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Good Morning, Mr. Chairman and Members of the Subcommittee. Thank you for your invitation to testify on the regional aspects of the challenges in Afghanistan. As requested, I will focus my remarks on the competition between India and Pakistan in Afghanistan, as well as briefly give some comparative observations about extremism and terrorism in South Asia versus the Gulf and Middle East.

I. Afghanistan and the Competition between India and Pakistan

There are historical, strategic and identity concerns that drive the competition between India and Pakistan in Afghanistan. One of the more counter-intuitive factors we can immediately observe is the failure of Islam to serve as a cement between Afghanistan and Pakistan. The Pakistan government's record of trying to control the Afghan state, directly or by proxy, has created deep distrust in Kabul that will not be easily overcome. On the other hand, relations between India and Afghanistan continue to be strong and friendly for historical, strategic, economic and cultural reasons.

Since the overthrow of the pro-Pakistan Taliban in 2001, there has been low level competition between Pakistan and India in Afghanistan, which sharply escalated in July 2008 with the deadly suicide bombing of India's embassy in Kabul, killing more than 50 persons. U.S. authorities have concluded that Pakistan's powerful intelligence agency, the Inter-Services Intelligence (ISI) helped plan the bombing. For the Afghan government which has repeatedly talked about being a "regional bridge," and which has been gaining significantly from India's development assistance, Pakistan's objective of shutting out India one way or the other from Afghanistan, is a huge problem.

So far, the U.S. government has refrained from including India in regional political efforts in Afghanistan, bending to Pakistan's sentiments. Although dissatisfied with this state of affairs, India has pushed ahead with development aid instead. President Obama's new plan for an international contact group that will include India (along with Russia, Iran and China) is a step in the right direction, and an acknowledgement of the importance of regional actors in stabilizing Afghanistan's security and economy. The current strategy of allowing Pakistan veto power over Indian involvement in formulating regional solutions to the crisis in Afghanistan is clearly not working.

Historical Factors

Until the collapse of the Afghan state in 1980, Afghanistan's foreign policy was non-aligned, but leaning toward the Russians. From the start, relations between Afghanistan and its eastern neighbor Pakistan, were fraught with tension and even clashes. The 1893 Durand Line border dividing the Pashtun regions of Pakistan and Afghanistan, still remains contested. For decades, the Punjabi dominated, over-centralized Pakistan state faced a restive Pashtun population in its Northwest Frontier Province, and wants to thwart any moves toward Pashtun integration under a "Pashtun Afghan" state. Successive Pakistan governments believe that a client state in Kabul is the best strategy, leading to historically rooted resentment and fear in Kabul. In the 1960s, there were open border conflicts between the two states. The only interruption in this history of mistrust was the Taliban era of 1996-2001.

The Pakistani military establishment has pointed to the "strategic depth" argument for the importance of Afghanistan—i.e., the need to have control over the border with Afghanistan and the government in Kabul in the event of war with India. But the more relevant argument seems to be the need to control cross-border Pashtun nationalism. For the Pakistan government during the 1980s, radical pan Islamism was the preferred antidote to regional identity challenges such as Pashtun identity. The sponsorship of radical groups for foreign policy purposes has been a signature strategy of Pakistan, one that is relatively low cost, with some level of plausible deniability. Post 2001, Afghanistan and India have increasingly spoken in one voice (though more muted in Afghanistan's case), about the threat from violent extremists being supported or tolerated by Pakistan. Both India and Afghanistan have repeatedly referred to Pakistan's suspected dual policy in Afghanistan and in the war on terrorism. They are the two countries most impacted by Pakistan's proxy wars—India in Kashmir and Afghanistan on its border regions with Pakistan and within the country itself.

Relations between Afghanistan and India have been longstanding and close, and India supported successive Afghan governments until the Taliban. During the anti-Soviet war of the 1980s and its disastrous aftermath, many from the Afghan elite and professional classes fled to India. Among those who studied in Indian universities are President Hamid Karzai and several high ranking members of the Afghan government. Relations between members of the Northern Alliance and India (which supported and backed the Alliance's struggle against the Taliban) have been particularly strong. Culturally, India's Bollywood movies and music have long been a staple of Afghan society, and have made a remarkable comeback after 2001, notwithstanding periodic Islamist rebukes. India's new soap operas offer yet another cultural attraction for the Afghan masses.

