

# U.S. Assistance to Pakistan

Testimony of Robert M. Hathaway \*\*  
December 6, 2007

## Executive Summary

- U.S. assistance to Pakistan since 2002 has been far too heavily weighted in favor of military assistance, without requiring or even expecting commensurate results in the struggle against extremism.
- We have made no effort to distinguish between military assistance useful for our common counterterrorism efforts, and aid with little or no connection to the war against al-Qaeda, nor made provision of the latter contingent upon cooperation in combating the extremists hiding in FATA and elsewhere in Pakistan.
- We have allowed a blanket justification of counterinsurgency to be used to rationalize assistance programs and arms sales with minimum or non-existent connection to that objective.
- America's seemingly open-ended largesse to the Pakistani military has encouraged the widespread belief in Pakistan that the United States sides with that country's dictators rather than its democrats. In this fashion, we have alienated potential friends and embittered those Pakistanis who share our values and our vision for their country.
- We have established economic and development programs that have frequently been unfocused, poorly conceived, or lacking in responsible oversight.
- We have required neither stringent accountability mechanisms for our aid, nor the sorts of performance benchmarks we routinely impose on other aid recipients.

General precepts for thinking about American assistance to Pakistan:

1. *American aid as a two-way bargain*

American assistance, to Pakistan as to all recipients, is not simply an act of altruism. The United States has every right to expect something in return for U.S. aid. Administration officials have never adequately explained why Washington should not require that vigorous U.S. support requires vigorous Pakistani support in return.

2. *Failure to balance US objectives*

The administration has allowed its understandable preoccupation with punishing those responsible for 9/11 to obscure other equally important priorities – combating domestic extremism within Pakistan, building strong political institutions, supporting constitutionalism and the rule of law, stopping the leakage of dangerous nuclear technology.

3. *Beware of a counterterrorism justification that justifies all.*

\*\* *The views expressed here and in my oral remarks are solely my own, and should not be seen as representing views of the Woodrow Wilson International Center for Scholars.*

The administration has justified virtually all U.S. assistance to Pakistan in terms of counterterrorism. To the extent that the Pakistani security apparatus has been employed since November 3 in rounding up lawyers, opposition politicians, journalists, and human rights activists, it is difficult to argue that unconditional backing for Pakistan's military supports the war against terrorism.

4. *Inaction conveys messages just as forcefully as action.*

Pakistanis will draw conclusions about Washington's position and preferences regardless of whether the White House or Congress endorses or condemns, issues tepid equivocations, or remains absolutely silent. Under these circumstances, it behooves us to stand with those who should be our natural friends in Pakistan.

5. *Be mindful of history, but not bullied by it.*

If the United States and Pakistan are to build a successful partnership for the long haul, the stripping away of the mythology behind this relationship – of which the narrative of American perfidy is a prime example -- must be a priority.

6. *Be sensitive to Pakistani political realities.*

It will be extremely difficult, if not impossible, to obtain Pakistani cooperation for any U.S. action that suggests American dictation. This is especially true in the field of counterterrorism.

7. *Be modest in our expectations.*

We should be very careful not to overestimate the amount of influence U.S. aid gives us. The United States has very little ability to force Musharraf – or any other Pakistani leader -- to act contrary to what he believes his interests are, or to compel Pakistan to do what it would not otherwise do. As an instrument of coercion, U.S. aid is an exceedingly blunt weapon.

8. *Build for the future.*

American assistance, if employed deftly, gives the United States tools with which to nudge Pakistan in desired directions. At a minimum, we can do a better job of laying the groundwork for a post-Musharraf U.S.-Pakistan partnership that would enjoy broad popular support in both countries. By supporting those Pakistanis whose values parallel our own, U.S. aid can help prepare the way for a more sustainable relationship in the long run.

Finally, Congress should insist upon a thorough review of U.S. assistance to Pakistan since 2001, including assistance funneled through the Department of Defense. This review ought to be conducted by a fully independent body, and not simply by the Department of State.

