Sameh Shoukry read a prepared statement in which he noted that the Egyptian government is “committed to the strategic nature of our alliance,” and, “pluralism, freedom of expression, [and] human rights.” He also noted the strategic importance of Egypt, highlighting the fact that 25% of the Arab population resides in Egypt, and is in an important strategic zone because of the Suez Canal.

Frank Ricciardone reflected on three points: 1) that Egypt matters; 2) Egypt is changing; 3) that Egypt frustrates all foreign attempts to change her (but we can engage her if we approach the matter properly).

He said the U.S. must stress tradecraft. Egypt is not declining, and remains important to the world and the region even if other states are rising in wealth (e.g. The Gulf States).

He then elaborated on **three “hunches” regarding the future of Egypt: 1) Egypt will see the transition to a post-Mubarak era “just fine.”** Egypt is profoundly patriotic. He said that even though Mubarak is unpopular he is not illegitimate, making it distinct from a country like pre-1979 Iran. **2) Islamist actors like the Muslim Brotherhood will keep a “respectful distance” from the regime,** and said “they do not expect to take over Egypt any time soon.” **3) Political change is coming.** Expect a future civilian leader, he may be from the military also, but don’t expect an extra-constitutional rise to power. **4) Talk in the public sphere is exploding:** blogs, newspapers, satellite, SMS, Twitter.

Michele Dunne shared a “few observations and thoughts to move forward” in the U.S.-Egyptian relationship. First, she said this relationship needs some repair; it is solid, but fraying at the edges. **Is the agreement reached in the 1970s applicable today? It proceeded on two legs: 1) regional peace and stability; 2) development of Egypt.**

In reference to the first point, she said the relationship strained under Bush but ultimately, survived. The second point was a greater source of tension, however. **On economic reform there is agreement, but what about human rights and civil liberties? She said the U.S. is searching for signs that Egypt is moving beyond talk.**

At the current stage Egypt is in an extended transition to new leadership, and people remain cynical from the elections of 2006, and 2007 when opposition groups were barred from participation. However **there is a “great deal of dynamism.” “People fear the government less,” but consequences remain. She mentioned torture, and lawsuits against journalists, bloggers, and activists. She also mentioned the rise of political protests; while small and certainly not the harbinger of revolution, they are not inert either.**

Dunne called on the new administration to rebuild its relationship with Egypt by focusing on the Egyptian people rather than solely on the Egyptian government, and to promote positive peaceful gradual economic, human rights, and democratic reforms. She said this is not a case of imposing an American agenda on Egypt. It is a “fairly shared agenda” with much overlap, with changes people are looking for. **How can the U.S. support those demands without alienating the Egyptian government? She also opposes conditional aid, saying it was “not wise.”**

On the future of Egypt, she pondered if the emergency status law would renew under a new regime, and said the U.S. must have a plan for democratic activists who are steadily pushing for reform in the country.

She also disagreed with Ambassador Ricciardone, saying the U.S. cannot be neutral in these matters; U.S. assistance will serve one set of interests one way or another. On a question related the Muslim Brotherhood she said U.S. diplomats should have contact with the group as they are not a terrorist organization, but does not favor high profile engagement either. She stands in favor of political openness for Egyptians to work out their issues themselves. “It is not our job to reengineer the Egyptian political spectrum,” and said dialogue was happening between 2004-2005 between secularists and Islamists in Egypt on topics related to human rights, women’s rights, and the status of non-Muslims, calling it “productive dialogue.” The U.S. should be more consistent in its treatment of peaceful activists whether secular or Islamist.

Graeme Bannerman said we have to look at ourselves first. We cannot improve our relationship with Egypt if we only ask what’s wrong with Egypt.

During the Q&A period there was an intense exchange between the panelists. Dunne said there were two ways to assist Egypt: 1) work with the Egyptian government on issues such as judicial reform; 2) work outside the Egyptian government to engage civil society directly. **Dunne said we should give some of the aid to independent activists working outside the framework of the Egyptian government.** Shoukry warned against this, calling it U.S. unilateralism.

When asked if the Muslim Brotherhood could win elections in Egypt, Shoukry simply said no, while Dunne said it was impossible to know. This is because, she continued, Egypt has low voter turnout. Could the Brotherhood mobilize untapped parts of the populace? Yes, as they did in the 2005 elections, but the problem is the restrictions on opposition groups.

Panel IV: “Moving Forward: Restoring American Credibility in the Region”

Moderated by **Michael Ryan**, Middle East Institute

Ibrahim Helal, Al-Jazeera English

Max Rodenbeck, The Economist

Ron Suskind, author of *The Way of the World*

Ibrahim Helal said Middle Easterners are no longer captivated by the American dream, and that is because of the way Arabs are treated in the U.S. He said his most difficult visa/airport experience happened on the way to this conference. When he asked why he was being treated this way, the reply was simple: because he is a Middle-Eastern male. It is a conflict between freedom and dignity. Middle easterners want freedom, but not at the expense of their dignity—they do not want liberation in the way Iraqi’s have been liberated.

He expressed the need for real dialogue between enemies, not between friends, and inclusive of the average person not just dialogue between leaders. He said that Hamas, Taliban, and other such groups are more practical in the US today: they make concessions, while the U.S. does not.

Obama is a golden opportunity, he said, but it is risky to depend on him alone—Obama is not the United States.

Max Rodenbeck asks, “How do you measure credibility?” He devised a method whereby he compares coincidence voting at the UN over a period of time. **Coincidence of voting with the U.S. peaked in 1994 where almost half of the general assembly agreed with the U.S., last year it was 18%. Moreover, Kuwait (a staunch U.S. ally) voted with the U.S. 7% of the time.**

He then moved to ask, “How do you build credibility?” The answer: 1) tell the truth; 2) stick to principles; 3) use good judgement.

In the 1990’s, the U.S. was “right” against the U.S.S.R., and strove for Arab-Israeli peace; but today the U.S. suffers for being wrong about Iraq, and seen as one-sided in Arab-Israeli negotiations.

The most important thing to do now is change the way the U.S. speaks to the world. He says the U.S. has to avoid using framing confrontational language like, “How do we stop Iran?” and instead frame it in the following way: “How do we convince Iran that it is in their best interests to join the community of nations?”

Ron Suskind told several entertaining and anecdotal stories from his book that highlight the need for dialogue.