There seems to be a clear convergence of interests between India and Afghanistan—whether strategic, economic or cultural. While the strategic element is prompted by common threat perceptions about Pakistan, there are other more benign factors that drive the relationship too. But for Pakistani policymakers, Afghanistan is a zero sum game vis a vis India. And once again, Afghanistan stands to lose.

Afghanistan Caught in the Middle

Overall, the post 2001 period in Afghanistan has been one of waning Pakistan influence and rising Indian presence. This is partly to do with India's narrow competitive objective of deepening and consolidating its ties with Kabul during this period of decline for Pakistan, but it has also to do with recasting regional dynamics for India's longer term economic gain as a rising major power. At the same time, New Delhi benefits from Afghanistan's own calculations about the strategic and economic advantages to be had from moving closer to India.

The Afghan government's strategy for protecting its independence has been to slowly diversify and strengthen its relations with other neighboring countries, especially India and Iran. It undoubtedly looks to India as a potential counterweight to continuing pressure from Pakistan. At the same time, Kabul recognizes that one of its biggest attractions is its location, and has tried to play the regional bridge, especially as a transit route to the natural gas and oil reserves of Central Asia. Without Indian involvement, such plans have far less viability. Karzai has taken an active policy toward India, and has made numerous high level trips with large high profile delegations, and received the prestigious India Gandhi Peace Prize. During his 2006 visit, Karzai announced his idea of a "tri-polar structure of cooperation," with India and Pakistan. He specifically singled out curbing terrorism as a priority, and his remarks were directed at trying to bring together traditional adversaries India and Pakistan. The Afghan government is trying to walk a fine line between its eastern neighbor Pakistan whose goodwill it is dependent on for immediate security, and India who holds out longer term attraction politically and economically.

India's Role

After the overthrow of the Taliban, India lost little time in re-building strong ties with Afghanistan. It kick-started Afghanistan's Ariana airlines by quickly presenting aircraft, a highly valued symbolic gesture. India has emerged as the fifth largest bilateral donor for Afghanistan's reconstruction, and is now the largest regional donor. India has contributed over \$100 million annually, with pledges reaching nearly \$800 million by 2008. More than \$400 million has been already disbursed.

What distinguishes India from many other donors is that it has undertaken projects in virtually all areas of Afghanistan, in a surprisingly wide range of sectors. One of the attractions of Indian aid is its cost-effectiveness when compared to western programs. The Indian government has also made "local ownership of assets" a top priority, and works through the Government of Afghanistan, rather than outside Nongovernmental Organizations (NGOs) which other international community donors tend to rely on.

Indian assistance runs the gamut: hydro-electric projects, power transmission lines, road construction, telecommunications, information and broadcasting, humanitarian assistance, education and health. India not only helped build Afghanistan's parliamentary building, but it also provided training for civil servants, police officials and diplomats.

Many observers have noted that Indian assistance was one of the best from any country—designed to win over every sector of Afghan society and undercut Pakistan's influence along the way.

More broadly, India has been forging economic ties with Afghanistan through different means. India was the strongest proponent of inducting Afghanistan into the South Asian Association for Regional Cooperation (SAARC) in 2007. Afghanistan can now export a range of products to India at zero import duty. Their bilateral trade has been climbing steadily since 2001 reaching \$216 million in 2007.

Spiraling Competition?

Like most competitive situations there have been some beneficial outcomes: for example, competition near the southern city of Kandahar has led to a spurt of road building activities by both India and Pakistan. But for the most part, Pakistan has attempted to frustrate Indian and Afghan cooperation. Currently, Afghanistan has some transit rights for its exports to India via Pakistan, but Indian goods are not allowed to cross Pakistan into Afghanistan. This has stymied Indo-Afghan trade, but it has also stimulated Indian attempts to bypass Pakistan which could boomerang on Pakistan. In early 2009, a critical new roadway that India helped to build linking Afghanistan with a port in Iran, directly challenged Pakistani dominance of trade routes into landlocked Afghanistan. The 135 mile road in southwest Afghanistan runs from Delaram to Zaranj on the Iranian border, which connects to the Iranian port of Chahbahar, and was constructed at a cost of \$150 million, funded entirely by India. This holds the potential that Afghanistan's current deep dependency for external trade on the port in Karachi, Pakistan could be broken. Strategically, Pakistan's Gwador port in Baluchistan built with Chinese assistance is being put on notice as well. Diplomatically, India was allowed to open four consulates in Afghanistan in addition to the embassy in Kabul—in Herat, Mazar-e-Sharif, Jalalabad and Kandahar.