## **U.S. Assistance to Pakistan**

Testimony  
of  
Robert M. Hathaway  
Woodrow Wilson International Center for Scholars

before the  
U.S. Senate Committee on Foreign Relations

Subcommittee on International Development, Foreign Assistance,  
Economic Affairs, and International Environmental Protection

December 6, 2007

Pakistan's post-9/11 partnership with the United States has brought Islamabad diplomatic support, political protection, international legitimacy, and immense sums of aid. Yet, Pakistan is a huge disappointment to many Americans. In their eyes, there exists a gaping disconnect between the strong backing and abundant assistance Washington has provided Islamabad over the past half dozen years, and what the United States has received from Pakistan in return.

Notwithstanding the close official partnership between Washington and Islamabad that has developed since 2001, Pakistan today is a scary place for Americans. Polls suggest that it is one of the most anti-American countries in the world. Since 9/11, Islamist political parties harboring a vision for Pakistan that produces nightmares for Americans have achieved unprecedented prominence. Pakistan's Federally Administered Tribal Areas (FATA) along the Pakistan-Afghanistan border provide a safe haven for the al-Qaeda terrorists responsible for the September 11, 2001, attacks on the United States, as well as for Taliban insurgents battling U.S. and NATO forces in neighboring Afghanistan. Suicide bombings and wanton violence are increasingly common in the settled areas of Pakistan, provoking warnings of a "creeping Talibanization" of the country. Many informed analysts worry that Pakistan is in danger of becoming the center of global Islamic terrorism. Rather than close relations producing a Pakistan comfortable for Americans, the post-9/11 partnership between the two seems to have tied the United States to a Pakistan inimical to American interests and American values.

I appear before this committee today as a firm supporter of the U.S.-Pakistan partnership. I believe that American national interests require a cooperative and mutually supportive relationship with Pakistan. I salute the courage and leadership displayed by President Musharraf in the days after 9/11, when he aligned his country with the United States in the effort to punish those responsible for the horrific attacks on New York and Washington. And I am a strong advocate of a robust U.S. assistance program for Pakistan.

Indeed, it is for these very reasons that I am troubled by the nature of the American assistance program to Pakistan in recent years, and most especially by the failure of this program to bring the results we had hoped for.

- In my judgment, U.S. assistance to Pakistan since 2002 has been far too heavily weighted in favor of military assistance, without requiring or even expecting commensurate results in the struggle against extremism.
- We have made no effort to distinguish between military assistance useful for our common counterterrorism efforts, and aid with little or no connection to the war against al-Qaeda, nor made provision of the latter contingent upon cooperation in combating the extremists hiding in FATA and elsewhere in Pakistan.
- We have allowed a blanket justification of counterinsurgency to be used to rationalize assistance programs and arms sales with minimum or non-existent connection to that objective.
- We have largely ignored the impact that America's seemingly open-ended largesse to the Pakistani military has had in encouraging the widespread belief in Pakistan that the United States sides with that country's dictators rather than its democrats. In this fashion, we have alienated potential friends and embittered those Pakistanis who share our values and our vision for their country.
- We have established economic and development programs that have frequently been unfocused, poorly conceived, or lacking in responsible oversight.
- We have required neither stringent accountability mechanisms for our aid, nor the sorts of performance benchmarks we routinely impose on other aid recipients. Indeed, in our eagerness to solidify our post-9/11 partnership with Islamabad, it has sometimes seemed as if we were simply throwing money at Pakistan, without asking whether it was being used in ways that would promote American objectives.

But most troubling of all, we do not seem to have accomplished very much with the more than \$10 billion we have provided Pakistan since 2001.

- Clearly this assistance has not enabled the Pakistan military to eliminate the safe havens on Pakistani soil enjoyed by al-Qaeda and the Taliban.
- It has not prevented militants based in Pakistan from slipping across the border into Afghanistan and attacking American and NATO forces, as well as Afghan civilians loyal to President Karzai.
- It does not seem to have assisted in bringing internal stability to Pakistan.
- It manifestly has not promoted either democracy or a respect for human rights and the rule of law in Pakistan.
- It has not given us a Pakistani leadership prepared to do American bidding – though certainly this is not the intent of U.S. assistance, nor should we ever expect that U.S. aid will produce a compliant recipient government.
- While U.S. assistance has played a useful role in addressing the basic human needs of some Pakistanis, Pakistan's deficiencies in this area are so great that American aid has been little more than a drop in the bucket.

- And obviously, if the polls about anti-Americanism in Pakistan are to be believed, this \$10 billion has not won many friends for the United States.

And indeed, this \$10 billion figure that is customarily mentioned represents only part of the story. The size of the classified transfers from Washington to Islamabad can only be guessed at. Some analysts suggest covert payments may have exceeded \$10 billion, raising the total U.S. assistance package to Pakistan over the past six years to something approaching \$20 billion.

There is, fortunately, one significant exception to this otherwise discouraging record. Pakistanis of all political persuasions acknowledge the importance of U.S. aid in the immediate aftermath of the October 2005 Kashmir earthquake. Without a doubt, there are people alive today only because of the timeliness and generosity of the American response. More than two years later, Pakistanis still make a point of thanking Americans for their help in the days and weeks following the earthquake. The incident underscores the fact that aid can be effective, and thus serves to highlight the missed opportunities that characterize much of the rest of the U.S. assistance program to Pakistan since 2001.

Those who believe in the importance of the U.S. – Pakistan partnership, and all those concerned that taxpayer money be spent wisely, need to ask why, given the magnitude of American assistance to Pakistan over the past six years, and given the commitment and good intentions of countless hard-working American officials and their Pakistani colleagues, the U.S. assistance program has produced such indifferent results. There are, I believe, a number of explanations:

- First, the sheer size of the problem presented by Pakistan. With 160 or more million people and woefully low rankings on virtually all measures of human security, Pakistan presents monumental development challenges. Its political and educational institutions are similarly deficient. Patience and a long-term vision are absolutely essential when considering assistance to Pakistan. Progress is unlikely to come quickly, or cheaply.
- Also handicapping American assistance efforts was the absence of a U.S. aid infrastructure in Pakistan, because of the termination of virtually all U.S. assistance programs in Pakistan in the 1990s as a result of the Pressler amendment.
- Washington's preoccupation with the war on terrorism, as the United States has defined that war, has given the U.S. Department of Defense an insurmountable advantage in shaping the American aid program for Pakistan. This has ensured that the bulk of U.S. assistance would be military in nature, and would be directed toward the Pakistani military. As important as the security dimension of our relationship with Pakistan is, this heavily military tint to U.S. aid has served to limit its long-term effectiveness.
- The U.S. aid effort in Pakistan has also been skewed by the ease of working with the Pakistani military, in some respects the only functioning institution in

Pakistan. This too has encouraged an approach in Washington that gives precedence to the security component of the relationship.

- And finally, the political reality in Washington is that it is infinitely easier for the Pentagon to secure congressional approval for large sums of money to be spent overseas than for the State Department and its aid arm. This is a political fact of life at any time, but the shock of 9/11 tilted the political balance in Washington even further toward the Pentagon.

Given the modest record of the American aid program in Pakistan in recent years, I am pleased that a review of the U.S. assistance program to Islamabad is now under way. However, I am troubled that Congress apparently intends that this review should be carried out primarily by the executive branch. I would suggest that the historical record of such reviews over the years raises questions whether a study conducted by the agencies, and perhaps even the same individuals, responsible for the program in the first place will meet the level of independence, thoroughness, and incisiveness Congress expects.

In addition, I am even more concerned by indications that monies funneled to Pakistan through the U.S. Department of Defense will fall outside the purview of this review. Inasmuch as the great majority of U.S. assistance to Pakistan in recent years has come from the Pentagon – most notably, Coalition Support Funds (CSF) – I cannot conceive of any serious review that ignores DoD funding. I recognize that CSF is not customarily considered foreign assistance, but is ostensibly to reimburse the Pakistani military for expenses incurred in the joint fight against terrorists. But accounting procedures for these transfers appear so lax that it is impossible to say with any confidence how much of the CSF spigot actually reimburses Pakistan for counterterrorism operations. I would urge this committee, Mr. Chairman, perhaps working with other Senate committees, to provide for a thorough-going review of all U.S. aid and other transfers to Pakistan since 2001 by a fully independent body.