While India has been making economic, diplomatic and geopolitical inroads in Afghanistan, it has faced unexpected obstacles on the ground. There has been a pattern of sabotage and attacks against Indian workers, especially road crews. On the Delram-Zaranj road alone, 11 Indian workers and 126 Afghan police and soldiers providing road security were killed, amounting to a toll of nearly 1 death per mile. The Indian consulate in Jalalabad has been compelled to keep a low profile and has had to curtail its development activities due to security concerns. India has blamed Pakistan's ISI and its Taliban partners for impeding Indian aid delivery and worse. For its part, Pakistan has accused India of using its consulates to gather intelligence and even provide assistance to Baluch insurgents—a charge that has not been independently verified. Close observers such as Pakistani journalist Ahmed Rashid have noted that the ISI has generated enormous misinformation on India's role in Afghanistan such as telling journalists that there were not two, but six Indian consulates along the border.

India's lack of participation in military operations with multinational forces seems to have helped it retain its image as a friendly country among Afghans. For the time being,

the Indian government is maintaining its present course of minimal presence of security forces despite provocations such as the bombing of the Indian embassy.

The continuing activity of extremist groups on the Pakistan-Afghanistan border which has increasingly blended together so that al-Qaeda, militant Afghan and Pakistani Taliban, and groups like Lashkar e Toiba end up working in tandem for a pan Islamist agenda, threaten the emergence of plural, tolerant political models—a threat to Afghanistan, India and the democratic regime in Pakistan. A three-way relationship between the democratic governments of these countries regarding Afghanistan needs to be cultivated; India's role in Afghanistan cannot be held hostage to Pakistan's short term military interests.

Regional stability is critical to India's growth, prosperity and rise as a major power; likewise, it is essential to Afghanistan's success as a post-conflict society. A crucial question then is: what will it take to convince the Pakistan military and its intelligence agencies that regional stability is in Pakistan's interest and to forego the temptation and habit to instigate proxy war and competition in a weak Afghanistan or to see Kashmir as a convenient target to contain India? Whatever incentive or disincentive structure that is put into place by the U.S. will have to answer this question head on.

II. Comparing Terrorism and Extremism in South Asia versus The Middle East

It is important not to conflate Islamist extremism in the Gulf and Middle East with extremism in South Asia. If extremism in the Gulf and Middle East is viewed as a bottom up phenomenon, it needs to be noted that in South Asia, it has been top down. Religious groups have traditionally been shut out of politics in the Middle East, thus leading to political mobilization and radical activity at the grass roots level. In Pakistan in contrast, religious parties have been favored political actors by the military, the country's most important continuous power broker. It is the mainstream secular Pakistan People's Party and Pakistan Muslim League that have traditionally borne the brunt of political exclusion and intimidation. So far, no democratically elected government in Pakistan has been allowed to complete its term, whereas military governments have held onto power for years at a time.

When genuinely free and fair elections have been held in Pakistan, religious parties tend to win no more than 5 percent of the votes. Religious parties like the Jamaat I Islami and Jamiat Ulema e Islami win disproportionate political influence only when there are special favors or electoral arrangements, made almost entirely by the military establishment to marshal support against the more popular mainstream parties. But once the religious groups gain political power, the entire political climate gets affected—with religious forces invariably gaining credibility. This chips away at the more tolerant and "secular" fabric of society, but through the back door. The rise of religion based extremist politics in Pakistan can be traced by and large to the permissive conditions provided for it by the Pakistani military's political ambitions, rather than any groundswell of popular demand. This is a critical distinction between South Asia and the Middle East.