## **U.S. Assistance and the Political Crisis in Pakistan**

Since the imposition of emergency rule in Pakistan last month, Washington has seen considerable discussion concerning how the United States should react to this unfortunate development. Some of this discussion has featured calls for the suspension of some or all of the U.S. assistance program to Pakistan. Other analyses have viewed the declaration of emergency rule as a further indication that U.S. policy in Pakistan has failed, and called for a rethinking of the entire U.S. aid program. With this as the context, I offer a handful of general observations that ought to guide U.S. decision makers in thinking about American assistance, both between now and the Pakistani parliamentary elections announced for January 8, 2008, and beyond that point as well.

### *1. American aid as a two-way bargain*

Some analysts argue that since supporting Pakistan at this crucial time is so clearly in the U.S. interest, this should be sufficient justification for the Pakistan aid

program. We should not, so this argument goes, expect anything specific from Pakistan in return.

I reject this argument. American assistance, to Pakistan as to all recipients, should be thought of as a two-way bargain, not simply an act of altruism. The United States has every right to expect something in return for U.S. aid. It is not unreasonable, for instance, to demand that U.S. assistance be spent and managed efficiently, honestly, and only for the purposes for which it is intended. It is not unreasonable to insist that U.S. aid not be used to undermine other important U.S. objectives. These expectations apply to all recipients of American assistance.

In the case of Pakistan, administration officials have never adequately explained why Washington should not expect that vigorous U.S. support requires vigorous Pakistani support in return. At no point, so far as I know, has a senior American official made the commonsense observation that a Pakistani failure to live up to its commitments in our joint enterprise will lessen U.S. obligations in this mutual partnership. Nor has the administration ever spelled out at what point Pakistani misbehavior would cause Washington to rethink the virtues of the blank check. It is little wonder, then, that the results of America's support for Pakistan have been so meager.

## 2. *Failure to balance US objectives*

The United States has a long history of failing to calibrate its objectives for Pakistan in a balanced fashion. The national priorities of the two countries have seldom lined up precisely, although neither has been eager to draw attention to this disconnect. In the early decades of the Cold War, Washington allowed its desire for a staunch anti-communist ally in South Asia to blind it to the fact that for Pakistan, India was the real enemy. As a consequence, American officialdom was also largely oblivious to the impact its military assistance to Islamabad was having in New Delhi – a shortsightedness that greatly handicapped America's relations with the region's largest power.

Following Moscow's invasion of Afghanistan in 1979, U.S. policy makers eager to arm Afghan opponents of the Soviet occupiers paid scant attention to the extremist views of the Afghan jihadis their Pakistani friends were recruiting with CIA funds. Many of those whom we are fighting today first honed their insurgent skills with American guns and monies.

In the aftermath of the September 11<sup>th</sup> horror, the administration has allowed its understandable preoccupation with punishing those responsible for the attacks to obscure other equally important priorities – combating domestic extremism within Pakistan, building strong political institutions, supporting constitutionalism and the rule of law, stopping the leakage of dangerous nuclear technology. This, too, has skewed the overall U.S. assistance program to Pakistan by channeling the overwhelming preponderance of U.S. assistance to institutions and personnel who are frequently least sympathetic to the progressive, moderate Pakistan we wish to see established.

3. *Beware of a counterterrorism justification that justifies all.*

A senior administration official in the immediate aftermath of Musharraf's November 3 imposition of emergency rule stated that while all U.S. aid to Pakistan would be reviewed, Washington would be "mindful not to do anything that would undermine ongoing counterterrorism efforts." Such a declaration would seem to make eminently good sense -- were it not for the fact that the administration has tended to explain and defend virtually all U.S. assistance to Pakistan in terms of counterterrorism. One wonders whether Musharraf did not read this official's remarks to mean that he could safely ignore calls from the administration to restore constitutional rule.

Of course we must avoid any action that disrupts military operations against our enemies. But to the extent that the Pakistani security apparatus has been employed since November 3 in rounding up lawyers, opposition politicians, journalists, and human rights activists -- people who should be America's natural allies and best friends -- it is difficult to argue that unqualified backing for Pakistan's military supports the war against terrorism.

4. *U.S. inaction conveys messages just as forcefully as action.*

Well-intentioned persons will warn against appearing to meddle in Pakistani affairs by threatening to suspend, pare, reprogram, or otherwise alter the U.S. assistance package at a sensitive moment in Pakistan's political life. Given the present unpopularity of the United States in Pakistan, this is not advice to be dismissed. But it ignores the reality of American power.

In fact, U.S. influence in Pakistan is so pervasive that silence or inaction on Washington's part constitutes meddling just as much as blustery rhetoric or coercive legislation. Pakistanis will draw conclusions about Washington's position and preferences regardless of whether the White House or Congress endorses or condemns, issues tepid equivocations, or remains absolutely silent. These conclusions will not simply influence the actions of Pakistan's central actors. They will also further the perception in Pakistan that the United States is trying to manipulate political events in that country.

In other words, given America's power and influence, it is literally impossible to avoid meddling, even if that is Washington's intent. Counsel to stay out of affairs we do not fully understand, no matter how wise in theory, does not provide adequate guidance to policy makers.

Under these circumstances, it behooves us to stand with those who should be our natural friends in Pakistan -- small "d" democrats, human rights activists, civil society, the media, and the lawyers who have led the protests against the government's attack on judicial independence. Doing so not only supports our values, it also helps lay the groundwork for an enduring U.S. -- Pakistan partnership once, as is inevitable, Musharraf passes from the scene. And -- although this is not guaranteed -- it may also help garner



public support in Pakistan for a serious fight against extremism. Congressional actions taken, or not taken, with respect to the aid program in Pakistan either before the January 8 polling or after that election should reflect an awareness that Washington's every step will be closely scrutinized in Pakistan. Congress should not hesitate to act, if action becomes appropriate, for fear of appearing to manipulate or meddle in Pakistani events.

5. *Be mindful of history, but not bullied by it.*

Administration officials are rightly sensitive to the widespread perception in Pakistan that the United States is an unreliable ally, that Washington uses Pakistan for its own purposes and then walks away, and therefore that Pakistani decision makers ought not put all their eggs into the American basket. This at times has produced an American approach that subordinates contentious issues for fear of exacerbating Pakistani distrust or apprehensions of abandonment.

This narrative of American "betrayal" – widely endorsed in the United States as well as in Pakistan – points to the termination of most U.S. assistance to Pakistan in 1990 (pursuant to the Pressler amendment) as a result of Pakistan's nuclear weapons program as exhibit number one. It is something of a mystery why this historical memory emphasizes only the American half of the "betrayal," while ignoring the fact that Pakistan repeatedly lied to the United States about its nuclear activities over a period of many years, even though Islamabad knew full well that U.S. law required invocation of the Pressler amendment unless Washington could certify that Pakistan's nuclear program was exclusively peaceful in nature.

If the United States and Pakistan are to build a successful partnership for the long haul, the stripping away of the mythology behind this relationship – of which this narrative of American perfidy is a prime example -- must be a priority. In considering possible action on the U.S. aid program to Pakistan, American policy makers must take Pakistani sensibilities into account. But U.S. officials should not be cowed by a distorted mythology of American betrayal.

6. *Be sensitive to Pakistani political realities.*

American officials must accept the fact that both the Musharraf government and any likely successor government will be constrained in what it feels able to do by Pakistani public opinion. While Musharraf is sometimes viewed as a military dictator, in fact his freedom of action is determined in part by what he believes the public will tolerate. And one factor in his current low standing among the Pakistan public today – though by no means the only one – is the widespread perception that he has sacrificed Pakistani interests in order to cozy up to the Americans. "Busharraf" is a widely used term of derision for the Pakistani president.

Under these circumstances, it will be extremely difficult, if not impossible, to obtain Pakistani cooperation for any U.S. action that suggests American dictation. And this is undoubtedly how many Pakistanis would interpret any effort to create benchmarks

or impose conditions on future U.S. assistance. This is not an argument against congressional action of this sort; under many circumstances, such action may make eminent good sense. But American decision makers should not move in this direction without being mindful of the probable reaction in Pakistan.

This warning against actions that might be perceived as American bullying or coercion will be equally valid for any government that may be formed following next month's elections, and especially should that government be headed by Benazir Bhutto, who already seems to have lost support in Pakistan because of the perception that she is America's preferred candidate.

Such cautions against the perception of American dictation pertain particularly to counterterrorism. The war in Afghanistan, so utterly justified in American eyes, is hugely unpopular among Pakistanis. Expecting Pakistanis to demonstrate their gratitude for American assistance by working closely with the United States against Taliban and al-Qaeda fighters in FATA or elsewhere in Pakistan is to court disappointment.

7. *Be modest in our expectations.*

We should be very careful not to overestimate the amount of influence over Pakistan U.S. aid gives us. Many Americans assume, without much reflection or analysis, that Washington's lavish aid to Islamabad affords the United States immense political leverage over Pakistan. Other analysts point to America's vastly superior strength vis-à-vis Pakistan as the source for this supposed leverage. In either case, so the argument goes, the United States should be able to use this leverage to persuade, entice, or coerce Pakistan into a more effective counterterrorism partnership and/or a more democratic political system.

It is, however, no easy matter to translate great power into influence. Members of this committee will surely recall that neither the threat (in the 1980s) nor the imposition (in the 1990s) of U.S. sanctions terminating American assistance was sufficient to persuade Islamabad to toe the American line on its nuclear program. The difficulty of leveraging even a huge aid program into political clout was once again illustrated last month by the administration's inability to dissuade President Musharraf from declaring emergency rule.

In reality, the United States has very little ability to force Musharraf – or any other Pakistani leader -- to act contrary to what he believes his interests are, or to compel Pakistan to do what it would not otherwise do. While American assistance serves a variety of U.S. interests, its utility as leverage is highly overvalued. As an instrument of coercion, U.S. aid is an exceedingly blunt weapon.

Unfortunately, the administration has gone to the other extreme, and in essence given Pakistan a free hand, no matter how half-hearted or incomplete its collaboration with the United States. Not only has this approach eliminated whatever modest leverage our aid program might have given us. In the eyes of many Pakistanis, it has also placed

the United States on the wrong side in Pakistan's domestic political struggle for a more democratic government.

8. *Build for the future.*

In fact, American assistance, if employed deftly, can give the United States tools with which to nudge Pakistan in desired directions. The U.S. Congress could lay out political or economic benchmarks in return for the continuation of certain forms of U.S. assistance, especially that unrelated to the battle against extremism or designed to meet basic human needs. Assistance to meet basic human needs, such as medical care, clean water, and schools, should in my judgment never be held hostage to the performance of a particular Pakistani government; it constitutes one of the most tangible signs of a U.S. commitment to a long-term partnership with the Pakistani people.

What of using the American aid program now either to punish Musharraf for his declaration of emergency rule, or to pressure him to open up the system and permit genuinely free and fair elections in the near future? In truth, the likelihood of successfully pushing Musharraf to embrace the sorts of democratic reforms that might well end his hold on power is not very great.

Nonetheless, actions that bear no fruit in the near-term may produce significant results in the longer-term. Ronald Reagan's denunciations of the "evil empire" did not cause the Soviet Union to collapse, but his words inspired hope and courage throughout the former Soviet bloc, and won countless friends for the United States.

And so it might be in Pakistan. At a minimum – and perhaps this is the most that one can reasonably expect – we might do a better job of laying the groundwork for a post-Musharraf U.S.-Pakistan partnership that would enjoy broad popular support in both countries. Using the U.S. assistance program as a form of coercion may not bring short-term gains. But by speaking out on behalf of what we call American values, and by supporting those Pakistanis whose values parallel our own, U.S. aid may help prepare the way for a more sustainable relationship in the long run.

### **Musharraf is not Pakistan**

Pakistanis are fond of saying that events in their country are determined by the three A's: Allah, the army, and America. Though frequently uttered in jest, the adage also captures an underlying fatalism and willingness to avoid blame that is endemic to Pakistan. Only Pakistanis can write the history of their country. Only Pakistanis can determine whether Musharraf's avowed goal of a moderate, progressive Pakistan will be achieved.

But as they take up this task in the months and years ahead, the United States owes it to its Pakistani friends to remember that support for a particular Pakistani leader is not the same as supporting Pakistan.

###